

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 216**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 4, 6, 98, 107, 230, and 256 (MCL 388.1604,
388.1606, 388.1698, 388.1707, 388.1830, and 388.1856), section 4 as
amended by 2012 PA 201, section 6 as amended by 2015 PA 223,
sections 98, 230, and 256 as amended by 2015 PA 85, and section 107
as amended by 2015 PA 139.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 4. (1) "Education achievement system" means the
2 achievement authority and all achievement schools.
- 3 (2) "Elementary pupil" means a pupil in membership in grades K
4 to 8 in a district not maintaining classes above the eighth grade
5 or in grades K to 6 in a district maintaining classes above the
6 eighth grade. For the purposes of calculating universal service

fund (e-rate) discounts, "elementary pupil" includes children enrolled in a preschool program operated by a district in its facilities.

(3) "Extended school year" means an educational program conducted by a district in which pupils must be enrolled but not necessarily in attendance on the pupil membership count day in an extended year program. The mandatory clock hours shall be completed by each pupil not more than 365 calendar days after the pupil's first day of classes for the school year prescribed. The department shall prescribe pupil, personnel, and other reporting requirements for the educational program.

(4) "Fiscal year" means the state fiscal year that commences October 1 and continues through September 30.

(5) "HIGH SCHOOL EQUIVALENCY CERTIFICATE" MEANS A CERTIFICATE GRANTED FOR THE SUCCESSFUL COMPLETION OF A HIGH SCHOOL EQUIVALENCY TEST.

(6) "HIGH SCHOOL EQUIVALENCY TEST" MEANS A HIGH SCHOOL EQUIVALENCY TEST APPROVED BY THE DEPARTMENT UNDER SECTION 107.

~~(7) (5) "General educational development testing"~~ **"HIGH SCHOOL EQUIVALENCY TEST** preparation program" means a program that has high school level courses in English language arts, social studies, science, and mathematics and that prepares ~~a person~~ **AN INDIVIDUAL** to successfully complete ~~the general educational development (GED) test.~~ **A HIGH SCHOOL EQUIVALENCY TEST.**

~~(8) (6)~~ "High school pupil" means a pupil in membership in grades 7 to 12, except in a district not maintaining grades above the eighth grade.

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

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

23 (3) "District and high school graduation report" means a
24 report of the number of pupils, excluding adult education
25 participants, in the district for the immediately preceding school
26 year, adjusted for those pupils who have transferred into or out of
27 the district or high school, who leave high school with a diploma

1 or other credential of equal status.

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

1 participation in an online course as defined in section 21f is
2 considered regular daily attendance. The amount of the foundation
3 allowance for a pupil in membership is determined under section 20.
4 In making the calculation of membership, all of the following, as
5 applicable, apply to determining the membership of a district, a
6 public school academy, the education achievement system, or an
7 intermediate district:

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

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

23 (c) A special education pupil educated by the intermediate
24 district shall be counted in membership in the intermediate
25 district.

26 (d) A pupil placed by a court or state agency in an on-grounds
27 program of a juvenile detention facility, a child caring

1 institution, or a mental health institution, or a pupil funded
2 under section 53a, shall be counted in membership in the district
3 or intermediate district approved by the department to operate the
4 program.

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

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

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

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

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

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

1 adding the number of pupils registered for attendance on the pupil
2 membership count day plus pupils received by transfer and minus
3 pupils lost as defined by rules promulgated by the superintendent,
4 and as corrected by a subsequent department audit, plus the final
5 audited count from the supplemental count day for the current
6 school year, and dividing that sum by 2.

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

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

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

27 (l) To be counted in membership, a pupil shall meet the

1 minimum age requirement to be eligible to attend school under
2 section 1147 of the revised school code, MCL 380.1147, or shall be
3 enrolled under subsection (3) of that section, and shall be less
4 than 20 years of age on September 1 of the school year except as
5 follows:

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

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

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

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

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

20 (D) Is considered to be homeless under 42 USC 11302, or was
21 counted in membership under this subparagraph in 2014-2015.

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

1 he or she intends to enroll the child in kindergarten for that
2 school year.

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

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

1 (i) If the public school academy or the education achievement
2 system provides instruction for at least 1/2 of the class hours
3 required under section 101, the public school academy or the
4 education achievement system shall receive as its prorated share of
5 the full-time equated membership for each of those pupils an amount
6 equal to 1 times the product of the hours of instruction the public
7 school academy or the education achievement system provides divided
8 by the number of hours required under section 101 for full-time
9 equivalency, and the remainder of the full-time membership for each
10 of those pupils shall be allocated to the district or intermediate
11 district providing the remainder of the hours of instruction.

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

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

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

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

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

26 (s) For a district, a public school academy, or the education
27 achievement system that has pupils enrolled in a grade level that

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

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

18 (u) If, as a result of a disciplinary action, a district
19 determines through the district's alternative or disciplinary
20 education program that the best instructional placement for a pupil
21 is in the pupil's home or otherwise apart from the general school
22 population, if that placement is authorized in writing by the
23 district superintendent and district alternative or disciplinary
24 education supervisor, and if the district provides appropriate
25 instruction as described in this subdivision to the pupil at the
26 pupil's home or otherwise apart from the general school population,
27 the district may count the pupil in membership on a pro rata basis,

1 with the proration based on the number of hours of instruction the
2 district actually provides to the pupil divided by the number of
3 hours required under section 101 for full-time equivalency. For the
4 purposes of this subdivision, a district shall be considered to be
5 providing appropriate instruction if all of the following are met:

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

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

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

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

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

25 (w) For a public school academy that has been in operation for
26 at least 2 years and that suspended operations for at least 1
27 semester and is resuming operations, membership is the sum of the

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

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

23 (i) The average of the district's membership for the 3-fiscal-
24 year period ending with that fiscal year, calculated by adding the
25 district's actual membership for each of those 3 fiscal years, as
26 otherwise calculated under this subsection, and dividing the sum of
27 those 3 membership figures by 3.

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

3 (y) Full-time equated memberships for special education pupils
4 who are not enrolled in kindergarten but are enrolled in a
5 classroom program under R 340.1754 of the Michigan administrative
6 code shall be determined by dividing the number of class hours
7 scheduled and provided per year by 450. Full-time equated
8 memberships for special education pupils who are not enrolled in
9 kindergarten but are receiving early childhood special education
10 services under R 340.1755 or R 340.1862 of the Michigan
11 administrative code shall be determined by dividing the number of
12 hours of service scheduled and provided per year per-pupil by 180.

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

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

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

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

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

26 (i) A personalized learning plan is in place on or before the
27 first school day of the month for the first month the pupil

1 participates in the program.

2 (ii) The pupil meets the district's definition under section
3 23a of satisfactory monthly progress for that month or, if the
4 pupil does not meet that definition of satisfactory monthly
5 progress for that month, the pupil did meet that definition of
6 satisfactory monthly progress in the immediately preceding month
7 and appropriate interventions are implemented within 10 school days
8 after it is determined that the pupil does not meet that definition
9 of satisfactory monthly progress.

10 (ee) A pupil participating in an online course under section
11 21f shall be counted in membership in the district enrolling the
12 pupil.

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

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

26 (6) "Pupil" means a person in membership in a public school. A
27 district must have the approval of the pupil's district of

1 residence to count the pupil in membership, except approval by the
2 pupil's district of residence is not required for any of the
3 following:

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

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

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

10 (d) A pupil enrolled in a district other than the pupil's
11 district of residence under an intermediate district schools of
12 choice pilot program as described in section 91a or former section
13 91 if the intermediate district and its constituent districts have
14 been exempted from section 105.

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

18 (f) A pupil who has made an official written complaint or
19 whose parent or legal guardian has made an official written
20 complaint to law enforcement officials and to school officials of
21 the pupil's district of residence that the pupil has been the
22 victim of a criminal sexual assault or other serious assault, if
23 the official complaint either indicates that the assault occurred
24 at school or that the assault was committed by 1 or more other
25 pupils enrolled in the school the pupil would otherwise attend in
26 the district of residence or by an employee of the district of
27 residence. A person who intentionally makes a false report of a

1 crime to law enforcement officials for the purposes of this
2 subdivision is subject to section 411a of the Michigan penal code,
3 1931 PA 328, MCL 750.411a, which provides criminal penalties for
4 that conduct. As used in this subdivision:

5 (i) "At school" means in a classroom, elsewhere on school
6 premises, on a school bus or other school-related vehicle, or at a
7 school-sponsored activity or event whether or not it is held on
8 school premises.

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

14 (g) A pupil whose district of residence changed after the
15 pupil membership count day and before the supplemental count day
16 and who continues to be enrolled on the supplemental count day as a
17 nonresident in the district in which he or she was enrolled as a
18 resident on the pupil membership count day of the same school year.

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

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

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

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

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

2 (i) A pupil enrolled in the Michigan Virtual School, for the
3 pupil's enrollment in the Michigan Virtual School.

4 (j) A pupil who is the child of a person who works at the
5 district or who is the child of a person who worked at the district
6 as of the time the pupil first enrolled in the district but who no
7 longer works at the district due to a workforce reduction. As used
8 in this subdivision, "child" includes an adopted child, stepchild,
9 or legal ward.

10 (k) An expelled pupil who has been denied reinstatement by the
11 expelling district and is reinstated by another school board under
12 section 1311 or 1311a of the revised school code, MCL 380.1311 and
13 380.1311a.

14 (l) A pupil enrolled in a district other than the pupil's
15 district of residence in a middle college program if the pupil's
16 district of residence and the enrolling district are both
17 constituent districts of the same intermediate district.

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

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

24 (o) A pupil who enrolls in a district other than the pupil's
25 district of residence as a result of the pupil's school not making
26 adequate yearly progress under the no child left behind act of
27 2001, Public Law 107-110.

1 However, if a district educates pupils who reside in another
2 district and if the primary instructional site for those pupils is
3 established by the educating district after 2009-2010 and is
4 located within the boundaries of that other district, the educating
5 district must have the approval of that other district to count
6 those pupils in membership.

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

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

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

17 (i) Fourth Wednesday in July.

18 (ii) First Wednesday in October.

19 (iii) Second Wednesday in February.

20 (iv) Fourth Wednesday in April.

21 (8) "Pupils in grades K to 12 actually enrolled and in regular
22 daily attendance" means pupils in grades K to 12 in attendance and
23 receiving instruction in all classes for which they are enrolled on
24 the pupil membership count day or the supplemental count day, as
25 applicable. Except as otherwise provided in this subsection, a
26 pupil who is absent from any of the classes in which the pupil is
27 enrolled on the pupil membership count day or supplemental count

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

26 (9) "Rule" means a rule promulgated pursuant to the
27 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to

1 24.328.

2 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
3 380.1852.

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

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

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

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

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

17 (16) "Tuition pupil" means a pupil of school age attending
18 school in a district other than the pupil's district of residence
19 for whom tuition may be charged to the district of residence.
20 Tuition pupil does not include a pupil who is a special education
21 pupil, a pupil described in subsection (6)(c) to (o), or a pupil
22 whose parent or guardian voluntarily enrolls the pupil in a
23 district that is not the pupil's district of residence. A pupil's
24 district of residence shall not require a high school tuition
25 pupil, as provided under section 111, to attend another school
26 district after the pupil has been assigned to a school district.

27 (17) "State school aid fund" means the state school aid fund

1 established in section 11 of article IX of the state constitution
2 of 1963.

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

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

14 (20) "Total state aid" or "total state school aid" means the
15 total combined amount of all funds due to a district, intermediate
16 district, or other entity under all of the provisions of this
17 article.

18 Sec. 98. (1) From the general fund money appropriated in
19 section 11, there is allocated an amount not to exceed
20 \$7,387,500.00 for 2015-2016 for the purposes described in this
21 section.

22 (2) The Michigan Virtual University shall operate the Michigan
23 Virtual Learning Research Institute. The Michigan Virtual Learning
24 Research Institute shall do all of the following:

25 (a) Support and accelerate innovation in education through the
26 following activities:

27 (i) Test, evaluate, and recommend as appropriate new

1 technology-based instructional tools and resources.

2 (ii) Research, design, and recommend digital education
3 delivery models for use by pupils and teachers that include age-
4 appropriate multimedia instructional content.

5 (iii) Research, develop, and recommend annually to the
6 department criteria by which cyber schools and online course
7 providers should be monitored and evaluated to ensure a quality
8 education for their pupils.

9 (iv) Based on pupil completion and performance data reported
10 to the department or the center for educational performance and
11 information from cyber schools and other online course providers
12 operating in this state, analyze the effectiveness of online
13 learning delivery models in preparing pupils to be college- and
14 career-ready and publish a report that highlights enrollment
15 totals, completion rates, and the overall impact on pupils. The
16 report shall be submitted to the house and senate appropriations
17 subcommittees on state school aid, the state budget director, the
18 house and senate fiscal agencies, and the department not later than
19 March 31, 2016.

20 (v) Before August 31, 2016, provide an extensive professional
21 development program to at least 500 educational personnel,
22 including teachers, school administrators, and school board
23 members, that focuses on the effective integration of digital
24 learning into curricula and instruction. Not later than December 1,
25 2016, the Michigan Virtual Learning Research Institute shall submit
26 a report to the house and senate appropriations subcommittees on
27 state school aid, the state budget director, the house and senate

1 fiscal agencies, and the department on the number and percentage of
2 teachers, school administrators, and school board members who have
3 received professional development services from the Michigan
4 Virtual University. The report shall also identify barriers and
5 other opportunities to encourage the adoption of digital learning
6 in the public education system.

7 (vi) Identify and share best practices for planning,
8 implementing, and evaluating online and blended education delivery
9 models with intermediate districts, districts, and public school
10 academies to accelerate the adoption of innovative education
11 delivery models statewide.

12 (b) Provide leadership for this state's system of digital
13 learning education by doing the following activities:

14 (i) Develop and report policy recommendations to the governor
15 and the legislature that accelerate the expansion of effective
16 online learning in this state's schools.

17 (ii) Provide a clearinghouse for research reports, academic
18 studies, evaluations, and other information related to online
19 learning.

20 (iii) Promote and distribute the most current instructional
21 design standards and guidelines for online teaching.

22 (iv) In collaboration with the department and interested
23 colleges and universities in this state, support implementation and
24 improvements related to effective digital learning instruction.

25 (v) Pursue public/private partnerships that include districts
26 to study and implement competency-based technology-rich online
27 learning models.

1 (vi) Create a statewide network of school-based mentors
2 serving as liaisons between pupils, online instructors, parents,
3 and school staff and provide mentors with research-based training
4 and technical assistance designed to help more pupils be successful
5 online learners.

6 (vii) Convene focus groups and conduct annual surveys of
7 teachers, administrators, pupils, parents, and others to identify
8 barriers and opportunities related to online learning.

9 (viii) Produce an annual consumer awareness report for schools
10 and parents about effective online education providers and
11 education delivery models, performance data, cost structures, and
12 research trends.

13 (ix) Research and establish an Internet-based platform that
14 educators can use to create student-centric learning tools and
15 resources and facilitate a user network that assists educators in
16 using the platform. As part of this initiative, the Michigan
17 Virtual University shall work collaboratively with districts and
18 intermediate districts to establish a plan to make available online
19 resources that align to Michigan's K-12 curriculum standards for
20 use by students, educators, and parents.

21 (x) Create and maintain a public statewide catalog of online
22 learning courses being offered by all public schools and community
23 colleges in this state. The Michigan Virtual Learning Research
24 Institute shall identify and develop a list of nationally
25 recognized best practices for online learning and use this list to
26 support reviews of online course vendors, courses, and
27 instructional practices. The Michigan Virtual Learning Research

1 Institute shall also provide a mechanism for intermediate districts
2 to use the identified best practices to review content offered by
3 constituent districts. The Michigan Virtual Learning Research
4 Institute shall review the online course offerings of the Michigan
5 Virtual University, and make the results from these reviews
6 available to the public as part of the statewide catalog. The
7 Michigan Virtual Learning Research Institute shall ensure that the
8 statewide catalog is made available to the public on the Michigan
9 Virtual University website and shall allow the ability to link it
10 to each district's website as provided for in section 21f. The
11 statewide catalog shall also contain all of the following:

12 (A) The number of enrollments in each online course in the
13 immediately preceding school year.

14 (B) The number of enrollments that earned 60% or more of the
15 total course points for each online course in the immediately
16 preceding school year.

17 (C) The completion rate for each online course.

18 (xi) Develop prototype and pilot registration, payment
19 services, and transcript functionality to the statewide catalog and
20 train key stakeholders on how to use new features.

21 (xii) Collaborate with key stakeholders to examine district
22 level accountability and teacher effectiveness issues related to
23 online learning under section 21f and make findings and
24 recommendations publicly available.

25 (3) To further enhance its expertise and leadership in digital
26 learning, the Michigan Virtual University shall continue to operate
27 the Michigan Virtual School as a statewide laboratory and quality

1 model of instruction by implementing online and blended learning
2 solutions for Michigan schools in accordance with the following
3 parameters:

4 (a) The Michigan Virtual School must maintain its
5 accreditation status from recognized national and international
6 accrediting entities.

7 (b) The Michigan Virtual University shall use no more than
8 \$1,000,000.00 of the amount allocated under this section to
9 subsidize the cost paid by districts for online courses.

10 (c) In providing educators responsible for the teaching of
11 online courses as provided for in this section, the Michigan
12 Virtual School shall follow the requirements to request and assess,
13 and the department of state police shall provide, a criminal
14 history check and criminal records check under sections 1230 and
15 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
16 the same manner as if the Michigan Virtual School were a school
17 district under those sections.

18 (4) If the course offerings are included in the statewide
19 catalog of online courses under subsection (2)(b)(ix), the Michigan
20 Virtual School operated by the Michigan Virtual University may
21 offer online course offerings, including, but not limited to, all
22 of the following:

23 (a) Information technology courses.

24 (b) College level equivalent courses, as defined in section
25 1471 of the revised school code, MCL 380.1471.

26 (c) Courses and dual enrollment opportunities.

27 (d) Programs and services for at-risk pupils.

1 (e) ~~General education development~~ **HIGH SCHOOL EQUIVALENCY** test
2 preparation courses for adjudicated youth.

3 (f) Special interest courses.

4 (g) Professional development programs for teachers, school
5 administrators, other school employees, and school board members.

6 (5) If a home-schooled or nonpublic school student is a
7 resident of a district that subscribes to services provided by the
8 Michigan Virtual School, the student may use the services provided
9 by the Michigan Virtual School to the district without charge to
10 the student beyond what is charged to a district pupil using the
11 same services.

12 (6) Not later than December 1 of each fiscal year, the
13 Michigan Virtual University shall provide a report to the house and
14 senate appropriations subcommittees on state school aid, the state
15 budget director, the house and senate fiscal agencies, and the
16 department that includes at least all of the following information
17 related to the Michigan Virtual School for the preceding state
18 fiscal year:

19 (a) A list of the districts served by the Michigan Virtual
20 School.

21 (b) A list of online course titles available to districts.

22 (c) The total number of online course enrollments and
23 information on registrations and completions by course.

24 (d) The overall course completion rate percentage.

25 (7) The governor may appoint an advisory group for the
26 Michigan Virtual Learning Research Institute established under
27 subsection (2). The members of the advisory group shall serve at

1 the pleasure of the governor and shall serve without compensation.
2 The purpose of the advisory group is to make recommendations to the
3 governor, the legislature, and the president and board of the
4 Michigan Virtual University that will accelerate innovation in this
5 state's education system in a manner that will prepare elementary
6 and secondary students to be career and college ready and that will
7 promote the goal of increasing the percentage of citizens of this
8 state with high-quality degrees and credentials to at least 60% by
9 2025.

10 (8) Not later than November 1, 2015, the Michigan Virtual
11 University shall submit to the house and senate appropriations
12 subcommittees on state school aid, the state budget director, and
13 the house and senate fiscal agencies a detailed budget for the
14 2015-2016 fiscal year that includes a breakdown on its projected
15 costs to deliver online educational services to districts and a
16 summary of the anticipated fees to be paid by districts for those
17 services. Not later than March 1 each year, the Michigan Virtual
18 University shall submit to the house and senate appropriations
19 subcommittees on state school aid, the state budget director, and
20 the house and senate fiscal agencies a breakdown on its actual
21 costs to deliver online educational services to districts and a
22 summary of the actual fees paid by districts for those services
23 based on audited financial statements for the immediately preceding
24 fiscal year.

25 (9) As used in this section:

26 (a) "Blended learning" means a hybrid instructional delivery
27 model where pupils are provided content, instruction, and

1 assessment, in part at a supervised educational facility away from
2 home where the pupil and a teacher with a valid Michigan teaching
3 certificate are in the same physical location and in part through
4 Internet-connected learning environments with some degree of pupil
5 control over time, location, and pace of instruction.

6 (b) "Cyber school" means a full-time instructional program of
7 online courses for pupils that may or may not require attendance at
8 a physical school location.

9 (c) "Digital learning" means instruction delivered via a web-
10 based educational delivery system that uses various information
11 technologies to provide a structured learning environment,
12 including online and blended learning instructional methods.

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

23 Sec. 107. (1) From the appropriation in section 11, there is
24 allocated an amount not to exceed \$25,000,000.00 for 2015-2016 for
25 adult education programs authorized under this section. Except as
26 otherwise provided under subsections (16) and (18), funds allocated
27 under this section are restricted for adult education programs as

1 authorized under this section only. A recipient of funds under this
2 section shall not use those funds for any other purpose.

3 (2) To be eligible for funding under this section, an eligible
4 adult education provider shall employ certificated teachers and
5 qualified administrative staff and shall offer continuing education
6 opportunities for teachers to allow them to maintain certification.

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

15 (a) If the individual has ~~obtained a high school diploma or a~~
16 ~~general educational development (G.E.D.)~~ **ACHIEVED A HIGH SCHOOL**
17 **EQUIVALENCY** certificate, the individual meets 1 of the following:

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

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

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

24 (iv) Is at least 20 years of age on September 1 of the school
25 year, is enrolled in an adult basic education program, and is
26 determined by a department-approved assessment, in a form and
27 manner prescribed by the department, to be below grade 9 level in

1 reading or mathematics, or both.

2 (b) If the individual has not obtained a high school diploma
3 or ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY** certificate, the individual meets
4 1 of the following:

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

7 (ii) Is at least 16 years of age on September 1 of the school
8 year, has been permanently expelled from school under section
9 1311(2) or 1311a of the revised school code, MCL 380.1311 and
10 380.1311a, and has no appropriate alternative education program
11 available through his or her district of residence.

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

1 formerly received by the adult education providers in that
2 prosperity region or subregion in 2013-2014, and 33% shall be
3 allocated based on the factors in subdivisions (a), (b), and (c).
4 For 2016-2017, 33% of the allocation provided to each intermediate
5 district serving as a fiscal agent shall be based upon the
6 proportion of total funding formerly received by the adult
7 education providers in that prosperity region in 2013-2014 and 67%
8 of the allocation shall be based upon the factors in subdivisions
9 (a), (b), and (c). Beginning in 2017-2018, 100% of the allocation
10 provided to each intermediate district serving as a fiscal agent
11 shall be based on the factors in subdivisions (a), (b), and (c).
12 The funding factors for this section are as follows:

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

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

26 (c) Five percent of this portion of the funding shall be
27 distributed based upon the proportion of the state population of

1 individuals age 18 or older who lack basic English language
2 proficiency that resides in each of the prosperity regions or
3 subregions, as reported by the most recent 5-year estimates from
4 the American community survey (ACS) from the United States Census
5 Bureau.

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

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

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

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

1 by the department before funds may be distributed to the fiscal
2 agent.

3 (d) Provide oversight to its adult education providers
4 throughout the program year to ensure compliance with the
5 requirements of this section.

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

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

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

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

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

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

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

27 (ii) The participant fails to show progress on 2 successive

1 assessments after having completed at least 450 hours of
2 instruction.

3 (d) A funding recipient enrolling a participant in an English
4 as a second language program is eligible for funding according to
5 subsection (11) until the participant meets 1 of the following:

6 (i) The participant is assessed as having attained basic
7 English proficiency as determined by a department-approved
8 assessment.

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

14 (8) A ~~general educational development (G.E.D.)~~ **HIGH SCHOOL**
15 **EQUIVALENCY** test preparation program operated on a year-round or
16 school year basis may be funded under this section, subject to all
17 of the following:

18 (a) The program enrolls adults who do not have a high school
19 diploma.

20 (b) The program shall administer a pre-test approved by the
21 department before enrolling an individual to determine the
22 individual's literacy levels, shall administer a ~~G.E.D.~~ **HIGH SCHOOL**
23 **EQUIVALENCY** practice test to determine the individual's potential
24 for success on the ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY** test, and shall
25 administer a post-test upon completion of the program in compliance
26 with the state-approved assessment policy.

27 (c) A funding recipient shall receive funding according to

subsection (11) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant ~~obtains the G.E.D.~~ **ACHIEVES A HIGH SCHOOL EQUIVALENCY CERTIFICATE.**

(ii) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take ~~the G.E.D.~~ **A HIGH SCHOOL EQUIVALENCY** test after having completed at least 450 hours of instruction.

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

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

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

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

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

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

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

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

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

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

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

14 (ii) The individual fails to show progress on 2 successive
15 assessments after having completed at least 450 hours of
16 instruction.

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

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

20 (b) Twenty percent for participant completion of the adult
21 basic education objectives by achieving an educational gain as
22 determined by the national reporting system levels; for achieving
23 basic English proficiency, as determined by the department; for
24 ~~obtaining a G.E.D.~~ **ACHIEVING A HIGH SCHOOL EQUIVALENCY CERTIFICATE**
25 or passage of 1 or more individual ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY**
26 tests; for attainment of a high school diploma or passage of a
27 course required for a participant to attain a high school diploma;

1 for enrollment in a postsecondary institution, or for entry into or
2 retention of employment, as applicable.

3 (12) A person who is not eligible to be a participant funded
4 under this section may receive adult education services upon the
5 payment of tuition. In addition, a person who is not eligible to be
6 served in a program under this section due to the program
7 limitations specified in subsection (7), (8), (9), or (10) may
8 continue to receive adult education services in that program upon
9 the payment of tuition. The tuition level shall be determined by
10 the local or intermediate district conducting the program.

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

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

19 (15) A funding recipient receiving funds under this section
20 may establish a sliding scale of tuition rates based upon a
21 participant's family income. A funding recipient may charge a
22 participant tuition to receive adult education services under this
23 section from that sliding scale of tuition rates on a uniform
24 basis. The amount of tuition charged per participant shall not
25 exceed the actual operating cost per participant minus any funds
26 received under this section per participant. A funding recipient
27 may not charge a participant tuition under this section if the

1 participant's income is at or below 200% of the federal poverty
2 guidelines published by the United States Department of Health and
3 Human Services.

4 (16) In order to receive funds under this section, a funding
5 recipient shall furnish to the department, in a form and manner
6 determined by the department, all information needed to administer
7 this program and meet federal reporting requirements; shall allow
8 the department or the department's designee to review all records
9 related to the program for which it receives funds; and shall
10 reimburse the state for all disallowances found in the review, as
11 determined by the department. In addition, a funding recipient
12 shall agree to pay to a career and technical education program
13 under section 61a the amount of funding received under this section
14 in the proportion of career and technical education coursework used
15 to satisfy adult basic education programming, as billed to the
16 funding recipient by programs operating under section 61a.

17 (17) All intermediate district participant audits of adult
18 education programs shall be performed pursuant to the adult
19 education participant auditing and accounting manuals published by
20 the department.

21 (18) From the amount appropriated in subsection (1), an amount
22 not to exceed \$500,000.00 shall be allocated for 2015-2016 to not
23 more than 1 pilot program that is located in a prosperity region
24 with 2 or more subregions and that connects adult education
25 participants directly with employers by linking adult education,
26 career and technical skills, and workforce development. To be
27 eligible for funding under this subsection, a pilot program shall

1 provide a collaboration linking adult education programs within the
2 county, the area career/technical center, and local employers, and
3 shall meet the additional criteria in subsections (19) and (20).
4 Funding under this subsection for 2015-2016 is for the first of 3
5 years of funding.

6 (19) A pilot program funded under subsection (18) shall
7 require adult education staff to work with Michigan ~~Works!~~ **WORKS**
8 **AGENCY** to identify a cohort of participants who are most prepared
9 to successfully enter the workforce. Participants identified under
10 this subsection shall be dually enrolled in adult education
11 programming and at least 1 technical course at the area
12 career/technical center.

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

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

26 (22) The department shall develop an application process for a
27 pilot program to be funded under subsection (18) and shall award

1 funding not later than November 1, 2015. Funding allocated under
2 subsection (18) may be paid on a schedule other than that specified
3 under section 17b.

4 (23) THE DEPARTMENT SHALL APPROVE AT LEAST 1 HIGH SCHOOL
5 EQUIVALENCY TEST AND DETERMINE WHETHER A HIGH SCHOOL EQUIVALENCY
6 CERTIFICATE MEETS THE REQUISITE STANDARDS FOR HIGH SCHOOL
7 EQUIVALENCY IN THIS STATE.

8 (24) ~~(23)~~As used in this section:

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

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

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

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

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

24 (v) Organizes education, training, and other services to meet
25 the particular needs of an individual in a manner that accelerates
26 the educational and career advancement of the individual to the
27 extent practicable.

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

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

6 (b) "Department" means the department of talent and economic
7 development.

8 (c) "Eligible adult education provider" means a district,
9 intermediate district, a consortium of districts, a consortium of
10 intermediate districts, or a consortium of districts and
11 intermediate districts that is identified as part of the local
12 process described in subsection (5)(c) and approved by the
13 department.

14 (d) "Participant" means the sum of the number of full-time
15 equated individuals enrolled in and attending a department-approved
16 adult education program under this section, using quarterly
17 participant count days on the schedule described in section
18 6(7)(b).

19 Sec. 230. (1) Money included in the appropriations for
20 community college operations under section 201(2) in fiscal year
21 2015-2016 for performance funding is distributed based on the
22 following formula:

23 (a) Allocated proportionate to fiscal year 2014-2015 base
24 appropriations, 50%.

25 (b) Based on contact hour equated students, 10%.

26 (c) Based on administrative costs, 7.5%.

27 (d) Based on a weighted degree formula as provided for in the

1 2006 recommendations of the performance indicators task force,
2 17.5%.

3 (e) Based on the local strategic value component, as developed
4 in cooperation with the Michigan Community College Association and
5 described in subsection (2), 15%.

6 (2) Money included in the appropriations for community college
7 operations under section 201(2) for local strategic value shall be
8 allocated to each community college that certifies to the state
9 budget director, through a board of trustees resolution on or
10 before October 15, 2015, that the college has met 4 out of 5 best
11 practices listed in each category described in subsection (3). The
12 resolution shall provide specifics as to how the community college
13 meets each best practice measure within each category. One-third of
14 funding available under the strategic value component shall be
15 allocated to each category described in subsection (3). Amounts
16 distributed under local strategic value shall be on a proportionate
17 basis to each college's fiscal year 2014-2015 operations funding.
18 Payments to community colleges that qualify for local strategic
19 value funding shall be distributed with the November installment
20 payment described in section 206.

21 (3) For purposes of subsection (2), the following categories
22 of best practices reflect functional activities of community
23 colleges that have strategic value to the local communities and
24 regional economies:

25 (a) For Category A, economic development and business or
26 industry partnerships, the following:

27 (i) The community college has active partnerships with local

1 employers including hospitals and health care providers.

2 (ii) The community college provides customized on-site
3 training for area companies, employees, or both.

4 (iii) The community college supports entrepreneurship through
5 a small business assistance center or other training or consulting
6 activities targeted toward small businesses.

7 (iv) The community college supports technological advancement
8 through industry partnerships, incubation activities, or operation
9 of a Michigan technical education center or other advanced
10 technology center.

11 (v) The community college has active partnerships with local
12 or regional workforce and economic development agencies.

13 (b) For Category B, educational partnerships, the following:

14 (i) The community college has active partnerships with
15 regional high schools, intermediate school districts, and career-
16 tech centers to provide instruction through dual enrollment,
17 concurrent enrollment, direct credit, middle college, or academy
18 programs.

19 (ii) The community college hosts, sponsors, or participates in
20 enrichment programs for area K-12 students, such as college days,
21 summer or after-school programming, or science Olympiad.

22 (iii) The community college provides, supports, or
23 participates in programming to promote successful transitions to
24 college for traditional age students, including grant programs such
25 as talent search, upward bound, or other activities to promote
26 college readiness in area high schools and community centers.

27 (iv) The community college provides, supports, or participates

1 in programming to promote successful transitions to college for new
2 or reentering adult students, such as adult basic education,
3 ~~general education development certificate~~ **A HIGH SCHOOL EQUIVALENCY**
4 **TEST** preparation **PROGRAM** and testing, or recruiting, advising, or
5 orientation activities specific to adults. **AS USED IN THIS**
6 **SUBPARAGRAPH, "HIGH SCHOOL EQUIVALENCY TEST PREPARATION PROGRAM"**
7 **MEANS THAT TERM AS DEFINED IN SECTION 4.**

8 (v) The community college has active partnerships with
9 regional 4-year colleges and universities to promote successful
10 transfer, such as articulation, 2+2, or reverse transfer agreements
11 or operation of a university center.

12 (c) For Category C, community services, the following:

13 (i) The community college provides continuing education
14 programming for leisure, wellness, personal enrichment, or
15 professional development.

16 (ii) The community college operates or sponsors opportunities
17 for community members to engage in activities that promote leisure,
18 wellness, cultural or personal enrichment such as community sports
19 teams, theater or musical ensembles, or artist guilds.

20 (iii) The community college operates public facilities to
21 promote cultural, educational, or personal enrichment for community
22 members, such as libraries, computer labs, performing arts centers,
23 museums, art galleries, or television or radio stations.

24 (iv) The community college operates public facilities to
25 promote leisure or wellness activities for community members,
26 including gymnasiums, athletic fields, tennis courts, fitness
27 centers, hiking or biking trails, or natural areas.

1 (v) The community college promotes, sponsors, or hosts
2 community service activities for students, staff, or community
3 members.

4 (4) Payments for performance funding under section 201(2)
5 shall be made to a community college only if that community college
6 actively participates in the Michigan transfer network sponsored by
7 the Michigan Association of Collegiate Registrars and Admissions
8 Officers and submits timely updates, including updated course
9 equivalencies at least every 6 months, to the Michigan transfer
10 network. The state budget director shall determine if a community
11 college has not satisfied this requirement. The state budget
12 director may withhold payments for performance funding until a
13 community college is in compliance with this section.

14 Sec. 256. (1) The funds appropriated in section 236 for the
15 tuition incentive program shall be distributed as provided in this
16 section and pursuant to the administrative procedures for the
17 tuition incentive program of the department of treasury.

18 (2) As used in this section:

19 (a) "Phase I" means the first part of the tuition incentive
20 assistance program defined as the academic period of 80 semester or
21 120 term credits, or less, leading to an associate degree or
22 certificate.

23 (b) "Phase II" means the second part of the tuition incentive
24 assistance program which provides assistance in the third and
25 fourth year of 4-year degree programs.

26 (c) "Department" means the department of treasury.

27 (D) "HIGH SCHOOL EQUIVALENCY CERTIFICATE" MEANS THAT TERM AS

1 **DEFINED IN SECTION 4.**

2 (3) An individual shall meet the following basic criteria and
3 financial thresholds to be eligible for tuition incentive benefits:

4 (a) To be eligible for phase I, an individual shall meet all
5 of the following criteria:

6 (i) Apply for certification to the department any time after
7 he or she begins the sixth grade but before August 31 of the school
8 year in which he or she graduates from high school or before
9 ~~completing a general education development~~ **ACHIEVING A HIGH SCHOOL**
10 **EQUIVALENCY** certificate.

11 (ii) Be less than 20 years of age at the time he or she
12 graduates from high school with a diploma or certificate of
13 completion or ~~completes a general education development~~ **ACHIEVES A**
14 **HIGH SCHOOL EQUIVALENCY** certificate.

15 (iii) Be a United States citizen and a resident of Michigan
16 according to institutional criteria.

17 (iv) Be at least a half-time student, earning less than 80
18 semester or 120 term credits at a participating educational
19 institution within 4 years of high school graduation or ~~completion~~
20 ~~of a general education development~~ **ACHIEVEMENT OF A HIGH SCHOOL**
21 **EQUIVALENCY** certificate.

22 (v) Request information on filing a FAFSA.

23 (vi) Must meet the satisfactory academic progress policy of
24 the educational institution he or she attends.

25 (b) To be eligible for phase II, an individual shall meet
26 either of the following criteria in addition to the criteria in
27 subdivision (a):

1 (i) Complete at least 56 transferable semester or 84
2 transferable term credits.

3 (ii) Obtain an associate degree or certificate at a
4 participating institution.

5 (c) To be eligible for phase I or phase II, an individual must
6 not be incarcerated and must be financially eligible as determined
7 by the department. An individual is financially eligible for the
8 tuition incentive program if he or she was eligible for Medicaid
9 from the state of Michigan for 24 months within the 36 months
10 before application. The department shall accept certification of
11 Medicaid eligibility only from the department of health and human
12 services for the purposes of verifying if a person is Medicaid
13 eligible for 24 months within the 36 months before application.
14 Certification of eligibility may begin in the sixth grade. As used
15 in this subdivision, "incarcerated" does not include detention of a
16 juvenile in a state-operated or privately operated juvenile
17 detention facility.

18 (4) For phase I, the department shall provide payment on
19 behalf of a person eligible under subsection (3). The department
20 shall reject billings that are excessive or outside the guidelines
21 for the type of educational institution.

22 (5) For phase I, all of the following apply:

23 (a) Payments for associate degree or certificate programs
24 shall not be made for more than 80 semester or 120 term credits for
25 any individual student at any participating institution.

26 (b) For persons enrolled at a Michigan community college, the
27 department shall pay the current in-district tuition and mandatory

1 fees. For persons residing in an area that is not included in any
2 community college district, the out-of-district tuition rate may be
3 authorized.

4 (c) For persons enrolled at a Michigan public university, the
5 department shall pay lower division resident tuition and mandatory
6 fees for the current year.

7 (d) For persons enrolled at a Michigan independent, nonprofit
8 degree-granting college or university, or a Michigan federal
9 tribally controlled community college, or Focus: HOPE, the
10 department shall pay mandatory fees for the current year and a per-
11 credit payment that does not exceed the average community college
12 in-district per-credit tuition rate as reported on August 1, for
13 the immediately preceding academic year.

14 (6) A person participating in phase II may be eligible for
15 additional funds not to exceed \$500.00 per semester or \$400.00 per
16 term up to a maximum of \$2,000.00 subject to the following
17 conditions:

18 (a) Credits are earned in a 4-year program at a Michigan
19 degree-granting 4-year college or university.

20 (b) The tuition reimbursement is for coursework completed
21 within 30 months of completion of the phase I requirements.

22 (7) The department shall work closely with participating
23 institutions to develop an application and eligibility
24 determination process that will provide the highest level of
25 participation and ensure that all requirements of the program are
26 met.

27 (8) Applications for the tuition incentive program may be

1 approved at any time after the student begins the sixth grade. If a
2 determination of financial eligibility is made, that determination
3 is valid as long as the student meets all other program
4 requirements and conditions.

5 (9) Each institution shall ensure that all known available
6 restricted grants for tuition and fees are used prior to billing
7 the tuition incentive program for any portion of a student's
8 tuition and fees.

9 (10) The department shall ensure that the tuition incentive
10 program is well publicized and that eligible Medicaid clients are
11 provided information on the program. The department shall provide
12 the necessary funding and staff to fully operate the program.

13 Enacting section 1. This amendatory act takes effect 90 days
14 after the date it is enacted into law.