

**SUBSTITUTE FOR  
SENATE BILL NO. 664**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 6, 21f, 101, and 163 (MCL 388.1606, 388.1621f,  
388.1701, and 388.1763), sections 6, 21f, and 101 as amended by  
2021 PA 48 and section 163 as amended by 2021 PA 15.

**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



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

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

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

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



1 day of full-time equated pupils in grades K to 12 actually enrolled  
2 and in regular daily attendance in the district, public school  
3 academy, or intermediate district for the immediately preceding  
4 school year. A district's, public school academy's, or intermediate  
5 district's membership is adjusted as provided under section 25e for  
6 pupils who enroll after the pupil membership count day in a strict  
7 discipline academy operating under sections 1311b to 1311m of the  
8 revised school code, MCL 380.1311b to 380.1311m. For 2021-2022  
9 only, membership means for a district, a public school academy, or  
10 an intermediate district, the sum of the product of .90 times the  
11 number of full-time equated pupils in grades K to 12 actually  
12 enrolled and in regular daily attendance in the district, public  
13 school academy, or intermediate district on the pupil membership  
14 count day for the current school year and the product of .10 times  
15 the final audited count of the number of full-time equated pupils  
16 engaged in pandemic learning for spring 2021, or, for a public  
17 school academy that operates as a cyber school, as that term is  
18 defined in section 551 of the revised school code, MCL 380.551, the  
19 final audited count from the supplemental count day of full-time  
20 equated pupils in grades K to 12 actually enrolled and in regular  
21 daily attendance in the public school academy for the immediately  
22 preceding school year. All pupil counts used in this subsection are  
23 as determined by the department and calculated by adding the number  
24 of pupils registered for attendance plus pupils received by  
25 transfer and minus pupils lost as defined by rules promulgated by  
26 the superintendent, and as corrected by a subsequent department  
27 audit. The amount of the foundation allowance for a pupil in  
28 membership is determined under section 20. In making the  
29 calculation of membership, all of the following, as applicable,



1 apply to determining the membership of a district, a public school  
2 academy, or an intermediate district:

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

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

17 (c) A special education pupil educated by the intermediate  
18 district is counted in membership in the intermediate district.

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

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

28 (f) A pupil enrolled in a career and technical education  
29 program supported by a millage levied over an area larger than a



1 single district or in an area vocational-technical education  
2 program established under section 690 of the revised school code,  
3 MCL 380.690, is counted in membership only in the pupil's district  
4 of residence.

5 (g) A pupil enrolled in a public school academy is counted in  
6 membership in the public school academy.

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

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

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



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

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

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

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

24 (l) To be counted in membership, a pupil must meet the minimum  
25 age requirement to be eligible to attend school under section 1147  
26 of the revised school code, MCL 380.1147, or must be enrolled under  
27 subsection (3) of that section, and must be less than 20 years of  
28 age on September 1 of the school year except as follows:

29 (i) A special education pupil who is enrolled and receiving



1 instruction in a special education program or service approved by  
2 the department, who does not have a high school diploma, and who is  
3 less than 26 years of age as of September 1 of the current school  
4 year is counted in membership.

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

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

11 (B) Had dropped out of school.

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

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

21 (m) An individual who has achieved a high school diploma is  
22 not counted in membership. An individual who has achieved a high  
23 school equivalency certificate is not counted in membership unless  
24 the individual is a student with a disability as that term is  
25 defined in R 340.1702 of the Michigan Administrative Code. An  
26 individual participating in a job training program funded under  
27 former section 107a or a jobs program funded under former section  
28 107b, administered by the department of labor and economic  
29 opportunity, or participating in any successor of either of those 2



1 programs, is not counted in membership.

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

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

24 (ii) If the public school academy provides instruction for less  
25 than 1/2 of the class hours required under section 101, the  
26 district or intermediate district providing the remainder of the  
27 hours of instruction receives as its prorated share of the full-  
28 time equated membership for each of those pupils an amount equal to  
29 1 times the product of the hours of instruction the district or





1 intermediate district provides divided by the number of hours  
2 required under section 101 for full-time equivalency, and the  
3 remainder of the full-time membership for each of those pupils is  
4 allocated to the public school academy.

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

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

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

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



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

8 (s) For a district or a public school academy that has pupils  
 9 enrolled in a grade level that was not offered by the district or  
 10 public school academy in the immediately preceding school year, the  
 11 number of pupils enrolled in that grade level to be counted in  
 12 membership is the average of the number of those pupils enrolled  
 13 and in regular daily attendance on the pupil membership count day  
 14 and the supplemental count day of the current school year.  
 15 Membership is calculated by adding the number of pupils registered  
 16 for attendance in that grade level on the pupil membership count  
 17 day plus pupils received by transfer and minus pupils lost as  
 18 defined by rules promulgated by the superintendent, and as  
 19 corrected by subsequent department audit, plus the final audited  
 20 count from the supplemental count day for the current school year,  
 21 and dividing 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  
 28 is in the pupil's home or otherwise apart from the general school  
 29 population, if that placement is authorized in writing by the



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

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

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

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

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

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

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



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

10 (x) If a district's membership for a particular fiscal year,  
 11 as otherwise calculated under this subsection, would be less than  
 12 1,550 pupils, the district has 4.5 or fewer pupils per square mile,  
 13 as determined by the department, and the district does not receive  
 14 funding under section 22d(2), the district's membership is  
 15 considered to be the membership figure calculated under this  
 16 subdivision. If a district educates and counts in its membership  
 17 pupils in grades 9 to 12 who reside in a contiguous district that  
 18 does not operate grades 9 to 12 and if 1 or both of the affected  
 19 districts request the department to use the determination allowed  
 20 under this sentence, the department shall include the square  
 21 mileage of both districts in determining the number of pupils per  
 22 square mile for each of the districts for the purposes of this  
 23 subdivision. If a district has established a community engagement  
 24 advisory committee in partnership with the department of treasury,  
 25 is required to submit a deficit elimination plan or an enhanced  
 26 deficit elimination plan under section 1220 of the revised school  
 27 code, MCL 380.1220, and is located in a city with a population  
 28 between 9,000 and 11,000, as determined by the department, that is  
 29 in a county with a population between 150,000 and 160,000, as



1 determined by the department, the district's membership is  
2 considered to be the membership figure calculated under this  
3 subdivision. The membership figure calculated under this  
4 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 are determined by dividing the number of class hours scheduled  
16 and provided per year by 450. Full-time equated memberships for  
17 special education pupils who are not enrolled in kindergarten but  
18 are receiving early childhood special education services under R  
19 340.1755 or R 340.1862 of the Michigan Administrative Code are  
20 determined by dividing the number of hours of service scheduled and  
21 provided per year per pupil by 180.

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

27 (aa) For the first year in which a pupil is counted in  
28 membership on the pupil membership count day in a middle college  
29 program, the membership is the average of the full-time equated



1 membership on the pupil membership count day and on the  
2 supplemental count day for the current school year, as determined  
3 by the department. If a pupil described in this subdivision was  
4 counted in membership by the operating district on the immediately  
5 preceding supplemental count day, the pupil is excluded from the  
6 district's immediately preceding supplemental count for the  
7 purposes of determining the district's membership.

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

12 (cc) A pupil enrolled in a district other than the pupil's  
13 district of residence under section 1148(2) of the revised school  
14 code, MCL 380.1148, is counted in the educating district.

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



1 pupil as being in full attendance for a month unless both of the  
2 following are met:

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

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

14 (ee) A pupil participating in a virtual course under section  
15 21f is counted in membership in the district enrolling the pupil.

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

26 (gg) If a special education pupil is expelled under section  
27 1311 or 1311a of the revised school code, MCL 380.1311 and  
28 380.1311a, and is not in attendance on the pupil membership count  
29 day because of the expulsion, and if the pupil remains enrolled in



1 the district and resumes regular daily attendance during that  
2 school year, the district's membership is adjusted to count the  
3 pupil in membership as if he or she had been in attendance on the  
4 pupil membership count day.

5 (hh) A pupil enrolled in a community district is counted in  
6 membership in the community district.

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

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

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

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

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





1 nonprofit degree-granting college or university.

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

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

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

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

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



1 must not exceed 10%.

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

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

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

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

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

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

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

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



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

2 (d) A pupil enrolled in a district other than the pupil's  
3 district of residence if the pupil is enrolled in accordance with  
4 section 105 or 105c.

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

19 (i) "At school" means in a classroom, elsewhere on school  
20 premises, on a school bus or other school-related vehicle, or at a  
21 school-sponsored activity or event whether or not it is held on  
22 school premises.

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

28 (f) A pupil whose district of residence changed after the  
29 pupil membership count day and before the supplemental count day



1 and who continues to be enrolled on the supplemental count day as a  
2 nonresident in the district in which he or she was enrolled as a  
3 resident on the pupil membership count day of the same school year.

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

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

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

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

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

14 (h) A pupil enrolled in the Michigan Virtual School, for the  
15 pupil's enrollment in the Michigan Virtual School.

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

22 (j) An expelled pupil who has been denied reinstatement by the  
23 expelling district and is reinstated by another school board under  
24 section 1311 or 1311a of the revised school code, MCL 380.1311 and  
25 380.1311a.

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



1 (l) A pupil enrolled in a district other than the pupil's  
2 district of residence who attends a United States Olympic Education  
3 Center.

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

7 (n) 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, or the every student succeeds act, Public  
11 Law 114-95.

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

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

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

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

28 (i) Fourth Wednesday in July.

29 (ii) First Wednesday in October.



1 (iii) Second Wednesday in February.

2 (iv) Fourth Wednesday in April.

3 (8) "Pupils in grades K to 12 actually enrolled and in regular  
4 daily attendance" means pupils in grades K to 12 in attendance and  
5 receiving instruction in all classes for which they are enrolled on  
6 the pupil membership count day or the supplemental count day, as  
7 applicable, **and, for 2021-2022, in addition, pupils in quarantine**  
8 **who are being educated through physical educational materials.**

9 Except as otherwise provided in this subsection, a pupil who is  
10 absent from any of the classes in which the pupil is enrolled on  
11 the pupil membership count day or supplemental count day and who  
12 does not attend each of those classes during the 10 consecutive  
13 school days immediately following the pupil membership count day or  
14 supplemental count day, except for a pupil who has been excused by  
15 the district, is not counted as 1.0 full-time equated membership. A  
16 pupil who is excused from attendance on the pupil membership count  
17 day or supplemental count day and who fails to attend each of the  
18 classes in which the pupil is enrolled within 30 calendar days  
19 after the pupil membership count day or supplemental count day is  
20 not counted as 1.0 full-time equated membership. In addition, a  
21 pupil who was enrolled and in attendance in a district,  
22 intermediate district, or public school academy before the pupil  
23 membership count day or supplemental count day of a particular year  
24 but was expelled or suspended on the pupil membership count day or  
25 supplemental count day is only counted as 1.0 full-time equated  
26 membership if the pupil resumed attendance in the district,  
27 intermediate district, or public school academy within 45 days  
28 after the pupil membership count day or supplemental count day of  
29 that particular year. A pupil not counted as 1.0 full-time equated



1 membership due to an absence from a class is counted as a prorated  
 2 membership for the classes the pupil attended. ~~For purposes of~~ **As**  
 3 **used in** this subsection, "class" means either of the following, as  
 4 applicable:

5 (a) A period of time in 1 day when pupils and an individual  
 6 who is appropriately placed under a valid certificate, substitute  
 7 permit, authorization, or approval issued by the department, are  
 8 together and instruction is taking place. This subdivision does not  
 9 apply for the 2020-2021 and 2021-2022 school years.

10 (b) For the 2020-2021 and 2021-2022 school years only, a  
 11 period of time in 1 day when pupils and a certificated teacher, a  
 12 teacher engaged to teach under section 1233b of the revised school  
 13 code, MCL 380.1233b, or an individual working under a valid  
 14 substitute permit, authorization, or approval issued by the  
 15 department are together and instruction is taking place.

16 (9) "Pupils engaged in pandemic learning for spring 2021"  
 17 means that term as defined in section 6a.

18 (10) **"Pupils in quarantine who are being educated through**  
 19 **physical educational materials"** means, except as otherwise provided  
 20 in section 101, pupils to whom all of the following apply:

21 (a) **They are receiving instruction in a location other than a**  
 22 **school building operated by the district in which they are**  
 23 **enrolled, in a synchronous or asynchronous manner, through hard-**  
 24 **copy materials provided by the district that may be provided and**  
 25 **utilized in a nonvirtual manner on the 2021-2022 pupil membership**  
 26 **count day or the 2021-2022 supplemental count day, as applicable.**

27 (b) **For whom, at a minimum, 1 2-way interaction has occurred**  
 28 **between the pupil and the pupil's teacher or at least 1 of the**  
 29 **pupil's teachers or another district employee who has**



1 responsibility for the pupil's learning, grade progression, or  
2 academic progress during the week on which the 2021-2022 pupil  
3 membership count day or 2021-2022 supplemental count day, as  
4 applicable, falls and during each week for the 3 consecutive weeks  
5 after the week on which the 2021-2022 pupil membership count day or  
6 2021-2022 supplemental count day, as applicable, falls. As used in  
7 this subdivision:

8 (i) "2-way interaction" means a communication that occurs  
9 between a pupil and the pupil's teacher or at least 1 of the  
10 pupil's teachers or another district employee who has  
11 responsibility for the pupil's learning, grade progression, or  
12 academic progress, where 1 party initiates communication and a  
13 response from the other party follows that communication, and that  
14 is relevant to course progress or course content for at least 1 of  
15 the courses in which the pupil is enrolled or relevant to the  
16 pupil's overall academic progress or grade progression. Responses,  
17 as described in this subparagraph, must be to communication  
18 initiated by the teacher, by another district employee who has  
19 responsibility for the pupil's learning, grade progression, or  
20 academic progress, or by the pupil, and not some other action  
21 taken. The communication described in this subparagraph may occur  
22 through, but is not limited to, telephone.

23 (ii) "Week" means a period beginning on Wednesday and ending on  
24 the following Tuesday.

25 (c) The pupil is in quarantine pursuant to an order, notice,  
26 recommendation, instruction, or directive issued by the local  
27 health department, as that term is defined in section 1105 of the  
28 public health code, 1978 PA 368, MCL 333.1105, and any of the  
29 following apply to the pupil:





1 (i) The pupil has tested positive for COVID-19.

2 (ii) The pupil is displaying symptoms of COVID-19.

3 (iii) The pupil has been in close proximity to an identified  
4 cluster within a classroom. As used in this subparagraph, "cluster"  
5 means 3 or more pupils, teachers, or school employees or workers  
6 who have been infected with COVID-19 in the same classroom over a  
7 14-day period.

8 (iv) An individual who resides in the same household as the  
9 pupil is positive for COVID-19.

10 (11) ~~(10)~~—"Rule" means a rule promulgated pursuant to the  
11 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
12 24.328.

13 (12) ~~(11)~~—"The revised school code" means the revised school  
14 code, 1976 PA 451, MCL 380.1 to 380.1852.

15 (13) ~~(12)~~—"School district of the first class", "first class  
16 school district", and "district of the first class" mean, for the  
17 purposes of this article only, a district that had at least 40,000  
18 pupils in membership for the immediately preceding fiscal year.

19 (14) ~~(13)~~—"School fiscal year" means a fiscal year that  
20 commences July 1 and continues through June 30.

21 (15) ~~(14)~~—"State board" means the state board of education.

22 (16) ~~(15)~~—"Superintendent", unless the context clearly refers  
23 to a district or intermediate district superintendent, means the  
24 superintendent of public instruction described in section 3 of  
25 article VIII of the state constitution of 1963.

26 (17) ~~(16)~~—"Supplemental count day" means the day on which the  
27 supplemental pupil count is conducted under section 6a or the day  
28 specified as supplemental count day under section 6a.

29 (18) ~~(17)~~—"Tuition pupil" means a pupil of school age



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

10 (19) ~~(18)~~—"State school aid fund" means the state school aid  
 11 fund established in section 11 of article IX of the state  
 12 constitution of 1963.

13 (20) ~~(19)~~—"Taxable value" means, except as otherwise provided  
 14 in this article, the taxable value of property as determined under  
 15 section 27a of the general property tax act, 1893 PA 206, MCL  
 16 211.27a.

17 (21) ~~(20)~~—"Textbook" means a book, electronic book, or other  
 18 instructional print or electronic resource that is selected and  
 19 approved by the governing board of a district and that contains a  
 20 presentation of principles of a subject, or that is a literary work  
 21 relevant to the study of a subject required for the use of  
 22 classroom pupils, or another type of course material that forms the  
 23 basis of classroom instruction.

24 (22) ~~(21)~~—"Total state aid" or "total state school aid",  
 25 except as otherwise provided in this article, means the total  
 26 combined amount of all funds due to a district, intermediate  
 27 district, or other entity under this article.

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



1 section. A primary district shall not offer a virtual course to an  
 2 eligible pupil unless the virtual course is published in the  
 3 primary district's catalog of board-approved courses or in the  
 4 statewide catalog of virtual courses maintained by the Michigan  
 5 Virtual University pursuant to section 98. The primary district  
 6 shall also provide on its publicly accessible website a link to the  
 7 statewide catalog of virtual courses maintained by the Michigan  
 8 Virtual University. ~~Unless~~ **Except for enrollment in a virtual**  
 9 **course for a pupil described in subsection (14), unless** the pupil  
 10 is at least age 18 or is an emancipated minor, a pupil must not be  
 11 enrolled in a virtual course without the consent of the pupil's  
 12 parent or legal guardian.

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

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

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

21 (b) The pupil agrees with the recommendation of the primary  
 22 district.

23 (c) ~~The~~ **Except as otherwise provided in this subdivision and**  
 24 **section, the** primary district, in collaboration with the pupil, has  
 25 developed an education development plan, in a form and manner  
 26 specified by the department, that is kept on file by the district.  
 27 This subdivision does not apply to ~~a~~ **both of the following, as**  
 28 **applicable:**

29 (i) **A** pupil enrolled as a part-time pupil under section 166b.



1           **(ii) A pupil described in subsection (14).**

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

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

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

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

22           (c) The virtual course is not capable of generating academic  
23 credit.

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

26           (e) The pupil has not completed the prerequisite coursework  
27 for the requested virtual course or has not demonstrated  
28 proficiency in the prerequisite course content.

29           (f) The pupil has failed a previous virtual course in the same



1 subject during the 2 most recent academic years.

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

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

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

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

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



1 superintendent or designee determines that the denial of enrollment  
 2 does not meet 1 or more of the reasons specified in subsection (5),  
 3 the primary district shall enroll the pupil in the virtual course.

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

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

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

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

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

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

26 (ii) Not later than October 1 of each fiscal year, provide the  
 27 Michigan Virtual University with an aggregated count of enrollments  
 28 for each virtual course the provider delivered to pupils under this  
 29 section during the immediately preceding school year, and the



1 number of enrollments in which the pupil earned 60% or more of the  
2 total course points for each virtual course.

3 (8) To provide a virtual course under this section, a  
4 community college shall ensure that each virtual course it provides  
5 under this section generates postsecondary credit.

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

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

17 (11) A virtual learning pupil has the same rights and access  
18 to technology in his or her primary district's school facilities as  
19 all other pupils enrolled in the pupil's primary district. The  
20 department shall establish standards for hardware, software, and  
21 internet access for pupils who are enrolled in more than 2 virtual  
22 courses under this section in an academic term, semester, or  
23 trimester taken at a location other than a school facility.

24 (12) If a pupil successfully completes a virtual course, as  
25 determined by the pupil's primary district, the pupil's primary  
26 district shall grant appropriate academic credit for completion of  
27 the course and shall count that credit toward completion of  
28 graduation and subject area requirements. A pupil's school record  
29 and transcript must identify the virtual course title as it appears



1 in the virtual course syllabus.

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

10 (14) Subject to subsection (15), for the 2021-2022 school year  
11 only, the consent of the pupil's parent or legal guardian as  
12 described in subsection (1) and the development of an education  
13 development plan for the pupil as described in subsection (3) are  
14 not required for the enrollment of a pupil in a virtual course  
15 under this section if the pupil is in quarantine pursuant to an  
16 order, notice, recommendation, instruction, or directive issued by  
17 the local health department, as that term is defined in section  
18 1105 of the public health code, 1978 PA 368, MCL 333.1105, and any  
19 of the following apply to the pupil:

20 (a) The pupil has tested positive for COVID-19.

21 (b) The pupil is displaying symptoms of COVID-19.

22 (c) The pupil has been in close proximity to an identified  
23 cluster within a classroom. As used in this subdivision, "cluster"  
24 means 3 or more pupils, teachers, or school employees or workers  
25 who have been infected with COVID-19 in the same classroom over a  
26 14-day period.

27 (d) An individual who resides in the same household as the  
28 pupil is positive for COVID-19.

29 (15) The exemptions in subsection (14) apply to a pupil only





1 for the duration during which the pupil meets the description of a  
2 pupil described in subsection (14). Once a pupil no longer meets  
3 the description of a pupil described in subsection (14), the  
4 consent of the pupil's parent or legal guardian as described in  
5 subsection (1) and the development of an education development plan  
6 for the pupil as described in subsection (3) are required for the  
7 pupil's enrollment in a virtual course or continued enrollment in a  
8 virtual course under this section.

9 (16) ~~(14)~~—As used in this section:

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

12 (b) "Mentor" means a professional employee of the primary  
13 district who monitors the pupil's progress, ensures the pupil has  
14 access to needed technology, is available for assistance, and  
15 ensures access to the teacher of record. A mentor may also serve as  
16 the teacher of record if the primary district is the provider for  
17 the virtual course and the mentor meets the requirements under  
18 subdivision (e).

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

21 (d) "Provider" means the district, intermediate district, or  
22 community college that the primary district pays to provide the  
23 virtual course or the Michigan Virtual University if it is  
24 providing the virtual course. Beginning on the first day of the  
25 2020-2021 school year through August 31, ~~2021,~~ **2022**, "provider"  
26 also includes any other institution or individual that the primary  
27 district pays to provide the virtual course.

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



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

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

5 (iii) Is responsible for providing instruction, determining  
6 instructional methods for each pupil, diagnosing learning needs,  
7 assessing pupil learning, prescribing intervention strategies and  
8 modifying lessons, reporting outcomes, and evaluating the effects  
9 of instruction and support strategies.

10 (iv) Has a personnel identification code provided by the  
11 center.

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

14 (f) "Virtual course" means a course of study that is capable  
15 of generating a credit or a grade and that is provided in an  
16 interactive learning environment where the majority of the  
17 curriculum is delivered using the internet and in which pupils may  
18 be separated from their instructor or teacher of record by time or  
19 location, or both.

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

22 (i) An alignment document detailing how the course meets  
23 applicable state standards or, if the state does not have state  
24 standards, nationally recognized standards.

25 (ii) The virtual course content outline.

26 (iii) The virtual course required assessments.

27 (iv) The virtual course prerequisites.

28 (v) Expectations for actual instructor or teacher of record  
29 contact time with the virtual learning pupil and other



1 communications between a pupil and the instructor or teacher of  
2 record.

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

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

5 (viii) The name of the institution or organization providing the  
6 virtual content.

7 (ix) The name of the institution or organization providing the  
8 instructor or teacher of record.

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

12 (xi) The number of eligible pupils that will be accepted by the  
13 provider in the virtual course. A primary district that is also the  
14 provider may limit the enrollment to those pupils enrolled in the  
15 primary district.

16 (xii) The results of the virtual course quality review using  
17 the guidelines and model review process published by the Michigan  
18 Virtual University.

19 (h) "Virtual learning pupil" means a pupil enrolled in 1 or  
20 more virtual courses.

21 Sec. 101. (1) To be eligible to receive state aid under this  
22 article, not later than the fifth Wednesday after the pupil  
23 membership count day and not later than the fifth Wednesday after  
24 the supplemental count day, each district superintendent shall  
25 submit and certify to the center and the intermediate  
26 superintendent, in the form and manner prescribed by the center,  
27 the number of pupils enrolled and in regular daily attendance,  
28 including identification of tuition-paying pupils, in the district  
29 as of the pupil membership count day and as of the supplemental



1 count day, as applicable, for the current school year. In addition,  
2 a district maintaining school during the entire year shall submit  
3 and certify to the center and the intermediate superintendent, in  
4 the form and manner prescribed by the center, the number of pupils  
5 enrolled and in regular daily attendance in the district for the  
6 current school year pursuant to rules promulgated by the  
7 superintendent. Not later than the sixth Wednesday after the pupil  
8 membership count day and not later than the sixth Wednesday after  
9 the supplemental count day, the district shall resolve any pupil  
10 membership conflicts with another district, correct any data  
11 issues, and recertify the data in a form and manner prescribed by  
12 the center and file the certified data with the intermediate  
13 superintendent. If a district fails to submit and certify the  
14 attendance data, as required under this subsection, the center  
15 shall notify the department and the department shall withhold state  
16 aid due to be distributed under this article from the defaulting  
17 district immediately, beginning with the next payment after the  
18 failure and continuing with each payment until the district  
19 complies with this subsection. If a district does not comply with  
20 this subsection by the end of the fiscal year, the district  
21 forfeits the amount withheld. A person who willfully falsifies a  
22 figure or statement in the certified and sworn copy of enrollment  
23 is subject to penalty as prescribed by section 161.

24 (2) To be eligible to receive state aid under this article,  
25 not later than the twenty-fourth Wednesday after the pupil  
26 membership count day and not later than the twenty-fourth Wednesday  
27 after the supplemental count day, an intermediate district shall  
28 submit to the center, in a form and manner prescribed by the  
29 center, the audited enrollment and attendance data as described in



1 subsection (1) for the pupils of its constituent districts and of  
2 the intermediate district. If an intermediate district fails to  
3 submit the audited data as required under this subsection, the  
4 department shall withhold state aid due to be distributed under  
5 this article from the defaulting intermediate district immediately,  
6 beginning with the next payment after the failure and continuing  
7 with each payment until the intermediate district complies with  
8 this subsection. If an intermediate district does not comply with  
9 this subsection by the end of the fiscal year, the intermediate  
10 district forfeits the amount withheld.

11 (3) Except as otherwise provided in subsections (11) and (12)  
12 all of the following apply to the provision of pupil instruction:

13 (a) Except as otherwise provided in this section, each  
14 district shall provide at least 1,098 hours and 180 days of pupil  
15 instruction. If a collective bargaining agreement that provides a  
16 complete school calendar was in effect for employees of a district  
17 as of June 24, 2014, and if that school calendar is not in  
18 compliance with this subdivision, then this subdivision does not  
19 apply to that district until after the expiration of that  
20 collective bargaining agreement. A district may apply for a waiver  
21 under subsection (9) from the requirements of this subdivision.

22 (b) Except as otherwise provided in this article, a district  
23 failing to comply with the required minimum hours and days of pupil  
24 instruction under this subsection forfeits from its total state aid  
25 allocation an amount determined by applying a ratio of the number  
26 of hours or days the district was in noncompliance in relation to  
27 the required minimum number of hours and days under this  
28 subsection. Not later than the first business day in August, the  
29 board of each district shall either certify to the department that



1 the district was in full compliance with this section regarding the  
 2 number of hours and days of pupil instruction in the previous  
 3 school year, or report to the department, in a form and manner  
 4 prescribed by the center, each instance of noncompliance. If the  
 5 district did not provide at least the required minimum number of  
 6 hours and days of pupil instruction under this subsection, the  
 7 department shall make the deduction of state aid in the following  
 8 fiscal year from the first payment of state school aid. A district  
 9 is not subject to forfeiture of funds under this subsection for a  
 10 fiscal year in which a forfeiture was already imposed under  
 11 subsection (6).

12 (c) Hours or days lost because of strikes or teachers'  
 13 conferences are not counted as hours or days of pupil instruction.

14 (d) Except as otherwise provided in subdivisions (e) and (f),  
 15 **and subject to subdivisions (i) and (j)**, if a district does not  
 16 have at least 75% of the district's membership in attendance,  
 17 **including pupils who are enrolled in a virtual course under section**  
 18 **21f and utilizing the exemptions under section 21f(14)**, on any day  
 19 of pupil instruction, the department shall pay the district state  
 20 aid in that proportion of 1/180 that the actual percent of  
 21 attendance bears to 75%.

22 (e) If a district adds 1 or more days of pupil instruction to  
 23 the end of its instructional calendar for a school year to comply  
 24 with subdivision (a) because the district otherwise would fail to  
 25 provide the required minimum number of days of pupil instruction  
 26 even after the operation of subsection (4) due to conditions not  
 27 within the control of school authorities, then subdivision (d) does  
 28 not apply for any day of pupil instruction that is added to the end  
 29 of the instructional calendar. ~~Instead,~~ **Subject to subdivisions (i)**



1 **and (j), instead,** for any of those days, if the district does not  
 2 have at least 60% of the district's membership in attendance,  
 3 **including pupils who are enrolled in a virtual course under section**  
 4 **21f and utilizing the exemptions under section 21f(14),** on that  
 5 day, the department shall pay the district state aid in that  
 6 proportion of 1/180 that the actual percentage of attendance bears  
 7 to 60%. For any day of pupil instruction added to the instructional  
 8 calendar as described in this subdivision, the district shall  
 9 report to the department the percentage of the district's  
 10 membership that is in attendance, in the form and manner prescribed  
 11 by the department.

12 (f) At the request of a district that operates a department-  
 13 approved alternative education program and that does not provide  
 14 instruction for pupils in all of grades K to 12, the superintendent  
 15 shall grant a waiver from the requirements of subdivision (d). ~~The~~  
 16 **Subject to subdivisions (i) and (j), the** waiver must provide that  
 17 an eligible district is subject to the proration provisions of  
 18 subdivision (d) only if the district does not have at least 50% of  
 19 the district's membership in attendance, **including pupils who are**  
 20 **enrolled in a virtual course under section 21f and utilizing the**  
 21 **exemptions under section 21f(14),** on any day of pupil instruction.  
 22 In order to be eligible for this waiver, a district must maintain  
 23 records to substantiate its compliance with the following  
 24 requirements:

25 (i) The district offers the minimum hours of pupil instruction  
 26 as required under this section.

27 (ii) For each enrolled pupil, the district uses appropriate  
 28 academic assessments to develop an individual education plan that  
 29 leads to a high school diploma.



1           (iii) The district tests each pupil to determine academic  
2 progress at regular intervals and records the results of those  
3 tests in that pupil's individual education plan.

4           (g) All of the following apply to a waiver granted under  
5 subdivision (f):

6           (i) If the waiver is for a blended model of delivery, a waiver  
7 that is granted for the 2011-2012 fiscal year or a subsequent  
8 fiscal year remains in effect unless it is revoked by the  
9 superintendent.

10          (ii) If the waiver is for a 100% online model of delivery and  
11 the educational program for which the waiver is granted makes  
12 educational services available to pupils for a minimum of at least  
13 1,098 hours during a school year and ensures that each pupil  
14 participates in the educational program for at least 1,098 hours  
15 during a school year, a waiver that is granted for the 2011-2012  
16 fiscal year or a subsequent fiscal year remains in effect unless it  
17 is revoked by the superintendent.

18          (iii) A waiver that is not a waiver described in subparagraph  
19 (i) or (ii) is valid for 3 fiscal years, unless it is revoked by the  
20 superintendent, and must be renewed at the end of the 3-year period  
21 to remain in effect.

22          (h) The superintendent shall promulgate rules for the  
23 implementation of this subsection.

24          (i) **For 2021-2022, a pupil who is enrolled in a virtual course**  
25 **under section 21f and utilizing the exemptions under section**  
26 **21f(14) is only considered in attendance for purposes of**  
27 **subdivisions (d), (e), and (f) if 1 2-way interaction occurs**  
28 **between the pupil and the pupil's teacher or at least 1 of the**  
29 **pupil's teachers or another district employee who has**





1 responsibility for the pupil's learning, grade progression, or  
2 academic progress for each school day during which the pupil is  
3 utilizing the exemptions under section 21f(14). As used in this  
4 subdivision, "2-way interaction" means that term as defined in  
5 section 6(10) (b) (i) .

6 (j) For 2021-2022, a pupil who meets the definition of pupils  
7 in quarantine who are being educated through physical educational  
8 materials is considered in attendance for purposes of subdivisions  
9 (d), (e), and (f) only if 1 2-way interaction occurs between the  
10 pupil and the pupil's teacher or at least 1 of the pupil's teachers  
11 or another district employee who has responsibility for the pupil's  
12 learning, grade progression, or academic progress for each school  
13 day during which the pupil meets the definition of pupils in  
14 quarantine who are being educated through physical educational  
15 materials. As used in this subdivision, "2-way interaction" means  
16 that term as defined in section 6(10) (b) (i) .

17 (4) Except as otherwise provided in this subsection, the first  
18 6 days or the equivalent number of hours for which pupil  
19 instruction is not provided because of conditions not within the  
20 control of school authorities, such as severe storms, fires,  
21 epidemics, utility power unavailability, water or sewer failure, or  
22 health conditions as defined by the city, county, or state health  
23 authorities, are counted as hours and days of pupil instruction.  
24 With the approval of the superintendent of public instruction, the  
25 department shall count as hours and days of pupil instruction for a  
26 fiscal year not more than 3 additional days or the equivalent  
27 number of additional hours for which pupil instruction is not  
28 provided in a district due to unusual and extenuating occurrences  
29 resulting from conditions not within the control of school



1 authorities such as those conditions described in this subsection.  
2 Subsequent such hours or days are not counted as hours or days of  
3 pupil instruction.

4 (5) A district does not forfeit part of its state aid  
5 appropriation because it adopts or has in existence an alternative  
6 scheduling program for pupils in kindergarten if the program  
7 provides at least the number of hours required under subsection (3)  
8 for a full-time equated membership for a pupil in kindergarten as  
9 provided under section 6(4).

10 (6) In addition to any other penalty or forfeiture under this  
11 section, if at any time the department determines that 1 or more of  
12 the following have occurred in a district, the district forfeits in  
13 the current fiscal year beginning in the next payment to be  
14 calculated by the department a proportion of the funds due to the  
15 district under this article that is equal to the proportion below  
16 the required minimum number of hours and days of pupil instruction  
17 under subsection (3), as specified in the following:

18 (a) The district fails to operate its schools for at least the  
19 required minimum number of hours and days of pupil instruction  
20 under subsection (3) in a school year, including hours and days  
21 counted under subsection (4).

22 (b) The board of the district takes formal action not to  
23 operate its schools for at least the required minimum number of  
24 hours and days of pupil instruction under subsection (3) in a  
25 school year, including hours and days counted under subsection (4).

26 (7) In providing the minimum number of hours and days of pupil  
27 instruction required under subsection (3), a district shall use the  
28 following guidelines, and a district shall maintain records to  
29 substantiate its compliance with the following guidelines:



1 (a) Except as otherwise provided in this subsection, a pupil  
2 must be scheduled for at least the required minimum number of hours  
3 of instruction, excluding study halls, or at least the sum of 90  
4 hours plus the required minimum number of hours of instruction,  
5 including up to 2 study halls.

6 (b) The time a pupil is assigned to any tutorial activity in a  
7 block schedule may be considered instructional time, unless that  
8 time is determined in an audit to be a study hall period.

9 (c) Except as otherwise provided in this subdivision, a pupil  
10 in grades 9 to 12 for whom a reduced schedule is determined to be  
11 in the individual pupil's best educational interest must be  
12 scheduled for a number of hours equal to at least 80% of the  
13 required minimum number of hours of pupil instruction to be  
14 considered a full-time equivalent pupil. A pupil in grades 9 to 12  
15 who is scheduled in a 4-block schedule may receive a reduced  
16 schedule under this subsection if the pupil is scheduled for a  
17 number of hours equal to at least 75% of the required minimum  
18 number of hours of pupil instruction to be considered a full-time  
19 equivalent pupil.

20 (d) If a pupil in grades 9 to 12 who is enrolled in a  
21 cooperative education program or a special education pupil cannot  
22 receive the required minimum number of hours of pupil instruction  
23 solely because of travel time between instructional sites during  
24 the school day, that travel time, up to a maximum of 3 hours per  
25 school week, is considered to be pupil instruction time for the  
26 purpose of determining whether the pupil is receiving the required  
27 minimum number of hours of pupil instruction. However, if a  
28 district demonstrates to the satisfaction of the department that  
29 the travel time limitation under this subdivision would create



1 undue costs or hardship to the district, the department may  
2 consider more travel time to be pupil instruction time for this  
3 purpose.

4 (e) In grades 7 through 12, instructional time that is part of  
5 a Junior Reserve Officer Training Corps (JROTC) program is  
6 considered to be pupil instruction time regardless of whether the  
7 instructor is a certificated teacher if all of the following are  
8 met:

9 (i) The instructor has met all of the requirements established  
10 by the United States Department of Defense and the applicable  
11 branch of the armed services for serving as an instructor in the  
12 Junior Reserve Officer Training Corps program.

13 (ii) The board of the district or intermediate district  
14 employing or assigning the instructor complies with the  
15 requirements of sections 1230 and 1230a of the revised school code,  
16 MCL 380.1230 and 380.1230a, with respect to the instructor to the  
17 same extent as if employing the instructor as a regular classroom  
18 teacher.

19 (f) **For 2021-2022, if a district provides instruction to**  
20 **pupils in quarantine who are being educated through physical**  
21 **educational materials, the district may count as hours and days of**  
22 **pupil instruction the amount of instruction provided in the**  
23 **educational materials, including, but not limited to, instruction**  
24 **taught by the pupil's teacher through the educational materials,**  
25 **equivalent to the hours and days of pupil instruction for which**  
26 **those educational materials would have been discussed, completed,**  
27 **provided, or otherwise instructed in person at a school building**  
28 **operated by the district.**

29 (8) Except as otherwise provided in subsections (11) and (12),



1 the department shall apply the guidelines under subsection (7) in  
2 calculating the full-time equivalency of pupils.

3 (9) Upon application by the district for a particular fiscal  
4 year, the superintendent shall waive for a district the minimum  
5 number of hours and days of pupil instruction requirement of  
6 subsection (3) for a department-approved alternative education  
7 program or another innovative program approved by the department,  
8 including a 4-day school week. If a district applies for and  
9 receives a waiver under this subsection and complies with the terms  
10 of the waiver, the district is not subject to forfeiture under this  
11 section for the specific program covered by the waiver. If the  
12 district does not comply with the terms of the waiver, the amount  
13 of the forfeiture is calculated based upon a comparison of the  
14 number of hours and days of pupil instruction actually provided to  
15 the minimum number of hours and days of pupil instruction required  
16 under subsection (3). A district shall report pupils enrolled in a  
17 department-approved alternative education program under this  
18 subsection to the center in a form and manner determined by the  
19 center. All of the following apply to a waiver granted under this  
20 subsection:

21 (a) If the waiver is for a blended model of delivery, a waiver  
22 that is granted for the 2011-2012 fiscal year or a subsequent  
23 fiscal year remains in effect unless it is revoked by the  
24 superintendent.

25 (b) If the waiver is for a 100% online model of delivery and  
26 the educational program for which the waiver is granted makes  
27 educational services available to pupils for a minimum of at least  
28 1,098 hours during a school year and ensures that each pupil is on  
29 track for course completion at proficiency level, a waiver that is



1 granted for the 2011-2012 fiscal year or a subsequent fiscal year  
2 remains in effect unless it is revoked by the superintendent.

3 (c) A waiver that is not a waiver described in subdivision (a)  
4 or (b) is valid for 3 fiscal years, unless it is revoked by the  
5 superintendent, and must be renewed at the end of the 3-year period  
6 to remain in effect.

7 (10) A district may count up to 38 hours of professional  
8 development for teachers as hours of pupil instruction. All of the  
9 following apply to the counting of professional development as  
10 pupil instruction under this subsection:

11 (a) If the professional development exceeds 5 hours in a  
12 single day, that day may be counted as a day of pupil instruction.

13 (b) At least 8 hours of the professional development counted  
14 as hours of pupil instruction under this subsection must be  
15 recommended by a districtwide professional development advisory  
16 committee appointed by the district board. The advisory committee  
17 must be composed of teachers employed by the district who represent  
18 a variety of grades and subject matter specializations, including  
19 special education; nonteaching staff; parents; and administrators.  
20 The majority membership of the committee must be composed of  
21 teaching staff.

22 (c) Professional development provided online is allowable and  
23 encouraged, as long as the instruction has been approved by the  
24 district. The department shall issue a list of approved online  
25 professional development providers that must include the Michigan  
26 Virtual School.

27 (d) Professional development may only be counted as hours of  
28 pupil instruction under this subsection for the pupils of those  
29 teachers scheduled to participate in the professional development.



1 (e) The professional development must meet all of the  
2 following to be counted as pupil instruction under this subsection:

3 (i) Be aligned to the school or district improvement plan for  
4 the school or district in which the professional development is  
5 being provided.

6 (ii) Be linked to 1 or more criteria in the evaluation tool  
7 developed or adopted by the district or intermediate district under  
8 section 1249 of the revised school code, MCL 380.1249.

9 (iii) Has been approved by the department as counting for state  
10 continuing education clock hours. The number of hours of  
11 professional development counted as hours of pupil instruction  
12 under this subsection may not exceed the number of state continuing  
13 education clock hours for which the professional development was  
14 approved.

15 (iv) Not more than a combined total of 10 hours of the  
16 professional development takes place before the first scheduled day  
17 of school for the school year ending in the fiscal year and after  
18 the last scheduled day of school for that school year.

19 (v) Not more than 10 hours of the professional development  
20 takes place in a single month.

21 (vi) At least 75% of teachers scheduled to participate in the  
22 professional development are in attendance.

23 (11) Subsections (3) and (8) do not apply to a school of  
24 excellence that is a cyber school, as that term is defined in  
25 section 551 of the revised school code, MCL 380.551, and is in  
26 compliance with section 553a of the revised school code, MCL  
27 380.553a.

28 (12) Subsections (3) and (8) do not apply to eligible pupils  
29 enrolled in a dropout recovery program that meets the requirements



1 of section 23a. As used in this subsection, "eligible pupil" means  
2 that term as defined in section 23a.

3 (13) At least every 2 years the superintendent shall review  
4 the waiver standards set forth in the pupil accounting and auditing  
5 manuals to ensure that the waiver standards and waiver process  
6 continue to be appropriate and responsive to changing trends in  
7 online learning. The superintendent shall solicit and consider  
8 input from stakeholders as part of this review.

9 (14) As used in this section, "pupils in quarantine who are  
10 being educated through physical educational materials" means pupils  
11 to whom both of the following apply:

12 (a) They are receiving instruction in a location other than a  
13 school building operated by the district in which they are  
14 enrolled, in a synchronous or asynchronous manner, through hard-  
15 copy materials provided by the district that may be provided and  
16 utilized in a nonvirtual manner.

17 (b) The pupil is in quarantine pursuant to an order, notice,  
18 recommendation, instruction, or directive issued by the local  
19 health department, as that term is defined in section 1105 of the  
20 public health code, 1978 PA 368, MCL 333.1105, and any of the  
21 following apply to the pupil:

22 (i) The pupil has tested positive for COVID-19.

23 (ii) The pupil is displaying symptoms of COVID-19.

24 (iii) The pupil has been in close proximity to an identified  
25 cluster within a classroom. As used in this subparagraph, "cluster"  
26 means 3 or more pupils, teachers, or school employees or workers  
27 who have been infected with COVID-19 in the same classroom over a  
28 14-day period.

29 (iv) An individual who resides in the same household as the





1 **pupil is positive for COVID-19.**

2       Sec. 163. (1) Except as otherwise provided in the revised  
3 school code, the board of a district or intermediate district shall  
4 not permit any of the following:

5       (a) An individual who is not appropriately placed under a  
6 valid certificate, valid substitute permit, authorization, or  
7 approval issued under rules promulgated by the department to teach  
8 in an elementary or secondary school.

9       (b) An individual who does not satisfy the requirements of  
10 section 1233 of the revised school code, MCL 380.1233, and rules  
11 promulgated by the department to provide school counselor services  
12 to pupils in an elementary or secondary school.

13       (c) An individual who does not satisfy the requirements of  
14 section 1246 of the revised school code, MCL 380.1246, or who is  
15 not working under a valid substitute permit issued under rules  
16 promulgated by the department, to be employed as a superintendent,  
17 principal, or assistant principal, or as an individual whose  
18 primary responsibility is to administer instructional programs in  
19 an elementary or secondary school or in a district or intermediate  
20 district.

21       (2) Except as otherwise provided in the revised school code ~~7~~  
22 ~~or this subsection, or subsection (4) or (7),~~ **section**, a district  
23 or intermediate district employing an individual in violation of  
24 this section before July 1, 2021 must have deducted an amount equal  
25 to the amount paid to the individual for the period of employment  
26 that is in violation of this section. Except as otherwise provided  
27 ~~under subsection (4) or (7),~~ **in this section**, a district or  
28 intermediate district employing an individual in violation of this  
29 section on or after July 1, 2021 must have deducted an amount equal



1 to 50% of the amount paid to the individual for the period of  
 2 employment that is in violation of this section. Except as  
 3 otherwise provided ~~under subsection (4),~~ **in this section,** beginning  
 4 July 1, 2021, if a district or intermediate district is notified by  
 5 the department that it is employing an individual in violation of  
 6 this section and it continues to employ the individual in violation  
 7 of this section 10 business days after receiving the notification,  
 8 both of the following apply:

9 (a) The district or intermediate district must have deducted  
 10 an amount equal to 50% of the amount paid to the individual for the  
 11 period of employment that is in violation of this section that  
 12 occurs before the expiration of the 10-day period described in this  
 13 subsection.

14 (b) The district or intermediate district must have deducted  
 15 an amount equal to 100% of the amount paid to the individual for  
 16 the period of employment that is in violation of this section that  
 17 occurs after the 10-day period described in this subsection.

18 (3) For purposes of subsection (2), if a district or  
 19 intermediate district on behalf of an individual or an individual  
 20 successfully completes the credential application process through  
 21 the department, including the submission of an appropriate  
 22 application, required fees, and all required supporting  
 23 documentation, the individual's employment with the district or  
 24 intermediate district after this completion is not considered a  
 25 period of employment that is in violation of this section.

26 (4) A deduction under subsection (2) for employment in  
 27 violation of this section that occurs on or after July 1, 2021, may  
 28 be less than the amount required under that subsection if the  
 29 superintendent of public instruction finds that the district or



1 intermediate district was hindered in its ability to obtain a  
2 substitute credential to enable the district or intermediate  
3 district to employ the individual in compliance with this section  
4 due to unusual and extenuating circumstances resulting from  
5 conditions not within the control of school authorities, including,  
6 but not limited to, a natural disaster, death or serious illness of  
7 the individual or another employee, an emergency school closure,  
8 fraud or other intentional wrongdoing of the individual or another  
9 employee, or an emergency health condition as defined by city,  
10 county, or state health authorities.

11 (5) For employment of an individual in violation of this  
12 section that occurs on or after July 1, 2021, upon request by a  
13 district or intermediate district, the department shall credit the  
14 amount of an adjustment in payments under section 15 that is based  
15 on the employment of the individual that gave rise to the deduction  
16 under subsection (2) or (4) against the amount of the deduction  
17 under subsection (2) or (4). The amount of the credit under this  
18 subsection must not be in an amount that is greater than the  
19 deduction assessed under subsection (2) or (4).

20 (6) ~~If~~ **Except as otherwise provided in this section, if** a  
21 school official is notified by the department that he or she is  
22 employing an individual in violation of this section and knowingly  
23 continues to employ that individual, the school official is guilty  
24 of a misdemeanor punishable by a fine of \$1,500.00 for each  
25 incidence. This penalty is in addition to all other financial  
26 penalties otherwise specified in this article.

27 (7) There must be no deduction under subsection (2) for a  
28 period of employment in violation of this section that occurs  
29 between July 1, 2020 and June 30, 2021.



1           (8) There must be no deduction under subsection (2) for a  
2 period of employment in violation of subsection (1)(a) that occurs  
3 during the 2021-2022 school year.

4           (9) Subsection (6) does not apply for a school official who  
5 employs an individual in violation of subsection (1)(a) during the  
6 2021-2022 school year.

7           Enacting section 1. This amendatory act is intended to apply  
8 retroactively to the beginning of the 2021-2022 school year.

