

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 134**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 11, 21f, 31a, 32d, and 107 (MCL 388.1606,
388.1611, 388.1621f, 388.1631a, 388.1632d, and 388.1707), section 6
as amended by 2014 PA 196 and sections 11, 21f, 31a, 32d, and 107
as amended by 2015 PA 85.

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

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

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

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

24 (4) "Membership", except as otherwise provided in this
25 article, means for a district, a public school academy, the
26 education achievement system, or an intermediate district the sum
27 of the product of .90 times the number of full-time equated pupils

1 in grades K to 12 actually enrolled and in regular daily attendance
2 on the pupil membership count day for the current school year, plus
3 the product of .10 times the final audited count from the
4 supplemental count day for the immediately preceding school year. A
5 district's, public school academy's, or intermediate district's
6 membership shall be adjusted as provided under section 25e for
7 pupils who enroll in the district, public school academy, or
8 intermediate district after the pupil membership count day. All
9 pupil counts used in this subsection are as determined by the
10 department and calculated by adding the number of pupils registered
11 for attendance plus pupils received by transfer and minus pupils
12 lost as defined by rules promulgated by the superintendent, and as
13 corrected by a subsequent department audit. For the purposes of
14 this section and section 6a, for a school of excellence that is a
15 cyber school, as defined in section 551 of the revised school code,
16 MCL 380.551, and is in compliance with section 553a of the revised
17 school code, MCL 380.553a, a pupil's participation ~~, as determined~~
18 ~~by the department in accordance with the pupil accounting manual,~~
19 in the cyber school's educational program is considered regular
20 daily attendance; for the education achievement system, a pupil's
21 participation ~~, as determined by the department in accordance with~~
22 ~~the pupil accounting manual,~~ in an online educational program of
23 the education achievement system or of an achievement school is
24 considered regular daily attendance; and for a district a pupil's
25 participation in an online course as defined in section 21f is
26 considered regular daily attendance. The amount of the foundation
27 allowance for a pupil in membership is determined under section 20.

1 In making the calculation of membership, all of the following, as
2 applicable, apply to determining the membership of a district, a
3 public school academy, the education achievement system, or an
4 intermediate district:

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

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

20 (c) A special education pupil educated by the intermediate
21 district shall be counted in membership in the intermediate
22 district.

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

1 program.

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

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

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

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

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

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

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

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

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

19 (k) In a district, a public school academy, the education
20 achievement system, or an intermediate district operating an
21 extended school year program approved by the superintendent, a
22 pupil enrolled, but not scheduled to be in regular daily attendance
23 on a pupil membership count day, shall be counted.

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

1 than 20 years of age on September 1 of the school year except as
2 follows:

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

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

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

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

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

17 (D) Is considered to be homeless under 42 USC 11302.

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

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

1 general educational development (G.E.D.) certificate shall not be
2 counted in membership unless the individual is a student with a
3 disability as defined in R 340.1702 of the Michigan administrative
4 code. An individual participating in a job training program funded
5 under former section 107a or a jobs program funded under former
6 section 107b, administered by the Michigan strategic fund, or
7 participating in any successor of either of those 2 programs, shall
8 not be counted in membership.

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

23 (i) If the public school academy or the education achievement
24 system provides instruction for at least 1/2 of the class hours
25 required under section 101, the public school academy or the
26 education achievement system shall receive as its prorated share of
27 the full-time equated membership for each of those pupils an amount

1 equal to 1 times the product of the hours of instruction the public
2 school academy or the education achievement system provides divided
3 by the number of hours required under section 101 for full-time
4 equivalency, and the remainder of the full-time membership for each
5 of those pupils shall be allocated to the district or intermediate
6 district providing the remainder of the hours of instruction.

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

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

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

25 (q) The number of class hours used to calculate full-time
26 equated memberships shall be consistent with section 101. In
27 determining full-time equated memberships for pupils who are

1 enrolled in a postsecondary institution, a pupil shall not be
2 considered to be less than a full-time equated pupil solely because
3 of the effect of his or her postsecondary enrollment, including
4 necessary travel time, on the number of class hours provided by the
5 district to the pupil.

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

21 (s) For a district, a public school academy, or the education
22 achievement system that has pupils enrolled in a grade level that
23 was not offered by the district, the public school academy, or the
24 education achievement system in the immediately preceding school
25 year, the number of pupils enrolled in that grade level to be
26 counted in membership is the average of the number of those pupils
27 enrolled and in regular daily attendance on the pupil membership

1 count day and the supplemental count day of the current school
2 year, as determined by the department. Membership shall be
3 calculated by adding the number of pupils registered for attendance
4 in that grade level on the pupil membership count day plus pupils
5 received by transfer and minus pupils lost as defined by rules
6 promulgated by the superintendent, and as corrected by subsequent
7 department audit, plus the final audited count from the
8 supplemental count day for the current school year, and dividing
9 that sum by 2.

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

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

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

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

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

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

12 (v) If a pupil was enrolled in a public school academy on the
13 pupil membership count day, if the public school academy's contract
14 with its authorizing body is revoked or the public school academy
15 otherwise ceases to operate, and if the pupil enrolls in a district
16 or the education achievement system within 45 days after the pupil
17 membership count day, the department shall adjust the district's or
18 the education achievement system's pupil count for the pupil
19 membership count day to include the pupil in the count.

20 (w) For a public school academy that has been in operation for
21 at least 2 years and that suspended operations for at least 1
22 semester and is resuming operations, membership is the sum of the
23 product of .90 times the number of full-time equated pupils in
24 grades K to 12 actually enrolled and in regular daily attendance on
25 the first pupil membership count day or supplemental count day,
26 whichever is first, occurring after operations resume, plus the
27 product of .10 times the final audited count from the most recent

1 pupil membership count day or supplemental count day that occurred
2 before suspending operations, as determined by the superintendent.

3 (x) If a district's membership for a particular fiscal year,
4 as otherwise calculated under this subsection, would be less than
5 1,550 pupils and the district has 4.5 or fewer pupils per square
6 mile, as determined by the department, and if the district does not
7 receive funding under section 22d(2), the district's membership
8 shall be considered to be the membership figure calculated under
9 this subdivision. If a district educates and counts in its
10 membership pupils in grades 9 to 12 who reside in a contiguous
11 district that does not operate grades 9 to 12 and if 1 or both of
12 the affected districts request the department to use the
13 determination allowed under this sentence, the department shall
14 include the square mileage of both districts in determining the
15 number of pupils per square mile for each of the districts for the
16 purposes of this subdivision. The membership figure calculated
17 under this subdivision is the greater of the following:

18 (i) The average of the district's membership for the 3-fiscal-
19 year period ending with that fiscal year, calculated by adding the
20 district's actual membership for each of those 3 fiscal years, as
21 otherwise calculated under this subsection, and dividing the sum of
22 those 3 membership figures by 3.

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

25 (y) Full-time equated memberships for special education pupils
26 who are not enrolled in kindergarten but are enrolled in a
27 classroom program under R 340.1754 of the Michigan administrative

1 code shall be determined by dividing the number of class hours
2 scheduled and provided per year by 450. Full-time equated
3 memberships for special education pupils who are not enrolled in
4 kindergarten but are receiving early childhood special education
5 services under R 340.1755 or R 340.1862 of the Michigan
6 administrative code shall be determined by dividing the number of
7 hours of service scheduled and provided per year per-pupil by 180.

8 (z) A pupil of a district that begins its school year after
9 Labor Day who is enrolled in an intermediate district program that
10 begins before Labor Day shall not be considered to be less than a
11 full-time pupil solely due to instructional time scheduled but not
12 attended by the pupil before Labor Day.

13 (aa) For the first year in which a pupil is counted in
14 membership on the pupil membership count day in a middle college
15 program, the membership is the average of the full-time equated
16 membership on the pupil membership count day and on the
17 supplemental count day for the current school year, as determined
18 by the department. If a pupil described in this subdivision was
19 counted in membership by the operating district on the immediately
20 preceding supplemental count day, the pupil shall be excluded from
21 the district's immediately preceding supplemental count for the
22 purposes of determining the district's membership.

23 (bb) A district, a public school academy, or the education
24 achievement system that educates a pupil who attends a United
25 States Olympic Education Center may count the pupil in membership
26 regardless of whether or not the pupil is a resident of this state.

27 (cc) A pupil enrolled in a district other than the pupil's

1 district of residence pursuant to section 1148(2) of the revised
2 school code, MCL 380.1148, shall be counted in the educating
3 district or the education achievement system.

4 (dd) For a pupil enrolled in a dropout recovery program that
5 meets the requirements of section 23a, the pupil shall be counted
6 as 1/12 of a full-time equated membership for each month that the
7 district operating the program reports that the pupil was enrolled
8 in the program and was in full attendance. However, if the special
9 membership counting provisions under this subdivision and the
10 operation of the other membership counting provisions under this
11 subsection result in a pupil being counted as more than 1.0 FTE in
12 a fiscal year, the payment made for the pupil under sections 22a
13 and 22b shall not be based on more than 1.0 FTE for that pupil, and
14 any portion of an FTE for that pupil that exceeds 1.0 shall instead
15 be paid under section 25g. The district operating the program shall
16 report to the center the number of pupils who were enrolled in the
17 program and were in full attendance for a month not later than the
18 tenth day of the next month. A district shall not report a pupil as
19 being in full attendance for a month unless both of the following
20 are met:

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

24 (ii) The pupil meets the district's definition under section
25 23a of satisfactory monthly progress for that month or, if the
26 pupil does not meet that definition of satisfactory monthly
27 progress for that month, the pupil did meet that definition of

1 satisfactory monthly progress in the immediately preceding month
2 and appropriate interventions are implemented within 10 school days
3 after it is determined that the pupil does not meet that definition
4 of satisfactory monthly progress.

5 (ee) A pupil participating in an online course under section
6 21f shall be counted in membership in the district enrolling the
7 pupil.

8 (ff) If a public school academy that is not in its first or
9 second year of operation closes at the end of a school year and
10 does not reopen for the next school year, the department shall
11 adjust the membership count of the district or the education
12 achievement system in which a former pupil of the public school
13 academy enrolls and is in regular daily attendance for the next
14 school year to ensure that the district or the education
15 achievement system receives the same amount of membership aid for
16 the pupil as if the pupil were counted in the district or the
17 education achievement system on the supplemental count day of the
18 preceding school year.

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 a person in membership in a public school. A
22 district must have the approval of the pupil's district of
23 residence to count the pupil in membership, except approval by the
24 pupil's district of residence is not required for any of the
25 following:

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

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

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

5 (d) A pupil enrolled in a district other than the pupil's
6 district of residence under an intermediate district schools of
7 choice pilot program as described in section 91a or former section
8 91 if the intermediate district and its constituent districts have
9 been exempted from section 105.

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

13 (f) A pupil who has made an official written complaint or
14 whose parent or legal guardian has made an official written
15 complaint to law enforcement officials and to school officials of
16 the pupil's district of residence that the pupil has been the
17 victim of a criminal sexual assault or other serious assault, if
18 the official complaint either indicates that the assault occurred
19 at school or that the assault was committed by 1 or more other
20 pupils enrolled in the school the pupil would otherwise attend in
21 the district of residence or by an employee of the district of
22 residence. A person who intentionally makes a false report of a
23 crime to law enforcement officials for the purposes of this
24 subdivision is subject to section 411a of the Michigan penal code,
25 1931 PA 328, MCL 750.411a, which provides criminal penalties for
26 that conduct. As used in this subdivision:

27 (i) "At school" means in a classroom, elsewhere on school

1 premises, on a school bus or other school-related vehicle, or at a
2 school-sponsored activity or event whether or not it is held on
3 school premises.

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

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

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

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

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

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

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

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

26 (j) A pupil who is the child of a person who works at the
27 district or who is the child of a person who worked at the district

1 as of the time the pupil first enrolled in the district but who no
2 longer works at the district due to a workforce reduction. As used
3 in this subdivision, "child" includes an adopted child, stepchild,
4 or legal ward.

5 (k) An expelled pupil who has been denied reinstatement by the
6 expelling district and is reinstated by another school board under
7 section 1311 or 1311a of the revised school code, MCL 380.1311 and
8 380.1311a.

9 (l) A pupil enrolled in a district other than the pupil's
10 district of residence in a middle college program if the pupil's
11 district of residence and the enrolling district are both
12 constituent districts of the same intermediate district.

13 (m) A pupil enrolled in a district other than the pupil's
14 district of residence who attends a United States Olympic Education
15 Center.

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

19 (o) A pupil who enrolls in a district other than the pupil's
20 district of residence as a result of the pupil's school not making
21 adequate yearly progress under the no child left behind act of
22 2001, Public Law 107-110.

23 However, if a district educates pupils who reside in another
24 district and if the primary instructional site for those pupils is
25 established by the educating district after 2009-2010 and is
26 located within the boundaries of that other district, the educating
27 district must have the approval of that other district to count

1 those pupils in membership.

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

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

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

12 (i) Fourth Wednesday in July.

13 (ii) First Wednesday in October.

14 (iii) Second Wednesday in February.

15 (iv) Fourth Wednesday in April.

16 (8) "Pupils in grades K to 12 actually enrolled and in regular
17 daily attendance" means pupils in grades K to 12 in attendance and
18 receiving instruction in all classes for which they are enrolled on
19 the pupil membership count day or the supplemental count day, as
20 applicable. Except as otherwise provided in this subsection, a
21 pupil who is absent from any of the classes in which the pupil is
22 enrolled on the pupil membership count day or supplemental count
23 day and who does not attend each of those classes during the 10
24 consecutive school days immediately following the pupil membership
25 count day or supplemental count day, except for a pupil who has
26 been excused by the district, shall not be counted as 1.0 full-time
27 equated membership. A pupil who is excused from attendance on the

1 pupil membership count day or supplemental count day and who fails
2 to attend each of the classes in which the pupil is enrolled within
3 30 calendar days after the pupil membership count day or
4 supplemental count day shall not be counted as 1.0 full-time
5 equated membership. In addition, a pupil who was enrolled and in
6 attendance in a district, an intermediate district, a public school
7 academy, or the education achievement system before the pupil
8 membership count day or supplemental count day of a particular year
9 but was expelled or suspended on the pupil membership count day or
10 supplemental count day shall only be counted as 1.0 full-time
11 equated membership if the pupil resumed attendance in the district,
12 intermediate district, public school academy, or education
13 achievement system within 45 days after the pupil membership count
14 day or supplemental count day of that particular year. Pupils not
15 counted as 1.0 full-time equated membership due to an absence from
16 a class shall be counted as a prorated membership for the classes
17 the pupil attended. For purposes of this subsection, "class" means
18 a period of time in 1 day when pupils and a certificated teacher or
19 legally qualified substitute teacher are together and instruction
20 is taking place.

21 (9) "Rule" means a rule promulgated pursuant to the
22 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
23 24.328.

24 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
25 380.1852.

26 (11) "School district of the first class", "first class school
27 district", and "district of the first class" mean, for the purposes

1 of this article only, a district that had at least 40,000 pupils in
2 membership for the immediately preceding fiscal year.

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

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

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

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

12 (16) "Tuition pupil" means a pupil of school age attending
13 school in a district other than the pupil's district of residence
14 for whom tuition may be charged to the district of residence.

15 Tuition pupil does not include a pupil who is a special education
16 pupil, a pupil described in subsection (6)(c) to (p), or a pupil
17 whose parent or guardian voluntarily enrolls the pupil in a
18 district that is not the pupil's district of residence. A pupil's
19 district of residence shall not require a high school tuition
20 pupil, as provided under section 111, to attend another school
21 district after the pupil has been assigned to a school district.

22 (17) "State school aid fund" means the state school aid fund
23 established in section 11 of article IX of the state constitution
24 of 1963.

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

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

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

13 Sec. 11. (1) For the fiscal year ending September 30, 2015,
14 there is appropriated for the public schools of this state and
15 certain other state purposes relating to education the sum of
16 \$11,814,097,400.00 from the state school aid fund, the sum of
17 \$18,000,000.00 from the MPERS retirement obligation reform reserve
18 fund created under section 147b, and the sum of \$33,700,000.00 from
19 the general fund. For the fiscal year ending September 30, 2016,
20 there is appropriated for the public schools of this state and
21 certain other state purposes relating to education the sum of
22 ~~\$12,074,660,100.00~~ **\$12,078,985,100.00** from the state school aid
23 fund and the sum of \$45,900,000.00 from the general fund. In
24 addition, all other available federal funds are appropriated each
25 fiscal year for the fiscal years ending September 30, 2015 and
26 September 30, 2016.

27 (2) The appropriations under this section shall be allocated

1 as provided in this article. Money appropriated under this section
2 from the general fund shall be expended to fund the purposes of
3 this article before the expenditure of money appropriated under
4 this section from the state school aid fund.

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

8 Sec. 21f. (1) A pupil enrolled in a district in any of grades
9 6 to 12 is eligible to enroll in an online course as provided for
10 in this section.

11 (2) With the consent of the pupil's parent or legal guardian,
12 a district shall enroll an eligible pupil in up to 2 online courses
13 as requested by the pupil during an academic term, semester, or
14 trimester. Unless the pupil is newly enrolled in the pupil's
15 primary district, the request for online course enrollment must be
16 made in the academic term, semester, trimester, or summer preceding
17 the enrollment. A district may not establish additional
18 requirements that would prohibit a pupil from taking an online
19 course. If a pupil has demonstrated previous success with online
20 courses and the school leadership and the pupil's parent or legal
21 guardian determine that it is in the best interest of the pupil, a
22 pupil may be enrolled in more than 2 online courses in a specific
23 academic term, semester, or trimester. Consent of the pupil's
24 parent or legal guardian is not required if the pupil is at least
25 age 18 or is an emancipated minor.

26 (3) An eligible pupil may enroll in an online course published
27 in the pupil's primary district's catalog of online courses

1 described in subsection (7)(a) or the statewide catalog of online
2 courses maintained by the Michigan Virtual University pursuant to
3 section 98.

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

18 (5) A pupil's primary district may deny the pupil enrollment
19 in an online course if any of the following apply, as determined by
20 the district:

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

23 (b) The online course is not capable of generating academic
24 credit.

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

27 (d) The pupil does not possess the prerequisite knowledge and

1 skills to be successful in the online course or has demonstrated
2 failure in previous online coursework in the same subject.

3 (e) The online course is of insufficient quality or rigor. A
4 district that denies a pupil enrollment for this reason shall make
5 a reasonable effort to assist the pupil to find an alternative
6 course in the same or a similar subject that is of acceptable rigor
7 and quality.

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

11 (g) The online course enrollment request does not occur within
12 the same timelines established by the primary district for
13 enrollment and schedule changes for regular courses.

14 (6) If a pupil is denied enrollment in an online course by the
15 pupil's primary district, the pupil may appeal the denial by
16 submitting a letter to the superintendent of the intermediate
17 district in which the pupil's primary district is located. The
18 letter of appeal shall include the reason provided by the primary
19 district for not enrolling the pupil and the reason why the pupil
20 is claiming that the enrollment should be approved. The
21 intermediate district superintendent or designee shall respond to
22 the appeal within 5 days after it is received. If the intermediate
23 district superintendent or designee determines that the denial of
24 enrollment does not meet 1 or more of the reasons specified in
25 subsection (5), the primary district shall allow the pupil to
26 enroll in the online course.

27 (7) To provide an online course under this section, the

1 providing district or intermediate district shall do all of the
2 following:

3 (a) Provide the Michigan Virtual University with the course
4 syllabus in a form and method prescribed by the Michigan Virtual
5 University for inclusion in a statewide online course catalog. The
6 district or intermediate district shall also provide on its
7 publicly accessible website a link to the course syllabi for all of
8 the online courses offered by the district or intermediate district
9 and a link to the statewide catalog of online courses maintained by
10 the Michigan Virtual University.

11 (b) Assign to each pupil a teacher of record and provide the
12 primary district with the personal identification code for the
13 teacher of record.

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

17 (d) Not later than October 1, 2015, provide the Michigan
18 Virtual University with the number of enrollments in each online
19 course the district or intermediate district provided to pupils
20 pursuant to this section in the immediately preceding school year,
21 and the number of enrollments in which the pupil earned 60% or more
22 of the total course points for each online course.

23 (8) To provide an online course under this section, a
24 community college shall do all of the following:

25 (a) Provide the Michigan Virtual University with the course
26 syllabus in a form and method prescribed by the Michigan Virtual
27 University for inclusion in a statewide online course catalog.

1 (b) Offer the online course on an open entry and exit method,
2 or aligned to a semester, trimester, or accelerated academic term
3 format.

4 (c) Ensure that each online course it provides under this
5 section generates postsecondary credit.

6 (d) Beginning with October 1, 2016, and by October 1 of each
7 year thereafter, provide the Michigan Virtual University with the
8 number of enrollments in each online course the community college
9 provided to pupils pursuant to this section in the immediately
10 preceding school year, and the number of enrollments in which the
11 pupil earned 60% or more of the total course points for each online
12 course.

13 (e) Be taught by an instructor employed by or contracted
14 through the community college.

15 (9) For any online course a pupil enrolls in under this
16 section, the pupil's primary district must assign to the pupil a
17 mentor to monitor the pupil's progress during the online course and
18 shall supply the providing district with the mentor's contact
19 information.

20 (10) For a pupil enrolled in 1 or more online courses
21 published in the pupil's primary district's catalog of online
22 courses under subsection (7) or in the statewide catalog of online
23 courses maintained by the Michigan Virtual University, the primary
24 district shall use foundation allowance or per-pupil funds
25 calculated under section 20 to pay for the expenses associated with
26 the online course or courses. A district is not required to pay
27 toward the cost of an online course an amount that exceeds 6.67% of

1 the minimum foundation allowance for the current fiscal year as
2 calculated under section 20.

3 (11) An online learning pupil shall have the same rights and
4 access to technology in his or her primary district's school
5 facilities as all other pupils enrolled in the pupil's primary
6 district.

7 (12) If a pupil successfully completes an online course, as
8 determined by the pupil's primary district, the pupil's primary
9 district shall grant appropriate academic credit for completion of
10 the course and shall count that credit toward completion of
11 graduation and subject area requirements. A pupil's school record
12 and transcript shall identify the online course title as it appears
13 in the online course syllabus.

14 (13) The enrollment of a pupil in 1 or more online courses
15 shall not result in a pupil being counted as more than 1.0 full-
16 time equivalent pupils under this article.

17 (14) The portion of the full-time equated pupil membership for
18 which a pupil is enrolled in 1 or more online courses under this
19 section shall not be transferred under the pupil transfer process
20 under section 25e.

21 (15) As used in this section:

22 (a) "Mentor" means a professional employee of the primary
23 district who monitors the pupil's progress, ensures the pupil has
24 access to needed technology, is available for assistance, and
25 ensures access to the teacher of record. A mentor may also serve as
26 the teacher of record if the mentor meets the requirements under
27 subdivision (g).

(b) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive Internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and, if the course is provided by a district or intermediate district, in which a teacher who holds a valid Michigan teaching certificate that qualifies the teacher to teach the course is responsible for providing instruction, determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.

(c) "Online course syllabus" means a document that includes all of the following:

(i) The state academic standards addressed in an online course.

(ii) The online course content outline.

(iii) The online course required assessments.

(iv) The online course prerequisites.

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

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

(vii) The online course learning outcomes and objectives.

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

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

(x) The course titles assigned by the district or intermediate

1 district and the course titles and course codes from the National
2 Center for Education Statistics (NCES) school codes for the
3 exchange of data (SCED).

4 (xi) The number of eligible nonresident pupils that will be
5 accepted by the district or intermediate district in the online
6 course.

7 (xii) The results of the online course quality review using
8 the guidelines and model review process published by the Michigan
9 Virtual University.

10 (d) "Online learning pupil" means a pupil enrolled in 1 or
11 more online courses.

12 (e) "Primary district" means the ~~pupil's district of~~
13 ~~residence.~~ **DISTRICT THAT ENROLLS THE PUPIL AND REPORTS THE PUPIL AS**
14 **A FULL-TIME EQUATED PUPIL FOR PUPIL MEMBERSHIP PURPOSES.**

15 (f) "Providing district" means the district, intermediate
16 district, or community college that the primary district pays to
17 provide the online course.

18 (g) "Teacher of record" means a teacher who holds a valid
19 Michigan teaching certificate; who, if applicable, is endorsed in
20 the subject area and grade of the online course; and is responsible
21 for providing instruction, determining instructional methods for
22 each pupil, diagnosing learning needs, assessing pupil learning,
23 prescribing intervention strategies, reporting outcomes, and
24 evaluating the effects of instruction and support strategies.

25 Sec. 31a. (1) From the state school aid fund money
26 appropriated in section 11, there is allocated for 2015-2016 an
27 amount not to exceed \$389,695,500.00 for payments to eligible

1 districts, eligible public school academies, and the education
2 achievement system for the purposes of ensuring that pupils are
3 proficient in reading by the end of grade 3 and that high school
4 graduates are career and college ready and for the purposes under
5 subsections (7) and (8).

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

15 (3) For a district or public school academy that operates
16 grades K to 3, or the education achievement system, to be eligible
17 to receive funding under this section, other than funding under
18 subsection (7) or (8), the district or public school academy, or
19 the education achievement system, must implement, for at least
20 grades K to 3, a multi-tiered system of supports that is an
21 evidence-based model that uses data-driven problem solving to
22 integrate academic and behavioral instruction and that uses
23 intervention delivered to all pupils in varying intensities based
24 on pupil needs. This multi-tiered system of supports must provide
25 at least all of the following essential elements:

26 (a) Implements effective instruction for all learners.

27 (b) Intervenes early.

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

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

5 (ii) Targeted group interventions.

6 (iii) Intense individual interventions.

7 (d) Monitors pupil progress to inform instruction.

8 (e) Uses data to make instructional decisions.

9 (f) Uses assessments including universal screening,
10 diagnostics, and progress monitoring.

11 (g) Engages families and the community.

12 (h) Implements evidence-based, scientifically validated,
13 instruction and intervention.

14 (i) Implements instruction and intervention practices with
15 fidelity.

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

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

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

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

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

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

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

1 awarded for 5 consecutive years beginning with 2003-2004 in a form
2 and manner approved jointly by the department and the department of
3 health and human services. Each grant recipient shall remain in
4 compliance with the terms of the grant award or shall forfeit the
5 grant award for the duration of the 5-year period after the
6 noncompliance. To continue to receive funding for a child and
7 adolescent health center under this section a grant recipient shall
8 ensure that the child and adolescent health center has an advisory
9 committee and that at least one-third of the members of the
10 advisory committee are parents or legal guardians of school-aged
11 children. A child and adolescent health center program shall
12 recognize the role of a child's parents or legal guardian in the
13 physical and emotional well-being of the child. Funding under this
14 subsection shall be used to support child and adolescent health
15 center services provided to children up to age 21. If any funds
16 allocated under this subsection are not used for the purposes of
17 this subsection for the fiscal year in which they are allocated,
18 those unused funds shall be used that fiscal year to avoid or
19 minimize any proration that would otherwise be required under
20 subsection (12) for that fiscal year. In addition to the funds
21 otherwise allocated under this subsection, from the money allocated
22 in subsection (1), there is allocated an amount not to exceed
23 \$2,000,000.00 for 2015-2016 only for child and adolescent health
24 centers to increase access to nurses and behavioral health services
25 in schools, using 3 existing school clinics as hubs for services
26 and using mobile teams to serve satellite school sites.

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

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

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

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

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

15 (11) Subject to subsections (6), (7), and (8), a district may
16 use up to 100% of the funds it receives under this section to
17 implement schoolwide reform in schools with 40% or more of their
18 pupils identified as at-risk pupils by providing supplemental
19 instructional or noninstructional services consistent with the
20 school improvement plan.

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

1 who met the income eligibility criteria for free breakfast, lunch,
2 or milk in the immediately preceding fiscal year, as described in
3 subsection (4).

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

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

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

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

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

1 substance abuse.

2 (d) For pupils for whom the results of the state summative
3 assessment have been received, is a pupil who did not achieve
4 proficiency on the English language arts, mathematics, science, or
5 social studies content area assessment.

6 (e) Is a pupil who is at risk of not meeting the district's
7 core academic curricular objectives in English language arts or
8 mathematics, as demonstrated on local assessments.

9 (f) The pupil is enrolled in a priority or priority-successor
10 school, as defined in the elementary and secondary education act of
11 2001 flexibility waiver approved by the United States Department of
12 Education.

13 (g) In the absence of state or local assessment data, the
14 pupil meets at least 2 of the following criteria, as documented in
15 a form and manner approved by the department:

16 (i) The pupil is eligible for free or reduced price breakfast,
17 lunch, or milk.

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

20 (iii) The pupil is homeless.

21 (iv) The pupil is a migrant.

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

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

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

1 (15) ~~IF~~**BEGINNING IN 2018-2019, IF** a district, public school
2 academy, or the education achievement system does not demonstrate
3 to the satisfaction of the department that at least 50% of at-risk
4 pupils are reading at grade level by the end of grade 3 as measured
5 by the state assessment **FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR**
6 and demonstrate to the satisfaction of the department improvement
7 over ~~3 consecutive~~**EACH OF THE 3 IMMEDIATELY PRECEDING SCHOOL** years
8 in the percentage of at-risk pupils that are career- and college-
9 ready as determined by proficiency on the English language arts,
10 mathematics, and science content area assessments on the grade 11
11 summative assessment under section 1279g(2)(a) of the revised
12 school code, MCL 380.1279g, the district, public school academy, or
13 education achievement system shall ensure all of the following:

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

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

1 1279g(2)(a) of the revised school code, MCL 380.1279g, and the
2 district, public school academy, or the education achievement
3 system shall expend that same proportion multiplied by 1/2 of its
4 total at-risk funds under this section on tutoring and other
5 activities to improve scores on the college entrance examination
6 portion of the Michigan merit examination.

7 (16) As used in subsection (15), "total at-risk pupils" means
8 the sum of the number of pupils in grade 3 that are not reading at
9 grade level by the end of third grade as measured on the state
10 assessment and the number of pupils in grade 11 that are not
11 career- and college-ready as measured by the student's score on the
12 English language arts, mathematics, and science content area
13 assessments on the grade 11 summative assessment under section
14 1279g(2)(a) of the revised school code, MCL 380.1279g.

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

19 (18) The department shall collaborate with the department of
20 health and human services to prioritize assigning Pathways to
21 Potential Success coaches to elementary schools that have a high
22 percentage of pupils in grades K to 3 who are not reading at grade
23 level.

24 Sec. 32d. (1) From the funds appropriated in section 11, there
25 is allocated to eligible intermediate districts and consortia of
26 intermediate districts for great start readiness programs an amount
27 not to exceed ~~\$239,275,000.00~~ **\$243,600,000.00** for 2015-2016. Funds

1 allocated under this section for great start readiness programs
2 shall be used to provide part-day, school-day, or GSRP/head start
3 blended comprehensive free compensatory classroom programs designed
4 to improve the readiness and subsequent achievement of
5 educationally disadvantaged children who meet the participant
6 eligibility and prioritization guidelines as defined by the
7 department. For a child to be eligible to participate in a program
8 under this section, the child shall be at least 4, but less than 5,
9 years of age as of the date specified for determining a child's
10 eligibility to attend school under section 1147 of the revised
11 school code, MCL 380.1147.

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

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

27 (4) To be eligible for funding under this section, a program

1 shall prepare children for success in school through comprehensive
2 part-day, school-day, or GSRP/head start blended programs that
3 contain all of the following program components, as determined by
4 the department:

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (b) Except as otherwise provided in this subdivision, ensure
17 that at least 90% of the children participating in an eligible
18 great start readiness program for whom the intermediate district is
19 receiving funds under this section are children who live with
20 families with a household income that is equal to or less than 250%
21 of the federal poverty level. If the intermediate district
22 determines that all eligible children are being served and that
23 there are no children on the waiting list under section 39(1)(d)
24 who live with families with a household income that is equal to or
25 less than 250% of the federal poverty level, the intermediate
26 district may then enroll children who live with families with a
27 household income that is equal to or less than 300% of the federal

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

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

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

26 (ii) Paraprofessionals possessing proper training in early
27 childhood development, including an associate's degree in early

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

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

25 (6) For a grant recipient that enrolls pupils in a school-day
26 program funded under this section, each child enrolled in the
27 school-day program shall be counted as 2 children served by the

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

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

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

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

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

23 (b) For the portion of the total grant amount for which
24 services are contracted, the intermediate district or consortium of
25 intermediate districts receiving the grant may retain an amount
26 equal to not more than 4% of that portion of the grant amount and
27 the subrecipients engaged by the intermediate district to provide

1 program services may retain for administrative services an amount
2 equal to not more than 4% of that portion of the grant amount.

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

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

1 equal to or less than 250% of the federal poverty level regardless
2 of actual family income.

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

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

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

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

24 (b) The intermediate district or consortium provided to each
25 licensed child care center located in the service area of the
26 intermediate district or consortium information regarding great
27 start readiness program requirements and a description of the

1 application and selection process for community-based providers.

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

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

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

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

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

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

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

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

1 and human services in a manner consistent with maximizing the
2 amount of spending that may be claimed for temporary assistance for
3 needy families maintenance of effort purposes.

4 (17) As used in this section:

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

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

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

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

27 (19) From the amount appropriated in subsection (1), there is

1 allocated an amount not to exceed \$10,000,000.00 for reimbursement
2 of transportation costs for children attending great start
3 readiness programs funded under this section. To receive
4 reimbursement under this subsection, not later than November 1,
5 2015, a program funded under this section that provides
6 transportation shall submit to the intermediate district that is
7 the fiscal agent for the program a projected transportation budget.
8 The amount of the reimbursement for transportation under this
9 subsection shall be no more than the projected transportation
10 budget or \$150.00 multiplied by the number of slots funded for the
11 program under this section. If the amount allocated under this
12 subsection is insufficient to fully reimburse the transportation
13 costs for all programs that provide transportation and submit the
14 required information, the reimbursement shall be prorated in an
15 equal amount per slot funded. Payments shall be made to the
16 intermediate district that is the fiscal agent for each program,
17 and the intermediate district shall then reimburse the program
18 provider for transportation costs as prescribed under this
19 subsection.

20 Sec. 107. (1) From the appropriation in section 11, there is
21 allocated an amount not to exceed \$25,000,000.00 for 2015-2016 for
22 adult education programs authorized under this section. Except as
23 otherwise provided under subsections (16) and (18), funds allocated
24 under this section are restricted for adult education programs as
25 authorized under this section only. A recipient of funds under this
26 section shall not use those funds for any other purpose.

27 (2) To be eligible for funding under this section, an eligible

1 adult education provider shall employ certificated teachers and
2 qualified administrative staff and shall offer continuing education
3 opportunities for teachers to allow them to maintain certification.

4 (3) To be eligible to be a participant funded under this
5 section, an individual shall be enrolled in an adult basic
6 education program, an adult English as a second language program, a
7 general educational development (G.E.D.) test preparation program,
8 a job- or employment-related program, or a high school completion
9 program, that meets the requirements of this section, and for which
10 instruction is provided, and shall meet either of the following, as
11 applicable:

12 (a) If the individual has obtained a high school diploma or a
13 general educational development (G.E.D.) certificate, the
14 individual meets 1 of the following:

15 (i) Is less than 20 years of age on September 1 of the school
16 year, is not attending an institution of higher education, and is
17 enrolled in a job- or employment-related program through a referral
18 by an employer or by a Michigan workforce agency.

19 (ii) Is enrolled in an English as a second language program.

20 (iii) Is enrolled in a high school completion program.

21 (iv) Is **AT LEAST** 20 years of age on September 1 of the school
22 year, is enrolled in an adult basic education program, and is
23 determined by a department-approved assessment, in a form and
24 manner prescribed by the department, to be below grade 9 level in
25 reading or mathematics, or both.

26 (b) If the individual has not obtained a high school diploma
27 or G.E.D. certificate, the individual meets 1 of the following:

1 (i) Is at least 20 years of age on September 1 of the school
2 year.

3 (ii) Is at least 16 years of age on September 1 of the school
4 year, has been permanently expelled from school under section
5 1311(2) or 1311a of the revised school code, MCL 380.1311 and
6 380.1311a, and has no appropriate alternative education program
7 available through his or her district of residence.

8 (4) By April 1 of each fiscal year, the intermediate districts
9 within a prosperity region or subregion shall determine which
10 intermediate district will serve as the prosperity region's or
11 subregion's fiscal agent for the next fiscal year and shall notify
12 the department in a form and manner determined by the department.
13 The department shall approve or disapprove of the prosperity
14 region's or subregion's selected fiscal agent. From the funds
15 allocated under subsection (1), an amount as determined under this
16 subsection shall be allocated to each intermediate district serving
17 as a fiscal agent for adult education programs in each of the
18 prosperity regions or subregions identified by the department. An
19 intermediate district shall not use more than 5% of the funds
20 allocated under this subsection for administration costs for
21 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
22 allocation provided to each intermediate district serving as a
23 fiscal agent shall be based on the proportion of total funding
24 formerly received by the adult education providers in that
25 prosperity region or subregion in 2013-2014, and 33% shall be
26 allocated based on the factors in subdivisions (a), (b), and (c).
27 For 2016-2017, 33% of the allocation provided to each intermediate

1 district serving as a fiscal agent shall be based upon the
2 proportion of total funding formerly received by the adult
3 education providers in that prosperity region in 2013-2014 and 67%
4 of the allocation shall be based upon the factors in subdivisions
5 (a), (b), and (c). Beginning in 2017-2018, 100% of the allocation
6 provided to each intermediate district serving as a fiscal agent
7 shall be based on the factors in subdivisions (a), (b), and (c).
8 The funding factors for this section are as follows:

9 (a) Sixty percent of this portion of the funding shall be
10 distributed based upon the proportion of the state population of
11 individuals between the ages of 18 and 24 that are not high school
12 graduates that resides in each of the prosperity regions or
13 subregions, as reported by the most recent 5-year estimates from
14 the American community survey (ACS) from the United States Census
15 Bureau.

16 (b) Thirty-five percent of this portion of the funding shall
17 be distributed based upon the proportion of the state population of
18 individuals age 25 or older who are not high school graduates that
19 resides in each of the prosperity regions or subregions, as
20 reported by the most recent 5-year estimates from the American
21 community survey (ACS) from the United States Census Bureau.

22 (c) Five percent of this portion of the funding shall be
23 distributed based upon the proportion of the state population of
24 individuals age 18 or older who lack basic English language
25 proficiency that resides in each of the prosperity regions or
26 subregions, as reported by the most recent 5-year estimates from
27 the American community survey (ACS) from the United States Census

1 Bureau.

2 (5) To be an eligible fiscal agent, an intermediate district
3 must agree to do the following in a form and manner determined by
4 the department:

5 (a) Distribute funds to adult education programs in a
6 prosperity region or subregion as described in this section.

7 (b) Collaborate with the talent district career council, which
8 is an advisory council of the workforce development boards located
9 in the prosperity region or subregion, or its successor, to develop
10 a regional strategy that aligns adult education programs and
11 services into an efficient and effective delivery system for adult
12 education learners, with special consideration for providing
13 contextualized learning and career pathways.

14 (c) Collaborate with the talent district career council, which
15 is an advisory council of the workforce development boards located
16 in the prosperity region or subregion, or its successor, to create
17 a local process and criteria that will identify eligible adult
18 education providers to receive funds allocated under this section
19 based on location, demand for services, past performance, quality
20 indicators as identified by the department, and cost to provide
21 instructional services. The fiscal agent shall determine all local
22 processes, criteria, and provider determinations. However, the
23 local processes, criteria, and provider services must be approved
24 by the department before funds may be distributed to the fiscal
25 agent.

26 (d) Provide oversight to its adult education providers
27 throughout the program year to ensure compliance with the

1 requirements of this section.

2 (e) Report adult education program and participant data and
3 information as prescribed by the department.

4 (6) The amount allocated under this section per full-time
5 equated participant shall not exceed \$2,850.00 for a 450-hour
6 program. The amount shall be proportionately reduced for a program
7 offering less than 450 hours of instruction.

8 (7) An adult basic education program or an adult English as a
9 second language program operated on a year-round or school year
10 basis may be funded under this section, subject to all of the
11 following:

12 (a) The program enrolls adults who are determined by a
13 department-approved assessment, in a form and manner prescribed by
14 the department, to be below ninth grade level in reading or
15 mathematics, or both, or to lack basic English proficiency.

16 (b) The program tests individuals for eligibility under
17 subdivision (a) before enrollment and upon completion of the
18 program in compliance with the state-approved assessment policy.

19 (c) A participant in an adult basic education program is
20 eligible for reimbursement until 1 of the following occurs:

21 (i) The participant's reading and mathematics proficiency are
22 assessed at or above the ninth grade level.

23 (ii) The participant fails to show progress on 2 successive
24 assessments after having completed at least 450 hours of
25 instruction.

26 (d) A funding recipient enrolling a participant in an English
27 as a second language program is eligible for funding according to

1 subsection (11) until the participant meets 1 of the following:

2 (i) The participant is assessed as having attained basic
3 English proficiency as determined by a department-approved
4 assessment.

5 (ii) The participant fails to show progress on 2 successive
6 department-approved assessments after having completed at least 450
7 hours of instruction. The department shall provide information to a
8 funding recipient regarding appropriate assessment instruments for
9 this program.

10 (8) A general educational development (G.E.D.) test
11 preparation program operated on a year-round or school year basis
12 may be funded under this section, subject to all of the following:

13 (a) The program enrolls adults who do not have a high school
14 diploma.

15 (b) The program shall administer a pre-test approved by the
16 department before enrolling an individual to determine the
17 individual's literacy levels, shall administer a G.E.D. practice
18 test to determine the individual's potential for success on the
19 G.E.D. test, and shall administer a post-test upon completion of
20 the program in compliance with the state-approved assessment
21 policy.

22 (c) A funding recipient shall receive funding according to
23 subsection (11) for a participant, and a participant may be
24 enrolled in the program until 1 of the following occurs:

25 (i) The participant obtains the G.E.D.

26 (ii) The participant fails to show progress on 2 successive
27 department-approved assessments used to determine readiness to take

1 the G.E.D. test after having completed at least 450 hours of
2 instruction.

3 (9) A high school completion program operated on a year-round
4 or school year basis may be funded under this section, subject to
5 all of the following:

6 (a) The program enrolls adults who do not have a high school
7 diploma.

8 (b) The program tests participants described in subdivision
9 (a) before enrollment and upon completion of the program in
10 compliance with the state-approved assessment policy.

11 (c) A funding recipient shall receive funding according to
12 subsection (11) for a participant in a course offered under this
13 subsection until 1 of the following occurs:

14 (i) The participant passes the course and earns a high school
15 diploma.

16 (ii) The participant fails to earn credit in 2 successive
17 semesters or terms in which the participant is enrolled after
18 having completed at least 900 hours of instruction.

19 (10) A job- or employment-related adult education program
20 operated on a year-round or school year basis may be funded under
21 this section, subject to all of the following:

22 (a) The program enrolls adults referred by their employer who
23 are less than 20 years of age, have a high school diploma, are
24 determined to be in need of remedial mathematics or communication
25 arts skills, and are not attending an institution of higher
26 education.

27 (b) The program tests participants described in subdivision

1 (a) before enrollment and upon completion of the program in
2 compliance with the department-approved assessment policy.

3 (c) An individual may be enrolled in this program and the
4 grant recipient shall receive funding according to subsection (11)
5 until 1 of the following occurs:

6 (i) The individual achieves the requisite skills as determined
7 by department-approved assessment instruments.

8 (ii) The individual fails to show progress on 2 successive
9 assessments after having completed at least 450 hours of
10 instruction.

11 (11) A funding recipient shall receive payments under this
12 section in accordance with the following:

13 (a) Eighty percent for enrollment of eligible participants.

14 (b) Twenty percent for participant completion of the adult
15 basic education objectives by achieving an educational gain as
16 determined by the national reporting system levels; for achieving
17 basic English proficiency, as determined by the department; for
18 obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests;
19 for attainment of a high school diploma or passage of a course
20 required for a participant to attain a high school diploma; for
21 enrollment in a postsecondary institution, or for entry into or
22 retention of employment, as applicable.

23 (12) A person who is not eligible to be a participant funded
24 under this section may receive adult education services upon the
25 payment of tuition. In addition, a person who is not eligible to be
26 served in a program under this section due to the program
27 limitations specified in subsection (7), (8), (9), or (10) may

1 continue to receive adult education services in that program upon
2 the payment of tuition. The tuition level shall be determined by
3 the local or intermediate district conducting the program.

4 (13) An individual who is an inmate in a state correctional
5 facility shall not be counted as a participant under this section.

6 (14) A funding recipient shall not commingle money received
7 under this section or from another source for adult education
8 purposes with any other funds and shall establish a separate ledger
9 account for funds received under this section. This subsection does
10 not prohibit a district from using general funds of the district to
11 support an adult education or community education program.

12 (15) A funding recipient receiving funds under this section
13 may establish a sliding scale of tuition rates based upon a
14 participant's family income. A funding recipient may charge a
15 participant tuition to receive adult education services under this
16 section from that sliding scale of tuition rates on a uniform
17 basis. The amount of tuition charged per participant shall not
18 exceed the actual operating cost per participant minus any funds
19 received under this section per participant. A funding recipient
20 may not charge a participant tuition under this section if the
21 participant's income is at or below 200% of the federal poverty
22 guidelines published by the United States Department of Health and
23 Human Services.

24 (16) In order to receive funds under this section, a funding
25 recipient shall furnish to the department, in a form and manner
26 determined by the department, all information needed to administer
27 this program and meet federal reporting requirements; shall allow

1 the department or the department's designee to review all records
2 related to the program for which it receives funds; and shall
3 reimburse the state for all disallowances found in the review, as
4 determined by the department. In addition, a funding recipient
5 shall agree to pay to a career and technical education program
6 under section 61a the amount of funding received under this section
7 in the proportion of career and technical education coursework used
8 to satisfy adult basic education programming, as billed to the
9 funding recipient by programs operating under section 61a.

10 (17) All intermediate district participant audits of adult
11 education programs shall be performed pursuant to the adult
12 education participant auditing and accounting manuals published by
13 the department.

14 (18) From the amount appropriated in subsection (1), an amount
15 not to exceed \$500,000.00 shall be allocated for 2015-2016 to not
16 more than 1 pilot program that is located in a prosperity region
17 with 2 or more subregions and that connects adult education
18 participants directly with employers by linking adult education,
19 career and technical skills, and workforce development. To be
20 eligible for funding under this subsection, a pilot program shall
21 provide a collaboration linking adult education programs within the
22 county, the area career/technical center, and local employers, and
23 shall meet the additional criteria in subsections (19) and (20).
24 Funding under this subsection for 2015-2016 is for the first of 3
25 years of funding.

26 (19) A pilot program funded under subsection (18) shall
27 require adult education staff to work with Michigan Works! to

1 identify a cohort of participants who are most prepared to
2 successfully enter the workforce. Participants identified under
3 this subsection shall be dually enrolled in adult education
4 programming and at least 1 technical course at the area
5 career/technical center.

6 (20) A pilot program funded under subsection (18) shall have
7 on staff an adult education navigator who will serve as a
8 caseworker for each participant identified under subsection (19).
9 The navigator shall work with adult education staff and potential
10 employers to design an educational program best suited to the
11 personal and employment needs of the participant, and shall work
12 with human service agencies or other entities to address any
13 barrier in the way of participant access.

14 (21) Not later than December 1, 2016, the pilot program funded
15 under subsection (18) shall provide to the senate and house
16 appropriations subcommittees on school aid and to the senate and
17 house fiscal agencies a report detailing number of participants,
18 graduation rates, and a measure of transitioning to employment.

19 (22) The department shall develop an application process for a
20 pilot program to be funded under subsection (18) and shall award
21 funding not later than November 1, 2015. Funding allocated under
22 subsection (18) may be paid on a schedule other than that specified
23 under section 17b.

24 (23) As used in this section:

25 (a) "Career pathway" means a combination of rigorous and high-
26 quality education, training, and other services that comply with
27 all of the following:

1 (i) Aligns with the skill needs of industries in the economy
2 of this state or in the regional economy involved.

3 (ii) Prepares an individual to be successful in any of a full
4 range of secondary or postsecondary education options, including
5 apprenticeships registered under the act of August 16, 1937
6 (commonly known as the "national apprenticeship act"), 29 USC 50 et
7 seq.

8 (iii) Includes counseling to support an individual in
9 achieving the individual's education and career goals.

10 (iv) Includes, as appropriate, education offered concurrently
11 with and in the same context as workforce preparation activities
12 and training for a specific occupation or occupational cluster.

13 (v) Organizes education, training, and other services to meet
14 the particular needs of an individual in a manner that accelerates
15 the educational and career advancement of the individual to the
16 extent practicable.

17 (vi) Enables an individual to attain a secondary school
18 diploma or its recognized equivalent, and at least 1 recognized
19 postsecondary credential.

20 (vii) Helps an individual enter or advance within a specific
21 occupation or occupational cluster.

22 (b) "Department" means the department of talent and economic
23 development.

24 (c) "Eligible adult education provider" means a district,
25 intermediate district, a consortium of districts, a consortium of
26 intermediate districts, or a consortium of districts and
27 intermediate districts that is identified as part of the local

1 process described in subsection (5)(c) and approved by the
2 department.

3 (d) "Participant" means the sum of the number of full-time
4 equated individuals enrolled in and attending a department-approved
5 adult education program under this section, using quarterly
6 participant count days on the schedule described in section
7 6(7)(b).

8 Enacting section 1. In accordance with section 30 of article
9 IX of the state constitution of 1963, total state spending from
10 state sources on state school aid under article I of the state
11 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
12 amended by 2015 PA 85 and this amendatory act for fiscal year 2015-
13 2016 is estimated at \$12,124,885,100.00 and state appropriations
14 for school aid to be paid to local units of government for fiscal
15 year 2015-2016 are estimated at \$11,967,255,600.00.

16 Enacting section 2. This amendatory act takes effect October
17 1, 2015.