

Act No. 227
Public Acts of 2018
Approved by the Governor
June 26, 2018
Filed with the Secretary of State
June 27, 2018
EFFECTIVE DATE: June 27, 2018

**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Senators Hildenbrand, Booher, Green, Hansen, Horn, Jones, Knollenberg, Kowall, MacGregor, Marleau, Meekhof, Nofs, O'Brien, Proos, Rocca, Schmidt, Warren, Young, Zorn and Bieda

ENROLLED SENATE BILL No. 941

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending section 2 (MCL 388.1602), as amended by 2011 PA 62, and by adding article V.

The People of the State of Michigan enact:

Sec. 2. As used in this article, article IV, and article V, the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

ARTICLE V

Sec. 297. (1) For the fiscal year ending September 30, 2018, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$100,000,000.00 from the talent investment fund created under section 8a of the higher education loan authority act, 1975 PA 222, MCL 390.1158a.

(2) The funds appropriated under this section for 2017-2018 are a work project appropriation, and any unexpended funds for 2017-2018 are carried forward into 2018-2019. The purpose of the work project is to improve this state's talent pool by training citizens for high-demand career fields, providing educational supports, expanding career exploration opportunities, and supporting innovative teachers and curriculum. The estimated completion date of the work project is September 30, 2022.

(3) Grants awarded under this article with funds appropriated under this section are subject to section 297j.

(4) This article shall be known and may be cited as the "Marshall Plan for Talent".

Sec. 297a. (1) From the appropriation in section 297, there is allocated for 2017-2018 an amount not to exceed \$36,485,000.00 for the expansion of K-12 education programs that focus on creating competencies and earning credentials in high-demand fields.

(2) Subject to section 297k, from the allocation in subsection (1), there is allocated an amount not to exceed \$29,935,000.00 for competitive grants to districts and intermediate districts that are members of and apply on behalf of a talent consortium, in a form and manner prescribed by the department under section 297i for the purpose of expanding or creating pupil experiences that result in competencies or credentials, or both, in high-demand fields. An application for a grant under this subsection must include a commitment to adopt the principles of a competency-based instructional model.

(3) Funds received under this section shall be used by members of the talent consortium for any of the following:

(a) Stipends for industry mentors to assist in teaching classes in high-demand fields.

(b) Testing or project fees on behalf of pupils for the purpose of earning credentials in high-demand fields.

(c) Professional development for teachers who improve their capacity to teach high-demand skills. Grants awarded for this purpose shall not exceed \$5,000.00 per teacher.

(d) The hiring of full-time staff to create or expand a program in a high-demand field. In order to use funds for this purpose, the applicant must commit to continuing to provide the program for at least an additional 3 years following the final disbursement of funds. The total amount of grants awarded for the purpose under this subdivision must not exceed \$7,000,000.00. An applicant shall not receive more than 1 grant for the purposes under this subdivision.

(e) The creation of new curriculum, which may include, but is not limited to, professional development, materials, lesson plans, pupil projects, and other items needed in a high-demand field that lacks sufficient curricula, as determined by the department. A curriculum created using funds allocated under this section must meet all of the following:

(i) Is made open-source to other districts across this state, to the extent practicable.

(ii) Is developed with the direct and meaningful input of at least 1 employer who is party to a talent consortium.

(iii) Utilizes the principles of competency-based learning.

(iv) Leads to a credential.

(f) To assist certificated teachers to earn new endorsements in areas of high-demand critical shortage through a competency-based residency model. Grants awarded for the purposes under this subdivision must not exceed \$8,000.00 per teacher and must be used to pay the costs of a teacher's participation in a teacher preparation program that collaborates with the department to develop endorsement programs that cost no more than \$8,000.00 for a teacher or a district and that assess a teacher's mastery of standards in a competency-based model.

(4) At least \$2,000,000.00 of the funds appropriated under subsection (1) must be used for competitive grants to districts that are members of a talent consortium and that seek to convert an entire school or district to a competency-based learning model. Applications under this section must include all of the following:

(a) An educational model that allows the use of multiple and innovative methods to determine pupils' achievement of grade-level competencies and credit under the Michigan merit curriculum.

(b) Curriculum that allows for a majority of instructional time to be spent on pupil-driven projects that target academic skills and assist pupils in achieving 21st century skills such as leadership, teamwork, problem solving, and communication.

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

(d) A plan for the transition away from a grade-level system of pupil promotion to a competency-based system of pupil promotion. This plan must include messaging to parents describing the benefits of, and steps taken to implement, a competency-based instructional model.

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

(f) A commitment to maintain participation in statewide assessment and accountability systems for pupils being served by programs funded under this section.

(g) A description of how the applicant will be an ambassador for competency-based learning, including a commitment to mentor other districts that wish to convert to a competency-based instructional model.

(5) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed \$1,100,000.00 to the department of technology, management, and budget to support critical cybersecurity training and infrastructure programs, as approved by this state's information technology governance council. Funding allocated under this subsection must be used to expand the Michigan high school cyber challenge program, as approved by the department of technology, management, and budget. The expansion must include, but is not limited to, both of the following:

(a) An open professional credentialing or micro-credentialing process, or both, for any pupil in grades 9 to 12 who demonstrates mastery of industry-recognized cybersecurity skills.

(b) Collaboration with other cybersecurity programs to ensure alignment of coach, mentor, and educator skills.

(6) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed \$450,000.00 to the department for statewide supports for competency-based learning, including, but not limited to, the necessary capacity-building infrastructure, tools, transcripts, and reporting mechanisms to support the implementation of competency-based education models in districts and consortia of districts receiving funding under subsection (4) with the goal of offering these tools statewide.

(7) From the funds allocated in subsection (1), there is allocated an amount not to exceed \$1,000,000.00 to the department for providing technical assistance to districts to help districts integrate the Michigan merit curriculum into competency-based programs, including career and technical education programs.

(8) From the funds allocated in subsection (1), there is allocated for 2017-2018 an amount not to exceed \$4,000,000.00 for an innovative educator program. Funds shall be used to support educators who possess specialized skills and use those skills to deploy innovative instructional programs for the purposes of replication, expansion, and dissemination across this state. All of the following apply to the innovative educator program:

(a) Beginning in the 2017-2018 school year, the department shall develop a process for selecting innovative educators under this section.

(b) The governing body of each district may nominate 1 educator to the intermediate district in which the district is located for appointment to the innovative educator corps, according to the timelines established by the department. An individual must meet all of the following to be nominated under this subdivision:

(i) Have demonstrated documented pupil academic achievement in the innovative program or the creation of pupil talent portfolios in high-demand fields.

(ii) Be recommended by, at least, peers, pupils, administrators, parents, and local community partners.

(iii) Have demonstrated successful implementation of innovative instructional methodology in preparing pupils for 21st century careers.

(iv) Exemplify the passion, energy, and professionalism of the teaching profession.

(c) Not later than December 1 of each year, depending on availability of funds, the department shall review the nominations submitted under subdivision (b) and select up to 100 educators from the submitted nominations for appointment to the innovative educator corps for a term of 3 years. The department shall select educators based on at least both of the following criteria:

(i) Preference for educators with demonstrated community, higher education, or business partnerships.

(ii) Preference for educators who utilize a competency-based instructional model, utilize a project-based instructional model, have had success in the turnaround of a low-performing school, or have had success in a balanced or year-round calendar.

(d) If sufficient funding is available, each of the educators selected by the department to serve in the innovative educator corps under subdivision (c) shall receive a stipend in the amount of \$5,000.00 per year for up to 3 years. At least 1 time per year, the department shall review the qualification of educators to ensure the eligibility requirements, and other requirements established by the department, are still being met. If sufficient funding is available, an additional \$5,000.00 per educator will be awarded annually to the intermediate district for purposes of replication, expansion, and dissemination of the innovative strategies and program. The selected educator shall develop a plan with the intermediate district that details how the funds will be spent to support the duties of the selected educator under this subsection. These funds may be used to cover costs, including, but not limited to, the following:

(i) Pupil and educator travel.

(ii) Substitute educators.

(iii) Program materials.

(iv) Training materials.

(v) Pupil supplies and materials.

(9) The superintendent of public instruction shall promulgate rules to implement this section.

Sec. 297b. (1) From the appropriation in section 297, there is allocated for 2017-2018 an amount not to exceed \$18,500,000.00 for competitive grants to districts and intermediate districts for the talent equipment program described in this section. Grants awarded under this section are subject to section 297k.

(2) A district or intermediate district that is a member of a talent consortium is eligible to apply for a grant under this section, in a form and manner prescribed by the department under section 297i.

(3) Grant funds awarded under this section must be used to purchase or lease equipment for use in educational programs that build a more qualified and skilled workforce in emerging and high-demand fields and result in competencies or credentials in those fields.

(4) An application for a grant under this section must include a commitment to provide matching funds of at least 25% of the amount of the grant award and include a description of how the proposed capital infrastructure initiative will align with the talent agreement defined in section 297h and provide increased career opportunities for pupils and adult learners in high-demand fields. Matching funds required under this subsection may be in-kind.

Sec. 297c. (1) From the appropriation in section 297, there is allocated for 2017-2018 an amount not to exceed \$25,500,000.00 for the Michigan talent pledge scholarship program administered by the department of treasury.

(2) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed \$20,000,000.00 to be used for the purpose of assisting low-income individuals with the cost of obtaining a qualifying degree or credential

in high-demand fields. The funds must be used to fund scholarships and stipends for 3 cohorts of eligible individuals over 4 years. Awards shall be in the following amounts:

(a) \$750.00 scholarship award for individuals enrolled in an eligible program that leads to a 1-year credential, in addition to a \$250.00 stipend paid to the individual.

(b) \$500.00 scholarship award each year for 2 years for individuals enrolled in an eligible program that leads to a 2-year credential, in addition to a \$250.00 stipend each year paid to the individual.

(3) To be eligible for a scholarship grant under this section, an individual shall meet all of the following:

(a) Except for an individual under the age of 18, possess a high school diploma, recognized equivalency, or recognized equivalency certificate.

(b) Be a resident of this state and a citizen of the United States of America.

(c) File the free application for federal student aid (FAFSA), annually.

(d) Meet the same income qualification requirements as the Healthy Michigan plan under section 107 of the social welfare act, 1939 PA 280, MCL 400.107, at the time of application.

(e) Be enrolled full-time in a qualifying program at an eligible postsecondary institution.

(f) Apply for a grant in a form and manner prescribed by the department of treasury.

(g) Maintain a cumulative grade point average of at least 2.5, if the institution utilizes a standard grading model, or, if the institution utilizes a competency-based grading model during his or her time enrolled in an eligible postsecondary institution, make sufficient progress through the curriculum to complete the program.

(h) Is between the ages of 16 and 45 at the time of application.

(4) A postsecondary institution is eligible under this section if the postsecondary institution is a public or private nonprofit college or university, junior college, community college, or private training provider that grants degrees or certificates and is located in this state and provides proof, in a form and manner prescribed by the department of treasury, in cooperation with the department of talent and economic development, that it has implemented a talent guarantee for the relevant qualifying program under subsection (5). For the purposes of this subsection, "talent guarantee" means a process by which the institution will provide relevant training in the relevant field at no cost to a graduate who successfully completes a qualifying program under subsection (5), if the graduate is unable to find or keep a job in the relevant field at a relevant level due to a lack of technical skills. Institutions are encouraged to work with their local Michigan works agencies to implement this guarantee.

(5) A program must meet all of the following to be a qualifying program under this section:

(a) Completion of the program must result in a credential in a qualifying high-demand field.

(b) The program is intended to be completed in no more than 1 year for an award under subsection (2)(a), or no more than 2 years for an award under subsection (2)(b).

(c) The program utilizes a competency-based instructional model.

(6) The department of treasury shall develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(7) The department of treasury shall provide payment on behalf of an individual eligible under subsection (3) for the scholarship award amounts described in subsection (2)(a) and (b). The department of treasury shall reimburse the eligible postsecondary institution no later than 30 days after the start of the fiscal year. Subject to subsection (8), the department of treasury shall only accept standard per-credit hour tuition billings and shall reject billings that are excessive or outside of the guidelines for the type of educational institution. For the stipend amounts under subsection (2)(a) and (b), the department of treasury shall collaborate with eligible postsecondary institutions to ensure that a prorated amount of the stipend is forwarded to the student following each regular meeting with a coach, mentor, or counselor as an incentive for the student to meet with the coach, mentor, or counselor.

(8) For the department of treasury to pay a scholarship award on behalf of an individual eligible under subsection (3), at least 1 of the following must apply:

(a) For individuals enrolled at a community college in this state, the individual is charged the current in-district tuition and mandatory fees.

(b) For individuals enrolled at a public university in this state, the individual is charged the lower division resident tuition and mandatory fees for the current year.

(c) For individuals enrolled at an independent, nonprofit degree-granting college or university in this state or a federal tribally controlled community college in this state, the mandatory fees and per-credit payment charged to the individual do not exceed the average community college in-district per-credit tuition rate as reported on August 1 of the immediately preceding academic year.

(9) The department of treasury shall collaborate with the center to use the P-20 longitudinal data system to report the number of students who are engaged in and have completed a program using an award granted under this section.

(10) From the funds allocated under subsection (1), there is allocated for 2017-2018 an amount not to exceed \$2,440,000.00 for grants to community colleges, universities, or private nonprofit colleges for the purpose of providing coaches to students who receive scholarship awards under this section. The coaches funded under this subsection shall provide intense mentoring and advising to recipients of scholarships under this section, focusing on ensuring that students complete programs for which they receive scholarships under this section. Grants awarded under this subsection must be made to eligible postsecondary institutions in the amount not to exceed \$40,000.00 per coach.

(11) From the funds allocated under subsection (1), there is an amount allocated for 2017-2018 not to exceed \$2,300,000.00 to be used for grants to districts for stipends for students and bonus payments to districts that are parties to a talent consortium and whose students successfully earn an in-demand workforce certificate in a high-demand field. For the purposes of funding under this subsection, a workforce certificate must, as determined by the department of talent and economic development, be entry-level or above, recognized by statewide industry, and in a high-demand, high-salary, high-upward mobility career. Grants awarded under this subsection must be in the amount of \$500.00 per student who successfully completes an in-demand credential in a high-demand field in calendar year 2019 or 2020. A grant awarded under this subsection shall be distributed in an amount of \$250.00 to the student and in an amount of \$250.00 to the district. A district seeking a grant under this subsection shall apply in a form and manner prescribed by the department of treasury. An application for a grant under this subsection must describe the credentials that students will earn using funds awarded under this subsection. The department of treasury shall work with the department of talent and economic development to award grants under this subsection and notify applicants of the decision to award a grant not later than 30 days after receiving an application.

(12) The following do not qualify as in-demand credentials in a high-demand field for the purposes of subsection (11):

(a) A high school diploma or equivalent.

(b) An advanced placement test other than physics c: electricity and magnetism, physics c: mechanics, computer science a, or computer science principles.

(13) From the funds allocated in subsection (1), there is an amount allocated not to exceed \$760,000.00 to the department of treasury for costs related to the administration of this section.

Sec. 297d. (1) From the appropriation in section 297, there is allocated for 2017-2018 an amount not to exceed \$14,500,000.00 for competitive grants to districts and intermediate districts that are members of a talent consortium for the Michigan career development navigator program to increase the number of college- and career-ready pupils with an emphasis on increasing the number of citizens working in high-demand fields. A district or intermediate district that is a member of a talent consortium is eligible to apply for a grant under this section, in a form and manner prescribed by the department under section 297i. Grants awarded under this section are subject to section 297k.

(2) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed \$10,500,000.00 for competitive grants to districts and intermediate districts that are members of a talent consortium to hire additional staff for the purposes described in this section. Districts and intermediate districts that use grant funds awarded under this subsection to hire staff for newly created positions shall commit to retain the positions for at least 2 years after the end of the 3-year grant period. Grant funds awarded under this section must not be used to supplant existing counseling services within a district or intermediate district.

(3) From the allocation in subsection (1), there is allocated to the department of talent and economic development for 2017-2018 an amount not to exceed \$4,000,000.00 for the expansion of a web-based career preparation platform.

(4) A recipient of a grant under this section shall use staff hired with funds under this section for career counseling activities such as the creation of robust education development plans, the creation of talent portfolios for pupils, identifying work-based learning opportunities, and identifying career exploration activities such as internships, apprenticeships, and job shadows.

Sec. 297e. (1) From the appropriation in section 297, there is allocated for 2017-2018 an amount not to exceed \$3,515,000.00 to the department of talent and economic development for a statewide talent marketing strategy.

(2) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed \$2,765,000.00 for a talent marketing campaign designed to increase the number of individuals in this state entering high-demand fields, recruit new and experienced professionals in high-demand fields to this state, and retain current graduates in high-demand fields.

(3) From the allocation under subsection (1), there is allocated for 2017-2018 an amount not to exceed \$750,000.00 for an expansion of the existing Going pro campaign.

Sec. 297g. From the allocation in section 297, there is allocated for 2017-2018 an amount not to exceed \$1,500,000.00 to the department for costs associated with the administration of this article.

Sec. 297h. As used in this article:

(a) “Competency-based education” and “competency-based instructional model” mean an approach to teaching and pupil learning where pupils are evaluated on individual competencies, and only when they master them, they move on

to more advanced competencies. For the purposes of this article, competency-based instructional programs must meet at least all of the following:

(i) The majority of instructional time is spent on pupil-driven projects in multiple subject areas as well as 21st century skills such as leadership, teamwork, problem solving, and communication. Instructional time may take place outside of the traditional school calendar.

(ii) Includes an innovative partnership with employers or postsecondary institutions, or both, as appropriate, to provide contextualized learning opportunities that emphasize attainment of competencies that include application and creation of knowledge along with the development of work-ready skills.

(iii) Includes the use of multiple and innovative methods to determine pupil achievement of competencies in a subject area or combined subject areas such as public presentations, submission of research papers, attaining marketable workforce credentials, and mentoring other pupils.

(b) "Credential" means proof of competency in a high-demand, high-salary, and high-upward mobility field or any other designation determined to be in high demand. A credential must be stackable, which means that it can lead to a more advanced recognized credential. A high school diploma is not a credential.

(c) "High-demand field" means professional trades, manufacturing, engineering, information technology and computer science, machine learning and artificial intelligence, mobility, health care, and business.

(d) "Talent agreement" means an agreement that is signed by the members of a talent consortium and is approved by the department of talent and economic development and the department. A talent agreement must include at least all of the following:

(i) A description of how the members will create a seamless, competency-based education model that results in pupils acquiring high-demand skills and credentials.

(ii) A formalized process by which the talent consortium will periodically review and update employer needs and which skills and credentials are in demand, including, but not limited to, a 2-, 5-, and 20-year talent skills projection.

(iii) A detailed plan on how curriculum and instruction will be changed to address the changing employer and talent skills needs.

(iv) If a postsecondary institution is a member of a talent consortium, how the postsecondary institution will reduce barriers as pupils transition through phases of their education from K-12 education to postsecondary education and into the workforce. These efforts may include, but are not limited to, the following:

(A) Dual enrollment practices.

(B) The acceptance of talent portfolios for college admissions.

(C) Work-based learning and internships.

(D) The creation of career pathways beginning in middle school and high school.

(E) In-classroom mentoring or career counseling.

(F) Prehiring agreements in which employers promise to hire graduates of a program.

(v) How any grant dollars received will further the goals of the consortium.

(vi) How members will continue to collaborate after a grant is awarded.

(e) "Talent consortium" means a consortium of entities that enter into a talent agreement for the purposes of funding under this article. A talent consortium must include at least 1 district or intermediate district and at least 2 employers or organizations representing employers. However, a talent consortium with only 1 district that is a tier 3 district is not required to include more than 1 employer or organization representing employers. A talent consortium may include a private training provider that grants degrees or certificates and is located in this state, community colleges, colleges, or universities. A talent consortium is not bound by size or geographic locations in this state.

(f) "Tier 1 district" means a district with a pupil membership in 2017-2018 of at least 3,800.

(g) "Tier 2 district" means a district with a pupil membership in 2017-2018 of at least 1,400 but less than 3,800.

(h) "Tier 3 district" means a district with a pupil membership in 2017-2018 of less than 1,400.

Sec. 297i. (1) The department, in consultation with the department of talent and economic development, shall develop a consolidated grant application for grants under sections 297a, 297b, and 297d. The department, in consultation with the department of talent and economic development, may develop additional consolidated applications for grants under this article. A consolidated application developed under this subsection must require an applicant to identify the grant or grants for which the applicant is applying and the amount of the award the applicant is requesting for each grant.

(2) The department shall begin accepting consolidated applications for grants under this article not later than March 31, 2019.

(3) Not later than June 1, 2019, the department, in consultation with the department of talent and economic development, shall award at least 50% of the funds allocated under sections 297a, 297b, and 297d.

Sec. 297j. (1) A tier 1 district may apply for grant funding under this article in an amount not to exceed \$500,000.00. A tier 2 district may apply for grant funding under this article in an amount not to exceed \$300,000.00. A tier 3 district may apply for grant funding under this article in an amount not to exceed \$200,000.00.

(2) A district may apply for a grant under this article with 1 or more other districts. The sum of the pupil memberships of the districts applying for a combined grant must be used to determine the tier level for grant allocation, and each district in the combined grant application is eligible for that tier amount.

(3) An intermediate district may apply for a grant under this article for its own program, or on behalf of 1 or more of its constituent districts. If an intermediate district applies for a grant under this article on behalf of 1 or more of its constituent districts, the sum of the pupil memberships of the constituent districts in the grant application shall determine the tier level for grant allocation for each constituent district included in the application. An intermediate district that applies for a grant for its own program is considered a tier 1 district.

Sec. 297k. (1) The department shall ensure that grant funds awarded under sections 297a, 297b, and 297d are awarded as follows:

- (a) 50% to tier 1 districts.
- (b) 30% to tier 2 districts.
- (c) 20% to tier 3 districts.

(2) If a district from 1 tier applies for a grant with 1 or more other districts in a combined application, or if an intermediate district submits a grant application on behalf of more than 1 of its constituent districts, and the combined application results in a district from 1 tier receiving a grant award that is higher than if a combined application had not been submitted, the portion of the grant award that exceeds what the district would have received in the absence of a combined application must be applied to the tier percentages under subsection (1) in the same proportion that the pupil membership of that district represents of the total pupil memberships in the combined grant application.

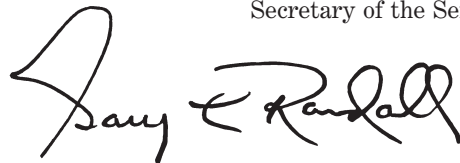
Sec. 297l. Each recipient of a grant under this article shall provide a report to the department not later than June 30, 2020 that identifies the amount of the grant received, how the grant was spent, the number of pupils reached with grant funds, and other information as required by the department.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article V of the state school aid act of 1979, 1979 PA 94, MCL 388.1897 to 388.1897n, as added by this amendatory act for fiscal year 2017-2018 is estimated at \$100,000,000.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at \$61,235,000.00.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

.....
Governor