

**SUBSTITUTE FOR
SENATE BILL NO. 134**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 15, 18,
18a, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22i, 23a, 24, 24a,
24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41,
43, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a,
98, 99, 99h, 102, 104, 104b, 104c, 107, 147, 147a, 147c, 152a, 163,
201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 225, 226, 229a,
230, 236, 236a, 236b, 236c, 241, 244, 246, 252, 254, 255, 258, 263,
263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279,
280, and 281 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a,
388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1615, 388.1618,
388.1618a, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f,
388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622i, 388.1623a,

388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1643, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1664b, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699, 388.1699h, 388.1702, 388.1704, 388.1704b, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1763, 388.1801, 388.1801a, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1817, 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1844, 388.1846, 388.1852, 388.1854, 388.1855, 388.1858, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, and 388.1881), sections 6, 8b, 11a, 11j, 11k, 15, 20, 20d, 20f, 20g, 21f, 22d, 22f, 22i, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 104, 104b, 107, 147, 147a, 152a, 163, 201a, 206, 209, 210b, 217, 225, 229a, 230, 236a, 236b, 236c, 241, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, and 281 as amended and sections 11r, 43, 64b, 95a, 104c, 207a, 207b, and 207c as added by 2014 PA 196, sections 11, 11m, 18, 22a, 22b, 51a, 51c, 147c, 201, and 236 as amended by 2015 PA 5, section 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, sections 102, 244, and 258 as amended by 2013 PA 60, and sections 226, 254, and 255 as amended by 2012 PA 201, and by adding sections 31h, 35, 35a, 35b, 35d, 35e, 35f, 55, 61b, 67, 77, 99c, 102a, 102b,

102c, 102d, 104d, 210c, 210d, 215, and 230a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

23 (3) "District and high school graduation report" means a
24 report of the number of pupils, excluding adult **EDUCATION**

1 participants, in the district for the immediately preceding school
2 year, adjusted for those pupils who have transferred into or out of
3 the district or high school, who leave high school with a diploma
4 or other credential of equal status.

5 (4) "Membership", except as otherwise provided in this
6 article, means for a district, a public school academy, the
7 education achievement system, or an intermediate district the sum
8 of the product of ~~.90~~.85 times the number of full-time equated
9 pupils in grades K to 12 actually enrolled and in regular daily
10 attendance on the pupil membership count day for the current school
11 year, plus the product of ~~.10~~.15 times the final audited count
12 from the supplemental count day for the ~~current~~**IMMEDIATELY**
13 **PRECEDING** school year. A district's, public school academy's, or
14 intermediate district's membership shall be adjusted as provided
15 under section 25e for pupils who enroll in the district, public
16 school academy, or intermediate district after the pupil membership
17 count day. All pupil counts used in this subsection are as
18 determined by the department and calculated by adding the number of
19 pupils registered for attendance plus pupils received by transfer
20 and minus pupils lost as defined by rules promulgated by the
21 superintendent, and as corrected by a subsequent department audit.
22 For the purposes of this section and section 6a, for a school of
23 excellence that is a cyber school, as defined in section 551 of the
24 revised school code, MCL 380.551, and is in compliance with section
25 553a of the revised school code, MCL 380.553a, a pupil's
26 participation, **AS DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH**
27 **THE PUPIL ACCOUNTING MANUAL**, in the cyber school's educational

1 program is considered regular daily attendance; for the education
2 achievement system, a pupil's participation, **AS DETERMINED BY THE**
3 **DEPARTMENT IN ACCORDANCE WITH THE PUPIL ACCOUNTING MANUAL**, in an
4 online educational program of the education achievement system or
5 of an achievement school is considered regular daily attendance;
6 and for a district a pupil's participation in an online course as
7 defined in section 21f is considered regular daily attendance. The
8 amount of the foundation allowance for a pupil in membership is
9 determined under section 20. In making the calculation of
10 membership, all of the following, as applicable, apply to
11 determining the membership of a district, a public school academy,
12 the education achievement system, or an intermediate district:

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

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

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

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

10 (e) A pupil enrolled in the Michigan schools for the deaf and
11 blind shall be counted in membership in the pupil's intermediate
12 district of residence.

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

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

21 (h) A pupil enrolled in an achievement school shall be counted
22 in membership in the education achievement system.

23 (i) For a new district or public school academy beginning its
24 operation after December 31, 1994, or for the education achievement
25 system or an achievement school, membership for the first 2 full or
26 partial fiscal years of operation shall be determined as follows:

27 (i) If operations begin before the pupil membership count day

1 for the fiscal year, membership is the average number of full-time
2 equated pupils in grades K to 12 actually enrolled and in regular
3 daily attendance on the pupil membership count day for the current
4 school year and on the supplemental count day for the current
5 school year, as determined by the department and calculated by
6 adding the number of pupils registered for attendance on the pupil
7 membership count day plus pupils received by transfer and minus
8 pupils lost as defined by rules promulgated by the superintendent,
9 and as corrected by a subsequent department audit, plus the final
10 audited count from the supplemental count day for the current
11 school year, and dividing that sum by 2.

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

18 (j) If a district is the authorizing body for a public school
19 academy, then, in the first school year in which pupils are counted
20 in membership on the pupil membership count day in the public
21 school academy, the determination of the district's membership
22 shall exclude from the district's pupil count for the immediately
23 preceding supplemental count day any pupils who are counted in the
24 public school academy on that first pupil membership count day who
25 were also counted in the district on the immediately preceding
26 supplemental count day.

27 (k) In a district, a public school academy, the education

1 achievement system, or an intermediate district operating an
2 extended school year program approved by the superintendent, a
3 pupil enrolled, but not scheduled to be in regular daily attendance
4 on a pupil membership count day, shall be counted.

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

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

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

18 (A) Is enrolled in a public school academy or an alternative
19 education high school diploma program, that is primarily focused on
20 educating homeless pupils.

21 (B) Had dropped out of school for more than 1 year and has re-
22 entered school.

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

25 (D) **IS CONSIDERED TO BE HOMELESS UNDER 42 USC 11302.**

26 (iii) If a child does not meet the minimum age requirement to
27 be eligible to attend school for that school year under section

1 1147 of the revised school code, MCL 380.1147, but will be 5 years
2 of age not later than December 1 of that school year, the district
3 may count the child in membership for that school year if the
4 parent or legal guardian has notified the district in writing that
5 he or she intends to enroll the child in kindergarten for that
6 school year.

7 (m) An individual who has obtained a high school diploma shall
8 not be counted in membership. An individual who has obtained a
9 general educational development (G.E.D.) certificate shall not be
10 counted in membership unless the individual is a ~~pupil~~**STUDENT** with
11 a disability as defined in R 340.1702 of the Michigan
12 administrative code. An individual participating in a job training
13 program funded under former section 107a or a jobs program funded
14 under former section 107b, administered by the Michigan strategic
15 fund, or participating in any successor of either of those 2
16 programs, shall not be counted in membership.

17 (n) If a pupil counted in membership in a public school
18 academy or the education achievement system is also educated by a
19 district or intermediate district as part of a cooperative
20 education program, the pupil shall be counted in membership only in
21 the public school academy or the education achievement system
22 unless a written agreement signed by all parties designates the
23 party or parties in which the pupil shall be counted in membership,
24 and the instructional time scheduled for the pupil in the district
25 or intermediate district shall be included in the full-time equated
26 membership determination under subdivision (q) **AND SECTION 101**.
27 However, for pupils receiving instruction in both a public school

1 academy or the education achievement system and in a district or
2 intermediate district but not as a part of a cooperative education
3 program, the following apply:

4 (i) If the public school academy or the education achievement
5 system provides instruction for at least 1/2 of the class hours
6 ~~specified in subdivision (q),~~ **REQUIRED UNDER SECTION 101**, the
7 public school academy or the education achievement system shall
8 receive as its prorated share of the full-time equated membership
9 for each of those pupils an amount equal to 1 times the product of
10 the hours of instruction the public school academy or the education
11 achievement system provides divided by the number of hours
12 ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for full-
13 time equivalency, and the remainder of the full-time membership for
14 each of those pupils shall be allocated to the district or
15 intermediate district providing the remainder of the hours of
16 instruction.

17 (ii) If the public school academy or the education achievement
18 system provides instruction for less than 1/2 of the class hours
19 ~~specified in subdivision (q),~~ **REQUIRED UNDER SECTION 101**, the
20 district or intermediate district providing the remainder of the
21 hours of instruction shall receive as its prorated share of the
22 full-time equated membership for each of those pupils an amount
23 equal to 1 times the product of the hours of instruction the
24 district or intermediate district provides divided by the number of
25 hours ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for
26 full-time equivalency, and the remainder of the full-time
27 membership for each of those pupils shall be allocated to the

1 public school academy or the education achievement system.

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

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

9 (q) The number of class hours used to calculate full-time
10 equated memberships shall be consistent with section ~~101(3)~~. **101.**
11 In determining full-time equated memberships for pupils who are
12 enrolled in a postsecondary institution, a pupil shall not be
13 considered to be less than a full-time equated pupil solely because
14 of the effect of his or her postsecondary enrollment, including
15 necessary travel time, on the number of class hours provided by the
16 district to the pupil.

17 (r) ~~Beginning in 2012-2013, full-time~~ **FULL-TIME** equated
18 memberships for pupils in kindergarten shall be determined by
19 dividing the number of instructional hours scheduled and provided
20 per year per kindergarten pupil by the same number used for
21 determining full-time equated memberships for pupils in grades 1 to
22 12. However, to the extent allowable under federal law, for a
23 district or public school academy that provides evidence
24 satisfactory to the department that it used federal title I money
25 in the 2 immediately preceding school fiscal years to fund full-
26 time kindergarten, full-time equated memberships for pupils in
27 kindergarten shall be determined by dividing the number of class

1 hours scheduled and provided per year per kindergarten pupil by a
2 number equal to 1/2 the number used for determining full-time
3 equated memberships for pupils in grades 1 to 12. The change in the
4 counting of full-time equated memberships for pupils in
5 kindergarten that took effect for 2012-2013 is not a mandate.

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

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

25 (u) If, as a result of a disciplinary action, a district
26 determines through the district's alternative or disciplinary
27 education program that the best instructional placement for a pupil

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

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

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

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

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

25 (v) If a pupil was enrolled in a public school academy on the
26 pupil membership count day, if the public school academy's contract
27 with its authorizing body is revoked or the public school academy

1 otherwise ceases to operate, and if the pupil enrolls in a district
2 or the education achievement system within 45 days after the pupil
3 membership count day, the department shall adjust the district's or
4 the education achievement system's pupil count for the pupil
5 membership count day to include the pupil in the count.

6 (w) For a public school academy that has been in operation for
7 at least 2 years and that suspended operations for at least 1
8 semester and is resuming operations, membership is the sum of the
9 product of ~~.90~~.85 times the number of full-time equated pupils in
10 grades K to 12 actually enrolled and in regular daily attendance on
11 the first pupil membership count day or supplemental count day,
12 whichever is first, occurring after operations resume, plus the
13 product of ~~.10~~.15 times the final audited count from the most
14 recent pupil membership count day or supplemental count day that
15 occurred before suspending operations, as determined by the
16 superintendent.

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

1 include the square mileage of both districts in determining the
2 number of pupils per square mile for each of the districts for the
3 purposes of this subdivision. The membership figure calculated
4 under this subdivision is the greater of the following:

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

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

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

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

27 (aa) For the first year in which a pupil is counted in

1 membership on the pupil membership count day in a middle college
2 program, the membership is the average of the full-time equated
3 membership on the pupil membership count day and on the
4 supplemental count day for the current school year, as determined
5 by the department. **IF A PUPIL DESCRIBED IN THIS SUBDIVISION WAS
6 COUNTED IN MEMBERSHIP BY THE OPERATING DISTRICT ON THE IMMEDIATELY
7 PRECEDING SUPPLEMENTAL COUNT DAY, THE PUPIL SHALL BE EXCLUDED FROM
8 THE DISTRICT'S IMMEDIATELY PRECEDING SUPPLEMENTAL COUNT FOR THE
9 PURPOSES OF DETERMINING THE DISTRICT'S MEMBERSHIP.**

10 (bb) A district, a public school academy, or the education
11 achievement system that educates a pupil who attends a United
12 States Olympic ~~education center~~ **EDUCATION CENTER** may count the
13 pupil in membership regardless of whether or not the pupil is a
14 resident of this state.

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

19 (dd) For a pupil enrolled in a dropout recovery program that
20 meets the requirements of section 23a, the pupil shall be counted
21 as 1/12 of a full-time equated membership for each month that the
22 district operating the program reports that the pupil was enrolled
23 in the program and was in full attendance. However, if the special
24 membership counting provisions under this subdivision and the
25 operation of the other membership counting provisions under this
26 subsection result in a pupil being counted as more than 1.0 FTE in
27 a fiscal year, the payment made for the pupil under sections 22a

1 and 22b shall not be based on more than 1.0 FTE for that pupil, and
2 any portion of an FTE for that pupil that exceeds 1.0 shall instead
3 be paid under section 25f. The district operating the program shall
4 report to the center the number of pupils who were enrolled in the
5 program and were in full attendance for a month not later than the
6 tenth day of the next month. A district shall not report a pupil as
7 being in full attendance for a month unless both of the following
8 are met:

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

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

20 **(EE) A PUPIL ENROLLED IN AN ONLINE COURSE UNDER SECTION 21F**
21 **SHALL BE COUNTED IN MEMBERSHIP IN THE PUPIL'S DISTRICT OF**
22 **RESIDENCE.**

23 **(FF) IF A PUBLIC SCHOOL ACADEMY THAT IS NOT IN ITS FIRST OR**
24 **SECOND YEAR OF OPERATION CLOSES AT THE END OF A SCHOOL YEAR AND**
25 **DOES NOT REOPEN FOR THE NEXT SCHOOL YEAR, THE DEPARTMENT SHALL**
26 **ADJUST THE MEMBERSHIP COUNT OF THE DISTRICT OR THE EDUCATION**
27 **ACHIEVEMENT SYSTEM IN WHICH A FORMER PUPIL OF THE PUBLIC SCHOOL**

1 ACADEMY ENROLLS AND IS IN REGULAR DAILY ATTENDANCE FOR THE NEXT
2 SCHOOL YEAR TO ENSURE THAT THE DISTRICT OR THE EDUCATION
3 ACHIEVEMENT SYSTEM RECEIVES THE SAME AMOUNT OF MEMBERSHIP AID FOR
4 THE PUPIL AS IF THE PUPIL WERE COUNTED IN THE DISTRICT OR THE
5 EDUCATION ACHIEVEMENT SYSTEM ON THE SUPPLEMENTAL COUNT DAY OF THE
6 PRECEDING SCHOOL YEAR.

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

9 (6) "Pupil" means a person in membership in a public school. A
10 district must have the approval of the pupil's district of
11 residence to count the pupil in membership, except approval by the
12 pupil's district of residence is not required for any of the
13 following:

14 (a) A nonpublic part-time pupil enrolled in grades 1 to 12 in
15 accordance with section 166b.

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

18 (c) A pupil enrolled in a public school academy or the
19 education achievement system.

20 (d) A pupil enrolled in a district other than the pupil's
21 district of residence under an intermediate district schools of
22 choice pilot program as described in section 91a or former section
23 91 if the intermediate district and its constituent districts have
24 been exempted from section 105.

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

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

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

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

24 (g) A pupil whose district of residence changed after the
25 pupil membership count day and before the supplemental count day
26 and who continues to be enrolled on the supplemental count day as a
27 nonresident in the district in which he or she was enrolled as a

1 resident on the pupil membership count day of the same school year.

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

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

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

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

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

12 (i) A pupil enrolled in the Michigan virtual school, for the
13 pupil's enrollment in the Michigan virtual school.

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

20 (k) An expelled pupil who has been denied reinstatement by the
21 expelling district and is reinstated by another school board under
22 section 1311 or 1311a of the revised school code, MCL 380.1311 and
23 380.1311a.

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

1 (m) A pupil enrolled in a district other than the pupil's
2 district of residence who attends a United States Olympic education
3 center. **EDUCATION CENTER.**

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

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

11 ~~—— (p) An online learning pupil enrolled in a district other than~~
12 ~~the pupil's district of residence as an eligible pupil under~~
13 ~~section 21f.~~

14 However, if a district educates pupils who reside in another
15 district and if the primary instructional site for those pupils is
16 established by the educating district after 2009-2010 and is
17 located within the boundaries of that other district, the educating
18 district must have the approval of that other district to count
19 those pupils in membership.

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

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

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

3 (i) Fourth Wednesday in July.

4 (ii) First Wednesday in October.

5 (iii) Second Wednesday in February.

6 (iv) Fourth Wednesday in April.

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

1 supplemental count day shall only be counted as 1.0 full-time
2 equated membership if the pupil resumed attendance in the district,
3 intermediate district, public school academy, or education
4 achievement system within 45 days after the pupil membership count
5 day or supplemental count day of that particular year. Pupils not
6 counted as 1.0 full-time equated membership due to an absence from
7 a class shall be counted as a prorated membership for the classes
8 the pupil attended. For purposes of this subsection, "class" means
9 a period of time in 1 day when pupils and a certificated teacher or
10 legally qualified substitute teacher are together and instruction
11 is taking place.

12 (9) "Rule" means a rule promulgated pursuant to the
13 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
14 24.328.

15 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
16 380.1852.

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

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

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

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

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

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

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

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

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

27 (20) "Total state aid" or "total state school aid" means the

1 total combined amount of all funds due to a district, intermediate
2 district, or other entity under all of the provisions of this
3 article.

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

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

26 **(3) FOR EACH SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL AND**
27 **IS AUTHORIZED UNDER PART 6E OF THE REVISED SCHOOL CODE, MCL 380.551**

1 TO 380.561, BY A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,
2 COMMUNITY COLLEGE OTHER THAN A FEDERAL TRIBALLY CONTROLLED
3 COMMUNITY COLLEGE, OR OTHER AUTHORIZING BODY THAT IS NOT EMPOWERED
4 TO AUTHORIZE A SCHOOL OF EXCELLENCE TO OPERATE STATEWIDE AND IS
5 ELIGIBLE TO RECEIVE FUNDING UNDER THIS ARTICLE, THE DEPARTMENT
6 SHALL ASSIGN A DISTRICT CODE THAT INCLUDES AS THE FIRST 2 DIGITS
7 THE COUNTY CODE IN WHICH THE AUTHORIZING BODY IS LOCATED.

8 Sec. 11. (1) For the fiscal year ending September 30, 2015,
9 there is appropriated for the public schools of this state and
10 certain other state purposes relating to education the sum of
11 ~~\$11,827,097,400.00~~ **\$11,812,947,400.00** from the state school aid
12 fund, the sum of \$18,000,000.00 from the MPSERS retirement
13 obligation reform reserve fund created under section 147b, and the
14 sum of \$33,700,000.00 from the general fund. **FOR THE FISCAL YEAR**
15 **ENDING SEPTEMBER 30, 2016, THERE IS APPROPRIATED FOR THE PUBLIC**
16 **SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO**
17 **EDUCATION THE SUM OF \$12,151,594,700.00 FROM THE STATE SCHOOL AID**
18 **FUND AND THE SUM OF \$41,700,000.00 FROM THE GENERAL FUND.** In
19 addition, all other available federal funds are appropriated **EACH**
20 **FISCAL YEAR** for the fiscal year ~~years~~ ending September 30, 2015 **AND**
21 **SEPTEMBER 30, 2016.**

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

27 (3) Any general fund allocations under this article that are

1 not expended by the end of the state fiscal year are transferred to
2 the school aid stabilization fund created under section 11a.

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

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

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

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

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

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

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

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

1 general fund.

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

15 (7) For ~~2014-2015,~~ **2015-2016**, in addition to the
16 appropriations in section 11, there is appropriated from the school
17 aid stabilization fund to the state school aid fund the amount
18 necessary to fully fund the allocations under this article.

19 Sec. 11j. From the appropriation in section 11, there is
20 allocated an amount not to exceed ~~\$126,000,000.00 for 2014-2015~~
21 **\$143,000,000.00 FOR 2015-2016** for payments to the school loan bond
22 redemption fund in the department of treasury on behalf of
23 districts and intermediate districts. Notwithstanding section 296
24 or any other provision of this act, funds allocated under this
25 section are not subject to proration and shall be paid in full.

26 Sec. 11k. For ~~2014-2015,~~ **2015-2016**, there is appropriated from
27 the general fund to the school loan revolving fund an amount equal

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

6 Sec. 11m. From the appropriation in section 11, there is
7 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
8 ~~\$3,000,000.00~~ **\$4,000,000.00** for fiscal year cash-flow borrowing
9 costs solely related to the state school aid fund established by
10 section 11 of article IX of the state constitution of 1963.

11 Sec. 11r. (1) From the appropriation in section 11, there is
12 allocated **FOR 2015-2016** an amount not to exceed ~~\$4,000,000.00~~
13 **\$8,935,900.00** to be deposited into the distressed districts
14 ~~emergency grant~~ **REHABILITATION** fund created under this section for
15 the purpose of funding grants under this section. **THESE FUNDS ARE**
16 **INTENDED TO SUPPORT THE REHABILITATION OF SCHOOL DISTRICTS**
17 **EXPERIENCING SEVERE ACADEMIC AND FINANCIAL STRESS IN ORDER TO**
18 **MITIGATE THE IMPACT ON STUDENT LEARNING.**

19 (2) The distressed districts ~~emergency grant~~ **REHABILITATION**
20 fund is created as a separate account within the state school aid
21 fund. The state treasurer may receive money or other assets from
22 any source for deposit into the distressed districts ~~emergency~~
23 ~~grant~~ **REHABILITATION** fund. The state treasurer shall direct the
24 investment of the distressed districts ~~emergency grant~~
25 **REHABILITATION** fund and shall credit to the distressed districts
26 ~~emergency grant~~ **REHABILITATION** fund interest and earnings from the
27 fund.

1 ~~—— (3) Subject to subsection (4), a district is eligible to~~
2 ~~receive a grant from the distressed districts emergency grant fund~~
3 ~~if either of the following applies:~~

4 ~~—— (a) The district has adopted a resolution authorizing the~~
5 ~~voluntary dissolution of the district approved by the state~~
6 ~~treasurer under section 12 of the revised school code, MCL 380.12,~~
7 ~~but the dissolution has not yet taken effect under that section.~~

8 ~~—— (b) The district is a receiving district under section 12 of~~
9 ~~the revised school code, MCL 380.12, and the district enrolls~~
10 ~~pupils who were previously enrolled in a district that was~~
11 ~~dissolved under section 12 of the revised school code, MCL 380.12,~~
12 ~~in the immediately preceding school year.~~

13 ~~—— (4) A district receiving funds under section 20g is not~~
14 ~~eligible to receive funds under this section.~~

15 ~~—— (5) The amount of a grant under this section shall be~~
16 ~~determined by the state treasurer after consultation with the~~
17 ~~superintendent of public instruction, but shall not exceed the~~
18 ~~estimated amount of remaining district costs in excess of available~~
19 ~~revenues, including, but not limited to, payroll, benefits,~~
20 ~~retirement system contributions, pupil transportation, food~~
21 ~~services, special education, building security, and other costs~~
22 ~~necessary to allow the district to operate schools directly and~~
23 ~~provide public education services until the end of the current~~
24 ~~school fiscal year. For a district that meets the eligibility~~
25 ~~criteria under subsection (3) (b), the amount of the grant shall be~~
26 ~~determined in the same manner as transition costs under section~~
27 ~~20g.~~

1 (3) ~~(6)~~—Before disbursing funds under this section, the state
2 treasurer shall notify the house and senate appropriations
3 subcommittees on school aid and the house and senate fiscal
4 agencies. The notification shall include, but not be limited to,
5 the district receiving funds under this section, the amount of the
6 funds awarded under this section, an explanation of the district
7 conditions that necessitate funding under this section, and the
8 intended use of funds disbursed under this section.

9 (4) ~~(7)~~—Money in the distressed districts ~~emergency grant~~
10 **REHABILITATION** fund at the close of a fiscal year shall remain in
11 the distressed districts ~~emergency grant~~ **REHABILITATION** fund and
12 shall not lapse to the state school aid fund or to the general
13 fund.

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

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

10 (2) If the result of an audit conducted by or for the
11 department affects the current fiscal year membership, affected
12 payments shall be adjusted in the current fiscal year. A deduction
13 due to an adjustment made as a result of an audit conducted by or
14 for the department, or as a result of information obtained by the
15 department from the district, an intermediate district, the
16 department of treasury, or the office of auditor general, shall be
17 deducted from the district's apportionments when the adjustment is
18 finalized. At the request of the district and upon the district
19 presenting evidence satisfactory to the department of the hardship,
20 the department may grant up to an additional 4 years for the
21 adjustment and may advance payments to the district otherwise
22 authorized under this article if the district would otherwise
23 experience a significant hardship in satisfying its financial
24 obligations.

25 (3) If, based on an audit by the department or the
26 department's designee or because of new or updated information
27 received by the department, the department determines that the

1 amount paid to a district or intermediate district under this
2 article for the current fiscal year or a prior fiscal year was
3 incorrect, the department shall make the appropriate deduction or
4 payment in the district's or intermediate district's allocation in
5 the next apportionment after the adjustment is finalized. The
6 deduction or payment shall be calculated according to the law in
7 effect in the fiscal year in which the incorrect amount was paid.
8 If the district does not receive an allocation for the fiscal year
9 or if the allocation is not sufficient to pay the amount of any
10 deduction, the amount of any deduction otherwise applicable shall
11 be satisfied from the proceeds of a loan to the district under the
12 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942,
13 or from the proceeds of millage levied or pledged under section
14 1211 of the revised school code, MCL 380.1211, as determined by the
15 department.

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

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

24 (6) In addition to funds appropriated in section 11 for all
25 programs and services, there is appropriated for ~~2014-2015-2015-~~
26 ~~2016~~ for obligations in excess of applicable appropriations an
27 amount equal to the collection of overpayments, but not to exceed

1 amounts available from overpayments.

2 Sec. 18. (1) Except as provided in another section of this
3 article, each district or other entity shall apply the money
4 received by the district or entity under this article to salaries
5 and other compensation of teachers and other employees, tuition,
6 transportation, lighting, heating, ventilation, water service, the
7 purchase of textbooks, other supplies, and any other school
8 operating expenditures defined in section 7. However, not more than
9 20% of the total amount received by a district under sections 22a
10 and 22b or received by an intermediate district under section 81
11 may be transferred by the board to either the capital projects fund
12 or to the debt retirement fund for debt service. The money shall
13 not be applied or taken for a purpose other than as provided in
14 this section. The department shall determine the reasonableness of
15 expenditures and may withhold from a recipient of funds under this
16 article the apportionment otherwise due upon a violation by the
17 recipient.

18 (2) **A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AN ANNUAL**
19 **BUDGET IN A MANNER THAT COMPLIES WITH THE UNIFORM BUDGETING AND**
20 **ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A.** Within 15 days
21 after a board adopts its annual operating budget for the following
22 school fiscal year, or after a board adopts a subsequent revision
23 to that budget, the district shall make all of the following
24 available through a link on its website ~~home page,~~ **HOME PAGE**, or may
25 make the information available through a link on its intermediate
26 district's website ~~home page,~~ **HOME PAGE**, in a form and manner
27 prescribed by the department:

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

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

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

9 (A) Salaries and wages.

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

13 (C) Retirement benefit costs.

14 (D) All other personnel costs.

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

17 (A) Instruction.

18 (B) Support services.

19 (C) Business and administration.

20 (D) Operations and maintenance.

21 (c) Links to all of the following:

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

24 (ii) Each health care benefits plan, including, but not
25 limited to, medical, dental, vision, disability, long-term care, or
26 any other type of benefits that would constitute health care
27 services, offered to any bargaining unit or employee in the

1 district.

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

4 (iv) The bids required under section 5 of the public employee
5 health benefits act, 2007 PA 106, MCL 124.75.

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

8 (vi) The district's written policy establishing specific
9 categories of reimbursable expenses, as described in section
10 1254(2) of the revised school code, MCL 380.1254.

11 (vii) Either the district's accounts payable check register
12 for the most recent school fiscal year or a statement of the total
13 amount of expenses incurred by board members or employees of the
14 district that were reimbursed by the district for the most recent
15 school fiscal year.

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

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

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

24 (g) Any deficit elimination plan or enhanced deficit
25 elimination plan the district was required to submit under this
26 article.

27 (h) Identification of all credit cards maintained by the

1 district as district credit cards, the identity of all individuals
2 authorized to use each of those credit cards, the credit limit on
3 each credit card, and the dollar limit, if any, for each
4 individual's authorized use of the credit card.

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

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

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

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

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

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

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

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

24 (e) All of the following shall be done not later than ~~November~~
25 ~~15, 2014 for reporting 2013-2014 data during 2014-2015, and not~~
26 ~~later than~~ November 1 **EACH YEAR** for reporting the prior fiscal year
27 data: ~~for all subsequent fiscal years.~~

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

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

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

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

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

20 (5) By ~~November 15, 2014 for 2014-2015 and by November 1 for~~
21 ~~all subsequent fiscal years,~~ **EACH YEAR**, each district and
22 intermediate district shall submit to the center, in a manner
23 prescribed by the center, annual comprehensive financial data
24 consistent with accounting manuals and charts of accounts approved
25 and published by the department. For an intermediate district, the
26 report shall also contain the website address where the department
27 can access the report required under section 620 of the revised

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

14 (6) By September 30 of each year, each district and
15 intermediate district shall file with the department the special
16 education actual cost report, known as "SE-4096", on a form and in
17 the manner prescribed by the department.

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

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

25 (9) If a district that is a public school academy purchases
26 property using money received under this article, the public school
27 academy shall retain ownership of the property unless the public

1 school academy sells the property at fair market value.

2 (10) If a district or intermediate district does not comply
3 with subsections (4), (5), (6), and (7), the department shall
4 withhold all state school aid due to the district or intermediate
5 district under this article, beginning with the next payment due to
6 the district or intermediate district, until the district or
7 intermediate district complies with subsections (4), (5), (6), and
8 (7). ~~However, the department shall not withhold the payment due on~~
9 ~~October 20 due to the operation of this subsection.~~ If the district
10 or intermediate district does not comply with subsections (4), (5),
11 (6), and (7) by the end of the fiscal year, the district or
12 intermediate district forfeits the amount withheld.

13 (11) IF A DISTRICT OR INTERMEDIATE DISTRICT DOES NOT COMPLY
14 WITH SUBSECTION (2), THE DEPARTMENT MAY WITHHOLD UP TO 10% OF THE
15 STATE SCHOOL AID OTHERWISE PAYABLE TO THE DISTRICT OR INTERMEDIATE
16 DISTRICT UNDER THIS ARTICLE, BEGINNING WITH THE NEXT PAYMENT DUE TO
17 THE DISTRICT OR INTERMEDIATE DISTRICT, UNTIL THE DISTRICT OR
18 INTERMEDIATE DISTRICT COMPLIES WITH SUBSECTION (2). IF THE DISTRICT
19 OR INTERMEDIATE DISTRICT DOES NOT COMPLY WITH SUBSECTION (2) BY THE
20 END OF THE FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT
21 FORFEITS THE AMOUNT WITHHELD.

22 (12) ~~(11)~~ Not later than November 1, ~~2014,~~ 2015, if a district
23 or intermediate district offers online learning under section 21f,
24 the district or intermediate district shall submit to the
25 department a report that details the per-pupil costs of operating
26 the online learning by vendor type. The report shall include at
27 least all of the following information concerning the operation of

1 online learning for the school fiscal year ending June 30,
2 ~~2014+2015~~:

3 (a) The name of the district operating the online learning and
4 of each district that enrolled students in the online learning.

5 (b) The total number of students enrolled in the online
6 learning and the total number of membership pupils enrolled in the
7 online learning.

8 (c) For each pupil who is enrolled in a district other than
9 the district offering online learning, the name of that district.

10 (d) The district in which the pupil was enrolled before
11 enrolling in the district offering online learning.

12 (e) The number of participating students who had previously
13 dropped out of school.

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

16 (g) The total cost to enroll a student in the program. This
17 cost shall be reported on a per-pupil, per-course, per-semester or
18 trimester basis by vendor type. The total shall include costs
19 broken down by cost for content development, content licensing,
20 training, online instruction and instructional support, personnel,
21 hardware and software, payment to each online learning provider,
22 and other costs associated with operating online learning.

23 (h) The name of each online education provider contracted by
24 the district and the state in which each online education provider
25 is headquartered.

26 (13) ~~(12)~~ Not later than March 31, ~~2015,~~ **2016**, the department
27 shall submit to the house and senate appropriations subcommittees

1 on state school aid, the state budget director, and the house and
2 senate fiscal agencies a report summarizing the per pupil costs by
3 vendor type of online courses available under section 21f.

4 (14) ~~(13)~~ As used in subsections ~~(11) and (12)~~, **(12) AND (13)**,
5 "vendor type" means the following:

6 (a) Online courses provided by the Michigan virtual
7 university.

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

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

13 (d) Online courses created and offered by a district or
14 intermediate district.

15 Sec. 18a. Grant funds awarded and allotted to a district,
16 intermediate district, or other entity, unless otherwise specified
17 in this ~~act~~, **ARTICLE**, shall be expended by the grant recipient
18 before the end of the ~~school~~-fiscal year immediately following the
19 fiscal year in which the funds are received. If a grant recipient
20 does not expend the funds received under this ~~act~~ **ARTICLE** before
21 the end of the fiscal year in which the funds are received, the
22 grant recipient shall submit a report to the department not later
23 than November 1 after the fiscal year in which the funds are
24 received indicating whether it expects to expend those funds during
25 the fiscal year in which the report is submitted. A recipient of a
26 grant shall return any unexpended grant funds to the department in
27 the manner prescribed by the department not later than September 30

1 after the fiscal year in which the funds are received.

2 Sec. 20. (1) For ~~2014-2015,~~ **2015-2016**, both of the following
3 apply:

4 (a) The basic foundation allowance is ~~\$8,099.00-~~ **\$8,149.00**.

5 (b) The minimum foundation allowance is ~~\$7,126.00-~~ **\$7,351.00**.

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

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

13 (a) Except as otherwise provided in this subdivision, for a
14 district that had a foundation allowance for the immediately
15 preceding state fiscal year that was equal to the minimum
16 foundation allowance for the immediately preceding state fiscal
17 year, but less than the basic foundation allowance for the
18 immediately preceding state fiscal year, the district shall receive
19 a foundation allowance in an amount equal to the sum of the
20 district's foundation allowance for the immediately preceding state
21 fiscal year plus the difference between twice the dollar amount of
22 the adjustment from the immediately preceding state fiscal year to
23 the current state fiscal year made in the basic foundation
24 allowance and [(the difference between the basic foundation
25 allowance for the current state fiscal year and basic foundation
26 allowance for the immediately preceding state fiscal year minus
27 ~~\$10.00-~~ **\$15.00**) times (the difference between the district's

1 foundation allowance for the immediately preceding state fiscal
2 year and the minimum foundation allowance for the immediately
3 preceding state fiscal year) divided by the difference between the
4 basic foundation allowance for the current state fiscal year and
5 the minimum foundation allowance for the immediately preceding
6 state fiscal year]. However, the foundation allowance for a
7 district that had less than the basic foundation allowance for the
8 immediately preceding state fiscal year shall not exceed the basic
9 foundation allowance for the current state fiscal year. For the
10 purposes of this subdivision, for ~~2014-2015, 2015-2016~~, the minimum
11 foundation allowance for the immediately preceding state fiscal
12 year shall be considered to be ~~\$7,076.00. For 2014-2015, for a~~
13 ~~district that had a foundation allowance for the immediately~~
14 ~~preceding state fiscal year that was at least equal to the minimum~~
15 ~~foundation allowance for the immediately preceding state fiscal~~
16 ~~year but less than the basic foundation allowance for the~~
17 ~~immediately preceding state fiscal year, the district shall receive~~
18 ~~a foundation allowance in an amount equal to the district's~~
19 ~~foundation allowance for 2013-2014 plus \$50.00.~~ **\$7,251.00.**

20 (b) Except as otherwise provided in this subsection, for a
21 district that in the immediately preceding state fiscal year had a
22 foundation allowance in an amount equal to the amount of the basic
23 foundation allowance for the immediately preceding state fiscal
24 year, the district shall receive a foundation allowance for ~~2014-~~
25 ~~2015-2016~~ **2015-2016** in an amount equal to the basic foundation allowance
26 for ~~2014-2015.~~ **2015-2016.**

27 (c) For a district that had a foundation allowance for the

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

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

17 (e) For a district that received a payment under section 22c
18 as that section was in effect for ~~2013-2014~~, ~~2014-2015~~, the
19 district's ~~2013-2014-2014-2015~~ foundation allowance shall be
20 considered to have been an amount equal to the sum of the
21 district's actual ~~2013-2014-2014-2015~~ foundation allowance as
22 otherwise calculated under this section plus the per-pupil amount
23 of the district's equity payment for ~~2013-2014-2014-2015~~ under
24 section 22c as that section was in effect for ~~2013-2014-2014-2015~~.

25 (4) Except as otherwise provided in this subsection, the state
26 portion of a district's foundation allowance is an amount equal to
27 the district's foundation allowance or the basic foundation

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

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

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

9 (6) Except as otherwise provided in this subsection, for
10 pupils in membership, other than special education pupils, in a
11 public school academy, the allocation calculated under this section
12 is an amount per membership pupil other than special education
13 pupils in the public school academy equal to the foundation
14 allowance of the district in which the public school academy is
15 located or the state maximum public school academy allocation,
16 whichever is less. **FOR PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL**
17 **EDUCATION PUPILS, IN A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL**
18 **AND IS AUTHORIZED BY A SCHOOL DISTRICT, THE ALLOCATION CALCULATED**
19 **UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN**
20 **SPECIAL EDUCATION PUPILS IN THE PUBLIC SCHOOL ACADEMY EQUAL TO THE**
21 **FOUNDATION ALLOWANCE OF THE DISTRICT THAT AUTHORIZED THE PUBLIC**
22 **SCHOOL ACADEMY OR THE STATE MAXIMUM PUBLIC SCHOOL ACADEMY**
23 **ALLOCATION, WHICHEVER IS LESS.** However, a public school academy
24 that had an allocation under this subsection before 2009-2010 that
25 was equal to the sum of the local school operating revenue per
26 membership pupil other than special education pupils for the
27 district in which the public school academy is located and the

1 state portion of that district's foundation allowance shall not
2 have that allocation reduced as a result of the 2010 amendment to
3 this subsection. Notwithstanding section 101, for a public school
4 academy that begins operations after the pupil membership count
5 day, the amount per membership pupil calculated under this
6 subsection shall be adjusted by multiplying that amount per
7 membership pupil by the number of hours of pupil instruction
8 provided by the public school academy after it begins operations,
9 as determined by the department, divided by the minimum number of
10 hours of pupil instruction required under section 101(3). The
11 result of this calculation shall not exceed the amount per
12 membership pupil otherwise calculated under this subsection.

13 (7) Except as otherwise provided in this subsection, for
14 pupils attending an achievement school and in membership in the
15 education achievement system, other than special education pupils,
16 the allocation calculated under this section is an amount per
17 membership pupil other than special education pupils equal to the
18 foundation allowance of the district in which the achievement
19 school is located, not to exceed the basic foundation allowance.
20 Notwithstanding section 101, for an achievement school that begins
21 operation after the pupil membership count day, the amount per
22 membership pupil calculated under this subsection shall be adjusted
23 by multiplying that amount per membership pupil by the number of
24 hours of pupil instruction provided by the achievement school after
25 it begins operations, as determined by the department, divided by
26 the minimum number of hours of pupil instruction required under
27 section 101(3). The result of this calculation shall not exceed the

1 amount per membership pupil otherwise calculated under this
2 subsection. For the purposes of this subsection, if a public school
3 is transferred from a district to the state school reform/redesign
4 district or the achievement authority under section 1280c of the
5 revised school code, MCL 380.1280c, that public school is
6 considered to be an achievement school within the education
7 achievement system and not a school that is part of a district, and
8 a pupil attending that public school is considered to be in
9 membership in the education achievement system and not in
10 membership in the district that operated the school before the
11 transfer.

12 (8) Subject to subsection (4), for a district that is formed
13 or reconfigured after June 1, 2002 by consolidation of 2 or more
14 districts or by annexation, the resulting district's foundation
15 allowance under this section beginning after the effective date of
16 the consolidation or annexation shall be the lesser of the sum of
17 the average of the foundation allowances of each of the original or
18 affected districts, calculated as provided in this section,
19 weighted as to the percentage of pupils in total membership in the
20 resulting district who reside in the geographic area of each of the
21 original or affected districts plus \$100.00 or the highest
22 foundation allowance among the original or affected districts. **IN**
23 **ADDITION, FOR THE NEXT 2 FISCAL YEARS THAT BEGIN AFTER A**
24 **CONSOLIDATION OR ANNEXATION UNDER THIS SECTION, THE RESULTING**
25 **DISTRICT'S FOUNDATION ALLOWANCE SHALL BE ITS FOUNDATION ALLOWANCE**
26 **AS OTHERWISE CALCULATED UNDER THIS SUBSECTION PLUS \$200.00.** This
27 subsection does not apply to a receiving district unless there is a

1 subsequent consolidation or annexation that affects the district.

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

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

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

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

25 (b) The revenue adjustment factor shall be computed by
26 dividing the sum of the estimated total state school aid fund
27 revenue for the subsequent state fiscal year plus the estimated

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

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

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

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

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

5 (14) As used in this section:

6 (a) "Certified mills" means the lesser of 18 mills or the
7 number of mills of school operating taxes levied by the district in
8 1993-94.

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

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

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

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

22 (f) "Immediately preceding state fiscal year" means the state
23 fiscal year immediately preceding the current state fiscal year.

24 (g) "Local portion of the district's foundation allowance"
25 means an amount that is equal to the difference between (the sum of
26 the product of the taxable value per membership pupil of all
27 property in the district that is nonexempt property times the

1 district's certified mills and, for a district with certified mills
2 exceeding 12, the product of the taxable value per membership pupil
3 of property in the district that is commercial personal property
4 times the certified mills minus 12 mills) and (the quotient of the
5 product of the captured assessed valuation under tax increment
6 financing acts times the district's certified mills divided by the
7 district's membership excluding special education pupils).

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

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

20 (j) "Maximum public school academy allocation", except as
21 otherwise provided in this subdivision, means the maximum per-pupil
22 allocation as calculated by adding the highest per-pupil allocation
23 among all public school academies for the immediately preceding
24 state fiscal year plus the difference between twice the amount of
25 the difference between the basic foundation allowance for the
26 current state fiscal year and the basic foundation for the
27 immediately preceding state fiscal year and [(the amount of the

1 difference between the basic foundation allowance for the current
2 state fiscal year and the basic foundation for the immediately
3 preceding state fiscal year minus ~~\$(10.00)~~ **\$(15.00)** times (the
4 difference between the highest per-pupil allocation among all
5 public school academies for the immediately preceding state fiscal
6 year and the minimum foundation allowance for the immediately
7 preceding state fiscal year) divided by the difference between the
8 basic foundation allowance for the current state fiscal year and
9 the minimum foundation allowance for the immediately preceding
10 state fiscal year]. For the purposes of this subdivision, ~~for 2014-~~
11 ~~2015, the minimum foundation allowance for the immediately~~
12 ~~preceding state fiscal year shall be considered to be \$7,076.00.~~
13 ~~For 2014-2015, FOR 2015-2016, the maximum public school academy~~
14 allocation is ~~\$7,218.00.~~ **\$7,351.00.**

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

18 (l) "Nonexempt property" means property that is not a
19 principal residence, qualified agricultural property, qualified
20 forest property, supportive housing property, industrial personal
21 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**
22 **A PUBLIC SCHOOL ACADEMY.**

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

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

4 (o) "School operating purposes" means the purposes included in
5 the operation costs of the district as prescribed in sections 7 and
6 18 and purposes authorized under section 1211 of the revised school
7 code, MCL 380.1211.

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

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

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

24 Sec. 20d. In making the final determination required under
25 former section 20a of a district's combined state and local revenue
26 per membership pupil in 1993-94 and in making calculations under
27 section 20 for ~~2014-2015~~, **2015-2016**, the department and the

1 department of treasury shall comply with all of the following:

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

18 (b) If a district had an adjustment made to its 1993-94 total
19 state school aid that excluded payments made under former section
20 146 and under section 147 on behalf of the district's employees who
21 provided direct services for intermediate district center programs
22 operated by the district under article 5, if nonresident pupils
23 attending the center programs were included in the district's
24 membership for purposes of calculating the combined state and local
25 revenue per membership pupil for 1993-94, and if there is a signed
26 agreement by all constituent districts of the intermediate district
27 that an adjustment under this subdivision shall be made, the

1 foundation allowances for 1995-96 and 1996-97 of all districts that
2 had pupils attending the intermediate district center program
3 operated by the district that had the adjustment shall be
4 calculated as if their combined state and local revenue per
5 membership pupil for 1993-94 included resident pupils attending the
6 center program and excluded nonresident pupils attending the center
7 program.

8 Sec. 20f. (1) From the funds appropriated in section 11, there
9 is allocated an amount not to exceed ~~\$6,000,000.00 for 2014-2015~~
10 **\$12,400,000.00 FOR 2015-2016** for payments to eligible districts
11 under this section.

12 **(2) THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**
13 **UNDER SUBSECTION (1).** A district is eligible for funding under this
14 ~~section~~-**SUBSECTION** if the district received a payment under this
15 section as it was in effect for 2013-2014. A district was eligible
16 for funding in 2013-2014 if the sum of the following was less than
17 \$5.00:

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

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

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

1 (3) ~~(2)~~The amount allocated to each eligible district under
2 ~~this section~~ **SUBSECTION (2)** is an amount per membership pupil equal
3 to the amount per membership pupil the district received **UNDER THIS**
4 **SECTION** in 2013-2014.

5 (4) **THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**
6 **UNDER SUBSECTION (1). A DISTRICT IS ELIGIBLE FOR FUNDING UNDER THIS**
7 **SUBSECTION FOR 2015-2016 IF THE SUM OF THE FOLLOWING IS LESS THAN**
8 **\$0.00:**

9 (A) **THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR**
10 **PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO**
11 **2015-2016.**

12 (B) **THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL**
13 **FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016, IF THE**
14 **DISTRICT QUALIFIED FOR FUNDING UNDER THAT SECTION FOR BOTH 2014-**
15 **2015 AND 2015-2016.**

16 (C) **THE DECREASE IN THE DISTRICT'S PUPIL PERFORMANCE PER-PUPIL**
17 **FUNDING UNDER SECTION 22J FROM 2014-2015 TO 2015-2016.**

18 (D) **THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION**
19 **31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR**
20 **2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER**
21 **SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP**
22 **PUPILS FOR 2014-2015.**

23 (5) **THE AMOUNT ALLOCATED TO EACH ELIGIBLE DISTRICT UNDER**
24 **SUBSECTION (4) IS AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO \$0.00**
25 **MINUS THE SUM OF THE FOLLOWING:**

26 (A) **THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR**
27 **PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO**

1 2015-2016.

2 (B) THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL
3 FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016, IF THE
4 DISTRICT QUALIFIED FOR FUNDING UNDER THAT SECTION FOR BOTH 2014-
5 2015 AND 2015-2016.

6 (C) THE DECREASE IN THE DISTRICT'S PUPIL PERFORMANCE PER-PUPIL
7 FUNDING UNDER SECTION 22J FROM 2014-2015 TO 2015-2016.

8 (D) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION
9 31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR
10 2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER
11 SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP
12 PUPILS FOR 2014-2015.

13 (6) ~~(3)~~—If the allocation under subsection (1) is insufficient
14 to fully fund payments **UNDER SUBSECTIONS (3) AND (5)** as otherwise
15 calculated under this section, the department shall prorate
16 payments under this section on an equal per-pupil basis.

17 Sec. 20g. (1) From the money appropriated under section 11,
18 there is allocated an amount not to exceed \$2,200,000.00 for ~~2014-~~
19 ~~2015-2015-2016~~ for grants to eligible districts that first received
20 payments under this section in 2013-2014 for transition costs
21 related to the enrollment of pupils who were previously enrolled in
22 a district that was dissolved under section 12 of the revised
23 school code, MCL 380.12, allocated as provided under subsection
24 (3). Payments under this section shall continue for a total of 4
25 fiscal years following the dissolution of a district, after which
26 the payments shall cease.

27 (2) A receiving school district, as that term is defined in

1 section 12 of the revised school code, MCL 380.12, is an eligible
2 district under this section.

3 (3) The amount allocated to each eligible district under This
4 section is an amount equal to the product of the number of
5 membership pupils enrolled in the eligible district who were
6 previously enrolled in the dissolved school district in the school
7 year immediately preceding the dissolution, or who reside in the
8 geographic area of the dissolved school district and are entering
9 kindergarten, times 10.0% of the lesser of the foundation allowance
10 of the eligible district as calculated under section 20 or the
11 basic foundation allowance under section 20(1).

12 (4) As used in this section, "dissolved school district" means
13 a school district that has been declared dissolved under section 12
14 of the revised school code, 1976 PA 451, MCL 380.12.

15 Sec. 21f. (1) A pupil enrolled in a district in any of grades
16 6 to 12 is eligible to enroll in an online course as provided for
17 in this section.

18 (2) With the consent of the pupil's parent or legal guardian,
19 a district shall enroll an eligible pupil in up to 2 online courses
20 as requested by the pupil during an academic term, semester, or
21 trimester. Unless the pupil is newly enrolled in the **PUPIL'S**
22 **PRIMARY** district, the request for online course enrollment must be
23 made in the academic term, semester, trimester, or summer preceding
24 the enrollment. A district may not establish additional
25 requirements that would prohibit a pupil from taking an online
26 course. If a pupil has demonstrated previous success with online
27 courses and the school leadership and the pupil's parent or legal

1 guardian determine that it is in the best interest of the pupil, a
2 pupil may be enrolled in more than 2 online courses in a specific
3 academic term, semester, or trimester. Consent of the pupil's
4 parent or legal guardian is not required if the pupil is at least
5 age 18 or is an emancipated minor.

6 (3) An eligible pupil may enroll in an online course published
7 in the pupil's ~~educating~~ **PRIMARY** district's catalog of online
8 courses described in subsection (7) (a) or the statewide catalog of
9 online courses maintained by the Michigan ~~virtual university~~
10 **VIRTUAL UNIVERSITY** pursuant to section 98.

11 (4) A **PROVIDING** district **OR COMMUNITY COLLEGE** shall determine
12 whether or not it has capacity to accept applications for
13 enrollment from nonresident applicants in online courses and may
14 use that limit as the reason for refusal to enroll an applicant. If
15 the number of nonresident applicants eligible for acceptance in an
16 online course does not exceed the capacity of the **PROVIDING**
17 district **OR COMMUNITY COLLEGE** to provide the online course, the
18 **PROVIDING** district **OR COMMUNITY COLLEGE** shall accept for enrollment
19 all of the nonresident applicants eligible for acceptance. If the
20 number of nonresident applicants exceeds the **PROVIDING** district's
21 **OR COMMUNITY COLLEGE'S** capacity to provide the online course, the
22 **PROVIDING** district **OR COMMUNITY COLLEGE** shall use a random draw
23 system, subject to the need to abide by state and federal
24 antidiscrimination laws and court orders.

25 (5) A **PUPIL'S PRIMARY** district may deny a ~~THE~~ pupil enrollment
26 in an online course if any of the following apply, as determined by
27 the district:

1 (a) The pupil has previously gained the credits provided from
2 the completion of the online course.

3 (b) The online course is not capable of generating academic
4 credit.

5 (c) The online course is inconsistent with the remaining
6 graduation requirements or career interests of the pupil.

7 (d) The pupil does not possess the prerequisite knowledge and
8 skills to be successful in the online course or has demonstrated
9 failure in previous online coursework in the same subject.

10 (e) The online course is of insufficient quality or rigor. A
11 district that denies a pupil enrollment for this reason shall make
12 a reasonable effort to assist the pupil to find an alternative
13 course in the same or a similar subject that is of acceptable rigor
14 and quality.

15 (f) The cost of the online course exceeds the amount
16 identified in subsection ~~(8)~~, **(10)**, unless the pupil's parent or
17 legal guardian agrees to pay the cost that exceeds this amount.

18 (g) The online course enrollment request does not occur within
19 the same timelines established by the **PRIMARY** district for
20 enrollment and schedule changes for regular courses.

21 (6) If a pupil is denied enrollment in an online course by a
22 **THE PUPIL'S PRIMARY** district, the pupil may appeal the denial by
23 submitting a letter to the superintendent of the intermediate
24 district in which the pupil's ~~educating~~ **PRIMARY** district is
25 located. The letter of appeal shall include the reason provided by
26 the **PRIMARY** district for not enrolling the pupil and the reason why
27 the pupil is claiming that the enrollment should be approved. The

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

7 (7) To ~~offer or~~ provide an online course under this section, a
8 **THE PROVIDING** district or intermediate district shall do all of the
9 following:

10 (a) Provide the Michigan ~~virtual university~~**VIRTUAL UNIVERSITY**
11 with the course syllabus in a form and method prescribed by the
12 Michigan ~~virtual university~~**VIRTUAL UNIVERSITY** for inclusion in a
13 statewide online course catalog. The district or intermediate
14 district shall also provide on its publicly accessible website a
15 link to the course syllabi for all of the online courses offered by
16 the district or intermediate district and a link to the statewide
17 catalog of online courses maintained by the Michigan ~~virtual~~
18 ~~university~~**VIRTUAL UNIVERSITY**.

19 (B) **ASSIGN TO EACH PUPIL A TEACHER OF RECORD AND PROVIDE THE**
20 **PRIMARY DISTRICT WITH THE PERSONAL IDENTIFICATION CODE FOR THE**
21 **TEACHER OF RECORD.**

22 (C) ~~(b)~~ Offer the online course on an open entry and exit
23 method, or aligned to a semester, trimester, or accelerated
24 academic term format.

25 (D) ~~(e)~~ Not later than October 1, ~~2014,~~**2015**, provide the
26 Michigan virtual university with the number of enrollments in each
27 online course the district or intermediate district ~~offered~~

1 PROVIDED to pupils pursuant to this section in the immediately
2 preceding school year, and the number of enrollments in which the
3 pupil earned 60% or more of the total course points for each online
4 course.

5 (8) TO PROVIDE AN ONLINE COURSE UNDER THIS SECTION, A
6 COMMUNITY COLLEGE SHALL DO ALL OF THE FOLLOWING:

7 (A) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE COURSE
8 SYLLABUS IN A FORM AND METHOD PRESCRIBED BY THE MICHIGAN VIRTUAL
9 UNIVERSITY FOR INCLUSION IN A STATEWIDE ONLINE COURSE CATALOG.

10 (B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD,
11 OR ALIGNED TO A SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM
12 FORMAT.

13 (C) ENSURE THAT EACH ONLINE COURSE IT PROVIDES UNDER THIS
14 SECTION GENERATES POSTSECONDARY CREDIT.

15 (D) BEGINNING WITH OCTOBER 1, 2016, AND BY OCTOBER 1 OF EACH
16 YEAR THEREAFTER, PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE
17 NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE COMMUNITY COLLEGE
18 PROVIDED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY
19 PRECEDING SCHOOL YEAR, AND THE NUMBER OF ENROLLMENTS IN WHICH THE
20 PUPIL EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR EACH ONLINE
21 COURSE.

22 (E) BE TAUGHT BY AN INSTRUCTOR EMPLOYED BY OR CONTRACTED
23 THROUGH THE COMMUNITY COLLEGE.

24 (9) FOR ANY ONLINE COURSE A PUPIL ENROLLS IN UNDER THIS
25 SECTION, THE PUPIL'S PRIMARY DISTRICT MUST ASSIGN TO THE PUPIL A
26 MENTOR TO MONITOR THE PUPIL'S PROGRESS DURING THE ONLINE COURSE AND
27 SHALL SUPPLY THE PROVIDING DISTRICT WITH THE MENTOR'S CONTACT

1 **INFORMATION.**

2 (10) ~~(8)~~ For a pupil enrolled in 1 or more online courses
3 published in the pupil's ~~educating~~ **PRIMARY** district's catalog of
4 online courses under subsection (7) or in the statewide catalog of
5 online courses maintained by the Michigan ~~virtual university,~~
6 **VIRTUAL UNIVERSITY**, the **PRIMARY** district shall use foundation
7 allowance or per-pupil funds calculated under section 20 to pay for
8 the expenses associated with the online course or courses. ~~The~~
9 ~~district shall pay 80% of the cost of the online course upon~~
10 ~~enrollment and 20% upon completion as determined by the district. A~~
11 district is not required to pay toward the cost of an online course
12 an amount that exceeds ~~8.33%~~ **6.67%** of the minimum foundation
13 allowance for the current fiscal year as calculated under section
14 20.

15 (11) ~~(9)~~ An online learning pupil shall have the same rights
16 and access to technology in his or her primary district's school
17 facilities as all other pupils enrolled in the pupil's primary
18 district.

19 (12) ~~(10)~~ If a pupil successfully completes an online course,
20 as determined by the pupil's primary district, the pupil's primary
21 district shall grant appropriate academic credit for completion of
22 the course and shall count that credit toward completion of
23 graduation and subject area requirements. A pupil's school record
24 and transcript shall identify the online course title as it appears
25 in the online course syllabus.

26 (13) ~~(11)~~ The enrollment of a pupil in 1 or more online
27 courses shall not result in a pupil being counted as more than 1.0

1 full-time equivalent pupils under this article.

2 (14) ~~(12)~~—The portion of the full-time equated pupil
3 membership for which a pupil is enrolled in 1 or more online
4 courses under this section shall not be transferred under the pupil
5 transfer process under section 25e.

6 (15) ~~(13)~~—As used in this section:

7 (A) "MENTOR" MEANS A PROFESSIONAL EMPLOYEE OF THE PRIMARY
8 DISTRICT WHO MONITORS THE PUPIL'S PROGRESS, ENSURES THE PUPIL HAS
9 ACCESS TO NEEDED TECHNOLOGY, IS AVAILABLE FOR ASSISTANCE, AND
10 ENSURES ACCESS TO THE TEACHER OF RECORD. A MENTOR MAY ALSO SERVE AS
11 THE TEACHER OF RECORD IF THE MENTOR MEETS THE REQUIREMENTS UNDER
12 SUBDIVISION (G).

13 (B) ~~(a)~~—"Online course" means a course of study that is
14 capable of generating a credit or a grade, that is provided in an
15 interactive ~~internet-connected~~ **INTERNET-CONNECTED** learning
16 environment, in which pupils are separated from their teachers by
17 time or location, or both, and, **IF THE COURSE IS PROVIDED BY A**
18 **DISTRICT OR INTERMEDIATE DISTRICT**, in which a teacher who holds a
19 valid Michigan teaching certificate **THAT QUALIFIES THE TEACHER TO**
20 **TEACH THE COURSE** is responsible for **PROVIDING INSTRUCTION**,
21 determining appropriate instructional methods for each pupil,
22 diagnosing learning needs, assessing pupil learning, prescribing
23 intervention strategies, reporting outcomes, and evaluating the
24 effects of instruction and support strategies.

25 (C) ~~(b)~~—"Online course syllabus" means a document that
26 includes all of the following:

27 (i) The state academic standards addressed in an online

1 course.

2 (ii) The online course content outline.

3 (iii) The online course required assessments.

4 (iv) The online course prerequisites.

5 (v) Expectations for actual instructor contact time with the
6 online learning pupil and other pupil-to-instructor communications.

7 (vi) Academic support available to the online learning pupil.

8 (vii) The online course learning outcomes and objectives.

9 (viii) The name of the institution or organization providing
10 the online content.

11 (ix) The name of the institution or organization providing the
12 online instructor.

13 (x) The course titles assigned by the district or intermediate
14 district and the course titles and course codes from the ~~national~~
15 ~~center for education statistics~~ **NATIONAL CENTER FOR EDUCATION**
16 **STATISTICS** (NCES) school codes for the exchange of data (SCED).

17 (xi) The number of eligible nonresident pupils that will be
18 accepted by the district or intermediate district in the online
19 course.

20 (xii) The results of the online course quality review using
21 the guidelines and model review process published by the Michigan
22 ~~virtual university~~ **VIRTUAL UNIVERSITY**.

23 (D) ~~(c)~~ "Online learning pupil" means a pupil enrolled in 1 or
24 more online courses.

25 (E) ~~(d)~~ "Primary district" means the **PUPIL'S** district ~~that~~
26 ~~enrolls the pupil and reports the pupil as a full-time equated~~
27 ~~pupil for pupil membership purposes~~ **OF RESIDENCE**.

1 (F) "PROVIDING DISTRICT" MEANS THE DISTRICT, INTERMEDIATE
2 DISTRICT, OR COMMUNITY COLLEGE THAT THE PRIMARY DISTRICT PAYS TO
3 PROVIDE THE ONLINE COURSE.

4 (G) "TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A VALID
5 MICHIGAN TEACHING CERTIFICATE; WHO, WHERE APPLICABLE, IS ENDORSED
6 IN THE SUBJECT AREA AND GRADE OF THE ONLINE COURSE; AND IS
7 RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL
8 METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL
9 LEARNING, PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES,
10 AND EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.

11 Sec. 22a. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed ~~\$5,380,000,000.00 for 2014-2015~~
13 **\$5,282,300,000.00 FOR 2015-2016** for payments to districts and
14 qualifying public school academies to guarantee each district and
15 qualifying public school academy an amount equal to its 1994-95
16 total state and local per pupil revenue for school operating
17 purposes under section 11 of article IX of the state constitution
18 of 1963. Pursuant to section 11 of article IX of the state
19 constitution of 1963, this guarantee does not apply to a district
20 in a year in which the district levies a millage rate for school
21 district operating purposes less than it levied in 1994. However,
22 subsection (2) applies to calculating the payments under this
23 section. Funds allocated under this section that are not expended
24 in the state fiscal year for which they were allocated, as
25 determined by the department, may be used to supplement the
26 allocations under sections 22b and 51c in order to fully fund those
27 calculated allocations for the same fiscal year.

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

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

1 membership pupil of property in the receiving district that is
2 commercial personal property do not include property within the
3 geographic area of the dissolved district; ad valorem property tax
4 revenue of the receiving district captured under tax increment
5 financing acts does not include ad valorem property tax revenue
6 captured within the geographic boundaries of the dissolved district
7 under tax increment financing acts; and certified mills do not
8 include the certified mills of the dissolved district.

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

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

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

16 (5) Except as otherwise provided in this subsection, for a
17 district that is formed or reconfigured after June 1, 2000 by
18 consolidation of 2 or more districts or by annexation, the
19 resulting district's 1994-95 foundation allowance under this
20 section beginning after the effective date of the consolidation or
21 annexation shall be the average of the 1994-95 foundation
22 allowances of each of the original or affected districts,
23 calculated as provided in this section, weighted as to the
24 percentage of pupils in total membership in the resulting district
25 in the state fiscal year in which the consolidation takes place who
26 reside in the geographic area of each of the original districts. If
27 an affected district's 1994-95 foundation allowance is less than

1 the 1994-95 basic foundation allowance, the amount of that
2 district's 1994-95 foundation allowance shall be considered for the
3 purpose of calculations under this subsection to be equal to the
4 amount of the 1994-95 basic foundation allowance. This subsection
5 does not apply to a receiving district unless there is a subsequent
6 consolidation or annexation that affects the district.

7 (6) Payments under this section are subject to section 25f.

8 (7) As used in this section:

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

13 (b) "Certified mills" means the lesser of 18 mills or the
14 number of mills of school operating taxes levied by the district in
15 1993-94.

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

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

1 district.

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

6 (f) "Hold harmless millage" means, for a district with a 1994-
7 95 foundation allowance greater than \$6,500.00, the number of mills
8 by which the exemption from the levy of school operating taxes on a
9 homestead, qualified agricultural property, qualified forest
10 property, supportive housing property, industrial personal
11 property, ~~and~~ commercial personal property, **AND PROPERTY OCCUPIED**
12 **BY A PUBLIC SCHOOL ACADEMY** could be reduced as provided in section
13 1211 of the revised school code, MCL 380.1211, and the number of
14 mills of school operating taxes that could be levied on all
15 property as provided in section 1211(2) of the revised school code,
16 MCL 380.1211, as certified by the department of treasury for the
17 1994 tax year. For a receiving district, if school operating taxes
18 are to be levied on behalf of a dissolved district that has been
19 attached in whole or in part to the receiving district to satisfy
20 debt obligations of the dissolved district under section 12 of the
21 revised school code, MCL 380.12, school operating taxes do not
22 include school operating taxes levied within the geographic area of
23 the dissolved district.

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

1 380.1211.

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

5 (i) "Nonexempt property" means property that is not a
6 principal residence, qualified agricultural property, qualified
7 forest property, supportive housing property, industrial personal
8 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**
9 **A PUBLIC SCHOOL ACADEMY.**

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

13 (k) "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 (l) "School operating taxes" means local ad valorem property
17 taxes levied under section 1211 of the revised school code, MCL
18 380.1211, and retained for school operating purposes as defined in
19 section 20.

20 (m) "Tax increment financing acts" means 1975 PA 197, MCL
21 125.1651 to 125.1681, the tax increment finance authority act, 1980
22 PA 450, MCL 125.1801 to 125.1830, the local development financing
23 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
24 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
25 or the corridor improvement authority act, 2005 PA 280, MCL
26 125.2871 to 125.2899.

27 (n) "Taxable value per membership pupil" means each of the

1 following divided by the district's membership:

2 (i) For the number of mills by which the exemption from the
3 levy of school operating taxes on a homestead, qualified
4 agricultural property, qualified forest property, supportive
5 housing property, industrial personal property, ~~and~~ commercial
6 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**
7 may be reduced as provided in section 1211 of the revised school
8 code, MCL 380.1211, the taxable value of homestead, qualified
9 agricultural property, qualified forest property, supportive
10 housing property, industrial personal property, ~~and~~ commercial
11 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**
12 for the calendar year ending in the current state fiscal year. For
13 a receiving district, if school operating taxes are to be levied on
14 behalf of a dissolved district that has been attached in whole or
15 in part to the receiving district to satisfy debt obligations of
16 the dissolved district under section 12 of the revised school code,
17 MCL 380.12, mills do not include mills within the geographic area
18 of the dissolved district.

19 (ii) For the number of mills of school operating taxes that
20 may be levied on all property as provided in section 1211(2) of the
21 revised school code, MCL 380.1211, the taxable value of all
22 property for the calendar year ending in the current state fiscal
23 year. For a receiving district, if school operating taxes are to be
24 levied on behalf of a dissolved district that has been attached in
25 whole or in part to the receiving district to satisfy debt
26 obligations of the dissolved district under section 12 of the
27 revised school code, MCL 380.12, school operating taxes do not

1 include school operating taxes levied within the geographic area of
2 the dissolved district.

3 Sec. 22b. (1) From the appropriation in section 11, there is
4 allocated an amount not to exceed ~~\$3,434,000,000.00 for 2014-2015~~
5 **\$3,688,700,000.00 FOR 2015-2016** for discretionary nonmandated
6 payments to districts under this section. Funds allocated under
7 this section that are not expended in the state fiscal year for
8 which they were allocated, as determined by the department, may be
9 used to supplement the allocations under sections 22a and 51c in
10 order to fully fund those calculated allocations for the same
11 fiscal year.

12 (2) Subject to subsection (3) and section 296, the allocation
13 to a district under this section shall be an amount equal to the
14 sum of the amounts calculated under sections 20, 51a(2), 51a(3),
15 and 51a(11), minus the sum of the allocations to the district under
16 sections 22a and 51c.

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

19 (a) Comply with section 1280b of the revised school code, MCL
20 380.1280b.

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

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

26 (d) Comply with section 1230g of the revised school code, MCL
27 380.1230g.

1 (e) Comply with section 21f.

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

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

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

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

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

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

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

25 (10) If payments resulting from a final determination by the
26 local claims review board or a court of competent jurisdiction that
27 there has been a violation of section 29 of article IX of the state

1 constitution of 1963 exceed the amount allocated for discretionary
2 nonmandated payments under this section, the legislature shall
3 provide for adequate funding for this state's constitutional
4 obligations at its next legislative session.

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

23 (12) Payments under this section are subject to section 25f.
24 Sec. 22d. (1) From the appropriation in section 11, an amount
25 not to exceed ~~\$2,584,600.00~~ **\$5,000,000.00** is allocated for ~~2014-~~
26 ~~2015-~~ **2015-2016** for supplemental payments to rural districts under
27 this section.

1 (2) From the allocation under subsection (1), there is
2 allocated for ~~2014-2015~~**2015-2016** an amount not to exceed
3 \$957,300.00 for payments under this subsection to districts that
4 meet all of the following:

5 (a) Operates grades K to 12.

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

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

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

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

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

1 districts in the same manner as payments under section 22b.

2 (4) Subject to subsection (6), from the allocation in
3 subsection (1), there is allocated for ~~2014-2015-2015-2016~~ an
4 amount not to exceed ~~\$1,627,300.00~~ **\$4,042,700.00** for payments under
5 this subsection to districts that ~~meet all of the following:~~

6 ~~— (a) The district has 5.0~~ **HAVE 7.3** or fewer pupils per square
7 mile as determined by the department.

8 ~~— (b) The district has a total square mileage greater than 200.0~~
9 ~~or is 1 of 2 districts that have consolidated transportation~~
10 ~~services and have a combined total square mileage greater than~~
11 ~~200.0.~~

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

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

16 Sec. 22f. (1) From the appropriation in section 11, there is
17 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
18 ~~\$75,000,000.00~~ **\$30,000,000.00** to provide incentive payments to
19 districts that meet best practices under this section. **FUNDS**
20 **ALLOCATED UNDER THIS SECTION ARE INTENDED TO INCREASE THE FISCAL**
21 **HEALTH OF DISTRICTS STATEWIDE, TO DECREASE THE NUMBER OF DISTRICTS**
22 **WITH ONGOING DEFICITS, TO INCREASE THE NUMBER OF PUPILS READING AT**
23 **GRADE LEVEL BY THE END OF GRADE 3, AND TO INCREASE THE NUMBER OF**
24 **PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL**
25 **GRADUATION.** Payments received under this section may be used for
26 any purpose for which payments under sections 22a and 22b may be
27 used.

1 (2) The amount of the incentive payment under this section is
2 an amount equal to ~~\$50.00~~ **\$20.00** per-pupil. A district shall
3 receive an incentive payment under this section if the district
4 satisfies ~~at least 7~~ **BOTH** of the following requirements not later
5 than June 1, ~~2015+2016~~:

6 ~~—— (a) If a district provides medical, pharmacy, dental, vision,~~
7 ~~disability, long term care, or any other type of benefit that would~~
8 ~~constitute a health care services benefit, to employees and their~~
9 ~~dependents, the district is the policyholder for each of its~~
10 ~~insurance policies that covers 1 or more of these benefits. A~~
11 ~~district that does not directly employ its staff or a district with~~
12 ~~a voluntary employee beneficiary association that pays no more than~~
13 ~~the maximum per employee contribution amount and that contributes~~
14 ~~no more than the maximum employer contribution percentage of total~~
15 ~~annual costs for the medical benefit plans as described in sections~~
16 ~~3 and 4 of the publicly funded health insurance contribution act,~~
17 ~~2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied~~
18 ~~this requirement.~~

19 ~~—— (b) The district has obtained competitive bids on the~~
20 ~~provision of pupil transportation, food service, custodial, or 1 or~~
21 ~~more other noninstructional services for 2014-2015. In comparing~~
22 ~~competitive bids to the current costs of providing 1 or more of~~
23 ~~these services, a district shall exclude the unfunded accrued~~
24 ~~liability costs for retirement and other benefits from the~~
25 ~~district's current costs.~~

26 ~~—— (c) The district accepts applications for enrollment by~~
27 ~~nonresident applicants under section 105 or 105c. A public school~~

1 ~~academy is considered to have met this requirement.~~

2 ~~—— (d) The district offers online courses or blended learning~~
3 ~~opportunities to all eligible pupils. In order to satisfy this~~
4 ~~requirement, a district must make all eligible pupils and their~~
5 ~~parents or guardians aware of these opportunities and must publish~~
6 ~~an online course syllabus as described in section 21f for each~~
7 ~~online course that the district offers. For the purposes of this~~
8 ~~subdivision.~~

9 ~~—— (i) "Blended learning" means a hybrid instructional delivery~~
10 ~~model where pupils are provided content, instruction, and~~
11 ~~assessment in part at a supervised educational facility away from~~
12 ~~home where the pupil and a teacher with a valid Michigan teaching~~
13 ~~certificate are in the same physical location and in part through~~
14 ~~internet-connected learning environments with some degree of pupil~~
15 ~~control over time, location, and pace of instruction.~~

16 ~~—— (ii) "Online course" means a course of study that is capable~~
17 ~~of generating a credit or a grade, that is provided in an~~
18 ~~interactive internet-connected learning environment, in which~~
19 ~~pupils are separated from their teachers by time or location, or~~
20 ~~both, and in which a teacher with a valid Michigan teaching~~
21 ~~certificate is responsible for determining appropriate~~
22 ~~instructional methods for each pupil, diagnosing learning needs,~~
23 ~~assessing pupil learning, prescribing intervention strategies,~~
24 ~~reporting outcomes, and evaluating the effects of instruction and~~
25 ~~support strategies.~~

26 **(A) MEETS THE REQUIREMENTS OF AT LEAST 2 OF THE FOLLOWING**
27 **FINANCIAL BEST PRACTICES:**

1 (i) ~~(e)~~ The district provides to parents and community members
 2 a dashboard or report card demonstrating the district's efforts to
 3 manage its finances responsibly. The dashboard or report card shall
 4 include revenue and expenditure projections for the district for
 5 fiscal year ~~2014-2015-2015-2016~~ and fiscal year ~~2015-2016, 2016-~~
 6 **2017**, a listing of all debt service obligations, detailed by
 7 project, including anticipated fiscal year ~~2014-2015-2015-2016~~
 8 payment for each project, a listing of total outstanding debt, and
 9 at least all of the following for the 3 most recent school years
 10 for which the data are available:

11 (A) ~~(i)~~ Graduation and dropout rates.

12 (B) ~~(ii)~~ Average class size in grades kindergarten to 3.

13 (C) ~~(iii)~~ College readiness as measured by Michigan merit
 14 examination test scores.

15 (D) ~~(iv)~~ Elementary and middle school ~~MEAP~~ **MICHIGAN STUDENT**
 16 **TEST OF EDUCATIONAL PROGRESS (M-STEP)** scores.

17 (E) ~~(v)~~ Teacher, principal, and superintendent salary
 18 information including at least minimum, average, and maximum pay
 19 levels.

20 (F) ~~(vi)~~ General fund balance.

21 (G) ~~(vii)~~ The total number of days of instruction provided.

22 ~~(f) The district complies with a method of compensation for~~
 23 ~~teachers and school administrators that includes job performance~~
 24 ~~and accomplishments as a significant factor in determining~~
 25 ~~compensation, as required under section 1250 of the revised school~~
 26 ~~code, MCL 380.1250.~~

27 ~~(g) The district's collective bargaining agreements,~~

1 ~~including, but not limited to, appendices, addenda, letters of~~
2 ~~agreement, or any other documents reflecting agreements with~~
3 ~~collective bargaining representatives, do not contain any~~
4 ~~provisions pertaining to, relating to, or that are otherwise~~
5 ~~contrary to the prohibited subjects of bargaining enumerated in~~
6 ~~section 15(3) of 1947 PA 336, MCL 423.215.~~

7 ~~— (h) The district implements a comprehensive guidance and~~
8 ~~counseling program.~~

9 ~~— (i) The district offers pupils in grades K to 8 the~~
10 ~~opportunity to complete coursework or other learning experiences~~
11 ~~that are substantially equivalent to 1 credit in a language other~~
12 ~~than English.~~

13 **(ii) IF THE DISTRICT HAS AN ENDING GENERAL FUND BALANCE FOR**
14 **THE IMMEDIATELY PRECEDING FISCAL YEAR LESS THAN OR EQUAL TO 5% OF**
15 **OPERATING EXPENDITURES AS DETERMINED BY THE DEPARTMENT, THE MEMBERS**
16 **OF THE DISTRICT BOARD RECEIVE DEPARTMENT-APPROVED TRAINING THAT**
17 **COVERS AT LEAST ALL OF THE FOLLOWING:**

18 **(A) THE RESPONSIBILITIES OF THE BOARD AND THE DISTRICT**
19 **SUPERINTENDENT.**

20 **(B) THE REQUIREMENTS OF THE OPEN MEETINGS ACT, 1976 PA 267,**
21 **MCL 15.261 TO 15.275.**

22 **(C) CONFLICTS OF INTEREST.**

23 **(D) SCHOOL FINANCE AND SCHOOL BUDGETING.**

24 **(E) CONTRACTS AND NEGOTIATIONS.**

25 **(F) THE PROCESS OF DATA-DRIVEN DECISION MAKING AND POLICY**
26 **DEVELOPMENT.**

27 **(iii) THE DISTRICT MAINTAINED AN ENDING GENERAL FUND BALANCE**

1 GREATER THAN 5% OF OPERATING EXPENDITURES FOR THE IMMEDIATELY
2 PRECEDING FISCAL YEAR AS DETERMINED BY THE DEPARTMENT.

3 (B) MEETS THE REQUIREMENTS OF AT LEAST 2 OF THE FOLLOWING
4 ACADEMIC BEST PRACTICES:

5 (i) THE DISTRICT ADMINISTERS A DEPARTMENT-APPROVED
6 KINDERGARTEN ENTRY ASSESSMENT THAT ASSESSES ENGLISH LANGUAGE ARTS
7 AND MATHEMATICS SKILLS OF ALL FIRST-TIME KINDERGARTEN PUPILS
8 ENROLLING IN THE DISTRICT. THE ASSESSMENT SHALL BE ADMINISTERED BY
9 THE DISTRICT USING A METHOD AND TIME FRAME DETERMINED BY THE
10 DEPARTMENT.

11 (ii) THE DISTRICT ADMINISTERS DEPARTMENT-APPROVED DIAGNOSTIC
12 TOOLS TO MONITOR THE DEVELOPMENT OF EARLY LITERACY AND EARLY
13 READING SKILLS OF PUPILS IN GRADES K TO 3, AND SUPPORTS RESEARCH-
14 BASED PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN DATA INTERPRETATION
15 FOR THE PURPOSE OF IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO
16 IMPROVE GRADE 3 READING PROFICIENCY. THE DIAGNOSTIC TOOLS AND
17 PROFESSIONAL DEVELOPMENT SHALL BE USED BY THE DISTRICT TO IDENTIFY
18 PUPILS WHO NEED ADDITIONAL SUPPORT AND TO OFFER RESEARCH-BASED
19 INTERVENTIONS.

20 (iii) THE DISTRICT ASSESSES THE EFFECTIVENESS OF CURRENT
21 COLLEGE AND CAREER ADVISING PROGRAMS WITHIN THE DISTRICT BY
22 REVIEWING PUPIL-TO-COUNSELOR RATIOS, THE TIME DEDICATED TO COLLEGE-
23 AND CAREER-READINESS COUNSELING AS OPPOSED TO NONCOUNSELING TASKS,
24 AND THE AMOUNT OF PROFESSIONAL DEVELOPMENT OFFERED TO COLLEGE- AND
25 CAREER-READINESS ADVISORS, AND, BASED ON THIS SELF-ASSESSMENT, THE
26 DISTRICT DEVELOPS A PLAN TO ADDRESS DEFICIENCIES ACCORDING TO
27 STANDARDS RECOMMENDED BY THE MICHIGAN COLLEGE ACCESS NETWORK AND

1 THE MICHIGAN SCHOOL COUNSELOR ASSOCIATION BASED ON THE
2 COMPREHENSIVE SCHOOL COUNSELING PROGRAM ADOPTED BY THE DEPARTMENT.

3 (iv) THE DISTRICT OFFERS CREDIT RECOVERY OPPORTUNITIES FOR
4 ELIGIBLE STUDENTS IN GRADES 9 TO 12 WHO ARE AT RISK OF NOT MEETING
5 CREDIT REQUIREMENTS FOR GRADUATING ON TIME.

6 (3) If the department determines that a district has
7 intentionally submitted false information in order to qualify for
8 an incentive payment under this section, the district forfeits an
9 amount equal to the amount it received under this section from its
10 total state school aid for ~~2015-2016~~ 2016-2017.

11 (4) If the department determines that funds allocated under
12 this section will remain unexpended after the initial allocation of
13 ~~\$50.00~~ \$20.00 per-pupil to eligible districts under subsection (2),
14 the remaining unexpended amount is allocated on an equal per-pupil
15 basis to districts that meet the requirements of subsection (2) and
16 that have a foundation allowance, as calculated under section 20,
17 in an amount that is less than the basic foundation allowance under
18 that section.

19 Sec. 22i. (1) From the funds appropriated in section 11, ~~there~~
20 ~~is allocated for 2013-2014 an amount not to exceed \$45,000,000.00~~
21 ~~and there is allocated for 2014-2015~~ 2015-2016 an amount not to
22 exceed ~~\$41,500,000.00~~ \$25,000,000.00 for the technology **READINESS**
23 infrastructure grant program for districts or intermediate
24 districts on behalf of their constituent districts. Funds received
25 under this ~~subsection~~ **SECTION** shall be used for the development or
26 improvement of ~~a district's~~ **DISTRICTS'** technology **HARD**
27 infrastructure, the shared services consolidation of technology and

1 data ~~and~~ **FOR THE COORDINATION AND STRATEGIC PURCHASING OF**
2 hardware **AND SOFTWARE** in preparation for the ~~planned implementation~~
3 ~~in 2014-2015 of online assessments.~~ **DELIVERY OF ASSESSMENTS THROUGH**
4 **ONLINE MODELS.**

5 (2) ~~The~~ **SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE**
6 department shall develop a competitive application process and
7 method of grant distribution to eligible districts and intermediate
8 districts that demonstrate need for grants under subsection (1).
9 The department may consult with the department of technology,
10 management, and budget during the grant process and grant
11 distribution. Grants to districts shall not exceed \$2,000,000.00
12 per district. A grant to an intermediate district on behalf of its
13 constituent districts shall not exceed \$2,000,000.00 per
14 constituent district. To receive a grant under subsection (1), an
15 intermediate district shall demonstrate that a grant awarded to the
16 intermediate district on behalf of its constituent districts would
17 provide savings compared to providing grants to individual
18 districts. **ADDED CONSIDERATION SHALL BE GIVEN TO APPLICANTS THAT**
19 **PROPOSE EXTERNAL PARTNERSHIPS AND ARTICULATE PLANS FOR**
20 **SUSTAINABILITY BEYOND THE GRANT FUNDING.**

21 ~~From the general fund money appropriated in section 11,~~
22 ~~there is allocated an amount not to exceed \$5,000,000.00 for 2013-~~
23 ~~2014 to be awarded through a competitive bid process to a single~~
24 ~~provider of whole school technology as described in this~~
25 ~~subsection. The department shall issue a single request for~~
26 ~~proposal with application rules written and administered by the~~
27 ~~department, and with a focus on economic and geographic diversity.~~

1 ~~To be eligible to receive the grant under this section, a provider~~
2 ~~shall meet all of the following:~~

3 ~~—— (a) Agrees to submit evaluation criteria in a form and manner~~
4 ~~determined by the department.~~

5 ~~—— (b) Provides at least all of the following:~~

6 ~~—— (i) One to one mobile devices.~~

7 ~~—— (ii) Laptop or desktop computers for each classroom.~~

8 ~~—— (iii) On and off campus filtering.~~

9 ~~—— (iv) Wireless networks and peripherals.~~

10 ~~—— (v) Wireless audio equipment.~~

11 ~~—— (vi) Operating software.~~

12 ~~—— (vii) Instructional software.~~

13 ~~—— (viii) Repairs and replacements.~~

14 ~~—— (ix) Professional development.~~

15 ~~—— (x) Ongoing support.~~

16 (3) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
17 ALLOCATED AN AMOUNT NOT TO EXCEED \$12,000,000.00 FOR DISTRICT
18 PARTICIPATION INCENTIVES AS DESCRIBED IN THIS SUBSECTION. GRANTS
19 AWARDED UNDER THIS SUBSECTION SHALL BE DISTRIBUTED ON AN EQUAL PER
20 PUPIL BASIS, NOT TO EXCEED \$10.00 PER PUPIL. TO RECEIVE FUNDING
21 UNDER THIS SUBSECTION, A DISTRICT MUST MEET ALL OF THE FOLLOWING:

22 (A) THE DISTRICT AGREES TO LIMIT THE SPENDING OF PARTICIPATION
23 INCENTIVE GRANTS TOWARD TECHNOLOGY READINESS EFFORTS, INCLUDING,
24 BUT NOT LIMITED TO, THE FOLLOWING:

25 (i) ONLINE OR DIGITAL ASSESSMENT, INCLUDING UNIVERSAL
26 DIAGNOSTIC SCREENING TOOLS.

27 (ii) IN-BUILDING WIRELESS CONNECTIVITY.

1 (iii) NETWORK SERVICES, SUCH AS ADDITIONAL BANDWIDTH AND
2 CONTENT FILTERING.

3 (iv) COMPUTER OR DEVICE PURCHASING.

4 (v) TECHNOLOGY READINESS FOR INSTRUCTION AND DATA
5 COLLABORATIONS THAT SUPPORT ONLINE ASSESSMENT READINESS.

6 (B) THE DISTRICT AGREES TO BE REPRESENTED IN THE PROGRAM KNOWN
7 AS "TRIG SPONSORED STATEWIDE 470 BIDS FOR E-RATE FUNDING" AND TO
8 CONSIDER USING THE AWARDED VENDORS. HOWEVER, THE DISTRICT WILL NOT
9 BE OBLIGATED TO PURCHASE FROM THAT BID OR THOSE VENDORS.

10 (C) THE DISTRICT AGREES TO PARTICIPATE IN ANY SURVEY OR DATA
11 COLLECTION PROCESS CONSIDERED NECESSARY BY THE DEPARTMENT.

12 (D) THE DISTRICT ENSURES THAT ITS INTERMEDIATE DISTRICT ALSO
13 AGREES TO REQUIREMENTS OF SUBDIVISIONS (A) TO (C) FOR THE DISTRICT
14 TO RECEIVE PARTICIPATION FUNDS.

15 (4) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
16 ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR DEVICE
17 PURCHASING INCENTIVES.

18 (5) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
19 ALLOCATED AN AMOUNT NOT TO EXCEED \$2,200,000.00 FOR DATA SYSTEMS
20 INTEGRATION.

21 (6) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
22 ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR E-RATE
23 ACTIVITIES.

24 (7) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
25 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR ADMINISTRATION OF
26 THE TECHNOLOGY READINESS INFRASTRUCTURE GRANT PROGRAM.

27 (8) NOT LATER THAN JANUARY 1, 2017, THE DEPARTMENT SHALL

1 CONSOLIDATE AND PREPARE A SUMMARY FROM THE TOTAL PROJECT REPORTS
2 FROM EACH GRANTEE UNDER THIS SECTION TO INCLUDE MEASURABLE OUTCOMES
3 BASED ON GRANT OBJECTIVES. THE REPORT WILL INCLUDE A SUMMARY OF
4 COMPILED DATA FROM EACH GRANTEE TO PROVIDE A MEANS TO EVALUATE THE
5 EFFECTIVENESS OF THE GRANT PROJECT. THE REPORT SHALL BE DELIVERED
6 TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE
7 SCHOOL AID AND ON THE DEPARTMENT BUDGET AND TO THE HOUSE AND SENATE
8 FISCAL AGENCIES.

9 (9) ~~(4) The funds allocated under subsection (1) are a work~~
10 ~~project appropriation. Any unexpended funds for 2013-2014 are~~
11 ~~carried forward into 2014-2015 and any unexpended funds for 2014-~~
12 ~~2015 are carried forward into 2015-2016. The purpose of the work~~
13 ~~project is to continue to implement the projects described under~~
14 ~~this section. The estimated completion date of the work project is~~
15 ~~September 30, 2016.~~ 2015-2016 SHALL LAPSE TO THE STATE SCHOOL AID
16 FUND.

17 (10) FROM THE FUNDS APPROPRIATED UNDER THIS ARTICLE, THE
18 DEPARTMENT SHALL NOT CONTRACT FOR OR PAY FOR A CONTRACT THAT
19 CREATES INFORMATIONAL TECHNOLOGY INFRASTRUCTURE THAT IS OWNED OR
20 OPERATED BY THIS STATE, A LOCAL UNIT OF GOVERNMENT, A COMMUNITY
21 COLLEGE OR STATE PUBLIC UNIVERSITY, OR A DISTRICT OR INTERMEDIATE
22 DISTRICT, AND IS OPERATED IN A MANNER THAT PROVIDES INFORMATIONAL
23 TECHNOLOGY SERVICES TO PUBLIC ENTITIES IN COMPETITION WITH
24 BUSINESSES LOCATED IN THIS STATE.

25 (11) AS USED IN THIS SECTION:

26 (A) "HARD INFRASTRUCTURE" MEANS TECHNOLOGY HARDWARE NECESSARY
27 TO MOVE TO AN ONLINE LEARNING AND TESTING ENVIRONMENT, INCLUDING,

1 BUT NOT LIMITED TO, FIBER, SERVERS, WIRELESS COMPUTING NETWORKS,
2 AND NECESSARY PERIPHERALS.

3 (B) "SHARED SERVICES CONSOLIDATION OF TECHNOLOGY AND DATA"
4 MEANS PROJECTS THAT SUPPORT THE MOVE TO A COLLABORATIVE MULTIPLE
5 ORGANIZATIONAL APPROACH TO MANAGING HARDWARE, SOFTWARE,
6 PERIPHERALS, AND DATA INTEGRATION AND DISPLAY OF APPROPRIATE
7 INFORMATION FOR PARENTS, TEACHERS, ADMINISTRATORS, AND THIS STATE.

8 Sec. 23a. (1) A dropout recovery program operated by a
9 district qualifies for the special membership counting provisions
10 of section ~~6(4)(ff)~~ 6(4)(DD) and the hours and day of pupil
11 instruction exemption under section 101(12) if the dropout recovery
12 program meets all of the following:

13 (a) Enrolls only eligible pupils.

14 (b) Provides an advocate. An advocate may serve in that role
15 for more than 1 pupil but no more than 50 pupils. An advocate may
16 be employed by the district or may be provided by an education
17 management organization that is partnering with the district.
18 Before an individual is assigned to be an advocate for a pupil in
19 the dropout recovery program, the district shall comply with
20 sections 1230 and 1230a of the revised school code, MCL 380.1230
21 and 380.1230a, with respect to that individual.

22 (c) Develops a written learning plan.

23 (d) Monitors the pupil's progress against the written learning
24 plan.

25 (e) Requires each pupil to make satisfactory monthly progress,
26 as defined by the district under subsection (2).

27 (f) Reports the pupil's progress results to the partner

1 district at least monthly.

2 (g) The program may be operated on or off a district school
3 campus, but may be operated using distance learning online only if
4 the program provides a computer and internet access for each
5 eligible pupil participating in the program.

6 (h) Is operated throughout the entire calendar year.

7 (i) If the district partners with an education management
8 organization for the program, the education management organization
9 has a dropout recovery program partnership relationship with at
10 least 1 other district.

11 (2) A district operating a dropout recovery program under this
12 section shall adopt a definition of satisfactory monthly progress
13 that is consistent with the definition of that term under
14 subsection (3).

15 (3) As used in this section:

16 (a) "Advocate" means an adult available to meet in person with
17 assigned pupils, as needed, to conduct social interventions, to
18 proctor final examinations, and to provide academic and social
19 support to pupils enrolled in the district's dropout recovery
20 program.

21 (b) "Education management organization" means a private
22 provider that operates 1 or more other dropout recovery programs
23 that meet the requirements of this section in partnership with 1 or
24 more districts.

25 (c) "Eligible pupil" means a pupil who has been expelled from
26 school under the mandatory expulsion provisions in section 1311 or
27 1311a of the revised school code, MCL 380.1311 and 380.1311a, a

1 pupil who has been suspended or expelled from school under a local
2 policy, a pupil who is referred by a court, a pupil who is pregnant
3 or is a parent, a pupil who was previously a dropout, or a pupil
4 who is determined by the district to be at risk of dropping out.

5 (d) "Satisfactory monthly progress" means an amount of
6 progress that is measurable on a monthly basis and that, if
7 continued for a full 12 months, would result in the same amount of
8 academic credit being awarded to the pupil as would be awarded to a
9 general education pupil completing a full school year. Satisfactory
10 monthly progress may include a lesser required amount of progress
11 for the first 2 months a pupil participates in the program.

12 (e) "Written learning plan" means a written plan developed in
13 conjunction with the advocate that includes the plan start and end
14 dates, courses to be taken, credit to be earned for each course,
15 teacher of record for each course, and advocate name and contact
16 information.

17 Sec. 24. (1) From the appropriation in section 11, there is
18 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
19 \$8,000,000.00 for payments to the educating district or
20 intermediate district for educating pupils assigned by a court or
21 the department of human services to reside in or to attend a
22 juvenile detention facility or child caring institution licensed by
23 the department of human services and approved by the department to
24 provide an on-grounds education program. The amount of the payment
25 under this section to a district or intermediate district shall be
26 calculated as prescribed under 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 human services to reside in or to attend a juvenile detention
9 facility or child caring institution licensed by the department of
10 human services or the department of licensing and regulatory
11 affairs and approved by the department to provide an on-grounds
12 education program. Added cost shall be computed by deducting all
13 other revenue received under this article for pupils described in
14 this section from total costs, as approved by the department, in
15 whole or in part, for educating those pupils in the on-grounds
16 education program or in a program approved by the department that
17 is located on property adjacent to a juvenile detention facility or
18 child caring institution. Costs reimbursed by federal funds are not
19 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 ~~\$2,195,500.00 for 2014-2015~~
12 **\$2,189,800.00 FOR 2015-2016** for payments to intermediate districts
13 for pupils who are placed in juvenile justice service facilities
14 operated by the department of human services. Each intermediate
15 district shall receive an amount equal to the state share of those
16 costs that are clearly and directly attributable to the educational
17 programs for pupils placed in facilities described in this section
18 that are located within the intermediate district's boundaries. The
19 intermediate districts receiving payments under this section shall
20 cooperate with the department of human services to ensure that all
21 funding allocated under this section is utilized by the
22 intermediate district and department of human services for
23 educational programs for pupils described in this section. Pupils
24 described in this section are not eligible to be funded under
25 section 24. However, a program responsibility or other fiscal
26 responsibility associated with these pupils shall not be
27 transferred from the department of human services to a district or

1 intermediate district unless the district or intermediate district
2 consents to the transfer.

3 Sec. 24c. From the appropriation in section 11, there is
4 allocated an amount not to exceed ~~\$1,500,000.00 for 2014-2015~~
5 **\$1,497,400.00 FOR 2015-2016** 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. 25e. (1) The pupil membership transfer application and
19 pupil transfer process administered by the center under this
20 section shall be used for processing pupil transfers.

21 (2) If a pupil counted in membership for the pupil membership
22 count day transfers from a district or intermediate district to
23 enroll in another district or intermediate district after the pupil
24 membership count day and before the supplemental count day and, due
25 to the pupil's enrollment and attendance status as of the pupil
26 membership count day, the pupil was not counted in membership in
27 the educating district or intermediate district, the educating

1 district or intermediate district may report the enrollment and
2 attendance information to the center through the pupil transfer
3 process within 30 days after the transfer or within 30 days after
4 the pupil membership count certification date, whichever is later.
5 Pupil transfers may be submitted no earlier than the first day
6 after the certification deadline for the pupil membership count day
7 and before the supplemental count day. Upon receipt of the transfer
8 information under this subsection indicating that a pupil has
9 enrolled and is in attendance in an educating district or
10 intermediate district as described in this subsection, the pupil
11 transfer process shall do the following:

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

14 (b) Notify both the pupil auditing staff of the intermediate
15 district in which the educating district is located and the pupil
16 auditing staff of the intermediate district in which the district
17 that previously enrolled the pupil is located. The pupil auditing
18 staff shall investigate a representative sample based on required
19 audit sample sizes in the pupil auditing manual and may deny the
20 pupil membership transfer.

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

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

24 (a) Adjust the membership calculation for each district or
25 intermediate district in which the pupil was previously counted in
26 membership or that previously received an adjustment in its
27 membership calculation under this section due to a change in the

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

16 (b) Adjust the membership calculation for the educating
17 district or intermediate district in which the pupil is enrolled
18 and is in attendance so that the district's or intermediate
19 district's membership is increased to allow the district or
20 intermediate district to receive an amount equal to the difference
21 between the full-time equated membership claimed in the fall pupil
22 membership count and the sum of the adjustments calculated under
23 subdivision (a) for each district or intermediate district in which
24 the pupil was previously enrolled and in attendance. The educating
25 district or intermediate district shall receive a prorated
26 foundation allowance in an amount equal to the product of the
27 adjustment under this subdivision for the educating district or

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

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

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

21 ~~———— (6) Not later than December 1, 2014, the center in conjunction~~
22 ~~with the department shall report to the legislature data related to~~
23 ~~the implementation of this section, including, but not limited to,~~
24 ~~the number of transfer transactions and the net change in pupil~~
25 ~~memberships in 2013-2014 by district and intermediate district.~~

26 (6) ~~(7)~~—The portion of the full-time equated pupil membership
27 for which a pupil is enrolled in 1 or more online courses under

1 section 21f shall not be counted or transferred under the pupil
2 transfer process under this section.

3 (7) THE CENTER SHALL DETERMINE THE NUMBER OF PUPILS WHO DID
4 NOT RESIDE IN THIS STATE AS OF THE 2015-2016 PUPIL MEMBERSHIP COUNT
5 DAY, BUT WHO NEWLY ENROLLED IN A DISTRICT OR INTERMEDIATE DISTRICT
6 AFTER THAT PUPIL MEMBERSHIP COUNT DAY AND BEFORE THE 2015-2016
7 SUPPLEMENTAL COUNT DAY. THE CENTER SHALL FURTHER DETERMINE THE
8 NUMBER OF PUPILS WHO WERE COUNTED IN MEMBERSHIP FOR THE 2015-2016
9 PUPIL MEMBERSHIP COUNT DAY, BUT WHO LEFT THIS STATE BEFORE THE
10 2015-2016 SUPPLEMENTAL COUNT DAY. THE CENTER SHALL PROVIDE A REPORT
11 TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID,
12 AND TO THE SENATE AND HOUSE FISCAL AGENCIES, DETAILING THE NUMBER
13 OF PUPILS TRANSFERRING IN FROM ANOTHER STATE OR TRANSFERRING OUT
14 FROM THIS STATE BETWEEN THE PUPIL MEMBERSHIP COUNT DAY AND
15 SUPPLEMENTAL COUNT DAY AS DESCRIBED IN THIS SUBSECTION. THE CENTER
16 SHALL INCLUDE IN THE REPORT A DISCUSSION OF BENEFITS AND OBSTACLES
17 TO DEVELOPING A PUPIL ENROLLMENT PROCESS FOR PUPILS WHO NEWLY
18 ENROLL IN A DISTRICT OR INTERMEDIATE DISTRICT AFTER THE PUPIL
19 MEMBERSHIP COUNT DAY AND BEFORE THE SUPPLEMENTAL COUNT DAY, AND
20 DEVELOPING A PROCESS FOR DEDUCTING PUPILS WHO WERE COUNTED ON THE
21 PUPIL MEMBERSHIP COUNT DAY AND TRANSFER OUT OF THIS STATE BEFORE
22 THE SUPPLEMENTAL COUNT DAY.

23 (8) As used in this section:

24 (a) "Educating district or intermediate district" means the
25 district or intermediate district in which a pupil enrolls after
26 the pupil membership count day or after an adjustment was made in
27 another district's or intermediate district's membership

1 calculation under this section due to the pupil's enrollment and
2 attendance.

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

6 Sec. 25f. (1) From the state school aid fund money
7 appropriated in section 11, there is allocated an amount not to
8 exceed ~~\$2,000,000.00 for 2014-2015~~ **\$1,500,000.00 FOR 2015-2016** for
9 payments to strict discipline academies established under sections
10 1311b to 1311m of the revised school code, MCL 380.1311b to
11 380.1311m, as provided under this section and for the purposes
12 described in subsection (5).

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

17 ~~—— (3) Not later than June 30, 2015, a strict discipline academy~~
18 ~~shall report to the center and to the department, in a manner~~
19 ~~prescribed by the center and the department, the following~~
20 ~~information for 2014-2015:~~

21 ~~—— (a) The number of pupils enrolled and in attendance at the~~
22 ~~strict discipline academy.~~

23 ~~—— (b) The number of days each pupil enrolled was in attendance~~
24 ~~at the strict discipline academy, not to exceed 180.~~

25 ~~—— (4) The amount of the payment to a strict discipline academy~~
26 ~~under this section shall be an amount equal to the difference~~
27 ~~between the product of 1/180 of the per pupil payment as calculated~~

~~1 under section 20 for the strict discipline academy multiplied by
2 the number of days of pupil attendance reported under subsection
3 (3)(b) minus the product of the per pupil payment as calculated
4 under section 20 for the strict discipline academy multiplied by
5 the pupils in membership at the strict discipline academy as
6 calculated under section 6 and as adjusted by section 25e.~~

7 (3) EXCEPT FOR THE AMOUNT PAID UNDER SUBSECTION (5), THE TOTAL
8 AMOUNT ALLOCATED TO A STRICT DISCIPLINE ACADEMY UNDER THIS SECTION
9 IS AN AMOUNT EQUAL TO THE LESSER OF THE STRICT DISCIPLINE ACADEMY'S
10 ADDED COST OR THE DEPARTMENT'S APPROVED PER-PUPIL ALLOCATION FOR
11 THE STRICT DISCIPLINE ACADEMY. HOWEVER, THE SUM OF THE AMOUNTS
12 RECEIVED BY A STRICT DISCIPLINE ACADEMY UNDER THIS SECTION AND
13 UNDER SECTION 24 SHALL NOT EXCEED THE PRODUCT OF THE STRICT
14 DISCIPLINE ACADEMY'S PER-PUPIL ALLOCATION CALCULATED UNDER SECTION
15 20 MULTIPLIED BY THE STRICT DISCIPLINE ACADEMY'S FULL-TIME EQUATED
16 MEMBERSHIP. THE DEPARTMENT SHALL ALLOCATE FUNDS TO STRICT
17 DISCIPLINE ACADEMIES UNDER THIS SECTION ON A MONTHLY BASIS. FOR THE
18 PURPOSES OF THIS SUBSECTION:

19 (A) "ADDED COST" MEANS 100% OF THE ADDED COST EACH FISCAL YEAR
20 FOR EDUCATING ALL PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE
21 AT A STRICT DISCIPLINE ACADEMY. ADDED COST SHALL BE COMPUTED BY
22 DEDUCTING ALL OTHER REVENUE RECEIVED UNDER THIS ARTICLE FOR PUPILS
23 DESCRIBED IN THIS SUBSECTION FROM TOTAL COSTS, AS APPROVED BY THE
24 DEPARTMENT, IN WHOLE OR IN PART, FOR EDUCATING THOSE PUPILS IN A
25 STRICT DISCIPLINE ACADEMY. THE DEPARTMENT SHALL INCLUDE ALL COSTS
26 INCLUDING, BUT NOT LIMITED TO, EDUCATIONAL COSTS, INSURANCE,
27 MANAGEMENT FEES, AUTHORIZER FEES, TECHNOLOGY COSTS, LEGAL FEES,

1 AUDITING FEES, INTEREST, PUPIL ACCOUNTING COSTS, AND ANY OTHER
2 ADMINISTRATIVE COSTS NECESSARY TO OPERATE THE PROGRAM OR TO COMPLY
3 WITH STATUTORY REQUIREMENTS. COSTS REIMBURSED BY FEDERAL FUNDS ARE
4 NOT INCLUDED.

5 (B) "DEPARTMENT'S APPROVED PER-PUPIL ALLOCATION" FOR A STRICT
6 DISCIPLINE ACADEMY SHALL BE DETERMINED BY DIVIDING THE TOTAL AMOUNT
7 ALLOCATED UNDER THIS SUBSECTION FOR A FISCAL YEAR BY THE FULL-TIME
8 EQUATED MEMBERSHIP TOTAL FOR ALL PUPILS APPROVED BY THE DEPARTMENT
9 TO BE FUNDED UNDER THIS SUBSECTION FOR THAT FISCAL YEAR FOR THE
10 STRICT DISCIPLINE ACADEMY.

11 (4) SPECIAL EDUCATION PUPILS FUNDED UNDER SECTION 53A SHALL
12 NOT BE FUNDED UNDER THIS SECTION.

13 (5) If the operation of the special membership counting
14 provisions under section 6(4)(dd) and the other membership counting
15 provisions under section 6(4) result in a pupil being counted as
16 more than 1.0 FTE in a fiscal year, then the payment made for the
17 pupil under sections 22a and 22b shall not be based on more than
18 1.0 FTE for that pupil, and that portion of the FTE that exceeds
19 1.0 shall be paid under this ~~section~~ **SUBSECTION** in an amount equal
20 to that portion multiplied by the educating district's foundation
21 allowance or per-pupil payment calculated under section 20.

22 (6) If the funds allocated under this section are insufficient
23 to fully fund the adjustments under subsections ~~(4)~~ **(3)** and (5),
24 payments under this section shall be prorated on an equal per-pupil
25 basis.

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

1 Sec. 26a. From the funds appropriated in section 11, there is
2 allocated an amount not to exceed \$26,300,000.00 for ~~2014-2015~~
3 **2015-2016** to reimburse districts and intermediate districts
4 pursuant to section 12 of the Michigan renaissance zone act, 1996
5 PA 376, MCL 125.2692, for taxes levied in ~~2014-2015~~. The
6 allocations shall be made not later than 60 days after the
7 department of treasury certifies to the department and to the state
8 budget director that the department of treasury has received all
9 necessary information to properly determine the amounts due to each
10 eligible recipient.

11 Sec. 26b. (1) From the appropriation in section 11, there is
12 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
13 ~~\$4,210,000.00~~ **\$4,276,800.00** for payments to districts, intermediate
14 districts, and community college districts for the portion of the
15 payment in lieu of taxes obligation that is attributable to
16 districts, intermediate districts, and community college districts
17 pursuant to section 2154 of the natural resources and environmental
18 protection act, 1994 PA 451, MCL 324.2154.

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

23 Sec. 26c. (1) From the appropriation in section 11, there is
24 allocated an amount not to exceed ~~\$293,100.00 for 2014-2015~~
25 **\$610,000.00 FOR 2015-2016** to the promise zone fund created in
26 subsection (3).

27 (2) Funds allocated to the promise zone fund under this

1 section shall be used solely for payments to eligible districts and
2 intermediate districts that have a promise zone development plan
3 approved by the department of treasury under section 7 of the
4 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

5 (3) The promise zone fund is created as a separate account
6 within the state school aid fund to be used solely for the purposes
7 of the Michigan promise zone authority act, 2008 PA 549, MCL
8 390.1661 to 390.1679. All of the following apply to the promise
9 zone fund:

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

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

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

22 Sec. 31a. (1) From the state school aid fund money
23 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~
24 ~~2016~~ an amount not to exceed ~~\$317,695,500.00~~ **\$417,695,500.00** for
25 payments to eligible districts, eligible public school academies,
26 and the education achievement system for the purposes of ensuring
27 that pupils are proficient in reading by the end of grade 3 and

1 that high school graduates are career and college ready and for the
2 purposes under subsections (6) and (7). **A DISTRICT THAT RECEIVES AN**
3 **INCREASE IN FUNDING UNDER THIS SECTION FROM 2014-2015 TO 2015-2016**
4 **AND THAT EDUCATES PUPILS IN GRADES K TO 3 SHALL ENSURE THAT AT**
5 **LEAST 50% OF THE TOTAL AMOUNT OF THAT INCREASED FUNDING IS SPENT**
6 **FOR THE PURPOSE OF ENSURING THAT PUPILS ARE PROFICIENT IN READING**
7 **BY THE END OF GRADE 3.**

8 (2) For a district or public school academy, or the education
9 achievement system, to be eligible to receive funding under this
10 section, other than funding under subsection (6) or (7), the sum of
11 the district's or public school academy's or the education
12 achievement system's combined state and local revenue per
13 membership pupil in the current state fiscal year, as calculated
14 under section 20, must be less than or equal to the basic
15 foundation allowance under section 20 for the current state fiscal
16 year.

17 (3) Except as otherwise provided in this subsection, an
18 eligible district or eligible public school academy or the
19 education achievement system shall receive under this section for
20 each membership pupil in the district or public school academy or
21 the education achievement system who met the income eligibility
22 criteria for free breakfast, lunch, or milk, as determined under
23 the Richard B. Russell national school lunch act, 42 USC 1751 to
24 1769, and as reported to the department in the form and manner
25 prescribed by the department not later than the fifth Wednesday
26 after the pupil membership count day of the immediately preceding
27 fiscal year and adjusted not later than December 31 of the

1 immediately preceding fiscal year, an amount per pupil equal to
2 11.5% of the sum of the district's foundation allowance or the
3 public school academy's or the education achievement system's per
4 pupil amount calculated under section 20, not to exceed the basic
5 foundation allowance under section 20 for the current state fiscal
6 year, or of the public school academy's or the education
7 achievement system's per membership pupil amount calculated under
8 section 20 for the current state fiscal year. However, a public
9 school academy that began operations as a public school academy, or
10 an achievement school that began operations as an achievement
11 school, after the pupil membership count day of the immediately
12 preceding school year shall receive under this section for each
13 membership pupil in the public school academy or in the education
14 achievement system who met the income eligibility criteria for free
15 breakfast, lunch, or milk, as determined under the Richard B.
16 Russell national school lunch act and as reported to the department
17 not later than the fifth Wednesday after the pupil membership count
18 day of the current fiscal year and adjusted not later than December
19 31 of the current fiscal year, an amount per pupil equal to 11.5%
20 of the public school academy's or the education achievement
21 system's per membership pupil amount calculated under section 20
22 for the current state fiscal year.

23 (4) Except as otherwise provided in this section, a district
24 or public school academy, or the education achievement system,
25 receiving funding under this section shall use that money only to
26 provide instructional programs and direct noninstructional
27 services, including, but not limited to, medical, mental health, or

1 counseling services, for at-risk pupils; for school health clinics;
2 and for the purposes of subsection (5), (6), (7), or (10). In
3 addition, a district that is a school district of the first class
4 or a district or public school academy in which at least 50% of the
5 pupils in membership met the income eligibility criteria for free
6 breakfast, lunch, or milk in the immediately preceding state fiscal
7 year, as determined and reported as described in subsection (3), or
8 the education achievement system if it meets this requirement, may
9 use not more than 20% of the funds it receives under this section
10 for school security. A district, the public school academy, or the
11 education achievement system shall not use any of that money for
12 administrative costs. The instruction or direct noninstructional
13 services provided under this section may be conducted before or
14 after regular school hours or by adding extra school days to the
15 school year.

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

25 (6) From the funds allocated under subsection (1), there is
26 allocated for ~~2014-2015~~**2015-2016** an amount not to exceed
27 \$3,557,300.00 to support child and adolescent health centers. These

1 grants shall be awarded for 5 consecutive years beginning with
2 2003-2004 in a form and manner approved jointly by the department
3 and the department of community health. Each grant recipient shall
4 remain in compliance with the terms of the grant award or shall
5 forfeit the grant award for the duration of the 5-year period after
6 the noncompliance. To continue to receive funding for a child and
7 adolescent health center under this section a grant recipient shall
8 ensure that the child and adolescent health center has an advisory
9 committee and that at least one-third of the members of the
10 advisory committee are parents or legal guardians of school-aged
11 children. A child and adolescent health center program shall
12 recognize the role of a child's parents or legal guardian in the
13 physical and emotional well-being of the child. Funding under this
14 subsection shall be used to support child and adolescent health
15 center services provided to children up to age 21. If any funds
16 allocated under this subsection are not used for the purposes of
17 this subsection for the fiscal year in which they are allocated,
18 those unused funds shall be used that fiscal year to avoid or
19 minimize any proration that would otherwise be required under
20 subsection (14) for that fiscal year. **IN ADDITION TO THE FUNDS
21 OTHERWISE ALLOCATED UNDER THIS SUBSECTION, FROM THE MONEY ALLOCATED
22 IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
23 \$2,000,000.00 FOR 2015-2016 ONLY FOR CHILD AND ADOLESCENT HEALTH
24 CENTERS TO INCREASE ACCESS TO NURSES AND BEHAVIORAL HEALTH SERVICES
25 IN SCHOOLS, USING 2 EXISTING SCHOOL CLINICS AS HUBS FOR SERVICES
26 AND USING MOBILE TEAMS TO SERVE SATELLITE SCHOOL SITES.**

27 (7) From the funds allocated under subsection (1), there is

1 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed
2 \$5,150,000.00 for the state portion of the hearing and vision
3 screenings as described in section 9301 of the public health code,
4 1978 PA 368, MCL 333.9301. A local public health department shall
5 pay at least 50% of the total cost of the screenings. The frequency
6 of the screenings shall be as required under R 325.13091 to R
7 325.13096 and R 325.3271 to R 325.3276 of the Michigan
8 administrative code. Funds shall be awarded in a form and manner
9 approved jointly by the department and the department of community
10 health. Notwithstanding section 17b, payments to eligible entities
11 under this subsection shall be paid on a schedule determined by the
12 department.

13 (8) Each district or public school academy receiving funds
14 under this section and the education achievement system shall
15 submit to the department by July 15 of each fiscal year a report,
16 not to exceed 10 pages, on the usage by the district or public
17 school academy or the education achievement system of funds under
18 this section, which report shall include a brief description of
19 each program conducted or services performed by the district or
20 public school academy or the education achievement system using
21 funds under this section, the amount of funds under this section
22 allocated to each of those programs or services, the total number
23 of at-risk pupils served by each of those programs or services, and
24 the data necessary for the department and the department of human
25 services to verify matching funds for the temporary assistance for
26 needy families program. If a district or public school academy or
27 the education achievement system does not comply with this

1 subsection, the department shall withhold an amount equal to the
2 August payment due under this section until the district or public
3 school academy or the education achievement system complies with
4 this subsection. If the district or public school academy or the
5 education achievement system does not comply with this subsection
6 by the end of the state fiscal year, the withheld funds shall be
7 forfeited to the school aid fund.

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

15 (10) Subject to subsections (5), (6), and (7), a district may
16 use up to 100% of the funds it receives under this section to
17 implement schoolwide reform in schools with 40% or more of their
18 pupils identified as at-risk pupils by providing supplemental
19 instructional or noninstructional services consistent with the
20 school improvement plan.

21 (11) If necessary, and before any proration required under
22 section 296, the department shall prorate payments under this
23 section by reducing the amount of the per pupil payment under this
24 section by a dollar amount calculated by determining the amount by
25 which the amount necessary to fully fund the requirements of this
26 section exceeds the maximum amount allocated under this section and
27 then dividing that amount by the total statewide number of pupils

1 who met the income eligibility criteria for free breakfast, lunch,
2 or milk in the immediately preceding fiscal year, as described in
3 subsection (3).

4 (12) If a district is formed by consolidation after June 1,
5 1995, and if 1 or more of the original districts ~~was~~**WERE** not
6 eligible before the consolidation for an additional allowance under
7 this section, the amount of the additional allowance under this
8 section for the consolidated district shall be based on the number
9 of pupils described in subsection (1) enrolled in the consolidated
10 district who reside in the territory of an original district that
11 was eligible before the consolidation for an additional allowance
12 under this section. In addition, if a district is dissolved
13 pursuant to section 12 of the revised school code, MCL 380.12, the
14 intermediate district to which the dissolved school district was
15 constituent shall determine the estimated number of pupils that
16 meet the income eligibility criteria for free breakfast, lunch, or
17 milk, as described under subsection (3), enrolled in each of the
18 other districts within the intermediate district and provide that
19 estimate to the department for the purposes of distributing funds
20 under this section within 60 days after the school district is
21 declared dissolved.

22 (13) As used in this section, "at-risk pupil" means a pupil
23 for whom the district has documentation that the pupil meets any of
24 the following criteria:

25 (a) Is a victim of child abuse or neglect.

26 (b) Is a pregnant teenager or teenage parent.

27 (c) Has a family history of school failure, incarceration, or

1 substance abuse.

2 (d) For pupils for whom the results of the ~~Michigan merit~~
3 ~~examination~~ **STATE SUMMATIVE ASSESSMENT** have been received, is a
4 pupil ~~who does not meet the other criteria under this subsection~~
5 ~~but~~ who did not achieve proficiency on the ~~reading, writing,~~
6 **ENGLISH LANGUAGE ARTS**, mathematics, science, or social studies
7 ~~components of the most recent Michigan merit examination for which~~
8 ~~results for the pupil have been received.~~ **CONTENT AREA ASSESSMENT.**

9 (e) ~~For pupils in grades K-3, is~~ **IS** a pupil who is at risk of
10 not meeting the district's core academic curricular objectives in
11 English language arts or mathematics, **AS DEMONSTRATED ON LOCAL**
12 **ASSESSMENTS.**

13 (f) The pupil is enrolled in a priority or priority-successor
14 school, as defined in the elementary and secondary education act of
15 2001 flexibility waiver approved by the United States ~~department of~~
16 ~~education.~~ **DEPARTMENT OF EDUCATION.**

17 ~~—— (g) The pupil did not achieve a score of at least proficient~~
18 ~~on 2 or more state administered assessments for English language~~
19 ~~arts, mathematics, science, or social studies.~~

20 ~~—— (h) For high school pupils in grades not assessed by the~~
21 ~~state, the pupil did not receive a satisfactory score on 2 or more~~
22 ~~end of course examinations that are aligned with state standards in~~
23 ~~English language arts, mathematics, science, or social studies. For~~
24 ~~middle school pupils in grades not assessed by the state, the pupil~~
25 ~~did not receive a satisfactory score on 2 or more end of semester~~
26 ~~or end of trimester examinations that are aligned with state~~
27 ~~standards in science or social studies. For pupils in the~~

1 ~~elementary grades in grades and subjects not assessed by the state,~~
2 ~~the pupil did not receive a satisfactory score or did not have a~~
3 ~~satisfactory outcome on 2 or more interim assessments in English~~
4 ~~language arts, mathematics, science, or social studies.~~

5 (G) ~~(i)~~—In the absence of state or local assessment data, the
6 pupil meets at least 2 of the following criteria, as documented in
7 a form and manner approved by the department:

8 (i) The pupil is eligible for free **OR REDUCED PRICE** breakfast,
9 lunch, or milk.

10 (ii) The pupil is absent more than 10% of enrolled days or 10
11 school days during the school year.

12 (iii) The pupil is homeless.

13 (iv) The pupil is a migrant.

14 (v) The pupil is an English language learner.

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

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

20 (14) ~~Beginning in 2014-2015, if~~ **IF** a district, public school
21 academy, or the education achievement system does not demonstrate
22 to the satisfaction of the department that at least 50% of at-risk
23 pupils are reading at grade level by the end of grade 3 as measured
24 by the state assessment and demonstrate to the satisfaction of the
25 department improvement over 3 consecutive years in the percentage
26 of at-risk pupils that are career- and college-ready as ~~measured by~~
27 ~~the pupil's score on each of the individual subject areas on the~~

1 ~~college entrance examination portion of the Michigan merit~~
2 ~~examination~~ **DETERMINED BY PROFICIENCY ON THE ENGLISH LANGUAGE ARTS,**
3 **MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON THE GRADE 11**
4 **SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the revised
5 school code, MCL 380.1279g, the district, public school academy, or
6 education achievement system shall ensure all of the following:

7 (a) The district, public school academy, or the education
8 achievement system shall determine the proportion of total at-risk
9 pupils that represents the number of pupils in grade 3 that are not
10 reading at grade level by the end of grade 3, and the district,
11 public school academy, or the education achievement system shall
12 expend that same proportion multiplied by 1/2 of its total at-risk
13 funds under this section on tutoring and other methods of improving
14 grade 3 reading levels.

15 (b) The district, public school academy, or the education
16 achievement system shall determine the proportion of total at-risk
17 pupils that represent the number of pupils in grade 11 that are not
18 career- and college-ready as measured by the student's score on
19 ~~each of the individual subject areas on the college entrance~~
20 ~~examination portion of the Michigan merit examination~~ **THE ENGLISH**
21 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**
22 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the
23 revised school code, MCL 380.1279g, and the district, public school
24 academy, or the education achievement system shall expend that same
25 proportion multiplied by 1/2 of its total at-risk funds under this
26 section on tutoring and other activities to improve scores on the
27 college entrance examination portion of the Michigan merit

1 examination.

2 (15) As used in subsection (14), "total at risk pupils" means
3 the sum of the number of pupils in grade 3 that are not reading at
4 grade level by the end of third grade **AS MEASURED ON THE STATE**
5 **ASSESSMENT** and the number of pupils in grade 11 that are not
6 career- and college-ready as measured by the student's score on
7 ~~each of the individual subject areas on the college entrance~~
8 ~~examination portion of the Michigan merit examination~~ **THE ENGLISH**
9 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**
10 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the
11 revised school code, MCL 380.1279g.

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

16 (17) **THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF**
17 **HEALTH AND HUMAN SERVICES TO PRIORITIZE ASSIGNING PATHWAYS TO**
18 **POTENTIAL SUCCESS COACHES TO ELEMENTARY SCHOOLS THAT HAVE A HIGH**
19 **PERCENTAGE OF PUPILS IN GRADES K TO 3 WHO ARE NOT READING AT GRADE**
20 **LEVEL.**

21 Sec. 31d. (1) From the appropriations in section 11, there is
22 allocated an amount not to exceed \$22,495,100.00 for ~~2014-2015~~
23 **2015-2016** for the purpose of making payments to districts and other
24 eligible entities under this section.

25 (2) The amounts allocated from state sources under this
26 section shall be used to pay the amount necessary to reimburse
27 districts for 6.0127% of the necessary costs of the state mandated

1 portion of the school lunch programs provided by those districts.
2 The amount due to each district under this section shall be
3 computed by the department using the methods of calculation adopted
4 by the Michigan supreme court in the consolidated cases known as
5 Durant v State of Michigan, Michigan supreme court docket no.
6 104458-104492.

7 (3) The payments made under this section include all state
8 payments made to districts so that each district receives at least
9 6.0127% of the necessary costs of operating the state mandated
10 portion of the school lunch program in a fiscal year.

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

17 (5) From the federal funds appropriated in section 11, there
18 is allocated for ~~2014-2015-2015-2016~~ all available federal funding,
19 estimated at \$510,000,000.00 for the national school lunch program
20 and all available federal funding, estimated at \$3,200,000.00 for
21 the emergency food assistance program.

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

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

1 of comparable quality.

2 Sec. 31f. (1) From the appropriations in section 11, there is
3 allocated an amount not to exceed \$5,625,000.00 for ~~2014-2015-2015-~~
4 **2016** for the purpose of making payments to districts to reimburse
5 for the cost of providing breakfast.

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

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

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

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

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

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

1 SEC. 31H. FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS
2 ALLOCATED AN AMOUNT NOT TO EXCEED \$350,000.00 FOR 2015-2016 FOR THE
3 PURPOSE OF PROVIDING FUNDING TO A DISTRICT THAT EDUCATES HIGH
4 SCHOOL PUPILS FROM ANOTHER DISTRICT THAT VOLUNTARILY CLOSED ITS
5 HIGH SCHOOL PROGRAM IN 2013. THE FUNDING UNDER THIS SECTION IS
6 INTENDED TO BE FOR THE FIRST OF 2 YEARS, UNLESS IT IS DETERMINED
7 THAT THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT ALLOWS
8 FEDERAL TITLE I FUNDS THAT PREVIOUSLY SUPPORTED THE HIGH SCHOOL
9 PUPILS IN THEIR RESIDENT DISTRICT TO INSTEAD BE PROVIDED TO THE
10 EDUCATING DISTRICT. FUNDING UNDER THIS SECTION SHALL BE USED TO
11 SUPPORT THE ADDITIONAL COSTS OF EDUCATING HIGH SCHOOL PUPILS IN A
12 MANNER THAT IS SIMILAR TO THE WAY TITLE I FUNDS PROVIDED ADDITIONAL
13 SUPPORT TO THE EDUCATION OF THOSE PUPILS WHEN THEY WERE EDUCATED IN
14 THEIR RESIDENT DISTRICT HIGH SCHOOL PROGRAM BEFORE ITS CLOSURE IN
15 2013.

16 Sec. 32d. (1) From the funds appropriated in section 11, there
17 is allocated to eligible intermediate districts and consortia of
18 intermediate districts for great start readiness programs an amount
19 not to exceed ~~\$214,275,000.00 for 2014-2015. In addition, from the~~
20 ~~funds appropriated in section 11, there is allocated to the great~~
21 ~~start readiness reserve fund created under subsection (19) an~~
22 ~~amount not to exceed \$25,000,000.00 for 2014-2015. \$239,275,000.00~~
23 **FOR 2015-2016.** Funds allocated under this section for great start
24 readiness programs shall be used to provide part-day, school-day,
25 or GSRP/head start blended comprehensive free compensatory
26 classroom programs designed to improve the readiness and subsequent
27 achievement of educationally disadvantaged children who meet the

1 participant eligibility and prioritization guidelines as defined by
2 the department. For a child to be eligible to participate in a
3 program under this section, the child shall be at least 4, but less
4 than 5, years of age as of the date specified for determining a
5 child's eligibility to attend school under section 1147 of the
6 revised school code, MCL 380.1147. **HOWEVER, IF A PROGRAM WOULD**
7 **OTHERWISE HAVE TO RETURN FUNDING FOR SLOTS DUE TO INSUFFICIENT**
8 **CLASS SIZE, THE PROGRAM MAY ENROLL CHILDREN WHO ARE AT LEAST 3**
9 **YEARS OF AGE, AND WHO MEET THE INCOME ELIGIBILITY CRITERIA, IN**
10 **ADDITION TO THE ELIGIBLE CHILDREN WHO ARE AT LEAST 4, BUT LESS THAN**
11 **5, YEARS OF AGE.**

12 (2) Funds allocated under subsection (1) shall be allocated to
13 intermediate districts or consortia of intermediate districts based
14 on the formula in section 39. An intermediate district or
15 consortium of intermediate districts receiving funding under this
16 section shall act as the fiduciary for the great start readiness
17 programs. In order to be eligible to receive funds allocated under
18 this subsection from an intermediate district or consortium of
19 intermediate districts, a district, a consortium of districts, or a
20 public or private for-profit or nonprofit legal entity or agency
21 shall comply with this section and section 39.

22 (3) In addition to the allocation under subsection (1), from
23 the general fund money appropriated under section 11, there is
24 allocated an amount not to exceed \$300,000.00 for ~~2014-2015-2015-~~
25 **2016** for a competitive grant to continue a longitudinal evaluation
26 of children who have participated in great start readiness
27 programs.

1 (4) To be eligible for funding under this section, a program
2 shall prepare children for success in school through comprehensive
3 part-day, school-day, or GSRP/head start blended programs that
4 contain all of the following program components, as determined by
5 the department:

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

10 (b) An age-appropriate educational curriculum that is in
11 compliance with the early childhood standards of quality for
12 prekindergarten children adopted by the state board.

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

15 (d) Physical and dental health and developmental screening
16 services for all program participants.

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

20 (f) Active and continuous involvement of the parents or
21 guardians of the program participants.

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

25 (h) Participation in a school readiness advisory committee
26 convened as a workgroup of the great start collaborative that
27 provides for the involvement of classroom teachers, parents or

1 guardians of program participants, and community, volunteer, and
2 social service agencies and organizations, as appropriate. The
3 advisory committee annually shall review and make recommendations
4 regarding the program components listed in this subsection. The
5 advisory committee also shall make recommendations to the great
6 start collaborative regarding other community services designed to
7 improve all children's school readiness.

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

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

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

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

17 (b) Except as otherwise provided in this subdivision, ensure
18 that at least 90% of the children participating in an eligible
19 great start readiness program for whom the intermediate district is
20 receiving funds under this section are children who live with
21 families with a household income that is equal to or less than 250%
22 of the federal poverty level. If the intermediate district
23 determines that all eligible children are being served and that
24 there are no children on the waiting list under section 39(1)(d)
25 who live with families with a household income that is equal to or
26 less than 250% of the federal poverty level, the intermediate
27 district may then enroll children who live with families with a

1 household income that is equal to or less than 300% of the federal
2 poverty level. The enrollment process shall consider income and
3 risk factors, such that children determined with higher need are
4 enrolled before children with lesser need. For purposes of this
5 subdivision, all age-eligible children served in foster care or who
6 are experiencing homelessness or who have individualized education
7 plans recommending placement in an inclusive preschool setting
8 shall be considered to live with families with household income
9 equal to or less than 250% of the federal poverty level regardless
10 of actual family income.

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

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

27 (ii) Paraprofessionals possessing proper training in early

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

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

26 (6) For a grant recipient that enrolls pupils in a school-day
27 program funded under this section, each child enrolled in the

1 school-day program shall be counted as 2 children served by the
2 program for purposes of determining the number of children to be
3 served and for determining the amount of the grant award. A grant
4 award shall not be increased solely on the basis of providing a
5 school-day program.

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

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

17 (9) Funds received under this section may be retained for
18 administrative services as follows:

19 (a) For the portion of the total grant amount for which
20 services are provided directly by an intermediate district or
21 consortium of intermediate districts, the intermediate district or
22 consortium of intermediate districts may retain an amount equal to
23 not more than 7% of that portion of the grant amount.

24 (b) For the portion of the total grant amount for which
25 services are contracted, the intermediate district or consortium of
26 intermediate districts receiving the grant may retain an amount
27 equal to not more than 2% of that portion of the grant amount and

1 the subrecipients engaged by the intermediate district to provide
2 program services may retain for administrative services an amount
3 equal to not more than 5% of that portion of the grant amount.

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

7 (11) Each grant recipient shall enroll children identified
8 under subsection (5)(b) according to how far the child's household
9 income is below 250% of the federal poverty level by ranking each
10 applicant child's household income from lowest to highest and
11 dividing the applicant children into quintiles based on how far the
12 child's household income is below 250% of the federal poverty
13 level, and then enrolling children in the quintile with the lowest
14 household income before enrolling children in the quintile with the
15 next lowest household income until slots are completely filled. If
16 the grant recipient determines that all eligible children are being
17 served and that there are no children on the waiting list under
18 section 39(1)(d) who live with families with a household income
19 that is equal to or less than 250% of the federal poverty level,
20 the grant recipient may then enroll children who live with families
21 with a household income that is equal to or less than 300% of the
22 federal poverty level. The enrollment process shall consider income
23 and risk factors, such that children determined with higher need
24 are enrolled before children with lesser need. For purposes of this
25 subdivision, all age-eligible children served in foster care or who
26 are experiencing homelessness or who have individualized education
27 plans recommending placement in an inclusive preschool setting

1 shall be considered to live with families with household income
2 equal to or less than 250% of the federal poverty level regardless
3 of actual family income.

4 (12) An intermediate district or consortium of intermediate
5 districts receiving a grant under this section shall allow parents
6 of eligible children who are residents of the intermediate district
7 or within the consortium to choose a program operated by or
8 contracted with another intermediate district or consortium of
9 intermediate districts and shall pay to the educating intermediate
10 district or consortium the per-child amount attributable to each
11 child enrolled pursuant to this sentence, as determined under
12 section 39.

13 (13) An intermediate district or consortium of intermediate
14 districts receiving a grant under this section shall conduct a
15 local process to contract with interested and eligible public and
16 private for-profit and nonprofit community-based providers that
17 meet all requirements of subsection (4) for at least 30% of its
18 total slot allocation. The intermediate district or consortium
19 shall report to the department, in a manner prescribed by the
20 department, a detailed list of community-based providers by
21 provider type, including private for-profit, private nonprofit,
22 community college or university, head start grantee or delegate,
23 and district or intermediate district, and the number and
24 proportion of its total slot allocation allocated to each provider
25 as subrecipient. If the intermediate district or consortium is not
26 able to contract for at least 30% of its total slot allocation, the
27 grant recipient shall notify the department and, if the department

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

16 (a) The intermediate district or consortium notified each
17 licensed child care center located in the service area of the
18 intermediate district or consortium at least twice regarding the
19 center's eligibility to participate. One of these notifications may
20 be made electronically, but at least 1 of these notifications shall
21 be made via hard copy through the United States mail. At least 1 of
22 these notifications shall be made within 7 days after the
23 intermediate district or consortium receives notice from the
24 department of its slot allocations.

25 (b) The intermediate district or consortium provided to each
26 licensed child care center located in the service area of the
27 intermediate district or consortium information regarding great

1 start readiness program requirements and a description of the
2 application and selection process for community-based providers.

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

7 (14) If an intermediate district or consortium of intermediate
8 districts receiving a grant under this section fails to submit
9 satisfactory evidence to demonstrate its effort to contract for at
10 least 30% of its total slot allocation, as required under
11 subsection (1), the department shall reduce the slots allocated to
12 the intermediate district or consortium by a percentage equal to
13 the difference between the percentage of an intermediate district's
14 or consortium's total slot allocation awarded to community-based
15 providers and 30% of its total slot allocation.

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

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

25 (b) Provide, or ensure that an organization with which the
26 department contracts provides, a community-based provider with a
27 validated great start to quality rating within 90 days of the

1 provider's having submitted a request and self-assessment.

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

10 (d) Not later than November 1 of each year, compile the
11 results of the information reported by each intermediate district
12 or consortium under subsection (10) and report to the legislature a
13 list by intermediate district or consortium with the number and
14 percentage of each intermediate district's or consortium's total
15 slot allocation allocated to community-based providers by provider
16 type, including private for-profit, private nonprofit, community
17 college or university, head start grantee or delegate, and district
18 or intermediate district.

19 (16) A recipient of funds under this section shall report to
20 the department in a form and manner prescribed by the department
21 the number of children participating in the program who meet the
22 income eligibility criteria under subsection (5)(b) and the total
23 number of children participating in the program. For children
24 participating in the program who meet the income eligibility
25 criteria specified under subsection (5)(b), a recipient shall also
26 report whether or not a parent is available to provide care based
27 on employment status. For the purposes of this subsection,

1 "employment status" shall be defined by the department of human
2 services in a manner consistent with maximizing the amount of
3 spending that may be claimed for temporary assistance for needy
4 families maintenance of effort purposes.

5 (17) As used in this section:

6 (a) "GSRP/head start blended program" means a part-day program
7 funded under this section and a head start program, which are
8 combined for a school-day program.

9 (b) "Part-day program" means a program that operates at least
10 4 days per week, 30 weeks per year, for at least 3 hours of
11 teacher-child contact time per day but for fewer hours of teacher-
12 child contact time per day than a school-day program.

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

18 (18) An intermediate district or consortium of intermediate
19 districts receiving funds under this section shall establish a
20 sliding scale of tuition rates based upon household income for
21 children participating in an eligible great start readiness program
22 who live with families with a household income that is more than
23 250% of the federal poverty level to be used by all of its
24 providers, as approved by the department. A grant recipient shall
25 charge tuition according to that sliding scale of tuition rates on
26 a uniform basis for any child who does not meet the income
27 eligibility requirements under this section.

1 ~~—— (19) The great start readiness reserve fund is created as a~~
2 ~~separate account within the state school aid fund established by~~
3 ~~section 11 of article IX of the state constitution of 1963. Money~~
4 ~~available in the great start readiness reserve fund may not be~~
5 ~~expended for 2014-2015 unless transferred by the legislature not~~
6 ~~later than December 15, 2014 to the allocation under subsection (1)~~
7 ~~for great start readiness programs. Money in the great start~~
8 ~~readiness reserve fund shall be expended only for purposes for~~
9 ~~which state school aid fund money may be expended. The state~~
10 ~~treasurer shall direct the investment of the great start readiness~~
11 ~~reserve fund. The state treasurer shall credit to the great start~~
12 ~~readiness reserve fund interest and earnings from fund investments.~~
13 ~~Money in the great start readiness reserve fund at the close of a~~
14 ~~fiscal year shall remain in the great start readiness reserve fund~~
15 ~~and shall not lapse to the unreserved school aid fund balance or~~
16 ~~the general fund.~~

17 (19) ~~(20)~~ From the amount appropriated in subsection (1),
18 there is allocated an amount not to exceed \$10,000,000.00 for
19 reimbursement of transportation costs for children attending great
20 start readiness programs funded under this section. To receive
21 reimbursement under this subsection, not later than November 1,
22 ~~2014, 2015~~, a program funded under this section that provides
23 transportation shall submit to the intermediate district that is
24 the fiscal agent for the program a projected transportation budget.
25 The amount of the reimbursement for transportation under this
26 subsection shall be the lesser of the projected transportation
27 budget or \$150.00 multiplied by the number of slots funded for the

1 program under this section. If the amount allocated under this
2 subsection is insufficient to fully reimburse the transportation
3 costs for all programs that provide transportation and submit the
4 required information, the reimbursement shall be prorated in an
5 equal amount per slot funded. Payments shall be made to the
6 intermediate district that is the fiscal agent for each program,
7 and the intermediate district shall then reimburse the program
8 provider for transportation costs as prescribed under this
9 subsection.

10 Sec. 32p. (1) From the school aid fund appropriation in
11 section 11, there is allocated an amount not to exceed
12 ~~\$10,900,000.00~~ **\$15,900,000.00** to intermediate districts for ~~2014-~~
13 ~~2015-2015-2016~~ for the purpose of providing early childhood funding
14 to intermediate school districts ~~in block grants, supporting TO~~
15 **SUPPORT** the activities under subsection (2) **AND SUBSECTION (4)**, and
16 ~~providing TO PROVIDE~~ early childhood programs for children from
17 birth through age 8. The funding provided to each intermediate
18 district under this section shall be determined by the distribution
19 formula established by the department's office of great start to
20 provide equitable funding statewide. In order to receive funding
21 under this section, each intermediate district shall provide an
22 application to the office of great start not later than September
23 15 of the immediately preceding fiscal year indicating the
24 activities planned to be provided.

25 (2) Each intermediate district or consortium of intermediate
26 districts that receives funding under this section shall convene a
27 local great start collaborative and a parent coalition. The goal of

1 each great start collaborative and parent coalition shall be to
2 ensure the coordination and expansion of local early childhood
3 infrastructure and programs that allow every child in the community
4 to achieve the following outcomes:

5 (a) Children born healthy.

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

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

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

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

17 (a) Physical health.

18 (b) Social-emotional health.

19 (c) Family supports and basic needs.

20 (d) Parent education and child advocacy.

21 (e) Early education and care.

22 (4) **FROM THE FUNDS ALLOCATED IN SUBSECTION (1), AT LEAST**
23 **\$5,000,000.00 SHALL BE USED FOR THE PURPOSE OF PROVIDING HOME**
24 **VISITS TO AT-RISK CHILDREN AND THEIR FAMILIES. THE HOME VISITS**
25 **SHALL BE CONDUCTED AS PART OF A LOCALLY COORDINATED, FAMILY-**
26 **CENTERED, EVIDENCE-BASED, DATA-DRIVEN HOME VISIT STRATEGIC PLAN**
27 **THAT IS APPROVED BY THE DEPARTMENT. THE GOALS OF THE HOME VISITS**

1 FUNDED UNDER THIS SUBSECTION SHALL BE TO IMPROVE SCHOOL READINESS,
2 REDUCE THE NUMBER OF PUPILS RETAINED IN GRADE LEVEL, AND REDUCE THE
3 NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION SERVICES. THE
4 DEPARTMENT SHALL COORDINATE THE GOALS OF THE HOME VISIT STRATEGIC
5 PLANS APPROVED UNDER THIS SUBSECTION WITH OTHER STATE AGENCY HOME
6 VISIT PROGRAMS IN A WAY THAT STRENGTHENS MICHIGAN'S HOME VISITING
7 INFRASTRUCTURE AND MAXIMIZES FEDERAL FUNDS AVAILABLE FOR THE
8 PURPOSES OF AT-RISK FAMILY HOME VISITS.

9 (5) ~~(4)~~—Not later than December 1 of each year, each
10 intermediate district shall provide a report to the department
11 detailing the activities actually provided during the immediately
12 preceding school year and the families and children actually
13 served. AT A MINIMUM, THE REPORT SHALL INCLUDE AN EVALUATION OF THE
14 SERVICES PROVIDED WITH ADDITIONAL FUNDING UNDER SUBSECTION (4) FOR
15 HOME VISITS, USING THE GOALS IDENTIFIED IN SUBSECTION (4) AS THE
16 BASIS FOR THE EVALUATION, INCLUDING THE DEGREE TO WHICH SCHOOL
17 READINESS WAS IMPROVED, ANY CHANGE IN THE NUMBER OF PUPILS RETAINED
18 AT GRADE LEVEL, AND ANY CHANGE IN THE NUMBER OF PUPILS RECEIVING
19 SPECIAL EDUCATION SERVICES. The department shall compile and
20 summarize these reports and submit its summary to the house and
21 senate appropriations subcommittees on school aid and to the house
22 and senate fiscal agencies not later than February 15 of each year.

23 (6) ~~(5)~~—An intermediate district or consortium of intermediate
24 districts that receives funding under this section may carry over
25 any unexpended funds received under this section into the next
26 fiscal year and may expend those unused funds through June 30 of
27 the next fiscal year. A recipient of a grant shall return any

1 unexpended grant funds to the department in the manner prescribed
2 by the department not later than September 30 of the next fiscal
3 year after the fiscal year in which the funds are received.

4 SEC. 35. (1) THE FUNDS ALLOCATED UNDER SECTIONS 35A TO 35G
5 SHALL BE USED FOR PROGRAMS TO ENSURE CHILDREN ARE READING AT GRADE
6 LEVEL BY THE END OF GRADE 3. THE SUPERINTENDENT SHALL DESIGNATE
7 STAFF OR CONTRACTED EMPLOYEES FUNDED UNDER THESE SECTIONS AS
8 CRITICAL SHORTAGE. PROGRAMS FUNDED UNDER THESE SECTIONS ARE
9 INTENDED TO ENSURE THAT THIS STATE WILL BE IN THE TOP 10 MOST
10 IMPROVED STATES IN GRADE 4 READING PROFICIENCY BY THE 2019 NATIONAL
11 ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP) AND WILL BE IN THE TOP 10
12 STATES OVERALL BY 2025.

13 (2) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE
14 IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED
15 \$1,000,000.00 FOR 2015-2016 FOR IMPLEMENTATION COSTS ASSOCIATED
16 WITH PROGRAMS IN SECTIONS 35A TO 35G.

17 (3) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (2), THERE IS
18 ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000.00 FOR THE PURPOSE OF
19 PERFORMING AN EVALUATION OF THE PILOT PROGRAMS UNDER SECTION 35A IN
20 A MANNER APPROVED BY THE DEPARTMENT. THE EVALUATION REPORT SHALL
21 INCLUDE AT LEAST THE FOLLOWING:

22 (A) A DESCRIPTION OF THE COMPONENTS OF THE PILOT PROGRAMS THAT
23 WERE EFFECTIVE IN HELPING PARENTS PREPARE THEIR CHILDREN FOR
24 SUCCESS IN SCHOOL.

25 (B) A DESCRIPTION OF ANY BARRIERS THAT PARENTS AND THEIR
26 CHILDREN ENCOUNTERED THAT PRECLUDED THEM FROM PARTICIPATING IN THE
27 PILOT PROGRAMS.

1 (C) AN ASSESSMENT OF WHETHER THESE PILOT PROGRAMS SHOULD BE
2 EXPANDED TO OTHER LOCATIONS IN THE STATE.

3 SEC. 35A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
4 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2015-2016 FOR
5 THE PURPOSE OF CONDUCTING PARENT EDUCATION PILOT PROGRAMS FOR
6 PARENTS OF CHILDREN LESS THAN 4 YEARS OF AGE SO THAT CHILDREN ARE
7 DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE TIME OF SCHOOL
8 ENTRY.

9 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION
10 PROCESS AND METHOD OF GRANT DISTRIBUTION CONSISTENT WITH THE
11 PROVISIONS OF THIS SECTION. THE AMOUNT OF A GRANT AWARD TO A PILOT
12 PROGRAM SHALL BE AN AMOUNT EQUAL TO THE NUMBER OF RESIDENT CHILDREN
13 YOUNGER THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED FOR
14 DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION
15 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147, IN THE DISTRICT OR
16 CONSORTIUM OF DISTRICTS OPERATING THE PROGRAM MULTIPLIED BY \$120.00
17 PER CHILD OR \$130,000.00, WHICHEVER IS LESS. THE DEPARTMENT SHALL
18 ENSURE THAT GRANTS ARE AWARDED IN EACH PROSPERITY REGION OR
19 SUBREGION.

20 (3) AN APPLICATION FOR A COMPETITIVE GRANT UNDER THIS SECTION
21 SHALL BE SUBMITTED BY AN INTERMEDIATE DISTRICT ON BEHALF OF A
22 DISTRICT OR CONSORTIUM OF DISTRICTS WITHIN THE INTERMEDIATE
23 DISTRICT. THE APPLICATION SHALL BE SUBMITTED IN A FORM AND MANNER
24 APPROVED BY THE DEPARTMENT AND SHALL CONTAIN AT LEAST THE FOLLOWING
25 COMPONENTS:

26 (A) A DESCRIPTION OF THE PROGRAM DESIGN INCLUDING THE NAMES OF
27 THE DISTRICT OR CONSORTIUM OF DISTRICTS THAT WILL OPERATE THE

1 PROGRAM, THE PHYSICAL LOCATION OF THE PROGRAM, AND THE ANTICIPATED
2 NUMBER OF FAMILIES THAT WILL BE SERVED.

3 (B) AN ASSURANCE THAT THE PROGRAM WILL BE SUPERVISED BY A
4 TEACHER WHO HAS A VALID TEACHING CERTIFICATE WITH AN EARLY
5 CHILDHOOD (ZA OR ZS) ENDORSEMENT, A VALID TEACHING CERTIFICATE IN
6 CAREER EDUCATION WITH BOTH A KH AND VH ENDORSEMENT, A BACHELOR'S
7 DEGREE IN CHILD DEVELOPMENT OR EARLY CHILD DEVELOPMENT, OR A
8 BACHELOR'S DEGREE RELATED TO ADULT LEARNING.

9 (C) AN ESTIMATE OF THE NUMBER OF FAMILIES IN THE DISTRICT OR
10 DISTRICTS THAT WILL OPERATE THE PILOT PROGRAM THAT HAVE AT LEAST 1
11 CHILD LESS THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED FOR
12 DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION
13 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

14 (D) A DESCRIPTION OF THE PUBLIC AWARENESS AND OUTREACH EFFORTS
15 THAT WILL BE MADE.

16 (E) AN ASSURANCE THAT THE INTERMEDIATE DISTRICT AND THE
17 DISTRICT OR CONSORTIUM OF DISTRICTS OPERATING THE PROGRAM WILL
18 PROVIDE INFORMATION IN A FORM AND MANNER AS APPROVED BY THE
19 DEPARTMENT TO ALLOW FOR AN EVALUATION OF THE PILOT PROJECTS.

20 (F) A DESCRIPTION OF THE SLIDING FEE SCALE THAT WILL BE
21 ESTABLISHED FOR TUITION, WITH FEES REDUCED OR WAIVED FOR THOSE
22 UNABLE TO PAY.

23 (G) A BUDGET FOR THE PROGRAM. A PROGRAM MAY USE NOT MORE THAN
24 5% OF A GRANT TO ADMINISTER THE PROGRAM.

25 (4) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A PROGRAM
26 SHALL PROVIDE AT LEAST 2 HOURS PER WEEK THROUGHOUT THE SCHOOL YEAR
27 FOR PARENTS AND THEIR ELIGIBLE CHILDREN TO PARTICIPATE IN PARENT

1 EDUCATION PROGRAMS AND MEET AT LEAST THE FOLLOWING MINIMUM
2 REQUIREMENTS:

3 (A) REQUIRE THAT PARENTS BE PHYSICALLY PRESENT IN CLASSES WITH
4 THEIR CHILDREN OR BE IN CONCURRENT CLASSES.

5 (B) USE RESEARCH-BASED INFORMATION TO EDUCATE PARENTS ABOUT
6 THE PHYSICAL, COGNITIVE, SOCIAL, AND EMOTIONAL DEVELOPMENT OF
7 CHILDREN.

8 (C) PROVIDE STRUCTURED LEARNING ACTIVITIES REQUIRING
9 INTERACTION BETWEEN CHILDREN AND THEIR PARENTS.

10 (D) PROVIDE STRUCTURED LEARNING ACTIVITIES FOR CHILDREN THAT
11 PROMOTE POSITIVE INTERACTION WITH THEIR PEERS.

12 (5) FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM
13 UNDER THIS SECTION, THE CHILD SHALL BE LESS THAN 4 YEARS OF AGE AS
14 OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO
15 ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL
16 380.1147.

17 SEC. 35B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
18 ALLOCATED AN AMOUNT NOT TO EXCEED \$950,000.00 FOR 2015-2016 FOR THE
19 PURPOSES OF THIS SECTION. THIS ALLOCATION REPRESENTS THE FIRST OF 2
20 YEARS OF FUNDING FOR THE PURPOSES OF THIS SECTION.

21 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO SUPPORT
22 PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN A DEPARTMENT-APPROVED
23 RESEARCH-BASED TRAINING PROGRAM RELATED TO CURRENT STATE LITERACY
24 STANDARDS FOR PUPILS IN GRADES K TO 3. THE DEPARTMENT SHALL
25 DETERMINE THE AMOUNT OF THE GRANT AWARDS.

26 (3) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT
27 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN

1 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS
2 OF PUPILS IN GRADES K TO 3.

3 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT
4 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED
5 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO
6 CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING
7 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE
8 WORK PROJECT IS SEPTEMBER 30, 2017.

9 SEC. 35D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
10 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,450,000.00 FOR 2015-2016 FOR
11 GRANTS UNDER THIS SECTION. THIS ALLOCATION REPRESENTS THE FIRST OF
12 2 YEARS OF FUNDING.

13 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO
14 ADMINISTER DEPARTMENT-APPROVED DIAGNOSTIC TOOLS TO MONITOR THE
15 DEVELOPMENT OF EARLY LITERACY AND EARLY READING SKILLS OF PUPILS IN
16 GRADES K TO 3 AND TO SUPPORT RESEARCH-BASED PROFESSIONAL
17 DEVELOPMENT FOR EDUCATORS IN DATA INTERPRETATION FOR THE PURPOSE OF
18 IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO IMPROVE READING
19 PROFICIENCY AMONG PUPILS IN GRADES K TO 3. THE DEPARTMENT SHALL
20 AWARD GRANTS TO ELIGIBLE DISTRICTS IN AN AMOUNT DETERMINED BY THE
21 DEPARTMENT.

22 (3) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT
23 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN
24 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS
25 OF PUPILS IN GRADES K TO 3.

26 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT
27 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED

1 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO
2 CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING
3 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE
4 WORK PROJECT IS SEPTEMBER 30, 2017.

5 SEC. 35E. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
6 ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF
7 PROVIDING EARLY LITERACY COACHES TO ASSIST TEACHERS IN DEVELOPING
8 AND IMPLEMENTING INSTRUCTIONAL STRATEGIES FOR PUPILS IN GRADES K TO
9 3 SO THAT PUPILS ARE READING AT GRADE LEVEL BY THE END OF GRADE 3.

10 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION
11 PROCESS AND METHOD OF GRANT DISTRIBUTION CONSISTENT WITH THE
12 PROVISIONS OF THIS SECTION. THE GRANT PROCESS SHALL ENSURE THAT
13 INTERMEDIATE DISTRICTS WITH THE HIGHEST PERCENTAGE OF PUPILS IN
14 GRADE 4 IN CONSTITUENT DISTRICTS WHO ARE NOT PROFICIENT ON THE
15 GRADE 4 STATE READING ASSESSMENT RECEIVE EXTRA CONSIDERATION IN THE
16 AWARDING OF GRANTS.

17 (3) IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION, A
18 CONSORTIUM OF INTERMEDIATE DISTRICTS IN A PROSPERITY REGION OR
19 SUBREGION SHALL SUBMIT A COMPETITIVE GRANT APPLICATION IN A FORM
20 AND MANNER APPROVED BY THE DEPARTMENT. AN APPLICATION SHALL PROVIDE
21 ASSURANCES THAT LITERACY COACHES FUNDED UNDER THIS SECTION ARE
22 KNOWLEDGEABLE ABOUT AT LEAST THE FOLLOWING:

23 (A) CURRENT STATE LITERACY STANDARDS FOR PUPILS IN GRADES K TO
24 3.

25 (B) IMPLEMENTING AN INSTRUCTIONAL DELIVERY MODEL BASED ON
26 FREQUENT USE OF FORMATIVE AND DIAGNOSTIC TOOLS, KNOWN AS A MULTI-
27 TIERED SYSTEM OF SUPPORT, TO DETERMINE INDIVIDUAL PROGRESS FOR

1 PUPILS IN GRADES K TO 3 SO THAT PUPILS ARE READING AT GRADE LEVEL
2 BY THE END OF GRADE 3.

3 (C) THE USE OF DATA FROM DIAGNOSTIC TOOLS TO DETERMINE THE
4 NECESSARY ADDITIONAL SUPPORTS AND INTERVENTIONS NEEDED BY
5 INDIVIDUAL PUPILS IN GRADES K TO 3 IN ORDER TO BE READING AT GRADE
6 LEVEL.

7 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT
8 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED
9 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO
10 CONTINUE TO PROVIDE EARLY LITERACY COACHES AS DESCRIBED IN THIS
11 SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS
12 SEPTEMBER 30, 2017.

13 SEC. 35F. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
14 ALLOCATED AN AMOUNT NOT TO EXCEED \$19,650,000.00 FROM THE STATE
15 SCHOOL AID FUND MONEY AND \$350,000.00 FROM THE GENERAL FUND MONEY
16 FOR 2015-2016 TO DISTRICTS THAT PROVIDE ADDITIONAL INSTRUCTIONAL
17 TIME TO THOSE PUPILS IN GRADES K TO 3 WHO HAVE BEEN IDENTIFIED BY
18 USING DEPARTMENT-APPROVED DIAGNOSTIC TOOLS AS NEEDING ADDITIONAL
19 SUPPORTS AND INTERVENTIONS IN ORDER TO BE READING AT GRADE LEVEL BY
20 THE END OF GRADE 3, AND FOR THE PURPOSES IDENTIFIED IN SUBSECTION
21 (4). ADDITIONAL INSTRUCTIONAL TIME MAY BE PROVIDED BEFORE, DURING,
22 AND AFTER REGULAR SCHOOL HOURS OR AS PART OF A YEAR-ROUND BALANCED
23 SCHOOL CALENDAR.

24 (2) IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS
25 SECTION, A DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE
26 DEPARTMENT THAT THE DISTRICT HAS DONE ALL OF THE FOLLOWING:

27 (A) IMPLEMENTED A MULTI-TIERED SYSTEM OF SUPPORT INSTRUCTIONAL

1 DELIVERY MODEL.

2 (B) USED DEPARTMENT-APPROVED RESEARCH-BASED DIAGNOSTIC TOOLS
3 TO IDENTIFY INDIVIDUAL PUPILS IN NEED OF ADDITIONAL INSTRUCTIONAL
4 TIME.

5 (C) PROVIDED TEACHERS OF PUPILS IN GRADES K TO 3 WITH
6 RESEARCH-BASED PROFESSIONAL DEVELOPMENT IN DIAGNOSTIC DATA
7 INTERPRETATION.

8 (3) FUNDING ALLOCATED UNDER THIS SECTION FROM THE STATE SCHOOL
9 AID FUND SHALL BE DISTRIBUTED TO ELIGIBLE DISTRICTS BY MULTIPLYING
10 THE NUMBER OF FULL-TIME-EQUIVALENT PUPILS IN GRADE 1 IN THE
11 DISTRICT BY \$190.00.

12 (4) FROM THE GENERAL FUND MONEY APPROPRIATED IN SUBSECTION
13 (1), THE DEPARTMENT SHALL ALLOCATE NOT LESS THAN \$350,000.00 FOR
14 2015-2016 TO THE MICHIGAN EDUCATION CORPS.

15 (5) THE MICHIGAN EDUCATION CORPS SHALL PROVIDE A REPORT BY
16 AUGUST 1, 2016 TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES
17 ON STATE SCHOOL AID, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE
18 SENATE AND HOUSE CAUCUS POLICY OFFICES ON OUTCOMES AND PERFORMANCE
19 MEASURES OF THE MICHIGAN EDUCATION CORPS, INCLUDING, BUT NOT
20 LIMITED TO, THE DEGREE TO WHICH THE MICHIGAN EDUCATION CORPS'S
21 REPLICATION OF THE MICHIGAN READING CORPS PROGRAM IS DEMONSTRATING
22 SUFFICIENT EFFICACY AND IMPACT. THE REPORT MUST INCLUDE DATA
23 PERTAINING TO AT LEAST ALL OF THE FOLLOWING:

24 (A) THE CURRENT IMPACT OF THE MICHIGAN READING CORPS ON THIS
25 STATE IN TERMS OF NUMBERS OF CHILDREN AND PROGRAMS RECEIVING
26 SUPPORT. THIS PORTION OF THE REPORT SHALL SPECIFY THE NUMBER OF
27 CHILDREN TUTORED, INCLUDING DOSAGE AND COMPLETION, AND THE

1 DEMOGRAPHICS OF THOSE CHILDREN.

2 (B) WHETHER THE ASSESSMENTS AND INTERVENTIONS ARE IMPLEMENTED
3 WITH FIDELITY. THIS PORTION OF THE REPORT SHALL INCLUDE DETAILS ON
4 THE TOTAL NUMBER OF ASSESSMENTS AND INTERVENTIONS COMPLETED AND THE
5 RANGE, MEDIAN, MEAN, AND STANDARD DEVIATION FOR ALL ASSESSMENTS.

6 (C) WHETHER THE LITERACY IMPROVEMENT OF CHILDREN PARTICIPATING
7 IN THE MICHIGAN READING CORPS IS CONSISTENT WITH EXPECTATIONS. THIS
8 PORTION OF THE REPORT SHALL DETAIL AT LEAST ALL OF THE FOLLOWING:

9 (i) GROWTH RATE BY GRADE LEVEL, IN COMPARISON TO TARGETED
10 GROWTH RATE.

11 (ii) AVERAGE LINEAR GROWTH RATES.

12 (iii) EXIT RATES.

13 (iv) PERCENTAGE OF CHILDREN WHO EXIT WHO ALSO MEET OR EXCEED
14 SPRING BENCHMARKS.

15 (D) THE IMPACT OF THE MICHIGAN READING CORPS ON ORGANIZATIONS
16 AND STAKEHOLDERS, INCLUDING, BUT NOT LIMITED TO, SCHOOL
17 ADMINISTRATORS, INTERNAL COACHES, AND AMERICORPS MEMBERS.

18 (6) IF THE DEPARTMENT DETERMINES THAT THE MICHIGAN EDUCATION
19 CORPS HAS MISUSED THE FUNDS ALLOCATED IN SUBSECTION (4), THE
20 MICHIGAN EDUCATION CORPS SHALL REIMBURSE THIS STATE FOR THE AMOUNT
21 OF STATE FUNDING MISUSED.

22 (7) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
23 TO FULLY FUND THE PAYMENTS UNDER THIS SECTION, PAYMENTS UNDER THIS
24 SECTION SHALL BE PRORATED ON AN EQUAL PER-PUPIL BASIS BASED ON
25 GRADE 1 PUPILS.

26 Sec. 39. (1) An eligible applicant receiving funds under
27 section 32d shall submit an application, in a form and manner

1 prescribed by the department, by a date specified by the department
2 in the immediately preceding state fiscal year. The application
3 shall include a comprehensive needs assessment using aggregated
4 data from the applicant's entire service area and a community
5 collaboration plan that is endorsed by the local great start
6 collaborative and is part of the community's great start strategic
7 plan that includes, but is not limited to, great start readiness
8 program and head start providers, and shall identify all of the
9 following:

10 (a) The estimated total number of children in the community
11 who meet the criteria of section 32d and how that calculation was
12 made.

13 (b) The estimated number of children in the community who meet
14 the criteria of section 32d and are being served by other early
15 childhood development programs operating in the community, and how
16 that calculation was made.

17 (c) The number of children the applicant will be able to serve
18 who meet the criteria of section 32d including a verification of
19 physical facility and staff resources capacity.

20 (d) The estimated number of children who meet the criteria of
21 section 32d who will remain unserved after the applicant and
22 community early childhood programs have met their funded
23 enrollments. The applicant shall maintain a waiting list of
24 identified unserved eligible children who would be served when
25 openings are available.

26 (2) After notification of funding allocations, an applicant
27 receiving funds under section 32d shall also submit an

1 implementation plan for approval, in a form and manner prescribed
2 by the department, by a date specified by the department, that
3 details how the applicant complies with the program components
4 established by the department pursuant to section 32d.

5 (3) The number of prekindergarten children construed to be in
6 need of special readiness assistance under section 32d shall be
7 calculated for each applicant in the following manner: 1/2 of the
8 percentage of the applicant's pupils in grades 1 to 5 in all
9 districts served by the applicant who are eligible for free lunch,
10 as determined using the district's pupil membership count as of the
11 pupil membership count day in the school year prior to the fiscal
12 year for which the calculation is made, under the Richard B.
13 Russell national school lunch act, 42 USC 1751 to 1769i, shall be
14 multiplied by the average kindergarten enrollment of the districts
15 served by the applicant on the pupil membership count day of the 2
16 immediately preceding fiscal years.

17 (4) The initial allocation for each fiscal year to each
18 eligible applicant under section 32d shall be determined by
19 multiplying the number of children determined by the formula under
20 subsection (3) or the number of children the applicant indicates it
21 will be able to serve under subsection (1)(c), whichever is less,
22 by \$3,625.00 and shall be distributed among applicants in
23 decreasing order of concentration of eligible children as
24 determined by the formula under subsection (3). If the number of
25 children an applicant indicates it will be able to serve under
26 subsection (1)(c) includes children able to be served in a school-
27 day program, then the number able to be served in a school-day

1 program shall be doubled for the purposes of making this
2 calculation of the lesser of the number of children determined by
3 the formula under subsection (3) and the number of children the
4 applicant indicates it will be able to serve under subsection
5 (1)(c) and determining the amount of the initial allocation to the
6 applicant under section 32d. A district may contract with a head
7 start agency to serve children enrolled in head start with a
8 school-day program by blending head start funds with a part-day
9 great start readiness program allocation. All head start and great
10 start readiness program policies and regulations apply to the
11 blended program.

12 (5) If funds allocated for eligible applicants ~~or to the great~~
13 ~~start readiness reserve fund~~ under section 32d remain after the
14 initial allocation under subsection (4), the allocation under this
15 subsection shall be distributed to each eligible applicant under
16 section 32d in decreasing order of concentration of eligible
17 children as determined by the formula under subsection (3). The
18 allocation shall be determined by multiplying the number of
19 children **IN** each district within the applicant's service area
20 served in the immediately preceding fiscal year or the number of
21 children the applicant indicates it will be able to serve under
22 subsection (1)(c), whichever is less, minus the number of children
23 for which the applicant received funding in subsection (4) by
24 \$3,625.00.

25 (6) If funds allocated for eligible applicants ~~or to the great~~
26 ~~start readiness reserve fund~~ under section 32d remain after the
27 allocations under subsections (4) and (5), remaining funds shall be

1 distributed to each eligible applicant under section 32d in
2 decreasing order of concentration of eligible children as
3 determined by the formula under subsection (3). If the number of
4 children the applicant indicates it will be able to serve under
5 subsection (1)(c) exceeds the number of children for which funds
6 have been received under subsections (4) and (5), the allocation
7 under this subsection shall be determined by multiplying the number
8 of children the applicant indicates it will be able to serve under
9 subsection (1)(c) less the number of children for which funds have
10 been received under subsections (4) and (5) by \$3,625.00 until the
11 funds allocated for eligible applicants in section 32d are
12 distributed.

13 (7) An applicant that offers supplementary child care funded
14 by funds other than those received under section 32d and therefore
15 offers full-day programs as part of its early childhood development
16 program shall receive priority in the allocation of funds under
17 section 32d over other eligible applicants. As used in this
18 subsection, "full-day program" means a program that provides
19 supplementary child care that totals at least 10 hours of
20 programming per day.

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

1 Sec. 39a. (1) From the federal funds appropriated in section
2 11, there is allocated for ~~2014-2015~~**2015-2016** to districts,
3 intermediate districts, and other eligible entities all available
4 federal funding, estimated at ~~\$807,969,900.00~~**\$779,076,400.00** for
5 the federal programs under the no child left behind act of 2001,
6 Public Law 107-110. These funds are allocated as follows:

7 (a) An amount estimated at ~~\$8,000,000.00~~**\$5,000,000.00** to
8 provide students with drug- and violence-prevention programs and to
9 implement strategies to improve school safety, funded from DED-
10 OESE, drug-free schools and communities funds.

11 (b) An amount estimated at \$111,111,900.00 for the purpose of
12 preparing, training, and recruiting high-quality teachers and class
13 size reduction, funded from DED-OESE, improving teacher quality
14 funds.

15 (c) An amount estimated at \$12,200,000.00 for programs to
16 teach English to limited English proficient (LEP) children, funded
17 from DED-OESE, language acquisition state grant funds.

18 (d) An amount estimated at \$10,286,500.00 for the Michigan
19 charter school subgrant program, funded from DED-OESE, charter
20 school funds.

21 (e) An amount estimated at ~~\$2,393,500.00~~**\$3,000,000.00** for
22 rural and low income schools, funded from DED-OESE, rural and low
23 income school funds.

24 (f) An amount estimated at ~~\$591,500,000.00~~**\$565,000,000.00** to
25 provide supplemental programs to enable educationally disadvantaged
26 children to meet challenging academic standards, funded from DED-
27 OESE, title I, disadvantaged children funds.

1 (g) An amount estimated at \$8,878,000.00 for the purpose of
2 identifying and serving migrant children, funded from DED-OESE,
3 title I, migrant education funds.

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

9 (i) An amount estimated at \$24,600,000.00 to help support
10 local school improvement efforts, funded from DED-OESE, title I,
11 local school improvement grants.

12 (2) From the federal funds appropriated in section 11, there
13 is allocated for ~~2014-2015-2015-2016~~ to districts, intermediate
14 districts, and other eligible entities all available federal
15 funding, estimated at ~~\$31,300,000.00~~ **\$30,800,000.00** for the
16 following programs that are funded by federal grants:

17 (a) An amount estimated at \$200,000.00 for acquired
18 immunodeficiency syndrome education grants, funded from HHS -
19 ~~center for disease control,~~ **CENTERS FOR DISEASE CONTROL AND**
20 **PREVENTION**, AIDS funding.

21 (b) An amount estimated at \$2,600,000.00 to provide services
22 to homeless children and youth, funded from DED-OVAE, homeless
23 children and youth funds.

24 **(C) AN AMOUNT ESTIMATED AT \$4,000,000.00 TO PROVIDE MENTAL**
25 **HEALTH, SUBSTANCE ABUSE, OR VIOLENCE PREVENTION SERVICES TO**
26 **STUDENTS, FUNDED FROM HHS-SAMHSA.**

27 **(D) ~~(e)~~An amount estimated at ~~\$28,500,000.00~~ **\$24,000,000.00****

1 for providing career and technical education services to pupils,
2 funded from DED-OVAE, basic grants to states.

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

7 Notwithstanding section 17b, payments of federal funds to
8 districts, intermediate districts, and other eligible entities
9 under this section shall be paid on a schedule determined by the
10 department.

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

16 (5) As used in this section:

17 (a) "DED" means the United States ~~department of~~
18 ~~education.~~ **DEPARTMENT OF EDUCATION.**

19 (b) "DED-OESE" means the DED ~~office of elementary and~~
20 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

21 (c) "DED-OVAE" means the DED ~~office of vocational and adult~~
22 ~~education.~~ **OFFICE OF VOCATIONAL AND ADULT EDUCATION.**

23 (d) "HHS" means the United States ~~department of health and~~
24 ~~human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

25 ~~(e) "HHS ACF" means the HHS administration for children and~~
26 ~~families.~~

27 **(E) "HHS-SAMHSA" MEANS THE HHS SUBSTANCE ABUSE AND MENTAL**

1 **HEALTH SERVICES ADMINISTRATION.**

2 Sec. 41. From the appropriation in section 11, there is
3 allocated an amount not to exceed \$1,200,000.00 ~~each fiscal year~~
4 ~~for 2013-2014 and for 2014-2015~~ **FOR 2015-2016** to applicant
5 districts and intermediate districts offering programs of
6 instruction for pupils of limited English-speaking ability under
7 section 1153 of the revised school code, MCL 380.1153.
8 Reimbursement shall be on a per-pupil basis and shall be based on
9 the number of pupils of limited English-speaking ability in
10 membership on the pupil membership count day. Funds allocated under
11 this section shall be used solely for instruction in speaking,
12 reading, writing, or comprehension of English. A pupil shall not be
13 counted under this section or instructed in a program under this
14 section for more than 3 years.

15 Sec. 43. From the general fund money appropriated in section
16 11, there is allocated to the department for ~~2014-2015~~ **2015-2016** an
17 amount not to exceed \$1,800,000.00 for updating teacher
18 certification tests. The department shall use these funds to update
19 the set of teacher certification tests, including content-specific
20 and subject-relevant tests, to reflect current education standards
21 by not later than September 30, 2016. **THIS IS THE SECOND YEAR OF 2**
22 **YEARS OF FUNDING.**

23 Sec. 51a. (1) From the appropriation in section 11, there is
24 allocated an amount not to exceed ~~\$914,946,100.00 for 2014-2015~~
25 **\$934,546,100.00 FOR 2015-2016** from state sources and all available
26 federal funding under sections 611 to 619 of part B of the
27 individuals with disabilities education act, 20 USC 1411 to 1419,

1 estimated at \$370,000,000.00 for ~~2014-2015~~, **2014-2015**, plus any
2 carryover federal funds from previous year appropriations. The
3 allocations under this subsection are for the purpose of
4 reimbursing districts and intermediate districts for special
5 education programs, services, and special education personnel as
6 prescribed in article 3 of the revised school code, MCL 380.1701 to
7 380.1766; net tuition payments made by intermediate districts to
8 the Michigan schools for the deaf and blind; and special education
9 programs and services for pupils who are eligible for special
10 education programs and services according to statute or rule. For
11 meeting the costs of special education programs and services not
12 reimbursed under this article, a district or intermediate district
13 may use money in general funds or special education funds, not
14 otherwise restricted, or contributions from districts to
15 intermediate districts, tuition payments, gifts and contributions
16 from individuals or other entities, or federal funds that may be
17 available for this purpose, as determined by the intermediate
18 district plan prepared pursuant to article 3 of the revised school
19 code, MCL 380.1701 to 380.1766. Notwithstanding section 17b,
20 payments of federal funds to districts, intermediate districts, and
21 other eligible entities under this section shall be paid on a
22 schedule determined by the department.

23 (2) From the funds allocated under subsection (1), there is
24 allocated the amount necessary, estimated at ~~\$251,800,000.00 for~~
25 ~~2014-2015~~, **\$257,200,000.00 FOR 2015-2016**, for payments toward
26 reimbursing districts and intermediate districts for 28.6138% of
27 total approved costs of special education, excluding costs

1 reimbursed under section 53a, and 70.4165% of total approved costs
2 of special education transportation. Allocations under this
3 subsection shall be made as follows:

4 (a) The initial amount allocated to a district under this
5 subsection toward fulfilling the specified percentages shall be
6 calculated by multiplying the district's special education pupil
7 membership, excluding pupils described in subsection (11), times
8 the foundation allowance under section 20 of the pupil's district
9 of residence, not to exceed the basic foundation allowance under
10 section 20 for the current fiscal year, or, for a special education
11 pupil in membership in a district that is a public school academy,
12 times an amount equal to the amount per membership pupil calculated
13 under section 20(6) or, for a pupil described in this subsection
14 who is counted in membership in the education achievement system,
15 times an amount equal to the amount per membership pupil under
16 section 20(7). For an intermediate district, the amount allocated
17 under this subdivision toward fulfilling the specified percentages
18 shall be an amount per special education membership pupil,
19 excluding pupils described in subsection (11), and shall be
20 calculated in the same manner as for a district, using the
21 foundation allowance under section 20 of the pupil's district of
22 residence, not to exceed the basic foundation allowance under
23 section 20 for the current fiscal year.

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

1 the district or intermediate district.

2 (3) From the funds allocated under subsection (1), there is
3 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed
4 \$1,000,000.00 to make payments to districts and intermediate
5 districts under this subsection. If the amount allocated to a
6 district or intermediate district for a fiscal year under
7 subsection (2)(b) is less than the sum of the amounts allocated to
8 the district or intermediate district for 1996-97 under sections 52
9 and 58, there is allocated to the district or intermediate district
10 for the fiscal year an amount equal to that difference, adjusted by
11 applying the same proration factor that was used in the
12 distribution of funds under section 52 in 1996-97 as adjusted to
13 the district's or intermediate district's necessary costs of
14 special education used in calculations for the fiscal year. This
15 adjustment is to reflect reductions in special education program
16 operations or services between 1996-97 and subsequent fiscal years.
17 Adjustments for reductions in special education program operations
18 or services shall be made in a manner determined by the department
19 and shall include adjustments for program or service shifts.

20 (4) If the department determines that the sum of the amounts
21 allocated for a fiscal year to a district or intermediate district
22 under subsection (2)(a) and (b) is not sufficient to fulfill the
23 specified percentages in subsection (2), then the shortfall shall
24 be paid to the district or intermediate district during the fiscal
25 year beginning on the October 1 following the determination and
26 payments under subsection (3) shall be adjusted as necessary. If
27 the department determines that the sum of the amounts allocated for

1 a fiscal year to a district or intermediate district under
2 subsection (2)(a) and (b) exceeds the sum of the amount necessary
3 to fulfill the specified percentages in subsection (2), then the
4 department shall deduct the amount of the excess from the
5 district's or intermediate district's payments under this article
6 for the fiscal year beginning on the October 1 following the
7 determination and payments under subsection (3) shall be adjusted
8 as necessary. However, if the amount allocated under subsection
9 (2)(a) in itself exceeds the amount necessary to fulfill the
10 specified percentages in subsection (2), there shall be no
11 deduction under this subsection.

12 (5) State funds shall be allocated on a total approved cost
13 basis. Federal funds shall be allocated under applicable federal
14 requirements, except that an amount not to exceed \$3,500,000.00 may
15 be allocated by the department for ~~2014-2015~~**2015-2016** to
16 districts, intermediate districts, or other eligible entities on a
17 competitive grant basis for programs, equipment, and services that
18 the department determines to be designed to benefit or improve
19 special education on a statewide scale.

20 (6) From the amount allocated in subsection (1), there is
21 allocated an amount not to exceed \$2,200,000.00 for ~~2014-2015~~**2015-**
22 **2016** to reimburse 100% of the net increase in necessary costs
23 incurred by a district or intermediate district in implementing the
24 revisions in the administrative rules for special education that
25 became effective on July 1, 1987. As used in this subsection, "net
26 increase in necessary costs" means the necessary additional costs
27 incurred solely because of new or revised requirements in the

1 administrative rules minus cost savings permitted in implementing
2 the revised rules. Net increase in necessary costs shall be
3 determined in a manner specified by the department.

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

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

27 (b) Beginning with the 2004-2005 fiscal year, a district or

1 intermediate district that employed special education support
2 services staff to provide special education support services in
3 2003-2004 or in a subsequent fiscal year and that in a fiscal year
4 after 2003-2004 receives the same type of support services from
5 another district or intermediate district shall report the cost of
6 those support services for special education reimbursement purposes
7 under this article. This subdivision does not prohibit the transfer
8 of special education classroom teachers and special education
9 classroom aides if the pupils counted in membership associated with
10 those special education classroom teachers and special education
11 classroom aides are transferred and counted in membership in the
12 other district or intermediate district in conjunction with the
13 transfer of those teachers and aides.

14 (c) If the department determines before bookclosing for a
15 fiscal year that the amounts allocated for that fiscal year under
16 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
17 will exceed expenditures for that fiscal year under subsections
18 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
19 district or intermediate district whose reimbursement for that
20 fiscal year would otherwise be affected by subdivision (b),
21 subdivision (b) does not apply to the calculation of the
22 reimbursement for that district or intermediate district and
23 reimbursement for that district or intermediate district shall be
24 calculated in the same manner as it was for 2003-2004. If the
25 amount of the excess allocations under subsections (2), (3), (6),
26 and (11) and sections 53a, 54, and 56 is not sufficient to fully
27 fund the calculation of reimbursement to those districts and

1 intermediate districts under this subdivision, then the
2 calculations and resulting reimbursement under this subdivision
3 shall be prorated on an equal percentage basis. ~~This reimbursement~~
4 ~~shall not be made after 2014-2015.~~

5 (d) Reimbursement for ancillary and other related services, as
6 defined by R 340.1701c of the Michigan administrative code, shall
7 not be provided when those services are covered by and available
8 through private group health insurance carriers or federal
9 reimbursed program sources unless the department and district or
10 intermediate district agree otherwise and that agreement is
11 approved by the state budget director. Expenses, other than the
12 incidental expense of filing, shall not be borne by the parent. In
13 addition, the filing of claims shall not delay the education of a
14 pupil. A district or intermediate district shall be responsible for
15 payment of a deductible amount and for an advance payment required
16 until the time a claim is paid.

17 (e) Beginning with calculations for 2004-2005, if an
18 intermediate district purchases a special education pupil
19 transportation service from a constituent district that was
20 previously purchased from a private entity; if the purchase from
21 the constituent district is at a lower cost, adjusted for changes
22 in fuel costs; and if the cost shift from the intermediate district
23 to the constituent does not result in any net change in the revenue
24 the constituent district receives from payments under sections 22b
25 and 51c, then upon application by the intermediate district, the
26 department shall direct the intermediate district to continue to
27 report the cost associated with the specific identified special

1 education pupil transportation service and shall adjust the costs
2 reported by the constituent district to remove the cost associated
3 with that specific service.

4 (8) A pupil who is enrolled in a full-time special education
5 program conducted or administered by an intermediate district or a
6 pupil who is enrolled in the Michigan schools for the deaf and
7 blind shall not be included in the membership count of a district,
8 but shall be counted in membership in the intermediate district of
9 residence.

10 (9) Special education personnel transferred from 1 district to
11 another to implement the revised school code shall be entitled to
12 the rights, benefits, and tenure to which the person would
13 otherwise be entitled had that person been employed by the
14 receiving district originally.

15 (10) If a district or intermediate district uses money
16 received under this section for a purpose other than the purpose or
17 purposes for which the money is allocated, the department may
18 require the district or intermediate district to refund the amount
19 of money received. Money that is refunded shall be deposited in the
20 state treasury to the credit of the state school aid fund.

21 (11) From the funds allocated in subsection (1), there is
22 allocated the amount necessary, estimated at ~~\$4,000,000.00 for~~
23 ~~2014-2015,~~ **\$3,200,000.00 FOR 2015-2016**, to pay the foundation
24 allowances for pupils described in this subsection. The allocation
25 to a district under this subsection shall be calculated by
26 multiplying the number of pupils described in this subsection who
27 are counted in membership in the district times the foundation

1 allowance under section 20 of the pupil's district of residence,
2 not to exceed the basic foundation allowance under section 20 for
3 the current fiscal year, or, for a pupil described in this
4 subsection who is counted in membership in a district that is a
5 public school academy, times an amount equal to the amount per
6 membership pupil under section 20(6) or, for a pupil described in
7 this subsection who is counted in membership in the education
8 achievement system, times an amount equal to the amount per
9 membership pupil under section 20(7). The allocation to an
10 intermediate district under this subsection shall be calculated in
11 the same manner as for a district, using the foundation allowance
12 under section 20 of the pupil's district of residence, not to
13 exceed the basic foundation allowance under section 20 for the
14 current fiscal year. This subsection applies to all of the
15 following pupils:

16 (a) Pupils described in section 53a.

17 (b) Pupils counted in membership in an intermediate district
18 who are not special education pupils and are served by the
19 intermediate district in a juvenile detention or child caring
20 facility.

21 (c) Pupils with an emotional impairment counted in membership
22 by an intermediate district and provided educational services by
23 the department of community health.

24 (12) If it is determined that funds allocated under subsection
25 (2) or (11) or under section 51c will not be expended, funds up to
26 the amount necessary and available may be used to supplement the
27 allocations under subsection (2) or (11) or under section 51c in

1 order to fully fund those allocations. After payments under
2 subsections (2) and (11) and section 51c, the remaining
3 expenditures from the allocation in subsection (1) shall be made in
4 the following order:

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

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

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

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

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

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

14 (14) If a public school academy enrolls pursuant to this
15 section a pupil who resides outside of the intermediate district in
16 which the public school academy is located and who is eligible for
17 special education programs and services according to statute or
18 rule, or who is a child with disabilities, as defined under the
19 individuals with disabilities education act, Public Law 108-446,
20 the provision of special education programs and services and the
21 payment of the added costs of special education programs and
22 services for the pupil are the responsibility of the district and
23 intermediate district in which the pupil resides unless the
24 enrolling district or intermediate district has a written agreement
25 with the district or intermediate district in which the pupil
26 resides or the public school academy for the purpose of providing
27 the pupil with a free appropriate public education and the written

1 agreement includes at least an agreement on the responsibility for
2 the payment of the added costs of special education programs and
3 services for the pupil.

4 Sec. 51c. As required by the court in the consolidated cases
5 known as Durant v State of Michigan, Michigan supreme court docket
6 no. 104458-104492, from the allocation under section 51a(1), there
7 is allocated for ~~2014-2015-2015-2016~~ the amount necessary,
8 estimated at ~~\$606,000,000.00,~~ **\$621,000,000.00**, for payments to
9 reimburse districts for 28.6138% of total approved costs of special
10 education excluding costs reimbursed under section 53a, and
11 70.4165% of total approved costs of special education
12 transportation. Funds allocated under this section that are not
13 expended in the state fiscal year for which they were allocated, as
14 determined by the department, may be used to supplement the
15 allocations under sections 22a and 22b in order to fully fund those
16 calculated allocations for the same fiscal year.

17 Sec. 51d. (1) From the federal funds appropriated in section
18 11, there is allocated for ~~2014-2015,~~ **2015-2016**, all available
19 federal funding, estimated at ~~\$74,000,000.00,~~ **\$71,000,000.00**, for
20 special education programs and services that are funded by federal
21 grants. All federal funds allocated under this section shall be
22 distributed in accordance with federal law. Notwithstanding section
23 17b, payments of federal funds to districts, intermediate
24 districts, and other eligible entities under this section shall be
25 paid on a schedule determined by the department.

26 (2) From the federal funds allocated under subsection (1), the
27 following amounts are allocated for ~~2014-2015,~~ **2015-2016**:

1 (a) An amount estimated at ~~\$15,000,000.00~~ **\$14,000,000.00** for
2 handicapped infants and toddlers, funded from DED-OSERS,
3 handicapped infants and toddlers funds.

4 (b) An amount estimated at ~~\$14,000,000.00~~ **\$12,000,000.00** for
5 preschool grants (Public Law 94-142), funded from DED-OSERS,
6 handicapped preschool incentive funds.

7 (c) An amount estimated at \$45,000,000.00 for special
8 education programs funded by DED-OSERS, handicapped program,
9 individuals with disabilities act funds.

10 (3) As used in this section, "DED-OSERS" means the United
11 States ~~department of education office of special education and~~
12 ~~rehabilitative services.~~ **DEPARTMENT OF EDUCATION OFFICE OF SPECIAL**
13 **EDUCATION AND REHABILITATIVE SERVICES.**

14 Sec. 53a. (1) For districts, reimbursement for pupils
15 described in subsection (2) shall be 100% of the total approved
16 costs of operating special education programs and services approved
17 by the department and included in the intermediate district plan
18 adopted pursuant to article 3 of the revised school code, MCL
19 380.1701 to 380.1766, minus the district's foundation allowance
20 calculated under section 20. For intermediate districts,
21 reimbursement for pupils described in subsection (2) shall be
22 calculated in the same manner as for a district, using the
23 foundation allowance under section 20 of the pupil's district of
24 residence, not to exceed the basic foundation allowance under
25 section 20 for the current fiscal year.

26 (2) Reimbursement under subsection (1) is for the following
27 special education pupils:

1 (a) Pupils assigned to a district or intermediate district
2 through the community placement program of the courts or a state
3 agency, if the pupil was a resident of another intermediate
4 district at the time the pupil came under the jurisdiction of the
5 court or a state agency.

6 (b) Pupils who are residents of institutions operated by the
7 department of community health.

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

11 (d) Pupils enrolled in a department-approved on-grounds
12 educational program longer than 180 days, but not longer than 233
13 days, at a residential child care institution, if the child care
14 institution offered in 1991-92 an on-grounds educational program
15 longer than 180 days but not longer than 233 days.

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

19 (3) Only those costs that are clearly and directly
20 attributable to educational programs for pupils described in
21 subsection (2), and that would not have been incurred if the pupils
22 were not being educated in a district or intermediate district, are
23 reimbursable under this section.

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

26 (5) Not more than \$10,500,000.00 of the allocation for ~~2014-~~
27 ~~2015-2015-2016~~ in section 51a(1) shall be allocated under this

1 section.

2 Sec. 54. Each intermediate district shall receive an amount
3 per-pupil for each pupil in attendance at the Michigan schools for
4 the deaf and blind. The amount shall be proportionate to the total
5 instructional cost at each school. Not more than \$1,688,000.00 of
6 the allocation for ~~2014-2015~~-2015-2016 in section 51a(1) shall be
7 allocated under this section.

8 **SEC. 55. (1) FROM THE MONEY APPROPRIATED IN SECTION 11, THERE**
9 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$150,000.00 FOR 2015-2016 TO**
10 **MICHIGAN STATE UNIVERSITY, DEPARTMENT OF EPIDEMIOLOGY, FOR A STUDY**
11 **OF THE CONDUCTIVE LEARNING CENTER LOCATED AT AQUINAS COLLEGE. THIS**
12 **FUNDING SHALL BE USED TO DEVELOP AND IMPLEMENT AN EVALUATION OF THE**
13 **EFFECTIVENESS OF CONDUCTIVE EDUCATION FOR CHILDREN WITH CEREBRAL**
14 **PALSY. THE EVALUATION SHALL BE MULTIDIMENSIONAL AND SHALL INCLUDE A**
15 **CONTROL GROUP OF CHILDREN WITH CEREBRAL PALSY NOT ENROLLED IN**
16 **CONDUCTIVE EDUCATION. IT SHOULD INCLUDE AN ASSESSMENT OF THE MOTOR**
17 **SYSTEM ITSELF AS WELL AS THE IMPACT OF CONDUCTIVE EDUCATION ON EACH**
18 **OF THE FOLLOWING:**

19 **(A) THE ACQUISITION OF SKILLS PERMITTING COMPLEX MOTOR**
20 **FUNCTIONS.**

21 **(B) THE PERFORMANCE OF TASKS ESSENTIAL TO DAILY LIVING.**

22 **(C) THE ATTITUDES AND FEELINGS OF BOTH CHILDREN AND PARENTS.**

23 **(D) THE LONG-TERM NEED FOR SPECIAL EDUCATION FOR CHILDREN WITH**
24 **CEREBRAL PALSY.**

25 **(2) IT IS THE INTENT OF THE LEGISLATURE THAT THIS FUNDING IS**
26 **FOR THE FIRST OF 2 YEARS OF FUNDING FOR THIS PURPOSE.**

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

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

5 (b) "Millage levied" means the millage levied for special
6 education pursuant to part 30 of the revised school code, MCL
7 380.1711 to 380.1743, including a levy for debt service
8 obligations.

9 (c) "Taxable value" means the total taxable value of the
10 districts constituent to an intermediate district, except that if a
11 district has elected not to come under part 30 of the revised
12 school code, MCL 380.1711 to 380.1743, membership and taxable value
13 of the district shall not be included in the membership and taxable
14 value of the intermediate district.

15 (2) From the allocation under section 51a(1), there is
16 allocated an amount not to exceed \$37,758,100.00 for ~~2014-2015~~
17 **2015-2016** to reimburse intermediate districts levying millages for
18 special education pursuant to part 30 of the revised school code,
19 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
20 reimbursement shall be limited as if the funds were generated by
21 these millages and governed by the intermediate district plan
22 adopted pursuant to article 3 of the revised school code, MCL
23 380.1701 to 380.1766. As a condition of receiving funds under this
24 section, an intermediate district distributing any portion of
25 special education millage funds to its constituent districts shall
26 submit for departmental approval and implement a distribution plan.

27 (3) Reimbursement for those millages levied in ~~2013-2014-2014-~~

1 2015 shall be made in ~~2014-2015~~ 2015-2016 at an amount per ~~2013-~~
2 ~~2014-~~ 2014-2015 membership pupil computed by subtracting from
3 ~~\$172,200.00~~ \$174,400.00 the ~~2013-2014-~~ 2014-2015 taxable value
4 behind each membership pupil and multiplying the resulting
5 difference by the ~~2013-2014-~~ 2014-2015 millage levied.

6 (4) The amount paid to a single intermediate district under
7 this section shall not exceed 62.9% of the total amount allocated
8 under subsection (2).

9 (5) The amount paid to a single intermediate district under
10 this section shall not be less than 75% of the amount allocated to
11 the intermediate district under this section for the immediately
12 preceding fiscal year.

13 Sec. 61a. (1) From the appropriation in section 11, there is
14 allocated an amount not to exceed ~~\$26,611,300.00~~ \$40,000,000.00 for
15 ~~2014-2015-~~ 2015-2016 to reimburse on an added cost basis districts,
16 except for a district that served as the fiscal agent for a
17 vocational education consortium in the 1993-94 school year, and
18 secondary area vocational-technical education centers for
19 secondary-level career and technical education programs according
20 to rules approved by the superintendent. Applications for
21 participation in the programs shall be submitted in the form
22 prescribed by the department. The department shall determine the
23 added cost for each career and technical education program area.
24 The allocation of added cost funds shall be **PRIORITIZED** based on
25 the ~~type of~~ **CAPITAL AND PROGRAM EXPENDITURES NEEDED TO OPERATE THE**
26 career and technical education programs provided; ~~;~~ the number of
27 pupils enrolled; ~~;~~ **THE ADVANCEMENT OF PUPILS THROUGH THE**

1 INSTRUCTIONAL PROGRAM; THE EXISTENCE OF AN ARTICULATION AGREEMENT
2 WITH AT LEAST 1 POSTSECONDARY INSTITUTION THAT PROVIDES PUPILS WITH
3 OPPORTUNITIES TO EARN POSTSECONDARY CREDIT DURING THE PUPIL'S
4 PARTICIPATION IN THE CAREER AND TECHNICAL EDUCATION PROGRAM AND
5 TRANSFERS THOSE CREDITS TO THE POSTSECONDARY INSTITUTION UPON
6 COMPLETION OF THE CAREER AND TECHNICAL EDUCATION PROGRAM; THE
7 PROGRAM RANK IN STUDENT PLACEMENT, JOB OPENINGS, AND WAGES; and the
8 length of the training period provided, and shall not exceed 75% of
9 the added cost of any program. NOTWITHSTANDING ANY RULE OR
10 DEPARTMENT DETERMINATION TO THE CONTRARY, WHEN DETERMINING A
11 DISTRICT'S ALLOCATION OR THE FORMULA FOR MAKING ALLOCATIONS UNDER
12 THIS SECTION, THE DEPARTMENT SHALL INCLUDE THE PARTICIPATION OF
13 PUPILS IN GRADE 9 IN ALL OF THOSE DETERMINATIONS AND IN ALL
14 PORTIONS OF THE FORMULA. With the approval of the department, the
15 board of a district maintaining a secondary career and technical
16 education program may offer the program for the period from the
17 close of the school year until September 1. The program shall use
18 existing facilities and shall be operated as prescribed by rules
19 promulgated by the superintendent.

20 (2) Except for a district that served as the fiscal agent for
21 a vocational education consortium in the 1993-94 school year,
22 districts and intermediate districts shall be reimbursed for local
23 career and technical education administration, shared time career
24 and technical education administration, and career education
25 planning district career and technical education administration.
26 The definition of what constitutes administration and reimbursement
27 shall be pursuant to guidelines adopted by the superintendent. Not

1 more than \$800,000.00 of the allocation in subsection (1) shall be
2 distributed under this subsection.

3 ~~—— (3) In addition to the funds allocated in subsection (1), from~~
4 ~~the appropriation in section 11, there is allocated an amount not~~
5 ~~to exceed \$1,000,000.00 for 2014-2015 to districts or intermediate~~
6 ~~districts for area career and technical education centers for the~~
7 ~~purpose of integrating the Michigan merit curriculum content~~
8 ~~standards under sections 1278a and 1278b of the revised school~~
9 ~~code, MCL 380.1278a and 380.1278b, into state approved career and~~
10 ~~technical education instructional programs for the purpose of~~
11 ~~awarding academic credit. The department shall determine the~~
12 ~~allocation to each career and technical education center in a~~
13 ~~manner that provides for maximum integration of Michigan merit~~
14 ~~curriculum content standards statewide.~~

15 **(3) A CAREER AND TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS**
16 **SECTION MAY PROVIDE AN OPPORTUNITY FOR PARTICIPANTS WHO ARE**
17 **ELIGIBLE TO BE FUNDED UNDER SECTION 107 TO ENROLL IN THE CAREER AND**
18 **TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS SECTION. IN ORDER TO**
19 **ELIMINATE FINANCIAL DISINCENTIVES FROM EXPANDING CAREER AND**
20 **TECHNICAL EDUCATION ENROLLMENTS TO ADULTS, A PROGRAM THAT PROVIDES**
21 **SERVICES TO SECTION 107 ADULT EDUCATION PARTICIPANTS UNDER THIS**
22 **SUBSECTION MAY BILL BACK TO THE EDUCATION PROVIDER AND GRANTEE**
23 **UNDER SECTION 107 FOR ANY BASIC EDUCATION COURSE REQUIREMENTS MET**
24 **BY THE CAREER AND TECHNICAL EDUCATION PROGRAMMING, AND THEN MAY**
25 **SUBMIT ANY REMAINING ADDED COSTS TO THE DEPARTMENT FOR**
26 **REIMBURSEMENT AS PROVIDED UNDER THIS SECTION.**

27 **SEC. 61B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**

1 ALLOCATED AN AMOUNT NOT TO EXCEED \$17,800,000.00 FOR 2015-2016 FOR
2 CTE EARLY/MIDDLE COLLEGE PROGRAMS AUTHORIZED UNDER THIS SECTION.
3 THE PURPOSE OF THESE PROGRAMS IS TO INCREASE THE NUMBER OF MICHIGAN
4 RESIDENTS WITH HIGH-QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE
5 THE NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH
6 SCHOOL GRADUATION.

7 (2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT
8 AS DETERMINED UNDER THIS SUBSECTION SHALL BE ALLOCATED TO EACH
9 INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT FOR STATE-APPROVED
10 CTE EARLY/MIDDLE COLLEGE PROGRAMS IN EACH OF THE PROSPERITY REGIONS
11 AND SUBREGIONS IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE
12 DISTRICT SHALL NOT USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER
13 THIS SUBSECTION FOR ADMINISTRATIVE COSTS FOR SERVING AS THE FISCAL
14 AGENT.

15 (3) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT
16 MUST AGREE TO DO ALL OF THE FOLLOWING IN A FORM AND MANNER
17 DETERMINED BY THE DEPARTMENT:

18 (A) DISTRIBUTE FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE
19 PROGRAMS IN A PROSPERITY REGION OR SUBREGION AS DESCRIBED IN THIS
20 SECTION.

21 (B) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT
22 IS LOCATED IN THE PROSPERITY REGION OR SUBREGION TO DEVELOP A
23 REGIONAL STRATEGIC PLAN UNDER SUBSECTION (4) THAT ALIGNS CTE
24 PROGRAMS AND SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY
25 SYSTEM FOR HIGH SCHOOL STUDENTS.

26 (C) IMPLEMENT A REGIONAL PROCESS TO RANK CAREER CLUSTERS IN
27 THE PROSPERITY REGION OR SUBREGION AS DESCRIBED UNDER SUBSECTION

1 (4). REGIONAL PROCESSES SHALL BE APPROVED BY THE DEPARTMENT BEFORE
2 THE RANKING OF CAREER CLUSTERS.

3 (D) REPORT CTE EARLY/MIDDLE COLLEGE PROGRAM AND STUDENT DATA
4 AND INFORMATION AS PRESCRIBED BY THE DEPARTMENT.

5 (4) A REGIONAL STRATEGIC PLAN MUST BE APPROVED BY THE TALENT
6 DISTRICT CAREER COUNCIL BEFORE SUBMISSION TO THE DEPARTMENT. A
7 REGIONAL STRATEGIC PLAN SHALL INCLUDE, BUT NOT BE LIMITED TO, THE
8 FOLLOWING:

9 (A) AN IDENTIFICATION OF REGIONAL EMPLOYER NEED BASED ON A
10 RANKING OF ALL CAREER CLUSTERS IN THE PROSPERITY REGION OR
11 SUBREGION RANKED BY 10-YEAR JOB OPENINGS PROJECTIONS AND MEDIAN
12 WAGE FOR EACH STANDARD OCCUPATIONAL CODE IN EACH CAREER CLUSTER AS
13 OBTAINED FROM THE UNITED STATES BUREAU OF LABOR STATISTICS.
14 STANDARD OCCUPATIONAL CODES WITHIN HIGH-RANKING CLUSTERS ALSO MAY
15 BE FURTHER RANKED BY MEDIAN WAGE. THE RANKINGS SHALL BE REVIEWED BY
16 THE TALENT DISTRICT CAREER COUNCIL LOCATED IN THE PROSPERITY REGION
17 OR SUBREGION AND MODIFIED IF NECESSARY TO ACCURATELY REFLECT
18 EMPLOYER DEMAND FOR TALENT IN THE PROSPERITY REGION OR SUBREGION.
19 THESE CAREER CLUSTER RANKINGS SHALL BE DETERMINED AND UPDATED ONCE
20 EVERY 3 YEARS.

21 (B) AN IDENTIFICATION OF EDUCATIONAL ENTITIES IN THE
22 PROSPERITY REGION OR SUBREGION THAT WILL PROVIDE ELIGIBLE CTE
23 EARLY/MIDDLE COLLEGE PROGRAMS INCLUDING DISTRICTS, INTERMEDIATE
24 DISTRICTS, POSTSECONDARY INSTITUTIONS, AND NONCREDIT OCCUPATIONAL
25 TRAINING PROGRAMS LEADING TO AN INDUSTRY-RECOGNIZED CREDENTIAL.

26 (C) A STRATEGY TO INFORM PARENTS AND STUDENTS OF CTE
27 EARLY/MIDDLE COLLEGE PROGRAMS IN THE PROSPERITY REGION OR

1 SUBREGION.

2 (D) ANY OTHER REQUIREMENTS AS DEFINED BY THE DEPARTMENT.

3 (5) AN ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM IS A 5-YEAR
4 HIGH SCHOOL PROGRAM THAT MEETS ALL OF THE FOLLOWING:

5 (A) HAS BEEN IDENTIFIED IN THE HIGHEST 5 CAREER CLUSTER
6 RANKINGS IN ANY OF THE 10 REGIONAL STRATEGIC PLANS JOINTLY APPROVED
7 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF
8 TALENT AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT.

9 (B) HAS A COHERENT SEQUENCE OF COURSES THAT WILL ALLOW A
10 STUDENT TO EARN A HIGH SCHOOL DIPLOMA AND ACHIEVE AT LEAST 1 OF THE
11 FOLLOWING IN A SPECIFIC CAREER CLUSTER:

12 (i) AN ASSOCIATE DEGREE.

13 (ii) AN INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION APPROVED
14 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF
15 TALENT AND ECONOMIC DEVELOPMENT.

16 (iii) UP TO 60 TRANSFERABLE COLLEGE CREDITS.

17 (iv) PARTICIPATION IN A REGISTERED APPRENTICESHIP.

18 (C) IS ALIGNED WITH THE MICHIGAN MERIT CURRICULUM.

19 (D) HAS AN ARTICULATION AGREEMENT WITH AT LEAST 1
20 POSTSECONDARY INSTITUTION THAT PROVIDES STUDENTS WITH OPPORTUNITIES
21 TO RECEIVE POSTSECONDARY CREDITS DURING THE STUDENT'S PARTICIPATION
22 IN THE CTE EARLY/MIDDLE COLLEGE PROGRAM AND TRANSFERS THOSE CREDITS
23 TO THE POSTSECONDARY INSTITUTION UPON COMPLETION OF THE CTE
24 EARLY/MIDDLE COLLEGE PROGRAM.

25 (E) PROVIDES INSTRUCTION THAT IS SUPERVISED, DIRECTED, OR
26 COORDINATED BY AN APPROPRIATELY CERTIFICATED CTE TEACHER OR, FOR
27 CONCURRENT ENROLLMENT COURSES, A POSTSECONDARY FACULTY MEMBER.

1 (F) PROVIDES FOR HIGHLY INTEGRATED STUDENT SUPPORT SERVICES
2 THAT INCLUDE AT LEAST THE FOLLOWING:

3 (i) TEACHERS AS ACADEMIC ADVISORS.

4 (ii) SUPERVISED COURSE SELECTION.

5 (iii) MONITORING OF STUDENT PROGRESS AND COMPLETION.

6 (iv) CAREER PLANNING SERVICES PROVIDED BY A LOCAL ONE-STOP
7 SERVICE CENTER AS DESCRIBED IN THE MICHIGAN WORKS ONE-STOP SERVICE
8 CENTER SYSTEM ACT, 2006 PA 491, MCL 408.111 TO 408.135, OR BY A
9 HIGH SCHOOL COUNSELOR OR ADVISOR.

10 (G) HAS COURSES THAT ARE TAUGHT ON A COLLEGE CAMPUS, ARE
11 COLLEGE COURSES OFFERED AT THE HIGH SCHOOL AND TAUGHT BY COLLEGE
12 FACULTY, OR ARE COURSES TAUGHT IN COMBINATION WITH ONLINE
13 INSTRUCTION.

14 (6) FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS SHALL
15 BE DISTRIBUTED AS FOLLOWS:

16 (A) THE DEPARTMENT SHALL CALCULATE STATEWIDE AVERAGE CTE COSTS
17 PER FULL-TIME EQUATED PUPIL FOR EACH CAREER CLUSTER BY DIVIDING
18 TOTAL PRIOR YEAR STATEWIDE COSTS FOR EACH CAREER CLUSTER BY PRIOR
19 YEAR FULL-TIME EQUATED PUPILS FOR EACH CAREER CLUSTER.

20 (B) DISTRIBUTION TO EACH ELIGIBLE CTE EARLY/MIDDLE COLLEGE
21 PROGRAM SHALL BE THE PRODUCT OF 50% OF CTE COSTS PER FULL-TIME
22 EQUATED PUPIL TIMES THE CURRENT YEAR FULL-TIME EQUATED PUPIL
23 ENROLLMENT OF EACH CAREER CLUSTER IN AN ELIGIBLE CTE EARLY/MIDDLE
24 COLLEGE PROGRAM.

25 (7) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A CTE
26 EARLY/MIDDLE COLLEGE PROGRAM SHALL FURNISH TO THE INTERMEDIATE
27 DISTRICT THAT IS THE FISCAL AGENT IDENTIFIED IN SUBSECTION (1), IN

1 A FORM AND MANNER DETERMINED BY THE DEPARTMENT, ALL INFORMATION
2 NEEDED TO ADMINISTER THIS PROGRAM AND MEET FEDERAL REPORTING
3 REQUIREMENTS; SHALL ALLOW THE DEPARTMENT OR THE DEPARTMENT'S
4 DESIGNEE TO REVIEW ALL RECORDS RELATED TO THE PROGRAM FOR WHICH IT
5 RECEIVES FUNDS; AND SHALL REIMBURSE THE STATE FOR ALL DISALLOWANCES
6 FOUND IN THE REVIEW, AS DETERMINED BY THE DEPARTMENT.

7 (8) FUNDS DISTRIBUTED UNDER THIS SECTION MAY BE USED TO FUND
8 PROGRAM EXPENDITURES THAT WOULD OTHERWISE BE PAID FOR FROM
9 FOUNDATION ALLOWANCES. A PROGRAM PROVIDER SHALL NOT USE MORE THAN
10 5% OF THE FUNDS ALLOCATED UNDER THIS SECTION TO THE PROGRAM FOR
11 ADMINISTRATIVE COSTS.

12 (9) 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 (10) IF PUPILS ENROLLED IN A CAREER CLUSTER IN AN ELIGIBLE CTE
17 EARLY/MIDDLE COLLEGE PROGRAM QUALIFY TO BE REIMBURSED UNDER THIS
18 SECTION, THOSE PUPILS CONTINUE TO QUALIFY FOR REIMBURSEMENT UNTIL
19 GRADUATION, EVEN IF THE CAREER CLUSTER IS NO LONGER IDENTIFIED AS
20 BEING IN THE HIGHEST 5 CAREER CLUSTER RANKINGS.

21 (11) AS USED IN THIS SECTION:

22 (A) "ALLOWABLE COSTS" MEANS THOSE COSTS DIRECTLY ATTRIBUTABLE
23 TO THE PROGRAM AS JOINTLY DETERMINED BY THE MICHIGAN TALENT
24 INVESTMENT AGENCY AND THE DEPARTMENT.

25 (B) "CTE" MEANS CAREER AND TECHNICAL EDUCATION.

26 (C) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL
27 TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY

1 REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT
2 REPRESENTATIVES.

3 Sec. 62. (1) For the purposes of this section:

4 (a) "Membership" means for a particular fiscal year the total
5 membership for the immediately preceding fiscal year of the
6 intermediate district and the districts constituent to the
7 intermediate district or the total membership for the immediately
8 preceding fiscal year of the area vocational-technical program.

9 (b) "Millage levied" means the millage levied for area
10 vocational-technical education pursuant to sections 681 to 690 of
11 the revised school code, MCL 380.681 to 380.690, including a levy
12 for debt service obligations incurred as the result of borrowing
13 for capital outlay projects and in meeting capital projects fund
14 requirements of area vocational-technical education.

15 (c) "Taxable value" means the total taxable value of the
16 districts constituent to an intermediate district or area
17 vocational-technical education program, except that if a district
18 has elected not to come under sections 681 to 690 of the revised
19 school code, MCL 380.681 to 380.690, the membership and taxable
20 value of that district shall not be included in the membership and
21 taxable value of the intermediate district. However, the membership
22 and taxable value of a district that has elected not to come under
23 sections 681 to 690 of the revised school code, MCL 380.681 to
24 380.690, shall be included in the membership and taxable value of
25 the intermediate district if the district meets both of the
26 following:

27 (i) The district operates the area vocational-technical

1 education program pursuant to a contract with the intermediate
2 district.

3 (ii) The district contributes an annual amount to the
4 operation of the program that is commensurate with the revenue that
5 would have been raised for operation of the program if millage were
6 levied in the district for the program under sections 681 to 690 of
7 the revised school code, MCL 380.681 to 380.690.

8 (2) From the appropriation in section 11, there is allocated
9 an amount not to exceed \$9,190,000.00 for ~~2014-2015~~**2015-2016** to
10 reimburse intermediate districts and area vocational-technical
11 education programs established under section 690(3) of the revised
12 school code, MCL 380.690, levying millages for area vocational-
13 technical education pursuant to sections 681 to 690 of the revised
14 school code, MCL 380.681 to 380.690. The purpose, use, and
15 expenditure of the reimbursement shall be limited as if the funds
16 were generated by those millages.

17 (3) Reimbursement for the millages levied in ~~2013-2014~~**2014-**
18 **2015** shall be made in ~~2014-2015~~**2015-2016** at an amount per ~~2013-~~
19 ~~2014~~**2014-2015** membership pupil computed by subtracting from
20 ~~\$188,100.00~~**\$189,400.00** the ~~2013-2014~~**2014-2015** taxable value
21 behind each membership pupil and multiplying the resulting
22 difference by the ~~2013-2014~~**2014-2015** millage levied.

23 (4) The amount paid to a single intermediate district under
24 this section shall not exceed 38.4% of the total amount allocated
25 under subsection (2).

26 (5) The amount paid to a single intermediate district under
27 this section shall not be less than 75% of the amount allocated to

1 the intermediate district under this section for the immediately
2 preceding fiscal year.

3 Sec. 64b. (1) From the appropriation in section 11, there is
4 allocated an amount not to exceed \$1,750,000.00 for ~~2014-2015-2015-~~
5 **2016** for supplemental payments to districts that support the
6 attendance of district pupils in grades 9 to 12 under the
7 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
8 388.524, or under the career and technical preparation act, 2000 PA
9 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that
10 support the attendance of district pupils in a concurrent
11 enrollment program if the district meets the requirements under
12 subsection (3). **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO**
13 **INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY**
14 **UPON HIGH SCHOOL GRADUATION.**

15 (2) To be eligible for payments under this section for
16 supporting the attendance of district pupils under the
17 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
18 388.524, or under the career and technical preparation act, 2000 PA
19 258, MCL 388.1901 to 388.1913, a district shall do all of the
20 following:

21 (a) Provide information to all high school pupils on
22 postsecondary enrollment options, including enrollment eligibility,
23 the institutions and types of courses that are eligible for
24 participation, the decision-making process for granting academic
25 credit, and an explanation of eligible charges that will be paid by
26 the district.

27 (b) Enter into a written agreement with a postsecondary

1 institution before the enrollment of district pupils.

2 (c) Agree to pay all eligible charges pursuant to section 21b.

3 (d) Award high school credit for the postsecondary course if
4 the pupil successfully completes the course.

5 (3) To be eligible for payments under this section for pupils
6 enrolled in a concurrent enrollment program, a district shall do
7 all of the following:

8 (a) Provide information to all high school pupils on
9 postsecondary enrollment options, including enrollment eligibility,
10 the institutions and types of courses that are eligible for
11 participation, the decision-making process for granting academic
12 credit, and an explanation of eligible charges that will be paid by
13 the district.

14 (b) Enter into a written agreement with a postsecondary
15 institution establishing the concurrent enrollment program before
16 the enrollment of district pupils in a postsecondary course through
17 the postsecondary institution.

18 (c) Ensure that the course is taught by either a high school
19 teacher or postsecondary faculty pursuant to standards established
20 by the postsecondary institution with which the district has
21 entered into a written agreement to operate the concurrent
22 enrollment program.

23 (d) Ensure that the written agreement provides that the
24 postsecondary institution agrees not to charge the pupil for any
25 cost of the program.

26 (e) Ensure that the course is taught in the local district or
27 intermediate district.

1 (f) Ensure that the pupil is awarded both high school and
2 college credit **AT ANY COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY**
3 **IN THIS STATE** upon successful completion of the course as outlined
4 in the agreement with the postsecondary institution.

5 (4) Funds shall be awarded to eligible districts under this
6 section in the following manner:

7 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
8 credit-bearing course in which a pupil enrolls during the ~~2014-2015~~
9 **2015-2016** school year as described under either subsection (2) or
10 (3).

11 (b) An additional payment of \$30.00 per-pupil per course
12 identified in subdivision (a), if the pupil successfully completes,
13 and is awarded both high school and postsecondary credit for, the
14 course during the ~~2014-2015-2015-2016~~ school year.

15 (5) A district requesting payment under this section shall
16 submit an application to the department in the form and manner
17 prescribed by the department. Notwithstanding section 17b, payments
18 under this section shall be made on a schedule determined by the
19 department.

20 **SEC. 67. (1) FROM THE GENERAL FUND AMOUNT APPROPRIATED IN**
21 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
22 **\$3,600,000.00 FOR 2015-2016 FOR COLLEGE AND CAREER PREPARATION**
23 **ACTIVITIES. THE PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO**
24 **INFORM STUDENTS OF COLLEGE AND CAREER OPTIONS AND TO PROVIDE A WIDE**
25 **ARRAY OF TOOLS AND RESOURCES INTENDED TO INCREASE THE NUMBER OF**
26 **PUPILS WHO ARE ADEQUATELY PREPARED WITH THE INFORMATION NEEDED TO**
27 **MAKE INFORMED DECISIONS ON COLLEGE AND CAREER. THE FUNDS**

1 APPROPRIATED UNDER THIS SECTION ARE INTENDED TO BE USED TO INCREASE
2 THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH-QUALITY DEGREES OR
3 CREDENTIALS. FUNDS APPROPRIATED UNDER THIS SECTION SHALL NOT BE
4 USED TO SUPPLANT FUNDING FOR COUNSELORS ALREADY FUNDED BY
5 DISTRICTS.

6 (2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT
7 TO EXCEED \$3,000,000.00 SHALL BE USED FOR THE COLLEGE ACCESS
8 PROGRAM. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF TALENT
9 AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN
10 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK. THESE FUNDS
11 MAY BE USED FOR ANY OF THE FOLLOWING PURPOSES:

12 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING,
13 AND SERVICES TO LOCAL COLLEGE ACCESS NETWORKS.

14 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED
15 COLLEGE ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE
16 COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN GEOGRAPHICALLY
17 DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

18 (C) THE MICHIGAN COLLEGE ADVISING PROGRAM, A PROGRAM INTENDED
19 TO PLACE TRAINED, RECENTLY GRADUATED COLLEGE ADVISORS IN HIGH
20 SCHOOLS THAT SERVE SIGNIFICANT NUMBERS OF LOW-INCOME AND FIRST-
21 GENERATION COLLEGE-GOING PUPILS. STATE FUNDS USED FOR THIS PURPOSE
22 MAY NOT EXCEED 33% OF THE TOTAL FUNDS AVAILABLE UNDER THIS
23 SUBSECTION.

24 (D) SUBGRANTS OF UP TO \$5,000.00 TO DISTRICTS WITH
25 COMPREHENSIVE HIGH SCHOOLS THAT ESTABLISH A COLLEGE ACCESS TEAM AND
26 IMPLEMENT SPECIFIC STRATEGIES TO CREATE A COLLEGE-GOING CULTURE IN
27 A HIGH SCHOOL IN A FORM AND MANNER APPROVED BY THE MICHIGAN COLLEGE

1 ACCESS NETWORK AND THE MICHIGAN TALENT INVESTMENT AGENCY.

2 (E) THE MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE ONE-STOP
3 PORTAL TO HELP PUPILS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

4 (F) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-
5 INCOME AND FIRST-GENERATION COLLEGE-GOING PUPILS TO TAKE NECESSARY
6 STEPS TOWARD COLLEGE AND TO ASSIST PUPILS AND FAMILIES IN
7 COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL
8 STUDENT AID.

9 (G) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE,
10 AND TRAIN COLLEGE STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST
11 HIGH SCHOOL PUPILS IN NAVIGATING THE POSTSECONDARY PLANNING AND
12 ENROLLMENT PROCESS.

13 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT
14 TO EXCEED \$600,000.00 SHALL BE USED FOR THE PURPOSES OF THIS
15 SUBSECTION. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF
16 TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN
17 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK AND THE
18 MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE ALL OF THE FOLLOWING:

19 (A) A PILOT OUTREACH PROGRAM TO PROVIDE INFORMATION TO PUPILS,
20 PARENTS, AND EDUCATORS ON DUAL ENROLLMENT AND OTHER OPPORTUNITIES
21 AVAILABLE TO HIGH SCHOOL PUPILS TO EARN POSTSECONDARY CREDITS,
22 INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATIONS, AND PARTICIPATION IN
23 REGISTERED APPRENTICESHIPS AT NO COST.

24 (B) AN ONLINE CAREER PLANNING TOOL THAT MEETS ALL OF THE
25 FOLLOWING:

26 (i) HELPS PUPILS CREATE EDUCATIONAL DEVELOPMENT PLANS BEFORE
27 STARTING HIGH SCHOOL.

1 (ii) PROVIDES INFORMATION TO PUPILS ALLOWING THEM TO MAKE MORE
2 INFORMED CHOICES ABOUT CAREER AND EDUCATION OPTIONS.

3 (iii) IS AVAILABLE TO PUPILS AT NO COST.

4 (4) FOR THE PURPOSES OF THIS SECTION, "COLLEGE" MEANS ANY
5 POSTSECONDARY EDUCATIONAL OPPORTUNITY THAT LEADS TO A CAREER,
6 INCLUDING, BUT NOT LIMITED TO, A POSTSECONDARY DEGREE, INDUSTRY-
7 RECOGNIZED TECHNICAL CERTIFICATION, OR REGISTERED APPRENTICESHIP.

8 Sec. 74. (1) From the amount appropriated in section 11, there
9 is allocated an amount not to exceed ~~\$3,316,500.00 for 2014-2015~~
10 **\$3,315,700.00 FOR 2015-2016** for the purposes of this section.

11 (2) From the allocation in subsection (1), there is allocated
12 for each fiscal year the amount necessary for payments to state
13 supported colleges or universities and intermediate districts
14 providing school bus driver safety instruction pursuant to section
15 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
16 payments shall be in an amount determined by the department not to
17 exceed the actual cost of instruction and driver compensation for
18 each public or nonpublic school bus driver attending a course of
19 instruction. For the purpose of computing compensation, the hourly
20 rate allowed each school bus driver shall not exceed the hourly
21 rate received for driving a school bus. Reimbursement compensating
22 the driver during the course of instruction shall be made by the
23 department to the college or university or intermediate district
24 providing the course of instruction.

25 (3) From the allocation in subsection (1), there is allocated
26 for ~~2014-2015-2015-2016~~ the amount necessary to pay the reasonable
27 costs of nonspecial education auxiliary services transportation

1 provided pursuant to section 1323 of the revised school code, MCL
2 380.1323. Districts funded under this subsection shall not receive
3 funding under any other section of this article for nonspecial
4 education auxiliary services transportation.

5 (4) From the funds allocated in subsection (1), there is
6 allocated an amount not to exceed ~~\$1,691,500.00 for 2014-2015~~
7 **\$1,690,700.00 FOR 2015-2016** for reimbursement to districts and
8 intermediate districts for costs associated with the inspection of
9 school buses and pupil transportation vehicles by the department of
10 state police as required under section 715a of the Michigan vehicle
11 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
12 transportation act, 1990 PA 187, MCL 257.1839. The department of
13 state police shall prepare a statement of costs attributable to
14 each district for which bus inspections are provided and submit it
15 to the department and to an intermediate district serving as
16 fiduciary in a time and manner determined jointly by the department
17 and the department of state police. Upon review and approval of the
18 statement of cost, the department shall forward to the designated
19 intermediate district serving as fiduciary the amount of the
20 reimbursement on behalf of each district and intermediate district
21 for costs detailed on the statement within 45 days after receipt of
22 the statement. The designated intermediate district shall make
23 payment in the amount specified on the statement to the department
24 of state police within 45 days after receipt of the statement. The
25 total reimbursement of costs under this subsection shall not exceed
26 the amount allocated under this subsection. Notwithstanding section
27 17b, payments to eligible entities under this subsection shall be

1 paid on a schedule prescribed by the department.

2 SEC. 77. (1) IF A DISTRICT IS EDUCATING ALL OF THE HIGH SCHOOL
3 PUPILS WHO ARE COUNTED IN MEMBERSHIP IN ANOTHER DISTRICT PURSUANT
4 TO AN AGREEMENT BETWEEN THE 2 DISTRICTS AND IF THE EDUCATING
5 DISTRICT PROVIDES TRANSPORTATION FOR ITS OWN RESIDENT HIGH SCHOOL
6 PUPILS, THE EDUCATING DISTRICT SHALL USE STATE SCHOOL AID UNDER
7 THIS ARTICLE TO PROVIDE TRANSPORTATION TO AND FROM SCHOOL FOR
8 NORMAL CURRICULAR ACTIVITIES FOR THOSE HIGH SCHOOL PUPILS WHO
9 RESIDE IN THE OTHER DISTRICT.

10 (2) SUBSECTION (1) DOES NOT REQUIRE THE EDUCATING DISTRICT TO
11 PROVIDE TRANSPORTATION FOR A NONRESIDENT PUPIL FOR ANY
12 EXTRACURRICULAR OR ATHLETIC ACTIVITY IN WHICH THE PUPIL
13 PARTICIPATES.

14 Sec. 81. (1) Except as otherwise provided in this section,
15 from the appropriation in section 11, there is allocated for ~~2014-~~
16 ~~2015-2016~~ to the intermediate districts the sum necessary, but
17 not to exceed ~~\$67,115,000.00~~ **\$68,108,000.00** to provide state aid to
18 intermediate districts under this section.

19 (2) From the allocation in subsection (1), there is allocated
20 for ~~2014-2015-2016~~ an amount not to exceed ~~\$65,108,000.00~~
21 **\$68,108,000.00** for allocations to each intermediate district in an
22 amount equal to ~~104.8%~~ **104.6%** of the amount allocated to the
23 intermediate district under this subsection for ~~2013-2014-2014-~~
24 **2015**. Funding provided under this section shall be used to comply
25 with requirements of this article and the revised school code that
26 are applicable to intermediate districts, and for which funding is
27 not provided elsewhere in this article, and to provide technical

1 assistance to districts as authorized by the intermediate school
2 board.

3 (3) Intermediate districts receiving funds under subsection
4 (2) shall collaborate with the department to develop expanded
5 professional development opportunities for teachers to update and
6 expand their knowledge and skills needed to support the Michigan
7 merit curriculum.

8 (4) From the allocation in subsection (1), there is allocated
9 to an intermediate district, formed by the consolidation or
10 annexation of 2 or more intermediate districts or the attachment of
11 a total intermediate district to another intermediate school
12 district or the annexation of all of the constituent K-12 districts
13 of a previously existing intermediate school district which has
14 disorganized, an additional allotment of \$3,500.00 each fiscal year
15 for each intermediate district included in the new intermediate
16 district for 3 years following consolidation, annexation, or
17 attachment. ~~From the allocation in subsection (1), there is~~
18 ~~allocated \$7,000.00 for purposes of this subsection for 2012-2013,~~
19 ~~for 2013-2014, and for 2014-2015, after which the payment under~~
20 ~~this subsection will cease.~~

21 (5) In order to receive funding under subsection (2), an
22 intermediate district shall do all of the following:

23 (a) Demonstrate to the satisfaction of the department that the
24 intermediate district employs at least 1 person who is trained in
25 pupil accounting and auditing procedures, rules, and regulations.

26 (b) Demonstrate to the satisfaction of the department that the
27 intermediate district employs at least 1 person who is trained in

1 rules, regulations, and district reporting procedures for the
2 individual-level student data that serves as the basis for the
3 calculation of the district and high school graduation and dropout
4 rates.

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

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

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

12 (f) Comply with section 761 of the revised school code, MCL
13 380.761.

14 ~~—— (6) From the allocation in subsection (1), there is allocated~~
15 ~~an amount not to exceed \$2,000,000.00 for 2014-2015 for an~~
16 ~~incentive payment to each intermediate district that meets best~~
17 ~~practices as determined by the department under this subsection.~~
18 ~~The amount of the incentive payment is an amount equal to 3.1% of~~
19 ~~the amount allocated to the intermediate district under subsection~~
20 ~~(2). An intermediate district is eligible for an incentive payment~~
21 ~~under this subsection if the intermediate district satisfies at~~
22 ~~least 5 of the following requirements not later than June 1, 2015:~~

23 ~~—— (a) The intermediate district enters into an agreement with~~
24 ~~the department to comply with all of the following:~~

25 ~~—— (i) If the intermediate district developed a service~~
26 ~~consolidation plan in 2013-2014, implement the service~~
27 ~~consolidation plan in 2014-2015 and report to the department not~~

1 ~~later than February 1, 2015 on the intermediate district's progress~~
2 ~~in implementing the service consolidation plan.~~

3 ~~—— (ii) If the intermediate district did not develop a service~~
4 ~~consolidation plan in 2012-2013 or 2013-2014, develop a service~~
5 ~~consolidation plan in 2014-2015 to reduce operating costs that is~~
6 ~~in compliance with guidelines that were developed by the department~~
7 ~~for former section 11d as that section was in effect for 2010-2011.~~

8 ~~—— (iii) Make the intermediate district's service consolidation~~
9 ~~plan publicly available on the intermediate district's website.~~

10 ~~—— (b) The intermediate district has obtained competitive bids on~~
11 ~~the provision of 1 or more noninstructional services for the~~
12 ~~intermediate district or its constituent districts with a value of~~
13 ~~at least \$50,000.00. The unfunded accrued liability costs for~~
14 ~~retirement and other benefits shall be excluded from the~~
15 ~~intermediate district's current costs for the purpose of comparing~~
16 ~~competitive bids to the current costs of providing services.~~

17 ~~—— (c) The intermediate district develops a technology plan in~~
18 ~~accordance with department policy on behalf of all constituent~~
19 ~~districts within the intermediate district that integrates~~
20 ~~technology into the classroom and prepares teachers to use digital~~
21 ~~technologies as part of the instructional program of each of its~~
22 ~~constituent districts. An intermediate district that developed a~~
23 ~~technology plan in 2012-2013 or 2013-2014 shall continue to~~
24 ~~implement that technology plan in 2014-2015.~~

25 ~~—— (d) The intermediate district provides to parents and~~
26 ~~community members a dashboard or report card demonstrating the~~
27 ~~intermediate district's efforts to manage its finances responsibly.~~

~~1 The dashboard or report card shall include revenue and expenditure
2 projections for the intermediate district for 2014-2015 and 2015-
3 2016, a listing of all debt service obligations, detailed by
4 project, including anticipated 2014-2015 payment for each project,
5 a listing of total outstanding debt, and at least all of the
6 following for the 3 most recent school years for which the data are
7 available:~~

~~8 ——— (i) A list of services offered by the intermediate district
9 that are shared by other local or intermediate districts and a list
10 of the districts or intermediate districts that participate.~~

~~11 ——— (ii) The total cost savings to local or other intermediate
12 districts that share services with the intermediate district.~~

~~13 ——— (iii) The number and percentage of teachers in the
14 intermediate district service area that are trained to integrate
15 technology into the classroom.~~

~~16 ——— (iv) The total funds received from levying special education
17 and vocational education millages, and the number of special
18 education and vocational education pupils served with those
19 dollars.~~

~~20 ——— (v) The number and percentage of individualized education
21 programs developed for special education pupils that contain
22 academic goals.~~

~~23 ——— (e) The intermediate district works in a consortium with 1 or
24 more other intermediate districts and the center to develop local
25 information management system requirements and bid specifications
26 that result in a recommended model information system that supports
27 interoperability to ensure linkage and connectivity in a manner~~

1 ~~that facilitates the efficient exchange of data among districts,~~
2 ~~intermediate districts, and the center. At a minimum, these~~
3 ~~specifications shall include pupil management systems for both~~
4 ~~general and special education, learning management tools, and~~
5 ~~business services.~~

6 ~~—— (f) If an intermediate district provides medical, pharmacy,~~
7 ~~dental, vision, disability, long term care, or any other type of~~
8 ~~benefit that would constitute a health care services benefit, to~~
9 ~~employees and their dependents, the intermediate district is the~~
10 ~~policyholder for each of its insurance policies that covers 1 or~~
11 ~~more of these benefits. An intermediate district that does not~~
12 ~~directly employ its staff or an intermediate district with a~~
13 ~~voluntary employee beneficiary association that pays no more than~~
14 ~~the maximum per employee contribution amount and that contributes~~
15 ~~no more than the maximum employer contribution percentage of total~~
16 ~~annual costs for the medical benefit plans as described in sections~~
17 ~~3 and 4 of the publicly funded health insurance contribution act,~~
18 ~~2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied~~
19 ~~this requirement.~~

20 **(6) AN INTERMEDIATE DISTRICT SHALL USE AT LEAST A PORTION OF**
21 **THE INCREASED FUNDING UNDER THIS SECTION FOR 2015-2016 TO EXPLORE,**
22 **FACILITATE, AND IMPLEMENT SERVICE CONSOLIDATION AMONG AND BETWEEN**
23 **THE INTERMEDIATE DISTRICT AND ITS CONSTITUENT DISTRICTS.**

24 Sec. 94. (1) From the general fund appropriation in section
25 11, there is allocated to the department for ~~2014-2015-2015-2016~~ an
26 amount not to exceed \$250,000.00 for efforts to increase the number
27 of pupils who participate and succeed in advanced placement and

1 international baccalaureate programs.

2 (2) From the funds allocated under this section, the
3 department shall award funds to cover all or part of the costs of
4 advanced placement test fees or international baccalaureate test
5 fees for low-income pupils who take an advanced placement or an
6 international baccalaureate test. Payments shall not exceed \$20.00
7 per test completed.

8 (3) The department shall only award funds under this section
9 if the department determines that all of the following criteria are
10 met:

11 (a) Each pupil for whom payment is made meets eligibility
12 requirements of the federal advanced placement test fee program
13 under section 1701 of the no child left behind act of 2001, Public
14 Law 107-110.

15 (b) The tests are administered by the college board, the
16 international baccalaureate organization, or another test provider
17 approved by the department.

18 (c) The pupil for whom payment is made pays at least \$5.00
19 toward the cost of each test for which payment is made.

20 (4) The department shall establish procedures for awarding
21 funds under this section.

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

24 Sec. 94a. (1) There is created within the state budget office
25 in the department of technology, management, and budget the center
26 for educational performance and information. The center shall do
27 all of the following:

1 (a) Coordinate the collection of all data required by state
2 and federal law from districts, intermediate districts, and
3 postsecondary institutions.

4 (b) Create, maintain, and enhance this state's P-20
5 longitudinal data system and ensure that it meets the requirements
6 of subsection (4).

7 (c) Collect data in the most efficient manner possible in
8 order to reduce the administrative burden on reporting entities,
9 including, but not limited to, electronic transcript services.

10 (d) Create, maintain, and enhance this state's web-based
11 educational portal to provide information to school leaders,
12 teachers, researchers, and the public in compliance with all
13 federal and state privacy laws. Data shall include, but are not
14 limited to, all of the following:

15 (i) Data sets that link teachers to student information,
16 allowing districts to assess individual teacher impact on student
17 performance and consider student growth factors in teacher and
18 principal evaluation systems.

19 (ii) Data access or, if practical, data sets, provided for
20 regional data warehouses that, in combination with local data, can
21 improve teaching and learning in the classroom.

22 (iii) Research-ready data sets for researchers to perform
23 research that advances this state's educational performance.

24 (e) Provide data in a useful manner to allow state and local
25 policymakers to make informed policy decisions.

26 (f) Provide public reports to the citizens of this state to
27 allow them to assess allocation of resources and the return on

1 their investment in the education system of this state.

2 (g) Other functions as assigned by the state budget director.

3 (2) Each state department, officer, or agency that collects
4 information from districts, intermediate districts, or
5 postsecondary institutions as required under state or federal law
6 shall make arrangements with the center to ensure that the state
7 department, officer, or agency is in compliance with subsection
8 (1). This subsection does not apply to information collected by the
9 department of treasury under the uniform budgeting and accounting
10 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
11 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
12 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
13 388.1939; or section 1351a of the revised school code, MCL
14 380.1351a.

15 (3) The center may enter into any interlocal agreements
16 necessary to fulfill its functions.

17 (4) The center shall ensure that the P-20 longitudinal data
18 system required under subsection (1)(b) meets all of the following:

19 (a) Includes data at the individual student level from
20 preschool through postsecondary education and into the workforce.

21 (b) Supports interoperability by using standard data
22 structures, data formats, and data definitions to ensure linkage
23 and connectivity in a manner that facilitates the exchange of data
24 among agencies and institutions within the state and between
25 states.

26 (c) Enables the matching of individual teacher and student
27 records so that an individual student may be matched with those

1 teachers providing instruction to that student.

2 (d) Enables the matching of individual teachers with
3 information about their certification and the institutions that
4 prepared and recommended those teachers for state certification.

5 (e) Enables data to be easily generated for continuous
6 improvement and decision-making, including timely reporting to
7 parents, teachers, and school leaders on student achievement.

8 (f) Ensures the reasonable quality, validity, and reliability
9 of data contained in the system.

10 (g) Provides this state with the ability to meet federal and
11 state reporting requirements.

12 (h) For data elements related to preschool through grade 12
13 and postsecondary, meets all of the following:

14 (i) Contains a unique statewide student identifier that does
15 not permit a student to be individually identified by users of the
16 system, except as allowed by federal and state law.

17 (ii) Contains student-level enrollment, demographic, and
18 program participation information.

19 (iii) Contains student-level information about the points at
20 which students exit, transfer in, transfer out, drop out, or
21 complete education programs.

22 (iv) Has the capacity to communicate with higher education
23 data systems.

24 (i) For data elements related to preschool through grade 12
25 only, meets all of the following:

26 (i) Contains yearly test records of individual students for
27 assessments approved by DED-OESE for accountability purposes under

1 section 1111(b) of the elementary and secondary education act of
2 1965, 20 USC 6311, including information on individual students not
3 tested, by grade and subject.

4 (ii) Contains student-level transcript information, including
5 information on courses completed and grades earned.

6 (iii) Contains student-level college readiness test scores.

7 (j) For data elements related to postsecondary education only:

8 (i) Contains data that provide information regarding the
9 extent to which individual students transition successfully from
10 secondary school to postsecondary education, including, but not
11 limited to, all of the following:

12 (A) Enrollment in remedial coursework.

13 (B) Completion of 1 year's worth of college credit applicable
14 to a degree within 2 years of enrollment.

15 (ii) Contains data that provide other information determined
16 necessary to address alignment and adequate preparation for success
17 in postsecondary education.

18 (5) From the general fund appropriation in section 11, there
19 is allocated an amount not to exceed ~~\$12,022,800.00 for 2014-2015~~
20 **\$11,967,000.00 FOR 2015-2016** to the department of technology,
21 management, and budget to support the operations of the center. In
22 addition, from the federal funds appropriated in section 11 there
23 is allocated for ~~2014-2015-2015-2016~~ the amount necessary,
24 estimated at \$193,500.00, to support the operations of the center
25 and to establish a P-20 longitudinal data system ~~as provided under~~
26 ~~this section in compliance with the assurance provided to the~~
27 ~~United States department of education in order to receive state~~

1 ~~fiscal stabilization funds.~~ **NECESSARY FOR STATE AND FEDERAL**
2 **REPORTING PURPOSES.** The center shall cooperate with the department
3 to ensure that this state is in compliance with federal law and is
4 maximizing opportunities for increased federal funding to improve
5 education in this state.

6 (6) From the funds allocated in subsection (5), ~~there is~~
7 ~~allocated for 2014-2015 an amount not to exceed \$850,000.00~~ **THE**
8 **CENTER MAY USE AN AMOUNT DETERMINED BY THE CENTER FOR 2015-2016** for
9 competitive grants 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.~~ **DEPARTMENT OF**
15 **EDUCATION OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

16 (b) "State education agency" means the department.

17 Sec. 95a. (1) The educator evaluation reserve fund is created
18 as a separate account within the state school aid fund.

19 (2) The state treasurer may receive money or other assets from
20 any source for deposit into the educator evaluation reserve fund.
21 The state treasurer shall direct the investment of the educator
22 evaluation reserve fund. The state treasurer shall credit to the
23 educator evaluation reserve fund interest and earnings from the
24 educator evaluation reserve fund.

25 (3) Money in the educator evaluation reserve fund at the close
26 of the fiscal year shall remain in the educator evaluation reserve
27 fund and shall not lapse to the state school aid fund or to the

1 general fund. The department of treasury shall be the administrator
2 of the educator evaluation reserve fund for auditing purposes.

3 (4) From the appropriations in section 11, there is allocated
4 to the educator evaluation reserve fund for 2014-2015 an amount not
5 to exceed ~~\$12,100,000.00~~ **\$650,000.00** from the state school aid fund
6 and an amount not to exceed ~~\$2,700,000.00~~ **\$0.00** from the general
7 fund. Subject to subsections (5) and (6), the department shall
8 expend the money in the educator evaluation reserve fund for
9 implementing evaluation systems for public school teachers and
10 school administrators.

11 ~~—— (5) Funds in the educator evaluation reserve fund shall not be~~
12 ~~expended unless House Bill Nos. 5223 and 5224 of the 97th~~
13 ~~Legislature are enacted into law.~~

14 (5) ~~(6)~~ Funds in the educator evaluation reserve fund shall
15 not be expended unless the state budget office has approved the
16 department's spending plan.

17 Sec. 98. (1) From the general fund money appropriated in
18 section 11, there is allocated an amount not to exceed
19 \$7,387,500.00 for ~~2014-2015~~ **2015-2016** for the purposes described in
20 this section.

21 (2) The Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall
22 operate the Michigan ~~virtual learning research institute.~~ **VIRTUAL**
23 **LEARNING RESEARCH INSTITUTE**. The Michigan ~~virtual learning research~~
24 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall do all of the
25 following:

26 (a) Support and accelerate innovation in education through the
27 following activities:

1 (i) Test, evaluate, and recommend as appropriate new
2 technology-based instructional tools and resources.

3 (ii) Research, design, and recommend digital education
4 delivery models for use by pupils and teachers that include age-
5 appropriate multimedia instructional content.

6 (iii) Research, develop, and recommend annually to the
7 department criteria by which cyber schools and online course
8 providers should be monitored and evaluated to ensure a quality
9 education for their pupils.

10 (iv) Based on pupil completion and performance data reported
11 to the department or the center for educational performance and
12 information from cyber schools and other online course providers
13 operating in this state, analyze the effectiveness of online
14 learning delivery models in preparing pupils to be college- and
15 career-ready and publish a report that highlights enrollment
16 totals, completion rates, and the overall impact on pupils. The
17 report shall be submitted to the house and senate appropriations
18 subcommittees on state school aid, the state budget director, the
19 house and senate fiscal agencies, and the department not later than
20 ~~December 1, 2015.~~ **MARCH 31, 2016.**

21 (v) Before August 31, ~~2015,~~ **2016**, provide an extensive
22 professional development program to at least 500 educational
23 personnel, including teachers, school administrators, and school
24 board members, that focuses on the effective integration of digital
25 learning into curricula and instruction. Not later than December 1,
26 ~~2015,~~ **2016**, the Michigan ~~virtual learning research institute~~
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.~~ **VIRTUAL UNIVERSITY.** The report shall also identify
7 barriers and other opportunities to encourage the adoption of
8 digital learning in the public education system.

9 (vi) Identify and share best practices for planning,
10 implementing, and evaluating online 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 digital
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 online learning in this state's schools.

19 (ii) Provide a clearinghouse for research reports, academic
20 studies, evaluations, and other information related to online
21 learning.

22 (iii) Promote and distribute the most current instructional
23 design standards and guidelines for online 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 digital learning instruction.

27 (v) Pursue public/private partnerships that include districts

1 to study and implement competency-based technology-rich online
2 learning models.

3 **(vi) CREATE A STATEWIDE NETWORK OF SCHOOL-BASED MENTORS**
4 **SERVING AS LIAISONS BETWEEN PUPILS, ONLINE INSTRUCTORS, PARENTS,**
5 **AND SCHOOL STAFF AND PROVIDE MENTORS WITH RESEARCH-BASED TRAINING**
6 **AND TECHNICAL ASSISTANCE DESIGNED TO HELP MORE PUPILS BE SUCCESSFUL**
7 **ONLINE LEARNERS.**

8 **(vii) ~~(vi)~~**—Convene focus groups and conduct annual surveys of
9 teachers, administrators, pupils, parents, and others to identify
10 barriers and opportunities related to online learning.

11 **(viii) ~~(vii)~~**—Produce an annual consumer awareness report for
12 schools and parents about effective online education providers and
13 education delivery models, performance data, cost structures, and
14 research trends.

15 **(ix) ~~(viii)~~**—Research and establish an internet-based platform
16 that educators can use to create student-centric learning tools and
17 resources and facilitate a user network that assists educators in
18 using the platform. As part of this initiative, the Michigan
19 virtual university shall work collaboratively with districts and
20 intermediate districts to establish a plan to make available online
21 resources that align to Michigan's K-12 curriculum standards for
22 use by students, educators, and parents.

23 **(x) ~~(ix)~~**—Create and maintain a public statewide catalog of
24 online learning courses being offered by all public schools **AND**
25 **COMMUNITY COLLEGES** in this state. The Michigan ~~virtual learning~~
26 ~~research institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall
27 identify and develop a list of nationally recognized best practices

1 for online learning and use this list to support reviews of online
2 course vendors, courses, and instructional practices. The Michigan
3 ~~virtual learning research institute~~ **VIRTUAL LEARNING RESEARCH**
4 **INSTITUTE** shall also provide a mechanism for intermediate districts
5 to use the identified best practices to review content offered by
6 constituent districts. The Michigan ~~virtual learning research~~
7 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall review the
8 online course offerings of the Michigan ~~virtual university~~, **VIRTUAL**
9 **UNIVERSITY**, and make the results from these reviews available to
10 the public as part of the statewide catalog. The Michigan ~~virtual~~
11 ~~learning research institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE**
12 shall ensure that the statewide catalog is made available to the
13 public on the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**
14 website and shall allow the ability to link it to each district's
15 website as provided for in section 21f. ~~Beginning in 2014-2015, the~~
16 **THE** statewide catalog shall also contain all of the following:
17 (A) The number of enrollments in each online 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 online course in the immediately
21 preceding school year.
22 (C) The completion rate for each online course.
23 **(xi)** ~~(x) Collaborate with key stakeholders to examine the need~~
24 ~~and process for incorporating~~ **DEVELOP PROTOTYPE AND PILOT**
25 registration, payment services, and transcript functionality to the
26 statewide catalog **AND TRAIN KEY STAKEHOLDERS ON HOW TO USE NEW**
27 **FEATURES.**

1 (xii) ~~(xi)~~ Collaborate with key stakeholders to examine
2 district level accountability and teacher effectiveness issues
3 related to online learning under section 21f and make findings and
4 recommendations publicly available.

5 (3) ~~In order for the Michigan virtual university to receive~~
6 ~~any funds allocated under this section, the~~ **TO FURTHER ENHANCE ITS**
7 **EXPERTISE AND LEADERSHIP IN DIGITAL LEARNING, THE MICHIGAN VIRTUAL**
8 **UNIVERSITY SHALL CONTINUE TO OPERATE THE MICHIGAN VIRTUAL SCHOOL AS**
9 **A STATEWIDE LABORATORY AND QUALITY MODEL OF INSTRUCTION BY**
10 **IMPLEMENTING ONLINE AND BLENDED LEARNING SOLUTIONS FOR MICHIGAN**
11 **SCHOOLS IN ACCORDANCE WITH THE FOLLOWING PARAMETERS:**

12 (A) ~~THE Michigan virtual school~~ **VIRTUAL SCHOOL** must maintain
13 its accreditation status from recognized national and international
14 accrediting entities.

15 (B) **THE MICHIGAN VIRTUAL UNIVERSITY SHALL USE NO MORE THAN**
16 **\$1,000,000.00 OF THE AMOUNT ALLOCATED UNDER THIS SECTION TO**
17 **SUBSIDIZE THE COST PAID BY DISTRICTS FOR ONLINE COURSES.**

18 (C) **IN PROVIDING EDUCATORS RESPONSIBLE FOR THE TEACHING OF**
19 **ONLINE COURSES AS PROVIDED FOR IN THIS SECTION, THE MICHIGAN**
20 **VIRTUAL SCHOOL SHALL FOLLOW THE REQUIREMENTS TO REQUEST AND ASSESS,**
21 **AND THE DEPARTMENT OF STATE POLICE SHALL PROVIDE, A CRIMINAL**
22 **HISTORY CHECK AND CRIMINAL RECORDS CHECK UNDER SECTIONS 1230 AND**
23 **1230A OF THE REVISED SCHOOL CODE, MCL 380.1230 AND 380.1230A, IN**
24 **THE SAME MANNER AS IF THE MICHIGAN VIRTUAL SCHOOL WERE A DISTRICT.**

25 (4) If the course offerings are included in the statewide
26 catalog of online courses under subsection (2) (b) (ix), the Michigan
27 ~~virtual school~~ **VIRTUAL SCHOOL** operated by the Michigan ~~virtual~~

1 ~~university~~**VIRTUAL UNIVERSITY** may offer online course offerings,
2 including, but not limited to, all of the following:

3 (a) Information technology courses.

4 (b) College level equivalent courses, as defined in section
5 1471 of the revised school code, MCL 380.1471.

6 (c) Courses and dual enrollment opportunities.

7 (d) Programs and services for at-risk pupils.

8 (e) General education development test preparation courses for
9 adjudicated youth.

10 (f) Special interest courses.

11 (g) Professional development programs for teachers, school
12 administrators, other school employees, and school board members.

13 (5) If a home-schooled or nonpublic school student is a
14 resident of a district that subscribes to services provided by the
15 Michigan ~~virtual school~~,**VIRTUAL SCHOOL**, the student may use the
16 services provided by the Michigan ~~virtual school~~**VIRTUAL SCHOOL** to
17 the district without charge to the student beyond what is charged
18 to a district pupil using the same services.

19 (6) Not later than December 1 of each fiscal year, the
20 Michigan ~~virtual university~~**VIRTUAL UNIVERSITY** shall provide a
21 report to the house and senate appropriations subcommittees on
22 state school aid, the state budget director, the house and senate
23 fiscal agencies, and the department that includes at least all of
24 the following information related to the Michigan ~~virtual school~~
25 **VIRTUAL SCHOOL** for the preceding state fiscal year:

26 (a) A list of the districts served by the Michigan ~~virtual~~
27 ~~school~~**VIRTUAL SCHOOL**.

1 (b) A list of online course titles available to districts.

2 (c) The total number of online course enrollments and
3 information on registrations and completions by course.

4 (d) The overall course completion rate percentage.

5 (7) The governor may appoint an advisory group for the
6 Michigan ~~virtual learning research institute~~ **VIRTUAL LEARNING**
7 **RESEARCH INSTITUTE** established under subsection (2). The members of
8 the advisory group shall serve at the pleasure of the governor and
9 shall serve without compensation. The purpose of the advisory group
10 is to make recommendations to the governor, the legislature, and
11 the president and board of the Michigan ~~virtual university~~ **VIRTUAL**
12 **UNIVERSITY** that will accelerate innovation in this state's
13 education system in a manner that will prepare elementary and
14 secondary students to be career and college ready and that will
15 promote the goal of increasing the percentage of citizens of this
16 state with high-quality degrees and credentials to at least 60% by
17 2025.

18 (8) Not later than November 1, ~~2014,~~ **2015**, the Michigan
19 ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the house and
20 senate appropriations subcommittees on state school aid, the state
21 budget director, and the house and senate fiscal agencies a
22 detailed budget for the ~~2014-2015~~ **2015-2016** fiscal year that
23 includes a breakdown on its projected costs to deliver online
24 educational services to districts and a summary of the anticipated
25 fees to be paid by districts for those services. ~~Beginning in 2013-~~
26 ~~2014, not~~ **NOT** later than ~~February 1,~~ **MARCH 1 EACH YEAR**, the
27 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the

1 house and senate appropriations subcommittees on state school aid,
2 the state budget director, and the house and senate fiscal agencies
3 a breakdown on its actual costs to deliver online educational
4 services to districts and a summary of the actual fees paid by
5 districts for those services based on audited financial statements
6 for the immediately preceding fiscal year.

7 (9) As used in this section:

8 (a) "Blended learning" means a hybrid instructional delivery
9 model where pupils are provided content, instruction, and
10 assessment, in part at a supervised educational facility away from
11 home where the pupil and a teacher with a valid Michigan teaching
12 certificate are in the same physical location and in part through
13 ~~internet-connected~~ **INTERNET-CONNECTED** learning environments with
14 some degree of pupil control over time, location, and pace of
15 instruction.

16 (b) "Cyber school" means a full-time instructional program of
17 online courses for pupils that may or may not require attendance at
18 a physical school location.

19 (c) "Digital learning" means instruction delivered via a web-
20 based educational delivery system that uses various information
21 technologies to provide a structured learning environment,
22 including online and blended learning instructional methods.

23 (d) "Online course" means a course of study that is capable of
24 generating a credit or a grade, that is provided in an interactive
25 internet-connected learning environment, in which pupils are
26 separated from their teachers by time or location, or both, and in
27 which a teacher who holds a valid Michigan teaching certificate is

1 responsible for **PROVIDING INSTRUCTION**, determining appropriate
2 instructional methods for each pupil, diagnosing learning needs,
3 assessing pupil learning, prescribing intervention strategies,
4 reporting outcomes, and evaluating the effects of instruction and
5 support strategies.

6 Sec. 99. (1) From the funds appropriated in section 11, there
7 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
8 ~~\$2,750,000.00~~ **\$3,750,000.00** from the state school aid fund and an
9 amount not to exceed \$475,000.00 from the general fund to support
10 the activities and programs of mathematics and science centers and
11 for other purposes as described in this section. In addition, from
12 the federal funds appropriated in section 11, there is allocated
13 for ~~2014-2015-2015-2016~~ an amount estimated at \$5,249,300.00 from
14 DED-OESE, title II, mathematics and science partnership grants.

15 (2) Within a service area designated locally, approved by the
16 department, and consistent with the comprehensive master plan for
17 mathematics and science centers developed by the department and
18 approved by the state board, an established mathematics and science
19 center shall provide 2 or more of the following 6 basic services,
20 as described in the master plan, to constituent districts and
21 communities: leadership, pupil services, curriculum support,
22 community involvement, professional development, and resource
23 clearinghouse services.

24 (3) The department shall not award a state grant under this
25 section to more than 1 mathematics and science center located in a
26 designated region as prescribed in the 2007 master plan unless each
27 of the grants serves a distinct target population or provides a

1 service that does not duplicate another program in the designated
2 region.

3 (4) As part of the technical assistance process, the
4 department shall provide minimum standard guidelines that may be
5 used by the mathematics and science center for providing fair
6 access for qualified pupils and professional staff as prescribed in
7 this section.

8 (5) Allocations under this section to support the activities
9 and programs of mathematics and science centers shall be continuing
10 support grants to all 33 established mathematics and science
11 centers. Each established mathematics and science center that was
12 funded in the immediately preceding fiscal year shall receive state
13 funding in an amount equal to 100% of the amount it was allocated
14 under this subsection for the immediately preceding fiscal year. If
15 a center declines state funding or a center closes, the remaining
16 money available under this section shall be distributed to the
17 remaining centers, as determined by the department.

18 (6) From the funds allocated in subsection (1), there is
19 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
20 \$750,000.00 in a form and manner determined by the department to
21 those centers able to provide curriculum and professional
22 development support to assist districts in implementing the
23 Michigan merit curriculum components for mathematics and science.
24 Funding under this subsection is in addition to funding allocated
25 under subsection (5).

26 (7) From the general fund money allocated in subsection (1),
27 there is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed

1 \$100,000.00 to the Michigan STEM partnership, to be used to
2 administer the grant process under this subsection. From the
3 general fund money allocated in subsection (1), there is allocated
4 for ~~2014-2015~~ **2015-2016** an amount not to exceed \$375,000.00 to the
5 Michigan STEM partnership to be used for a competitive grant
6 process to award competitive grants to organizations conducting
7 student-focused, project-based programs and competitions, either in
8 the classroom or extracurricular, in science, technology,
9 engineering, and mathematics subjects such as, but not limited to,
10 robotics, coding, and design-build-test projects, from pre-
11 kindergarten through college level. Funding under this subsection
12 is in addition to funding allocated under subsection (5) and shall
13 be used for connecting mathematics and science centers for science,
14 technology, engineering, and mathematics purposes and to support
15 the goals of the Michigan STEM partnership. A program receiving
16 funds under section 99h may not receive funds under this
17 subsection.

18 (8) In order to receive state or federal funds under this
19 section, a grant recipient shall allow access for the department or
20 the department's designee to audit all records related to the
21 program for which it receives such funds. The grant recipient shall
22 reimburse the state for all disallowances found in the audit.

23 (9) Not later than September 30, 2018, the department shall
24 reevaluate and update the comprehensive master plan described in
25 subsection (1).

26 (10) The department shall give preference in awarding the
27 federal grants allocated in subsection (1) to eligible existing

1 mathematics and science centers.

2 (11) In order to receive state funds under this section, a
3 grant recipient shall provide at least a 10% local match from local
4 public or private resources for the funds received under this
5 section.

6 (12) Not later than July 1 of each year, a mathematics and
7 science center that receives funds under this section shall report
8 to the department in a form and manner prescribed by the department
9 on the following performance measures:

10 (a) Statistical change in pre- and post-assessment scores for
11 students who enrolled in mathematics and science activities
12 provided to districts by the mathematics and science center.

13 (b) Statistical change in pre- and post-assessment scores for
14 teachers who enrolled in professional development activities
15 provided by the mathematics and science center.

16 (13) As used in this section:

17 (a) "DED" means the United States ~~department of~~
18 ~~education.~~ **DEPARTMENT OF EDUCATION.**

19 (b) "DED-OESE" means the DED ~~office of elementary and~~
20 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

21 **SEC. 99C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
22 **ALLOCATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED \$60,000.00**
23 **FOR 2015-2016 FOR THE PURPOSE OF CIVIC EDUCATION AS DESCRIBED IN**
24 **THIS SECTION. THE DEPARTMENT SHALL ESTABLISH A COMPETITIVE GRANT**
25 **PROCESS THAT AWARDS FUNDING TO NOT MORE THAN 1 PROVIDER FOR THE**
26 **DELIVERY OF PROGRAMS THAT EXEMPLIFY BEST PRACTICES IN CIVIC**
27 **EDUCATION. THE PROGRAMS SHALL TEACH UPPER ELEMENTARY, MIDDLE, AND**

1 HIGH SCHOOL PUPILS HOW TO PARTICIPATE RESPONSIBLY IN LOCAL AND
2 STATE GOVERNMENT, AND SHALL PROVIDE UPPER ELEMENTARY, MIDDLE, AND
3 HIGH SCHOOL PUPILS WITH AN INNOVATIVE COURSE OF INSTRUCTION ON THE
4 HISTORY AND PRINCIPLES OF UNITED STATES CONSTITUTIONAL DEMOCRACY.
5 THE GRANTEE ALSO SHALL PROVIDE SUPPORT TO ALL SCHOOLS IN THIS STATE
6 BEYOND THOSE TARGETED FOR INTENSIVE PROGRAMMING FUNDED UNDER THIS
7 SECTION THROUGH ITS WEBSITE, CONDUCT PRESENTATIONS AT STATEWIDE
8 CONFERENCES, AND CONDUCT PRESENTATIONS AT DISTRICTS AND
9 INTERMEDIATE DISTRICTS.

10 Sec. 99h. (1) From the appropriation in section 11, there is
11 allocated an amount not to exceed \$2,000,000.00 for ~~2014-2015-2015-~~
12 ~~2016~~ for competitive grants to districts that provide pupils in
13 grades 7 to 12 with expanded opportunities to improve mathematics,
14 science, and technology skills by participating in events hosted by
15 a science and technology development program known as FIRST (for
16 inspiration and recognition of science and technology) robotics.

17 (2) A district applying for a FIRST tech challenge or FIRST
18 robotics competition program grant shall submit an application in a
19 form and manner determined by the department. To be eligible for a
20 grant, a district shall demonstrate in its application that the
21 district has established a partnership for the purposes of the
22 FIRST program with at least 1 sponsor, business entity, higher
23 education institution, or technical school, shall submit a spending
24 plan, and shall pay at least 25% of the cost of the FIRST robotics
25 program.

26 (3) The department shall distribute the grant funding under
27 this section for the following purposes:

1 (a) Grants to districts to pay for stipends of \$1,500.00 for 1
2 coach per team, distributed as follows:

3 (i) Not more than 500 stipends for coaches of high school
4 teams, including existing teams.

5 (ii) Not more than 100 stipends for coaches of middle school
6 or junior high teams, including existing teams.

7 (iii) If the requests for stipends exceed the numbers of
8 stipends allowed under subparagraphs (i) and (ii), and if there is
9 funding remaining unspent under subdivisions (b) and (c), the
10 department shall use that remaining unspent funding for grants to
11 districts to pay for additional stipends in a manner that expands
12 the geographical distribution of teams.

13 (b) Grants to districts for event registrations, materials,
14 travel costs, and other expenses associated with the preparation
15 for and attendance at FIRST tech challenge and FIRST robotics
16 competitions. Each grant recipient shall provide a local match from
17 other private or local funds for the funds received under this
18 subdivision equal to at least 50% of the costs of participating in
19 an event. The department shall set maximum grant amounts under this
20 subdivision in a manner that maximizes the number of teams that
21 will be able to receive funding.

22 (c) Grants to districts for awards to teams that advance to
23 the state and world championship competitions. The department shall
24 determine an equal amount per team for those teams that advance to
25 the state championship and a second equal award amount to those
26 teams that advance to the world championship.

27 (4) The funds allocated under this section are a work project

1 appropriation, and any unexpended funds for ~~2014-2015-2015-2016~~ are
2 carried forward into ~~2015-2016-2016-2017~~. The purpose of the work
3 project is to continue to implement the projects described under
4 subsection (1). The estimated completion date of the work project
5 is September 30, ~~2017-2018~~.

6 Sec. 102. (1) A district or intermediate district receiving
7 money under this article shall not adopt or operate under a deficit
8 budget, and a district or intermediate district shall not incur an
9 operating deficit in a fund during a school fiscal year. ~~A-IF A~~
10 district or intermediate district ~~that~~ has an existing deficit fund
11 balance, ~~that~~ incurs a deficit fund balance in the most recently
12 completed school fiscal year, or ~~that~~ adopts a current year budget
13 that projects a deficit fund balance, ~~shall not be allotted or paid~~
14 ~~a further sum under this article~~ **THE DISTRICT OR INTERMEDIATE**
15 **DISTRICT SHALL IMMEDIATELY NOTIFY THE SUPERINTENDENT AND STATE**
16 **TREASURER AND WITHIN 30 DAYS OF THAT NOTIFICATION SUBMIT TO THE**
17 **SUPERINTENDENT AND THE STATE TREASURER A PREPLAN FINANCIAL REPORT**
18 **IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY.**
19 **THE DEPARTMENT MAY WITHHOLD SOME OR ALL OF THE MONEY PAYABLE TO THE**
20 **DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE AS THE**
21 **SUPERINTENDENT DETERMINES NECESSARY TO INCENTIVIZE THE DISTRICT OR**
22 **INTERMEDIATE DISTRICT TO ELIMINATE THE DEFICIT** until the district
23 or intermediate district submits to the department for approval a
24 budget for the current school fiscal year and ~~a plan to eliminate~~
25 ~~the district's or intermediate district's deficit not later than~~
26 ~~the end of the second school fiscal year after the deficit was~~
27 ~~incurred or the budget projecting a deficit was adopted. Withheld~~

1 ~~state aid payments~~ A DEFICIT ELIMINATION PLAN IN THE FORM AND
2 MANNER PRESCRIBED BY THE DEPARTMENT OR THE DEFICIT ELIMINATION PLAN
3 IS APPROVED BY THE DEPARTMENT. THE DEPARTMENT MAY REQUIRE A DEFICIT
4 ELIMINATION PLAN TO INCLUDE AN ACADEMIC PLAN FOR THE DISTRICT OR
5 INTERMEDIATE DISTRICT. MONEY WITHHELD UNDER THIS SECTION shall be
6 released after the department approves the deficit elimination
7 plan. ~~and ensures that the budget for the current school fiscal~~
8 ~~year is balanced.~~ After the department approves a district's or
9 intermediate district's deficit elimination plan, the district or
10 intermediate district shall post the deficit elimination plan on
11 the district's or intermediate district's website.

12 (2) Not later than March 1 of each year, the department shall
13 prepare a report of deficits incurred or projected by districts and
14 intermediate districts in the immediately preceding fiscal year and
15 the progress made in reducing those deficits and submit the report
16 to the standing committees of the legislature responsible for K-12
17 education legislation, the appropriations subcommittees of the
18 legislature responsible for K-12 ~~education~~ **SCHOOL AID**
19 appropriations, the house and senate fiscal agencies, the state
20 treasurer, and the state budget director. The department also shall
21 submit quarterly interim reports concerning the progress made by
22 districts and intermediate districts in reducing those deficits **TO**
23 **THE STANDING COMMITTEES OF THE LEGISLATURE RESPONSIBLE FOR K-12**
24 **EDUCATION LEGISLATION, THE APPROPRIATIONS SUBCOMMITTEES OF THE**
25 **LEGISLATURE RESPONSIBLE FOR K-12 SCHOOL AID APPROPRIATIONS, THE**
26 **HOUSE AND SENATE FISCAL AGENCIES, THE STATE TREASURER, AND THE**
27 **STATE BUDGET DIRECTOR.** On a quarterly basis, the superintendent of

1 public instruction shall publicly present those reports to the
2 appropriations subcommittees of the legislature responsible for K-
3 12 education appropriations.

4 ~~—— (3) The amount of the permissible deficit for each school
5 fiscal year shall not exceed the amount of state aid reduced by an
6 executive order during that school fiscal year.~~

7 (3) ~~(4)~~ A district or intermediate district that has an
8 existing deficit fund balance, that incurs a deficit fund balance
9 in the most recently completed school fiscal year, or that adopts a
10 current year budget that projects a deficit fund balance shall
11 submit to the department **AND THE STATE TREASURER** a monthly
12 monitoring report on revenue and expenditures in a form and manner
13 prescribed by the department and shall post these reports on its
14 website.

15 (4) ~~(5)~~ If a district or intermediate district is ~~not able to~~
16 ~~comply with the provisions of this section, the district or~~
17 ~~intermediate district shall submit to the department a plan to~~
18 ~~eliminate its deficit. Upon approval of the plan submitted,~~
19 **REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN UNDER THIS SECTION,**
20 **AND THE DEFICIT ELIMINATION PLAN IS APPROVED BY THE DEPARTMENT,** the
21 superintendent ~~of public instruction~~ may continue allotment and
22 payment of funds under this article. ~~extend~~ **WHEN APPROVING A**
23 **DEFICIT ELIMINATION PLAN, THE SUPERINTENDENT MAY ESTABLISH** the
24 period of time in which a district or intermediate district has to
25 eliminate its deficit, and set special conditions that the district
26 or intermediate district must meet ~~during the period of the~~
27 ~~extension.~~ **WHILE THE DEFICIT ELIMINATION IS IN EFFECT.** After the

1 department approves a district's or intermediate district's deficit
2 elimination plan under this subsection, the district or
3 intermediate district shall post the deficit elimination plan on
4 the district's or intermediate district's website. **THE REQUIREMENTS**
5 **OF THIS SECTION RELATING TO A DEFICIT ELIMINATION PLAN DO NOT APPLY**
6 **TO A DISTRICT OR INTERMEDIATE DISTRICT IF THE DISTRICT OR**
7 **INTERMEDIATE DISTRICT IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT**
8 **ELIMINATION PLAN UNDER SUBSECTION (5).**

9 (5) IF THE STATE TREASURER DETERMINES THAT FINANCIAL STRESS IS
10 EVIDENT, THE STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE
11 DISTRICT TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN IN ORDER TO
12 ENSURE THAT THE DEFICIT DOES NOT BECOME UNMANAGEABLE AND TRIGGER
13 ACTION UNDER THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA
14 436, MCL 141.1541 TO 141.1575. AN ENHANCED DEFICIT ELIMINATION PLAN
15 SHALL PROVIDE FOR THE RESOLUTION OF THE DETERIORATING FINANCIAL
16 CIRCUMSTANCES, PERSISTENTLY DECLINING ENROLLMENT, OR OTHER
17 INDICATORS OF RECURRING OPERATING DEFICITS OR RECURRING FINANCIAL
18 STRESS AND IS SUBJECT TO APPROVAL BY THE STATE TREASURER. AS A
19 CONDITION OF APPROVING AN ENHANCED DEFICIT ELIMINATION PLAN, THE
20 STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE DISTRICT
21 REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER THIS
22 SECTION TO ENTER INTO A FINANCIAL RECOVERY AGREEMENT WITH THE STATE
23 TREASURER. A FINANCIAL RECOVERY AGREEMENT MAY PROVIDE FOR, BUT IS
24 NOT LIMITED TO, ALL OF THE FOLLOWING:

25 (A) ASSISTANCE AND GUIDANCE FROM THE DEPARTMENT OF TREASURY
26 AND OTHER STATE DEPARTMENTS AND AGENCIES.

27 (B) AN ACADEMIC PLAN FOR THE DISTRICT.

1 (C) THE APPOINTMENT OF A LOCAL AUDITOR OR INSPECTOR, OR BOTH.

2 (D) REMEDIAL MEASURES OR OTHER ACTION UNDER THIS ARTICLE OR
3 THE REVISED SCHOOL CODE NECESSARY TO ADDRESS THE FINANCIAL
4 CIRCUMSTANCES OF THE DISTRICT OR INTERMEDIATE DISTRICT.

5 (E) THE REQUIRED RETENTION BY THE DISTRICT OR INTERMEDIATE
6 DISTRICT OF A CONSULTANT OR 1 OR MORE OTHER EXPERTS FOR THE PURPOSE
7 OF ASSISTING THE DISTRICT OR INTERMEDIATE DISTRICT TO ACHIEVE THE
8 GOALS AND OBJECTIVES OF THE FINANCIAL RECOVERY AGREEMENT.

9 (6) BEFORE A DISTRICT OR INTERMEDIATE DISTRICT SUBMITS AN
10 ENHANCED DEFICIT ELIMINATION PLAN TO THE STATE TREASURER UNDER
11 SUBSECTION (5), THE BOARD OF THE DISTRICT OR INTERMEDIATE DISTRICT
12 SHALL APPROVE THE PLAN. IF A DISTRICT OR INTERMEDIATE DISTRICT IS
13 REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER
14 SUBSECTION (5), SOME OR ALL OF THE MONEY PAYABLE TO THE DISTRICT OR
15 INTERMEDIATE DISTRICT UNDER THIS ARTICLE MAY BE WITHHELD AND
16 RELEASED IN THE SAME MANNER AS PROVIDED UNDER SUBSECTION (1). WHEN
17 APPROVING AN ENHANCED DEFICIT ELIMINATION PLAN, THE STATE TREASURER
18 MAY ESTABLISH THE PERIOD OF TIME WITHIN WHICH A DISTRICT OR
19 INTERMEDIATE DISTRICT MUST ELIMINATE ITS DEFICIT AND MAY SET
20 SPECIAL CONDITIONS THAT THE DISTRICT OR INTERMEDIATE DISTRICT MUST
21 MEET WHILE THE DEFICIT ELIMINATION PLAN IS IN EFFECT.

22 (7) AFTER THE STATE TREASURER APPROVES AN ENHANCED DEFICIT
23 ELIMINATION PLAN FOR A DISTRICT OR INTERMEDIATE DISTRICT, THE
24 DISTRICT OR INTERMEDIATE DISTRICT SHALL POST THE ENHANCED DEFICIT
25 ELIMINATION PLAN ON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S
26 WEBSITE.

27 (8) IF A DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED TO

1 SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SUBSECTION (5),
2 THE DISTRICT OR INTERMEDIATE DISTRICT SHALL SUBMIT TO THE
3 SUPERINTENDENT AND THE STATE TREASURER AN ENHANCED MONTHLY
4 MONITORING REPORT ON REVENUE, EXPENDITURES, CASH FLOW, DEBT, OTHER
5 LIABILITIES, ASSETS, BUDGET AMENDMENTS, PUPIL MEMBERSHIP, AND OTHER
6 DATA RELATING TO THE FINANCES OF THE DISTRICT OR INTERMEDIATE
7 DISTRICT IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF
8 TREASURY AND SHALL POST THESE REPORTS ON ITS WEBSITE.

9 (9) AN ALLOCATION TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER
10 THIS ARTICLE IS CONTINGENT UPON THE DISTRICT'S OR INTERMEDIATE
11 DISTRICT'S COMPLIANCE WITH THIS SECTION.

12 (10) A DISTRICT OR INTERMEDIATE DISTRICT REQUIRED TO SUBMIT A
13 DEFICIT ELIMINATION PLAN OR ENHANCED DEFICIT ELIMINATION PLAN SHALL
14 ENSURE THAT THE ACADEMIC PLAN INCLUDES ATTEMPTS TO EXHAUST ALL
15 RESOURCES UNDER SECTIONS 35A TO 35G.

16 (11) ~~(6) For the purposes of~~ AS USED IN this section: 7
17 "deficit

18 (A) "DEFICIT ELIMINATION PLAN" MEANS A PLAN REQUIRED UNDER
19 THIS SECTION FOR THE ELIMINATION OF A DEFICIT THAT SETS FORTH
20 ACTIONS TO BE TAKEN TO ELIMINATE THE DEFICIT WITHIN THE TIME PERIOD
21 PRESCRIBED BY THE DEPARTMENT.

22 (B) "DEFICIT fund balance" means that term as defined in the
23 Michigan public school accounting manual published by the
24 department.

25 (C) "ENHANCED DEFICIT ELIMINATION PLAN" MEANS MEASURES
26 REQUIRED BY THE STATE TREASURER UNDER THIS SECTION TO ADDRESS THE
27 FINANCIAL CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT AND

1 RESOLVE ANY DEFICIT WITHIN THE TIME PERIOD PRESCRIBED BY THE STATE
2 TREASURER.

3 (D) "PREPLAN FINANCIAL REPORT" MEANS A REPORT ON THE FINANCIAL
4 CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT, REQUIRED
5 UNDER THIS SECTION AND SUBMITTED IN A FORM AND MANNER PRESCRIBED BY
6 THE STATE TREASURER, WHICH MAY INCLUDE, BUT IS NOT LIMITED TO,
7 FINANCIAL DATA AND OTHER INFORMATION ON LIABILITIES, PAYMENTS,
8 ENROLLMENT, BORROWING, AND OTHER CRITERIA RELATING TO THE FINANCIAL
9 CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT.

10 SEC. 102A. (1) BEFORE JULY 7 OF EACH YEAR, EACH DISTRICT
11 RECEIVING MONEY UNDER THIS ARTICLE SHALL TRANSMIT TO THE CENTER THE
12 BUDGETARY ASSUMPTIONS USED BY THE DISTRICT WHEN ADOPTING ITS ANNUAL
13 BUDGET PURSUANT TO THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968
14 PA 2, MCL 141.421 TO 141.440A. THE SUBMISSION OF THE BUDGETARY
15 ASSUMPTIONS UNDER THIS SECTION SHALL BE IN THE FORM PRESCRIBED BY
16 THE CENTER AND SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

17 (A) THE PROJECTED FOUNDATION ALLOWANCE USED BY THE DISTRICT
18 WHEN ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL
19 YEAR.

20 (B) THE DISTRICT'S PROJECTED MEMBERSHIP USED BY THE DISTRICT
21 WHEN ADOPTING ITS BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

22 (C) THE DISTRICT'S EXPENDITURES PER-PUPIL FOR THE IMMEDIATELY
23 PRECEDING SCHOOL FISCAL YEAR, CALCULATED BY DIVIDING THE DISTRICT'S
24 TOTAL GENERAL FUND OPERATING EXPENDITURES DURING THAT SCHOOL FISCAL
25 YEAR BY THE DISTRICT'S MEMBERSHIP REPORTED BY THE DEPARTMENT IN THE
26 MOST RECENT STATE AID FINANCIAL STATUS REPORT FOR THE MONTH OF MAY.

27 (D) THE DISTRICT'S PROJECTED EXPENDITURES PER-PUPIL FOR THE

1 CURRENT SCHOOL FISCAL YEAR, CALCULATED BY DIVIDING THE TOTAL
2 GENERAL FUND OPERATING EXPENDITURES AUTHORIZED BY THE DISTRICT'S
3 GOVERNING BODY WHEN ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT
4 SCHOOL FISCAL YEAR BY THE DISTRICT'S PROJECTED MEMBERSHIP USED WHEN
5 ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

6 (2) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS
7 CONTINGENT UPON THE DISTRICT'S COMPLIANCE WITH THIS SECTION.

8 SEC. 102B. (1) IF A DISTRICT DETERMINES THAT CONDITIONS OF
9 FISCAL STRESS, A DEFICIT, OR CONDITIONS INDICATING A FINANCIAL
10 EMERGENCY HAVE ARISEN OR MAY ARISE FOR THE DISTRICT, THE DISTRICT
11 SHALL NOTIFY THE SUPERINTENDENT AND REQUEST TECHNICAL ASSISTANCE IN
12 ADDRESSING THE FISCAL STRESS, DEFICIT, OR FINANCIAL EMERGENCY. THE
13 SUPERINTENDENT SHALL NOTIFY THE STATE TREASURER OF ANY REQUEST FOR
14 TECHNICAL ASSISTANCE UNDER THIS SUBSECTION.

15 (2) AFTER RECEIVING A REQUEST FOR TECHNICAL ASSISTANCE UNDER
16 SUBSECTION (1), THE DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF
17 TREASURY REGARDING THE PROVISION OF TECHNICAL ASSISTANCE TO THE
18 DISTRICT. SUBJECT TO AVAILABLE RESOURCES, THE DEPARTMENT AND THE
19 DEPARTMENT OF TREASURY SHALL REVIEW THE FINANCIAL CONDITION AND THE
20 BUDGET OF THE DISTRICT AND PROVIDE THE DISTRICT WITH TECHNICAL
21 ASSISTANCE, INCLUDING, BUT NOT LIMITED TO, DATA ANALYSIS TOOLS,
22 WITH THE OBJECTIVE OF ASSISTING THE DISTRICT IN AVOIDING OR
23 REMEDYING CONDITIONS OF FISCAL STRESS, A DEFICIT, OR A FINANCIAL
24 EMERGENCY BEFORE FURTHER STATE INTERVENTION.

25 (3) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS
26 CONTINGENT UPON THE DISTRICT'S COMPLIANCE WITH THIS SECTION.

27 (4) AS USED IN THIS SECTION:

1 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2)
2 OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL
3 141.435, OR UNDER SECTION 102(1). DEFICIT ALSO INCLUDES 1 OR BOTH
4 OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE
5 DISTRICT:

6 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR
7 INTERMEDIATE DISTRICT IS NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT
8 THE END OF THE CURRENT SCHOOL FISCAL YEAR.

9 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE
10 DISTRICT OTHER THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR
11 PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE TOTAL GENERAL
12 FUND BALANCE.

13 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE
14 CONDITIONS DESCRIBED IN SECTION 5(3)(A) TO (M) OF THE LOCAL
15 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,
16 EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR
17 NEXT SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO
18 PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH
19 THIS ARTICLE, THE REVISED SCHOOL CODE, AND ALL APPLICABLE RULES.

20 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

21 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-
22 TERM FINANCIAL OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

23 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION
24 4(1)(A) TO (S) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,
25 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR WITHIN A
26 DISTRICT.

27 SEC. 102C. (1) THE SUPERINTENDENT OR THE STATE TREASURER MAY

1 REQUIRE A DISTRICT TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS
2 UNDER THIS SECTION IF EITHER DETERMINES THAT FINANCIAL STRESS MAY
3 EXIST WITHIN THE DISTRICT, THAT A DEFICIT IS PROJECTED TO ARISE
4 WITHIN THE DISTRICT DURING THE CURRENT SCHOOL FISCAL YEAR OR THE
5 FOLLOWING 2 SCHOOL FISCAL YEARS, OR THAT THE DISTRICT MAY BE UNABLE
6 TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING ITS
7 OBLIGATIONS OR ABILITY TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A
8 MANNER THAT COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL CODE,
9 AND APPLICABLE RULES BASED UPON 1 OR MORE OF THE FOLLOWING:

10 (A) THE DISTRICT HAS FAILED TO PAY A REQUIRED OBLIGATION ONCE
11 OR MORE IN A SCHOOL FISCAL YEAR.

12 (B) THE DISTRICT HAS EXPENDED OR DISTRIBUTED TAX REVENUE IN A
13 MANNER PROHIBITED BY LAW.

14 (C) THE DISTRICT'S PUPIL ENROLLMENT HAS DECLINED BY 5% OR MORE
15 IN A SINGLE SCHOOL FISCAL YEAR OR BY 15% OR MORE OVER A PERIOD OF 3
16 OR MORE FISCAL YEARS AND THE DISTRICT FAILED TO REDUCE EXPENDITURES
17 IN A MANNER THAT ADDRESSED THE ENROLLMENT DECLINE.

18 (D) THE SCHOOL DISTRICT'S EXPENDITURES PER-PUPIL HAVE
19 INCREASED BY 5% OR MORE IN THE MOST RECENT SCHOOL FISCAL YEAR AS
20 COMPARED TO THE IMMEDIATELY PRECEDING SCHOOL FISCAL YEAR. AS USED
21 IN THIS SUBDIVISION, "EXPENDITURES PER-PUPIL" MEANS THE QUOTIENT OF
22 DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES FOR A SCHOOL
23 FISCAL YEAR BY THE FINAL AUDITED NUMBER OF PUPILS IN MEMBERSHIP FOR
24 THE STATE FISCAL YEAR IN WHICH THAT SCHOOL FISCAL YEAR ENDED.

25 (E) THE DISTRICT'S ACTUAL ENROLLMENT OR FOUNDATION ALLOWANCE
26 FOR A SCHOOL FISCAL YEAR WAS 97% OR LESS OF THE DISTRICT'S
27 BUDGETARY ASSUMPTIONS REPORTED UNDER SECTION 102A FOR THE SCHOOL

1 FISCAL YEAR AND THE DISTRICT FAILED TO ADOPT AN AMENDED BUDGET
2 REFLECTING THE ACTUAL ENROLLMENT AND FOUNDATION ALLOWANCE FOR THE
3 SCHOOL FISCAL YEAR BY NOVEMBER 15 OF THE SCHOOL FISCAL YEAR.

4 (F) THE DISTRICT HAS APPLIED FOR A LOAN UNDER THE EMERGENCY
5 MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942.

6 (2) IF A DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL
7 REPORTS UNDER SUBSECTION (1), THE DISTRICT SHALL DO ALL OF THE
8 FOLLOWING:

9 (A) SUBMIT A PERIODIC FINANCIAL STATUS REPORT IN THE FORM AND
10 MANNER AND ON THE PERIODIC BASIS PRESCRIBED BY THE DEPARTMENT OF
11 TREASURY AFTER CONSULTATION WITH THE DEPARTMENT.

12 (B) TRANSMIT A COPY OF EACH PERIODIC FINANCIAL STATUS REPORT
13 REQUIRED UNDER THIS SECTION TO THE MEMBERS OF ITS GOVERNING BODY
14 FOR APPROVAL PRIOR TO SUBMISSION OF THE REPORT TO THE DEPARTMENT OF
15 TREASURY AND THE DEPARTMENT.

16 (C) PROVIDE THE DEPARTMENT OF TREASURY OR THE DEPARTMENT WITH
17 OTHER FINANCIAL DATA OR INFORMATION RELATING TO THE FINANCIAL
18 CONDITIONS OF THE DISTRICT AS REQUESTED BY THE DEPARTMENT OF
19 TREASURY OR THE DEPARTMENT.

20 (D) ALLOW THE DEPARTMENT OF TREASURY OR THE DEPARTMENT TO
21 EXAMINE FINANCIAL RECORDS AND BOOKS OF ACCOUNT OF THE DISTRICT.

22 (E) PROMPTLY AND FULLY PROVIDE THE ASSISTANCE AND INFORMATION
23 NECESSARY AND PROPERLY REQUESTED BY THE DEPARTMENT OF TREASURY OR
24 THE DEPARTMENT IN THE EXERCISE OF THE DEPARTMENT OF TREASURY'S OR
25 THE DEPARTMENT'S DUTIES UNDER THIS SECTION.

26 (3) IF A DISTRICT FAILS TO SUBMIT A PERIODIC FINANCIAL STATUS
27 REPORT REQUIRED UNDER THIS SECTION, OR IF THE STATE TREASURER

1 DETERMINES OR IS NOTIFIED BY THE SUPERINTENDENT THAT INFORMATION
2 INCLUDED ON A PERIODIC FINANCIAL STATUS REPORT INDICATES THAT
3 FINANCIAL STRESS EXISTS WITHIN A DISTRICT THAT HAS A DEFICIT, OR
4 THAT A DEFICIT IS PROJECTED TO OCCUR WITHIN A DISTRICT IN THE
5 CURRENT SCHOOL FISCAL YEAR OR THE NEXT SCHOOL FISCAL YEAR AND THAT
6 THE DISTRICT LACKS THE CAPACITY TO ADDRESS WITHOUT STATE
7 ASSISTANCE, THE STATE TREASURER MAY REQUIRE THE DISTRICT TO SUBMIT
8 AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 102.

9 (4) A DISTRICT IS NOT REQUIRED TO SUBMIT PERIODIC FINANCIAL
10 STATUS REPORTS UNDER THIS SECTION IF THE DISTRICT IS REQUIRED TO
11 SUBMIT A DEFICIT ELIMINATION PLAN OR AN ENHANCED DEFICIT
12 ELIMINATION PLAN UNDER SECTION 102, OR IF A FINANCIAL EMERGENCY HAS
13 BEEN DECLARED FOR THE DISTRICT UNDER THE LOCAL FINANCIAL STABILITY
14 AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575. IF A
15 DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS
16 UNDER THIS SECTION AND A LOAN IS ISSUED TO THE SCHOOL DISTRICT
17 UNDER THE EMERGENCY LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942,
18 THE STATE TREASURER SHALL REQUIRE THE SCHOOL DISTRICT TO SUBMIT
19 PERIODIC FINANCIAL REPORTS UNDER THIS SECTION FOR AT LEAST 4 YEARS
20 AFTER THE DATE OF ISSUANCE OF THE LOAN.

21 (5) A DISTRICT IS NO LONGER REQUIRED TO SUBMIT PERIODIC
22 FINANCIAL STATUS REPORTS UNDER THIS SECTION IF THE STATE TREASURER,
23 AFTER CONSULTATION WITH THE SUPERINTENDENT, DETERMINES THAT THE
24 PERIODIC FINANCIAL STATUS REPORTS SUBMITTED BY THE DISTRICT
25 INDICATE THAT POTENTIAL FINANCIAL STRESS DOES NOT EXIST WITHIN THE
26 DISTRICT, THAT A DEFICIT IS NOT PROJECTED TO ARISE WITHIN THE
27 DISTRICT WITHIN THE CURRENT SCHOOL FISCAL YEAR OR THE FOLLOWING 2

1 SCHOOL FISCAL YEARS, AND THAT THE DISTRICT WILL BE ABLE TO MEET ITS
2 FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING THE DISTRICT'S ABILITY
3 TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES
4 WITH THIS ARTICLE, THE REVISED SCHOOL CODE, AND APPLICABLE RULES.

5 (6) IF THE STATE TREASURER MAKES A DETERMINATION UNDER
6 SUBSECTION (5) THAT THE CONDITIONS UNDER THAT SUBSECTION APPLY TO A
7 DISTRICT, THE STATE TREASURER SHALL NOTIFY THE DISTRICT. THE
8 SUPERINTENDENT MAY NOTIFY THE STATE TREASURER THAT THE
9 SUPERINTENDENT HAS DETERMINED THAT CONDITIONS UNDER SUBSECTION (5)
10 APPLY TO A DISTRICT.

11 (7) AS USED IN THIS SECTION:

12 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2)
13 OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL
14 141.435, OR UNDER SECTION 102(1). DEFICIT ALSO INCLUDES 1 OR BOTH
15 OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE
16 DISTRICT:

17 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR
18 INTERMEDIATE DISTRICT IS NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT
19 THE END OF THE CURRENT SCHOOL FISCAL YEAR.

20 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE
21 DISTRICT OTHER THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR
22 PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE TOTAL GENERAL
23 FUND BALANCE.

24 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE
25 CONDITIONS DESCRIBED IN SECTION 5(3)(A) TO (M) OF THE LOCAL
26 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,
27 EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR

1 NEXT SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO
2 PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH
3 THIS ARTICLE, THE REVISED SCHOOL CODE, AND ALL APPLICABLE RULES.

4 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

5 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-
6 TERM FINANCIAL OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

7 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION
8 4(1) (A) TO (S) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,
9 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR WITHIN A
10 DISTRICT.

11 SEC. 102D. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11,
12 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2015-
13 2016 FOR REIMBURSEMENTS TO DISTRICTS FOR THE LICENSING OF SCHOOL
14 DATA ANALYTICAL TOOLS AS DESCRIBED UNDER THIS SECTION. THE
15 REIMBURSEMENT IS FOR DISTRICTS THAT CHOOSE TO USE A SCHOOL DATA
16 ANALYTICAL TOOL TO ASSIST THE DISTRICT AND THAT ENTER INTO A
17 LICENSING AGREEMENT FOR A SCHOOL DATA ANALYTICAL TOOL WITH 1 OF THE
18 VENDORS APPROVED BY THE DEPARTMENT UNDER SUBSECTION (2).

19 (2) NOT LATER THAN OCTOBER 15, 2015, THE DEPARTMENT SHALL
20 REVIEW VENDORS FOR SCHOOL DATA ANALYTICAL TOOLS AND PROVIDE
21 DISTRICTS WITH A LIST OF UP TO 4 APPROVED VENDORS THAT DISTRICTS
22 MAY USE TO BE ELIGIBLE FOR A REIMBURSEMENT PAID UNDER THIS SECTION.
23 FOR A VENDOR TO BE APPROVED UNDER THIS SECTION, THE DEPARTMENT MUST
24 DETERMINE THAT THE SCHOOL DATA ANALYTICAL TOOL SUPPLIED BY THE
25 VENDOR MEETS AT LEAST ALL OF THE FOLLOWING:

26 (A) ANALYZES FINANCIAL DATA.

27 (B) ANALYZES ACADEMIC DATA.

1 (C) PROVIDES EARLY WARNING INDICATORS OF FINANCIAL STRESS.

2 (D) HAS THE CAPABILITY TO PROVIDE PEER DISTRICT COMPARISONS OF
3 BOTH FINANCIAL AND ACADEMIC DATA.

4 (E) HAS THE CAPABILITY TO PROVIDE FINANCIAL PROJECTIONS FOR AT
5 LEAST 3 SUBSEQUENT FISCAL YEARS.

6 (3) FUNDS ALLOCATED UNDER THIS SECTION SHALL BE PAID TO
7 DISTRICTS AS A REIMBURSEMENT FOR ALREADY HAVING A LICENSING
8 AGREEMENT OR FOR ENTERING INTO A LICENSING AGREEMENT NOT LATER THAN
9 DECEMBER 1, 2015 WITH A VENDOR APPROVED UNDER SUBSECTION (2) TO
10 IMPLEMENT A SCHOOL DATA ANALYTICAL TOOL. REIMBURSEMENT UNDER THIS
11 SECTION SHALL BE MADE ON AN EQUAL PER-PUPIL BASIS.

12 (4) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
13 SHALL BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

14 Sec. 104. (1) In order to receive state aid under this
15 article, a district shall comply with sections 1249, 1278a, 1278b,
16 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
17 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
18 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
19 the state school aid fund money appropriated in section 11, there
20 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
21 ~~\$41,394,400.00~~ **\$43,994,400.00** for payments on behalf of districts
22 for costs associated with complying with those provisions of law.
23 In addition, from the federal funds appropriated in section 11,
24 there is allocated for ~~2014-2015-2015-2016~~ an amount estimated at
25 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
26 funds, and from DED-OSERS, section 504 of part B of the individuals
27 with disabilities education act, Public Law 94-142, plus any

1 carryover federal funds from previous year appropriations, for the
2 purposes of complying with the federal no child left behind act of
3 2001, Public Law 107-110.

4 (2) The results of each test administered as part of the
5 Michigan ~~educational assessment program~~, **STUDENT TEST OF**
6 **EDUCATIONAL PROGRESS (M-STEP)**, including tests administered to high
7 school students, shall include an item analysis that lists all
8 items that are counted for individual pupil scores and the
9 percentage of pupils choosing each possible response.

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

14 (4) Notwithstanding section 17b, payments on behalf of
15 districts, intermediate districts, and other eligible entities
16 under this section shall be paid on a schedule determined by the
17 department.

18 (5) From the allocation in subsection (1), there is allocated
19 an amount not to exceed \$8,500,000.00 for the following purposes:

20 (a) Converting existing student assessments to online
21 assessments.

22 (b) Providing paper and pencil test versions to districts not
23 prepared to implement online assessments.

24 (c) Expanding writing assessments to additional grade levels.

25 (d) Providing an increased number of constructed response test
26 questions so that pupils can demonstrate higher-order skills such
27 as problem solving and communicating reasoning.

1 (6) From the allocation in subsection (1), there is allocated
2 an amount not to exceed \$3,200,000.00 for the development or
3 selection of an online reporting tool to provide student-level
4 assessment data in a secure environment to educators, parents, and
5 pupils immediately after assessments are scored. The department and
6 the center shall ensure that any data collected by the online
7 reporting tool do not provide individually identifiable student
8 data to the federal government.

9 (7) From the allocation in subsection (1), there is allocated
10 an amount not to exceed ~~\$3,000,000.00~~ **\$5,600,000.00** for the purpose
11 of implementing a summative assessment system pursuant to section
12 104c.

13 (8) As used in this section:

14 (a) "DED" means the United States ~~department of~~
15 ~~education.~~ **DEPARTMENT OF EDUCATION.**

16 (b) "DED-OESE" means the DED ~~office of elementary and~~
17 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

18 (c) "DED-OSERS" means the DED ~~office of special education and~~
19 ~~rehabilitative services.~~ **OFFICE OF SPECIAL EDUCATION AND**
20 **REHABILITATIVE SERVICES.**

21 Sec. 104b. (1) In order to receive state aid under this
22 article, a district shall comply with this section and shall
23 administer the Michigan merit examination to pupils in grade 11,
24 and to pupils in grade 12 who did not take the complete Michigan
25 merit examination in grade 11, as provided in this section. **THE**
26 **MICHIGAN MERIT EXAMINATION CONSISTS OF A COLLEGE ENTRANCE TEST,**
27 **WORK SKILLS TEST, AND THE SUMMATIVE ASSESSMENT KNOWN AS THE**

1 **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP).**

2 (2) For the purposes of this section, the department of
3 technology, management, and budget shall contract with 1 or more
4 providers to develop, supply, and score the Michigan merit
5 examination. The Michigan merit examination shall consist of all of
6 the following:

7 (a) Assessment instruments that measure English language arts,
8 mathematics, reading, and science, and **THAT** are used by colleges
9 and universities in this state for entrance or placement purposes.
10 This ~~shall~~ **MAY** include 1 or more writing components.

11 (b) One or more tests from 1 or more test developers that
12 assess a pupil's ability to apply at least reading and mathematics
13 skills in a manner that is intended to allow employers to use the
14 results in making employment decisions. The department of
15 technology, management, and budget and the superintendent shall
16 ensure that any test or tests selected under this subdivision have
17 all the components necessary to allow a pupil to be eligible to
18 receive the results of a nationally recognized evaluation of
19 workforce readiness if the pupil's test performance is adequate.

20 (c) A social studies component.

21 (d) Any other component that is necessary to obtain the
22 approval of the United States ~~department of education~~ **DEPARTMENT OF**
23 **EDUCATION** to use the Michigan merit examination for the purposes of
24 the no child left behind act of 2001, Public Law 107-110.

25 (3) In addition to all other requirements of this section, all
26 of the following apply to the Michigan merit examination:

27 (a) The department of technology, management, and budget and

1 the superintendent shall ensure that any contractor used for
2 scoring the Michigan merit examination supplies an individual
3 report for each pupil that will identify for the pupil's parents
4 and teachers whether the pupil met expectations or failed to meet
5 expectations for each standard, to allow the pupil's parents and
6 teachers to assess and remedy problems before the pupil moves to
7 the next grade.

8 (b) The department of technology, management, and budget and
9 the superintendent shall ensure that any contractor used for
10 scoring, developing, or processing the Michigan merit examination
11 meets quality management standards commonly used in the assessment
12 industry, including at least meeting level 2 of the capability
13 maturity model developed by the software engineering institute of
14 Carnegie Mellon university for the first year the Michigan merit
15 examination is offered to all grade 11 pupils and at least meeting
16 level 3 of the capability maturity model for subsequent years.

17 (c) The department of technology, management, and budget and
18 the superintendent shall ensure that any contract for scoring,
19 administering, or developing the Michigan merit examination
20 includes specific deadlines for all steps of the assessment
21 process, including, but not limited to, deadlines for the correct
22 testing materials to be supplied to schools and for the correct
23 results to be returned to schools, and includes penalties for
24 noncompliance with these deadlines.

25 (d) The superintendent shall ensure that the Michigan merit
26 examination meets all of the following:

27 (i) Is designed to test pupils on ~~grade level content~~

1 ~~expectations or course content expectations, as appropriate, THIS~~
2 **STATE'S CONTENT STANDARDS** in all subjects tested.

3 (ii) Complies with requirements of the no child left behind
4 act of 2001, Public Law 107-110.

5 (iii) Is consistent with the code of fair testing practices in
6 education prepared by the ~~joint committee on testing practices of~~
7 ~~the American psychological association.~~ **JOINT COMMITTEE ON TESTING**
8 **PRACTICES OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION.**

9 (iv) Is factually accurate. If the superintendent determines
10 that a question is not factually accurate and should be excluded
11 from scoring, the state board and the superintendent shall ensure
12 that the question is excluded from scoring.

13 (4) A district shall include on each pupil's high school
14 transcript all of the following:

15 (a) For each high school graduate who has completed the
16 Michigan merit examination under this section, the pupil's scaled
17 score on each subject area component of the Michigan merit
18 examination.

19 (b) The number of school days the pupil was in attendance at
20 school each school year during high school and the total number of
21 school days in session for each of those school years.

22 (5) The superintendent shall work with the provider or
23 providers of the Michigan merit examination to produce Michigan
24 merit examination subject area scores for each pupil participating
25 in the Michigan merit examination, including scaling and merging of
26 test items for the different subject area components. The
27 superintendent shall design and distribute to districts,

1 intermediate districts, and nonpublic schools a simple and concise
2 document that describes the scoring for each subject area and
3 indicates the scaled score ranges for each subject area.

4 (6) The Michigan merit examination shall be administered in
5 each district during the last 12 weeks of the district's school
6 year. The superintendent shall ensure that the Michigan merit
7 examination is scored and the scores are returned to pupils, their
8 parents or legal guardians, and districts not later than the
9 beginning of the pupil's first semester of grade 12. The returned
10 scores shall indicate at least the pupil's scaled score for each
11 subject area component and the range of scaled scores for each
12 subject area. In reporting the scores to pupils, parents, and
13 schools, the superintendent shall provide standards-specific,
14 meaningful, and timely feedback on the pupil's performance on the
15 Michigan merit examination.

16 (7) A district shall administer the complete Michigan merit
17 examination to a pupil only once and shall not administer the
18 complete Michigan merit examination to the same pupil more than
19 once. If a pupil does not take the complete Michigan merit
20 examination in grade 11, the district shall administer the complete
21 Michigan merit examination to the pupil in grade 12. If a pupil
22 chooses to retake the college entrance examination component of the
23 Michigan merit examination, as described in subsection (2)(a), the
24 pupil may do so through the provider of the college entrance
25 examination component and the cost of the retake is the
26 responsibility of the pupil unless all of the following are met:

27 (a) The pupil has taken the complete Michigan merit

1 examination.

2 (b) The pupil did not qualify for a Michigan promise grant
3 under section 6 of the Michigan promise grant act, 2006 PA 479, MCL
4 390.1626, based on the pupil's performance on the complete Michigan
5 merit examination.

6 (c) The pupil meets the income eligibility criteria for free
7 breakfast, lunch, or milk, as determined under the Richard B.
8 Russell national school lunch act, 42 USC 1751 to 1769i.

9 (d) The pupil has applied to the provider of the college
10 entrance examination component for a scholarship or fee waiver to
11 cover the cost of the retake and that application has been denied.

12 (e) After taking the complete Michigan merit examination, the
13 pupil has not already received a free retake of the college
14 entrance examination component paid for either by this state or
15 through a scholarship or fee waiver by the provider.

16 (8) The superintendent shall ensure that the length of the
17 Michigan merit examination and the combined total time necessary to
18 administer all of the components of the Michigan merit examination
19 are the shortest possible that will still maintain the degree of
20 reliability and validity of the Michigan merit examination results
21 determined necessary by the superintendent. The superintendent
22 shall ensure that the maximum total combined length of time that
23 schools are required to set aside for pupils to answer all test
24 questions on the Michigan merit examination does not exceed 8 hours
25 if the superintendent determines that sufficient alignment to
26 applicable Michigan merit curriculum content standards can be
27 achieved within that time limit.

1 (9) A district shall provide accommodations to a pupil with
2 disabilities for the Michigan merit examination, as provided under
3 section 504 of title V of the rehabilitation act of 1973, 29 USC
4 794; subtitle A of title II of the Americans with disabilities act
5 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
6 education act amendments of 1997, Public Law 105-17; and the
7 implementing regulations for those statutes. The provider or
8 providers of the Michigan merit examination and the superintendent
9 shall mutually agree upon the accommodations to be provided under
10 this subsection.

11 (10) To the greatest extent possible, the Michigan merit
12 examination shall be based on ~~grade level content expectations or~~
13 ~~course content expectations, as appropriate. Not later than July 1,~~
14 ~~2008, the department shall identify specific grade level content~~
15 ~~expectations to be taught before and after the middle of grade 11,~~
16 ~~so that teachers will know what content will be covered within the~~
17 ~~Michigan merit examination.~~**THIS STATE'S CONTENT STANDARDS. THE**
18 **DEPARTMENT MAY AUGMENT THE COLLEGE ENTRANCE AND WORK SKILLS**
19 **COMPONENTS OF THE MICHIGAN MERIT EXAM TO DEVELOP THE ASSESSMENT,**
20 **DEPENDING ON THE ALIGNMENT OF THOSE COMPONENTS TO THIS STATE'S**
21 **CONTENT STANDARDS. IF THESE COMPONENTS DO NOT ALIGN TO THESE**
22 **STANDARDS, THE DEPARTMENT SHALL PRODUCE ADDITIONAL COMPONENTS AS**
23 **REQUIRED BY LAW, WHILE MINIMIZING THE AMOUNT OF TIME NEEDED FOR**
24 **ASSESSMENTS.**

25 (11) A child who is a student in a nonpublic school or home
26 school may take the Michigan merit examination under this section.
27 To take the Michigan merit examination, a child who is a student in

1 a home school shall contact the district in which the child
2 resides, and that district shall administer the Michigan merit
3 examination, or the child may take the Michigan merit examination
4 at a nonpublic school if allowed by the nonpublic school. Upon
5 request from a nonpublic school, the superintendent shall direct
6 the provider or providers to supply the Michigan merit examination
7 to the nonpublic school and the nonpublic school may administer the
8 Michigan merit examination. If a district administers the Michigan
9 merit examination under this subsection to a child who is not
10 enrolled in the district, the scores for that child are not
11 considered for any purpose to be scores of a pupil of the district.

12 (12) In contracting under subsection (2), the department of
13 **TECHNOLOGY**, management, and budget shall consider a contractor that
14 provides electronically-scored essays with the ability to score
15 constructed response feedback in multiple languages and provide
16 ongoing instruction and feedback.

17 (13) The purpose of the Michigan merit examination is to
18 assess pupil performance in mathematics, science, social studies,
19 and English language arts for the purpose of improving academic
20 achievement and establishing a statewide standard of competency.
21 The assessment under this section provides a common measure of data
22 that will contribute to the improvement of Michigan schools'
23 curriculum and instruction by encouraging alignment with Michigan's
24 curriculum framework standards and promotes pupil participation in
25 higher level mathematics, science, social studies, and English
26 language arts courses. These standards are based upon the
27 expectations of what pupils should learn through high school and

1 are aligned with national standards.

2 (14) For a pupil enrolled in a middle college program, other
3 than a middle college operated as a shared educational entity or a
4 specialized shared educational entity, if the pupil receives at
5 least 50% of his or her instruction at the high school while in
6 grade 11, the Michigan merit examination shall be administered to
7 the pupil at the high school at which the pupil receives high
8 school instruction, and the department shall include the pupil's
9 scores on the Michigan merit examination in the scores for that
10 high school for all purposes for which a school's or district's
11 results are reported. The department shall allow the middle college
12 program to use a 5-year graduation rate for determining adequate
13 yearly progress. As used in this subsection, "middle college" means
14 a program consisting of a series of courses and other requirements
15 and conditions, including an early college or other program created
16 under a memorandum of understanding, that allows a pupil to
17 graduate from high school with both a high school diploma and a
18 certificate or degree from a community college or state public
19 university.

20 (15) As used in this section:

21 (a) "English language arts" means reading and writing.

22 (b) "Social studies" means United States history, world
23 history, world geography, economics, and American government.

24 Sec. 104c. (1) In order to receive state aid under this
25 article, a district shall administer the state assessments
26 described in this section.

27 (2) For the purposes of this section, the department shall

1 develop for use in the spring of ~~2014-2015 new Michigan education~~
2 ~~assessment program (MEAP)~~ **2015-2016 THE MICHIGAN STUDENT TEST OF**
3 **EDUCATIONAL PROGRESS (M-STEP)** assessments in English language arts
4 and mathematics. These assessments shall be aligned to state
5 standards.

6 (3) For the purposes of this section, the department shall
7 implement ~~beginning in the 2015-2016 school year~~ a summative
8 assessment system that is proven to be valid and reliable for
9 administration to pupils as provided under this subsection. The
10 summative assessment system shall meet all of the following
11 requirements:

12 (a) The summative assessment system shall measure student
13 proficiency on the current state standards, shall measure student
14 growth for consecutive grade levels in which students are assessed
15 in the same subject area in both grade levels, and shall be capable
16 of measuring individual student performance.

17 (b) The summative assessments for English language arts and
18 mathematics shall be administered to all public school pupils in
19 grades 3 to ~~10~~, **11**, including those pupils as required by the
20 federal individuals with disabilities education act, Public Law
21 108-446, and by title I of the federal elementary and secondary
22 education act.

23 (c) The summative assessments for science shall be
24 administered to all public school pupils in at least grades 4 and
25 7, including those pupils as required by the federal individuals
26 with disabilities education act, Public Law 108-446, and by title I
27 of the federal elementary and secondary education act.

1 (d) The summative assessments for social studies shall be
2 administered to all public school pupils in at least grades 5 and
3 8, including those pupils as required by the federal individuals
4 with disabilities education act, Public Law 108-446, and by title I
5 of the federal elementary and secondary education act.

6 (e) The content of the summative assessments shall be aligned
7 to state standards.

8 (f) The pool of questions for the summative assessments shall
9 be subject to a transparent review process for quality, bias, and
10 sensitive issues involving educator review and comment. The
11 department shall post samples from tests or retired tests featuring
12 questions from this pool for review by the public.

13 (g) The summative assessment system shall ensure that
14 students, parents, and teachers are provided with reports that
15 convey individual student proficiency and growth on the assessment
16 and that convey individual student domain-level performance in each
17 subject area, including representative questions, and individual
18 student performance in meeting state standards.

19 (h) The summative assessment system shall be capable of
20 providing, and the department shall ensure that students, parents,
21 teachers, administrators, and community members are provided with,
22 reports that convey aggregate student proficiency and growth data
23 by teacher, grade, school, and district.

24 (i) The summative assessment system shall ensure the
25 capability of reporting the available data to support educator
26 evaluations.

27 (j) The summative assessment system shall ensure that the

1 reports provided to districts containing individual student data
2 are available within 60 days after completion of the assessments.

3 ~~— (k) The assessments shall be capable of being implemented~~
4 ~~statewide in a fully operational manner no later than the 2015-2016~~
5 ~~school year.~~

6 (K) ~~(l)~~—The summative assessment system shall ensure that
7 access to individually identifiable student data meets all of the
8 following:

9 (i) Is in compliance with 20 USC 1232g, commonly referred to
10 as the family educational rights and privacy act of 1974.

11 (ii) Except as may be provided for in an agreement with a
12 vendor to provide assessment services, as necessary to support
13 educator evaluations pursuant to subdivision (i), or for research
14 or program evaluation purposes, is available only to the student;
15 to the student's parent or legal guardian; and to a school
16 administrator or teacher, to the extent that he or she has a
17 legitimate educational interest.

18 (L) ~~(m)~~—The summative assessment system shall ensure that the
19 assessments are pilot tested before statewide implementation.

20 (M) ~~(n)~~—The summative assessment system shall ensure that
21 assessments are designed so that the maximum total combined length
22 of time that schools are required to set aside for a pupil to
23 answer all test questions on all assessments that are part of the
24 system for the pupil's grade level does not exceed that maximum
25 total combined length of time for the previous statewide assessment
26 system or 9 hours, whichever is less. This subdivision does not
27 limit the amount of time a district may allow a pupil to complete a

1 test.

2 (N) ~~(e)~~—The total cost of executing the summative assessment
3 system statewide each year, including, but not limited to, the cost
4 of contracts for administration, scoring, and reporting, shall not
5 exceed an amount equal to 2 times the cost of executing the
6 previous statewide assessment after adjustment for inflation.

7 ~~(4) To begin the process required under subsection (3), not~~
8 ~~later than September 1, 2014, the department shall issue a request~~
9 ~~for proposals for the summative assessment system described in that~~
10 ~~subsection.~~**BEGINNING IN THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT**
11 **SHALL FIELD TEST ADDITIONAL COMPONENTS IN THE ASSESSMENT SYSTEM**
12 **UNDER THIS SUBSECTION FOR FULL IMPLEMENTATION IN THE 2016-2017**
13 **SCHOOL YEAR. THE ADDITIONAL COMPONENTS ARE NECESSARY TO DETERMINE A**
14 **PUPIL'S PROFICIENCY LEVEL BEFORE GRADE 3. THE ADDITIONAL COMPONENTS**
15 **ARE AS FOLLOWS:**

16 (A) ASSESSMENTS ADMINISTERED IN THE FALL AND SPRING OF EACH
17 YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN EACH OF
18 GRADES 1 AND 2.

19 (B) THE KINDERGARTEN ENTRY ASSESSMENT (KEA), TO BE
20 ADMINISTERED IN THE FALL OF THE KINDERGARTEN YEAR. THE KEA SHALL
21 INCLUDE THE SAME COMPONENTS AS UNDER SUBDIVISION (A) AND ALSO MAY
22 INCLUDE OBSERVATIONAL COMPONENTS THAT MEASURE COGNITIVE, SOCIAL-
23 EMOTIONAL, AND PHYSICAL SKILLS.

24 (5) This section does not prohibit districts from adopting
25 interim assessments.

26 ~~—(6) The department shall seek a waiver or amendment to an~~
27 ~~existing waiver for federal approval of the assessment framework~~

1 ~~under this section and shall notify the United States department of~~
2 ~~education about the provisions of this section and take necessary~~
3 ~~steps to assure the United States department of education that this~~
4 ~~state is on track to develop and implement a summative assessment~~
5 ~~system as required by federal law.~~

6 (6) ~~(7)~~As used in this section, "English language arts" means
7 that term as defined in section 104b.

8 SEC. 104D. (1) FROM THE STATE SCHOOL AID FUND MONEY
9 APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2015-2016 AN
10 AMOUNT NOT TO EXCEED \$5,000,000.00 FOR PROVIDING REIMBURSEMENT TO
11 DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST FOR EACH STUDENT
12 ENROLLED IN THE DISTRICT. IN ORDER TO RECEIVE FUNDING UNDER THIS
13 SECTION, THE COMPUTER-ADAPTIVE TEST SHALL PROVIDE AT LEAST THE
14 FOLLOWING:

15 (A) INTERNET-DELIVERED, STANDARDS-BASED ASSESSMENT USING A
16 COMPUTER-ADAPTIVE MODEL TO TARGET THE INSTRUCTIONAL LEVEL OF EACH
17 PUPIL.

18 (B) UNLIMITED TESTING OPPORTUNITIES THROUGHOUT THE 2015-2016
19 SCHOOL YEAR.

20 (C) VALID AND RELIABLE DIAGNOSTIC ASSESSMENT DATA.

21 (D) ADJUSTMENT OF TESTING DIFFICULTY BASED ON PREVIOUS ANSWERS
22 TO TEST QUESTIONS.

23 (E) IMMEDIATE FEEDBACK TO PUPILS AND TEACHERS.

24 (2) REIMBURSEMENT UNDER THIS SECTION SHALL BE MADE TO ELIGIBLE
25 DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST DESCRIBED IN
26 SUBSECTION (1) BY OCTOBER 15, 2015 AND SHALL BE MADE ON AN EQUAL
27 PER-PUPIL BASIS ACCORDING TO THE AVAILABLE FUNDING.

1 (3) IN ORDER TO RECEIVE REIMBURSEMENT UNDER THIS SECTION, A
2 DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT
3 THAT A QUALIFYING COMPUTER-ADAPTIVE TEST WAS PURCHASED BY THE
4 DISTRICT BY OCTOBER 15, 2015.

5 Sec. 107. (1) From the appropriation in section 11, there is
6 allocated an amount not to exceed ~~\$22,000,000.00~~ **\$29,000,000.00** for
7 ~~2014-2015-2015-2016~~ for adult education programs authorized under
8 this section. ~~Funds~~ **EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTIONS**
9 **(16) AND (18), FUNDS** allocated under this section are restricted
10 for adult education programs as authorized under this section only.
11 A recipient of funds under this section shall not use those funds
12 for any other purpose.

13 (2) To be eligible for funding under this section, ~~a program~~
14 **AN ELIGIBLE ADULT EDUCATION PROVIDER** shall employ certificated
15 teachers and qualified administrative staff and shall offer
16 continuing education opportunities for teachers to allow them to
17 maintain certification.

18 (3) To be eligible to be a participant funded under this
19 section, ~~a person~~ **AN INDIVIDUAL** shall be enrolled in an adult basic
20 education program, an adult English as a second language program, a
21 general educational development (G.E.D.) test preparation program,
22 a job- or employment-related program, or a high school completion
23 program, that meets the requirements of this section, and for which
24 instruction is provided, and shall meet either of the following, as
25 applicable:

26 (a) If the individual has obtained a high school diploma or a
27 general educational development (G.E.D.) certificate, the

1 individual meets 1 of the following:

2 ~~—— (i) Is less than 20 years of age on September 1 of the school~~
 3 ~~year and is enrolled in the Michigan career and technical~~
 4 ~~institute.~~

5 (i) ~~(ii)~~—Is less than 20 years of age on September 1 of the
 6 school year, is not attending an institution of higher education,
 7 and is enrolled in a job- or employment-related program through a
 8 referral by an employer or by a Michigan workforce agency.

9 (ii) ~~(iii)~~—Is enrolled in an English as a second language
 10 program.

11 (iii) ~~(iv)~~—Is enrolled in a high school completion program.

12 (iv) IS 20 YEARS OF AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR, IS
 13 ENROLLED IN AN ADULT BASIC EDUCATION PROGRAM, AND IS DETERMINED BY
 14 A DEPARTMENT-APPROVED ASSESSMENT, IN A FORM AND MANNER PRESCRIBED
 15 BY THE DEPARTMENT, TO BE BELOW GRADE 9 LEVEL IN READING OR
 16 MATHEMATICS, OR BOTH.

17 (b) If the individual has not obtained a high school diploma
 18 or G.E.D. certificate, the individual meets 1 of the following:

19 (i) Is at least 20 years of age on September 1 of the school
 20 year.

21 (ii) Is at least 16 years of age on September 1 of the school
 22 year, has been permanently expelled from school under section
 23 1311(2) or 1311a of the revised school code, MCL 380.1311 and
 24 380.1311a, and has no appropriate alternative education program
 25 available through his or her district of residence.

26 (4) BY APRIL 1 OF EACH FISCAL YEAR, THE INTERMEDIATE DISTRICTS
 27 WITHIN A PROSPERITY REGION OR SUBREGION SHALL DETERMINE WHICH

1 INTERMEDIATE DISTRICT WILL SERVE AS THE PROSPERITY REGION'S OR
2 SUBREGION'S FISCAL AGENT FOR THE NEXT FISCAL YEAR AND SHALL NOTIFY
3 THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.
4 THE DEPARTMENT SHALL APPROVE OR DISAPPROVE OF THE PROSPERITY
5 REGION'S OR SUBREGION'S SELECTED FISCAL AGENT. From the funds
6 allocated under subsection (1), an amount as determined under this
7 subsection shall be allocated to each intermediate district serving
8 as a fiscal agent for adult education programs in each of the ~~10~~
9 prosperity regions **OR SUBREGIONS** identified by the department. An
10 intermediate district shall not use more than 5% of the funds
11 allocated under this subsection for administration costs for
12 serving as the fiscal agent. ~~The department shall ensure that the~~
13 ~~funds allocated under this subsection for 2014-2015 will provide~~
14 ~~services in 2014-2015 to at least the same number of individuals as~~
15 ~~the number of individuals who were enrolled in programs funded~~
16 ~~under this section in 2013-2014. For **BEGINNING IN** 2014-2015, 67% of~~
17 the allocation provided to each intermediate district serving as a
18 fiscal agent shall be based on the proportion of total funding
19 formerly received by the adult education providers in that
20 prosperity region **OR SUBREGION** in 2013-2014, and 33% shall be
21 allocated based on the factors in subdivisions (a), (b), and (c).
22 ~~For 2015-2016, 33% of the allocation provided to each intermediate~~
23 ~~district serving as a fiscal agent shall be based upon the~~
24 ~~proportion of total funding formerly received by the adult~~
25 ~~education providers in that prosperity region in 2013-2014 and 67%~~
26 ~~of the allocation shall be based upon the factors in subdivisions~~
27 ~~(a), (b), and (c). For 2016-2017, 100% of the allocation provided~~

1 ~~to each intermediate district serving as a fiscal agent shall be~~
2 ~~based on the factors in subdivisions (a), (b), and (c).~~ The funding
3 factors for this section are as follows:

4 (a) Sixty percent of this portion of the funding shall be
5 distributed based upon the proportion of the state population of
6 individuals between the ages of 18 and 24 that are not high school
7 graduates that resides in each of the prosperity regions **OR**
8 **SUBREGIONS**, as reported by the most recent 5-year estimates from
9 the American community survey (ACS) from the United States ~~census~~
10 ~~bureau.~~**CENSUS BUREAU.**

11 (b) Thirty-five percent of this portion of the funding shall
12 be distributed based upon the proportion of the state population of
13 individuals age 25 or older who are not high school graduates that
14 resides in each of the prosperity regions **OR SUBREGIONS**, as
15 reported by the most recent 5-year estimates from the American
16 community survey (ACS) from the United States ~~census bureau.~~**CENSUS**
17 **BUREAU.**

18 (c) Five percent of this portion of the funding shall be
19 distributed based upon the proportion of the state population of
20 individuals age 18 or older who lack basic English language
21 proficiency that resides in each of the prosperity regions **OR**
22 **SUBREGIONS**, as reported by the most recent 5-year estimates from
23 the American community survey (ACS) from the United States ~~census~~
24 ~~bureau.~~**CENSUS BUREAU.**

25 (5) To be an eligible fiscal agent, an intermediate district
26 must agree to do the following in a form and manner determined by
27 the department:

1 (a) Distribute funds to adult education programs in a
2 prosperity region **OR SUBREGION** as described in this section.

3 (b) Collaborate with ~~education advisory groups~~ **THE TALENT**
4 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the
5 workforce development boards located in the prosperity region **OR**
6 **SUBREGION, OR ITS SUCCESSOR,** to develop a regional strategy that
7 aligns adult education programs and services into an efficient and
8 effective delivery system for adult education learners, **WITH**
9 **SPECIAL CONSIDERATION FOR PROVIDING CONTEXTUALIZED LEARNING AND**
10 **CAREER PATHWAYS.**

11 (c) Collaborate with ~~education advisory groups~~ **THE TALENT**
12 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the
13 workforce development boards located in the prosperity region **OR**
14 **SUBREGION, OR ITS SUCCESSOR,** to create a local process and criteria
15 that will identify eligible adult education providers to receive
16 funds allocated under this section based on location, demand for
17 services, **PAST PERFORMANCE, QUALITY INDICATORS AS IDENTIFIED BY THE**
18 **DEPARTMENT,** and cost to provide instructional services. ~~All~~ **THE**
19 **FISCAL AGENT SHALL DETERMINE ALL** local processes, criteria, and
20 provider determinations. **HOWEVER, THE LOCAL PROCESSES, CRITERIA,**
21 **AND PROVIDER SERVICES** must be approved by the department before
22 funds may be distributed to the fiscal agent.

23 **(D) PROVIDE OVERSIGHT TO ITS ADULT EDUCATION PROVIDERS**
24 **THROUGHOUT THE PROGRAM YEAR TO ENSURE COMPLIANCE WITH THE**
25 **REQUIREMENTS OF THIS SECTION.**

26 **(E)** ~~(d)~~ Report adult education program and participant data
27 and information as prescribed by the department.

1 (6) The amount allocated under this section per full-time
2 equated participant shall not exceed \$2,850.00 for a 450-hour
3 program. The amount shall be proportionately reduced for a program
4 offering less than 450 hours of instruction.

5 (7) An adult basic education program or an adult English as a
6 second language program operated on a year-round or school year
7 basis may be funded under this section, subject to all of the
8 following:

9 (a) The program enrolls adults who are determined by a
10 department-approved assessment, in a form and manner prescribed by
11 the department, to be below ninth grade level in reading or
12 mathematics, or both, or to lack basic English proficiency.

13 (b) The program tests individuals for eligibility under
14 subdivision (a) before enrollment and upon completion of the
15 program in compliance with the state-approved assessment policy.

16 (c) A participant in an adult basic education program is
17 eligible for reimbursement until 1 of the following occurs:

18 (i) The participant's reading and mathematics proficiency are
19 assessed at or above the ninth grade level.

20 (ii) The participant fails to show progress on 2 successive
21 assessments after having completed at least 450 hours of
22 instruction.

23 (d) A funding recipient enrolling a participant in an English
24 as a second language program is eligible for funding according to
25 subsection (11) until the participant meets 1 of the following:

26 (i) The participant is assessed as having attained basic
27 English proficiency as determined by a department-approved

1 assessment.

2 (ii) The participant fails to show progress on 2 successive
3 department-approved assessments after having completed at least 450
4 hours of instruction. The department shall provide information to a
5 funding recipient regarding appropriate assessment instruments for
6 this program.

7 (8) A general educational development (G.E.D.) test
8 preparation program operated on a year-round or school year basis
9 may be funded under this section, subject to all of the following:

10 (a) The program enrolls adults who do not have a high school
11 diploma.

12 (b) The program shall administer a pre-test approved by the
13 department before enrolling an individual to determine the
14 individual's literacy levels, shall administer a G.E.D. practice
15 test to determine the individual's potential for success on the
16 G.E.D. test, and shall administer a post-test upon completion of
17 the program in compliance with the state-approved assessment
18 policy.

19 (c) A funding recipient shall receive funding according to
20 subsection (11) for a participant, and a participant may be
21 enrolled in the program until 1 of the following occurs:

22 (i) The participant obtains the G.E.D.

23 (ii) The participant fails to show progress on 2 successive
24 department-approved assessments used to determine readiness to take
25 the G.E.D. test after having completed at least 450 hours of
26 instruction.

27 (9) A high school completion program operated on a year-round

1 or school year basis may be funded under this section, subject to
2 all of the following:

3 (a) The program enrolls adults who do not have a high school
4 diploma.

5 (b) The program tests participants described in subdivision
6 (a) before enrollment and upon completion of the program in
7 compliance with the state-approved assessment policy.

8 (c) A funding recipient shall receive funding according to
9 subsection (11) for a participant in a course offered under this
10 subsection until 1 of the following occurs:

11 (i) The participant passes the course and earns a high school
12 diploma.

13 (ii) The participant fails to earn credit in 2 successive
14 semesters or terms in which the participant is enrolled after
15 having completed at least 900 hours of instruction.

16 (10) A job- or employment-related adult education program
17 operated on a year-round or school year basis may be funded under
18 this section, subject to all of the following:

19 (a) The program enrolls adults referred by their employer who
20 are less than 20 years of age, have a high school diploma, are
21 determined to be in need of remedial mathematics or communication
22 arts skills, and are not attending an institution of higher
23 education.

24 (b) The program tests participants described in subdivision
25 (a) before enrollment and upon completion of the program in
26 compliance with the department-approved assessment policy.

27 (c) An individual may be enrolled in this program and the

1 grant recipient shall receive funding according to subsection (11)
2 until 1 of the following occurs:

3 (i) The individual achieves the requisite skills as determined
4 by department-approved assessment instruments.

5 (ii) The individual fails to show progress on 2 successive
6 assessments after having completed at least 450 hours of
7 instruction.

8 (11) A funding recipient shall receive payments under this
9 section in accordance with the following:

10 (a) ~~Seventy five~~ **NINETY** percent for enrollment of eligible
11 participants.

12 (b) ~~Twenty five~~ **TEN** percent for participant completion of the
13 adult basic education objectives by achieving an educational gain
14 as determined by the national reporting system levels; for
15 achieving basic English proficiency, **AS DETERMINED BY THE**
16 **DEPARTMENT**; for obtaining a G.E.D. or passage of 1 or more
17 individual G.E.D. tests; for attainment of a high school diploma or
18 passage of a course required for a participant to attain a high
19 school diploma; for enrollment in a postsecondary institution, or
20 for entry into or retention of employment, as applicable.

21 (12) A person who is not eligible to be a participant funded
22 under this section may receive adult education services upon the
23 payment of tuition. In addition, a person who is not eligible to be
24 served in a program under this section due to the program
25 limitations specified in subsection (7), (8), (9), or (10) may
26 continue to receive adult education services in that program upon
27 the payment of tuition. The tuition level shall be determined by

1 the local or intermediate district conducting the program.

2 (13) An individual who is an inmate in a state correctional
3 facility shall not be counted as a participant under this section.

4 (14) A funding recipient shall not commingle money received
5 under this section or from another source for adult education
6 purposes with any other funds and shall establish a separate ledger
7 account for funds received under this section. This subsection does
8 not prohibit a district from using general funds of the district to
9 support an adult education or community education program.

10 (15) A funding recipient receiving funds under this section
11 may establish a sliding scale of tuition rates based upon a
12 participant's family income. A funding recipient may charge a
13 participant tuition to receive adult education services under this
14 section from that sliding scale of tuition rates on a uniform
15 basis. The amount of tuition charged per participant shall not
16 exceed the actual operating cost per participant minus any funds
17 received under this section per participant. A funding recipient
18 may not charge a participant tuition under this section if the
19 participant's income is at or below 200% of the federal poverty
20 guidelines published by the United States ~~department of health and~~
21 ~~human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

22 (16) In order to receive funds under this section, a funding
23 recipient shall furnish to the department, in a form and manner
24 determined by the department, all information needed to administer
25 this program and meet federal reporting requirements; shall allow
26 the department or the department's designee to review all records
27 related to the program for which it receives funds; and shall

1 reimburse the state for all disallowances found in the review, as
2 determined by the department. IN ADDITION, A FUNDING RECIPIENT
3 SHALL AGREE TO PAY TO A CAREER AND TECHNICAL EDUCATION PROGRAM
4 UNDER SECTION 61A THE AMOUNT OF FUNDING RECEIVED UNDER THIS SECTION
5 IN THE PROPORTION OF CAREER AND TECHNICAL EDUCATION COURSEWORK USED
6 TO SATISFY ADULT BASIC EDUCATION PROGRAMMING, AS BILLED TO THE
7 FUNDING RECIPIENT UNDER SECTION 61A.

8 (17) All intermediate district participant audits of adult
9 education programs shall be performed pursuant to the adult
10 education participant auditing and accounting manuals published by
11 the department.

12 (18) FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), AN AMOUNT
13 NOT TO EXCEED \$500,000.00 SHALL BE ALLOCATED FOR 2015-2016 TO NOT
14 MORE THAN 1 PILOT PROGRAM THAT IS LOCATED IN A PROSPERITY REGION
15 WITH 2 OR MORE SUBREGIONS AND THAT CONNECTS ADULT EDUCATION
16 PARTICIPANTS DIRECTLY WITH EMPLOYERS BY LINKING ADULT EDUCATION,
17 CAREER AND TECHNICAL SKILLS, AND WORKFORCE DEVELOPMENT. TO BE
18 ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, A PILOT PROGRAM SHALL
19 PROVIDE A COLLABORATION LINKING ADULT EDUCATION PROGRAMS WITHIN THE
20 COUNTY, THE AREA CAREER/TECHNICAL CENTER, AND LOCAL EMPLOYERS, AND
21 SHALL MEET THE ADDITIONAL CRITERIA IN SUBSECTIONS (19) AND (20).
22 FUNDING UNDER THIS SUBSECTION FOR 2015-2016 IS FOR THE FIRST OF 3
23 YEARS OF FUNDING.

24 (19) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL
25 REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN WORKS! TO
26 IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST PREPARED TO
27 SUCCESSFULLY ENTER THE WORKFORCE. PARTICIPANTS IDENTIFIED UNDER

1 THIS SUBSECTION SHALL BE DUALY ENROLLED IN ADULT EDUCATION
2 PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA
3 CAREER/TECHNICAL CENTER.

4 (20) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL HAVE
5 ON STAFF AN ADULT EDUCATION NAVIGATOR WHO WILL SERVE AS A
6 CASEWORKER FOR EACH PARTICIPANT IDENTIFIED UNDER SUBSECTION (19).
7 THE NAVIGATOR SHALL WORK WITH ADULT EDUCATION STAFF AND POTENTIAL
8 EMPLOYERS TO DESIGN AN EDUCATIONAL PROGRAM BEST SUITED TO THE
9 PERSONAL AND EMPLOYMENT NEEDS OF THE PARTICIPANT, AND SHALL WORK
10 WITH HUMAN SERVICE AGENCIES OR OTHER ENTITIES TO ADDRESS ANY
11 BARRIER IN THE WAY OF PARTICIPANT ACCESS.

12 (21) NOT LATER THAN DECEMBER 1, 2016, THE PILOT PROGRAM FUNDED
13 UNDER SUBSECTION (18) SHALL PROVIDE TO THE SENATE AND HOUSE
14 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND TO THE SENATE AND
15 HOUSE FISCAL AGENCIES A REPORT DETAILING NUMBER OF PARTICIPANTS,
16 GRADUATION RATES, AND A MEASURE OF TRANSITIONING TO EMPLOYMENT.

17 (22) THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS FOR A
18 PILOT PROGRAM TO BE FUNDED UNDER SUBSECTION (18) AND SHALL AWARD
19 FUNDING NOT LATER THAN NOVEMBER 1, 2015. FUNDING ALLOCATED UNDER
20 SUBSECTION (18) MAY BE PAID ON A SCHEDULE OTHER THAN THAT SPECIFIED
21 UNDER SECTION 17B.

22 (23) ~~(18)~~As used in this section:

23 (A) "CAREER PATHWAY" MEANS A COMBINATION OF RIGOROUS AND HIGH-
24 QUALITY EDUCATION, TRAINING, AND OTHER SERVICES THAT COMPLY WITH
25 ALL OF THE FOLLOWING:

26 (i) ALIGNS WITH THE SKILL NEEDS OF INDUSTRIES IN THE ECONOMY
27 OF THIS STATE OR IN THE REGIONAL ECONOMY INVOLVED.

1 (ii) PREPARES AN INDIVIDUAL TO BE SUCCESSFUL IN ANY OF A FULL
2 RANGE OF SECONDARY OR POSTSECONDARY EDUCATION OPTIONS, INCLUDING
3 APPRENTICESHIPS REGISTERED UNDER THE ACT OF AUGUST 16, 1937
4 (COMMONLY KNOWN AS THE "NATIONAL APPRENTICESHIP ACT"), 29 USC 50 ET
5 SEQ.

6 (iii) INCLUDES COUNSELING TO SUPPORT AN INDIVIDUAL IN
7 ACHIEVING THE INDIVIDUAL'S EDUCATION AND CAREER GOALS.

8 (iv) INCLUDES, AS APPROPRIATE, EDUCATION OFFERED CONCURRENTLY
9 WITH AND IN THE SAME CONTEXT AS WORKFORCE PREPARATION ACTIVITIES
10 AND TRAINING FOR A SPECIFIC OCCUPATION OR OCCUPATIONAL CLUSTER.

11 (v) ORGANIZES EDUCATION, TRAINING, AND OTHER SERVICES TO MEET
12 THE PARTICULAR NEEDS OF AN INDIVIDUAL IN A MANNER THAT ACCELERATES
13 THE EDUCATIONAL AND CAREER ADVANCEMENT OF THE INDIVIDUAL TO THE
14 EXTENT PRACTICABLE.

15 (vi) ENABLES AN INDIVIDUAL TO ATTAIN A SECONDARY SCHOOL
16 DIPLOMA OR ITS RECOGNIZED EQUIVALENT, AND AT LEAST 1 RECOGNIZED
17 POSTSECONDARY CREDENTIAL.

18 (vii) HELPS AN INDIVIDUAL ENTER OR ADVANCE WITHIN A SPECIFIC
19 OCCUPATION OR OCCUPATIONAL CLUSTER.

20 (B) ~~(a)~~—"Department" means the Michigan strategic fund.

21 (C) ~~(b)~~—"Eligible adult education provider" means a district,
22 intermediate district, a consortium of districts, a consortium of
23 intermediate districts, or a consortium of districts and
24 intermediate districts that is identified as part of the local
25 process described in subsection (5)(c) and approved by the
26 department.

27 (D) ~~(e)~~—"Participant" means the sum of the number of full-time

1 equated individuals enrolled in and attending a department-approved
2 adult education program under this section, using quarterly
3 participant count days on the schedule described in section
4 6(7)(b).

5 Sec. 147. (1) The allocation for ~~2014-2015~~**2015-2016** for the
6 public school employees' retirement system pursuant to the public
7 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
8 to 38.1408, shall be made using the individual projected benefit
9 entry age normal cost method of valuation and risk assumptions
10 adopted by the public school employees retirement board and the
11 department of technology, management, and budget.

12 (2) The annual level percentage of payroll contribution rates
13 for the ~~2014-2015~~**2015-2016** fiscal year, as determined by the
14 retirement system, are estimated as follows:

15 (a) For public school employees who first worked for a public
16 school reporting unit before July 1, 2010 and who are enrolled in
17 the health premium subsidy, the annual level percentage of payroll
18 contribution rate is estimated at ~~33.41%~~**36.31%**, with 25.78% paid
19 directly by the employer.

20 (b) For public school employees who first worked for a public
21 school reporting unit on or after July 1, 2010 and who are enrolled
22 in the health premium subsidy, the annual level percentage of
23 payroll contribution rate is estimated at ~~32.33%~~**35.09%**, with
24 ~~24.70%~~**24.56%** paid directly by the employer.

25 (c) For public school employees who first worked for a public
26 school reporting unit on or after July 1, 2010 and who participate
27 in the personal healthcare fund, the annual level percentage of

1 payroll contribution rate is estimated at ~~31.82%~~, **34.66%**, with
2 ~~24.19%~~ **24.13%** paid directly by the employer.

3 (d) For public school employees who first worked for a public
4 school reporting unit on or after September 4, 2012, who elect
5 defined contribution, and who participate in the personal
6 healthcare fund, the annual level percentage of payroll
7 contribution rate is estimated at ~~28.59%~~, **31.49%**, with 20.96% paid
8 directly by the employer.

9 (e) 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 are enrolled in the health premium subsidy,
12 the annual level percentage of payroll contribution rate is
13 estimated at ~~29.10%~~, **31.92%**, with ~~21.47%~~ **21.39%** paid directly by
14 the employer.

15 (f) For public school employees who first worked for a public
16 school reporting unit before July 1, 2010, who elect defined
17 contribution, and who participate in the personal healthcare fund,
18 the annual level percentage of payroll contribution rate is
19 estimated at ~~28.59%~~, **31.49%**, with 20.96% paid directly by the
20 employer.

21 (g) For public school employees who first worked for a public
22 school reporting unit before July 1, 2010 and who participate in
23 the personal healthcare fund, the annual level percentage of
24 payroll contribution rate is estimated at ~~32.90%~~, **35.88%**, with
25 ~~25.27%~~ **25.35%** paid directly by the employer.

26 (3) In addition to the employer payments described in
27 subsection (2), the employer shall pay the applicable contributions

1 to the Tier 2 plan, as determined by the public school employees
2 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

3 (4) The contribution rates in subsection (2) reflect an
4 amortization period of ~~24-23~~ years for ~~2014-2015-2015-2016~~. The
5 public school employees' retirement system board shall notify each
6 district and intermediate district by February 28 of each fiscal
7 year of the estimated contribution rate for the next fiscal year.

8 Sec. 147a. From the appropriation in section 11, there is
9 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
10 \$100,000,000.00 for payments to participating districts. A district
11 that receives money under this section shall use that money solely
12 for the purpose of offsetting a portion of the retirement
13 contributions owed by the district for the fiscal year in which it
14 is received. The amount allocated to each participating district
15 under this section shall be based on each participating district's
16 percentage of the total statewide payroll for all participating
17 districts for the immediately preceding fiscal year. As used in
18 this section, "participating district" means a district that is a
19 reporting unit of the Michigan public school employees' retirement
20 system under the public school employees retirement act of 1979,
21 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to
22 the Michigan public school employees' retirement system for the
23 applicable fiscal year.

24 Sec. 147c. (1) From the appropriation in section 11, there is
25 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
26 ~~\$658,400,000.00~~ **\$892,900,000.00** from the state school aid fund ~~7~~
27 ~~and there is appropriated for 2014-2015 an amount not to exceed~~

1 ~~\$18,000,000.00~~ from the MPERS retirement obligation reform reserve
2 fund, for payments to districts and intermediate districts that are
3 participating entities of the Michigan public school employees'
4 retirement system. In addition, from the general fund money
5 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~
6 **2016** an amount not to exceed ~~\$500,000.00~~ **\$600,000.00** for payments
7 to district libraries that are participating entities of the
8 Michigan public school employees' retirement system.

9 (2) For ~~2014-2015,~~ **2015-2016**, the amounts allocated under
10 subsection (1) are estimated to provide an average MPERS rate cap
11 per pupil amount of ~~\$449.00~~ **\$601.00** and are estimated to provide a
12 rate cap per pupil for districts ranging between \$4.00 and
13 ~~\$2,056.00~~ **\$2,300.00**.

14 (3) Payments made under this section for ~~2014-2015-~~ **2015-2016**
15 shall be equal to the difference between the unfunded actuarial
16 accrued liability contribution rate as calculated pursuant to
17 section 41 of the public school employees retirement act of 1979,
18 1980 PA 300, MCL 38.1341, as calculated without taking into account
19 the maximum employer rate of 20.96% included in section 41 of the
20 public school employees retirement act of 1979, 1980 PA 300, MCL
21 38.1341, and the maximum employer rate of 20.96% included in
22 section 41 of the public school employees retirement act of 1979,
23 1980 PA 300, MCL 38.1341.

24 (4) The amount allocated to each participating entity under
25 this section shall be based on each participating entity's
26 proportion of the total covered payroll for the immediately
27 preceding fiscal year for the same type of participating entities.

1 A participating entity that receives funds under this section shall
2 use the funds solely for the purpose of retirement contributions as
3 specified in subsection (5).

4 (5) Each participating entity receiving funds under this
5 section shall forward an amount equal to the amount allocated under
6 subsection (4) to the retirement system in a form, manner, and time
7 frame determined by the retirement system.

8 (6) Funds allocated under this section should be considered
9 when comparing a district's growth in total state aid funding from
10 1 fiscal year to the next.

11 (7) Not later than ~~October 20, 2014,~~ **DECEMBER 20, 2015**, the
12 department shall publish and post on its website an estimated
13 MPSERS rate cap per pupil for each district.

14 (8) As used in this section:

15 (a) "MPSERS rate cap per pupil" means an amount equal to the
16 quotient of the district's payment under this section divided by
17 the district's pupils in membership.

18 (b) "Participating entity" means a district, intermediate
19 district, or district library 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) "Retirement board" means the board that administers the
26 retirement system under the public school employees retirement act
27 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

1 (d) "Retirement system" means the Michigan public school
2 employees' retirement system under the public school employees
3 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

4 Sec. 152a. (1) As required by the court in the consolidated
5 cases known as Adair v State of Michigan, Michigan supreme court
6 docket nos. 137424 and 137453, from the state school aid fund money
7 appropriated in section 11 there is allocated for ~~2014-2015-2015-~~
8 **2016** an amount not to exceed \$38,000,500.00 to be used solely for
9 the purpose of paying necessary costs related to the state-mandated
10 collection, maintenance, and reporting of data to this state.

11 (2) From the allocation in subsection (1), the department
12 shall make payments to districts and intermediate districts in an
13 equal amount per-pupil based on the total number of pupils in
14 membership in each district and intermediate district. The
15 department shall not make any adjustment to these payments after
16 the final installment payment under section 17b is made.

17 Sec. 163. (1) Except as provided in the revised school code,
18 the board of a district or intermediate district shall not permit
19 any of the following:

20 (a) A noncertificated ~~teacher~~**EDUCATOR** to teach in an
21 elementary or secondary school or in an adult basic education or
22 high school completion program.

23 (b) A noncertificated ~~counselor~~**EDUCATOR** to provide counseling
24 services to pupils in an elementary or secondary school or in an
25 adult basic education or high school completion program.

26 **(C) A NONCERTIFICATED EDUCATOR TO ADMINISTER INSTRUCTIONAL**
27 **PROGRAMS IN AN ELEMENTARY OR SECONDARY SCHOOL, OR IN AN ADULT BASIC**

1 **EDUCATION OR HIGH SCHOOL COMPLETION PROGRAM, UNLESS THAT EDUCATOR**
2 **IS FULFILLING APPLICABLE CONTINUING EDUCATION REQUIREMENTS.**

3 (2) Except as provided in the revised school code, a district
4 or intermediate district employing ~~teachers or counselors~~ **EDUCATORS**
5 not legally certificated **OR LICENSED** shall have deducted the sum
6 equal to the amount paid the ~~teachers or counselors~~ **EDUCATORS** for
7 the period of noncertificated, **UNLICENSED**, or illegal employment.
8 Each intermediate superintendent shall notify the department of the
9 name of the noncertificated ~~teacher or counselor,~~ **OR UNLICENSED**
10 **EDUCATOR**, and the district employing that individual and the amount
11 of salary the noncertificated ~~teacher or counselor~~ **OR UNLICENSED**
12 **EDUCATOR** was paid within a constituent district.

13 (3) If a school official is notified by the department that he
14 or she is employing a nonapproved, noncertificated, ~~teacher or~~
15 ~~counselor~~ **OR UNLICENSED EDUCATOR** in violation of this section and
16 knowingly continues to employ that ~~teacher or counselor,~~ **EDUCATOR**,
17 the school official is guilty of a misdemeanor, punishable by a
18 fine of \$1,500.00 for each incidence. This penalty is in addition
19 to all other financial penalties otherwise specified in this
20 article.

21 Sec. 201. (1) Subject to the conditions set forth in this
22 article, the amounts listed in this section are appropriated for
23 community colleges for the fiscal year ending September 30, ~~2015,~~
24 **2016**, from the funds indicated in this section. The following is a
25 summary of the appropriations in this section:

26 (a) The gross appropriation is ~~\$364,724,900.00.~~
27 **\$393,825,600.00**. After deducting total interdepartmental grants and

1 intradepartmental transfers in the amount of \$0.00, the adjusted
2 gross appropriation is ~~\$364,724,900.00~~ **\$393,825,600.00**.

3 (b) The sources of the adjusted gross appropriation described
4 in subdivision (a) are as follows:

5 (i) Total federal revenues, \$0.00.

6 (ii) Total local revenues, \$0.00.

7 (iii) Total private revenues, \$0.00.

8 (iv) Total other state restricted revenues,

9 ~~\$364,724,900.00~~ **\$271,114,800.00**.

10 (v) State general fund/general purpose money,

11 ~~\$0.00~~ **\$122,710,800.00**.

12 (2) Subject to subsection (3), the amount appropriated for
13 community college operations is ~~\$307,191,300.00~~ **\$311,492,000.00**,
14 allocated as follows:

15 (a) The appropriation for Alpena Community College is
16 ~~\$5,390,700.00~~, ~~\$5,236,500.00~~ for operations and ~~\$154,200.00~~ for
17 ~~performance funding~~. **\$5,464,400.00**, **\$5,390,700.00 FOR OPERATIONS AND**
18 **\$73,700.00 FOR PERFORMANCE FUNDING**.

19 (b) The appropriation for Bay de Noc Community College is
20 ~~\$5,419,500.00~~, ~~\$5,279,300.00~~ for operations and ~~\$140,200.00~~ for
21 ~~performance funding~~. **\$5,490,200.00**, **\$5,419,500.00 FOR OPERATIONS AND**
22 **\$70,700.00 FOR PERFORMANCE FUNDING**.

23 (c) The appropriation for Delta College is ~~\$14,498,900.00~~,
24 ~~\$14,063,500.00~~ for operations and ~~\$435,400.00~~ for performance
25 ~~funding~~. **\$14,704,000.00**, **\$14,498,900.00 FOR OPERATIONS AND**
26 **\$205,100.00 FOR PERFORMANCE FUNDING**.

27 (d) The appropriation for Glen Oaks Community College is

1 ~~\$2,516,100.00, \$2,441,500.00 for operations and \$74,600.00 for~~
2 ~~performance funding.~~ **\$2,551,100.00, \$2,516,100.00 FOR OPERATIONS AND**
3 **\$35,000.00 FOR PERFORMANCE FUNDING.**

4 (e) The appropriation for Gogebic Community College is
5 ~~\$4,451,400.00, \$4,330,300.00 for operations and \$121,100.00 for~~
6 ~~performance funding.~~ **\$4,509,900.00, \$4,451,400.00 FOR OPERATIONS AND**
7 **\$58,500.00 FOR PERFORMANCE FUNDING.**

8 (f) The appropriation for Grand Rapids Community College is
9 ~~\$17,947,500.00, \$17,454,900.00 for operations and \$492,600.00 for~~
10 ~~performance funding.~~ **\$18,187,300.00, \$17,947,500.00 FOR OPERATIONS**
11 **AND \$239.800.00 FOR PERFORMANCE FUNDING.**

12 (g) The appropriation for Henry Ford Community College is
13 ~~\$21,623,800.00, \$21,060,000.00 for operations and \$563,800.00 for~~
14 ~~performance funding.~~ **\$21,893,300.00, \$21,623,800.00 FOR OPERATIONS**
15 **AND \$269,500.00 FOR PERFORMANCE FUNDING.**

16 (h) The appropriation for Jackson College is ~~\$12,087,300.00,~~
17 ~~\$11,758,200.00 for operations and \$329,100.00 for performance~~
18 ~~funding.~~ **\$12,245,300.00, \$12,087,300.00 FOR OPERATIONS AND**
19 **\$158,000.00 FOR PERFORMANCE FUNDING.**

20 (i) The appropriation for Kalamazoo Valley Community College
21 is ~~\$12,503,100.00, \$12,122,500.00 for operations and \$380,600.00~~
22 ~~for performance funding.~~ **\$12,689,400.00, \$12,503,100.00 FOR**
23 **OPERATIONS AND \$186,300.00 FOR PERFORMANCE FUNDING.**

24 (j) The appropriation for Kellogg Community College is
25 ~~\$9,813,500.00, \$9,522,000.00 for operations and \$291,500.00 for~~
26 ~~performance funding.~~ **\$9,950,100.00, \$9,813,500.00 FOR OPERATIONS AND**
27 **\$136,600.00 FOR PERFORMANCE FUNDING.**

1 (k) The appropriation for Kirtland Community College is
2 ~~\$3,167,700.00, \$3,055,700.00 for operations and \$112,000.00 for~~
3 ~~performance funding.~~ **\$3,221,500.00, \$3,167,700.00 FOR OPERATIONS AND**
4 **\$53,800.00 FOR PERFORMANCE FUNDING.**

5 (l) The appropriation for Lake Michigan College is
6 ~~\$5,342,900.00, \$5,178,100.00 for operations and \$164,800.00 for~~
7 ~~performance funding.~~ **\$5,417,700.00, \$5,342,900.00 FOR OPERATIONS AND**
8 **\$74,800.00 FOR PERFORMANCE FUNDING.**

9 (m) The appropriation for Lansing Community College is
10 ~~\$30,877,600.00, \$30,023,700.00 for operations and \$853,900.00 for~~
11 ~~performance funding.~~ **\$31,288,200.00, \$30,877,600.00 FOR OPERATIONS**
12 **AND \$410,600.00 FOR PERFORMANCE FUNDING.**

13 (n) The appropriation for Macomb Community College is
14 ~~\$32,816,600.00, \$31,931,200.00 for operations and \$885,400.00 for~~
15 ~~performance funding.~~ **\$33,239,500.00, \$32,816,600.00 FOR OPERATIONS**
16 **AND \$422,900.00 FOR PERFORMANCE FUNDING.**

17 (o) The appropriation for Mid Michigan Community College is
18 ~~\$4,682,000.00, \$4,517,900.00 for operations and \$164,100.00 for~~
19 ~~performance funding.~~ **\$4,757,700.00, \$4,682,000.00 FOR OPERATIONS AND**
20 **\$75,700.00 FOR PERFORMANCE FUNDING.**

21 (p) The appropriation for Monroe County Community College is
22 ~~\$4,492,900.00, \$4,342,600.00 for operations and \$150,300.00 for~~
23 ~~performance funding.~~ **\$4,565,600.00, \$4,492,900.00 FOR OPERATIONS AND**
24 **\$72,700.00 FOR PERFORMANCE FUNDING.**

25 (q) The appropriation for Montcalm Community College is
26 ~~\$3,226,700.00, \$3,121,200.00 for operations and \$105,500.00 for~~
27 ~~performance funding.~~ **\$3,280,600.00, \$3,226,700.00 FOR OPERATIONS AND**

1 **\$53,900.00 FOR PERFORMANCE FUNDING.**

2 (r) The appropriation for C.S. Mott Community College is
3 ~~\$15,686,100.00, \$15,247,100.00 for operations and \$439,000.00 for~~
4 ~~performance funding.~~**\$15,901,700.00, \$15,686,100.00 FOR OPERATIONS**
5 **AND \$215,600.00 FOR PERFORMANCE FUNDING.**

6 (s) The appropriation for Muskegon Community College is
7 ~~\$8,901,000.00, \$8,653,500.00 for operations and \$247,500.00 for~~
8 ~~performance funding.~~**\$9,020,700.00, \$8,901,000.00 FOR OPERATIONS AND**
9 **\$119,700.00 FOR PERFORMANCE FUNDING.**

10 (t) The appropriation for North Central Michigan College is
11 ~~\$3,172,400.00, \$3,064,400.00 for operations and \$108,000.00 for~~
12 ~~performance funding.~~**\$3,224,800.00, \$3,172,400.00 FOR OPERATIONS AND**
13 **\$52,400.00 FOR PERFORMANCE FUNDING.**

14 (u) The appropriation for Northwestern Michigan College is
15 ~~\$9,078,800.00, \$8,825,300.00 for operations and \$253,500.00 for~~
16 ~~performance funding.~~**\$9,200,500.00, \$9,078,800.00 FOR OPERATIONS AND**
17 **\$121,700.00 FOR PERFORMANCE FUNDING.**

18 (v) The appropriation for Oakland Community College is
19 ~~\$21,123,300.00, \$20,483,100.00 for operations and \$640,200.00 for~~
20 ~~performance funding.~~**\$21,429,400.00, \$21,123,300.00 FOR OPERATIONS**
21 **AND \$306,100.00 FOR PERFORMANCE FUNDING.**

22 (w) The appropriation for St. Clair County Community College
23 is ~~\$7,061,600.00, \$6,860,100.00 for operations and \$201,500.00 for~~
24 ~~performance funding.~~**\$7,158,000.00, \$7,061,600.00 FOR OPERATIONS AND**
25 **\$96,400.00 FOR PERFORMANCE FUNDING.**

26 (x) The appropriation for Schoolcraft College is
27 ~~\$12,513,700.00, \$12,112,200.00 for operations and \$401,500.00 for~~

1 ~~performance funding.~~ \$12,706,400.00, \$12,513,700.00 FOR OPERATIONS
2 AND \$192,700.00 FOR PERFORMANCE FUNDING.

3 (y) The appropriation for Southwestern Michigan College is
4 ~~\$6,576,400.00, \$6,404,300.00 for operations and \$172,100.00 for~~
5 ~~performance funding.~~ \$6,657,600.00, \$6,576,400.00 FOR OPERATIONS AND
6 \$81,200.00 FOR PERFORMANCE FUNDING.

7 (z) The appropriation for Washtenaw Community College is
8 ~~\$13,077,300.00, \$12,610,800.00 for operations and \$466,500.00 for~~
9 ~~performance funding.~~ \$13,301,100.00, \$13,077,300.00 FOR OPERATIONS
10 AND \$223,800.00 FOR PERFORMANCE FUNDING.

11 (aa) The appropriation for Wayne County Community College is
12 ~~\$16,727,600.00, \$16,194,300.00 for operations and \$533,300.00 for~~
13 ~~performance funding.~~ \$16,989,800.00, \$16,727,600.00 FOR OPERATIONS
14 AND \$262,200.00 FOR PERFORMANCE FUNDING.

15 (bb) The appropriation for West Shore Community College is
16 ~~\$2,414,900.00, \$2,349,800.00 for operations and \$65,100.00 for~~
17 ~~performance funding.~~ \$2,446,200.00, \$2,414,900.00 FOR OPERATIONS AND
18 \$31,300.00 FOR PERFORMANCE FUNDING.

19 (3) The amount appropriated in subsection (2) for community
20 college operations is ~~\$307,191,300.00, appropriated from the state~~
21 ~~school aid fund.~~ APPROPRIATED FROM THE FOLLOWING:

22 (A) STATE SCHOOL AID FUND, \$244,581,200.00.

23 (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$66,910,800.00.

24 (4) From the appropriations described in subsection (1),
25 subject to section 207a, the amount appropriated for fiscal year
26 ~~2014-2015-2015-2016~~ to offset certain fiscal year ~~2014-2015-2015-~~
27 2016 retirement contributions is \$1,733,600.00, appropriated from

1 the state school aid fund.

2 (5) From the appropriations described in subsection (1),
3 subject to section 207b, the amount appropriated for payments to
4 community colleges that are participating entities of the
5 retirement system is ~~\$52,300,000.00, \$69,500,000.00, \$17,200,000.00~~
6 appropriated from the state school aid fund **AND \$52,300,000.00**
7 **APPROPRIATED FROM STATE GENERAL FUND/GENERAL PURPOSE MONEY.**

8 (6) From the appropriations described in subsection (1),
9 subject to section 207c, the amount appropriated for renaissance
10 zone tax reimbursements is ~~\$3,500,000.00, \$5,100,000.00,~~
11 **\$1,600,000.00** appropriated from the state school aid fund **AND**
12 **\$3,500,000.00 APPROPRIATED FROM STATE GENERAL FUND/GENERAL PURPOSE**
13 **MONEY.**

14 (7) **FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THE**
15 **AMOUNT APPROPRIATED FOR PART-TIME, INDEPENDENT STUDENT GRANTS IS**
16 **\$6,000,000.00, APPROPRIATED FROM THE STATE SCHOOL AID FUND.**

17 Sec. 201a. It is the intent of the legislature to provide
18 appropriations for the fiscal year ending on September 30, ~~2016~~
19 **2017** for the items listed in section 201. The fiscal year ~~2015-2016~~
20 **2016-2017** appropriations are anticipated to be the same as those
21 for fiscal year ~~2014-2015, 2015-2016~~, except that the amounts will
22 be adjusted for changes in retirement costs, caseload and related
23 costs, federal fund match rates, economic factors, and available
24 revenue. These adjustments will be determined after the January
25 ~~2015-2016~~ consensus revenue estimating conference.

26 Sec. 206. The funds appropriated in section 201 are
27 appropriated for community colleges with fiscal years ending June

1 30, ~~2015-2016~~ and shall be paid out of the state treasury and
 2 distributed by the state treasurer to the respective community
 3 colleges in 11 monthly installments on the sixteenth of each month,
 4 or the next succeeding business day, beginning with October 16,
 5 ~~2014-2015~~. Each community college shall accrue its July and August
 6 ~~2015-2016~~ payments to its institutional fiscal year ending June 30,
 7 ~~2015-2016~~. However, if the state budget director determines that a
 8 community college failed to submit all verified Michigan community
 9 colleges activities classification structure data for school year
 10 ~~2013-2014-2014-2015~~ to the workforce development agency by November
 11 1, ~~2014, 2015~~, or failed to submit its longitudinal data system
 12 data set for school year ~~2013-2014-2014-2015~~ to the center for
 13 educational performance and information under section 219, the
 14 state treasurer shall withhold the monthly installments from that
 15 community college until those data are submitted. The state budget
 16 director shall notify the chairs of the house and senate
 17 appropriations subcommittees on community colleges at least 10 days
 18 before withholding funds from any community college.

19 Sec. 207a. All of the following apply to the allocation of the
 20 **FISCAL YEAR 2015-2016** appropriations described in section 201(4):

21 (a) A community college that receives money under section
 22 201(4) shall use that money solely for the purpose of offsetting a
 23 portion of the retirement contributions owed by the college for ~~the~~
 24 **THAT** fiscal year. ~~ending September 30, 2015.~~

25 (b) The amount allocated to each participating community
 26 college under section 201(4) shall be based on each ~~participating~~
 27 college's **PERCENTAGE OF THE** total **COVERED** payroll ~~covered by the~~

1 ~~retirement system covered payroll~~ for all **COMMUNITY COLLEGES THAT**
2 **ARE** participating colleges ~~for~~ **IN THE IMMEDIATELY PRECEDING** fiscal
3 year. ~~2013-2014.~~

4 Sec. 207b. All of the following apply to the allocation of the
5 **FISCAL YEAR 2015-2016** appropriations described in section 201(5)
6 for payments to community colleges that are participating entities
7 of the retirement system:

8 (a) The amount of a payment under section 201(5) shall be the
9 difference between the unfunded actuarial accrued liability
10 contribution rate as calculated under section 41 of the public
11 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
12 and the maximum employer rate of 20.96% under section 41 of the
13 public school employees retirement act of 1979, 1980 PA 300, MCL
14 38.1341.

15 (b) The amount allocated to each community college under
16 section 201(5) shall be based on each community college's
17 percentage of the total covered payroll for all community colleges
18 that are participating colleges in the immediately preceding fiscal
19 year. A community college that receives funds under this
20 subdivision shall use the funds solely for the purpose of
21 retirement contributions under section 201(5).

22 (c) Each participating college that receives funds under
23 section 201(5) shall forward an amount equal to the amount
24 allocated under subdivision (b) to the retirement system in a form
25 and manner determined by the retirement system.

26 Sec. 207c. All of the following apply to the allocation of the
27 appropriations described in section 201(6) to community colleges

1 described in section 12(3) of the Michigan renaissance zone act,
2 **1996 PA 376**, MCL 125.2692:

3 (a) The amount allocated to each community college under
4 section 201(6) **FOR FISCAL YEAR 2015-2016** shall be based on that
5 community college's proportion of total revenue lost by community
6 colleges ~~in fiscal year 2013-2014~~ as a result of the exemption of
7 property **TAXES LEVIED IN 2015** under the Michigan renaissance zone
8 act, **1996 PA 376, MCL 125.2681 TO 125.2696**.

9 (b) The appropriations described in section 201(6) shall be
10 made to each eligible community college within 60 days after the
11 department of treasury certifies to the state budget director that
12 it has received all necessary information to properly determine the
13 amounts ~~of tax revenue lost by~~ **PAYABLE TO** each eligible community
14 college ~~in fiscal year 2013-2014~~ under section 12 of the Michigan
15 renaissance zone act, **1996 PA 376, MCL 125.2692**.

16 Sec. 209. (1) Within 30 days after the board of a community
17 college adopts its annual operating budget for the following ~~school~~
18 fiscal year, or after the board adopts a subsequent revision to
19 that budget, the community college shall make all of the following
20 available through a link on its website homepage:

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

23 (b) A link to the most recent "Activities Classification
24 Structure Data Book and Companion".

25 (c) General fund revenue and expenditure projections for
26 fiscal year ~~2014-2015-2015-2016~~ and fiscal year ~~2015-2016-2016-~~
27 **2017**.

1 (d) A listing of all debt service obligations, detailed by
2 project, anticipated fiscal year ~~2014-2015~~-2015-2016 payment of
3 each project, and total outstanding debt.

4 (e) The estimated cost to the community college resulting from
5 the patient protection and affordable care act, Public Law 111-148,
6 as amended by the health care and education reconciliation act of
7 2010, Public Law 111-152.

8 (f) Links to all of the following for the community college:

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

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

16 (iii) Audits and financial reports for the most recent fiscal
17 year for which they are available.

18 (iv) A copy of the board of trustees resolution regarding
19 compliance with best practices for the local strategic value
20 component described in section 230(2).

21 (2) For statewide consistency and public visibility, community
22 colleges must use the icon badge provided by the department of
23 technology, management, and budget consistent with the icon badge
24 developed by the department of education for K-12 school districts.
25 It must appear on the front of each community college's homepage.
26 The size of the icon may be reduced to 150 x 150 pixels.

27 (3) The state budget director shall determine whether a

1 community college has complied with this section. The state budget
2 director may withhold a community college's monthly installments
3 described in section 206 until the community college complies with
4 this section. The state budget director shall notify the chairs of
5 the house and senate appropriations subcommittee on community
6 colleges at least 10 days before withholding funds from any
7 community college.

8 (4) Each community college shall report the following
9 information to the senate and house appropriations subcommittees on
10 community colleges, the senate and house fiscal agencies, and the
11 state budget office by November 15 of each fiscal year and post
12 that information on ~~the internet~~ **ITS** website **AS** required under
13 subsection (1):

14 (a) Budgeted fiscal year ~~2014-2015~~ **2015-2016** general fund
15 revenue from tuition and fees.

16 (b) Budgeted fiscal year ~~2014-2015~~ **2015-2016** general fund
17 revenue from state appropriations.

18 (c) Budgeted fiscal year ~~2014-2015~~ **2015-2016** general fund
19 revenue from property taxes.

20 (d) Budgeted fiscal year ~~2014-2015~~ **2015-2016** total general
21 fund revenue.

22 (e) Budgeted fiscal year ~~2014-2015~~ **2015-2016** total general
23 fund expenditures.

24 (5) By November 15 of each year, a community college shall
25 report the following information to the center for educational
26 performance and information and post the information on its website
27 under the budget transparency icon badge:

1 (a) Opportunities for earning college credit through the
2 following programs:

3 (i) State approved career and technical education or a tech
4 prep articulated program of study.

5 (ii) Direct college credit or concurrent enrollment.

6 (iii) Dual enrollment.

7 (iv) An early college/middle college program.

8 (b) For each program described in subdivision (a) that the
9 community college offers, all of the following information:

10 (i) The number of high school students participating in the
11 program.

12 (ii) The number of school districts that participate in the
13 program with the community college.

14 (iii) Whether a college professor, qualified local school
15 district employee, or other individual teaches the course or
16 courses in the program.

17 (iv) The total cost to the community college to operate the
18 program.

19 (v) The cost per credit hour for the course or courses in the
20 program.

21 (vi) The location where the course or courses in the program
22 are held.

23 (vii) Instructional resources offered to the program
24 instructors.

25 (viii) Resources offered to the student in the program.

26 (ix) Transportation services provided to students in the
27 program.

1 Sec. 210b. (1) It is the intent of the legislature that the
 2 Michigan ~~association of collegiate registrars and admissions~~
 3 ~~officers~~ **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS**
 4 **OFFICERS** implement any agreement or agreements among the community
 5 colleges and universities concerning the transferability of college
 6 courses resulting from the recommendations of the committee created
 7 under former section 210a.

8 (2) It is the intent of the legislature that the Michigan
 9 ~~association of collegiate registrars and admissions officers,~~
 10 **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS**, the
 11 Michigan ~~community college association,~~ **COMMUNITY COLLEGE**
 12 **ASSOCIATION**, and the ~~presidents council, state universities~~
 13 **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan shall together
 14 submit an implementation update report to the senate and house
 15 appropriations subcommittees on community colleges and higher
 16 education, the senate and house fiscal agencies, and the state
 17 budget director by March 1, ~~2015-2016~~.

18 **SEC. 210C. (1) A STUDY COMMITTEE SHALL BE CREATED TO DEVELOP A**
 19 **PROCESS TO IMPROVE THE TRANSFERABILITY AND APPLICABILITY OF**
 20 **ASSOCIATE OF ARTS AND ASSOCIATE OF SCIENCE DEGREES AS A BLOCK OF**
 21 **CREDITS BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES ON A**
 22 **STATEWIDE BASIS. BUILDING ON THE MICHIGAN TRANSFER NETWORK**
 23 **SPONSORED BY THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND**
 24 **ADMISSIONS OFFICERS AND, WHERE POSSIBLE, EXISTING LOCAL**
 25 **ARTICULATION AGREEMENTS BETWEEN INDIVIDUAL INSTITUTIONS, THE**
 26 **COMMITTEE SHALL WORK TO EXPLORE STANDARDS FOR PROGRAM ARTICULATION**
 27 **BETWEEN INSTITUTIONS SO THAT AN ASSOCIATE OF ARTS AND ASSOCIATE OF**

1 SCIENCE DEGREE EARNED AT A COMMUNITY COLLEGES IS CONSIDERED THE
2 EQUIVALENT OF THE FIRST 60 CREDITS OF A BACCALAUREATE DEGREE, AND
3 THOSE CREDITS CAN BE SEAMLESSLY TRANSFERRED AND APPLIED TO THE
4 PROGRAM OF STUDY AT THE RECEIVING UNIVERSITY.

5 (2) IT IS THE INTENT OF THE LEGISLATURE THAT THE STUDY
6 COMMITTEE CREATED UNDER SUBSECTION (1) WILL EXPLORE RELEVANT ISSUES
7 SUCH AS THE SATISFACTION OF ALL LOWER DIVISION GENERAL EDUCATION
8 REQUIREMENTS, THE APPLICABILITY OF EQUIVALENT COURSES TO THE MAJOR
9 PROGRAM OF STUDY, JUNIOR-LEVEL STANDING AT THE UNIVERSITY FOR
10 TRANSFER STUDENTS, AND THE COMPLETION OF THE BACCALAUREATE DEGREE
11 WITH A LIMIT OF 60 POSTTRANSFER CREDIT HOURS. BECAUSE OF THE
12 LEGISLATURE'S INTEREST IN PROMOTING DEGREE COMPLETION, THE STUDY
13 COMMITTEE SHOULD ALSO CONSIDER INCENTIVES FOR STUDENTS TO COMPLETE
14 BOTH AN ASSOCIATE DEGREE AND A BACCALAUREATE DEGREE.

15 (3) THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) SHALL
16 CONSIST OF THE FOLLOWING MEMBERS:

17 (A) TEN REPRESENTATIVES FROM COMMUNITY COLLEGES SELECTED BY
18 THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.

19 (B) TEN REPRESENTATIVES FROM PUBLIC UNIVERSITIES SELECTED BY
20 THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

21 (C) FOUR MEMBERS OF THE MICHIGAN ASSOCIATION OF COLLEGIATE
22 REGISTRARS AND ADMISSIONS OFFICERS.

23 (D) ONE MEMBER OF THE MICHIGAN HOUSE OF REPRESENTATIVES
24 SELECTED BY THE SPEAKER OF THE HOUSE.

25 (E) ONE MEMBER OF THE MICHIGAN HOUSE OF REPRESENTATIVES
26 SELECTED BY THE MINORITY LEADER OF THE HOUSE.

27 (F) ONE MEMBER OF THE MICHIGAN SENATE SELECTED BY THE SENATE

1 MAJORITY LEADER.

2 (G) ONE MEMBER OF THE MICHIGAN SENATE SELECTED BY THE SENATE
3 MINORITY LEADER.

4 (4) THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) SHALL
5 SUBMIT A PROJECT STATUS REPORT AND INITIAL RECOMMENDATIONS TO THE
6 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES
7 AND HIGHER EDUCATION, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE
8 STATE BUDGET DIRECTOR BY MARCH 1, 2016.

9 SEC. 210D. IT IS THE INTENT OF THE LEGISLATURE THAT COMMUNITY
10 COLLEGES WORK WITH PUBLIC UNIVERSITIES IN THIS STATE TO IMPLEMENT
11 STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF
12 STUDENTS WHO ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF
13 THE NECESSARY CREDITS. THESE STATEWIDE AGREEMENTS SHALL ENABLE
14 STUDENTS WHO HAVE EARNED A SIGNIFICANT NUMBER OF CREDITS AT A
15 COMMUNITY COLLEGE AND TRANSFERRED TO A BACCALAUREATE-GRANTING
16 INSTITUTION BEFORE COMPLETING A DEGREE TO TRANSFER THE CREDITS
17 EARNED AT THE BACCALAUREATE INSTITUTION BACK TO THE COMMUNITY
18 COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL OF VALUE.

19 SEC. 215. ALL OF THE FOLLOWING APPLY TO THE MONEY APPROPRIATED
20 FOR PART-TIME, INDEPENDENT STUDENT GRANTS UNDER SECTION 201:

21 (A) PAYMENTS OF THE AMOUNTS INCLUDED IN SECTION 201 FOR PART-
22 TIME, INDEPENDENT STUDENT GRANTS SHALL BE DISTRIBUTED PURSUANT TO
23 1986 PA 102, MCL 390.1281 TO 390.1288.

24 (B) IN ORDER TO INCREASE THE NUMBER OF RESIDENTS IN THIS STATE
25 WITH A POSTSECONDARY CREDENTIAL, A COMMUNITY COLLEGE THAT RECEIVES
26 FUNDS FROM THE PART-TIME, INDEPENDENT STUDENT GRANTS UNDER SECTION
27 201 IS ENCOURAGED TO PRIORITIZE THESE FUNDS FOR AID TO STUDENTS WHO

1 HAVE ENROLLED IN AN ACADEMIC PROGRAM AFTER NOT BEING ENROLLED FOR
2 MORE THAN A SEMESTER OR TERM, WHO HAVE PREVIOUSLY EARNED CREDITS IN
3 AN ACADEMIC PROGRAM, AND WHO HAVE NOT YET EARNED A CERTIFICATE OR
4 DEGREE.

5 (C) THE MONEY APPROPRIATED FOR PART-TIME, INDEPENDENT STUDENT
6 GRANTS SHALL BE PAID OUT OF THE STATE TREASURY AND SHALL BE
7 DISTRIBUTED TO THE RESPECTIVE COMMUNITY COLLEGES UNDER A QUARTERLY
8 PAYMENT SYSTEM AS FOLLOWS: 50% SHALL BE PAID AT THE BEGINNING OF
9 THE STATE'S FIRST FISCAL QUARTER, 30% DURING THE STATE'S SECOND
10 FISCAL QUARTER, 10% DURING THE STATE'S THIRD FISCAL QUARTER, AND
11 10% DURING THE STATE'S FOURTH FISCAL QUARTER.

12 (D) THE DEPARTMENT OF TREASURY SHALL DETERMINE THE NEEDS
13 ANALYSIS CRITERIA FOR STUDENTS TO QUALIFY FOR PART-TIME,
14 INDEPENDENT STUDENT GRANTS. TO BE CONSISTENT WITH FEDERAL
15 REQUIREMENTS, THE DEPARTMENT OF TREASURY MAY TAKE STUDENT WAGES
16 INTO CONSIDERATION WHEN DETERMINING THE AMOUNT OF THE AWARD.

17 Sec. 217. (1) The workforce development agency shall do all of
18 the following:

19 (a) Establish, maintain, and coordinate the state community
20 college database commonly known as the "activities classification
21 structure" or "ACS" database.

22 (b) Collect data concerning community colleges and community
23 college programs in this state, including data required by law.

24 (c) Establish procedures to ensure the validity and
25 reliability of the data and the collection process.

26 (d) Develop model data collection policies, including, but not
27 limited to, policies that ensure the privacy of any individual

1 student data. Privacy policies shall ensure that student social
2 security numbers are not released to the public for any purpose.

3 (e) Provide data in a useful manner to allow state
4 policymakers and community college officials to make informed
5 policy decisions.

6 (f) Assist community colleges in complying with audits under
7 this section or federal law.

8 (2) There is created within the workforce development agency
9 the activities classification structure advisory committee. The
10 committee shall provide advice to the director of the workforce
11 development agency regarding the management of the state community
12 college database, including, but not limited to:

13 (a) Determining what data are necessary to collect and
14 maintain to enable state and community college officials to make
15 informed policy decisions.

16 (b) Defining the roles of all stakeholders in the data
17 collection system.

18 (c) Recommending timelines for the implementation and ongoing
19 collection of data.

20 (d) Establishing and maintaining data definitions, data
21 transmission protocols, and system specifications and procedures
22 for the efficient and accurate transmission and collection of data.

23 (e) Establishing and maintaining a process for ensuring the
24 accuracy of the data.

25 (f) Establishing and maintaining policies related to data
26 collection, including, but not limited to, privacy policies related
27 to individual student data.

1 (g) Ensuring that the data are made available to state
2 policymakers and citizens of this state in the most useful format
3 possible.

4 (h) Addressing other matters as determined by the director of
5 the workforce development agency or as required by law.

6 (3) The activities classification structure advisory committee
7 created in subsection (2) shall consist of the following members:

8 (a) One representative from the house fiscal agency, appointed
9 by the director of the house fiscal agency.

10 (b) One representative from the senate fiscal agency,
11 appointed by the director of the senate fiscal agency.

12 (c) One representative from the workforce development agency,
13 appointed by the director of the workforce development agency.

14 (d) One representative from the state budget office, appointed
15 by the state budget director.

16 (e) One representative from the governor's policy office,
17 appointed by that office.

18 (f) Four representatives of the Michigan ~~community colleges~~
19 ~~association~~, **COMMUNITY COLLEGE ASSOCIATION**, appointed by the
20 president of the association. From the groupings of community
21 colleges given in table 17 of the activities classification
22 structure ~~report~~ **DATABASE** described in subsection ~~(4)~~, **(1)**, the
23 association shall appoint 1 representative each from group 1, group
24 2, and group 3, and 1 representative from either group 3 or 4.

25 ~~(4) The activities classification structure advisory committee~~
26 ~~shall review the existing activities classification structure~~
27 ~~report, data, definitions, processes, and other items as needed and~~

1 ~~publish an initial report on their findings and recommendations by~~
2 ~~July 30, 2015. This report shall be submitted to the senate and~~
3 ~~house appropriations subcommittees on community colleges, the~~
4 ~~senate and house fiscal agencies, the director of the workforce~~
5 ~~development agency, the state budget director, and the Michigan~~
6 ~~community colleges association.~~

7 Sec. 225. Each community college shall report to the house and
8 senate fiscal agencies, the state budget director, and the
9 workforce development agency by August 31, ~~2014,~~**2015**, the tuition
10 and mandatory fees paid by a full-time in-district student and a
11 full-time out-of-district student as established by the college
12 governing board for the ~~2014-2015-~~**2015-2016** academic year. This
13 report should also include the annual cost of attendance based on a
14 full-time course load of 30 credits. Each community college shall
15 also report any revisions to the reported ~~2014-2015-~~**2015-2016**
16 academic year tuition and mandatory fees adopted by the college
17 governing board to the house and senate fiscal agencies, the state
18 budget director, and the workforce development agency within 15
19 days of being adopted.

20 Sec. 226. Each community college shall report to the workforce
21 development agency the numbers and type of associate degrees and
22 other certificates awarded during the previous fiscal year. The
23 report shall be made not later than November 15 of each year.

24 **COMMUNITY COLLEGES SHALL WORK WITH THE WORKFORCE DEVELOPMENT AGENCY**
25 **AND THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO**
26 **DEVELOP A SYSTEMATIC APPROACH FOR MEETING THIS REQUIREMENT.**

27 Sec. 229a. Included in the fiscal year ~~2014-2015-~~**2015-2016**

1 appropriations for the department of technology, management, and
2 budget are appropriations to provide funding for the state share of
3 costs for previously constructed capital projects for community
4 colleges. Those appropriations for state building authority rent
5 represent additional state general fund support for community
6 colleges, and the following is an estimate of the amount of that
7 support to each community college:

8 (a) Alpena Community College, ~~\$485,400.00~~-\$652,700.00.

9 (b) Bay de Noc Community College, ~~\$636,600.00~~-\$685,900.00.

10 (c) Delta College, ~~\$2,842,800.00~~-\$3,510,900.00.

11 (d) Glen Oaks Community College, ~~\$123,300.00~~-\$123,100.00.

12 (e) Gogebic Community College, ~~\$16,900.00~~-\$67,600.00.

13 (f) Grand Rapids Community College,

14 ~~\$1,792,400.00~~-\$2,126,000.00.

15 (g) Henry Ford Community College, ~~\$1,030,800.00~~-\$1,028,500.00.

16 (h) Jackson College, ~~\$1,787,300.00~~-\$1,677,800.00.

17 (i) Kalamazoo Valley Community College,

18 ~~\$1,471,000.00~~-\$1,557,700.00.

19 (j) Kellogg Community College, ~~\$521,400.00~~-\$520,200.00.

20 (k) Kirtland Community College, ~~\$364,000.00~~-\$363,200.00.

21 (l) Lake Michigan College, ~~\$340,900.00~~-\$340,200.00.

22 (m) Lansing Community College, ~~\$610,100.00~~-\$1,282,200.00.

23 (n) Macomb Community College, ~~\$1,316,600.00~~-\$1,377,400.00.

24 (o) Mid Michigan Community College,

25 ~~\$1,117,300.00~~-\$1,712,600.00.

26 (p) Monroe County Community College,

27 ~~\$1,266,500.00~~-\$1,263,600.00.

- 1 (q) Montcalm Community College, ~~\$973,700.00~~ **\$971,500.00**.
- 2 (r) C.S. Mott Community College, ~~\$1,808,000.00~~ **\$1,803,900.00**.
- 3 (s) Muskegon Community College, ~~\$198,500.00~~ **\$267,800.00**.
- 4 (t) North Central Michigan College, ~~\$117,600.00~~ **\$469,400.00**.
- 5 (u) Northwestern Michigan College,
- 6 ~~\$1,308,600.00~~ **\$1,305,600.00**.
- 7 (v) Oakland Community College, ~~\$466,300.00~~ **\$465,200.00**.
- 8 (w) St. Clair County Community College,
- 9 ~~\$357,000.00~~ **\$356,200.00**.
- 10 (x) Schoolcraft College, ~~\$1,550,300.00~~ **\$1,546,700.00**.
- 11 (y) Southwestern Michigan College, ~~\$231,100.00~~ **\$286,900.00**.
- 12 (z) Washtenaw Community College, ~~\$1,680,600.00~~ **\$1,676,800.00**.
- 13 (aa) Wayne County Community College,
- 14 ~~\$1,466,000.00~~ **\$1,462,700.00**.
- 15 (bb) West Shore Community College, ~~\$578,600.00~~ **\$577,300.00**.
- 16 Sec. 230. (1) Money included in the appropriations for
- 17 community college operations under section 201(2) in fiscal year
- 18 ~~2014-2015-2015-2016~~ for performance funding is distributed based on
- 19 the following formula:
- 20 (a) Allocated proportionate to fiscal year ~~2013-2014-2014-2015~~
- 21 base appropriations, 50%.
- 22 (b) Based on contact hour equated students, 10%.
- 23 (c) Based on administrative costs, 7.5%.
- 24 (d) Based on a weighted degree formula as provided for in the
- 25 2006 recommendations of the performance indicators task force,
- 26 17.5%.
- 27 (e) Based on the local strategic value component, as developed

1 in cooperation with the Michigan ~~community college association~~
2 **COMMUNITY COLLEGE ASSOCIATION** and described in subsection (2), 15%.

3 (2) Money included in the appropriations for community college
4 operations under section 201(2) for local strategic value shall be
5 allocated to each community college that certifies to the state
6 budget director, through a board of trustees resolution on or
7 before October 15, ~~2014~~, **2015**, that the college has met 4 out of 5
8 best practices listed in each category described in subsection (3).
9 The resolution shall provide specifics as to how the community
10 college meets each best practice measure within each category. One-
11 third of funding available under the strategic value component
12 shall be allocated to each category described in subsection (3).
13 Amounts distributed under local strategic value shall be on a
14 proportionate basis to each college's fiscal year ~~2013-2014~~ **2014-**
15 **2015** operations funding. Payments to community colleges that
16 qualify for local strategic value funding shall be distributed with
17 the November installment payment described in section 206.

18 (3) For purposes of subsection (2), the following categories
19 of best practices reflect functional activities of community
20 colleges that have strategic value to the local communities and
21 regional economies:

22 (a) For Category A, economic development and business or
23 industry partnerships, the following:

24 (i) The community college has active partnerships with local
25 employers including hospitals and health care providers.

26 (ii) The community college provides customized on-site
27 training for area companies, employees, or both.

1 (iii) The community college supports entrepreneurship through
2 a small business assistance center or other training or consulting
3 activities targeted toward small businesses.

4 (iv) The community college supports technological advancement
5 through industry partnerships, incubation activities, or operation
6 of a Michigan technical education center or other advanced
7 technology center.

8 (v) The community college has active partnerships with local
9 or regional workforce and economic development agencies.

10 (b) For Category B, educational partnerships, the following:

11 (i) The community college has active partnerships with
12 regional high schools, intermediate school districts, and career-
13 tech centers to provide instruction through dual enrollment,
14 concurrent enrollment, direct credit, middle college, or academy
15 programs.

16 (ii) The community college hosts, sponsors, or participates in
17 enrichment programs for area K-12 students, such as college days,
18 summer or after-school programming, or science Olympiad.

19 (iii) The community college provides, supports, or
20 participates in programming to promote successful transitions to
21 college for traditional age students, including grant programs such
22 as talent search, upwardbound, or other activities to promote
23 college readiness in area high schools and community centers.

24 (iv) The community college provides, supports, or participates
25 in programming to promote successful transitions to college for new
26 or reentering adult students, such as adult basic education,
27 general education development certificate preparation and testing,

1 or recruiting, advising, or orientation activities specific to
2 adults.

3 (v) The community college has active partnerships with
4 regional 4-year colleges and universities to promote successful
5 transfer, such as articulation, 2+2, or reverse transfer agreements
6 or operation of a university center.

7 (c) For Category C, community services, the following:

8 (i) The community college provides continuing education
9 programming for leisure, wellness, personal enrichment, or
10 professional development.

11 (ii) The community college operates or sponsors opportunities
12 for community members to engage in activities that promote leisure,
13 wellness, cultural or personal enrichment such as community sports
14 teams, theater or musical ensembles, or artist guilds.

15 (iii) The community college operates public facilities to
16 promote cultural, educational, or personal enrichment for community
17 members, such as libraries, computer labs, performing arts centers,
18 museums, art galleries, or television or radio stations.

19 (iv) The community college operates public facilities to
20 promote leisure or wellness activities for community members,
21 including gymnasiums, athletic fields, tennis courts, fitness
22 centers, hiking or biking trails, or natural areas.

23 (v) The community college promotes, sponsors, or hosts
24 community service activities for students, staff, or community
25 members.

26 **(4) PAYMENTS FOR PERFORMANCE FUNDING UNDER SECTION 201(2)**
27 **SHALL BE MADE TO A COMMUNITY COLLEGE ONLY IF THAT COMMUNITY COLLEGE**

1 ACTIVELY PARTICIPATES IN THE MICHIGAN TRANSFER NETWORK SPONSORED BY
2 THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS
3 OFFICERS AND SUBMITS TIMELY UPDATES, INCLUDING UPDATED COURSE
4 EQUIVALENCIES AT LEAST EVERY 6 MONTHS, TO THE MICHIGAN TRANSFER
5 NETWORK. THE STATE BUDGET DIRECTOR SHALL DETERMINE IF A COMMUNITY
6 COLLEGE HAS NOT SATISFIED THIS REQUIREMENT. THE STATE BUDGET
7 DIRECTOR MAY WITHHOLD PAYMENTS FOR PERFORMANCE FUNDING UNTIL A
8 COMMUNITY COLLEGE IS IN COMPLIANCE WITH THIS SECTION.

9 SEC. 230A. (1) A TASK FORCE SHALL BE FORMED BY OCTOBER 15,
10 2015 TO REVIEW, EVALUATE, DISCUSS, AND MAKE RECOMMENDATIONS
11 REGARDING PERFORMANCE INDICATORS ESTABLISHED UNDER THE AUTHORITY OF
12 SECTION 242 OF 2005 PA 154. THE TASK FORCE SHALL REVIEW WHETHER THE
13 CURRENT METRICS USED ARE THE MOST APPROPRIATE AND RELIABLE
14 PERFORMANCE INDICATORS AVAILABLE AND DETERMINE THE MOST EFFICIENT
15 METHODOLOGY FOR CONNECTING STATE FUNDING TO THOSE INDICATORS.

16 (2) THE TASK FORCE DESCRIBED IN SUBSECTION (1) SHALL CONSIST
17 OF THE FOLLOWING MEMBERS:

18 (A) TWO MEMBERS OF THE MICHIGAN HOUSE OF REPRESENTATIVES. ONE
19 MEMBER SHALL BE DESIGNATED BY THE SPEAKER OF THE HOUSE, AND 1
20 MEMBER SHALL BE DESIGNATED BY THE HOUSE MINORITY LEADER.

21 (B) TWO MEMBERS OF THE MICHIGAN SENATE. ONE MEMBER SHALL BE
22 DESIGNATED BY THE SENATE MAJORITY LEADER, AND 1 MEMBER SHALL BE
23 DESIGNATED BY THE SENATE MINORITY LEADER.

24 (C) ONE REPRESENTATIVE FROM THE DEPARTMENT OF TECHNOLOGY,
25 MANAGEMENT, AND BUDGET, DESIGNATED BY THE STATE BUDGET DIRECTOR.

26 (D) FOUR REPRESENTATIVES OF MICHIGAN PUBLIC COMMUNITY
27 COLLEGES. THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION SHALL

1 DESIGNATE 1 REPRESENTATIVE FROM EACH OF THE 4 GROUPS DESCRIBED IN
 2 THE ACTIVITIES CLASSIFICATION STRUCTURE DATA BOOK PUBLISHED BY THE
 3 WORKFORCE DEVELOPMENT AGENCY.

4 (3) THE TASK FORCE DESCRIBED IN SUBSECTION (1) SHALL SUBMIT A
 5 REPORT CONTAINING ITS FINDINGS AND RECOMMENDATIONS TO THE HOUSE AND
 6 SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE
 7 HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY
 8 JANUARY 15, 2016.

9 Sec. 236. (1) Subject to the conditions set forth in this
 10 article, the amounts listed in this section are appropriated for
 11 higher education for the fiscal year ending September 30, ~~2015,~~
 12 **2016**, from the funds indicated in this section. The following is a
 13 summary of the appropriations in this section:

14 (a) The gross appropriation is ~~\$1,516,496,300.00.~~
 15 **\$1,541,219,200.00**. After deducting total interdepartmental grants
 16 and intradepartmental transfers in the amount of \$0.00, the
 17 adjusted gross appropriation is ~~\$1,516,496,300.00.~~
 18 **\$1,541,219,200.00**.

19 (b) The sources of the adjusted gross appropriation described
 20 in subdivision (a) are as follows:

21 (i) Total federal revenues, \$97,026,400.00.

22 (ii) Total local revenues, \$0.00.

23 (iii) Total private revenues, \$0.00.

24 (iv) Total other state restricted revenues,
 25 ~~\$206,567,900.00.~~**\$205,279,500.00**.

26 (v) State general fund/general purpose money,
 27 ~~\$1,212,902,000.00.~~**\$1,238,913,300.00**.

1 (2) Amounts appropriated for public universities are as
2 follows:

3 (a) The appropriation for Central Michigan University is
4 ~~\$79,115,000.00, \$73,540,100.00 for operations and \$5,574,900.00 for~~
5 ~~performance funding.~~ **\$81,502,900.00, \$79,164,800.00 FOR OPERATIONS**
6 **AND \$2,338,100.00 FOR PERFORMANCE FUNDING.**

7 (b) The appropriation for Eastern Michigan University is
8 ~~\$71,771,100.00, \$67,275,400.00 for operations and \$4,495,700.00 for~~
9 ~~performance funding.~~ **\$73,196,700.00, \$71,782,500.00 FOR OPERATIONS**
10 **AND \$1,414,200.00 FOR PERFORMANCE FUNDING.**

11 (c) The appropriation for Ferris State University is
12 ~~\$49,087,000.00, \$45,636,500.00 for operations and \$3,450,500.00 for~~
13 ~~performance funding.~~ **\$50,606,700.00, \$49,119,100.00 FOR OPERATIONS**
14 **AND \$1,487,600.00 FOR PERFORMANCE FUNDING.**

15 (d) The appropriation for Grand Valley State University is
16 ~~\$63,136,000.00, \$57,823,500.00 for operations and \$5,312,500.00 for~~
17 ~~performance funding.~~ **\$65,680,200.00, \$63,156,500.00 FOR OPERATIONS**
18 **AND \$2,523,700.00 FOR PERFORMANCE FUNDING.**

19 (e) The appropriation for Lake Superior State University is
20 ~~\$12,782,500.00, \$12,231,000.00 for operations and \$551,500.00 for~~
21 ~~performance funding.~~ **\$13,247,300.00, \$12,997,500.00 FOR OPERATIONS**
22 **AND \$249,800.00 FOR PERFORMANCE FUNDING.**

23 (f) The appropriation for Michigan State University is
24 ~~\$324,038,100.00, \$249,597,800.00 for operations, \$14,831,300.00 for~~
25 ~~performance funding, \$32,027,900.00 for MSU AgBioResearch, and~~
26 ~~\$27,581,100.00 for MSU extension.~~ **\$330,391,700.00, \$264,437,900.00**
27 **FOR OPERATIONS, \$5,152,600.00 FOR PERFORMANCE FUNDING,**

1 \$32,668,500.00 FOR MSU AGBIORESEARCH, AND \$28,132,700.00 FOR MSU
2 EXTENSION.

3 (g) The appropriation for Michigan Technological University is
4 ~~\$45,923,100.00, \$43,473,800.00 for operations and \$2,449,300.00 for~~
5 ~~performance funding.~~ \$46,908,000.00, \$45,938,000.00 FOR OPERATIONS
6 AND \$970,000.00 FOR PERFORMANCE FUNDING.

7 (h) The appropriation for Northern Michigan University is
8 ~~\$44,277,200.00, \$41,741,400.00 for operations and \$2,535,800.00 for~~
9 ~~performance funding.~~ \$45,254,400.00, \$44,338,300.00 FOR OPERATIONS
10 AND \$916,100.00 FOR PERFORMANCE FUNDING.

11 (i) The appropriation for Oakland University is
12 ~~\$48,364,100.00, \$45,651,600.00 for operations and \$2,712,500.00 for~~
13 ~~performance funding.~~ \$50,021,000.00, \$48,371,900.00 FOR OPERATIONS
14 AND \$1,649,100.00 FOR PERFORMANCE FUNDING.

15 (j) The appropriation for Saginaw Valley State University is
16 ~~\$27,610,200.00, \$25,991,000.00 for operations and \$1,619,200.00 for~~
17 ~~performance funding.~~ \$28,120,400.00, \$27,621,600.00 FOR OPERATIONS
18 AND \$498,800.00 FOR PERFORMANCE FUNDING.

19 (k) The appropriation for University of Michigan - Ann Arbor
20 is ~~\$295,174,100.00, \$279,232,700.00 for operations and~~
21 ~~\$15,941,400.00 for performance funding.~~ \$300,874,900.00,
22 \$295,178,500.00 FOR OPERATIONS AND \$5,696,400.00 FOR PERFORMANCE
23 FUNDING.

24 (l) The appropriation for University of Michigan - Dearborn is
25 ~~\$23,689,300.00, \$22,510,400.00 for operations and \$1,178,900.00 for~~
26 ~~performance funding.~~ \$24,095,700.00, \$23,701,000.00 FOR OPERATIONS
27 AND \$394,700.00 FOR PERFORMANCE FUNDING.

1 (m) The appropriation for University of Michigan - Flint is
 2 ~~\$21,337,700.00, \$19,938,200.00 for operations and \$1,399,500.00 for~~
 3 ~~performance funding.~~ **\$21,901,700.00, \$21,359,600.00 FOR OPERATIONS**
 4 **AND \$542,100.00 FOR PERFORMANCE FUNDING.**

5 (n) The appropriation for Wayne State University is
 6 ~~\$190,519,800.00, \$183,398,300.00 for operations and \$7,121,500.00~~
 7 ~~for performance funding.~~ **\$191,623,200.00, \$190,529,900.00 FOR**
 8 **OPERATIONS AND \$1,093,300.00 FOR PERFORMANCE FUNDING.**

9 (o) The appropriation for Western Michigan University is
 10 ~~\$102,742,000.00, \$97,279,000.00 for operations and \$5,463,000.00~~
 11 ~~for performance funding.~~ **\$104,633,700.00, \$102,761,100.00 FOR**
 12 **OPERATIONS AND \$1,872,600.00 FOR PERFORMANCE FUNDING.**

13 (3) The amount appropriated in subsection (2) for public
 14 universities is appropriated from the following:

15 (a) State school aid fund, \$200,019,500.00.

16 (b) State general fund/general purpose money,
 17 ~~\$1,199,547,700.00.~~ **\$1,228,039,000.00.**

18 (4) The amount appropriated for Michigan public school
 19 employees' retirement system reimbursement is ~~\$2,446,200.00,~~
 20 **\$5,160,000.00**, appropriated from the state school aid fund.

21 ~~— (5) For fiscal year 2014-2015 only, in addition to the amount~~
 22 ~~appropriated under subsection (4), \$4,002,200.00 is appropriated~~
 23 ~~for Michigan public school employees' retirement system~~
 24 ~~reimbursement, appropriated from the state school aid fund.~~

25 (5) ~~(6)~~ The amount appropriated for state and regional
 26 programs is ~~\$2,295,000.00~~ **\$315,000.00**, appropriated from general
 27 fund/general purpose money and allocated as follows:

1 ~~—— (a) College access program, \$2,000,000.00.~~

2 (A) ~~(b)~~ Higher education database modernization and
3 conversion, \$200,000.00.

4 (B) ~~(c) Midwestern higher education compact,~~ **HIGHER EDUCATION**
5 **COMPACT, \$95,000.00-\$115,000.00.**

6 (6) ~~(7)~~ The amount appropriated for the Martin Luther King,
7 Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,
8 appropriated from general fund/general purpose money and allocated
9 as follows:

10 (a) Select student support services, \$1,956,100.00.

11 (b) Michigan college/university partnership program,
12 \$586,800.00.

13 (c) Morris Hood, Jr. educator development program,
14 \$148,600.00.

15 (7) ~~(8)~~ Subject to subsection ~~(9)~~, **(8)**, the amount
16 appropriated for grants and financial aid is ~~\$105,494,200.00,~~
17 **\$104,994,200.00**, allocated as follows:

18 (a) State competitive scholarships, \$18,361,700.00~~.~~

19 (b) Tuition grants, \$33,532,500.00.

20 (c) Tuition incentive program, \$48,500,000.00.

21 (d) Children of veterans and officer's survivor tuition grant
22 programs, \$1,400,000.00.

23 (e) Project GEAR-UP, \$3,200,000.00.

24 ~~—— (f) North American Indian tuition waivers, \$500,000.00.~~

25 (8) ~~(9)~~ The money appropriated in subsection (8) for grants
26 and financial aid is appropriated from the following:

27 (a) Federal revenues under the United States ~~department of~~

1 ~~education, office of elementary and secondary education, DEPARTMENT~~
2 **OF EDUCATION, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION,** GEAR-UP
3 program, \$3,200,000.00.

4 (b) Federal revenues under the social security act, temporary
5 assistance for needy families, \$93,826,400.00.

6 (c) Contributions to children of veterans tuition grant
7 program, \$100,000.00.

8 (d) State general fund/general purpose money,
9 ~~\$8,367,800.00.~~ **\$7,867,800.00.**

10 Sec. 236a. It is the intent of the legislature to provide
11 appropriations for the fiscal year ending on September 30, ~~2016~~
12 **2017** for the items listed in section 236. The fiscal year ~~2015-2016~~
13 **2016-2017** appropriations are anticipated to be the same as those
14 for fiscal year ~~2014-2015,~~ **2015-2016,** except that the amounts will
15 be adjusted for changes in caseload and related costs, federal fund
16 match rates, economic factors, and available revenue. These
17 adjustments will be determined after the January ~~2015-2016~~
18 consensus revenue estimating conference.

19 Sec. 236b. In addition to the funds appropriated in section
20 236, there is appropriated for grants and financial aid in fiscal
21 year ~~2014-2015-2015-2016~~ an amount not to exceed \$6,000,000.00 for
22 federal contingency funds. These funds are not available for
23 expenditure until they have been transferred under section 393(2)
24 of the management and budget act, 1984 PA 431, MCL 18.1393, for
25 another purpose under this article.

26 Sec. 236c. In addition to the funds appropriated for fiscal
27 year ~~2014-2015-2015-2016~~ in section 236, appropriations to the

1 department of technology, management, and budget in the act
2 providing general appropriations for fiscal year ~~2014-2015-2015-~~
3 **2016** for state building authority rent, totaling an estimated
4 ~~\$124,825,300.00,~~ **\$135,995,300.00**, provide funding for the state
5 share of costs for previously constructed capital projects for
6 state universities. These appropriations for state building
7 authority rent represent additional state general fund support
8 provided to public universities, and the following is an estimate
9 of the amount of that support to each university:

10 (a) Central Michigan University, ~~\$9,103,200.00.~~ **\$9,551,800.00.**

11 (b) Eastern Michigan University, ~~\$4,861,700.00.~~ **\$4,860,900.00.**

12 (c) Ferris State University, ~~\$6,252,200.00.~~ **\$6,251,200.00.**

13 (d) Grand Valley State University,

14 ~~\$4,252,500.00.~~ **\$6,952,300.00.**

15 (e) Lake Superior State University,

16 ~~\$1,112,900.00.~~ **\$1,720,300.00.**

17 (f) Michigan State University, ~~\$16,101,200.00.~~ **\$16,549,200.00.**

18 (g) Michigan Technological University,

19 ~~\$7,444,600.00.~~ **\$7,443,400.00.**

20 (h) Northern Michigan University, ~~\$8,016,400.00.~~ **\$9,706,200.00.**

21 (i) Oakland University, ~~\$10,969,800.00.~~ **\$12,993,400.00.**

22 (j) Saginaw Valley State University,

23 ~~\$9,777,400.00.~~ **\$9,865,800.00.**

24 (k) University of Michigan - Ann Arbor,

25 ~~\$9,159,200.00.~~ **\$9,607,800.00.**

26 (l) University of Michigan - Dearborn,

27 ~~\$6,296,200.00.~~ **\$6,745,200.00.**

1 (m) University of Michigan - Flint,
2 ~~\$2,855,000.00.~~ **\$3,104,000.00.**

3 (n) Wayne State University, ~~\$13,679,800.00.~~ **\$15,703,000.00.**

4 (o) Western Michigan University,
5 ~~\$14,943,200.00.~~ **\$14,940,800.00.**

6 Sec. 241. (1) Subject to ~~section~~ **SECTIONS 244 AND** 265a, the
7 funds appropriated in section 236 to public universities shall be
8 paid out of the state treasury and distributed by the state
9 treasurer to the respective institutions in 11 equal monthly
10 installments on the sixteenth of each month, or the next succeeding
11 business day, beginning with October 16, ~~2014.~~ **2015.** Except for
12 Wayne State University, each institution shall accrue its July and
13 August ~~2015-2016~~ payments to its institutional fiscal year ending
14 June 30, ~~2015.~~ **2016.**

15 (2) All public universities shall submit higher education
16 institutional data inventory (HEIDI) data and associated financial
17 and program information requested by and in a manner prescribed by
18 the state budget director. For public universities with fiscal
19 years ending June 30, ~~2014,~~ **2015,** these data shall be submitted to
20 the state budget director by October 15, ~~2014.~~ **2015.** Public
21 universities with a fiscal year ending September 30, ~~2014-2015~~
22 shall submit preliminary HEIDI data by November 15, ~~2014-2015~~ and
23 final data by December 15, ~~2014.~~ **2015.** If a public university fails
24 to submit HEIDI data and associated financial aid program
25 information in accordance with this reporting schedule, the state
26 treasurer may withhold the monthly installments under subsection
27 (1) to the public university until those data are submitted.

1 Sec. 244. A public university receiving funds in section 236
2 shall cooperate with all measures taken by the state to develop,
3 operate, and maintain the statewide P-20 longitudinal data system
4 described in section 94a. If the state budget director finds that a
5 university has not complied with this section, the state budget
6 director is authorized to withhold the monthly installments
7 provided to that university under section ~~236-241~~ until he or she
8 finds the university has complied with this section.

9 Sec. 246. (1) **ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF**
10 **THE FISCAL YEAR 2015-2016 APPROPRIATIONS DESCRIBED IN SECTION**
11 **236(4) FOR PAYMENTS TO UNIVERSITIES THAT ARE PARTICIPATING ENTITIES**
12 **OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM:**

13 **(A)** The funds appropriated in section ~~236-236(4)~~ for Michigan
14 public school employees' retirement system reimbursement shall be
15 allocated to each participating public university under this
16 section based on each participating public university's percentage
17 of the total combined payrolls of the universities' employees who
18 are members of the retirement system and who were hired before
19 January 1, 1996 and the universities' employees who would have been
20 members of the retirement system on or after January 1, 1996, but
21 for the enactment of 1995 PA 272 for all public universities that
22 are participating public universities for the immediately preceding
23 state fiscal year.

24 **(B) THE AMOUNT OF A PAYMENT UNDER SECTION 236(4) SHALL BE**
25 **EQUAL TO THE DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED**
26 **LIABILITY CONTRIBUTION RATE FOR UNIVERSITY REPORTING UNITS AS**
27 **CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES**

1 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AS CALCULATED
2 WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 25.73%
3 INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT
4 ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE MAXIMUM EMPLOYER
5 RATE FOR UNIVERSITY REPORTING UNITS OF 25.73% UNDER SECTION 41 OF
6 THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300,
7 MCL 38.1341. Payments shall be made in a form and manner determined
8 by the office of retirement services.

9 (C) A public university that receives money under ~~this section~~
10 236(4) shall use that money solely for the purpose of ~~offsetting a~~
11 ~~portion of the retirement contributions owed by the university.~~
12 EACH PARTICIPATING UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION
13 236(4) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT RECEIVED UNDER
14 SECTION 236(4) TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT
15 SYSTEM IN A FORM AND MANNER DETERMINED BY THE OFFICE OF RETIREMENT
16 SERVICES.

17 (2) As used in this section, "participating public university"
18 means a public university that is a reporting unit of the Michigan
19 public school employees' retirement system under the public school
20 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
21 ~~38.1408,~~ 38.1437, and that pays contributions to the Michigan
22 public school employees' retirement system for the state fiscal
23 year.

24 Sec. 252. (1) The amounts appropriated in section 236 for the
25 state tuition grant program shall be distributed pursuant to 1966
26 PA 313, MCL 390.991 to 390.997a.

27 (2) Tuition grant awards shall be made to all eligible

1 Michigan residents enrolled in undergraduate degree programs who
2 are qualified and who apply before July 1 of each year for the next
3 academic year.

4 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
5 subject to subsections (7) and (8), the department of treasury
6 shall determine an actual maximum tuition grant award per student,
7 which shall be no less than \$1,512.00, that ensures that the
8 aggregate payments for the tuition grant program do not exceed the
9 appropriation contained in section 236 for the state tuition grant
10 program. If the department determines that insufficient funds are
11 available to establish a maximum award amount equal to at least
12 \$1,512.00, the department shall immediately report to the house and
13 senate appropriations subcommittees on higher education, the house
14 and senate fiscal agencies, and the state budget director regarding
15 the estimated amount of additional funds necessary to establish a
16 \$1,512.00 maximum award amount. If the department determines that
17 sufficient funds are available to establish a maximum award amount
18 equal to at least \$1,512.00, the department shall immediately
19 report to the house and senate appropriations subcommittees on
20 higher education, the house and senate fiscal agencies, and the
21 state budget director regarding the maximum award amount
22 established and the projected amount of any projected year-end
23 appropriation balance based on that maximum award amount. By
24 December 15, and again by February 18 of each fiscal year, the
25 department shall analyze the status of award commitments, shall
26 make any necessary adjustments, and shall confirm that those award
27 commitments will not exceed the appropriation contained in section

1 236 for the tuition grant program. The determination and actions
2 shall be reported to the state budget director and the house and
3 senate fiscal agencies no later than the final day of February of
4 each year. If award adjustments are necessary, the students shall
5 be notified of the adjustment by March 4 of each year.

6 (4) Any unexpended and unencumbered funds remaining on
7 September 30, ~~2015-2016~~ from the amounts appropriated in section
8 236 for the tuition grant program for fiscal year ~~2014-2015-2015-~~
9 ~~2016~~ shall not lapse on September 30, ~~2015,~~~~2016~~, but shall
10 continue to be available for expenditure for tuition grants
11 provided in the ~~2015-2016-2016-2017~~ fiscal year under a work
12 project account. The use of these unexpended fiscal year ~~2014-2015-~~
13 ~~2015-2016~~ funds shall terminate at the end of the ~~2015-2016-2016-~~
14 ~~2017~~ fiscal year.

15 (5) The department of treasury shall continue a proportional
16 tuition grant maximum award level for recipients enrolled less than
17 full-time in a given semester or term.

18 (6) If the department of treasury increases the maximum award
19 per eligible student from that provided in the previous fiscal
20 year, it shall not have the effect of reducing the number of
21 eligible students receiving awards in relation to the total number
22 of eligible applicants. Any increase in the maximum grant shall be
23 proportional for all eligible students receiving awards for that
24 fiscal year.

25 (7) Except as provided in subsection (4), the department of
26 treasury shall not award more than \$3,200,000.00 in tuition grants
27 to eligible students enrolled in the same independent nonprofit

1 college or university in this state. Any decrease in the maximum
2 grant shall be proportional for all eligible students enrolled in
3 that college or university, as determined by the department.

4 (8) The department of treasury shall not award tuition grants
5 to otherwise eligible students enrolled in an independent college
6 or university that does not report, in a form and manner directed
7 by and satisfactory to the department of treasury, by ~~August 31~~
8 **SEPTEMBER 30** of each year, ~~beginning with August 31, 2015,~~ all of
9 the following:

10 (a) The number of students in the most recently completed
11 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state
12 tuition grant **AT THE REPORTING INSTITUTION** and successfully
13 completed a program or graduated.

14 (b) The number of students in the most recently completed
15 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state
16 tuition grant **AT THE REPORTING INSTITUTION** and took a remedial
17 education class.

18 (c) The number of students in the most recently completed
19 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a Pell grant
20 **AT THE REPORTING INSTITUTION** and successfully completed a program
21 or graduated.

22 Sec. 254. The sums appropriated in section 236 for ~~the state~~
23 ~~competitive scholarship, tuition incentive, and tuition grant~~
24 ~~programs~~ **STUDENT FINANCIAL AID PROGRAMS UNDER THIS ARTICLE** shall be
25 paid out of the state treasury and shall be distributed to the
26 respective institutions under a quarterly payment system as
27 follows: 50% shall be paid at the beginning of the state's first

1 fiscal quarter, 30% during the state's second fiscal quarter, 10%
2 during the state's third fiscal quarter, and 10% during the state's
3 fourth fiscal quarter.

4 Sec. 255. The department of treasury shall determine the needs
5 analysis criteria for students to qualify for the ~~state-competitive~~
6 ~~scholarship program and tuition grant program.~~ **STUDENT FINANCIAL**
7 **AID PROGRAMS UNDER THIS ARTICLE.** To be consistent with federal
8 requirements, the department of treasury may take student wages
9 into consideration when determining the amount of the award.

10 Sec. 258. By February 15 of each year, the department of
11 treasury shall post to its publicly available website a report for
12 the preceding fiscal year on all student financial aid programs for
13 which funds are appropriated in **SECTION 201 OR** section 236. For
14 each student financial aid program, the report shall include, but
15 is not limited to, the total number of awards paid in the preceding
16 fiscal year, the total dollar amount of those awards, and the
17 number of students receiving awards and the total amount of those
18 awards at each eligible postsecondary institution. To the extent
19 information is available, the report shall also include information
20 on household income and other demographic characteristics of
21 students receiving awards under each program and historical
22 information on the number of awards and total award amounts for
23 each program.

24 Sec. 263. (1) Included in the appropriation in section 236 for
25 fiscal year ~~2014-2015-2015-2016~~ for MSU AgBioResearch is
26 \$2,982,900.00 and included in the appropriation in section 236 for
27 MSU ~~extension~~-**EXTENSION** is \$2,645,200.00 for ~~project~~-**PROJECT**

1 GREEN. Project GREEN is intended to address critical regulatory,
2 food safety, economic, and environmental problems faced by this
3 state's plant-based agriculture, forestry, and processing
4 industries. "GREEN" is an acronym for generating research and
5 extension to meet environmental and economic needs.

6 (2) The department of agriculture and rural development and
7 Michigan State University, in consultation with agricultural
8 commodity groups and other interested parties, shall develop
9 ~~project~~**PROJECT** GREEN and its program priorities.

10 Sec. 263a. (1) Not later than September 30 of each year,
11 Michigan State University shall submit a report on MSU
12 AgBioResearch and MSU ~~extension~~**EXTENSION** to the house and senate
13 appropriations subcommittees on agriculture and on higher
14 education, the house and senate standing committees on agriculture,
15 the house and senate fiscal agencies, and the state budget director
16 for the preceding academic fiscal year.

17 (2) The report required under subsection (1) shall include all
18 of the following:

19 (a) Total funds expended by MSU AgBioResearch and by MSU
20 ~~extension service~~**EXTENSION** identified by state, local, private,
21 federal, and university fund sources.

22 (b) The metric goals that were used to evaluate the impacts of
23 programs operated by MSU ~~extension~~**EXTENSION** and MSU AgBioResearch.
24 It is the intent of the legislature that the following metric goals
25 will be used to evaluate the impacts of those programs:

26 (i) Increasing the number of agriculture and food-related
27 firms collaborating with and using services of research and

1 extension faculty and staff by 3% per year.

2 (ii) Increasing the number of individuals utilizing MSU
3 ~~extension's~~**EXTENSION'S** educational services by 5% per year.

4 (iii) Increasing external funds generated in support of
5 research and extension, beyond state appropriations, by 10% over
6 the amounts generated in the past 3 state fiscal years.

7 (iv) Increasing the sector's total economic impact ~~from~~
8 ~~today's \$71,000,000,000.00~~ to **AT LEAST** \$100,000,000,000.00.

9 (v) ~~Doubling~~**INCREASING** Michigan's agricultural exports ~~from~~
10 ~~\$1,750,000,000.00~~ to **AT LEAST** \$3,500,000,000.00.

11 (vi) Increasing jobs in the food and agriculture sector by
12 10%.

13 (vii) Improving access by Michigan consumers to healthy foods
14 by 20%.

15 (c) A review of major programs within both MSU AgBioResearch
16 and MSU ~~extension~~**EXTENSION** with specific reference to
17 accomplishments, impacts, and the metrics described in subdivision
18 (b), including a specific accounting of Project GREEN expenditures
19 and the impact of those expenditures.

20 Sec. 264. Included in the appropriation in section 236 for
21 fiscal year ~~2014-2015~~**2015-2016** for Michigan State University is
22 \$80,000.00 for the Michigan ~~future farmers of America association.~~
23 **FUTURE FARMERS OF AMERICA ASSOCIATION**. This \$80,000.00 allocation
24 shall not supplant any existing support that Michigan State
25 University provides to the Michigan ~~future farmers of America~~
26 ~~association.~~**FUTURE FARMERS OF AMERICA ASSOCIATION**.

27 Sec. 265. (1) Payments under section 265a for performance

1 funding shall only be made to a public university that certifies to
2 the state budget director by August 31, ~~2014-2015~~ that its board
3 did not adopt an increase in tuition and fee rates for resident
4 undergraduate students after September 1, ~~2013-2014~~ for the ~~2013-~~
5 ~~2014-2014-2015~~ academic year and that its board will not adopt an
6 increase in tuition and fee rates for resident undergraduate
7 students for the ~~2014-2015-2015-2016~~ academic year that is greater
8 than ~~3.2%-2.8%~~. As used in this subsection:

9 (a) Subject to subdivision (c), "fee" means any board-
10 authorized fee that will be paid by more than 1/2 of all resident
11 undergraduate students at least once during their enrollment at a
12 public university. A university increasing a fee that applies to a
13 specific subset of students or courses shall provide sufficient
14 information to prove that the increase applied to that subset will
15 not cause the increase in the average amount of board-authorized
16 total tuition and fees paid by resident undergraduate students in
17 the ~~2014-2015-2015-2016~~ academic year to exceed the limit
18 established in this subsection.

19 (b) "Tuition and fee rate" means the average of full-time
20 rates for all undergraduate classes, based on an average of the
21 rates authorized by the university board and actually charged to
22 students, deducting any uniformly-rebated or refunded amounts, for
23 the 2 semesters with the highest levels of full-time equated
24 resident undergraduate enrollment during the academic year.

25 (c) For purposes of subdivision (a), for a public university
26 that compels resident undergraduate students to be covered by
27 health insurance as a condition to enroll at the university, "fee"

1 includes the annual amount a student is charged for coverage by the
2 university-affiliated group health insurance policy if he or she
3 does not provide proof that he or she is otherwise covered by
4 health insurance. This subdivision does not apply to limited
5 subsets of resident undergraduate students to be covered by health
6 insurance for specific reasons other than general enrollment at the
7 university.

8 (2) The state budget director shall implement uniform
9 reporting requirements to ensure that a public university receiving
10 a payment under section 265a for performance funding has satisfied
11 the tuition restraint requirements of this section. The state
12 budget director shall have the sole authority to determine if a
13 public university has met the requirements of this section.
14 Information reported by a public university to the state budget
15 director under this subsection shall also be reported to the house
16 and senate appropriations subcommittees on higher education and the
17 house and senate fiscal agencies.

18 Sec. 265a. (1) Appropriations to public universities in
19 section 236 for fiscal year ~~2014-2015~~ **2015-2016** for performance
20 funding shall be paid only to a public university that complies
21 with section 265 and certifies to the state budget director, the
22 house and senate appropriations subcommittees on higher education,
23 and the house and senate fiscal agencies by August 31, ~~2014-2015~~
24 that it complies with all of the following requirements:

25 (a) The university participates in reverse transfer agreements
26 described in section 286 with at least 3 Michigan community
27 colleges or has made a good-faith effort to enter into reverse

1 transfer agreements.

2 (b) The university does not and will not consider whether dual
3 enrollment credits earned by an incoming student were utilized
4 towards his or her high school graduation requirements when making
5 a determination as to whether those credits may be used by the
6 student toward completion of a university degree or certificate
7 program.

8 (c) The university participates in the Michigan ~~transfer~~
9 ~~network~~ **TRANSFER NETWORK** created as part of the Michigan
10 ~~association of collegiate registrars and admissions officers~~
11 **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS**
12 transfer agreement.

13 (2) Any performance funding amounts under section 236 that are
14 not paid to a public university because it did not comply with 1 or
15 more requirements under subsection (1) are unappropriated and
16 reappropriated for performance funding to those public universities
17 that meet the requirements under subsection (1), distributed in
18 proportion to their performance funding appropriation amounts under
19 section 236.

20 (3) The state budget director shall report to the house and
21 senate appropriations subcommittees on higher education and the
22 house and senate fiscal agencies by September ~~17, 2014,~~ **30, 2015,**
23 regarding any performance funding amounts that are not paid to a
24 public university because it did not comply with 1 or more
25 requirements under subsection (1) and any reappropriation of funds
26 under subsection (2).

27 (4) Performance funding amounts described in section 236 are

1 distributed based on the following formula:

2 ~~—— (a) Proportional to each university's share of total~~
 3 ~~operations funding appropriated in fiscal year 2010-2011, 50.0%.~~

4 (A) ~~(b)~~ Based on weighted undergraduate completions in
 5 critical skills areas, ~~11.1%~~ **22.2%**

6 (B) ~~(c)~~ Based on research and development expenditures, for
 7 universities classified in Carnegie classifications as
 8 doctoral/research universities, research universities (high
 9 research activity), or research universities (very high research
 10 activity) only, ~~5.6%~~ **11.1%**.

11 (C) ~~(d)~~ Based on 6-year graduation rate, total degree
 12 completions, and institutional support as a percentage of core
 13 expenditures, and **THE PERCENTAGE OF** students receiving Pell grants,
 14 scored against national Carnegie classification peers and weighted
 15 by total undergraduate fiscal year equated students, ~~33.3%~~ **66.7%**.

16 (5) For purposes of determining the score of a university
 17 under subsection ~~(4)(d)~~, **(4)(C)**, each university is assigned 1 of
 18 the following scores:

19 (a) A university classified as in the top 20%, a score of 3.

20 (b) A university classified as above national median, a score
 21 of 2.

22 (c) A university classified as improving, a score of 2. It is
 23 the intent of the legislature that, beginning in the ~~2015-2016~~
 24 **2016-2017** state fiscal year, a university classified as improving
 25 is assigned a score of 1.

26 (d) A university that is not included in subdivision (a), (b),
 27 or (c), a score of 0.

1 (6) For purposes of this section, "Carnegie classification"
2 shall mean the basic classification of the university according to
3 the most recent version of the Carnegie classification of
4 institutions of higher education, published by the Carnegie
5 ~~foundation for the advancement of teaching.~~ **FOUNDATION FOR THE**
6 **ADVANCEMENT OF TEACHING.**

7 Sec. 267. All public universities shall submit the amount of
8 tuition and fees actually charged to a full-time resident
9 undergraduate student for academic year ~~2014-2015-~~ **2015-2016** as part
10 of their higher education institutional data inventory (HEIDI) data
11 by August 31 of each year. A public university shall report any
12 revisions for any semester of the reported academic year ~~2014-2015-~~
13 **2015-2016** tuition and fee charges to HEIDI within 15 days of being
14 adopted.

15 Sec. 268. ~~(1) For the fiscal year ending September 30, 2014,~~
16 ~~it is the intent of the legislature that funds be allocated for~~
17 ~~unfunded North American Indian tuition waiver costs incurred by~~
18 ~~public universities under 1976 PA 174, MCL 390.1251 to 390.1253,~~
19 ~~from the general fund.~~

20 ~~— (2) Appropriations in section 236(8)(f) for North American~~
21 ~~Indian tuition waivers shall be paid to universities under section~~
22 ~~2a of 1976 PA 174, MCL 390.1252a. Allocations shall be adjusted for~~
23 ~~amounts included in university operations appropriations. If funds~~
24 ~~are insufficient to support the entire cost of waivers, amounts~~
25 ~~shall be prorated.~~

26 (1) ~~(3)~~ By February 15 of each year, the department of civil
27 rights shall annually submit to the state budget director, the

1 house and senate appropriations subcommittees on higher education,
2 and the house and senate fiscal agencies a report on North American
3 Indian tuition waivers for the preceding fiscal year that includes,
4 but is not limited to, all of the following information for each
5 postsecondary institution:

6 (a) The total number of waiver applications.

7 (b) The total number of waivers granted and the monetary value
8 of each waiver.

9 (c) The number of students who withdraw from classes.

10 (d) The number of students who successfully complete a degree
11 or certificate program and the 6-year graduation rate.

12 **(2) A PUBLIC UNIVERSITY THAT RECEIVES FUNDS IN SECTION 236**
13 **SHALL PROVIDE TO THE DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION**
14 **NECESSARY TO PREPARE THE REPORT DESCRIBED IN SUBSECTION (1).**

15 Sec. 269. For fiscal year ~~2014-2015~~, **2015-2016**, from the
16 amount appropriated in section 236 to Central Michigan University
17 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
18 College for the costs of waiving tuition for North American Indians
19 under 1976 PA 174, MCL 390.1251 to 390.1253.

20 Sec. 270. For fiscal year ~~2014-2015~~, **2015-2016**, from the amount
21 appropriated in section 236 to Lake Superior State University for
22 operations, \$100,000.00 shall be paid to Bay Mills Community
23 College for the costs of waiving tuition for North American Indians
24 under 1976 PA 174, MCL 390.1251 to 390.1253.

25 Sec. 274. It is the intent of the legislature that public and
26 private organizations that conduct human embryonic stem cell
27 derivation subject to section 27 of article I of the state

1 constitution of 1963 will provide information to the director of
2 the department of community health by December 1, ~~2014~~2015 that
3 includes all of the following:

4 (a) Documentation that the organization conducting human
5 embryonic stem cell derivation is conducting its activities in
6 compliance with the requirements of section 27 of article I of the
7 state constitution of 1963 and all relevant ~~national institutes of~~
8 ~~health~~**NATIONAL INSTITUTES OF HEALTH** guidelines pertaining to
9 embryonic stem cell derivation.

10 (b) A list of all human embryonic stem cell lines submitted by
11 the organization to the ~~national institutes of health~~**NATIONAL**
12 **INSTITUTES OF HEALTH** for inclusion in the ~~human embryonic stem cell~~
13 ~~registry~~**HUMAN EMBRYONIC STEM CELL REGISTRY** before and during
14 fiscal year ~~2013-2014,~~2014-2015, and the status of each submission
15 as approved, pending approval, or review completed but not yet
16 accepted.

17 (c) Number of human embryonic stem cell lines derived and not
18 submitted for inclusion in the ~~human embryonic stem cell registry,~~
19 **HUMAN EMBRYONIC STEM CELL REGISTRY**, before and during fiscal year
20 ~~2013-2014.~~2014-2015.

21 Sec. 276. (1) Included in the appropriation for fiscal year
22 ~~2014-2015-2015-2016~~ for each public university in section 236 is
23 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
24 future faculty program that is intended to increase the pool of
25 academically or economically disadvantaged candidates pursuing
26 faculty teaching careers in postsecondary education. Preference may
27 not be given to applicants on the basis of race, color, ethnicity,

1 gender, or national origin. Institutions should encourage
2 applications from applicants who would otherwise not adequately be
3 represented in the graduate student and faculty populations. Each
4 public university shall apply the percentage change applicable to
5 every public university in the calculation of appropriations in
6 section 236 to the amount of funds allocated to the future faculty
7 program.

8 (2) The program shall be administered by each public
9 university in a manner prescribed by the workforce development
10 agency. The workforce development agency shall use a good faith
11 effort standard to evaluate whether a fellowship is in default.

12 Sec. 277. (1) Included in the appropriation for fiscal year
13 ~~2014-2015-2015-2016~~ for each public university in section 236 is
14 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
15 college day program that is intended to introduce academically or
16 economically disadvantaged schoolchildren to the potential of a
17 college education. Preference may not be given to participants on
18 the basis of race, color, ethnicity, gender, or national origin.
19 Public universities should encourage participation from those who
20 would otherwise not adequately be represented in the student
21 population.

22 (2) Individual program plans of each public university shall
23 include a budget of equal contributions from this program, the
24 participating public university, the participating school district,
25 and the participating independent degree-granting college. College
26 day funds shall not be expended to cover indirect costs. Not more
27 than 20% of the university match shall be attributable to indirect

1 costs. Each public university shall apply the percentage change
2 applicable to every public university in the calculation of
3 appropriations in section 236 to the amount of funds allocated to
4 the college day program.

5 (3) The program described in this section shall be
6 administered by each public university in a manner prescribed by
7 the workforce development agency.

8 Sec. 278. (1) Included in section 236 for fiscal year ~~2014-~~
9 ~~2015-2015-2016~~ is funding for the Martin Luther King, Jr. - Cesar
10 Chavez - Rosa Parks select student support services program for
11 developing academically or economically disadvantaged student
12 retention programs for 4-year public and independent educational
13 institutions in this state. Preference may not be given to
14 participants on the basis of race, color, ethnicity, gender, or
15 national origin. Institutions should encourage participation from
16 those who would otherwise not adequately be represented in the
17 student population.

18 (2) An award made under this program to any 1 institution
19 shall not be greater than \$150,000.00, and the amount awarded shall
20 be matched on a 70% state, 30% college or university basis.

21 (3) The program described in this section shall be
22 administered by the workforce development agency.

23 Sec. 279. (1) Included in section 236 for fiscal year ~~2014-~~
24 ~~2015-2015-2016~~ is funding for the Martin Luther King, Jr. - Cesar
25 Chavez - Rosa Parks college/university partnership program between
26 4-year public and independent colleges and universities and public
27 community colleges, which is intended to increase the number of

1 academically or economically disadvantaged students who transfer
2 from community colleges into baccalaureate programs. Preference may
3 not be given to participants on the basis of race, color,
4 ethnicity, gender, or national origin. Institutions should
5 encourage participation from those who would otherwise not
6 adequately be represented in the transfer student population.

7 (2) The grants shall be made under the program described in
8 this section to Michigan public and independent colleges and
9 universities. An award to any 1 institution shall not be greater
10 than \$150,000.00, and the amount awarded shall be matched on a 70%
11 state, 30% college or university basis.

12 (3) The program described in this section shall be
13 administered by the workforce development agency.

14 Sec. 280. (1) Included in the appropriation for fiscal year
15 ~~2014-2015-2015-2016~~ for each public university in section 236 is
16 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
17 visiting professors program which is intended to increase the
18 number of instructors in the classroom to provide role models for
19 academically or economically disadvantaged students. Preference may
20 not be given to participants on the basis of race, color,
21 ethnicity, gender, or national origin. Public universities should
22 encourage participation from those who would otherwise not
23 adequately be represented in the student population.

24 (2) The program described in this section shall be
25 administered by the workforce development agency.

26 Sec. 281. (1) Included in the appropriation for fiscal year
27 ~~2014-2015-2015-2016~~ in section 236 is funding under the Martin

1 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
2 Morris Hood, Jr. educator development program which is intended to
3 increase the number of academically or economically disadvantaged
4 students who enroll in and complete K-12 teacher education programs
5 at the baccalaureate level. Preference may not be given to
6 participants on the basis of race, color, ethnicity, gender, or
7 national origin. Institutions should encourage participation from
8 those who would otherwise not adequately be represented in the
9 teacher education student population.

10 (2) The program described in this section shall be
11 administered by each state-approved teacher education institution
12 in a manner prescribed by the workforce development agency.

13 (3) Approved teacher education institutions may and are
14 encouraged to use student support services funding in coordination
15 with the Morris Hood, Jr. funding to achieve the goals of the
16 program described in this section.

17 Enacting section 1. (1) In accordance with section 30 of
18 article IX of the state constitution of 1963, total state spending
19 from state sources on school aid under article I of the state
20 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
21 amended by 2014 PA 196, 2015 PA 5, and this amendatory act for
22 fiscal year 2014-2015 is estimated at \$11,864,647,400.00 and state
23 appropriations for school aid to be paid to local units of
24 government for fiscal year 2014-2015 are estimated at
25 \$11,705,999,600.00. In accordance with section 30 of article IX of
26 the state constitution of 1963, total state spending from state
27 sources on school aid under article I of the state school aid act

1 of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this
2 amendatory act for fiscal year 2015-2016 is estimated at
3 \$12,193,294,700.00 and state appropriations for school aid to be
4 paid to local units of government for fiscal year 2015-2016 are
5 estimated at \$12,032,877,700.00.

6 (2) In accordance with section 30 of article IX of the state
7 constitution of 1963, total state spending from state sources for
8 community colleges for fiscal year 2015-2016 under article II of
9 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to
10 388.1830, as amended by this amendatory act, is estimated at
11 \$393,825,600.00 and the amount of that state spending from state
12 sources to be paid to local units of government for fiscal year
13 2015-2016 is estimated at \$393,825.600.00.

14 (3) In accordance with section 30 of article IX of the state
15 constitution of 1963, total state spending from state sources for
16 higher education for fiscal year 2015-2016 under article III of the
17 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1893,
18 as amended by this amendatory act, is estimated at
19 \$1,444,192,800.00 and the amount of that state spending from state
20 sources to be paid to local units of government for fiscal year
21 2015-2016 is estimated at \$0.00.

22 Enacting section 2. Sections 12, 22c, 22g, 22j, 31b, 32r, 64c,
23 64d, 74a, 99b, 147d, 213, 259, 262a, 272a, 273, and 274a of the
24 state school aid act of 1979, 1979 PA 94, MCL 388.1612, 388.1622c,
25 388.1622g, 388.1622j, 388.1631b, 388.1632r, 388.1664c, 388.1664d,
26 388.1674a, 388.1699b, 388.1747d, 388.1813, 388.1859, 388.1862a,
27 388.1872a, 388.1873, and 388.1874a, are repealed effective October

1 1, 2015.

2 Enacting section 3. (1) Except as otherwise provided in
3 subsection (2), this amendatory act takes effect October 1, 2015.

4 (2) Sections 11, 18a, and 95a of the state school aid act of
5 1979, 1979 PA 94, MCL 388.1611, 388.1618a, and 388.1695a, as
6 amended by this amendatory act, take effect upon enactment of this
7 amendatory act.