

**SUBSTITUTE FOR  
SENATE BILL NO. 118**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending section 163 (MCL 388.1763), as amended by 2020 PA 165.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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

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

8           (b) An individual who does not satisfy the requirements of  
9 section 1233 of the revised school code, MCL 380.1233, and rules

1 promulgated by the department to provide school counselor services  
2 to pupils in an elementary or secondary school.

3 (c) An individual who does not satisfy the requirements of  
4 section 1246 of the revised school code, MCL 380.1246, or who is  
5 not working under a valid substitute permit issued under rules  
6 promulgated by the department, to be employed as a superintendent,  
7 principal, or assistant principal, or as an individual whose  
8 primary responsibility is to administer instructional programs in  
9 an elementary or secondary school ~~7~~ or in a district or  
10 intermediate district.

11 (2) Except as **otherwise** provided in the revised school code,  
12 **this subsection, or subsection (4)**, a district or intermediate  
13 district employing ~~individuals~~ **an individual** in violation of this  
14 section ~~shall~~ **must** have deducted ~~the sum~~ **an amount** equal to **50%** of  
15 the amount paid **to** the ~~individuals~~ **individual** for the period of  
16 employment ~~. Each intermediate superintendent shall notify the~~  
17 ~~department of the name of the individual employed in violation of~~  
18 ~~this section, and the district employing that individual and the~~  
19 ~~amount of salary the individual was paid within a constituent~~  
20 ~~district.~~ **that is in violation of this section. If a district or**  
21 **intermediate district is notified by the department that it is**  
22 **employing an individual in violation of this section and it**  
23 **continues to employ the individual in violation of this section 10**  
24 **days after receiving the notification, both of the following apply:**

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

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

5           (3) For purposes of subsection (2), if a district,  
6 intermediate district on behalf of an individual, or an individual  
7 successfully completes the credential application process through  
8 the department, including the submission of an appropriate  
9 application, required fees, and all required supporting  
10 documentation, the individual's employment with the district or  
11 intermediate district after this completion is not considered a  
12 period of employment that is in violation of this section.

13           (4) A deduction under subsection (2) may be less than the  
14 amount required under that subsection if the superintendent of  
15 public instruction finds that the district or intermediate district  
16 was hindered in its ability to obtain a substitute credential to  
17 enable the district or intermediate district to employ the  
18 individual in compliance with this section due to unusual and  
19 extenuating circumstances resulting from conditions not within the  
20 control of school authorities, including, but not limited to, a  
21 natural disaster, death or serious illness of the individual or  
22 another employee, an emergency school closure, fraud or other  
23 intentional wrongdoing of the individual or another employee, or an  
24 emergency health condition as defined by city, county, or state  
25 health authorities.

26           (5) Upon request by a district or intermediate district, the  
27 department shall credit the amount of an adjustment in payments  
28 under section 15 that is based on the employment of the individual  
29 that gave rise to the deduction under subsection (2) or (4) against

1 the amount of the deduction under subsection (2) or (4). The amount  
2 of the credit under this subsection must not be in an amount that  
3 is greater than the deduction assessed under subsection (2) or (4).

4 (6) ~~(3)~~—If a school official is notified by the department  
5 that he or she is employing an individual in violation of this  
6 section and knowingly continues to employ that individual, the  
7 school official is guilty of a misdemeanor punishable by a fine of  
8 \$1,500.00 for each incidence. This penalty is in addition to all  
9 other financial penalties otherwise specified in this article.