

**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, 8b, 11, 11a, 11j, 11k, 11m, 11r, 15, 18,  
18a, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22i, 23a, 24, 24a,  
24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41,  
43, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a,  
98, 99, 99h, 102, 104, 104b, 104c, 107, 147, 147a, 147c, 152a, 163,  
201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 225, 226, 229a,  
230, 236, 236a, 236b, 236c, 241, 244, 246, 252, 254, 255, 258, 263,  
263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279,  
280, and 281 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a,  
388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1615, 388.1618,  
388.1618a, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f,  
388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622i, 388.1623a,

388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1643, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1664b, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699, 388.1699h, 388.1702, 388.1704, 388.1704b, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1763, 388.1801, 388.1801a, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1817, 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1844, 388.1846, 388.1852, 388.1854, 388.1855, 388.1858, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, and 388.1881), sections 6, 8b, 11a, 11j, 11k, 15, 20, 20d, 20f, 20g, 21f, 22d, 22f, 22i, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 104, 104b, 107, 147, 147a, 152a, 163, 201a, 206, 209, 210b, 217, 225, 229a, 230, 236a, 236b, 236c, 241, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, and 281 as amended and sections 11r, 43, 64b, 95a, 104c, 207a, 207b, and 207c as added by 2014 PA 196, sections 11, 11m, 18, 22a, 22b, 51a, 51c, 147c, 201, and 236 as amended by 2015 PA 5, section 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, sections 102, 244, and 258 as amended by 2013 PA 60, and sections 226, 254, and 255 as amended by 2012 PA 201, and by adding sections 31h, 35, 35a, 35b, 35d, 35e, 35f, 55, 61b, 67, 77, 99c, 102a, 102b,

102c, 102d, 104d, 210c, 210d, 215, and 230a; and to repeal acts and parts of acts.

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

1       Sec. 6. (1) "Center program" means a program operated by a  
2       district or by an intermediate district for special education  
3       pupils from several districts in programs for pupils with autism  
4       spectrum disorder, pupils with severe cognitive impairment, pupils  
5       with moderate cognitive impairment, pupils with severe multiple  
6       impairments, pupils with hearing impairment, pupils with visual  
7       impairment, and pupils with physical impairment or other health  
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**

1 participants, in the district for the immediately preceding school  
2 year, adjusted for those pupils who have transferred into or out of  
3 the district or high school, who leave high school with a diploma  
4 or other credential of equal status.

5 (4) "Membership", except as otherwise provided in this  
6 article, means for a district, a public school academy, the  
7 education achievement system, or an intermediate district the sum  
8 of the product of ~~-.90~~.85 times the number of full-time equated  
9 pupils in grades K to 12 actually enrolled and in regular daily  
10 attendance on the pupil membership count day for the current school  
11 year, plus the product of ~~-.10~~.15 times the final audited count  
12 from the supplemental count day for the ~~current~~**IMMEDIATELY**  
13 **PRECEDING** school year. A district's, public school academy's, or  
14 intermediate district's membership shall be adjusted as provided  
15 under section 25e for pupils who enroll in the district, public  
16 school academy, or intermediate district after the pupil membership  
17 count day. All pupil counts used in this subsection are as  
18 determined by the department and calculated by adding the number of  
19 pupils registered for attendance plus pupils received by transfer  
20 and minus pupils lost as defined by rules promulgated by the  
21 superintendent, and as corrected by a subsequent department audit.  
22 For the purposes of this section and section 6a, for a school of  
23 excellence that is a cyber school, as defined in section 551 of the  
24 revised school code, MCL 380.551, and is in compliance with section  
25 553a of the revised school code, MCL 380.553a, a pupil's  
26 participation, **AS DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH**  
27 **THE PUPIL ACCOUNTING MANUAL**, in the cyber school's educational

1 program is considered regular daily attendance; for the education  
2 achievement system, a pupil's participation, **AS DETERMINED BY THE**  
3 **DEPARTMENT IN ACCORDANCE WITH THE PUPIL ACCOUNTING MANUAL**, in an  
4 online educational program of the education achievement system or  
5 of an achievement school is considered regular daily attendance;  
6 and for a district a pupil's participation in an online course as  
7 defined in section 21f is considered regular daily attendance. The  
8 amount of the foundation allowance for a pupil in membership is  
9 determined under section 20. In making the calculation of  
10 membership, all of the following, as applicable, apply to  
11 determining the membership of a district, a public school academy,  
12 the education achievement system, or an intermediate district:

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

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

1 (c) A special education pupil educated by the intermediate  
2 district shall be counted in membership in the intermediate  
3 district.

4 (d) A pupil placed by a court or state agency in an on-grounds  
5 program of a juvenile detention facility, a child caring  
6 institution, or a mental health institution, or a pupil funded  
7 under section 53a, shall be counted in membership in the district  
8 or intermediate district approved by the department to operate the  
9 program.

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

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

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

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

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

27 (i) If operations begin before the pupil membership count day

1 for the fiscal year, membership is the average number of full-time  
2 equated pupils in grades K to 12 actually enrolled and in regular  
3 daily attendance on the pupil membership count day for the current  
4 school year and on the supplemental count day for the current  
5 school year, as determined by the department and calculated by  
6 adding the number of pupils registered for attendance on the pupil  
7 membership count day plus pupils received by transfer and minus  
8 pupils lost as defined by rules promulgated by the superintendent,  
9 and as corrected by a subsequent department audit, plus the final  
10 audited count from the supplemental count day for the current  
11 school year, and dividing that sum by 2.

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

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

27 (k) In a district, a public school academy, the education

1 achievement system, or an intermediate district operating an  
2 extended school year program approved by the superintendent, a  
3 pupil enrolled, but not scheduled to be in regular daily attendance  
4 on a pupil membership count day, shall be counted.

5 (l) To be counted in membership, a pupil shall meet the  
6 minimum age requirement to be eligible to attend school under  
7 section 1147 of the revised school code, MCL 380.1147, or shall be  
8 enrolled under subsection (3) of that section, and shall be less  
9 than 20 years of age on September 1 of the school year except as  
10 follows:

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

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

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

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

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

25 **(D) IS CONSIDERED TO BE HOMELESS UNDER 42 USC 11302.**

26 (iii) If a child does not meet the minimum age requirement to  
27 be eligible to attend school for that school year under section



1 1147 of the revised school code, MCL 380.1147, but will be 5 years  
2 of age not later than December 1 of that school year, the district  
3 may count the child in membership for that school year if the  
4 parent or legal guardian has notified the district in writing that  
5 he or she intends to enroll the child in kindergarten for that  
6 school year.

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

17 (n) If a pupil counted in membership in a public school  
18 academy or the education achievement system is also educated by a  
19 district or intermediate district as part of a cooperative  
20 education program, the pupil shall be counted in membership only in  
21 the public school academy or the education achievement system  
22 unless a written agreement signed by all parties designates the  
23 party or parties in which the pupil shall be counted in membership,  
24 and the instructional time scheduled for the pupil in the district  
25 or intermediate district shall be included in the full-time equated  
26 membership determination under subdivision (q) **AND SECTION 101**.  
27 However, for pupils receiving instruction in both a public school

1 academy or the education achievement system and in a district or  
2 intermediate district but not as a part of a cooperative education  
3 program, the following apply:

4 (i) If the public school academy or the education achievement  
5 system provides instruction for at least 1/2 of the class hours  
6 ~~specified in subdivision (q), REQUIRED UNDER SECTION 101,~~ the  
7 public school academy or the education achievement system shall  
8 receive as its prorated share of the full-time equated membership  
9 for each of those pupils an amount equal to 1 times the product of  
10 the hours of instruction the public school academy or the education  
11 achievement system provides divided by the number of hours  
12 ~~specified in subdivision (q) REQUIRED UNDER SECTION 101~~ for full-  
13 time equivalency, and the remainder of the full-time membership for  
14 each of those pupils shall be allocated to the district or  
15 intermediate district providing the remainder of the hours of  
16 instruction.

17 (ii) If the public school academy or the education achievement  
18 system provides instruction for less than 1/2 of the class hours  
19 ~~specified in subdivision (q), REQUIRED UNDER SECTION 101,~~ the  
20 district or intermediate district providing the remainder of the  
21 hours of instruction shall receive as its prorated share of the  
22 full-time equated membership for each of those pupils an amount  
23 equal to 1 times the product of the hours of instruction the  
24 district or intermediate district provides divided by the number of  
25 hours ~~specified in subdivision (q) REQUIRED UNDER SECTION 101~~ for  
26 full-time equivalency, and the remainder of the full-time  
27 membership for each of those pupils shall be allocated to the

1 public school academy or the education achievement system.

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

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

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

17 (r) ~~Beginning in 2012-2013, full-time~~ **FULL-TIME** equated  
18 memberships for pupils in kindergarten shall be determined by  
19 dividing the number of instructional hours scheduled and provided  
20 per year per kindergarten pupil by the same number used for  
21 determining full-time equated memberships for pupils in grades 1 to  
22 12. However, to the extent allowable under federal law, for a  
23 district or public school academy that provides evidence  
24 satisfactory to the department that it used federal title I money  
25 in the 2 immediately preceding school fiscal years to fund full-  
26 time kindergarten, full-time equated memberships for pupils in  
27 kindergarten shall be determined by dividing the number of class

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

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

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

25 (u) If, as a result of a disciplinary action, a district  
26 determines through the district's alternative or disciplinary  
27 education program that the best instructional placement for a pupil

1 is in the pupil's home or otherwise apart from the general school  
2 population, if that placement is authorized in writing by the  
3 district superintendent and district alternative or disciplinary  
4 education supervisor, and if the district provides appropriate  
5 instruction as described in this subdivision to the pupil at the  
6 pupil's home or otherwise apart from the general school population,  
7 the district may count the pupil in membership on a pro rata basis,  
8 with the proration based on the number of hours of instruction the  
9 district actually provides to the pupil divided by the number of  
10 hours ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for  
11 full-time equivalency. For the purposes of this subdivision, a  
12 district shall be considered to be providing appropriate  
13 instruction if all of the following are met:

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

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

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

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

25 (v) If a pupil was enrolled in a public school academy on the  
26 pupil membership count day, if the public school academy's contract  
27 with its authorizing body is revoked or the public school academy

1 otherwise ceases to operate, and if the pupil enrolls in a district  
2 or the education achievement system within 45 days after the pupil  
3 membership count day, the department shall adjust the district's or  
4 the education achievement system's pupil count for the pupil  
5 membership count day to include the pupil in the count.

6 (w) For a public school academy that has been in operation for  
7 at least 2 years and that suspended operations for at least 1  
8 semester and is resuming operations, membership is the sum of the  
9 product of ~~.90~~.85 times the number of full-time equated pupils in  
10 grades K to 12 actually enrolled and in regular daily attendance on  
11 the first pupil membership count day or supplemental count day,  
12 whichever is first, occurring after operations resume, plus the  
13 product of ~~.10~~.15 times the final audited count from the most  
14 recent pupil membership count day or supplemental count day that  
15 occurred before suspending operations, as determined by the  
16 superintendent.

17 (x) If a district's membership for a particular fiscal year,  
18 as otherwise calculated under this subsection, would be less than  
19 1,550 pupils and the district has 4.5 or fewer pupils per square  
20 mile, as determined by the department, and if the district does not  
21 receive funding under section 22d(2), the district's membership  
22 shall be considered to be the membership figure calculated under  
23 this subdivision. If a district educates and counts in its  
24 membership pupils in grades 9 to 12 who reside in a contiguous  
25 district that does not operate grades 9 to 12 and if 1 or both of  
26 the affected districts request the department to use the  
27 determination allowed under this sentence, the department shall

1 include the square mileage of both districts in determining the  
2 number of pupils per square mile for each of the districts for the  
3 purposes of this subdivision. The membership figure calculated  
4 under this subdivision is the greater of the following:

5 (i) The average of the district's membership for the 3-fiscal-  
6 year period ending with that fiscal year, calculated by adding the  
7 district's actual membership for each of those 3 fiscal years, as  
8 otherwise calculated under this subsection, and dividing the sum of  
9 those 3 membership figures by 3.

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

12 (y) Full-time equated memberships for special education pupils  
13 who are not enrolled in kindergarten but are enrolled in a  
14 classroom program under R 340.1754 of the Michigan administrative  
15 code shall be determined by dividing the number of class hours  
16 scheduled and provided per year by 450. Full-time equated  
17 memberships for special education pupils who are not enrolled in  
18 kindergarten but are receiving early childhood special education  
19 services under R 340.1755 or R 340.1862 of the Michigan  
20 administrative code shall be determined by dividing the number of  
21 hours of service scheduled and provided per year per-pupil by 180.

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

27 (aa) For the first year in which a pupil is counted in

1 membership on the pupil membership count day in a middle college  
2 program, the membership is the average of the full-time equated  
3 membership on the pupil membership count day and on the  
4 supplemental count day for the current school year, as determined  
5 by the department. **IF A PUPIL DESCRIBED IN THIS SUBDIVISION WAS**  
6 **COUNTED IN MEMBERSHIP BY THE OPERATING DISTRICT ON THE IMMEDIATELY**  
7 **PRECEDING SUPPLEMENTAL COUNT DAY, THE PUPIL SHALL BE EXCLUDED FROM**  
8 **THE DISTRICT'S IMMEDIATELY PRECEDING SUPPLEMENTAL COUNT FOR THE**  
9 **PURPOSES OF DETERMINING THE DISTRICT'S MEMBERSHIP.**

10 (bb) A district, a public school academy, or the education  
11 achievement system that educates a pupil who attends a United  
12 States Olympic ~~education center~~ **EDUCATION CENTER** may count the  
13 pupil in membership regardless of whether or not the pupil is a  
14 resident of this state.

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

19 (dd) For a pupil enrolled in a dropout recovery program that  
20 meets the requirements of section 23a, the pupil shall be counted  
21 as 1/12 of a full-time equated membership for each month that the  
22 district operating the program reports that the pupil was enrolled  
23 in the program and was in full attendance. However, if the special  
24 membership counting provisions under this subdivision and the  
25 operation of the other membership counting provisions under this  
26 subsection result in a pupil being counted as more than 1.0 FTE in  
27 a fiscal year, the payment made for the pupil under sections 22a



1 and 22b shall not be based on more than 1.0 FTE for that pupil, and  
2 any portion of an FTE for that pupil that exceeds 1.0 shall instead  
3 be paid under section 25f. The district operating the program shall  
4 report to the center the number of pupils who were enrolled in the  
5 program and were in full attendance for a month not later than the  
6 tenth day of the next month. A district shall not report a pupil as  
7 being in full attendance for a month unless both of the following  
8 are met:

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

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

20 (EE) A PUPIL ENROLLED IN AN ONLINE COURSE UNDER SECTION 21F  
21 SHALL BE COUNTED IN MEMBERSHIP IN THE PUPIL'S DISTRICT OF  
22 RESIDENCE.

23 (FF) IF A PUBLIC SCHOOL ACADEMY THAT IS NOT IN ITS FIRST OR  
24 SECOND YEAR OF OPERATION CLOSES AT THE END OF A SCHOOL YEAR AND  
25 DOES NOT REOPEN FOR THE NEXT SCHOOL YEAR, THE DEPARTMENT SHALL  
26 ADJUST THE MEMBERSHIP COUNT OF THE DISTRICT OR THE EDUCATION  
27 ACHIEVEMENT SYSTEM IN WHICH A FORMER PUPIL OF THE PUBLIC SCHOOL

1 ACADEMY ENROLLS AND IS IN REGULAR DAILY ATTENDANCE FOR THE NEXT  
2 SCHOOL YEAR TO ENSURE THAT THE DISTRICT OR THE EDUCATION  
3 ACHIEVEMENT SYSTEM RECEIVES THE SAME AMOUNT OF MEMBERSHIP AID FOR  
4 THE PUPIL AS IF THE PUPIL WERE COUNTED IN THE DISTRICT OR THE  
5 EDUCATION ACHIEVEMENT SYSTEM ON THE SUPPLEMENTAL COUNT DAY OF THE  
6 PRECEDING SCHOOL YEAR.

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

9 (6) "Pupil" means a person in membership in a public school. A  
10 district must have the approval of the pupil's district of  
11 residence to count the pupil in membership, except approval by the  
12 pupil's district of residence is not required for any of the  
13 following:

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

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

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

20 (d) A pupil enrolled in a district other than the pupil's  
21 district of residence under an intermediate district schools of  
22 choice pilot program as described in section 91a or former section  
23 91 if the intermediate district and its constituent districts have  
24 been exempted from section 105.

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

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

15 (i) "At school" means in a classroom, elsewhere on school  
16 premises, on a school bus or other school-related vehicle, or at a  
17 school-sponsored activity or event whether or not it is held on  
18 school premises.

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

24 (g) A pupil whose district of residence changed after the  
25 pupil membership count day and before the supplemental count day  
26 and who continues to be enrolled on the supplemental count day as a  
27 nonresident in the district in which he or she was enrolled as a

1 resident on the pupil membership count day of the same school year.

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

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

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

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

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

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

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

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

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

1 (m) A pupil enrolled in a district other than the pupil's  
 2 district of residence who attends a United States Olympic education  
 3 center. **EDUCATION CENTER.**

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

7 (o) A pupil who enrolls in a district other than the pupil's  
 8 district of residence as a result of the pupil's school not making  
 9 adequate yearly progress under the no child left behind act of  
 10 2001, Public Law 107-110.

11 ~~—— (p) An online learning pupil enrolled in a district other than~~  
 12 ~~the pupil's district of residence as an eligible pupil under~~  
 13 ~~section 21f.~~

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

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

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

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

3 (i) Fourth Wednesday in July.

4 (ii) First Wednesday in October.

5 (iii) Second Wednesday in February.

6 (iv) Fourth Wednesday in April.

7 (8) "Pupils in grades K to 12 actually enrolled and in regular  
8 daily attendance" means pupils in grades K to 12 in attendance and  
9 receiving instruction in all classes for which they are enrolled on  
10 the pupil membership count day or the supplemental count day, as  
11 applicable. Except as otherwise provided in this subsection, a  
12 pupil who is absent from any of the classes in which the pupil is  
13 enrolled on the pupil membership count day or supplemental count  
14 day and who does not attend each of those classes during the 10  
15 consecutive school days immediately following the pupil membership  
16 count day or supplemental count day, except for a pupil who has  
17 been excused by the district, shall not be counted as 1.0 full-time  
18 equated membership. A pupil who is excused from attendance on the  
19 pupil membership count day or supplemental count day and who fails  
20 to attend each of the classes in which the pupil is enrolled within  
21 30 calendar days after the pupil membership count day or  
22 supplemental count day shall not be counted as 1.0 full-time  
23 equated membership. In addition, a pupil who was enrolled and in  
24 attendance in a district, an intermediate district, a public school  
25 academy, or the education achievement system before the pupil  
26 membership count day or supplemental count day of a particular year  
27 but was expelled or suspended on the pupil membership count day or

1 supplemental count day shall only be counted as 1.0 full-time  
2 equated membership if the pupil resumed attendance in the district,  
3 intermediate district, public school academy, or education  
4 achievement system within 45 days after the pupil membership count  
5 day or supplemental count day of that particular year. Pupils not  
6 counted as 1.0 full-time equated membership due to an absence from  
7 a class shall be counted as a prorated membership for the classes  
8 the pupil attended. For purposes of this subsection, "class" means  
9 a period of time in 1 day when pupils and a certificated teacher or  
10 legally qualified substitute teacher are together and instruction  
11 is taking place.

12 (9) "Rule" means a rule promulgated pursuant to the  
13 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
14 24.328.

15 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to  
16 380.1852.

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

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

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

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

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

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

6 Tuition pupil does not include a pupil who is a special education  
7 pupil, a pupil described in subsection (6)(c) to (p), or a pupil  
8 whose parent or guardian voluntarily enrolls the pupil in a  
9 district that is not the pupil's district of residence. A pupil's  
10 district of residence shall not require a high school tuition  
11 pupil, as provided under section 111, to attend another school  
12 district after the pupil has been assigned to a school district.

13           (17) "State school aid fund" means the state school aid fund  
14 established in section 11 of article IX of the state constitution  
15 of 1963.

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

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

27           (20) "Total state aid" or "total state school aid" means the



1 total combined amount of all funds due to a district, intermediate  
2 district, or other entity under all of the provisions of this  
3 article.

4       Sec. 8b. (1) The department shall assign a district code to  
5 each public school academy that is authorized under the revised  
6 school code and is eligible to receive funding under this article  
7 within 30 days after a contract is submitted to the department by  
8 the authorizing body of a public school academy.

9       (2) If the department does not assign a district code to a  
10 public school academy within the 30-day period described in  
11 subsection (1), the district code the department shall use to make  
12 payments under this article to the newly authorized public school  
13 academy shall be a number that is equivalent to the sum of the last  
14 district code assigned to a public school academy located in the  
15 same county as the newly authorized public school academy plus 1.  
16 However, if there is not an existing public school academy located  
17 in the same county as the newly authorized public school academy,  
18 then the district code the department shall use to make payments  
19 under this article to the newly authorized public school academy  
20 shall be a 5-digit number that has the county code in which the  
21 public school academy is located as its first 2 digits, 9 as its  
22 third digit, 0 as its fourth digit, and 1 as its fifth digit. If  
23 the number of public school academies in a county grows to exceed  
24 100, the third digit in this 5-digit number shall then be 7 for the  
25 public school academies in excess of 100.

26       **(3) FOR EACH SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL AND**  
27 **IS AUTHORIZED UNDER PART 6E OF THE REVISED SCHOOL CODE, MCL 380.551**

1 TO 380.561, BY A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,  
 2 COMMUNITY COLLEGE OTHER THAN A FEDERAL TRIBALLY CONTROLLED  
 3 COMMUNITY COLLEGE, OR OTHER AUTHORIZING BODY THAT IS NOT EMPOWERED  
 4 TO AUTHORIZE A SCHOOL OF EXCELLENCE TO OPERATE STATEWIDE AND IS  
 5 ELIGIBLE TO RECEIVE FUNDING UNDER THIS ARTICLE, THE DEPARTMENT  
 6 SHALL ASSIGN A DISTRICT CODE THAT INCLUDES AS THE FIRST 2 DIGITS  
 7 THE COUNTY CODE IN WHICH THE AUTHORIZING BODY IS LOCATED.

8 Sec. 11. (1) For the fiscal year ending September 30, 2015,  
 9 there is appropriated for the public schools of this state and  
 10 certain other state purposes relating to education the sum of  
 11 ~~\$11,827,097,400.00~~ **\$11,812,947,400.00** from the state school aid  
 12 fund, the sum of \$18,000,000.00 from the MPSERS retirement  
 13 obligation reform reserve fund created under section 147b, and the  
 14 sum of \$33,700,000.00 from the general fund. **FOR THE FISCAL YEAR**  
 15 **ENDING SEPTEMBER 30, 2016, THERE IS APPROPRIATED FOR THE PUBLIC**  
 16 **SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO**  
 17 **EDUCATION THE SUM OF \$12,151,594,700.00 FROM THE STATE SCHOOL AID**  
 18 **FUND AND THE SUM OF \$41,700,000.00 FROM THE GENERAL FUND.** In  
 19 addition, all other available federal funds are appropriated **EACH**  
 20 **FISCAL YEAR** for the fiscal year ~~year~~ **YEARS** ending September 30, 2015 **AND**  
 21 **SEPTEMBER 30, 2016.**

22 (2) The appropriations under this section shall be allocated  
 23 as provided in this article. Money appropriated under this section  
 24 from the general fund shall be expended to fund the purposes of  
 25 this article before the expenditure of money appropriated under  
 26 this section from the state school aid fund.

27 (3) Any general fund allocations under this article that are

1 not expended by the end of the state fiscal year are transferred to  
2 the school aid stabilization fund created under section 11a.

3       Sec. 11a. (1) The school aid stabilization fund is created as  
4 a separate account within the state school aid fund established by  
5 section 11 of article IX of the state constitution of 1963.

6       (2) The state treasurer may receive money or other assets from  
7 any source for deposit into the school aid stabilization fund. The  
8 state treasurer shall deposit into the school aid stabilization  
9 fund all of the following:

10       (a) Unexpended and unencumbered state school aid fund revenue  
11 for a fiscal year that remains in the state school aid fund as of  
12 the bookclosing for that fiscal year.

13       (b) Money statutorily dedicated to the school aid  
14 stabilization fund.

15       (c) Money appropriated to the school aid stabilization fund.

16       (3) Money available in the school aid stabilization fund may  
17 not be expended without a specific appropriation from the school  
18 aid stabilization fund. Money in the school aid stabilization fund  
19 shall be expended only for purposes for which state school aid fund  
20 money may be expended.

21       (4) The state treasurer shall direct the investment of the  
22 school aid stabilization fund. The state treasurer shall credit to  
23 the school aid stabilization fund interest and earnings from fund  
24 investments.

25       (5) Money in the school aid stabilization fund at the close of  
26 a fiscal year shall remain in the school aid stabilization fund and  
27 shall not lapse to the unreserved school aid fund balance or the

1 general fund.

2 (6) If the maximum amount appropriated under section 11 from  
3 the state school aid fund for a fiscal year exceeds the amount  
4 available for expenditure from the state school aid fund for that  
5 fiscal year, there is appropriated from the school aid  
6 stabilization fund to the state school aid fund an amount equal to  
7 the projected shortfall as determined by the department of  
8 treasury, but not to exceed available money in the school aid  
9 stabilization fund. If the money in the school aid stabilization  
10 fund is insufficient to fully fund an amount equal to the projected  
11 shortfall, the state budget director shall notify the legislature  
12 as required under section 296(2) and state payments in an amount  
13 equal to the remainder of the projected shortfall shall be prorated  
14 in the manner provided under section 296(3).

15 (7) For ~~2014-2015~~, **2015-2016**, in addition to the  
16 appropriations in section 11, there is appropriated from the school  
17 aid stabilization fund to the state school aid fund the amount  
18 necessary to fully fund the allocations under this article.

19 Sec. 11j. From the appropriation in section 11, there is  
20 allocated an amount not to exceed ~~\$126,000,000.00 for 2014-2015~~  
21 **\$143,000,000.00 FOR 2015-2016** for payments to the school loan bond  
22 redemption fund in the department of treasury on behalf of  
23 districts and intermediate districts. Notwithstanding section 296  
24 or any other provision of this act, funds allocated under this  
25 section are not subject to proration and shall be paid in full.

26 Sec. 11k. For ~~2014-2015~~, **2015-2016**, there is appropriated from  
27 the general fund to the school loan revolving fund an amount equal

1 to the amount of school bond loans assigned to the Michigan finance  
 2 authority, not to exceed the total amount of school bond loans held  
 3 in reserve as long-term assets. As used in this section, "school  
 4 loan revolving fund" means that fund created in section 16c of the  
 5 shared credit rating act, 1985 PA 227, MCL 141.1066c.

6 Sec. 11m. From the appropriation in section 11, there is  
 7 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
 8 ~~\$3,000,000.00~~ **\$4,000,000.00** for fiscal year cash-flow borrowing  
 9 costs solely related to the state school aid fund established by  
 10 section 11 of article IX of the state constitution of 1963.

11 Sec. 11r. (1) From the appropriation in section 11, there is  
 12 allocated **FOR 2015-2016** an amount not to exceed ~~\$4,000,000.00~~  
 13 **\$8,935,900.00** to be deposited into the distressed districts  
 14 ~~emergency grant~~ **REHABILITATION** fund created under this section for  
 15 the purpose of funding grants under this section. **THESE FUNDS ARE**  
 16 **INTENDED TO SUPPORT THE REHABILITATION OF SCHOOL DISTRICTS**  
 17 **EXPERIENCING SEVERE ACADEMIC AND FINANCIAL STRESS IN ORDER TO**  
 18 **MITIGATE THE IMPACT ON STUDENT LEARNING.**

19 (2) The distressed districts ~~emergency grant~~ **REHABILITATION**  
 20 fund is created as a separate account within the state school aid  
 21 fund. The state treasurer may receive money or other assets from  
 22 any source for deposit into the distressed districts ~~emergency~~  
 23 ~~grant~~ **REHABILITATION** fund. The state treasurer shall direct the  
 24 investment of the distressed districts ~~emergency grant~~  
 25 **REHABILITATION** fund and shall credit to the distressed districts  
 26 ~~emergency grant~~ **REHABILITATION** fund interest and earnings from the  
 27 fund.

~~———— (3) Subject to subsection (4), a district is eligible to receive a grant from the distressed districts emergency grant fund if either of the following applies:~~

~~———— (a) The district has adopted a resolution authorizing the voluntary dissolution of the district approved by the state treasurer under section 12 of the revised school code, MCL 380.12, but the dissolution has not yet taken effect under that section.~~

~~———— (b) The district is a receiving district under section 12 of the revised school code, MCL 380.12, and the district enrolls pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, in the immediately preceding school year.~~

~~———— (4) A district receiving funds under section 20g is not eligible to receive funds under this section.~~

~~———— (5) The amount of a grant under this section shall be determined by the state treasurer after consultation with the superintendent of public instruction, but shall not exceed the estimated amount of remaining district costs in excess of available revenues, including, but not limited to, payroll, benefits, retirement system contributions, pupil transportation, food services, special education, building security, and other costs necessary to allow the district to operate schools directly and provide public education services until the end of the current school fiscal year. For a district that meets the eligibility criteria under subsection (3) (b), the amount of the grant shall be determined in the same manner as transition costs under section 20g.~~

1       (3) ~~(6)~~—Before disbursing funds under this section, the state  
2 treasurer shall notify the house and senate appropriations  
3 subcommittees on school aid and the house and senate fiscal  
4 agencies. The notification shall include, but not be limited to,  
5 the district receiving funds under this section, the amount of the  
6 funds awarded under this section, an explanation of the district  
7 conditions that necessitate funding under this section, and the  
8 intended use of funds disbursed under this section.

9       (4) ~~(7)~~—Money in the distressed districts ~~emergency grant~~  
10 **REHABILITATION** fund at the close of a fiscal year shall remain in  
11 the distressed districts ~~emergency grant~~ **REHABILITATION** fund and  
12 shall not lapse to the state school aid fund or to the general  
13 fund.

14       Sec. 15. (1) If a district or intermediate district fails to  
15 receive its proper apportionment, the department, upon satisfactory  
16 proof that the district or intermediate district was entitled  
17 justly, shall apportion the deficiency in the next apportionment.  
18 Subject to subsections (2) and (3), if a district or intermediate  
19 district has received more than its proper apportionment, the  
20 department, upon satisfactory proof, shall deduct the excess in the  
21 next apportionment. Notwithstanding any other provision in this  
22 article, state aid overpayments to a district, other than  
23 overpayments in payments for special education or special education  
24 transportation, may be recovered from any payment made under this  
25 article other than a special education or special education  
26 transportation payment, from the proceeds of a loan to the district  
27 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to

1 141.942, or from the proceeds of millage levied or pledged under  
2 section 1211 of the revised school code, MCL 380.1211. State aid  
3 overpayments made in special education or special education  
4 transportation payments may be recovered from subsequent special  
5 education or special education transportation payments, from the  
6 proceeds of a loan to the district under the emergency municipal  
7 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds  
8 of millage levied or pledged under section 1211 of the revised  
9 school code, MCL 380.1211.

10 (2) If the result of an audit conducted by or for the  
11 department affects the current fiscal year membership, affected  
12 payments shall be adjusted in the current fiscal year. A deduction  
13 due to an adjustment made as a result of an audit conducted by or  
14 for the department, or as a result of information obtained by the  
15 department from the district, an intermediate district, the  
16 department of treasury, or the office of auditor general, shall be  
17 deducted from the district's apportionments when the adjustment is  
18 finalized. At the request of the district and upon the district  
19 presenting evidence satisfactory to the department of the hardship,  
20 the department may grant up to an additional 4 years for the  
21 adjustment and may advance payments to the district otherwise  
22 authorized under this article if the district would otherwise  
23 experience a significant hardship in satisfying its financial  
24 obligations.

25 (3) If, based on an audit by the department or the  
26 department's designee or because of new or updated information  
27 received by the department, the department determines that the



1 amount paid to a district or intermediate district under this  
2 article for the current fiscal year or a prior fiscal year was  
3 incorrect, the department shall make the appropriate deduction or  
4 payment in the district's or intermediate district's allocation in  
5 the next apportionment after the adjustment is finalized. The  
6 deduction or payment shall be calculated according to the law in  
7 effect in the fiscal year in which the incorrect amount was paid.  
8 If the district does not receive an allocation for the fiscal year  
9 or if the allocation is not sufficient to pay the amount of any  
10 deduction, the amount of any deduction otherwise applicable shall  
11 be satisfied from the proceeds of a loan to the district under the  
12 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942,  
13 or from the proceeds of millage levied or pledged under section  
14 1211 of the revised school code, MCL 380.1211, as determined by the  
15 department.

16 (4) The department may conduct audits, or may direct audits by  
17 designee of the department, for the current fiscal year and the  
18 immediately preceding 3 fiscal years of all records related to a  
19 program for which a district or intermediate district has received  
20 funds under this article.

21 (5) Expenditures made by the department under this article  
22 that are caused by the write-off of prior year accruals may be  
23 funded by revenue from the write-off of prior year accruals.

24 (6) In addition to funds appropriated in section 11 for all  
25 programs and services, there is appropriated for ~~2014-2015-2015-~~  
26 **2016** for obligations in excess of applicable appropriations an  
27 amount equal to the collection of overpayments, but not to exceed

1 amounts available from overpayments.

2       Sec. 18. (1) Except as provided in another section of this  
3 article, each district or other entity shall apply the money  
4 received by the district or entity under this article to salaries  
5 and other compensation of teachers and other employees, tuition,  
6 transportation, lighting, heating, ventilation, water service, the  
7 purchase of textbooks, other supplies, and any other school  
8 operating expenditures defined in section 7. However, not more than  
9 20% of the total amount received by a district under sections 22a  
10 and 22b or received by an intermediate district under section 81  
11 may be transferred by the board to either the capital projects fund  
12 or to the debt retirement fund for debt service. The money shall  
13 not be applied or taken for a purpose other than as provided in  
14 this section. The department shall determine the reasonableness of  
15 expenditures and may withhold from a recipient of funds under this  
16 article the apportionment otherwise due upon a violation by the  
17 recipient.

18       (2) **A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AN ANNUAL**  
19 **BUDGET IN A MANNER THAT COMPLIES WITH THE UNIFORM BUDGETING AND**  
20 **ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A.** Within 15 days  
21 after a board adopts its annual operating budget for the following  
22 school fiscal year, or after a board adopts a subsequent revision  
23 to that budget, the district shall make all of the following  
24 available through a link on its website ~~home page,~~ **HOMEPAGE**, or may  
25 make the information available through a link on its intermediate  
26 district's website ~~home page,~~ **HOMEPAGE**, in a form and manner  
27 prescribed by the department:

1 (a) The annual operating budget and subsequent budget  
2 revisions.

3 (b) Using data that have already been collected and submitted  
4 to the department, a summary of district expenditures for the most  
5 recent fiscal year for which they are available, expressed in the  
6 following 2 pie charts:

7 (i) A chart of personnel expenditures, broken into the  
8 following subcategories:

9 (A) Salaries and wages.

10 (B) Employee benefit costs, including, but not limited to,  
11 medical, dental, vision, life, disability, and long-term care  
12 benefits.

13 (C) Retirement benefit costs.

14 (D) All other personnel costs.

15 (ii) A chart of all district expenditures, broken into the  
16 following subcategories:

17 (A) Instruction.

18 (B) Support services.

19 (C) Business and administration.

20 (D) Operations and maintenance.

21 (c) Links to all of the following:

22 (i) The current collective bargaining agreement for each  
23 bargaining unit.

24 (ii) Each health care benefits plan, including, but not  
25 limited to, medical, dental, vision, disability, long-term care, or  
26 any other type of benefits that would constitute health care  
27 services, offered to any bargaining unit or employee in the

1 district.

2 (iii) The audit report of the audit conducted under subsection  
3 (4) for the most recent fiscal year for which it is available.

4 (iv) The bids required under section 5 of the public employee  
5 health benefits act, 2007 PA 106, MCL 124.75.

6 (v) The district's written policy governing procurement of  
7 supplies, materials, and equipment.

8 (vi) The district's written policy establishing specific  
9 categories of reimbursable expenses, as described in section  
10 1254(2) of the revised school code, MCL 380.1254.

11 (vii) Either the district's accounts payable check register  
12 for the most recent school fiscal year or a statement of the total  
13 amount of expenses incurred by board members or employees of the  
14 district that were reimbursed by the district for the most recent  
15 school fiscal year.

16 (d) The total salary and a description and cost of each fringe  
17 benefit included in the compensation package for the superintendent  
18 of the district and for each employee of the district whose salary  
19 exceeds \$100,000.00.

20 (e) The annual amount spent on dues paid to associations.

21 (f) The annual amount spent on lobbying or lobbying services.  
22 As used in this subdivision, "lobbying" means that term as defined  
23 in section 5 of 1978 PA 472, MCL 4.415.

24 (g) Any deficit elimination plan or enhanced deficit  
25 elimination plan the district was required to submit under this  
26 article.

27 (h) Identification of all credit cards maintained by the

1 district as district credit cards, the identity of all individuals  
2 authorized to use each of those credit cards, the credit limit on  
3 each credit card, and the dollar limit, if any, for each  
4 individual's authorized use of the credit card.

5 (i) Costs incurred for each instance of out-of-state travel by  
6 the school administrator of the district that is fully or partially  
7 paid for by the district and the details of each of those instances  
8 of out-of-state travel, including at least identification of each  
9 individual on the trip, destination, and purpose.

10 (3) For the information required under subsection (2)(a),  
11 (2)(b)(i), and (2)(c), an intermediate district shall provide the  
12 same information in the same manner as required for a district  
13 under subsection (2).

14 (4) For the purposes of determining the reasonableness of  
15 expenditures, whether a district or intermediate district has  
16 received the proper amount of funds under this article, and whether  
17 a violation of this article has occurred, all of the following  
18 apply:

19 (a) The department shall require that each district and  
20 intermediate district have an audit of the district's or  
21 intermediate district's financial and pupil accounting records  
22 conducted at least annually, and at such other times as determined  
23 by the department, at the expense of the district or intermediate  
24 district, as applicable. The audits must be performed by a  
25 certified public accountant or by the intermediate district  
26 superintendent, as may be required by the department, or in the  
27 case of a district of the first class by a certified public

1 accountant, the intermediate superintendent, or the auditor general  
2 of the city. A district or intermediate district shall retain these  
3 records for the current fiscal year and from at least the 3  
4 immediately preceding fiscal years.

5 (b) If a district operates in a single building with fewer  
6 than 700 full-time equated pupils, if the district has stable  
7 membership, and if the error rate of the immediately preceding 2  
8 pupil accounting field audits of the district is less than 2%, the  
9 district may have a pupil accounting field audit conducted  
10 biennially but must continue to have desk audits for each pupil  
11 count. The auditor must document compliance with the audit cycle in  
12 the pupil auditing manual. As used in this subdivision, "stable  
13 membership" means that the district's membership for the current  
14 fiscal year varies from the district's membership for the  
15 immediately preceding fiscal year by less than 5%.

16 (c) A district's or intermediate district's annual financial  
17 audit shall include an analysis of the financial and pupil  
18 accounting data used as the basis for distribution of state school  
19 aid.

20 (d) The pupil and financial accounting records and reports,  
21 audits, and management letters are subject to requirements  
22 established in the auditing and accounting manuals approved and  
23 published by the department.

24 (e) All of the following shall be done not later than ~~November~~  
25 ~~15, 2014 for reporting 2013-2014 data during 2014-2015, and not~~  
26 ~~later than November 1~~ **EACH YEAR** for reporting the prior fiscal year  
27 ~~data: for all subsequent fiscal years.~~

1 (i) A district shall file the annual financial audit reports  
2 with the intermediate district and the department.

3 (ii) The intermediate district shall file the annual financial  
4 audit reports for the intermediate district with the department.

5 (iii) The intermediate district shall enter the pupil  
6 membership audit reports for its constituent districts and for the  
7 intermediate district, for the pupil membership count day and  
8 supplemental count day, in the Michigan student data system.

9 (f) The annual financial audit reports and pupil accounting  
10 procedures reports shall be available to the public in compliance  
11 with the freedom of information act, 1976 PA 442, MCL 15.231 to  
12 15.246.

13 (g) Not later than January 31 of each year, the department  
14 shall notify the state budget director and the legislative  
15 appropriations subcommittees responsible for review of the school  
16 aid budget of districts and intermediate districts that have not  
17 filed an annual financial audit and pupil accounting procedures  
18 report required under this section for the school year ending in  
19 the immediately preceding fiscal year.

20 (5) By ~~November 15, 2014 for 2014-2015 and by November 1 for~~  
21 ~~all subsequent fiscal years,~~ **EACH YEAR**, each district and  
22 intermediate district shall submit to the center, in a manner  
23 prescribed by the center, annual comprehensive financial data  
24 consistent with accounting manuals and charts of accounts approved  
25 and published by the department. For an intermediate district, the  
26 report shall also contain the website address where the department  
27 can access the report required under section 620 of the revised

1 school code, MCL 380.620. The department shall ensure that the  
2 prescribed Michigan public school accounting manual chart of  
3 accounts includes standard conventions to distinguish expenditures  
4 by allowable fund function and object. The functions shall include  
5 at minimum categories for instruction, pupil support, instructional  
6 staff support, general administration, school administration,  
7 business administration, transportation, facilities operation and  
8 maintenance, facilities acquisition, and debt service; and shall  
9 include object classifications of salary, benefits, including  
10 categories for active employee health expenditures, purchased  
11 services, supplies, capital outlay, and other. Districts shall  
12 report the required level of detail consistent with the manual as  
13 part of the comprehensive annual financial report.

14 (6) By September 30 of each year, each district and  
15 intermediate district shall file with the department the special  
16 education actual cost report, known as "SE-4096", on a form and in  
17 the manner prescribed by the department.

18 (7) By October 7 of each year, each district and intermediate  
19 district shall file with the center the transportation expenditure  
20 report, known as "SE-4094", on a form and in the manner prescribed  
21 by the center.

22 (8) The department shall review its pupil accounting and pupil  
23 auditing manuals at least annually and shall periodically update  
24 those manuals to reflect changes in this article.

25 (9) If a district that is a public school academy purchases  
26 property using money received under this article, the public school  
27 academy shall retain ownership of the property unless the public



1 school academy sells the property at fair market value.

2 (10) If a district or intermediate district does not comply  
3 with subsections (4), (5), (6), and (7), the department shall  
4 withhold all state school aid due to the district or intermediate  
5 district under this article, beginning with the next payment due to  
6 the district or intermediate district, until the district or  
7 intermediate district complies with subsections (4), (5), (6), and  
8 (7). ~~However, the department shall not withhold the payment due on~~  
9 ~~October 20 due to the operation of this subsection.~~ If the district  
10 or intermediate district does not comply with subsections (4), (5),  
11 (6), and (7) by the end of the fiscal year, the district or  
12 intermediate district forfeits the amount withheld.

13 **(11) IF A DISTRICT OR INTERMEDIATE DISTRICT DOES NOT COMPLY**  
14 **WITH SUBSECTION (2), THE DEPARTMENT MAY WITHHOLD UP TO 10% OF THE**  
15 **STATE SCHOOL AID OTHERWISE PAYABLE TO THE DISTRICT OR INTERMEDIATE**  
16 **DISTRICT UNDER THIS ARTICLE, BEGINNING WITH THE NEXT PAYMENT DUE TO**  
17 **THE DISTRICT OR INTERMEDIATE DISTRICT, UNTIL THE DISTRICT OR**  
18 **INTERMEDIATE DISTRICT COMPLIES WITH SUBSECTION (2). IF THE DISTRICT**  
19 **OR INTERMEDIATE DISTRICT DOES NOT COMPLY WITH SUBSECTION (2) BY THE**  
20 **END OF THE FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT**  
21 **FORFEITS THE AMOUNT WITHHELD.**

22 (12) ~~(11)~~ Not later than November 1, 2014, ~~2015~~, if a district  
23 or intermediate district offers online learning under section 21f,  
24 the district or intermediate district shall submit to the  
25 department a report that details the per-pupil costs of operating  
26 the online learning by vendor type. The report shall include at  
27 least all of the following information concerning the operation of

1 online learning for the school fiscal year ending June 30,

2 ~~2014~~+2015:

3 (a) The name of the district operating the online learning and  
4 of each district that enrolled students in the online learning.

5 (b) The total number of students enrolled in the online  
6 learning and the total number of membership pupils enrolled in the  
7 online learning.

8 (c) For each pupil who is enrolled in a district other than  
9 the district offering online learning, the name of that district.

10 (d) The district in which the pupil was enrolled before  
11 enrolling in the district offering online learning.

12 (e) The number of participating students who had previously  
13 dropped out of school.

14 (f) The number of participating students who had previously  
15 been expelled from school.

16 (g) The total cost to enroll a student in the program. This  
17 cost shall be reported on a per-pupil, per-course, per-semester or  
18 trimester basis by vendor type. The total shall include costs  
19 broken down by cost for content development, content licensing,  
20 training, online instruction and instructional support, personnel,  
21 hardware and software, payment to each online learning provider,  
22 and other costs associated with operating online learning.

23 (h) The name of each online education provider contracted by  
24 the district and the state in which each online education provider  
25 is headquartered.

26 (13) ~~(12)~~ Not later than March 31, ~~2015~~, 2016, the department  
27 shall submit to the house and senate appropriations subcommittees

1 on state school aid, the state budget director, and the house and  
2 senate fiscal agencies a report summarizing the per pupil costs by  
3 vendor type of online courses available under section 21f.

4 (14) ~~(13)~~ As used in subsections ~~(11) and (12)~~, **(12) AND (13)**,  
5 "vendor type" means the following:

6 (a) Online courses provided by the Michigan virtual  
7 university.

8 (b) Online courses provided by a school of excellence that is  
9 a cyber school, as defined in section 551 of the revised school  
10 code, MCL 380.551.

11 (c) Online courses provided by third party vendors not  
12 affiliated with a Michigan public school.

13 (d) Online courses created and offered by a district or  
14 intermediate district.

15 Sec. 18a. Grant funds awarded and allotted to a district,  
16 intermediate district, or other entity, unless otherwise specified  
17 in this ~~act~~, **ARTICLE**, shall be expended by the grant recipient  
18 before the end of the ~~school~~-fiscal year immediately following the  
19 fiscal year in which the funds are received. If a grant recipient  
20 does not expend the funds received under this ~~act~~ **ARTICLE** before  
21 the end of the fiscal year in which the funds are received, the  
22 grant recipient shall submit a report to the department not later  
23 than November 1 after the fiscal year in which the funds are  
24 received indicating whether it expects to expend those funds during  
25 the fiscal year in which the report is submitted. A recipient of a  
26 grant shall return any unexpended grant funds to the department in  
27 the manner prescribed by the department not later than September 30

1 after the fiscal year in which the funds are received.

2 Sec. 20. (1) For ~~2014-2015,~~ **2015-2016**, both of the following  
3 apply:

4 (a) The basic foundation allowance is ~~\$8,099.00-~~ **\$8,149.00.**

5 (b) The minimum foundation allowance is ~~\$7,126.00-~~ **\$7,351.00.**

6 (2) The amount of each district's foundation allowance shall  
7 be calculated as provided in this section, using a basic foundation  
8 allowance in the amount specified in subsection (1).

9 (3) Except as otherwise provided in this section, the amount  
10 of a district's foundation allowance shall be calculated as  
11 follows, using in all calculations the total amount of the  
12 district's foundation allowance as calculated before any proration:

13 (a) Except as otherwise provided in this subdivision, for a  
14 district that had a foundation allowance for the immediately  
15 preceding state fiscal year that was equal to the minimum  
16 foundation allowance for the immediately preceding state fiscal  
17 year, but less than the basic foundation allowance for the  
18 immediately preceding state fiscal year, the district shall receive  
19 a foundation allowance in an amount equal to the sum of the  
20 district's foundation allowance for the immediately preceding state  
21 fiscal year plus the difference between twice the dollar amount of  
22 the adjustment from the immediately preceding state fiscal year to  
23 the current state fiscal year made in the basic foundation  
24 allowance and [(the difference between the basic foundation  
25 allowance for the current state fiscal year and basic foundation  
26 allowance for the immediately preceding state fiscal year minus  
27 ~~\$10.00)-~~ **\$15.00)** times (the difference between the district's

1 foundation allowance for the immediately preceding state fiscal  
 2 year and the minimum foundation allowance for the immediately  
 3 preceding state fiscal year) divided by the difference between the  
 4 basic foundation allowance for the current state fiscal year and  
 5 the minimum foundation allowance for the immediately preceding  
 6 state fiscal year]. However, the foundation allowance for a  
 7 district that had less than the basic foundation allowance for the  
 8 immediately preceding state fiscal year shall not exceed the basic  
 9 foundation allowance for the current state fiscal year. For the  
 10 purposes of this subdivision, for ~~2014-2015, 2015-2016~~, the minimum  
 11 foundation allowance for the immediately preceding state fiscal  
 12 year shall be considered to be \$7,076.00. ~~For 2014-2015, for a~~  
 13 ~~district that had a foundation allowance for the immediately~~  
 14 ~~preceding state fiscal year that was at least equal to the minimum~~  
 15 ~~foundation allowance for the immediately preceding state fiscal~~  
 16 ~~year but less than the basic foundation allowance for the~~  
 17 ~~immediately preceding state fiscal year, the district shall receive~~  
 18 ~~a foundation allowance in an amount equal to the district's~~  
 19 ~~foundation allowance for 2013-2014 plus \$50.00-\$7,251.00.~~

20 (b) Except as otherwise provided in this subsection, for a  
 21 district that in the immediately preceding state fiscal year had a  
 22 foundation allowance in an amount equal to the amount of the basic  
 23 foundation allowance for the immediately preceding state fiscal  
 24 year, the district shall receive a foundation allowance for ~~2014-~~  
 25 ~~2015-2015-2016~~ in an amount equal to the basic foundation allowance  
 26 for ~~2014-2015-2015-2016~~.

27 (c) For a district that had a foundation allowance for the

1 immediately preceding state fiscal year that was greater than the  
2 basic foundation allowance for the immediately preceding state  
3 fiscal year, the district's foundation allowance is an amount equal  
4 to the sum of the district's foundation allowance for the  
5 immediately preceding state fiscal year plus the lesser of the  
6 increase in the basic foundation allowance for the current state  
7 fiscal year, as compared to the immediately preceding state fiscal  
8 year, or the product of the district's foundation allowance for the  
9 immediately preceding state fiscal year times the percentage  
10 increase in the United States consumer price index in the calendar  
11 year ending in the immediately preceding fiscal year as reported by  
12 the May revenue estimating conference conducted under section 367b  
13 of the management and budget act, 1984 PA 431, MCL 18.1367b.

14 (d) For a district that has a foundation allowance that is not  
15 a whole dollar amount, the district's foundation allowance shall be  
16 rounded up to the nearest whole dollar.

17 (e) For a district that received a payment under section 22c  
18 as that section was in effect for ~~2013-2014~~, ~~2014-2015~~, the  
19 district's ~~2013-2014-2014-2015~~ foundation allowance shall be  
20 considered to have been an amount equal to the sum of the  
21 district's actual ~~2013-2014-2014-2015~~ foundation allowance as  
22 otherwise calculated under this section plus the per-pupil amount  
23 of the district's equity payment for ~~2013-2014-2014-2015~~ under  
24 section 22c as that section was in effect for ~~2013-2014-2014-2015~~.

25 (4) Except as otherwise provided in this subsection, the state  
26 portion of a district's foundation allowance is an amount equal to  
27 the district's foundation allowance or the basic foundation

1 allowance for the current state fiscal year, whichever is less,  
2 minus the local portion of the district's foundation allowance  
3 divided by the district's membership excluding special education  
4 pupils. For a district described in subsection (3)(c), the state  
5 portion of the district's foundation allowance is an amount equal  
6 to \$6,962.00 plus the difference between the district's foundation  
7 allowance for the current state fiscal year and the district's  
8 foundation allowance for 1998-99, minus the local portion of the  
9 district's foundation allowance divided by the district's  
10 membership excluding special education pupils. For a district that  
11 has a millage reduction required under section 31 of article IX of  
12 the state constitution of 1963, the state portion of the district's  
13 foundation allowance shall be calculated as if that reduction did  
14 not occur. For a receiving district, if school operating taxes  
15 continue to be levied on behalf of a dissolved district that has  
16 been attached in whole or in part to the receiving district to  
17 satisfy debt obligations of the dissolved district under section 12  
18 of the revised school code, MCL 380.12, the taxable value per  
19 membership pupil of property in the receiving district used for the  
20 purposes of this subsection does not include the taxable value of  
21 property within the geographic area of the dissolved district.

22 (5) The allocation calculated under this section for a pupil  
23 shall be based on the foundation allowance of the pupil's district  
24 of residence. For a pupil enrolled pursuant to section 105 or 105c  
25 in a district other than the pupil's district of residence, the  
26 allocation calculated under this section shall be based on the  
27 lesser of the foundation allowance of the pupil's district of

1 residence or the foundation allowance of the educating district.  
2 For a pupil in membership in a K-5, K-6, or K-8 district who is  
3 enrolled in another district in a grade not offered by the pupil's  
4 district of residence, the allocation calculated under this section  
5 shall be based on the foundation allowance of the educating  
6 district if the educating district's foundation allowance is  
7 greater than the foundation allowance of the pupil's district of  
8 residence.

9 (6) Except as otherwise provided in this subsection, for  
10 pupils in membership, other than special education pupils, in a  
11 public school academy, the allocation calculated under this section  
12 is an amount per membership pupil other than special education  
13 pupils in the public school academy equal to the foundation  
14 allowance of the district in which the public school academy is  
15 located or the state maximum public school academy allocation,  
16 whichever is less. **FOR PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL**  
17 **EDUCATION PUPILS, IN A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL**  
18 **AND IS AUTHORIZED BY A SCHOOL DISTRICT, THE ALLOCATION CALCULATED**  
19 **UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN**  
20 **SPECIAL EDUCATION PUPILS IN THE PUBLIC SCHOOL ACADEMY EQUAL TO THE**  
21 **FOUNDATION ALLOWANCE OF THE DISTRICT THAT AUTHORIZED THE PUBLIC**  
22 **SCHOOL ACADEMY OR THE STATE MAXIMUM PUBLIC SCHOOL ACADEMY**  
23 **ALLOCATION, WHICHEVER IS LESS.** However, a public school academy  
24 that had an allocation under this subsection before 2009-2010 that  
25 was equal to the sum of the local school operating revenue per  
26 membership pupil other than special education pupils for the  
27 district in which the public school academy is located and the



1 state portion of that district's foundation allowance shall not  
2 have that allocation reduced as a result of the 2010 amendment to  
3 this subsection. Notwithstanding section 101, for a public school  
4 academy that begins operations after the pupil membership count  
5 day, the amount per membership pupil calculated under this  
6 subsection shall be adjusted by multiplying that amount per  
7 membership pupil by the number of hours of pupil instruction  
8 provided by the public school academy after it begins operations,  
9 as determined by the department, divided by the minimum number of  
10 hours of pupil instruction required under section 101(3). The  
11 result of this calculation shall not exceed the amount per  
12 membership pupil otherwise calculated under this subsection.

13 (7) Except as otherwise provided in this subsection, for  
14 pupils attending an achievement school and in membership in the  
15 education achievement system, other than special education pupils,  
16 the allocation calculated under this section is an amount per  
17 membership pupil other than special education pupils equal to the  
18 foundation allowance of the district in which the achievement  
19 school is located, not to exceed the basic foundation allowance.  
20 Notwithstanding section 101, for an achievement school that begins  
21 operation after the pupil membership count day, the amount per  
22 membership pupil calculated under this subsection shall be adjusted  
23 by multiplying that amount per membership pupil by the number of  
24 hours of pupil instruction provided by the achievement school after  
25 it begins operations, as determined by the department, divided by  
26 the minimum number of hours of pupil instruction required under  
27 section 101(3). The result of this calculation shall not exceed the

1 amount per membership pupil otherwise calculated under this  
2 subsection. For the purposes of this subsection, if a public school  
3 is transferred from a district to the state school reform/redesign  
4 district or the achievement authority under section 1280c of the  
5 revised school code, MCL 380.1280c, that public school is  
6 considered to be an achievement school within the education  
7 achievement system and not a school that is part of a district, and  
8 a pupil attending that public school is considered to be in  
9 membership in the education achievement system and not in  
10 membership in the district that operated the school before the  
11 transfer.

12 (8) Subject to subsection (4), for a district that is formed  
13 or reconfigured after June 1, 2002 by consolidation of 2 or more  
14 districts or by annexation, the resulting district's foundation  
15 allowance under this section beginning after the effective date of  
16 the consolidation or annexation shall be the lesser of the sum of  
17 the average of the foundation allowances of each of the original or  
18 affected districts, calculated as provided in this section,  
19 weighted as to the percentage of pupils in total membership in the  
20 resulting district who reside in the geographic area of each of the  
21 original or affected districts plus \$100.00 or the highest  
22 foundation allowance among the original or affected districts. **IN**  
23 **ADDITION, FOR THE NEXT 2 FISCAL YEARS THAT BEGIN AFTER A**  
24 **CONSOLIDATION OR ANNEXATION UNDER THIS SECTION, THE RESULTING**  
25 **DISTRICT'S FOUNDATION ALLOWANCE SHALL BE ITS FOUNDATION ALLOWANCE**  
26 **AS OTHERWISE CALCULATED UNDER THIS SUBSECTION PLUS \$200.00.** This  
27 subsection does not apply to a receiving district unless there is a

1 subsequent consolidation or annexation that affects the district.

2 (9) Each fraction used in making calculations under this  
3 section shall be rounded to the fourth decimal place and the dollar  
4 amount of an increase in the basic foundation allowance shall be  
5 rounded to the nearest whole dollar.

6 (10) State payments related to payment of the foundation  
7 allowance for a special education pupil are not calculated under  
8 this section but are instead calculated under section 51a.

9 (11) To assist the legislature in determining the basic  
10 foundation allowance for the subsequent state fiscal year, each  
11 revenue estimating conference conducted under section 367b of the  
12 management and budget act, 1984 PA 431, MCL 18.1367b, shall  
13 calculate a pupil membership factor, a revenue adjustment factor,  
14 and an index as follows:

15 (a) The pupil membership factor shall be computed by dividing  
16 the estimated membership in the school year ending in the current  
17 state fiscal year, excluding intermediate district membership, by  
18 the estimated membership for the school year ending in the  
19 subsequent state fiscal year, excluding intermediate district  
20 membership. If a consensus membership factor is not determined at  
21 the revenue estimating conference, the principals of the revenue  
22 estimating conference shall report their estimates to the house and  
23 senate subcommittees responsible for school aid appropriations not  
24 later than 7 days after the conclusion of the revenue conference.

25 (b) The revenue adjustment factor shall be computed by  
26 dividing the sum of the estimated total state school aid fund  
27 revenue for the subsequent state fiscal year plus the estimated

1 total state school aid fund revenue for the current state fiscal  
2 year, adjusted for any change in the rate or base of a tax the  
3 proceeds of which are deposited in that fund and excluding money  
4 transferred into that fund from the countercyclical budget and  
5 economic stabilization fund under the management and budget act,  
6 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated  
7 total school aid fund revenue for the current state fiscal year  
8 plus the estimated total state school aid fund revenue for the  
9 immediately preceding state fiscal year, adjusted for any change in  
10 the rate or base of a tax the proceeds of which are deposited in  
11 that fund. If a consensus revenue factor is not determined at the  
12 revenue estimating conference, the principals of the revenue  
13 estimating conference shall report their estimates to the house and  
14 senate subcommittees responsible for school aid appropriations not  
15 later than 7 days after the conclusion of the revenue conference.

16 (c) The index shall be calculated by multiplying the pupil  
17 membership factor by the revenue adjustment factor. If a consensus  
18 index is not determined at the revenue estimating conference, the  
19 principals of the revenue estimating conference shall report their  
20 estimates to the house and senate subcommittees responsible for  
21 school aid appropriations not later than 7 days after the  
22 conclusion of the revenue conference.

23 (12) Payments to districts, public school academies, or the  
24 education achievement system shall not be made under this section.  
25 Rather, the calculations under this section shall be used to  
26 determine the amount of state payments under section 22b.

27 (13) If an amendment to section 2 of article VIII of the state

1 constitution of 1963 allowing state aid to some or all nonpublic  
2 schools is approved by the voters of this state, each foundation  
3 allowance or per-pupil payment calculation under this section may  
4 be reduced.

5 (14) As used in this section:

6 (a) "Certified mills" means the lesser of 18 mills or the  
7 number of mills of school operating taxes levied by the district in  
8 1993-94.

9 (b) "Combined state and local revenue" means the aggregate of  
10 the district's state school aid received by or paid on behalf of  
11 the district under this section and the district's local school  
12 operating revenue.

13 (c) "Combined state and local revenue per membership pupil"  
14 means the district's combined state and local revenue divided by  
15 the district's membership excluding special education pupils.

16 (d) "Current state fiscal year" means the state fiscal year  
17 for which a particular calculation is made.

18 (e) "Dissolved district" means a district that loses its  
19 organization, has its territory attached to 1 or more other  
20 districts, and is dissolved as provided under section 12 of the  
21 revised school code, MCL 380.12.

22 (f) "Immediately preceding state fiscal year" means the state  
23 fiscal year immediately preceding the current state fiscal year.

24 (g) "Local portion of the district's foundation allowance"  
25 means an amount that is equal to the difference between (the sum of  
26 the product of the taxable value per membership pupil of all  
27 property in the district that is nonexempt property times the

1 district's certified mills and, for a district with certified mills  
2 exceeding 12, the product of the taxable value per membership pupil  
3 of property in the district that is commercial personal property  
4 times the certified mills minus 12 mills) and (the quotient of the  
5 product of the captured assessed valuation under tax increment  
6 financing acts times the district's certified mills divided by the  
7 district's membership excluding special education pupils).

8 (h) "Local school operating revenue" means school operating  
9 taxes levied under section 1211 of the revised school code, MCL  
10 380.1211. For a receiving district, if school operating taxes are  
11 to be levied on behalf of a dissolved district that has been  
12 attached in whole or in part to the receiving district to satisfy  
13 debt obligations of the dissolved district under section 12 of the  
14 revised school code, MCL 380.12, local school operating revenue  
15 does not include school operating taxes levied within the  
16 geographic area of the dissolved district.

17 (i) "Local school operating revenue per membership pupil"  
18 means a district's local school operating revenue divided by the  
19 district's membership excluding special education pupils.

20 (j) "Maximum public school academy allocation", except as  
21 otherwise provided in this subdivision, means the maximum per-pupil  
22 allocation as calculated by adding the highest per-pupil allocation  
23 among all public school academies for the immediately preceding  
24 state fiscal year plus the difference between twice the amount of  
25 the difference between the basic foundation allowance for the  
26 current state fiscal year and the basic foundation for the  
27 immediately preceding state fiscal year and [(the amount of the

1 difference between the basic foundation allowance for the current  
 2 state fiscal year and the basic foundation for the immediately  
 3 preceding state fiscal year minus ~~\$10.00~~ **\$15.00**) times (the  
 4 difference between the highest per-pupil allocation among all  
 5 public school academies for the immediately preceding state fiscal  
 6 year and the minimum foundation allowance for the immediately  
 7 preceding state fiscal year) divided by the difference between the  
 8 basic foundation allowance for the current state fiscal year and  
 9 the minimum foundation allowance for the immediately preceding  
 10 state fiscal year]. For the purposes of this subdivision, ~~for 2014-~~  
 11 ~~2015, the minimum foundation allowance for the immediately~~  
 12 ~~preceding state fiscal year shall be considered to be \$7,076.00.~~  
 13 ~~For 2014-2015, FOR 2015-2016, the maximum public school academy~~  
 14 ~~allocation is \$7,218.00.~~ **\$7,351.00.**

15 (k) "Membership" means the definition of that term under  
 16 section 6 as in effect for the particular fiscal year for which a  
 17 particular calculation is made.

18 (l) "Nonexempt property" means property that is not a  
 19 principal residence, qualified agricultural property, qualified  
 20 forest property, supportive housing property, industrial personal  
 21 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**  
 22 **A PUBLIC SCHOOL ACADEMY.**

23 (m) "Principal residence", "qualified agricultural property",  
 24 "qualified forest property", "supportive housing property",  
 25 "industrial personal property", and "commercial personal property"  
 26 mean those terms as defined in section 1211 of the revised school  
 27 code, MCL 380.1211.

1 (n) "Receiving district" means a district to which all or part  
2 of the territory of a dissolved district is attached under section  
3 12 of the revised school code, MCL 380.12.

4 (o) "School operating purposes" means the purposes included in  
5 the operation costs of the district as prescribed in sections 7 and  
6 18 and purposes authorized under section 1211 of the revised school  
7 code, MCL 380.1211.

8 (p) "School operating taxes" means local ad valorem property  
9 taxes levied under section 1211 of the revised school code, MCL  
10 380.1211, and retained for school operating purposes.

11 (q) "Tax increment financing acts" means 1975 PA 197, MCL  
12 125.1651 to 125.1681, the tax increment finance authority act, 1980  
13 PA 450, MCL 125.1801 to 125.1830, the local development financing  
14 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
15 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
16 or the corridor improvement authority act, 2005 PA 280, MCL  
17 125.2871 to 125.2899.

18 (r) "Taxable value per membership pupil" means taxable value,  
19 as certified by the county treasurer and reported to the  
20 department, for the calendar year ending in the current state  
21 fiscal year divided by the district's membership excluding special  
22 education pupils for the school year ending in the current state  
23 fiscal year.

24 Sec. 20d. In making the final determination required under  
25 former section 20a of a district's combined state and local revenue  
26 per membership pupil in 1993-94 and in making calculations under  
27 section 20 for ~~2014-2015~~, **2015-2016**, the department and the



1 department of treasury shall comply with all of the following:

2 (a) For a district that had combined state and local revenue  
3 per membership pupil in the 1994-95 state fiscal year of \$6,500.00  
4 or more and served as a fiscal agent for a state board designated  
5 area vocational education center in the 1993-94 school year, total  
6 state school aid received by or paid on behalf of the district  
7 pursuant to this act in 1993-94 shall exclude payments made under  
8 former section 146 and under section 147 on behalf of the  
9 district's employees who provided direct services to the area  
10 vocational education center. Not later than June 30, 1996, the  
11 department shall make an adjustment under this subdivision to the  
12 district's combined state and local revenue per membership pupil in  
13 the 1994-95 state fiscal year and the department of treasury shall  
14 make a final certification of the number of mills that may be  
15 levied by the district under section 1211 of the revised school  
16 code, MCL 380.1211, as a result of the adjustment under this  
17 subdivision.

18 (b) If a district had an adjustment made to its 1993-94 total  
19 state school aid that excluded payments made under former section  
20 146 and under section 147 on behalf of the district's employees who  
21 provided direct services for intermediate district center programs  
22 operated by the district under article 5, if nonresident pupils  
23 attending the center programs were included in the district's  
24 membership for purposes of calculating the combined state and local  
25 revenue per membership pupil for 1993-94, and if there is a signed  
26 agreement by all constituent districts of the intermediate district  
27 that an adjustment under this subdivision shall be made, the

1 foundation allowances for 1995-96 and 1996-97 of all districts that  
2 had pupils attending the intermediate district center program  
3 operated by the district that had the adjustment shall be  
4 calculated as if their combined state and local revenue per  
5 membership pupil for 1993-94 included resident pupils attending the  
6 center program and excluded nonresident pupils attending the center  
7 program.

8       Sec. 20f. (1) From the funds appropriated in section 11, there  
9 is allocated an amount not to exceed ~~\$6,000,000.00 for 2014-2015~~  
10 **\$12,400,000.00 FOR 2015-2016** for payments to eligible districts  
11 under this section.

12       **(2) THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**  
13 **UNDER SUBSECTION (1).** A district is eligible for funding under this  
14 ~~section~~-**SUBSECTION** if the district received a payment under this  
15 section as it was in effect for 2013-2014. A district was eligible  
16 for funding in 2013-2014 if the sum of the following was less than  
17 \$5.00:

18       (a) The increase in the district's foundation allowance or  
19 per-pupil payment as calculated under section 20 from 2012-2013 to  
20 2013-2014.

21       (b) The district's equity payment per membership pupil under  
22 section 22c for 2013-2014.

23       (c) The quotient of the district's allocation under section  
24 147a for 2012-2013 divided by the district's membership pupils for  
25 2012-2013 minus the quotient of the district's allocation under  
26 section 147a for 2013-2014 divided by the district's membership  
27 pupils for 2013-2014.

1           (3) ~~(2)~~ The amount allocated to each eligible district under  
2 ~~this section~~ **SUBSECTION (2)** is an amount per membership pupil equal  
3 to the amount per membership pupil the district received **UNDER THIS**  
4 **SECTION** in 2013-2014.

5           (4) **THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**  
6 **UNDER SUBSECTION (1). A DISTRICT IS ELIGIBLE FOR FUNDING UNDER THIS**  
7 **SUBSECTION FOR 2015-2016 IF THE SUM OF THE FOLLOWING IS LESS THAN**  
8 **\$0.00:**

9           (A) **THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR**  
10 **PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO**  
11 **2015-2016.**

12           (B) **THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL**  
13 **FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016, IF THE**  
14 **DISTRICT QUALIFIED FOR FUNDING UNDER THAT SECTION FOR BOTH 2014-**  
15 **2015 AND 2015-2016.**

16           (C) **THE DECREASE IN THE DISTRICT'S PUPIL PERFORMANCE PER-PUPIL**  
17 **FUNDING UNDER SECTION 22J FROM 2014-2015 TO 2015-2016.**

18           (D) **THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION**  
19 **31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR**  
20 **2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER**  
21 **SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP**  
22 **PUPILS FOR 2014-2015.**

23           (5) **THE AMOUNT ALLOCATED TO EACH ELIGIBLE DISTRICT UNDER**  
24 **SUBSECTION (4) IS AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO \$0.00**  
25 **MINUS THE SUM OF THE FOLLOWING:**

26           (A) **THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR**  
27 **PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO**

1 2015-2016.

2 (B) THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL  
3 FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016, IF THE  
4 DISTRICT QUALIFIED FOR FUNDING UNDER THAT SECTION FOR BOTH 2014-  
5 2015 AND 2015-2016.

6 (C) THE DECREASE IN THE DISTRICT'S PUPIL PERFORMANCE PER-PUPIL  
7 FUNDING UNDER SECTION 22J FROM 2014-2015 TO 2015-2016.

8 (D) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION  
9 31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR  
10 2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER  
11 SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP  
12 PUPILS FOR 2014-2015.

13 (6) ~~(3)~~ If the allocation under subsection (1) is insufficient  
14 to fully fund payments **UNDER SUBSECTIONS (3) AND (5)** as otherwise  
15 calculated under this section, the department shall prorate  
16 payments under this section on an equal per-pupil basis.

17 Sec. 20g. (1) From the money appropriated under section 11,  
18 there is allocated an amount not to exceed \$2,200,000.00 for ~~2014-~~  
19 ~~2015-2015-2016~~ for grants to eligible districts that first received  
20 payments under this section in 2013-2014 for transition costs  
21 related to the enrollment of pupils who were previously enrolled in  
22 a district that was dissolved under section 12 of the revised  
23 school code, MCL 380.12, allocated as provided under subsection  
24 (3). Payments under this section shall continue for a total of 4  
25 fiscal years following the dissolution of a district, after which  
26 the payments shall cease.

27 (2) A receiving school district, as that term is defined in

1 section 12 of the revised school code, MCL 380.12, is an eligible  
2 district under this section.

3 (3) The amount allocated to each eligible district under This  
4 section is an amount equal to the product of the number of  
5 membership pupils enrolled in the eligible district who were  
6 previously enrolled in the dissolved school district in the school  
7 year immediately preceding the dissolution, or who reside in the  
8 geographic area of the dissolved school district and are entering  
9 kindergarten, times 10.0% of the lesser of the foundation allowance  
10 of the eligible district as calculated under section 20 or the  
11 basic foundation allowance under section 20(1).

12 (4) As used in this section, "dissolved school district" means  
13 a school district that has been declared dissolved under section 12  
14 of the revised school code, 1976 PA 451, MCL 380.12.

15 Sec. 21f. (1) A pupil enrolled in a district in any of grades  
16 6 to 12 is eligible to enroll in an online course as provided for  
17 in this section.

18 (2) With the consent of the pupil's parent or legal guardian,  
19 a district shall enroll an eligible pupil in up to 2 online courses  
20 as requested by the pupil during an academic term, semester, or  
21 trimester. Unless the pupil is newly enrolled in the **PUPIL'S**  
22 **PRIMARY** district, the request for online course enrollment must be  
23 made in the academic term, semester, trimester, or summer preceding  
24 the enrollment. A district may not establish additional  
25 requirements that would prohibit a pupil from taking an online  
26 course. If a pupil has demonstrated previous success with online  
27 courses and the school leadership and the pupil's parent or legal

1 guardian determine that it is in the best interest of the pupil, a  
2 pupil may be enrolled in more than 2 online courses in a specific  
3 academic term, semester, or trimester. Consent of the pupil's  
4 parent or legal guardian is not required if the pupil is at least  
5 age 18 or is an emancipated minor.

6 (3) An eligible pupil may enroll in an online course published  
7 in the pupil's ~~educating~~ **PRIMARY** district's catalog of online  
8 courses described in subsection (7)(a) or the statewide catalog of  
9 online courses maintained by the Michigan ~~virtual university~~  
10 **VIRTUAL UNIVERSITY** pursuant to section 98.

11 (4) A **PROVIDING** district **OR COMMUNITY COLLEGE** shall determine  
12 whether or not it has capacity to accept applications for  
13 enrollment from nonresident applicants in online courses and may  
14 use that limit as the reason for refusal to enroll an applicant. If  
15 the number of nonresident applicants eligible for acceptance in an  
16 online course does not exceed the capacity of the **PROVIDING**  
17 district **OR COMMUNITY COLLEGE** to provide the online course, the  
18 **PROVIDING** district **OR COMMUNITY COLLEGE** shall accept for enrollment  
19 all of the nonresident applicants eligible for acceptance. If the  
20 number of nonresident applicants exceeds the **PROVIDING** district's  
21 **OR COMMUNITY COLLEGE'S** capacity to provide the online course, the  
22 **PROVIDING** district **OR COMMUNITY COLLEGE** shall use a random draw  
23 system, subject to the need to abide by state and federal  
24 antidiscrimination laws and court orders.

25 (5) A **PUPIL'S PRIMARY** district may deny a ~~THE~~ pupil enrollment  
26 in an online course if any of the following apply, as determined by  
27 the district:

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

3 (b) The online course is not capable of generating academic  
4 credit.

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

7 (d) The pupil does not possess the prerequisite knowledge and  
8 skills to be successful in the online course or has demonstrated  
9 failure in previous online coursework in the same subject.

10 (e) The online course is of insufficient quality or rigor. A  
11 district that denies a pupil enrollment for this reason shall make  
12 a reasonable effort to assist the pupil to find an alternative  
13 course in the same or a similar subject that is of acceptable rigor  
14 and quality.

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

18 (g) The online course enrollment request does not occur within  
19 the same timelines established by the **PRIMARY** district for  
20 enrollment and schedule changes for regular courses.

21 (6) If a pupil is denied enrollment in an online course by a  
22 **THE PUPIL'S PRIMARY** district, the pupil may appeal the denial by  
23 submitting a letter to the superintendent of the intermediate  
24 district in which the pupil's ~~educating~~ **PRIMARY** district is  
25 located. The letter of appeal shall include the reason provided by  
26 the **PRIMARY** district for not enrolling the pupil and the reason why  
27 the pupil is claiming that the enrollment should be approved. The

intermediate district superintendent or designee shall respond to the appeal within 5 days after it is received. If the intermediate district superintendent or designee determines that the denial of enrollment does not meet 1 or more of the reasons specified in subsection (5), the **PRIMARY** district shall allow the pupil to enroll in the online course.

(7) To ~~offer or~~ provide an online course under this section, a **THE PROVIDING** district or intermediate district shall do all of the following:

(a) Provide the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** with the course syllabus in a form and method prescribed by the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** for inclusion in a statewide online course catalog. The district or intermediate district shall also provide on its publicly accessible website a link to the course syllabi for all of the online courses offered by the district or intermediate district and a link to the statewide catalog of online courses maintained by the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**.

(B) **ASSIGN TO EACH PUPIL A TEACHER OF RECORD AND PROVIDE THE PRIMARY DISTRICT WITH THE PERSONAL IDENTIFICATION CODE FOR THE TEACHER OF RECORD.**

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

(D) ~~(c)~~ Not later than October 1, ~~2014~~, **2015**, provide the Michigan virtual university with the number of enrollments in each online course the district or intermediate district ~~offered~~



1 PROVIDED to pupils pursuant to this section in the immediately  
2 preceding school year, and the number of enrollments in which the  
3 pupil earned 60% or more of the total course points for each online  
4 course.

5 (8) TO PROVIDE AN ONLINE COURSE UNDER THIS SECTION, A  
6 COMMUNITY COLLEGE SHALL DO ALL OF THE FOLLOWING:

7 (A) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE COURSE  
8 SYLLABUS IN A FORM AND METHOD PRESCRIBED BY THE MICHIGAN VIRTUAL  
9 UNIVERSITY FOR INCLUSION IN A STATEWIDE ONLINE COURSE CATALOG.

10 (B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD,  
11 OR ALIGNED TO A SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM  
12 FORMAT.

13 (C) ENSURE THAT EACH ONLINE COURSE IT PROVIDES UNDER THIS  
14 SECTION GENERATES POSTSECONDARY CREDIT.

15 (D) BEGINNING WITH OCTOBER 1, 2016, AND BY OCTOBER 1 OF EACH  
16 YEAR THEREAFTER, PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE  
17 NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE COMMUNITY COLLEGE  
18 PROVIDED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY  
19 PRECEDING SCHOOL YEAR, AND THE NUMBER OF ENROLLMENTS IN WHICH THE  
20 PUPIL EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR EACH ONLINE  
21 COURSE.

22 (E) BE TAUGHT BY AN INSTRUCTOR EMPLOYED BY OR CONTRACTED  
23 THROUGH THE COMMUNITY COLLEGE.

24 (9) FOR ANY ONLINE COURSE A PUPIL ENROLLS IN UNDER THIS  
25 SECTION, THE PUPIL'S PRIMARY DISTRICT MUST ASSIGN TO THE PUPIL A  
26 MENTOR TO MONITOR THE PUPIL'S PROGRESS DURING THE ONLINE COURSE AND  
27 SHALL SUPPLY THE PROVIDING DISTRICT WITH THE MENTOR'S CONTACT

1 **INFORMATION.**

2       (10) ~~(8)~~ For a pupil enrolled in 1 or more online courses  
3 published in the pupil's ~~educating~~ **PRIMARY** district's catalog of  
4 online courses under subsection (7) or in the statewide catalog of  
5 online courses maintained by the Michigan ~~virtual university,~~  
6 **VIRTUAL UNIVERSITY**, the **PRIMARY** district shall use foundation  
7 allowance or per-pupil funds calculated under section 20 to pay for  
8 the expenses associated with the online course or courses. ~~The~~  
9 ~~district shall pay 80% of the cost of the online course upon~~  
10 ~~enrollment and 20% upon completion as determined by the district. A~~  
11 district is not required to pay toward the cost of an online course  
12 an amount that exceeds ~~8.33%~~ **6.67%** of the minimum foundation  
13 allowance for the current fiscal year as calculated under section  
14 20.

15       (11) ~~(9)~~ An online learning pupil shall have the same rights  
16 and access to technology in his or her primary district's school  
17 facilities as all other pupils enrolled in the pupil's primary  
18 district.

19       (12) ~~(10)~~ If a pupil successfully completes an online course,  
20 as determined by the pupil's primary district, the pupil's primary  
21 district shall grant appropriate academic credit for completion of  
22 the course and shall count that credit toward completion of  
23 graduation and subject area requirements. A pupil's school record  
24 and transcript shall identify the online course title as it appears  
25 in the online course syllabus.

26       (13) ~~(11)~~ The enrollment of a pupil in 1 or more online  
27 courses shall not result in a pupil being counted as more than 1.0

1 full-time equivalent pupils under this article.

2 (14) ~~(12)~~—The portion of the full-time equated pupil  
3 membership for which a pupil is enrolled in 1 or more online  
4 courses under this section shall not be transferred under the pupil  
5 transfer process under section 25e.

6 (15) ~~(13)~~—As used in this section:

7 (A) "MENTOR" MEANS A PROFESSIONAL EMPLOYEE OF THE PRIMARY  
8 DISTRICT WHO MONITORS THE PUPIL'S PROGRESS, ENSURES THE PUPIL HAS  
9 ACCESS TO NEEDED TECHNOLOGY, IS AVAILABLE FOR ASSISTANCE, AND  
10 ENSURES ACCESS TO THE TEACHER OF RECORD. A MENTOR MAY ALSO SERVE AS  
11 THE TEACHER OF RECORD IF THE MENTOR MEETS THE REQUIREMENTS UNDER  
12 SUBDIVISION (G).

13 (B) ~~(a)~~—"Online course" means a course of study that is  
14 capable of generating a credit or a grade, that is provided in an  
15 interactive ~~internet-connected~~ **INTERNET-CONNECTED** learning  
16 environment, in which pupils are separated from their teachers by  
17 time or location, or both, and, **IF THE COURSE IS PROVIDED BY A**  
18 **DISTRICT OR INTERMEDIATE DISTRICT**, in which a teacher who holds a  
19 valid Michigan teaching certificate **THAT QUALIFIES THE TEACHER TO**  
20 **TEACH THE COURSE** is responsible for **PROVIDING INSTRUCTION**,  
21 determining appropriate instructional methods for each pupil,  
22 diagnosing learning needs, assessing pupil learning, prescribing  
23 intervention strategies, reporting outcomes, and evaluating the  
24 effects of instruction and support strategies.

25 (C) ~~(b)~~—"Online course syllabus" means a document that  
26 includes all of the following:

27 (i) The state academic standards addressed in an online

1 course.

2 (ii) The online course content outline.

3 (iii) The online course required assessments.

4 (iv) The online course prerequisites.

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

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

8 (vii) The online course learning outcomes and objectives.

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

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

13 (x) The course titles assigned by the district or intermediate  
14 district and the course titles and course codes from the ~~national~~  
15 ~~center for education statistics~~ **NATIONAL CENTER FOR EDUCATION**  
16 **STATISTICS** (NCES) school codes for the exchange of data (SCED).

17 (xi) The number of eligible nonresident pupils that will be  
18 accepted by the district or intermediate district in the online  
19 course.

20 (xii) The results of the online course quality review using  
21 the guidelines and model review process published by the Michigan  
22 ~~virtual university~~ **VIRTUAL UNIVERSITY**.

23 (D) ~~(c)~~ "Online learning pupil" means a pupil enrolled in 1 or  
24 more online courses.

25 (E) ~~(d)~~ "Primary district" means the **PUPIL'S** district ~~that~~  
26 ~~enrolls the pupil and reports the pupil as a full-time equated~~  
27 ~~pupil for pupil membership purposes~~ **OF RESIDENCE**.

1           (F) "PROVIDING DISTRICT" MEANS THE DISTRICT, INTERMEDIATE  
2 DISTRICT, OR COMMUNITY COLLEGE THAT THE PRIMARY DISTRICT PAYS TO  
3 PROVIDE THE ONLINE COURSE.

4           (G) "TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A VALID  
5 MICHIGAN TEACHING CERTIFICATE; WHO, WHERE APPLICABLE, IS ENDORSED  
6 IN THE SUBJECT AREA AND GRADE OF THE ONLINE COURSE; AND IS  
7 RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL  
8 METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL  
9 LEARNING, PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES,  
10 AND EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.

11           Sec. 22a. (1) From the appropriation in section 11, there is  
12 allocated an amount not to exceed ~~\$5,380,000,000.00 for 2014-2015~~  
13 **\$5,282,300,000.00 FOR 2015-2016** for payments to districts and  
14 qualifying public school academies to guarantee each district and  
15 qualifying public school academy an amount equal to its 1994-95  
16 total state and local per pupil revenue for school operating  
17 purposes under section 11 of article IX of the state constitution  
18 of 1963. Pursuant to section 11 of article IX of the state  
19 constitution of 1963, this guarantee does not apply to a district  
20 in a year in which the district levies a millage rate for school  
21 district operating purposes less than it levied in 1994. However,  
22 subsection (2) applies to calculating the payments under this  
23 section. Funds allocated under this section that are not expended  
24 in the state fiscal year for which they were allocated, as  
25 determined by the department, may be used to supplement the  
26 allocations under sections 22b and 51c in order to fully fund those  
27 calculated allocations for the same fiscal year.

1           (2) To ensure that a district receives an amount equal to the  
2 district's 1994-95 total state and local per pupil revenue for  
3 school operating purposes, there is allocated to each district a  
4 state portion of the district's 1994-95 foundation allowance in an  
5 amount calculated as follows:

6           (a) Except as otherwise provided in this subsection, the state  
7 portion of a district's 1994-95 foundation allowance is an amount  
8 equal to the district's 1994-95 foundation allowance or \$6,500.00,  
9 whichever is less, minus the difference between the sum of the  
10 product of the taxable value per membership pupil of all property  
11 in the district that is nonexempt property times the district's  
12 certified mills and, for a district with certified mills exceeding  
13 12, the product of the taxable value per membership pupil of  
14 property in the district that is commercial personal property times  
15 the certified mills minus 12 mills and the quotient of the ad  
16 valorem property tax revenue of the district captured under tax  
17 increment financing acts divided by the district's membership. For  
18 a district that has a millage reduction required under section 31  
19 of article IX of the state constitution of 1963, the state portion  
20 of the district's foundation allowance shall be calculated as if  
21 that reduction did not occur. For a receiving district, if school  
22 operating taxes are to be levied on behalf of a dissolved district  
23 that has been attached in whole or in part to the receiving  
24 district to satisfy debt obligations of the dissolved district  
25 under section 12 of the revised school code, MCL 380.12, taxable  
26 value per membership pupil of all property in the receiving  
27 district that is nonexempt property and taxable value per

1 membership pupil of property in the receiving district that is  
2 commercial personal property do not include property within the  
3 geographic area of the dissolved district; ad valorem property tax  
4 revenue of the receiving district captured under tax increment  
5 financing acts does not include ad valorem property tax revenue  
6 captured within the geographic boundaries of the dissolved district  
7 under tax increment financing acts; and certified mills do not  
8 include the certified mills of the dissolved district.

9 (b) For a district that had a 1994-95 foundation allowance  
10 greater than \$6,500.00, the state payment under this subsection  
11 shall be the sum of the amount calculated under subdivision (a)  
12 plus the amount calculated under this subdivision. The amount  
13 calculated under this subdivision shall be equal to the difference  
14 between the district's 1994-95 foundation allowance minus \$6,500.00  
15 and the current year hold harmless school operating taxes per  
16 pupil. If the result of the calculation under subdivision (a) is  
17 negative, the negative amount shall be an offset against any state  
18 payment calculated under this subdivision. If the result of a  
19 calculation under this subdivision is negative, there shall not be  
20 a state payment or a deduction under this subdivision. The taxable  
21 values per membership pupil used in the calculations under this  
22 subdivision are as adjusted by ad valorem property tax revenue  
23 captured under tax increment financing acts divided by the  
24 district's membership. For a receiving district, if school  
25 operating taxes are to be levied on behalf of a dissolved district  
26 that has been attached in whole or in part to the receiving  
27 district to satisfy debt obligations of the dissolved district

1 under section 12 of the revised school code, MCL 380.12, ad valorem  
2 property tax revenue captured under tax increment financing acts do  
3 not include ad valorem property tax revenue captured within the  
4 geographic boundaries of the dissolved district under tax increment  
5 financing acts.

6 (3) Beginning in 2003-2004, for pupils in membership in a  
7 qualifying public school academy, there is allocated under this  
8 section to the authorizing body that is the fiscal agent for the  
9 qualifying public school academy for forwarding to the qualifying  
10 public school academy an amount equal to the 1994-95 per pupil  
11 payment to the qualifying public school academy under section 20.

12 (4) A district or qualifying public school academy may use  
13 funds allocated under this section in conjunction with any federal  
14 funds for which the district or qualifying public school academy  
15 otherwise would be eligible.

16 (5) Except as otherwise provided in this subsection, for a  
17 district that is formed or reconfigured after June 1, 2000 by  
18 consolidation of 2 or more districts or by annexation, the  
19 resulting district's 1994-95 foundation allowance under this  
20 section beginning after the effective date of the consolidation or  
21 annexation shall be the average of the 1994-95 foundation  
22 allowances of each of the original or affected districts,  
23 calculated as provided in this section, weighted as to the  
24 percentage of pupils in total membership in the resulting district  
25 in the state fiscal year in which the consolidation takes place who  
26 reside in the geographic area of each of the original districts. If  
27 an affected district's 1994-95 foundation allowance is less than



1 the 1994-95 basic foundation allowance, the amount of that  
2 district's 1994-95 foundation allowance shall be considered for the  
3 purpose of calculations under this subsection to be equal to the  
4 amount of the 1994-95 basic foundation allowance. This subsection  
5 does not apply to a receiving district unless there is a subsequent  
6 consolidation or annexation that affects the district.

7 (6) Payments under this section are subject to section 25f.

8 (7) As used in this section:

9 (a) "1994-95 foundation allowance" means a district's 1994-95  
10 foundation allowance calculated and certified by the department of  
11 treasury or the superintendent under former section 20a as enacted  
12 in 1993 PA 336 and as amended by 1994 PA 283.

13 (b) "Certified mills" means the lesser of 18 mills or the  
14 number of mills of school operating taxes levied by the district in  
15 1993-94.

16 (c) "Current state fiscal year" means the state fiscal year  
17 for which a particular calculation is made.

18 (d) "Current year hold harmless school operating taxes per  
19 pupil" means the per pupil revenue generated by multiplying a  
20 district's 1994-95 hold harmless millage by the district's current  
21 year taxable value per membership pupil. For a receiving district,  
22 if school operating taxes are to be levied on behalf of a dissolved  
23 district that has been attached in whole or in part to the  
24 receiving district to satisfy debt obligations of the dissolved  
25 district under section 12 of the revised school code, MCL 380.12,  
26 taxable value per membership pupil does not include the taxable  
27 value of property within the geographic area of the dissolved

1 district.

2 (e) "Dissolved district" means a district that loses its  
3 organization, has its territory attached to 1 or more other  
4 districts, and is dissolved as provided under section 12 of the  
5 revised school code, MCL 380.12.

6 (f) "Hold harmless millage" means, for a district with a 1994-  
7 95 foundation allowance greater than \$6,500.00, the number of mills  
8 by which the exemption from the levy of school operating taxes on a  
9 homestead, qualified agricultural property, qualified forest  
10 property, supportive housing property, industrial personal  
11 property, ~~and~~ commercial personal property, **AND PROPERTY OCCUPIED**  
12 **BY A PUBLIC SCHOOL ACADEMY** could be reduced as provided in section  
13 1211 of the revised school code, MCL 380.1211, and the number of  
14 mills of school operating taxes that could be levied on all  
15 property as provided in section 1211(2) of the revised school code,  
16 MCL 380.1211, as certified by the department of treasury for the  
17 1994 tax year. For a receiving district, if school operating taxes  
18 are to be levied on behalf of a dissolved district that has been  
19 attached in whole or in part to the receiving district to satisfy  
20 debt obligations of the dissolved district under section 12 of the  
21 revised school code, MCL 380.12, school operating taxes do not  
22 include school operating taxes levied within the geographic area of  
23 the dissolved district.

24 (g) "Homestead", "qualified agricultural property", "qualified  
25 forest property", "supportive housing property", "industrial  
26 personal property", and "commercial personal property" mean those  
27 terms as defined in section 1211 of the revised school code, MCL

1 380.1211.

2 (h) "Membership" means the definition of that term under  
3 section 6 as in effect for the particular fiscal year for which a  
4 particular calculation is made.

5 (i) "Nonexempt property" means property that is not a  
6 principal residence, qualified agricultural property, qualified  
7 forest property, supportive housing property, industrial personal  
8 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**  
9 **A PUBLIC SCHOOL ACADEMY.**

10 (j) "Qualifying public school academy" means a public school  
11 academy that was in operation in the 1994-95 school year and is in  
12 operation in the current state fiscal year.

13 (k) "Receiving district" means a district to which all or part  
14 of the territory of a dissolved district is attached under section  
15 12 of the revised school code, MCL 380.12.

16 (l) "School operating taxes" means local ad valorem property  
17 taxes levied under section 1211 of the revised school code, MCL  
18 380.1211, and retained for school operating purposes as defined in  
19 section 20.

20 (m) "Tax increment financing acts" means 1975 PA 197, MCL  
21 125.1651 to 125.1681, the tax increment finance authority act, 1980  
22 PA 450, MCL 125.1801 to 125.1830, the local development financing  
23 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
24 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
25 or the corridor improvement authority act, 2005 PA 280, MCL  
26 125.2871 to 125.2899.

27 (n) "Taxable value per membership pupil" means each of the

1 following divided by the district's membership:

2 (i) For the number of mills by which the exemption from the  
3 levy of school operating taxes on a homestead, qualified  
4 agricultural property, qualified forest property, supportive  
5 housing property, industrial personal property, ~~and~~ commercial  
6 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**  
7 may be reduced as provided in section 1211 of the revised school  
8 code, MCL 380.1211, the taxable value of homestead, qualified  
9 agricultural property, qualified forest property, supportive  
10 housing property, industrial personal property, ~~and~~ commercial  
11 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**  
12 for the calendar year ending in the current state fiscal year. For  
13 a receiving district, if school operating taxes are to be levied on  
14 behalf of a dissolved district that has been attached in whole or  
15 in part to the receiving district to satisfy debt obligations of  
16 the dissolved district under section 12 of the revised school code,  
17 MCL 380.12, mills do not include mills within the geographic area  
18 of the dissolved district.

19 (ii) For the number of mills of school operating taxes that  
20 may be levied on all property as provided in section 1211(2) of the  
21 revised school code, MCL 380.1211, the taxable value of all  
22 property for the calendar year ending in the current state fiscal  
23 year. For a receiving district, if school operating taxes are to be  
24 levied on behalf of a dissolved district that has been attached in  
25 whole or in part to the receiving district to satisfy debt  
26 obligations of the dissolved district under section 12 of the  
27 revised school code, MCL 380.12, school operating taxes do not

1 include school operating taxes levied within the geographic area of  
2 the dissolved district.

3 Sec. 22b. (1) From the appropriation in section 11, there is  
4 allocated an amount not to exceed ~~\$3,434,000,000.00 for 2014-2015~~  
5 **\$3,688,700,000.00 FOR 2015-2016** for discretionary nonmandated  
6 payments to districts under this section. Funds allocated under  
7 this section that are not expended in the state fiscal year for  
8 which they were allocated, as determined by the department, may be  
9 used to supplement the allocations under sections 22a and 51c in  
10 order to fully fund those calculated allocations for the same  
11 fiscal year.

12 (2) Subject to subsection (3) and section 296, the allocation  
13 to a district under this section shall be an amount equal to the  
14 sum of the amounts calculated under sections 20, 51a(2), 51a(3),  
15 and 51a(11), minus the sum of the allocations to the district under  
16 sections 22a and 51c.

17 (3) In order to receive an allocation under subsection (1),  
18 each district shall do all of the following:

19 (a) Comply with section 1280b of the revised school code, MCL  
20 380.1280b.

21 (b) Comply with sections 1278a and 1278b of the revised school  
22 code, MCL 380.1278a and 380.1278b.

23 (c) Furnish data and other information required by state and  
24 federal law to the center and the department in the form and manner  
25 specified by the center or the department, as applicable.

26 (d) Comply with section 1230g of the revised school code, MCL  
27 380.1230g.

1 (e) Comply with section 21f.

2 (4) Districts are encouraged to use funds allocated under this  
3 section for the purchase and support of payroll, human resources,  
4 and other business function software that is compatible with that  
5 of the intermediate district in which the district is located and  
6 with other districts located within that intermediate district.

7 (5) From the allocation in subsection (1), the department  
8 shall pay up to \$1,000,000.00 in litigation costs incurred by this  
9 state related to commercial or industrial property tax appeals,  
10 including, but not limited to, appeals of classification, that  
11 impact revenues dedicated to the state school aid fund.

12 (6) From the allocation in subsection (1), the department  
13 shall pay up to \$1,000,000.00 in litigation costs incurred by this  
14 state associated with lawsuits filed by 1 or more districts or  
15 intermediate districts against this state. If the allocation under  
16 this section is insufficient to fully fund all payments required  
17 under this section, the payments under this subsection shall be  
18 made in full before any proration of remaining payments under this  
19 section.

20 (7) It is the intent of the legislature that all  
21 constitutional obligations of this state have been fully funded  
22 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by  
23 an entity receiving funds under this article that challenges the  
24 legislative determination of the adequacy of this funding or  
25 alleges that there exists an unfunded constitutional requirement,  
26 the state budget director may escrow or allocate from the  
27 discretionary funds for nonmandated payments under this section the

1 amount as may be necessary to satisfy the claim before making any  
2 payments to districts under subsection (2). If funds are escrowed,  
3 the escrowed funds are a work project appropriation and the funds  
4 are carried forward into the following fiscal year. The purpose of  
5 the work project is to provide for any payments that may be awarded  
6 to districts as a result of litigation. The work project shall be  
7 completed upon resolution of the litigation.

8 (8) If the local claims review board or a court of competent  
9 jurisdiction makes a final determination that this state is in  
10 violation of section 29 of article IX of the state constitution of  
11 1963 regarding state payments to districts, the state budget  
12 director shall use work project funds under subsection (7) or  
13 allocate from the discretionary funds for nonmandated payments  
14 under this section the amount as may be necessary to satisfy the  
15 amount owed to districts before making any payments to districts  
16 under subsection (2).

17 (9) If a claim is made in court that challenges the  
18 legislative determination of the adequacy of funding for this  
19 state's constitutional obligations or alleges that there exists an  
20 unfunded constitutional requirement, any interested party may seek  
21 an expedited review of the claim by the local claims review board.  
22 If the claim exceeds \$10,000,000.00, this state may remove the  
23 action to the court of appeals, and the court of appeals shall have  
24 and shall exercise jurisdiction over the claim.

25 (10) If payments resulting from a final determination by the  
26 local claims review board or a court of competent jurisdiction that  
27 there has been a violation of section 29 of article IX of the state

1 constitution of 1963 exceed the amount allocated for discretionary  
2 nonmandated payments under this section, the legislature shall  
3 provide for adequate funding for this state's constitutional  
4 obligations at its next legislative session.

5 (11) If a lawsuit challenging payments made to districts  
6 related to costs reimbursed by federal title XIX Medicaid funds is  
7 filed against this state, then, for the purpose of addressing  
8 potential liability under such a lawsuit, the state budget director  
9 may place funds allocated under this section in escrow or allocate  
10 money from the funds otherwise allocated under this section, up to  
11 a maximum of 50% of the amount allocated in subsection (1). If  
12 funds are placed in escrow under this subsection, those funds are a  
13 work project appropriation and the funds are carried forward into  
14 the following fiscal year. The purpose of the work project is to  
15 provide for any payments that may be awarded to districts as a  
16 result of the litigation. The work project shall be completed upon  
17 resolution of the litigation. In addition, this state reserves the  
18 right to terminate future federal title XIX Medicaid reimbursement  
19 payments to districts if the amount or allocation of reimbursed  
20 funds is challenged in the lawsuit. As used in this subsection,  
21 "title XIX" means title XIX of the social security act, 42 USC 1396  
22 to 1396v.

23 (12) Payments under this section are subject to section 25f.

24 Sec. 22d. (1) From the appropriation in section 11, an amount  
25 not to exceed ~~\$2,584,600.00~~ **\$5,000,000.00** is allocated for ~~2014-~~  
26 ~~2015-2015-2016~~ for supplemental payments to rural districts under  
27 this section.



1           (2) From the allocation under subsection (1), there is  
2 allocated for ~~2014-2015~~-**2015-2016** an amount not to exceed  
3 \$957,300.00 for payments under this subsection to districts that  
4 meet all of the following:

5           (a) Operates grades K to 12.

6           (b) Has fewer than 250 pupils in membership.

7           (c) Each school building operated by the district meets at  
8 least 1 of the following:

9           (i) Is located in the Upper Peninsula at least 30 miles from  
10 any other public school building.

11           (ii) Is located on an island that is not accessible by bridge.

12           (3) The amount of the additional funding to each eligible  
13 district under subsection (2) shall be determined under a spending  
14 plan developed as provided in this subsection and approved by the  
15 superintendent of public instruction. The spending plan shall be  
16 developed cooperatively by the intermediate superintendents of each  
17 intermediate district in which an eligible district is located. The  
18 intermediate superintendents shall review the financial situation  
19 of each eligible district, determine the minimum essential  
20 financial needs of each eligible district, and develop and agree on  
21 a spending plan that distributes the available funding under  
22 subsection (2) to the eligible districts based on those financial  
23 needs. The intermediate superintendents shall submit the spending  
24 plan to the superintendent of public instruction for approval. Upon  
25 approval by the superintendent of public instruction, the amounts  
26 specified for each eligible district under the spending plan are  
27 allocated under subsection (2) and shall be paid to the eligible

1 districts in the same manner as payments under section 22b.

2 (4) Subject to subsection (6), from the allocation in  
3 subsection (1), there is allocated for ~~2014-2015-2015-2016~~ an  
4 amount not to exceed ~~\$1,627,300.00~~ **\$4,042,700.00** for payments under  
5 this subsection to districts that ~~meet all of the following:~~

6 ~~— (a) The district has 5.0~~ **HAVE 7.3** or fewer pupils per square  
7 mile as determined by the department.

8 ~~— (b) The district has a total square mileage greater than 200.0~~  
9 ~~or is 1 of 2 districts that have consolidated transportation~~  
10 ~~services and have a combined total square mileage greater than~~  
11 ~~200.0.~~

12 (5) The funds allocated under subsection (4) shall be  
13 allocated on an equal per-pupil basis.

14 (6) A district receiving funds allocated under subsection (2)  
15 is not eligible for funding allocated under subsection (4).

16 Sec. 22f. (1) From the appropriation in section 11, there is  
17 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
18 ~~\$75,000,000.00~~ **\$30,000,000.00** to provide incentive payments to  
19 districts that meet best practices under this section. **FUNDS**  
20 **ALLOCATED UNDER THIS SECTION ARE INTENDED TO INCREASE THE FISCAL**  
21 **HEALTH OF DISTRICTS STATEWIDE, TO DECREASE THE NUMBER OF DISTRICTS**  
22 **WITH ONGOING DEFICITS, TO INCREASE THE NUMBER OF PUPILS READING AT**  
23 **GRADE LEVEL BY THE END OF GRADE 3, AND TO INCREASE THE NUMBER OF**  
24 **PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL**  
25 **GRADUATION.** Payments received under this section may be used for  
26 any purpose for which payments under sections 22a and 22b may be  
27 used.

1           (2) The amount of the incentive payment under this section is  
2 an amount equal to ~~\$50.00~~ **\$20.00** per-pupil. A district shall  
3 receive an incentive payment under this section if the district  
4 satisfies ~~at least 7~~ **BOTH** of the following requirements not later  
5 than June 1, ~~2015~~ **2016**:

6       ~~—— (a) If a district provides medical, pharmacy, dental, vision,~~  
7 ~~disability, long term care, or any other type of benefit that would~~  
8 ~~constitute a health care services benefit, to employees and their~~  
9 ~~dependents, the district is the policyholder for each of its~~  
10 ~~insurance policies that covers 1 or more of these benefits. A~~  
11 ~~district that does not directly employ its staff or a district with~~  
12 ~~a voluntary employee beneficiary association that pays no more than~~  
13 ~~the maximum per employee contribution amount and that contributes~~  
14 ~~no more than the maximum employer contribution percentage of total~~  
15 ~~annual costs for the medical benefit plans as described in sections~~  
16 ~~3 and 4 of the publicly funded health insurance contribution act,~~  
17 ~~2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied~~  
18 ~~this requirement.~~

19       ~~—— (b) The district has obtained competitive bids on the~~  
20 ~~provision of pupil transportation, food service, custodial, or 1 or~~  
21 ~~more other noninstructional services for 2014-2015. In comparing~~  
22 ~~competitive bids to the current costs of providing 1 or more of~~  
23 ~~these services, a district shall exclude the unfunded accrued~~  
24 ~~liability costs for retirement and other benefits from the~~  
25 ~~district's current costs.~~

26       ~~—— (c) The district accepts applications for enrollment by~~  
27 ~~nonresident applicants under section 105 or 105c. A public school~~

1 ~~academy is considered to have met this requirement.~~

2 ~~—— (d) The district offers online courses or blended learning~~  
3 ~~opportunities to all eligible pupils. In order to satisfy this~~  
4 ~~requirement, a district must make all eligible pupils and their~~  
5 ~~parents or guardians aware of these opportunities and must publish~~  
6 ~~an online course syllabus as described in section 21f for each~~  
7 ~~online course that the district offers. For the purposes of this~~  
8 ~~subdivision.~~

9 ~~—— (i) "Blended learning" means a hybrid instructional delivery~~  
10 ~~model where pupils are provided content, instruction, and~~  
11 ~~assessment in part at a supervised educational facility away from~~  
12 ~~home where the pupil and a teacher with a valid Michigan teaching~~  
13 ~~certificate are in the same physical location and in part through~~  
14 ~~internet-connected learning environments with some degree of pupil~~  
15 ~~control over time, location, and pace of instruction.~~

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

26 **(A) MEETS THE REQUIREMENTS OF AT LEAST 2 OF THE FOLLOWING**  
27 **FINANCIAL BEST PRACTICES:**

(i) ~~(e)~~ The district provides to parents and community members a dashboard or report card demonstrating the district's efforts to manage its finances responsibly. The dashboard or report card shall include revenue and expenditure projections for the district for fiscal year ~~2014-2015~~ **2015-2016** and fiscal year ~~2015-2016~~, **2016-2017**, a listing of all debt service obligations, detailed by project, including anticipated fiscal year ~~2014-2015~~ **2015-2016** payment for each project, a listing of total outstanding debt, and at least all of the following for the 3 most recent school years for which the data are available:

(A) ~~(i)~~ Graduation and dropout rates.

(B) ~~(ii)~~ Average class size in grades kindergarten to 3.

(C) ~~(iii)~~ College readiness as measured by Michigan merit examination test scores.

(D) ~~(iv)~~ Elementary and middle school ~~MEAP~~ **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)** scores.

(E) ~~(v)~~ Teacher, principal, and superintendent salary information including at least minimum, average, and maximum pay levels.

(F) ~~(vi)~~ General fund balance.

(G) ~~(vii)~~ The total number of days of instruction provided.

~~(f) The district complies with a method of compensation for teachers and school administrators that includes job performance and accomplishments as a significant factor in determining compensation, as required under section 1250 of the revised school code, MCL 380.1250.~~

~~(g) The district's collective bargaining agreements,~~

~~including, but not limited to, appendices, addenda, letters of agreement, or any other documents reflecting agreements with collective bargaining representatives, do not contain any provisions pertaining to, relating to, or that are otherwise contrary to the prohibited subjects of bargaining enumerated in section 15(3) of 1947 PA 336, MCL 423.215.~~

~~\_\_\_\_\_ (h) The district implements a comprehensive guidance and counseling program.~~

~~\_\_\_\_\_ (i) The district offers pupils in grades K to 8 the opportunity to complete coursework or other learning experiences that are substantially equivalent to 1 credit in a language other than English.~~

**(ii) IF THE DISTRICT HAS AN ENDING GENERAL FUND BALANCE FOR THE IMMEDIATELY PRECEDING FISCAL YEAR LESS THAN OR EQUAL TO 5% OF OPERATING EXPENDITURES AS DETERMINED BY THE DEPARTMENT, THE MEMBERS OF THE DISTRICT BOARD RECEIVE DEPARTMENT-APPROVED TRAINING THAT COVERS AT LEAST ALL OF THE FOLLOWING:**

**(A) THE RESPONSIBILITIES OF THE BOARD AND THE DISTRICT SUPERINTENDENT.**

**(B) THE REQUIREMENTS OF THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.**

**(C) CONFLICTS OF INTEREST.**

**(D) SCHOOL FINANCE AND SCHOOL BUDGETING.**

**(E) CONTRACTS AND NEGOTIATIONS.**

**(F) THE PROCESS OF DATA-DRIVEN DECISION MAKING AND POLICY DEVELOPMENT.**

**(iii) THE DISTRICT MAINTAINED AN ENDING GENERAL FUND BALANCE**

1 GREATER THAN 5% OF OPERATING EXPENDITURES FOR THE IMMEDIATELY  
2 PRECEDING FISCAL YEAR AS DETERMINED BY THE DEPARTMENT.

3 (B) MEETS THE REQUIREMENTS OF AT LEAST 2 OF THE FOLLOWING  
4 ACADEMIC BEST PRACTICES:

5 (i) THE DISTRICT ADMINISTERS A DEPARTMENT-APPROVED  
6 KINDERGARTEN ENTRY ASSESSMENT THAT ASSESSES ENGLISH LANGUAGE ARTS  
7 AND MATHEMATICS SKILLS OF ALL FIRST-TIME KINDERGARTEN PUPILS  
8 ENROLLING IN THE DISTRICT. THE ASSESSMENT SHALL BE ADMINISTERED BY  
9 THE DISTRICT USING A METHOD AND TIME FRAME DETERMINED BY THE  
10 DEPARTMENT.

11 (ii) THE DISTRICT ADMINISTERS DEPARTMENT-APPROVED DIAGNOSTIC  
12 TOOLS TO MONITOR THE DEVELOPMENT OF EARLY LITERACY AND EARLY  
13 READING SKILLS OF PUPILS IN GRADES K TO 3, AND SUPPORTS RESEARCH-  
14 BASED PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN DATA INTERPRETATION  
15 FOR THE PURPOSE OF IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO  
16 IMPROVE GRADE 3 READING PROFICIENCY. THE DIAGNOSTIC TOOLS AND  
17 PROFESSIONAL DEVELOPMENT SHALL BE USED BY THE DISTRICT TO IDENTIFY  
18 PUPILS WHO NEED ADDITIONAL SUPPORT AND TO OFFER RESEARCH-BASED  
19 INTERVENTIONS.

20 (iii) THE DISTRICT ASSESSES THE EFFECTIVENESS OF CURRENT  
21 COLLEGE AND CAREER ADVISING PROGRAMS WITHIN THE DISTRICT BY  
22 REVIEWING PUPIL-TO-COUNSELOR RATIOS, THE TIME DEDICATED TO COLLEGE-  
23 AND CAREER-READINESS COUNSELING AS OPPOSED TO NONCOUNSELING TASKS,  
24 AND THE AMOUNT OF PROFESSIONAL DEVELOPMENT OFFERED TO COLLEGE- AND  
25 CAREER-READINESS ADVISORS, AND, BASED ON THIS SELF-ASSESSMENT, THE  
26 DISTRICT DEVELOPS A PLAN TO ADDRESS DEFICIENCIES ACCORDING TO  
27 STANDARDS RECOMMENDED BY THE MICHIGAN COLLEGE ACCESS NETWORK AND

1 THE MICHIGAN SCHOOL COUNSELOR ASSOCIATION BASED ON THE  
 2 COMPREHENSIVE SCHOOL COUNSELING PROGRAM ADOPTED BY THE DEPARTMENT.

3 (iv) THE DISTRICT OFFERS CREDIT RECOVERY OPPORTUNITIES FOR  
 4 ELIGIBLE STUDENTS IN GRADES 9 TO 12 WHO ARE AT RISK OF NOT MEETING  
 5 CREDIT REQUIREMENTS FOR GRADUATING ON TIME.

6 (3) If the department determines that a district has  
 7 intentionally submitted false information in order to qualify for  
 8 an incentive payment under this section, the district forfeits an  
 9 amount equal to the amount it received under this section from its  
 10 total state school aid for ~~2015-2016-2016-2017~~.

11 (4) If the department determines that funds allocated under  
 12 this section will remain unexpended after the initial allocation of  
 13 ~~\$50.00-\$20.00~~ per-pupil to eligible districts under subsection (2),  
 14 the remaining unexpended amount is allocated on an equal per-pupil  
 15 basis to districts that meet the requirements of subsection (2) and  
 16 that have a foundation allowance, as calculated under section 20,  
 17 in an amount that is less than the basic foundation allowance under  
 18 that section.

19 Sec. 22i. (1) From the funds appropriated in section 11, ~~there~~  
 20 ~~is allocated for 2013-2014 an amount not to exceed \$45,000,000.00~~  
 21 ~~and there is allocated for 2014-2015-2015-2016~~ an amount not to  
 22 exceed ~~\$41,500,000.00-\$25,000,000.00~~ for the technology **READINESS**  
 23 infrastructure grant program for districts or intermediate  
 24 districts on behalf of their constituent districts. Funds received  
 25 under this ~~subsection~~ **SECTION** shall be used for the development or  
 26 improvement of ~~a district's~~ **DISTRICTS'** technology **HARD**  
 27 infrastructure, the shared services consolidation of technology and



1 data ~~and~~ **FOR THE COORDINATION AND STRATEGIC PURCHASING OF**  
 2 hardware **AND SOFTWARE** in preparation for the ~~planned implementation~~  
 3 ~~in 2014-2015 of online assessments.~~ **DELIVERY OF ASSESSMENTS THROUGH**  
 4 **ONLINE MODELS.**

5 (2) ~~The~~ **SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE**  
 6 department shall develop a competitive application process and  
 7 method of grant distribution to eligible districts and intermediate  
 8 districts that demonstrate need for grants under subsection (1).  
 9 The department may consult with the department of technology,  
 10 management, and budget during the grant process and grant  
 11 distribution. Grants to districts shall not exceed \$2,000,000.00  
 12 per district. A grant to an intermediate district on behalf of its  
 13 constituent districts shall not exceed \$2,000,000.00 per  
 14 constituent district. To receive a grant under subsection (1), an  
 15 intermediate district shall demonstrate that a grant awarded to the  
 16 intermediate district on behalf of its constituent districts would  
 17 provide savings compared to providing grants to individual  
 18 districts. **ADDED CONSIDERATION SHALL BE GIVEN TO APPLICANTS THAT**  
 19 **PROPOSE EXTERNAL PARTNERSHIPS AND ARTICULATE PLANS FOR**  
 20 **SUSTAINABILITY BEYOND THE GRANT FUNDING.**

21 ~~—— (3) From the general fund money appropriated in section 11,~~  
 22 ~~there is allocated an amount not to exceed \$5,000,000.00 for 2013-~~  
 23 ~~2014 to be awarded through a competitive bid process to a single~~  
 24 ~~provider of whole school technology as described in this~~  
 25 ~~subsection. The department shall issue a single request for~~  
 26 ~~proposal with application rules written and administered by the~~  
 27 ~~department, and with a focus on economic and geographic diversity.~~

~~To be eligible to receive the grant under this section, a provider shall meet all of the following:~~

~~—— (a) Agrees to submit evaluation criteria in a form and manner determined by the department.~~

~~—— (b) Provides at least all of the following:~~

~~—— (i) One to one mobile devices.~~

~~—— (ii) Laptop or desktop computers for each classroom.~~

~~—— (iii) On and off campus filtering.~~

~~—— (iv) Wireless networks and peripherals.~~

~~—— (v) Wireless audio equipment.~~

~~—— (vi) Operating software.~~

~~—— (vii) Instructional software.~~

~~—— (viii) Repairs and replacements.~~

~~—— (ix) Professional development.~~

~~—— (x) Ongoing support.~~

(3) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$12,000,000.00 FOR DISTRICT PARTICIPATION INCENTIVES AS DESCRIBED IN THIS SUBSECTION. GRANTS AWARDED UNDER THIS SUBSECTION SHALL BE DISTRIBUTED ON AN EQUAL PER PUPIL BASIS, NOT TO EXCEED \$10.00 PER PUPIL. TO RECEIVE FUNDING UNDER THIS SUBSECTION, A DISTRICT MUST MEET ALL OF THE FOLLOWING:

(A) THE DISTRICT AGREES TO LIMIT THE SPENDING OF PARTICIPATION INCENTIVE GRANTS TOWARD TECHNOLOGY READINESS EFFORTS, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

(i) ONLINE OR DIGITAL ASSESSMENT, INCLUDING UNIVERSAL DIAGNOSTIC SCREENING TOOLS.

(ii) IN-BUILDING WIRELESS CONNECTIVITY.

1           (iii) NETWORK SERVICES, SUCH AS ADDITIONAL BANDWIDTH AND  
2     CONTENT FILTERING.

3           (iv) COMPUTER OR DEVICE PURCHASING.

4           (v) TECHNOLOGY READINESS FOR INSTRUCTION AND DATA  
5     COLLABORATIONS THAT SUPPORT ONLINE ASSESSMENT READINESS.

6           (B) THE DISTRICT AGREES TO BE REPRESENTED IN THE PROGRAM KNOWN  
7     AS "TRIG SPONSORED STATEWIDE 470 BIDS FOR E-RATE FUNDING" AND TO  
8     CONSIDER USING THE AWARDED VENDORS. HOWEVER, THE DISTRICT WILL NOT  
9     BE OBLIGATED TO PURCHASE FROM THAT BID OR THOSE VENDORS.

10          (C) THE DISTRICT AGREES TO PARTICIPATE IN ANY SURVEY OR DATA  
11     COLLECTION PROCESS CONSIDERED NECESSARY BY THE DEPARTMENT.

12          (D) THE DISTRICT ENSURES THAT ITS INTERMEDIATE DISTRICT ALSO  
13     AGREES TO REQUIREMENTS OF SUBDIVISIONS (A) TO (C) FOR THE DISTRICT  
14     TO RECEIVE PARTICIPATION FUNDS.

15          (4) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS  
16     ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR DEVICE  
17     PURCHASING INCENTIVES.

18          (5) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS  
19     ALLOCATED AN AMOUNT NOT TO EXCEED \$2,200,000.00 FOR DATA SYSTEMS  
20     INTEGRATION.

21          (6) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS  
22     ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR E-RATE  
23     ACTIVITIES.

24          (7) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS  
25     ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR ADMINISTRATION OF  
26     THE TECHNOLOGY READINESS INFRASTRUCTURE GRANT PROGRAM.

27          (8) NOT LATER THAN JANUARY 1, 2017, THE DEPARTMENT SHALL

1 CONSOLIDATE AND PREPARE A SUMMARY FROM THE TOTAL PROJECT REPORTS  
2 FROM EACH GRANTEE UNDER THIS SECTION TO INCLUDE MEASURABLE OUTCOMES  
3 BASED ON GRANT OBJECTIVES. THE REPORT WILL INCLUDE A SUMMARY OF  
4 COMPILED DATA FROM EACH GRANTEE TO PROVIDE A MEANS TO EVALUATE THE  
5 EFFECTIVENESS OF THE GRANT PROJECT. THE REPORT SHALL BE DELIVERED  
6 TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE  
7 SCHOOL AID AND ON THE DEPARTMENT BUDGET AND TO THE HOUSE AND SENATE  
8 FISCAL AGENCIES.

9 (9) ~~(4) The funds allocated under subsection (1) are a work~~  
10 ~~project appropriation. Any unexpended funds for 2013-2014 are~~  
11 ~~carried forward into 2014-2015 and any unexpended funds for 2014-~~  
12 ~~2015 are carried forward into 2015-2016. The purpose of the work~~  
13 ~~project is to continue to implement the projects described under~~  
14 ~~this section. The estimated completion date of the work project is~~  
15 ~~September 30, 2016.~~ 2015-2016 SHALL LAPSE TO THE STATE SCHOOL AID  
16 FUND.

17 (10) FROM THE FUNDS APPROPRIATED UNDER THIS ARTICLE, THE  
18 DEPARTMENT SHALL NOT CONTRACT FOR OR PAY FOR A CONTRACT THAT  
19 CREATES INFORMATIONAL TECHNOLOGY INFRASTRUCTURE THAT IS OWNED OR  
20 OPERATED BY THIS STATE, A LOCAL UNIT OF GOVERNMENT, A COMMUNITY  
21 COLLEGE OR STATE PUBLIC UNIVERSITY, OR A DISTRICT OR INTERMEDIATE  
22 DISTRICT, AND IS OPERATED IN A MANNER THAT PROVIDES INFORMATIONAL  
23 TECHNOLOGY SERVICES TO PUBLIC ENTITIES IN COMPETITION WITH  
24 BUSINESSES LOCATED IN THIS STATE.

25 (11) AS USED IN THIS SECTION:

26 (A) "HARD INFRASTRUCTURE" MEANS TECHNOLOGY HARDWARE NECESSARY  
27 TO MOVE TO AN ONLINE LEARNING AND TESTING ENVIRONMENT, INCLUDING,

1 BUT NOT LIMITED TO, FIBER, SERVERS, WIRELESS COMPUTING NETWORKS,  
2 AND NECESSARY PERIPHERALS.

3 (B) "SHARED SERVICES CONSOLIDATION OF TECHNOLOGY AND DATA"  
4 MEANS PROJECTS THAT SUPPORT THE MOVE TO A COLLABORATIVE MULTIPLE  
5 ORGANIZATIONAL APPROACH TO MANAGING HARDWARE, SOFTWARE,  
6 PERIPHERALS, AND DATA INTEGRATION AND DISPLAY OF APPROPRIATE  
7 INFORMATION FOR PARENTS, TEACHERS, ADMINISTRATORS, AND THIS STATE.

8 Sec. 23a. (1) A dropout recovery program operated by a  
9 district qualifies for the special membership counting provisions  
10 of section ~~6(4)(ff)~~ 6(4)(DD) and the hours and day of pupil  
11 instruction exemption under section 101(12) if the dropout recovery  
12 program meets all of the following:

13 (a) Enrolls only eligible pupils.

14 (b) Provides an advocate. An advocate may serve in that role  
15 for more than 1 pupil but no more than 50 pupils. An advocate may  
16 be employed by the district or may be provided by an education  
17 management organization that is partnering with the district.  
18 Before an individual is assigned to be an advocate for a pupil in  
19 the dropout recovery program, the district shall comply with  
20 sections 1230 and 1230a of the revised school code, MCL 380.1230  
21 and 380.1230a, with respect to that individual.

22 (c) Develops a written learning plan.

23 (d) Monitors the pupil's progress against the written learning  
24 plan.

25 (e) Requires each pupil to make satisfactory monthly progress,  
26 as defined by the district under subsection (2).

27 (f) Reports the pupil's progress results to the partner

1 district at least monthly.

2 (g) The program may be operated on or off a district school  
3 campus, but may be operated using distance learning online only if  
4 the program provides a computer and internet access for each  
5 eligible pupil participating in the program.

6 (h) Is operated throughout the entire calendar year.

7 (i) If the district partners with an education management  
8 organization for the program, the education management organization  
9 has a dropout recovery program partnership relationship with at  
10 least 1 other district.

11 (2) A district operating a dropout recovery program under this  
12 section shall adopt a definition of satisfactory monthly progress  
13 that is consistent with the definition of that term under  
14 subsection (3).

15 (3) As used in this section:

16 (a) "Advocate" means an adult available to meet in person with  
17 assigned pupils, as needed, to conduct social interventions, to  
18 proctor final examinations, and to provide academic and social  
19 support to pupils enrolled in the district's dropout recovery  
20 program.

21 (b) "Education management organization" means a private  
22 provider that operates 1 or more other dropout recovery programs  
23 that meet the requirements of this section in partnership with 1 or  
24 more districts.

25 (c) "Eligible pupil" means a pupil who has been expelled from  
26 school under the mandatory expulsion provisions in section 1311 or  
27 1311a of the revised school code, MCL 380.1311 and 380.1311a, a

1 pupil who has been suspended or expelled from school under a local  
2 policy, a pupil who is referred by a court, a pupil who is pregnant  
3 or is a parent, a pupil who was previously a dropout, or a pupil  
4 who is determined by the district to be at risk of dropping out.

5 (d) "Satisfactory monthly progress" means an amount of  
6 progress that is measurable on a monthly basis and that, if  
7 continued for a full 12 months, would result in the same amount of  
8 academic credit being awarded to the pupil as would be awarded to a  
9 general education pupil completing a full school year. Satisfactory  
10 monthly progress may include a lesser required amount of progress  
11 for the first 2 months a pupil participates in the program.

12 (e) "Written learning plan" means a written plan developed in  
13 conjunction with the advocate that includes the plan start and end  
14 dates, courses to be taken, credit to be earned for each course,  
15 teacher of record for each course, and advocate name and contact  
16 information.

17 Sec. 24. (1) From the appropriation in section 11, there is  
18 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
19 \$8,000,000.00 for payments to the educating district or  
20 intermediate district for educating pupils assigned by a court or  
21 the department of human services to reside in or to attend a  
22 juvenile detention facility or child caring institution licensed by  
23 the department of human services and approved by the department to  
24 provide an on-grounds education program. The amount of the payment  
25 under this section to a district or intermediate district shall be  
26 calculated as prescribed under subsection (2).

27 (2) The total amount allocated under this section shall be

1 allocated by paying to the educating district or intermediate  
2 district an amount equal to the lesser of the district's or  
3 intermediate district's added cost or the department's approved  
4 per-pupil allocation for the district or intermediate district. For  
5 the purposes of this subsection:

6 (a) "Added cost" means 100% of the added cost each fiscal year  
7 for educating all pupils assigned by a court or the department of  
8 human services to reside in or to attend a juvenile detention  
9 facility or child caring institution licensed by the department of  
10 human services or the department of licensing and regulatory  
11 affairs and approved by the department to provide an on-grounds  
12 education program. Added cost shall be computed by deducting all  
13 other revenue received under this article for pupils described in  
14 this section from total costs, as approved by the department, in  
15 whole or in part, for educating those pupils in the on-grounds  
16 education program or in a program approved by the department that  
17 is located on property adjacent to a juvenile detention facility or  
18 child caring institution. Costs reimbursed by federal funds are not  
19 included.

20 (b) "Department's approved per-pupil allocation" for a  
21 district or intermediate district shall be determined by dividing  
22 the total amount allocated under this section for a fiscal year by  
23 the full-time equated membership total for all pupils approved by  
24 the department to be funded under this section for that fiscal year  
25 for the district or intermediate district.

26 (3) A district or intermediate district educating pupils  
27 described in this section at a residential child caring institution



1 may operate, and receive funding under this section for, a  
2 department-approved on-grounds educational program for those pupils  
3 that is longer than 181 days, but not longer than 233 days, if the  
4 child caring institution was licensed as a child caring institution  
5 and offered in 1991-92 an on-grounds educational program that was  
6 longer than 181 days but not longer than 233 days and that was  
7 operated by a district or intermediate district.

8 (4) Special education pupils funded under section 53a shall  
9 not be funded under this section.

10 Sec. 24a. From the appropriation in section 11, there is  
11 allocated an amount not to exceed ~~\$2,195,500.00 for 2014-2015~~  
12 **\$2,189,800.00 FOR 2015-2016** for payments to intermediate districts  
13 for pupils who are placed in juvenile justice service facilities  
14 operated by the department of human services. Each intermediate  
15 district shall receive an amount equal to the state share of those  
16 costs that are clearly and directly attributable to the educational  
17 programs for pupils placed in facilities described in this section  
18 that are located within the intermediate district's boundaries. The  
19 intermediate districts receiving payments under this section shall  
20 cooperate with the department of human services to ensure that all  
21 funding allocated under this section is utilized by the  
22 intermediate district and department of human services for  
23 educational programs for pupils described in this section. Pupils  
24 described in this section are not eligible to be funded under  
25 section 24. However, a program responsibility or other fiscal  
26 responsibility associated with these pupils shall not be  
27 transferred from the department of human services to a district or

1 intermediate district unless the district or intermediate district  
2 consents to the transfer.

3 Sec. 24c. From the appropriation in section 11, there is  
4 allocated an amount not to exceed ~~\$1,500,000.00 for 2014-2015~~  
5 **\$1,497,400.00 FOR 2015-2016** for payments to districts for pupils  
6 who are enrolled in a nationally administered community-based  
7 education and youth mentoring program, known as the youth challenge  
8 program, that is administered by the department of military and  
9 veterans affairs. Both of the following apply to a district  
10 receiving payments under this section:

11 (a) The district shall contract with the department of  
12 military and veterans affairs to ensure that all funding allocated  
13 under this section is utilized by the district and the department  
14 of military and veterans affairs for the youth challenge program.

15 (b) The district may retain for its administrative expenses an  
16 amount not to exceed 3% of the amount of the payment the district  
17 receives under this section.

18 Sec. 25e. (1) The pupil membership transfer application and  
19 pupil transfer process administered by the center under this  
20 section shall be used for processing pupil transfers.

21 (2) If a pupil counted in membership for the pupil membership  
22 count day transfers from a district or intermediate district to  
23 enroll in another district or intermediate district after the pupil  
24 membership count day and before the supplemental count day and, due  
25 to the pupil's enrollment and attendance status as of the pupil  
26 membership count day, the pupil was not counted in membership in  
27 the educating district or intermediate district, the educating

1 district or intermediate district may report the enrollment and  
2 attendance information to the center through the pupil transfer  
3 process within 30 days after the transfer or within 30 days after  
4 the pupil membership count certification date, whichever is later.  
5 Pupil transfers may be submitted no earlier than the first day  
6 after the certification deadline for the pupil membership count day  
7 and before the supplemental count day. Upon receipt of the transfer  
8 information under this subsection indicating that a pupil has  
9 enrolled and is in attendance in an educating district or  
10 intermediate district as described in this subsection, the pupil  
11 transfer process shall do the following:

12 (a) Notify the district in which the pupil was previously  
13 enrolled.

14 (b) Notify both the pupil auditing staff of the intermediate  
15 district in which the educating district is located and the pupil  
16 auditing staff of the intermediate district in which the district  
17 that previously enrolled the pupil is located. The pupil auditing  
18 staff shall investigate a representative sample based on required  
19 audit sample sizes in the pupil auditing manual and may deny the  
20 pupil membership transfer.

21 (c) Aggregate the districtwide changes and notify the  
22 department for use in adjusting the state aid payment system.

23 (3) The department shall do all of the following:

24 (a) Adjust the membership calculation for each district or  
25 intermediate district in which the pupil was previously counted in  
26 membership or that previously received an adjustment in its  
27 membership calculation under this section due to a change in the

1 pupil's enrollment and attendance so that the district's or  
2 intermediate district's membership is prorated to allow the  
3 district or intermediate district to receive for each school day,  
4 as determined by the financial calendar furnished by the center, in  
5 which the pupil was enrolled and in attendance in the district or  
6 intermediate district an amount equal to  $1/105$  of a full-time  
7 equated membership claimed in the fall pupil membership count. The  
8 district or intermediate district shall receive a prorated  
9 foundation allowance in an amount equal to the product of the  
10 adjustment under this subdivision for the district or intermediate  
11 district multiplied by the foundation allowance or per-pupil  
12 payment as calculated under section 20 for the district or  
13 intermediate district. The foundation allowance or per-pupil  
14 payment shall be adjusted by the pupil's full-time equated status  
15 as affected by the membership definition under section 6(4).

16 (b) Adjust the membership calculation for the educating  
17 district or intermediate district in which the pupil is enrolled  
18 and is in attendance so that the district's or intermediate  
19 district's membership is increased to allow the district or  
20 intermediate district to receive an amount equal to the difference  
21 between the full-time equated membership claimed in the fall pupil  
22 membership count and the sum of the adjustments calculated under  
23 subdivision (a) for each district or intermediate district in which  
24 the pupil was previously enrolled and in attendance. The educating  
25 district or intermediate district shall receive a prorated  
26 foundation allowance in an amount equal to the product of the  
27 adjustment under this subdivision for the educating district or

1 intermediate district multiplied by the foundation allowance or  
2 per-pupil payment as calculated under section 20 for the educating  
3 district or intermediate district. The foundation allowance or per-  
4 pupil payment shall be adjusted by the pupil's full-time equated  
5 status as affected by the membership definition under section 6(4).

6 (4) The changes in calculation of state school aid required  
7 under subsection (3) shall take effect as of the date that the  
8 pupil becomes enrolled and in attendance in the educating district  
9 or intermediate district, and the department shall base all  
10 subsequent payments under this article for the fiscal year to the  
11 affected districts or intermediate districts on this recalculation  
12 of state school aid.

13 (5) If a pupil enrolls in an educating district or  
14 intermediate district as described in subsection (2), the district  
15 or intermediate district in which the pupil is counted in  
16 membership or another educating district or intermediate district  
17 that received an adjustment in its membership calculation under  
18 subsection (3), if any, and the educating district or intermediate  
19 district shall provide to the center and the department all  
20 information they require to comply with this section.

21 ~~—— (6) Not later than December 1, 2014, the center in conjunction~~  
22 ~~with the department shall report to the legislature data related to~~  
23 ~~the implementation of this section, including, but not limited to,~~  
24 ~~the number of transfer transactions and the net change in pupil~~  
25 ~~memberships in 2013-2014 by district and intermediate district.~~

26 (6) ~~(7)~~ The portion of the full-time equated pupil membership  
27 for which a pupil is enrolled in 1 or more online courses under

1 section 21f shall not be counted or transferred under the pupil  
2 transfer process under this section.

3 (7) THE CENTER SHALL DETERMINE THE NUMBER OF PUPILS WHO DID  
4 NOT RESIDE IN THIS STATE AS OF THE 2015-2016 PUPIL MEMBERSHIP COUNT  
5 DAY, BUT WHO NEWLY ENROLLED IN A DISTRICT OR INTERMEDIATE DISTRICT  
6 AFTER THAT PUPIL MEMBERSHIP COUNT DAY AND BEFORE THE 2015-2016  
7 SUPPLEMENTAL COUNT DAY. THE CENTER SHALL FURTHER DETERMINE THE  
8 NUMBER OF PUPILS WHO WERE COUNTED IN MEMBERSHIP FOR THE 2015-2016  
9 PUPIL MEMBERSHIP COUNT DAY, BUT WHO LEFT THIS STATE BEFORE THE  
10 2015-2016 SUPPLEMENTAL COUNT DAY. THE CENTER SHALL PROVIDE A REPORT  
11 TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID,  
12 AND TO THE SENATE AND HOUSE FISCAL AGENCIES, DETAILING THE NUMBER  
13 OF PUPILS TRANSFERRING IN FROM ANOTHER STATE OR TRANSFERRING OUT  
14 FROM THIS STATE BETWEEN THE PUPIL MEMBERSHIP COUNT DAY AND  
15 SUPPLEMENTAL COUNT DAY AS DESCRIBED IN THIS SUBSECTION. THE CENTER  
16 SHALL INCLUDE IN THE REPORT A DISCUSSION OF BENEFITS AND OBSTACLES  
17 TO DEVELOPING A PUPIL ENROLLMENT PROCESS FOR PUPILS WHO NEWLY  
18 ENROLL IN A DISTRICT OR INTERMEDIATE DISTRICT AFTER THE PUPIL  
19 MEMBERSHIP COUNT DAY AND BEFORE THE SUPPLEMENTAL COUNT DAY, AND  
20 DEVELOPING A PROCESS FOR DEDUCTING PUPILS WHO WERE COUNTED ON THE  
21 PUPIL MEMBERSHIP COUNT DAY AND TRANSFER OUT OF THIS STATE BEFORE  
22 THE SUPPLEMENTAL COUNT DAY.

23 (8) As used in this section:

24 (a) "Educating district or intermediate district" means the  
25 district or intermediate district in which a pupil enrolls after  
26 the pupil membership count day or after an adjustment was made in  
27 another district's or intermediate district's membership

1 calculation under this section due to the pupil's enrollment and  
2 attendance.

3 (b) "Pupil" means that term as defined under section 6 and  
4 also children receiving early childhood special education programs  
5 and services.

6 Sec. 25f. (1) From the state school aid fund money  
7 appropriated in section 11, there is allocated an amount not to  
8 exceed ~~\$2,000,000.00 for 2014-2015~~ **\$1,500,000.00 FOR 2015-2016** for  
9 payments to strict discipline academies established under sections  
10 1311b to 1311m of the revised school code, MCL 380.1311b to  
11 380.1311m, as provided under this section and for the purposes  
12 described in subsection (5).

13 (2) In order to receive funding under this section, a strict  
14 discipline academy shall first comply with section 25e and use the  
15 pupil transfer process under that section for changes in enrollment  
16 as prescribed under that section.

17 ~~—— (3) Not later than June 30, 2015, a strict discipline academy~~  
18 ~~shall report to the center and to the department, in a manner~~  
19 ~~prescribed by the center and the department, the following~~  
20 ~~information for 2014-2015.~~

21 ~~—— (a) The number of pupils enrolled and in attendance at the~~  
22 ~~strict discipline academy.~~

23 ~~—— (b) The number of days each pupil enrolled was in attendance~~  
24 ~~at the strict discipline academy, not to exceed 180.~~

25 ~~—— (4) The amount of the payment to a strict discipline academy~~  
26 ~~under this section shall be an amount equal to the difference~~  
27 ~~between the product of 1/180 of the per pupil payment as calculated~~

~~under section 20 for the strict discipline academy multiplied by the number of days of pupil attendance reported under subsection (3)(b) minus the product of the per pupil payment as calculated under section 20 for the strict discipline academy multiplied by the pupils in membership at the strict discipline academy as calculated under section 6 and as adjusted by section 25e.~~

(3) EXCEPT FOR THE AMOUNT PAID UNDER SUBSECTION (5), THE TOTAL AMOUNT ALLOCATED TO A STRICT DISCIPLINE ACADEMY UNDER THIS SECTION IS AN AMOUNT EQUAL TO THE LESSER OF THE STRICT DISCIPLINE ACADEMY'S ADDED COST OR THE DEPARTMENT'S APPROVED PER-PUPIL ALLOCATION FOR THE STRICT DISCIPLINE ACADEMY. HOWEVER, THE SUM OF THE AMOUNTS RECEIVED BY A STRICT DISCIPLINE ACADEMY UNDER THIS SECTION AND UNDER SECTION 24 SHALL NOT EXCEED THE PRODUCT OF THE STRICT DISCIPLINE ACADEMY'S PER-PUPIL ALLOCATION CALCULATED UNDER SECTION 20 MULTIPLIED BY THE STRICT DISCIPLINE ACADEMY'S FULL-TIME EQUATED MEMBERSHIP. THE DEPARTMENT SHALL ALLOCATE FUNDS TO STRICT DISCIPLINE ACADEMIES UNDER THIS SECTION ON A MONTHLY BASIS. FOR THE PURPOSES OF THIS SUBSECTION:

(A) "ADDED COST" MEANS 100% OF THE ADDED COST EACH FISCAL YEAR FOR EDUCATING ALL PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE AT A STRICT DISCIPLINE ACADEMY. ADDED COST SHALL BE COMPUTED BY DEDUCTING ALL OTHER REVENUE RECEIVED UNDER THIS ARTICLE FOR PUPILS DESCRIBED IN THIS SUBSECTION FROM TOTAL COSTS, AS APPROVED BY THE DEPARTMENT, IN WHOLE OR IN PART, FOR EDUCATING THOSE PUPILS IN A STRICT DISCIPLINE ACADEMY. THE DEPARTMENT SHALL INCLUDE ALL COSTS INCLUDING, BUT NOT LIMITED TO, EDUCATIONAL COSTS, INSURANCE, MANAGEMENT FEES, AUTHORIZER FEES, TECHNOLOGY COSTS, LEGAL FEES,



1 AUDITING FEES, INTEREST, PUPIL ACCOUNTING COSTS, AND ANY OTHER  
2 ADMINISTRATIVE COSTS NECESSARY TO OPERATE THE PROGRAM OR TO COMPLY  
3 WITH STATUTORY REQUIREMENTS. COSTS REIMBURSED BY FEDERAL FUNDS ARE  
4 NOT INCLUDED.

5 (B) "DEPARTMENT'S APPROVED PER-PUPIL ALLOCATION" FOR A STRICT  
6 DISCIPLINE ACADEMY SHALL BE DETERMINED BY DIVIDING THE TOTAL AMOUNT  
7 ALLOCATED UNDER THIS SUBSECTION FOR A FISCAL YEAR BY THE FULL-TIME  
8 EQUATED MEMBERSHIP TOTAL FOR ALL PUPILS APPROVED BY THE DEPARTMENT  
9 TO BE FUNDED UNDER THIS SUBSECTION FOR THAT FISCAL YEAR FOR THE  
10 STRICT DISCIPLINE ACADEMY.

11 (4) SPECIAL EDUCATION PUPILS FUNDED UNDER SECTION 53A SHALL  
12 NOT BE FUNDED UNDER THIS SECTION.

13 (5) If the operation of the special membership counting  
14 provisions under section 6(4)(dd) and the other membership counting  
15 provisions under section 6(4) result in a pupil being counted as  
16 more than 1.0 FTE in a fiscal year, then the payment made for the  
17 pupil under sections 22a and 22b shall not be based on more than  
18 1.0 FTE for that pupil, and that portion of the FTE that exceeds  
19 1.0 shall be paid under this ~~section~~ **SUBSECTION** in an amount equal  
20 to that portion multiplied by the educating district's foundation  
21 allowance or per-pupil payment calculated under section 20.

22 (6) If the funds allocated under this section are insufficient  
23 to fully fund the adjustments under subsections ~~(4)~~ **(3)** and (5),  
24 payments under this section shall be prorated on an equal per-pupil  
25 basis.

26 (7) Payments to districts under this section shall be made  
27 according to the payment schedule under section 17b.

1       Sec. 26a. From the funds appropriated in section 11, there is  
2 allocated an amount not to exceed \$26,300,000.00 for ~~2014-2015~~  
3 **2015-2016** to reimburse districts and intermediate districts  
4 pursuant to section 12 of the Michigan renaissance zone act, 1996  
5 PA 376, MCL 125.2692, for taxes levied in ~~2014-2015~~. The  
6 allocations shall be made not later than 60 days after the  
7 department of treasury certifies to the department and to the state  
8 budget director that the department of treasury has received all  
9 necessary information to properly determine the amounts due to each  
10 eligible recipient.

11       Sec. 26b. (1) From the appropriation in section 11, there is  
12 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
13 ~~\$4,210,000.00~~ **\$4,276,800.00** for payments to districts, intermediate  
14 districts, and community college districts for the portion of the  
15 payment in lieu of taxes obligation that is attributable to  
16 districts, intermediate districts, and community college districts  
17 pursuant to section 2154 of the natural resources and environmental  
18 protection act, 1994 PA 451, MCL 324.2154.

19       (2) If the amount appropriated under this section is not  
20 sufficient to fully pay obligations under this section, payments  
21 shall be prorated on an equal basis among all eligible districts,  
22 intermediate districts, and community college districts.

23       Sec. 26c. (1) From the appropriation in section 11, there is  
24 allocated an amount not to exceed ~~\$293,100.00 for 2014-2015~~  
25 **\$610,000.00 FOR 2015-2016** to the promise zone fund created in  
26 subsection (3).

27       (2) Funds allocated to the promise zone fund under this

1 section shall be used solely for payments to eligible districts and  
2 intermediate districts that have a promise zone development plan  
3 approved by the department of treasury under section 7 of the  
4 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

5 (3) The promise zone fund is created as a separate account  
6 within the state school aid fund to be used solely for the purposes  
7 of the Michigan promise zone authority act, 2008 PA 549, MCL  
8 390.1661 to 390.1679. All of the following apply to the promise  
9 zone fund:

10 (a) The state treasurer shall direct the investment of the  
11 promise zone fund. The state treasurer shall credit to the promise  
12 zone fund interest and earnings from fund investments.

13 (b) Money in the promise zone fund at the close of a fiscal  
14 year shall remain in the promise zone fund and shall not lapse to  
15 the general fund.

16 (4) Subject to subsection (2), the state treasurer may make  
17 payments from the promise zone fund to eligible districts and  
18 intermediate districts pursuant to the Michigan promise zone  
19 authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used  
20 for the purposes of a promise zone authority created under that  
21 act.

22 Sec. 31a. (1) From the state school aid fund money  
23 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~  
24 ~~2016~~ an amount not to exceed ~~\$317,695,500.00~~ **\$417,695,500.00** for  
25 payments to eligible districts, eligible public school academies,  
26 and the education achievement system for the purposes of ensuring  
27 that pupils are proficient in reading by the end of grade 3 and

1 that high school graduates are career and college ready and for the  
2 purposes under subsections (6) and (7). **A DISTRICT THAT RECEIVES AN**  
3 **INCREASE IN FUNDING UNDER THIS SECTION FROM 2014-2015 TO 2015-2016**  
4 **AND THAT EDUCATES PUPILS IN GRADES K TO 3 SHALL ENSURE THAT AT**  
5 **LEAST 50% OF THE TOTAL AMOUNT OF THAT INCREASED FUNDING IS SPENT**  
6 **FOR THE PURPOSE OF ENSURING THAT PUPILS ARE PROFICIENT IN READING**  
7 **BY THE END OF GRADE 3.**

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

17 (3) 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 (4) 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 (5), (6), (7), or (10). 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 (3), 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 (5) 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 (6) From the funds allocated under subsection (1), there is  
26 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed  
27 \$3,557,300.00 to support child and adolescent health centers. These

1 grants shall be awarded for 5 consecutive years beginning with  
2 2003-2004 in a form and manner approved jointly by the department  
3 and the department of community health. Each grant recipient shall  
4 remain in compliance with the terms of the grant award or shall  
5 forfeit the grant award for the duration of the 5-year period after  
6 the 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 (14) 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 2 EXISTING SCHOOL CLINICS AS HUBS FOR SERVICES**  
26 **AND USING MOBILE TEAMS TO SERVE SATELLITE SCHOOL SITES.**

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

1 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed  
2 \$5,150,000.00 for the state portion of the hearing and vision  
3 screenings as described in section 9301 of the public health code,  
4 1978 PA 368, MCL 333.9301. A local public health department shall  
5 pay at least 50% of the total cost of the screenings. The frequency  
6 of the screenings shall be as required under R 325.13091 to R  
7 325.13096 and R 325.3271 to R 325.3276 of the Michigan  
8 administrative code. Funds shall be awarded in a form and manner  
9 approved jointly by the department and the department of community  
10 health. Notwithstanding section 17b, payments to eligible entities  
11 under this subsection shall be paid on a schedule determined by the  
12 department.

13 (8) 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 human  
25 services to verify matching funds for the temporary assistance for  
26 needy families program. If a district or public school academy or  
27 the education achievement system does not comply with this



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

8 (9) 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 (10) Subject to subsections (5), (6), and (7), 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 (11) 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 (3).

4 (12) If a district is formed by consolidation after June 1,  
5 1995, and if 1 or more of the original districts ~~was~~**WERE** not  
6 eligible before the consolidation for an additional allowance under  
7 this section, the amount of the additional allowance under this  
8 section for the consolidated district shall be based on the number  
9 of 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 (3), 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 (13) 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 ~~Michigan merit~~  
 3 ~~examination~~ **STATE SUMMATIVE ASSESSMENT** have been received, is a  
 4 pupil ~~who does not meet the other criteria under this subsection~~  
 5 ~~but~~ who did not achieve proficiency on the ~~reading, writing,~~  
 6 **ENGLISH LANGUAGE ARTS**, mathematics, science, or social studies  
 7 ~~components of the most recent Michigan merit examination for which~~  
 8 ~~results for the pupil have been received.~~ **CONTENT AREA ASSESSMENT.**

9 (e) ~~For pupils in grades K-3, is~~ **IS** a pupil who is at risk of  
 10 not meeting the district's core academic curricular objectives in  
 11 English language arts or mathematics, **AS DEMONSTRATED ON LOCAL**  
 12 **ASSESSMENTS.**

13 (f) The pupil is enrolled in a priority or priority-successor  
 14 school, as defined in the elementary and secondary education act of  
 15 2001 flexibility waiver approved by the United States ~~department of~~  
 16 ~~education.~~ **DEPARTMENT OF EDUCATION.**

17 ~~—— (g) The pupil did not achieve a score of at least proficient~~  
 18 ~~on 2 or more state administered assessments for English language~~  
 19 ~~arts, mathematics, science, or social studies.~~

20 ~~—— (h) For high school pupils in grades not assessed by the~~  
 21 ~~state, the pupil did not receive a satisfactory score on 2 or more~~  
 22 ~~end of course examinations that are aligned with state standards in~~  
 23 ~~English language arts, mathematics, science, or social studies. For~~  
 24 ~~middle school pupils in grades not assessed by the state, the pupil~~  
 25 ~~did not receive a satisfactory score on 2 or more end of semester~~  
 26 ~~or end of trimester examinations that are aligned with state~~  
 27 ~~standards in science or social studies. For pupils in the~~

~~elementary grades in grades and subjects not assessed by the state, the pupil did not receive a satisfactory score or did not have a satisfactory outcome on 2 or more interim assessments in English language arts, mathematics, science, or social studies.~~

(G) ~~(i)~~—In the absence of state or local assessment data, the pupil meets at least 2 of the following criteria, as documented in a form and manner approved by the department:

(i) The pupil is eligible for free **OR REDUCED PRICE** breakfast, lunch, or milk.

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

(iii) The pupil is homeless.

(iv) The pupil is a migrant.

(v) The pupil is an English language learner.

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

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

(14) ~~Beginning in 2014-2015, if~~ **IF** a district, public school academy, or the education achievement system does not demonstrate to the satisfaction of the department that at least 50% of at-risk pupils are reading at grade level by the end of grade 3 as measured by the state assessment and demonstrate to the satisfaction of the department improvement over 3 consecutive years in the percentage of at-risk pupils that are career- and college-ready as ~~measured by the pupil's score on each of the individual subject areas on the~~

1 ~~college entrance examination portion of the Michigan merit~~  
2 ~~examination~~ **DETERMINED BY PROFICIENCY ON THE ENGLISH LANGUAGE ARTS,**  
3 **MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON THE GRADE 11**  
4 **SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the revised  
5 school code, MCL 380.1279g, the district, public school academy, or  
6 education achievement system shall ensure all of the following:

7 (a) The district, public school academy, or the education  
8 achievement system shall determine the proportion of total at-risk  
9 pupils that represents the number of pupils in grade 3 that are not  
10 reading at grade level by the end of grade 3, and the district,  
11 public school academy, or the education achievement system shall  
12 expend that same proportion multiplied by 1/2 of its total at-risk  
13 funds under this section on tutoring and other methods of improving  
14 grade 3 reading levels.

15 (b) The district, public school academy, or the education  
16 achievement system shall determine the proportion of total at-risk  
17 pupils that represent the number of pupils in grade 11 that are not  
18 career- and college-ready as measured by the student's score on  
19 ~~each of the individual subject areas on the college entrance~~  
20 ~~examination portion of the Michigan merit examination~~ **THE ENGLISH**  
21 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**  
22 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the  
23 revised school code, MCL 380.1279g, and the district, public school  
24 academy, or the education achievement system shall expend that same  
25 proportion multiplied by 1/2 of its total at-risk funds under this  
26 section on tutoring and other activities to improve scores on the  
27 college entrance examination portion of the Michigan merit

1 examination.

2 (15) As used in subsection (14), "total at risk pupils" means  
3 the sum of the number of pupils in grade 3 that are not reading at  
4 grade level by the end of third grade **AS MEASURED ON THE STATE**  
5 **ASSESSMENT** and the number of pupils in grade 11 that are not  
6 career- and college-ready as measured by the student's score on  
7 ~~each of the individual subject areas on the college entrance~~  
8 ~~examination portion of the Michigan merit examination~~ **THE ENGLISH**  
9 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**  
10 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the  
11 revised school code, MCL 380.1279g.

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

16 (17) **THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF**  
17 **HEALTH AND HUMAN SERVICES TO PRIORITIZE ASSIGNING PATHWAYS TO**  
18 **POTENTIAL SUCCESS COACHES TO ELEMENTARY SCHOOLS THAT HAVE A HIGH**  
19 **PERCENTAGE OF PUPILS IN GRADES K TO 3 WHO ARE NOT READING AT GRADE**  
20 **LEVEL.**

21 Sec. 31d. (1) From the appropriations in section 11, there is  
22 allocated an amount not to exceed \$22,495,100.00 for ~~2014-2015~~  
23 **2015-2016** for the purpose of making payments to districts and other  
24 eligible entities under this section.

25 (2) The amounts allocated from state sources under this  
26 section shall be used to pay the amount necessary to reimburse  
27 districts for 6.0127% of the necessary costs of the state mandated

1 portion of the school lunch programs provided by those districts.  
2 The amount due to each district under this section shall be  
3 computed by the department using the methods of calculation adopted  
4 by the Michigan supreme court in the consolidated cases known as  
5 Durant v State of Michigan, Michigan supreme court docket no.  
6 104458-104492.

7 (3) The payments made under this section include all state  
8 payments made to districts so that each district receives at least  
9 6.0127% of the necessary costs of operating the state mandated  
10 portion of the school lunch program in a fiscal year.

11 (4) The payments made under this section to districts and  
12 other eligible entities that are not required under section 1272a  
13 of the revised school code, MCL 380.1272a, to provide a school  
14 lunch program shall be in an amount not to exceed \$10.00 per  
15 eligible pupil plus 5 cents for each free lunch and 2 cents for  
16 each reduced price lunch provided, as determined by the department.

17 (5) From the federal funds appropriated in section 11, there  
18 is allocated for ~~2014-2015~~**2015-2016** all available federal funding,  
19 estimated at \$510,000,000.00 for the national school lunch program  
20 and all available federal funding, estimated at \$3,200,000.00 for  
21 the emergency food assistance program.

22 (6) Notwithstanding section 17b, payments to eligible entities  
23 other than districts under this section shall be paid on a schedule  
24 determined by the department.

25 (7) In purchasing food for a school lunch program funded under  
26 this section, preference shall be given to food that is grown or  
27 produced by Michigan businesses if it is competitively priced and

1 of comparable quality.

2       Sec. 31f. (1) From the appropriations in section 11, there is  
3 allocated an amount not to exceed \$5,625,000.00 for ~~2014-2015-2015-~~  
4 **2016** for the purpose of making payments to districts to reimburse  
5 for the cost of providing breakfast.

6       (2) The funds allocated under this section for school  
7 breakfast programs shall be made available to all eligible  
8 applicant districts that meet all of the following criteria:

9       (a) The district participates in the federal school breakfast  
10 program and meets all standards as prescribed by 7 CFR parts 220  
11 and 245.

12       (b) Each breakfast eligible for payment meets the federal  
13 standards described in subdivision (a).

14       (3) The payment for a district under this section is at a per  
15 meal rate equal to the lesser of the district's actual cost or 100%  
16 of the statewide average cost of a breakfast served, as determined  
17 and approved by the department, less federal reimbursement,  
18 participant payments, and other state reimbursement. The statewide  
19 average cost shall be determined by the department using costs as  
20 reported in a manner approved by the department for the preceding  
21 school year.

22       (4) Notwithstanding section 17b, payments under this section  
23 may be made pursuant to an agreement with the department.

24       (5) In purchasing food for a school breakfast program funded  
25 under this section, preference shall be given to food that is grown  
26 or produced by Michigan businesses if it is competitively priced  
27 and of comparable quality.



1        SEC. 31H. FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS  
2        ALLOCATED AN AMOUNT NOT TO EXCEED \$350,000.00 FOR 2015-2016 FOR THE  
3        PURPOSE OF PROVIDING FUNDING TO A DISTRICT THAT EDUCATES HIGH  
4        SCHOOL PUPILS FROM ANOTHER DISTRICT THAT VOLUNTARILY CLOSED ITS  
5        HIGH SCHOOL PROGRAM IN 2013. THE FUNDING UNDER THIS SECTION IS  
6        INTENDED TO BE FOR THE FIRST OF 2 YEARS, UNLESS IT IS DETERMINED  
7        THAT THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT ALLOWS  
8        FEDERAL TITLE I FUNDS THAT PREVIOUSLY SUPPORTED THE HIGH SCHOOL  
9        PUPILS IN THEIR RESIDENT DISTRICT TO INSTEAD BE PROVIDED TO THE  
10       EDUCATING DISTRICT. FUNDING UNDER THIS SECTION SHALL BE USED TO  
11       SUPPORT THE ADDITIONAL COSTS OF EDUCATING HIGH SCHOOL PUPILS IN A  
12       MANNER THAT IS SIMILAR TO THE WAY TITLE I FUNDS PROVIDED ADDITIONAL  
13       SUPPORT TO THE EDUCATION OF THOSE PUPILS WHEN THEY WERE EDUCATED IN  
14       THEIR RESIDENT DISTRICT HIGH SCHOOL PROGRAM BEFORE ITS CLOSURE IN  
15       2013.

16       Sec. 32d. (1) From the funds appropriated in section 11, there  
17       is allocated to eligible intermediate districts and consortia of  
18       intermediate districts for great start readiness programs an amount  
19       not to exceed ~~\$214,275,000.00 for 2014 2015. In addition, from the~~  
20       ~~funds appropriated in section 11, there is allocated to the great~~  
21       ~~start readiness reserve fund created under subsection (19) an~~  
22       ~~amount not to exceed \$25,000,000.00 for 2014 2015. \$239,275,000.00~~  
23       **FOR 2015-2016.** Funds allocated under this section for great start  
24       readiness programs shall be used to provide part-day, school-day,  
25       or GSRP/head start blended comprehensive free compensatory  
26       classroom programs designed to improve the readiness and subsequent  
27       achievement of educationally disadvantaged children who meet the

1 participant eligibility and prioritization guidelines as defined by  
2 the department. For a child to be eligible to participate in a  
3 program under this section, the child shall be at least 4, but less  
4 than 5, years of age as of the date specified for determining a  
5 child's eligibility to attend school under section 1147 of the  
6 revised school code, MCL 380.1147. **HOWEVER, IF A PROGRAM WOULD**  
7 **OTHERWISE HAVE TO RETURN FUNDING FOR SLOTS DUE TO INSUFFICIENT**  
8 **CLASS SIZE, THE PROGRAM MAY ENROLL CHILDREN WHO ARE AT LEAST 3**  
9 **YEARS OF AGE, AND WHO MEET THE INCOME ELIGIBILITY CRITERIA, IN**  
10 **ADDITION TO THE ELIGIBLE CHILDREN WHO ARE AT LEAST 4, BUT LESS THAN**  
11 **5, YEARS OF AGE.**

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 ~~2014-2015-2015-~~  
25 **2016** for a competitive grant to continue a longitudinal evaluation  
26 of children who have participated in great start readiness  
27 programs.

1           (4) To be eligible for funding under this section, a program  
2 shall prepare children for success in school through comprehensive  
3 part-day, school-day, or GSRP/head start blended programs that  
4 contain all of the following program components, as determined by  
5 the department:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 household income that is equal to or less than 300% of the federal  
2 poverty level. The enrollment process shall consider income and  
3 risk factors, such that children determined with higher need are  
4 enrolled before children with lesser need. For purposes of this  
5 subdivision, all age-eligible children served in foster care or who  
6 are experiencing homelessness or who have individualized education  
7 plans recommending placement in an inclusive preschool setting  
8 shall be considered to live with families with household income  
9 equal to or less than 250% of the federal poverty level regardless  
10 of actual family income.

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

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

27 (ii) Paraprofessionals possessing proper training in early

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

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

26 (6) For a grant recipient that enrolls pupils in a school-day  
27 program funded under this section, each child enrolled in the

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

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

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

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

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

24 (b) For the portion of the total grant amount for which  
25 services are contracted, the intermediate district or consortium of  
26 intermediate districts receiving the grant may retain an amount  
27 equal to not more than 2% of that portion of the grant amount and

1 the subrecipients engaged by the intermediate district to provide  
2 program services may retain for administrative services an amount  
3 equal to not more than 5% of that portion of the grant amount.

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

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



1 shall be considered to live with families with household income  
2 equal to or less than 250% of the federal poverty level regardless  
3 of actual family income.

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

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

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

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

25 (b) The intermediate district or consortium provided to each  
26 licensed child care center located in the service area of the  
27 intermediate district or consortium information regarding great

1 start readiness program requirements and a description of the  
2 application and selection process for community-based providers.

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

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

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

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

25 (b) Provide, or ensure that an organization with which the  
26 department contracts provides, a community-based provider with a  
27 validated great start to quality rating within 90 days of the

1 provider's having submitted a request and self-assessment.

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

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

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

1 "employment status" shall be defined by the department of human  
2 services in a manner consistent with maximizing the amount of  
3 spending that may be claimed for temporary assistance for needy  
4 families maintenance of effort purposes.

5 (17) As used in this section:

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

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

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

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

~~(19) The great start readiness reserve fund is created as a separate account within the state school aid fund established by section 11 of article IX of the state constitution of 1963. Money available in the great start readiness reserve fund may not be expended for 2014-2015 unless transferred by the legislature not later than December 15, 2014 to the allocation under subsection (1) for great start readiness programs. Money in the great start readiness reserve fund shall be expended only for purposes for which state school aid fund money may be expended. The state treasurer shall direct the investment of the great start readiness reserve fund. The state treasurer shall credit to the great start readiness reserve fund interest and earnings from fund investments. Money in the great start readiness reserve fund at the close of a fiscal year shall remain in the great start readiness reserve fund and shall not lapse to the unreserved school aid fund balance or the general fund.~~

(19) ~~(20)~~ From the amount appropriated in subsection (1), there is allocated an amount not to exceed \$10,000,000.00 for reimbursement of transportation costs for children attending great start readiness programs funded under this section. To receive reimbursement under this subsection, not later than November 1, ~~2014,~~ **2015**, a program funded under this section that provides transportation shall submit to the intermediate district that is the fiscal agent for the program a projected transportation budget. The amount of the reimbursement for transportation under this subsection shall be the lesser of the projected transportation budget or \$150.00 multiplied by the number of slots funded for the

1 program under this section. If the amount allocated under this  
2 subsection is insufficient to fully reimburse the transportation  
3 costs for all programs that provide transportation and submit the  
4 required information, the reimbursement shall be prorated in an  
5 equal amount per slot funded. Payments shall be made to the  
6 intermediate district that is the fiscal agent for each program,  
7 and the intermediate district shall then reimburse the program  
8 provider for transportation costs as prescribed under this  
9 subsection.

10 Sec. 32p. (1) From the school aid fund appropriation in  
11 section 11, there is allocated an amount not to exceed  
12 ~~\$10,900,000.00~~ **\$15,900,000.00** to intermediate districts for ~~2014-~~  
13 ~~2015-2015-2016~~ for the purpose of providing early childhood funding  
14 to intermediate school districts ~~in block grants, supporting TO~~  
15 **SUPPORT** the activities under subsection (2) **AND SUBSECTION (4)**, and  
16 ~~providing TO PROVIDE~~ early childhood programs for children from  
17 birth through age 8. The funding provided to each intermediate  
18 district under this section shall be determined by the distribution  
19 formula established by the department's office of great start to  
20 provide equitable funding statewide. In order to receive funding  
21 under this section, each intermediate district shall provide an  
22 application to the office of great start not later than September  
23 15 of the immediately preceding fiscal year indicating the  
24 activities planned to be provided.

25 (2) Each intermediate district or consortium of intermediate  
26 districts that receives funding under this section shall convene a  
27 local great start collaborative and a parent coalition. The goal of

1 each great start collaborative and parent coalition shall be to  
2 ensure the coordination and expansion of local early childhood  
3 infrastructure and programs that allow every child in the community  
4 to achieve the following outcomes:

5 (a) Children born healthy.

6 (b) Children healthy, thriving, and developmentally on track  
7 from birth to third grade.

8 (c) Children developmentally ready to succeed in school at the  
9 time of school entry.

10 (d) Children prepared to succeed in fourth grade and beyond by  
11 reading proficiently by the end of third grade.

12 (3) Each local great start collaborative and parent coalition  
13 shall convene workgroups to make recommendations about community  
14 services designed to achieve the outcomes described in subsection  
15 (2) and to ensure that its local great start system includes the  
16 following supports for children from birth through age 8:

17 (a) Physical health.

18 (b) Social-emotional health.

19 (c) Family supports and basic needs.

20 (d) Parent education and child advocacy.

21 (e) Early education and care.

22 (4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), AT LEAST  
23 \$5,000,000.00 SHALL BE USED FOR THE PURPOSE OF PROVIDING HOME  
24 VISITS TO AT-RISK CHILDREN AND THEIR FAMILIES. THE HOME VISITS  
25 SHALL BE CONDUCTED AS PART OF A LOCALLY COORDINATED, FAMILY-  
26 CENTERED, EVIDENCE-BASED, DATA-DRIVEN HOME VISIT STRATEGIC PLAN  
27 THAT IS APPROVED BY THE DEPARTMENT. THE GOALS OF THE HOME VISITS



1 FUNDED UNDER THIS SUBSECTION SHALL BE TO IMPROVE SCHOOL READINESS,  
2 REDUCE THE NUMBER OF PUPILS RETAINED IN GRADE LEVEL, AND REDUCE THE  
3 NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION SERVICES. THE  
4 DEPARTMENT SHALL COORDINATE THE GOALS OF THE HOME VISIT STRATEGIC  
5 PLANS APPROVED UNDER THIS SUBSECTION WITH OTHER STATE AGENCY HOME  
6 VISIT PROGRAMS IN A WAY THAT STRENGTHENS MICHIGAN'S HOME VISITING  
7 INFRASTRUCTURE AND MAXIMIZES FEDERAL FUNDS AVAILABLE FOR THE  
8 PURPOSES OF AT-RISK FAMILY HOME VISITS.

9 (5) ~~(4)~~—Not later than December 1 of each year, each  
10 intermediate district shall provide a report to the department  
11 detailing the activities actually provided during the immediately  
12 preceding school year and the families and children actually  
13 served. AT A MINIMUM, THE REPORT SHALL INCLUDE AN EVALUATION OF THE  
14 SERVICES PROVIDED WITH ADDITIONAL FUNDING UNDER SUBSECTION (4) FOR  
15 HOME VISITS, USING THE GOALS IDENTIFIED IN SUBSECTION (4) AS THE  
16 BASIS FOR THE EVALUATION, INCLUDING THE DEGREE TO WHICH SCHOOL  
17 READINESS WAS IMPROVED, ANY CHANGE IN THE NUMBER OF PUPILS RETAINED  
18 AT GRADE LEVEL, AND ANY CHANGE IN THE NUMBER OF PUPILS RECEIVING  
19 SPECIAL EDUCATION SERVICES. The department shall compile and  
20 summarize these reports and submit its summary to the house and  
21 senate appropriations subcommittees on school aid and to the house  
22 and senate fiscal agencies not later than February 15 of each year.

23 (6) ~~(5)~~—An intermediate district or consortium of intermediate  
24 districts that receives funding under this section may carry over  
25 any unexpended funds received under this section into the next  
26 fiscal year and may expend those unused funds through June 30 of  
27 the next fiscal year. A recipient of a grant shall return any

1 unexpended grant funds to the department in the manner prescribed  
2 by the department not later than September 30 of the next fiscal  
3 year after the fiscal year in which the funds are received.

4 SEC. 35. (1) THE FUNDS ALLOCATED UNDER SECTIONS 35A TO 35G  
5 SHALL BE USED FOR PROGRAMS TO ENSURE CHILDREN ARE READING AT GRADE  
6 LEVEL BY THE END OF GRADE 3. THE SUPERINTENDENT SHALL DESIGNATE  
7 STAFF OR CONTRACTED EMPLOYEES FUNDED UNDER THESE SECTIONS AS  
8 CRITICAL SHORTAGE. PROGRAMS FUNDED UNDER THESE SECTIONS ARE  
9 INTENDED TO ENSURE THAT THIS STATE WILL BE IN THE TOP 10 MOST  
10 IMPROVED STATES IN GRADE 4 READING PROFICIENCY BY THE 2019 NATIONAL  
11 ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP) AND WILL BE IN THE TOP 10  
12 STATES OVERALL BY 2025.

13 (2) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE  
14 IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED  
15 \$1,000,000.00 FOR 2015-2016 FOR IMPLEMENTATION COSTS ASSOCIATED  
16 WITH PROGRAMS IN SECTIONS 35A TO 35G.

17 (3) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (2), THERE IS  
18 ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000.00 FOR THE PURPOSE OF  
19 PERFORMING AN EVALUATION OF THE PILOT PROGRAMS UNDER SECTION 35A IN  
20 A MANNER APPROVED BY THE DEPARTMENT. THE EVALUATION REPORT SHALL  
21 INCLUDE AT LEAST THE FOLLOWING:

22 (A) A DESCRIPTION OF THE COMPONENTS OF THE PILOT PROGRAMS THAT  
23 WERE EFFECTIVE IN HELPING PARENTS PREPARE THEIR CHILDREN FOR  
24 SUCCESS IN SCHOOL.

25 (B) A DESCRIPTION OF ANY BARRIERS THAT PARENTS AND THEIR  
26 CHILDREN ENCOUNTERED THAT PRECLUDED THEM FROM PARTICIPATING IN THE  
27 PILOT PROGRAMS.

1 (C) AN ASSESSMENT OF WHETHER THESE PILOT PROGRAMS SHOULD BE  
2 EXPANDED TO OTHER LOCATIONS IN THE STATE.

3 SEC. 35A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
4 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2015-2016 FOR  
5 THE PURPOSE OF CONDUCTING PARENT EDUCATION PILOT PROGRAMS FOR  
6 PARENTS OF CHILDREN LESS THAN 4 YEARS OF AGE SO THAT CHILDREN ARE  
7 DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE TIME OF SCHOOL  
8 ENTRY.

9 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION  
10 PROCESS AND METHOD OF GRANT DISTRIBUTION CONSISTENT WITH THE  
11 PROVISIONS OF THIS SECTION. THE AMOUNT OF A GRANT AWARD TO A PILOT  
12 PROGRAM SHALL BE AN AMOUNT EQUAL TO THE NUMBER OF RESIDENT CHILDREN  
13 YOUNGER THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED FOR  
14 DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION  
15 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147, IN THE DISTRICT OR  
16 CONSORTIUM OF DISTRICTS OPERATING THE PROGRAM MULTIPLIED BY \$120.00  
17 PER CHILD OR \$130,000.00, WHICHEVER IS LESS. THE DEPARTMENT SHALL  
18 ENSURE THAT GRANTS ARE AWARDED IN EACH PROSPERITY REGION OR  
19 SUBREGION.

20 (3) AN APPLICATION FOR A COMPETITIVE GRANT UNDER THIS SECTION  
21 SHALL BE SUBMITTED BY AN INTERMEDIATE DISTRICT ON BEHALF OF A  
22 DISTRICT OR CONSORTIUM OF DISTRICTS WITHIN THE INTERMEDIATE  
23 DISTRICT. THE APPLICATION SHALL BE SUBMITTED IN A FORM AND MANNER  
24 APPROVED BY THE DEPARTMENT AND SHALL CONTAIN AT LEAST THE FOLLOWING  
25 COMPONENTS:

26 (A) A DESCRIPTION OF THE PROGRAM DESIGN INCLUDING THE NAMES OF  
27 THE DISTRICT OR CONSORTIUM OF DISTRICTS THAT WILL OPERATE THE

1 PROGRAM, THE PHYSICAL LOCATION OF THE PROGRAM, AND THE ANTICIPATED  
2 NUMBER OF FAMILIES THAT WILL BE SERVED.

3 (B) AN ASSURANCE THAT THE PROGRAM WILL BE SUPERVISED BY A  
4 TEACHER WHO HAS A VALID TEACHING CERTIFICATE WITH AN EARLY  
5 CHILDHOOD (ZA OR ZS) ENDORSEMENT, A VALID TEACHING CERTIFICATE IN  
6 CAREER EDUCATION WITH BOTH A KH AND VH ENDORSEMENT, A BACHELOR'S  
7 DEGREE IN CHILD DEVELOPMENT OR EARLY CHILD DEVELOPMENT, OR A  
8 BACHELOR'S DEGREE RELATED TO ADULT LEARNING.

9 (C) AN ESTIMATE OF THE NUMBER OF FAMILIES IN THE DISTRICT OR  
10 DISTRICTS THAT WILL OPERATE THE PILOT PROGRAM THAT HAVE AT LEAST 1  
11 CHILD LESS THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED FOR  
12 DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION  
13 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

14 (D) A DESCRIPTION OF THE PUBLIC AWARENESS AND OUTREACH EFFORTS  
15 THAT WILL BE MADE.

16 (E) AN ASSURANCE THAT THE INTERMEDIATE DISTRICT AND THE  
17 DISTRICT OR CONSORTIUM OF DISTRICTS OPERATING THE PROGRAM WILL  
18 PROVIDE INFORMATION IN A FORM AND MANNER AS APPROVED BY THE  
19 DEPARTMENT TO ALLOW FOR AN EVALUATION OF THE PILOT PROJECTS.

20 (F) A DESCRIPTION OF THE SLIDING FEE SCALE THAT WILL BE  
21 ESTABLISHED FOR TUITION, WITH FEES REDUCED OR WAIVED FOR THOSE  
22 UNABLE TO PAY.

23 (G) A BUDGET FOR THE PROGRAM. A PROGRAM MAY USE NOT MORE THAN  
24 5% OF A GRANT TO ADMINISTER THE PROGRAM.

25 (4) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A PROGRAM  
26 SHALL PROVIDE AT LEAST 2 HOURS PER WEEK THROUGHOUT THE SCHOOL YEAR  
27 FOR PARENTS AND THEIR ELIGIBLE CHILDREN TO PARTICIPATE IN PARENT

1 EDUCATION PROGRAMS AND MEET AT LEAST THE FOLLOWING MINIMUM  
2 REQUIREMENTS:

3 (A) REQUIRE THAT PARENTS BE PHYSICALLY PRESENT IN CLASSES WITH  
4 THEIR CHILDREN OR BE IN CONCURRENT CLASSES.

5 (B) USE RESEARCH-BASED INFORMATION TO EDUCATE PARENTS ABOUT  
6 THE PHYSICAL, COGNITIVE, SOCIAL, AND EMOTIONAL DEVELOPMENT OF  
7 CHILDREN.

8 (C) PROVIDE STRUCTURED LEARNING ACTIVITIES REQUIRING  
9 INTERACTION BETWEEN CHILDREN AND THEIR PARENTS.

10 (D) PROVIDE STRUCTURED LEARNING ACTIVITIES FOR CHILDREN THAT  
11 PROMOTE POSITIVE INTERACTION WITH THEIR PEERS.

12 (5) FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM  
13 UNDER THIS SECTION, THE CHILD SHALL BE LESS THAN 4 YEARS OF AGE AS  
14 OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO  
15 ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL  
16 380.1147.

17 SEC. 35B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
18 ALLOCATED AN AMOUNT NOT TO EXCEED \$950,000.00 FOR 2015-2016 FOR THE  
19 PURPOSES OF THIS SECTION. THIS ALLOCATION REPRESENTS THE FIRST OF 2  
20 YEARS OF FUNDING FOR THE PURPOSES OF THIS SECTION.

21 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO SUPPORT  
22 PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN A DEPARTMENT-APPROVED  
23 RESEARCH-BASED TRAINING PROGRAM RELATED TO CURRENT STATE LITERACY  
24 STANDARDS FOR PUPILS IN GRADES K TO 3. THE DEPARTMENT SHALL  
25 DETERMINE THE AMOUNT OF THE GRANT AWARDS.

26 (3) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT  
27 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN

1 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS  
2 OF PUPILS IN GRADES K TO 3.

3 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT  
4 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED  
5 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO  
6 CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING  
7 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE  
8 WORK PROJECT IS SEPTEMBER 30, 2017.

9 SEC. 35D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
10 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,450,000.00 FOR 2015-2016 FOR  
11 GRANTS UNDER THIS SECTION. THIS ALLOCATION REPRESENTS THE FIRST OF  
12 2 YEARS OF FUNDING.

13 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO  
14 ADMINISTER DEPARTMENT-APPROVED DIAGNOSTIC TOOLS TO MONITOR THE  
15 DEVELOPMENT OF EARLY LITERACY AND EARLY READING SKILLS OF PUPILS IN  
16 GRADES K TO 3 AND TO SUPPORT RESEARCH-BASED PROFESSIONAL  
17 DEVELOPMENT FOR EDUCATORS IN DATA INTERPRETATION FOR THE PURPOSE OF  
18 IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO IMPROVE READING  
19 PROFICIENCY AMONG PUPILS IN GRADES K TO 3. THE DEPARTMENT SHALL  
20 AWARD GRANTS TO ELIGIBLE DISTRICTS IN AN AMOUNT DETERMINED BY THE  
21 DEPARTMENT.

22 (3) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT  
23 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN  
24 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS  
25 OF PUPILS IN GRADES K TO 3.

26 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT  
27 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED

1 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO  
2 CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING  
3 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE  
4 WORK PROJECT IS SEPTEMBER 30, 2017.

5 SEC. 35E. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
6 ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF  
7 PROVIDING EARLY LITERACY COACHES TO ASSIST TEACHERS IN DEVELOPING  
8 AND IMPLEMENTING INSTRUCTIONAL STRATEGIES FOR PUPILS IN GRADES K TO  
9 3 SO THAT PUPILS ARE READING AT GRADE LEVEL BY THE END OF GRADE 3.

10 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION  
11 PROCESS AND METHOD OF GRANT DISTRIBUTION CONSISTENT WITH THE  
12 PROVISIONS OF THIS SECTION. THE GRANT PROCESS SHALL ENSURE THAT  
13 INTERMEDIATE DISTRICTS WITH THE HIGHEST PERCENTAGE OF PUPILS IN  
14 GRADE 4 IN CONSTITUENT DISTRICTS WHO ARE NOT PROFICIENT ON THE  
15 GRADE 4 STATE READING ASSESSMENT RECEIVE EXTRA CONSIDERATION IN THE  
16 AWARDING OF GRANTS.

17 (3) IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION, A  
18 CONSORTIUM OF INTERMEDIATE DISTRICTS IN A PROSPERITY REGION OR  
19 SUBREGION SHALL SUBMIT A COMPETITIVE GRANT APPLICATION IN A FORM  
20 AND MANNER APPROVED BY THE DEPARTMENT. AN APPLICATION SHALL PROVIDE  
21 ASSURANCES THAT LITERACY COACHES FUNDED UNDER THIS SECTION ARE  
22 KNOWLEDGEABLE ABOUT AT LEAST THE FOLLOWING:

23 (A) CURRENT STATE LITERACY STANDARDS FOR PUPILS IN GRADES K TO  
24 3.

25 (B) IMPLEMENTING AN INSTRUCTIONAL DELIVERY MODEL BASED ON  
26 FREQUENT USE OF FORMATIVE AND DIAGNOSTIC TOOLS, KNOWN AS A MULTI-  
27 TIERED SYSTEM OF SUPPORT, TO DETERMINE INDIVIDUAL PROGRESS FOR

1 PUPILS IN GRADES K TO 3 SO THAT PUPILS ARE READING AT GRADE LEVEL  
2 BY THE END OF GRADE 3.

3 (C) THE USE OF DATA FROM DIAGNOSTIC TOOLS TO DETERMINE THE  
4 NECESSARY ADDITIONAL SUPPORTS AND INTERVENTIONS NEEDED BY  
5 INDIVIDUAL PUPILS IN GRADES K TO 3 IN ORDER TO BE READING AT GRADE  
6 LEVEL.

7 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT  
8 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED  
9 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO  
10 CONTINUE TO PROVIDE EARLY LITERACY COACHES AS DESCRIBED IN THIS  
11 SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS  
12 SEPTEMBER 30, 2017.

13 SEC. 35F. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
14 ALLOCATED AN AMOUNT NOT TO EXCEED \$19,650,000.00 FROM THE STATE  
15 SCHOOL AID FUND MONEY AND \$350,000.00 FROM THE GENERAL FUND MONEY  
16 FOR 2015-2016 TO DISTRICTS THAT PROVIDE ADDITIONAL INSTRUCTIONAL  
17 TIME TO THOSE PUPILS IN GRADES K TO 3 WHO HAVE BEEN IDENTIFIED BY  
18 USING DEPARTMENT-APPROVED DIAGNOSTIC TOOLS AS NEEDING ADDITIONAL  
19 SUPPORTS AND INTERVENTIONS IN ORDER TO BE READING AT GRADE LEVEL BY  
20 THE END OF GRADE 3, AND FOR THE PURPOSES IDENTIFIED IN SUBSECTION  
21 (4). ADDITIONAL INSTRUCTIONAL TIME MAY BE PROVIDED BEFORE, DURING,  
22 AND AFTER REGULAR SCHOOL HOURS OR AS PART OF A YEAR-ROUND BALANCED  
23 SCHOOL CALENDAR.

24 (2) IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS  
25 SECTION, A DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE  
26 DEPARTMENT THAT THE DISTRICT HAS DONE ALL OF THE FOLLOWING:

27 (A) IMPLEMENTED A MULTI-TIERED SYSTEM OF SUPPORT INSTRUCTIONAL



1 DELIVERY MODEL.

2 (B) USED DEPARTMENT-APPROVED RESEARCH-BASED DIAGNOSTIC TOOLS  
3 TO IDENTIFY INDIVIDUAL PUPILS IN NEED OF ADDITIONAL INSTRUCTIONAL  
4 TIME.

5 (C) PROVIDED TEACHERS OF PUPILS IN GRADES K TO 3 WITH  
6 RESEARCH-BASED PROFESSIONAL DEVELOPMENT IN DIAGNOSTIC DATA  
7 INTERPRETATION.

8 (3) FUNDING ALLOCATED UNDER THIS SECTION FROM THE STATE SCHOOL  
9 AID FUND SHALL BE DISTRIBUTED TO ELIGIBLE DISTRICTS BY MULTIPLYING  
10 THE NUMBER OF FULL-TIME-EQUIVALENT PUPILS IN GRADE 1 IN THE  
11 DISTRICT BY \$190.00.

12 (4) FROM THE GENERAL FUND MONEY APPROPRIATED IN SUBSECTION  
13 (1), THE DEPARTMENT SHALL ALLOCATE NOT LESS THAN \$350,000.00 FOR  
14 2015-2016 TO THE MICHIGAN EDUCATION CORPS.

15 (5) THE MICHIGAN EDUCATION CORPS SHALL PROVIDE A REPORT BY  
16 AUGUST 1, 2016 TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES  
17 ON STATE SCHOOL AID, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE  
18 SENATE AND HOUSE CAUCUS POLICY OFFICES ON OUTCOMES AND PERFORMANCE  
19 MEASURES OF THE MICHIGAN EDUCATION CORPS, INCLUDING, BUT NOT  
20 LIMITED TO, THE DEGREE TO WHICH THE MICHIGAN EDUCATION CORPS'S  
21 REPLICATION OF THE MICHIGAN READING CORPS PROGRAM IS DEMONSTRATING  
22 SUFFICIENT EFFICACY AND IMPACT. THE REPORT MUST INCLUDE DATA  
23 PERTAINING TO AT LEAST ALL OF THE FOLLOWING:

24 (A) THE CURRENT IMPACT OF THE MICHIGAN READING CORPS ON THIS  
25 STATE IN TERMS OF NUMBERS OF CHILDREN AND PROGRAMS RECEIVING  
26 SUPPORT. THIS PORTION OF THE REPORT SHALL SPECIFY THE NUMBER OF  
27 CHILDREN TUTORING, INCLUDING DOSAGE AND COMPLETION, AND THE

1 DEMOGRAPHICS OF THOSE CHILDREN.

2 (B) WHETHER THE ASSESSMENTS AND INTERVENTIONS ARE IMPLEMENTED  
3 WITH FIDELITY. THIS PORTION OF THE REPORT SHALL INCLUDE DETAILS ON  
4 THE TOTAL NUMBER OF ASSESSMENTS AND INTERVENTIONS COMPLETED AND THE  
5 RANGE, MEDIAN, MEAN, AND STANDARD DEVIATION FOR ALL ASSESSMENTS.

6 (C) WHETHER THE LITERACY IMPROVEMENT OF CHILDREN PARTICIPATING  
7 IN THE MICHIGAN READING CORPS IS CONSISTENT WITH EXPECTATIONS. THIS  
8 PORTION OF THE REPORT SHALL DETAIL AT LEAST ALL OF THE FOLLOWING:

9 (i) GROWTH RATE BY GRADE LEVEL, IN COMPARISON TO TARGETED  
10 GROWTH RATE.

11 (ii) AVERAGE LINEAR GROWTH RATES.

12 (iii) EXIT RATES.

13 (iv) PERCENTAGE OF CHILDREN WHO EXIT WHO ALSO MEET OR EXCEED  
14 SPRING BENCHMARKS.

15 (D) THE IMPACT OF THE MICHIGAN READING CORPS ON ORGANIZATIONS  
16 AND STAKEHOLDERS, INCLUDING, BUT NOT LIMITED TO, SCHOOL  
17 ADMINISTRATORS, INTERNAL COACHES, AND AMERICORPS MEMBERS.

18 (6) IF THE DEPARTMENT DETERMINES THAT THE MICHIGAN EDUCATION  
19 CORPS HAS MISUSED THE FUNDS ALLOCATED IN SUBSECTION (4), THE  
20 MICHIGAN EDUCATION CORPS SHALL REIMBURSE THIS STATE FOR THE AMOUNT  
21 OF STATE FUNDING MISUSED.

22 (7) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT  
23 TO FULLY FUND THE PAYMENTS UNDER THIS SECTION, PAYMENTS UNDER THIS  
24 SECTION SHALL BE PRORATED ON AN EQUAL PER-PUPIL BASIS BASED ON  
25 GRADE 1 PUPILS.

26 Sec. 39. (1) An eligible applicant receiving funds under  
27 section 32d shall submit an application, in a form and manner

1 prescribed by the department, by a date specified by the department  
2 in the immediately preceding state fiscal year. The application  
3 shall include a comprehensive needs assessment using aggregated  
4 data from the applicant's entire service area and a community  
5 collaboration plan that is endorsed by the local great start  
6 collaborative and is part of the community's great start strategic  
7 plan that includes, but is not limited to, great start readiness  
8 program and head start providers, and shall identify all of the  
9 following:

10 (a) The estimated total number of children in the community  
11 who meet the criteria of section 32d and how that calculation was  
12 made.

13 (b) The estimated number of children in the community who meet  
14 the criteria of section 32d and are being served by other early  
15 childhood development programs operating in the community, and how  
16 that calculation was made.

17 (c) The number of children the applicant will be able to serve  
18 who meet the criteria of section 32d including a verification of  
19 physical facility and staff resources capacity.

20 (d) The estimated number of children who meet the criteria of  
21 section 32d who will remain unserved after the applicant and  
22 community early childhood programs have met their funded  
23 enrollments. The applicant shall maintain a waiting list of  
24 identified unserved eligible children who would be served when  
25 openings are available.

26 (2) After notification of funding allocations, an applicant  
27 receiving funds under section 32d shall also submit an

1 implementation plan for approval, in a form and manner prescribed  
2 by the department, by a date specified by the department, that  
3 details how the applicant complies with the program components  
4 established by the department pursuant to section 32d.

5 (3) The number of prekindergarten children construed to be in  
6 need of special readiness assistance under section 32d shall be  
7 calculated for each applicant in the following manner: 1/2 of the  
8 percentage of the applicant's pupils in grades 1 to 5 in all  
9 districts served by the applicant who are eligible for free lunch,  
10 as determined using the district's pupil membership count as of the  
11 pupil membership count day in the school year prior to the fiscal  
12 year for which the calculation is made, under the Richard B.  
13 Russell national school lunch act, 42 USC 1751 to 1769i, shall be  
14 multiplied by the average kindergarten enrollment of the districts  
15 served by the applicant on the pupil membership count day of the 2  
16 immediately preceding fiscal years.

17 (4) The initial allocation for each fiscal year to each  
18 eligible applicant under section 32d shall be determined by  
19 multiplying the number of children determined by the formula under  
20 subsection (3) or the number of children the applicant indicates it  
21 will be able to serve under subsection (1)(c), whichever is less,  
22 by \$3,625.00 and shall be distributed among applicants in  
23 decreasing order of concentration of eligible children as  
24 determined by the formula under subsection (3). If the number of  
25 children an applicant indicates it will be able to serve under  
26 subsection (1)(c) includes children able to be served in a school-  
27 day program, then the number able to be served in a school-day

1 program shall be doubled for the purposes of making this  
2 calculation of the lesser of the number of children determined by  
3 the formula under subsection (3) and the number of children the  
4 applicant indicates it will be able to serve under subsection  
5 (1)(c) and determining the amount of the initial allocation to the  
6 applicant under section 32d. A district may contract with a head  
7 start agency to serve children enrolled in head start with a  
8 school-day program by blending head start funds with a part-day  
9 great start readiness program allocation. All head start and great  
10 start readiness program policies and regulations apply to the  
11 blended program.

12 (5) If funds allocated for eligible applicants ~~or to the great~~  
13 ~~start readiness reserve fund~~ under section 32d remain after the  
14 initial allocation under subsection (4), the allocation under this  
15 subsection shall be distributed to each eligible applicant under  
16 section 32d in decreasing order of concentration of eligible  
17 children as determined by the formula under subsection (3). The  
18 allocation shall be determined by multiplying the number of  
19 children **IN** each district within the applicant's service area  
20 served in the immediately preceding fiscal year or the number of  
21 children the applicant indicates it will be able to serve under  
22 subsection (1)(c), whichever is less, minus the number of children  
23 for which the applicant received funding in subsection (4) by  
24 \$3,625.00.

25 (6) If funds allocated for eligible applicants ~~or to the great~~  
26 ~~start readiness reserve fund~~ under section 32d remain after the  
27 allocations under subsections (4) and (5), remaining funds shall be

1 distributed to each eligible applicant under section 32d in  
2 decreasing order of concentration of eligible children as  
3 determined by the formula under subsection (3). If the number of  
4 children the applicant indicates it will be able to serve under  
5 subsection (1)(c) exceeds the number of children for which funds  
6 have been received under subsections (4) and (5), the allocation  
7 under this subsection shall be determined by multiplying the number  
8 of children the applicant indicates it will be able to serve under  
9 subsection (1)(c) less the number of children for which funds have  
10 been received under subsections (4) and (5) by \$3,625.00 until the  
11 funds allocated for eligible applicants in section 32d are  
12 distributed.

13 (7) An applicant that offers supplementary child care funded  
14 by funds other than those received under section 32d and therefore  
15 offers full-day programs as part of its early childhood development  
16 program shall receive priority in the allocation of funds under  
17 section 32d over other eligible applicants. As used in this  
18 subsection, "full-day program" means a program that provides  
19 supplementary child care that totals at least 10 hours of  
20 programming per day.

21 (8) If, taking into account the total amount to be allocated  
22 to the applicant as calculated under this section, an applicant  
23 determines that it is able to include additional eligible children  
24 in the great start readiness program without additional funds under  
25 section 32d, the applicant may include additional eligible children  
26 but shall not receive additional funding under section 32d for  
27 those children.

1       Sec. 39a. (1) From the federal funds appropriated in section  
2 11, there is allocated for ~~2014-2015~~**2015-2016** to districts,  
3 intermediate districts, and other eligible entities all available  
4 federal funding, estimated at ~~\$807,969,900.00~~**\$779,076,400.00** for  
5 the federal programs under the no child left behind act of 2001,  
6 Public Law 107-110. These funds are allocated as follows:

7       (a) An amount estimated at ~~\$8,000,000.00~~**\$5,000,000.00** to  
8 provide students with drug- and violence-prevention programs and to  
9 implement strategies to improve school safety, funded from DED-  
10 OESE, drug-free schools and communities funds.

11       (b) An amount estimated at \$111,111,900.00 for the purpose of  
12 preparing, training, and recruiting high-quality teachers and class  
13 size reduction, funded from DED-OESE, improving teacher quality  
14 funds.

15       (c) An amount estimated at \$12,200,000.00 for programs to  
16 teach English to limited English proficient (LEP) children, funded  
17 from DED-OESE, language acquisition state grant funds.

18       (d) An amount estimated at \$10,286,500.00 for the Michigan  
19 charter school subgrant program, funded from DED-OESE, charter  
20 school funds.

21       (e) An amount estimated at ~~\$2,393,500.00~~**\$3,000,000.00** for  
22 rural and low income schools, funded from DED-OESE, rural and low  
23 income school funds.

24       (f) An amount estimated at ~~\$591,500,000.00~~**\$565,000,000.00** to  
25 provide supplemental programs to enable educationally disadvantaged  
26 children to meet challenging academic standards, funded from DED-  
27 OESE, title I, disadvantaged children funds.

(g) An amount estimated at \$8,878,000.00 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(h) An amount estimated at \$39,000,000.00 for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds.

(i) An amount estimated at \$24,600,000.00 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(2) From the federal funds appropriated in section 11, there is allocated for ~~2014-2015-2015-2016~~ to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$31,300,000.00~~ **\$30,800,000.00** for the following programs that are funded by federal grants:

(a) An amount estimated at \$200,000.00 for acquired immunodeficiency syndrome education grants, funded from HHS - ~~center for disease control,~~ **CENTERS FOR DISEASE CONTROL AND PREVENTION**, AIDS funding.

(b) An amount estimated at \$2,600,000.00 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

**(C) AN AMOUNT ESTIMATED AT \$4,000,000.00 TO PROVIDE MENTAL HEALTH, SUBSTANCE ABUSE, OR VIOLENCE PREVENTION SERVICES TO STUDENTS, FUNDED FROM HHS-SAMHSA.**

**(D) ~~(e)~~-An amount estimated at ~~\$28,500,000.00~~ \$24,000,000.00**



1 for providing career and technical education services to pupils,  
2 funded from DED-OVAE, basic grants to states.

3 (3) All federal funds allocated under this section shall be  
4 distributed in accordance with federal law and with flexibility  
5 provisions outlined in Public Law 107-116, and in the education  
6 flexibility partnership act of 1999, Public Law 106-25.

7 Notwithstanding section 17b, payments of federal funds to  
8 districts, intermediate districts, and other eligible entities  
9 under this section shall be paid on a schedule determined by the  
10 department.

11 (4) For the purposes of applying for federal grants  
12 appropriated under this article, the department shall allow an  
13 intermediate district to submit a consortium application on behalf  
14 of 2 or more districts with the agreement of those districts as  
15 appropriate according to federal rules and guidelines.

16 (5) As used in this section:

17 (a) "DED" means the United States ~~department of~~  
18 ~~education.~~ **DEPARTMENT OF EDUCATION.**

19 (b) "DED-OESE" means the DED ~~office of elementary and~~  
20 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

21 (c) "DED-OVAE" means the DED ~~office of vocational and adult~~  
22 ~~education.~~ **OFFICE OF VOCATIONAL AND ADULT EDUCATION.**

23 (d) "HHS" means the United States ~~department of health and~~  
24 ~~human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

25 ~~— (e) "HHS ACF" means the HHS administration for children and~~  
26 ~~families.~~

27 **(E) "HHS-SAMHSA" MEANS THE HHS SUBSTANCE ABUSE AND MENTAL**

1 **HEALTH SERVICES ADMINISTRATION.**

2       Sec. 41. From the appropriation in section 11, there is  
3 allocated an amount not to exceed \$1,200,000.00 ~~each fiscal year~~  
4 ~~for 2013-2014 and for 2014-2015~~ **FOR 2015-2016** to applicant  
5 districts and intermediate districts offering programs of  
6 instruction for pupils of limited English-speaking ability under  
7 section 1153 of the revised school code, MCL 380.1153.  
8 Reimbursement shall be on a per-pupil basis and shall be based on  
9 the number of pupils of limited English-speaking ability in  
10 membership on the pupil membership count day. Funds allocated under  
11 this section shall be used solely for instruction in speaking,  
12 reading, writing, or comprehension of English. A pupil shall not be  
13 counted under this section or instructed in a program under this  
14 section for more than 3 years.

15       Sec. 43. From the general fund money appropriated in section  
16 11, there is allocated to the department for ~~2014-2015~~ **2015-2016** an  
17 amount not to exceed \$1,800,000.00 for updating teacher  
18 certification tests. The department shall use these funds to update  
19 the set of teacher certification tests, including content-specific  
20 and subject-relevant tests, to reflect current education standards  
21 by not later than September 30, 2016. **THIS IS THE SECOND YEAR OF 2**  
22 **YEARS OF FUNDING.**

23       Sec. 51a. (1) From the appropriation in section 11, there is  
24 allocated an amount not to exceed ~~\$914,946,100.00 for 2014-2015~~  
25 **\$934,546,100.00 FOR 2015-2016** from state sources and all available  
26 federal funding under sections 611 to 619 of part B of the  
27 individuals with disabilities education act, 20 USC 1411 to 1419,

1 estimated at \$370,000,000.00 for ~~2014-2015~~, **2014-2015**, plus any  
2 carryover federal funds from previous year appropriations. The  
3 allocations under this subsection are for the purpose of  
4 reimbursing districts and intermediate districts for special  
5 education programs, services, and special education personnel as  
6 prescribed in article 3 of the revised school code, MCL 380.1701 to  
7 380.1766; net tuition payments made by intermediate districts to  
8 the Michigan schools for the deaf and blind; and special education  
9 programs and services for pupils who are eligible for special  
10 education programs and services according to statute or rule. For  
11 meeting the costs of special education programs and services not  
12 reimbursed under this article, a district or intermediate district  
13 may use money in general funds or special education funds, not  
14 otherwise restricted, or contributions from districts to  
15 intermediate districts, tuition payments, gifts and contributions  
16 from individuals or other entities, or federal funds that may be  
17 available for this purpose, as determined by the intermediate  
18 district plan prepared pursuant to article 3 of the revised school  
19 code, MCL 380.1701 to 380.1766. Notwithstanding section 17b,  
20 payments of federal funds to districts, intermediate districts, and  
21 other eligible entities under this section shall be paid on a  
22 schedule determined by the department.

23 (2) From the funds allocated under subsection (1), there is  
24 allocated the amount necessary, estimated at ~~\$251,800,000.00 for~~  
25 ~~2014-2015~~, **\$257,200,000.00 FOR 2015-2016**, for payments toward  
26 reimbursing districts and intermediate districts for 28.6138% of  
27 total approved costs of special education, excluding costs

1 reimbursed under section 53a, and 70.4165% of total approved costs  
2 of special education transportation. Allocations under this  
3 subsection shall be made as follows:

4 (a) The initial amount allocated to a district under this  
5 subsection toward fulfilling the specified percentages shall be  
6 calculated by multiplying the district's special education pupil  
7 membership, excluding pupils described in subsection (11), times  
8 the foundation allowance under section 20 of the pupil's district  
9 of residence, not to exceed the basic foundation allowance under  
10 section 20 for the current fiscal year, or, for a special education  
11 pupil in membership in a district that is a public school academy,  
12 times an amount equal to the amount per membership pupil calculated  
13 under section 20(6) or, for a pupil described in this subsection  
14 who is counted in membership in the education achievement system,  
15 times an amount equal to the amount per membership pupil under  
16 section 20(7). For an intermediate district, the amount allocated  
17 under this subdivision toward fulfilling the specified percentages  
18 shall be an amount per special education membership pupil,  
19 excluding pupils described in subsection (11), and shall be  
20 calculated in the same manner as for a district, using the  
21 foundation allowance under section 20 of the pupil's district of  
22 residence, not to exceed the basic foundation allowance under  
23 section 20 for the current fiscal year.

24 (b) After the allocations under subdivision (a), districts and  
25 intermediate districts for which the payments calculated under  
26 subdivision (a) do not fulfill the specified percentages shall be  
27 paid the amount necessary to achieve the specified percentages for

1 the district or intermediate district.

2 (3) From the funds allocated under subsection (1), there is  
3 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed  
4 \$1,000,000.00 to make payments to districts and intermediate  
5 districts under this subsection. If the amount allocated to a  
6 district or intermediate district for a fiscal year under  
7 subsection (2)(b) is less than the sum of the amounts allocated to  
8 the district or intermediate district for 1996-97 under sections 52  
9 and 58, there is allocated to the district or intermediate district  
10 for the fiscal year an amount equal to that difference, adjusted by  
11 applying the same proration factor that was used in the  
12 distribution of funds under section 52 in 1996-97 as adjusted to  
13 the district's or intermediate district's necessary costs of  
14 special education used in calculations for the fiscal year. This  
15 adjustment is to reflect reductions in special education program  
16 operations or services between 1996-97 and subsequent fiscal years.  
17 Adjustments for reductions in special education program operations  
18 or services shall be made in a manner determined by the department  
19 and shall include adjustments for program or service shifts.

20 (4) If the department determines that the sum of the amounts  
21 allocated for a fiscal year to a district or intermediate district  
22 under subsection (2)(a) and (b) is not sufficient to fulfill the  
23 specified percentages in subsection (2), then the shortfall shall  
24 be paid to the district or intermediate district during the fiscal  
25 year beginning on the October 1 following the determination and  
26 payments under subsection (3) shall be adjusted as necessary. If  
27 the department determines that the sum of the amounts allocated for

1 a fiscal year to a district or intermediate district under  
2 subsection (2)(a) and (b) exceeds the sum of the amount necessary  
3 to fulfill the specified percentages in subsection (2), then the  
4 department shall deduct the amount of the excess from the  
5 district's or intermediate district's payments under this article  
6 for the fiscal year beginning on the October 1 following the  
7 determination and payments under subsection (3) shall be adjusted  
8 as necessary. However, if the amount allocated under subsection  
9 (2)(a) in itself exceeds the amount necessary to fulfill the  
10 specified percentages in subsection (2), there shall be no  
11 deduction under this subsection.

12 (5) State funds shall be allocated on a total approved cost  
13 basis. Federal funds shall be allocated under applicable federal  
14 requirements, except that an amount not to exceed \$3,500,000.00 may  
15 be allocated by the department for ~~2014-2015~~ **2015-2016** to  
16 districts, intermediate districts, or other eligible entities on a  
17 competitive grant basis for programs, equipment, and services that  
18 the department determines to be designed to benefit or improve  
19 special education on a statewide scale.

20 (6) From the amount allocated in subsection (1), there is  
21 allocated an amount not to exceed \$2,200,000.00 for ~~2014-2015~~ **2015-**  
22 **2016** to reimburse 100% of the net increase in necessary costs  
23 incurred by a district or intermediate district in implementing the  
24 revisions in the administrative rules for special education that  
25 became effective on July 1, 1987. As used in this subsection, "net  
26 increase in necessary costs" means the necessary additional costs  
27 incurred solely because of new or revised requirements in the

1 administrative rules minus cost savings permitted in implementing  
2 the revised rules. Net increase in necessary costs shall be  
3 determined in a manner specified by the department.

4 (7) For purposes of sections 51a to 58, all of the following  
5 apply:

6 (a) "Total approved costs of special education" shall be  
7 determined in a manner specified by the department and may include  
8 indirect costs, but shall not exceed 115% of approved direct costs  
9 for section 52 and section 53a programs. The total approved costs  
10 include salary and other compensation for all approved special  
11 education personnel for the program, including payments for social  
12 security and Medicare and public school employee retirement system  
13 contributions. The total approved costs do not include salaries or  
14 other compensation paid to administrative personnel who are not  
15 special education personnel as defined in section 6 of the revised  
16 school code, MCL 380.6. Costs reimbursed by federal funds, other  
17 than those federal funds included in the allocation made under this  
18 article, are not included. Special education approved personnel not  
19 utilized full time in the evaluation of students or in the delivery  
20 of special education programs, ancillary, and other related  
21 services shall be reimbursed under this section only for that  
22 portion of time actually spent providing these programs and  
23 services, with the exception of special education programs and  
24 services provided to youth placed in child caring institutions or  
25 juvenile detention programs approved by the department to provide  
26 an on-grounds education program.

27 (b) Beginning with the 2004-2005 fiscal year, a district or

1 intermediate district that employed special education support  
2 services staff to provide special education support services in  
3 2003-2004 or in a subsequent fiscal year and that in a fiscal year  
4 after 2003-2004 receives the same type of support services from  
5 another district or intermediate district shall report the cost of  
6 those support services for special education reimbursement purposes  
7 under this article. This subdivision does not prohibit the transfer  
8 of special education classroom teachers and special education  
9 classroom aides if the pupils counted in membership associated with  
10 those special education classroom teachers and special education  
11 classroom aides are transferred and counted in membership in the  
12 other district or intermediate district in conjunction with the  
13 transfer of those teachers and aides.

14 (c) If the department determines before bookclosing for a  
15 fiscal year that the amounts allocated for that fiscal year under  
16 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56  
17 will exceed expenditures for that fiscal year under subsections  
18 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a  
19 district or intermediate district whose reimbursement for that  
20 fiscal year would otherwise be affected by subdivision (b),  
21 subdivision (b) does not apply to the calculation of the  
22 reimbursement for that district or intermediate district and  
23 reimbursement for that district or intermediate district shall be  
24 calculated in the same manner as it was for 2003-2004. If the  
25 amount of the excess allocations under subsections (2), (3), (6),  
26 and (11) and sections 53a, 54, and 56 is not sufficient to fully  
27 fund the calculation of reimbursement to those districts and



1 intermediate districts under this subdivision, then the  
2 calculations and resulting reimbursement under this subdivision  
3 shall be prorated on an equal percentage basis. ~~This reimbursement~~  
4 ~~shall not be made after 2014-2015.~~

5 (d) Reimbursement for ancillary and other related services, as  
6 defined by R 340.1701c of the Michigan administrative code, shall  
7 not be provided when those services are covered by and available  
8 through private group health insurance carriers or federal  
9 reimbursed program sources unless the department and district or  
10 intermediate district agree otherwise and that agreement is  
11 approved by the state budget director. Expenses, other than the  
12 incidental expense of filing, shall not be borne by the parent. In  
13 addition, the filing of claims shall not delay the education of a  
14 pupil. A district or intermediate district shall be responsible for  
15 payment of a deductible amount and for an advance payment required  
16 until the time a claim is paid.

17 (e) Beginning with calculations for 2004-2005, if an  
18 intermediate district purchases a special education pupil  
19 transportation service from a constituent district that was  
20 previously purchased from a private entity; if the purchase from  
21 the constituent district is at a lower cost, adjusted for changes  
22 in fuel costs; and if the cost shift from the intermediate district  
23 to the constituent does not result in any net change in the revenue  
24 the constituent district receives from payments under sections 22b  
25 and 51c, then upon application by the intermediate district, the  
26 department shall direct the intermediate district to continue to  
27 report the cost associated with the specific identified special

1 education pupil transportation service and shall adjust the costs  
2 reported by the constituent district to remove the cost associated  
3 with that specific service.

4 (8) A pupil who is enrolled in a full-time special education  
5 program conducted or administered by an intermediate district or a  
6 pupil who is enrolled in the Michigan schools for the deaf and  
7 blind shall not be included in the membership count of a district,  
8 but shall be counted in membership in the intermediate district of  
9 residence.

10 (9) Special education personnel transferred from 1 district to  
11 another to implement the revised school code shall be entitled to  
12 the rights, benefits, and tenure to which the person would  
13 otherwise be entitled had that person been employed by the  
14 receiving district originally.

15 (10) If a district or intermediate district uses money  
16 received under this section for a purpose other than the purpose or  
17 purposes for which the money is allocated, the department may  
18 require the district or intermediate district to refund the amount  
19 of money received. Money that is refunded shall be deposited in the  
20 state treasury to the credit of the state school aid fund.

21 (11) From the funds allocated in subsection (1), there is  
22 allocated the amount necessary, estimated at ~~\$4,000,000.00 for~~  
23 ~~2014-2015,~~ **\$3,200,000.00 FOR 2015-2016**, to pay the foundation  
24 allowances for pupils described in this subsection. The allocation  
25 to a district under this subsection shall be calculated by  
26 multiplying the number of pupils described in this subsection who  
27 are counted in membership in the district times the foundation

allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy, times an amount equal to the amount per membership pupil under section 20(6) or, for a pupil described in this subsection who is counted in membership in the education achievement system, times an amount equal to the amount per membership pupil under section 20(7). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year. This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Pupils with an emotional impairment counted in membership by an intermediate district and provided educational services by the department of community health.

(12) If it is determined that funds allocated under subsection (2) or (11) or under section 51c will not be expended, funds up to the amount necessary and available may be used to supplement the allocations under subsection (2) or (11) or under section 51c in

1 order to fully fund those allocations. After payments under  
2 subsections (2) and (11) and section 51c, the remaining  
3 expenditures from the allocation in subsection (1) shall be made in  
4 the following order:

5 (a) 100% of the reimbursement required under section 53a.

6 (b) 100% of the reimbursement required under subsection (6).

7 (c) 100% of the payment required under section 54.

8 (d) 100% of the payment required under subsection (3).

9 (e) 100% of the payments under section 56.

10 (13) The allocations under subsections (2), (3), and (11)  
11 shall be allocations to intermediate districts only and shall not  
12 be allocations to districts, but instead shall be calculations used  
13 only to determine the state payments under section 22b.

14 (14) If a public school academy enrolls pursuant to this  
15 section a pupil who resides outside of the intermediate district in  
16 which the public school academy is located and who is eligible for  
17 special education programs and services according to statute or  
18 rule, or who is a child with disabilities, as defined under the  
19 individuals with disabilities education act, Public Law 108-446,  
20 the provision of special education programs and services and the  
21 payment of the added costs of special education programs and  
22 services for the pupil are the responsibility of the district and  
23 intermediate district in which the pupil resides unless the  
24 enrolling district or intermediate district has a written agreement  
25 with the district or intermediate district in which the pupil  
26 resides or the public school academy for the purpose of providing  
27 the pupil with a free appropriate public education and the written

1 agreement includes at least an agreement on the responsibility for  
2 the payment of the added costs of special education programs and  
3 services for the pupil.

4       Sec. 51c. As required by the court in the consolidated cases  
5 known as Durant v State of Michigan, Michigan supreme court docket  
6 no. 104458-104492, from the allocation under section 51a(1), there  
7 is allocated for ~~2014-2015-2015-2016~~ the amount necessary,  
8 estimated at ~~\$606,000,000.00,~~ **\$621,000,000.00**, for payments to  
9 reimburse districts for 28.6138% of total approved costs of special  
10 education excluding costs reimbursed under section 53a, and  
11 70.4165% of total approved costs of special education  
12 transportation. Funds allocated under this section that are not  
13 expended in the state fiscal year for which they were allocated, as  
14 determined by the department, may be used to supplement the  
15 allocations under sections 22a and 22b in order to fully fund those  
16 calculated allocations for the same fiscal year.

17       Sec. 51d. (1) From the federal funds appropriated in section  
18 11, there is allocated for ~~2014-2015,~~ **2015-2016**, all available  
19 federal funding, estimated at ~~\$74,000,000.00,~~ **\$71,000,000.00**, for  
20 special education programs and services that are funded by federal  
21 grants. All federal funds allocated under this section shall be  
22 distributed in accordance with federal law. Notwithstanding section  
23 17b, payments of federal funds to districts, intermediate  
24 districts, and other eligible entities under this section shall be  
25 paid on a schedule determined by the department.

26       (2) From the federal funds allocated under subsection (1), the  
27 following amounts are allocated for ~~2014-2015-~~**2015-2016:**

(a) An amount estimated at ~~\$15,000,000.00~~ **\$14,000,000.00** for handicapped infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

(b) An amount estimated at ~~\$14,000,000.00~~ **\$12,000,000.00** for preschool grants (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

(c) An amount estimated at \$45,000,000.00 for special education programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.

(3) As used in this section, "DED-OSERS" means the United States ~~department of education office of special education and rehabilitative services.~~ **DEPARTMENT OF EDUCATION OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES.**

Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the district's foundation allowance calculated under section 20. For intermediate districts, reimbursement for pupils described in subsection (2) shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year.

(2) Reimbursement under subsection (1) is for the following special education pupils:

1 (a) Pupils assigned to a district or intermediate district  
2 through the community placement program of the courts or a state  
3 agency, if the pupil was a resident of another intermediate  
4 district at the time the pupil came under the jurisdiction of the  
5 court or a state agency.

6 (b) Pupils who are residents of institutions operated by the  
7 department of community health.

8 (c) Pupils who are former residents of department of community  
9 health institutions for the developmentally disabled who are placed  
10 in community settings other than the pupil's home.

11 (d) Pupils enrolled in a department-approved on-grounds  
12 educational program longer than 180 days, but not longer than 233  
13 days, at a residential child care institution, if the child care  
14 institution offered in 1991-92 an on-grounds educational program  
15 longer than 180 days but not longer than 233 days.

16 (e) Pupils placed in a district by a parent for the purpose of  
17 seeking a suitable home, if the parent does not reside in the same  
18 intermediate district as the district in which the pupil is placed.

19 (3) Only those costs that are clearly and directly  
20 attributable to educational programs for pupils described in  
21 subsection (2), and that would not have been incurred if the pupils  
22 were not being educated in a district or intermediate district, are  
23 reimbursable under this section.

24 (4) The costs of transportation shall be funded under this  
25 section and shall not be reimbursed under section 58.

26 (5) Not more than \$10,500,000.00 of the allocation for ~~2014-~~  
27 ~~2015-2015-2016~~ in section 51a(1) shall be allocated under this

1 section.

2       Sec. 54. Each intermediate district shall receive an amount  
3 per-pupil for each pupil in attendance at the Michigan schools for  
4 the deaf and blind. The amount shall be proportionate to the total  
5 instructional cost at each school. Not more than \$1,688,000.00 of  
6 the allocation for ~~2014-2015~~-2015-2016 in section 51a(1) shall be  
7 allocated under this section.

8       **SEC. 55. (1) FROM THE MONEY APPROPRIATED IN SECTION 11, THERE**  
9 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$150,000.00 FOR 2015-2016 TO**  
10 **MICHIGAN STATE UNIVERSITY, DEPARTMENT OF EPIDEMIOLOGY, FOR A STUDY**  
11 **OF THE CONDUCTIVE LEARNING CENTER LOCATED AT AQUINAS COLLEGE. THIS**  
12 **FUNDING SHALL BE USED TO DEVELOP AND IMPLEMENT AN EVALUATION OF THE**  
13 **EFFECTIVENESS OF CONDUCTIVE EDUCATION FOR CHILDREN WITH CEREBRAL**  
14 **PALSY. THE EVALUATION SHALL BE MULTIDIMENSIONAL AND SHALL INCLUDE A**  
15 **CONTROL GROUP OF CHILDREN WITH CEREBRAL PALSY NOT ENROLLED IN**  
16 **CONDUCTIVE EDUCATION. IT SHOULD INCLUDE AN ASSESSMENT OF THE MOTOR**  
17 **SYSTEM ITSELF AS WELL AS THE IMPACT OF CONDUCTIVE EDUCATION ON EACH**  
18 **OF THE FOLLOWING:**

19       (A) THE ACQUISITION OF SKILLS PERMITTING COMPLEX MOTOR  
20 FUNCTIONS.

21       (B) THE PERFORMANCE OF TASKS ESSENTIAL TO DAILY LIVING.

22       (C) THE ATTITUDES AND FEELINGS OF BOTH CHILDREN AND PARENTS.

23       (D) THE LONG-TERM NEED FOR SPECIAL EDUCATION FOR CHILDREN WITH  
24 CEREBRAL PALSY.

25       (2) IT IS THE INTENT OF THE LEGISLATURE THAT THIS FUNDING IS  
26 FOR THE FIRST OF 2 YEARS OF FUNDING FOR THIS PURPOSE.

27       Sec. 56. (1) For the purposes of this section:



1 (a) "Membership" means for a particular fiscal year the total  
2 membership for the immediately preceding fiscal year of the  
3 intermediate district and the districts constituent to the  
4 intermediate district.

5 (b) "Millage levied" means the millage levied for special  
6 education pursuant to part 30 of the revised school code, MCL  
7 380.1711 to 380.1743, including a levy for debt service  
8 obligations.

9 (c) "Taxable value" means the total taxable value of the  
10 districts constituent to an intermediate district, except that if a  
11 district has elected not to come under part 30 of the revised  
12 school code, MCL 380.1711 to 380.1743, membership and taxable value  
13 of the district shall not be included in the membership and taxable  
14 value of the intermediate district.

15 (2) From the allocation under section 51a(1), there is  
16 allocated an amount not to exceed \$37,758,100.00 for ~~2014-2015~~  
17 **2015-2016** to reimburse intermediate districts levying millages for  
18 special education pursuant to part 30 of the revised school code,  
19 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the  
20 reimbursement shall be limited as if the funds were generated by  
21 these millages and governed by the intermediate district plan  
22 adopted pursuant to article 3 of the revised school code, MCL  
23 380.1701 to 380.1766. As a condition of receiving funds under this  
24 section, an intermediate district distributing any portion of  
25 special education millage funds to its constituent districts shall  
26 submit for departmental approval and implement a distribution plan.

27 (3) Reimbursement for those millages levied in ~~2013-2014-2014-~~

1 2015 shall be made in ~~2014-2015~~ 2015-2016 at an amount per ~~2013-~~  
 2 ~~2014-2014-2015~~ membership pupil computed by subtracting from  
 3 ~~\$172,200.00~~ \$174,400.00 the ~~2013-2014~~ 2014-2015 taxable value  
 4 behind each membership pupil and multiplying the resulting  
 5 difference by the ~~2013-2014~~ 2014-2015 millage levied.

6 (4) The amount paid to a single intermediate district under  
 7 this section shall not exceed 62.9% of the total amount allocated  
 8 under subsection (2).

9 (5) The amount paid to a single intermediate district under  
 10 this section shall not be less than 75% of the amount allocated to  
 11 the intermediate district under this section for the immediately  
 12 preceding fiscal year.

13 Sec. 61a. (1) From the appropriation in section 11, there is  
 14 allocated an amount not to exceed ~~\$26,611,300.00~~ \$40,000,000.00 for  
 15 ~~2014-2015~~ 2015-2016 to reimburse on an added cost basis districts,  
 16 except for a district that served as the fiscal agent for a  
 17 vocational education consortium in the 1993-94 school year, and  
 18 secondary area vocational-technical education centers for  
 19 secondary-level career and technical education programs according  
 20 to rules approved by the superintendent. Applications for  
 21 participation in the programs shall be submitted in the form  
 22 prescribed by the department. The department shall determine the  
 23 added cost for each career and technical education program area.  
 24 The allocation of added cost funds shall be **PRIORITIZED** based on  
 25 the ~~type of~~ **CAPITAL AND PROGRAM EXPENDITURES NEEDED TO OPERATE THE**  
 26 career and technical education programs provided; ~~;~~ the number of  
 27 pupils enrolled; ~~;~~ **THE ADVANCEMENT OF PUPILS THROUGH THE**

1 INSTRUCTIONAL PROGRAM; THE EXISTENCE OF AN ARTICULATION AGREEMENT  
2 WITH AT LEAST 1 POSTSECONDARY INSTITUTION THAT PROVIDES PUPILS WITH  
3 OPPORTUNITIES TO EARN POSTSECONDARY CREDIT DURING THE PUPIL'S  
4 PARTICIPATION IN THE CAREER AND TECHNICAL EDUCATION PROGRAM AND  
5 TRANSFERS THOSE CREDITS TO THE POSTSECONDARY INSTITUTION UPON  
6 COMPLETION OF THE CAREER AND TECHNICAL EDUCATION PROGRAM; THE  
7 PROGRAM RANK IN STUDENT PLACEMENT, JOB OPENINGS, AND WAGES; and the  
8 length of the training period provided, and shall not exceed 75% of  
9 the added cost of any program. NOTWITHSTANDING ANY RULE OR  
10 DEPARTMENT DETERMINATION TO THE CONTRARY, WHEN DETERMINING A  
11 DISTRICT'S ALLOCATION OR THE FORMULA FOR MAKING ALLOCATIONS UNDER  
12 THIS SECTION, THE DEPARTMENT SHALL INCLUDE THE PARTICIPATION OF  
13 PUPILS IN GRADE 9 IN ALL OF THOSE DETERMINATIONS AND IN ALL  
14 PORTIONS OF THE FORMULA. With the approval of the department, the  
15 board of a district maintaining a secondary career and technical  
16 education program may offer the program for the period from the  
17 close of the school year until September 1. The program shall use  
18 existing facilities and shall be operated as prescribed by rules  
19 promulgated by the superintendent.

20 (2) Except for a district that served as the fiscal agent for  
21 a vocational education consortium in the 1993-94 school year,  
22 districts and intermediate districts shall be reimbursed for local  
23 career and technical education administration, shared time career  
24 and technical education administration, and career education  
25 planning district career and technical education administration.  
26 The definition of what constitutes administration and reimbursement  
27 shall be pursuant to guidelines adopted by the superintendent. Not

1 more than \$800,000.00 of the allocation in subsection (1) shall be  
2 distributed under this subsection.

3 ~~—— (3) In addition to the funds allocated in subsection (1), from~~  
4 ~~the appropriation in section 11, there is allocated an amount not~~  
5 ~~to exceed \$1,000,000.00 for 2014-2015 to districts or intermediate~~  
6 ~~districts for area career and technical education centers for the~~  
7 ~~purpose of integrating the Michigan merit curriculum content~~  
8 ~~standards under sections 1278a and 1278b of the revised school~~  
9 ~~code, MCL 380.1278a and 380.1278b, into state approved career and~~  
10 ~~technical education instructional programs for the purpose of~~  
11 ~~awarding academic credit. The department shall determine the~~  
12 ~~allocation to each career and technical education center in a~~  
13 ~~manner that provides for maximum integration of Michigan merit~~  
14 ~~curriculum content standards statewide.~~

15 (3) A CAREER AND TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS  
16 SECTION MAY PROVIDE AN OPPORTUNITY FOR PARTICIPANTS WHO ARE  
17 ELIGIBLE TO BE FUNDED UNDER SECTION 107 TO ENROLL IN THE CAREER AND  
18 TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS SECTION. IN ORDER TO  
19 ELIMINATE FINANCIAL DISINCENTIVES FROM EXPANDING CAREER AND  
20 TECHNICAL EDUCATION ENROLLMENTS TO ADULTS, A PROGRAM THAT PROVIDES  
21 SERVICES TO SECTION 107 ADULT EDUCATION PARTICIPANTS UNDER THIS  
22 SUBSECTION MAY BILL BACK TO THE EDUCATION PROVIDER AND GRANTEE  
23 UNDER SECTION 107 FOR ANY BASIC EDUCATION COURSE REQUIREMENTS MET  
24 BY THE CAREER AND TECHNICAL EDUCATION PROGRAMMING, AND THEN MAY  
25 SUBMIT ANY REMAINING ADDED COSTS TO THE DEPARTMENT FOR  
26 REIMBURSEMENT AS PROVIDED UNDER THIS SECTION.

27 SEC. 61B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS

1 ALLOCATED AN AMOUNT NOT TO EXCEED \$17,800,000.00 FOR 2015-2016 FOR  
2 CTE EARLY/MIDDLE COLLEGE PROGRAMS AUTHORIZED UNDER THIS SECTION.  
3 THE PURPOSE OF THESE PROGRAMS IS TO INCREASE THE NUMBER OF MICHIGAN  
4 RESIDENTS WITH HIGH-QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE  
5 THE NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH  
6 SCHOOL GRADUATION.

7 (2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT  
8 AS DETERMINED UNDER THIS SUBSECTION SHALL BE ALLOCATED TO EACH  
9 INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT FOR STATE-APPROVED  
10 CTE EARLY/MIDDLE COLLEGE PROGRAMS IN EACH OF THE PROSPERITY REGIONS  
11 AND SUBREGIONS IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE  
12 DISTRICT SHALL NOT USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER  
13 THIS SUBSECTION FOR ADMINISTRATIVE COSTS FOR SERVING AS THE FISCAL  
14 AGENT.

15 (3) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT  
16 MUST AGREE TO DO ALL OF THE FOLLOWING IN A FORM AND MANNER  
17 DETERMINED BY THE DEPARTMENT:

18 (A) DISTRIBUTE FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE  
19 PROGRAMS IN A PROSPERITY REGION OR SUBREGION AS DESCRIBED IN THIS  
20 SECTION.

21 (B) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT  
22 IS LOCATED IN THE PROSPERITY REGION OR SUBREGION TO DEVELOP A  
23 REGIONAL STRATEGIC PLAN UNDER SUBSECTION (4) THAT ALIGNS CTE  
24 PROGRAMS AND SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY  
25 SYSTEM FOR HIGH SCHOOL STUDENTS.

26 (C) IMPLEMENT A REGIONAL PROCESS TO RANK CAREER CLUSTERS IN  
27 THE PROSPERITY REGION OR SUBREGION AS DESCRIBED UNDER SUBSECTION

1 (4). REGIONAL PROCESSES SHALL BE APPROVED BY THE DEPARTMENT BEFORE  
2 THE RANKING OF CAREER CLUSTERS.

3 (D) REPORT CTE EARLY/MIDDLE COLLEGE PROGRAM AND STUDENT DATA  
4 AND INFORMATION AS PRESCRIBED BY THE DEPARTMENT.

5 (4) A REGIONAL STRATEGIC PLAN MUST BE APPROVED BY THE TALENT  
6 DISTRICT CAREER COUNCIL BEFORE SUBMISSION TO THE DEPARTMENT. A  
7 REGIONAL STRATEGIC PLAN SHALL INCLUDE, BUT NOT BE LIMITED TO, THE  
8 FOLLOWING:

9 (A) AN IDENTIFICATION OF REGIONAL EMPLOYER NEED BASED ON A  
10 RANKING OF ALL CAREER CLUSTERS IN THE PROSPERITY REGION OR  
11 SUBREGION RANKED BY 10-YEAR JOB OPENINGS PROJECTIONS AND MEDIAN  
12 WAGE FOR EACH STANDARD OCCUPATIONAL CODE IN EACH CAREER CLUSTER AS  
13 OBTAINED FROM THE UNITED STATES BUREAU OF LABOR STATISTICS.  
14 STANDARD OCCUPATIONAL CODES WITHIN HIGH-RANKING CLUSTERS ALSO MAY  
15 BE FURTHER RANKED BY MEDIAN WAGE. THE RANKINGS SHALL BE REVIEWED BY  
16 THE TALENT DISTRICT CAREER COUNCIL LOCATED IN THE PROSPERITY REGION  
17 OR SUBREGION AND MODIFIED IF NECESSARY TO ACCURATELY REFLECT  
18 EMPLOYER DEMAND FOR TALENT IN THE PROSPERITY REGION OR SUBREGION.  
19 THESE CAREER CLUSTER RANKINGS SHALL BE DETERMINED AND UPDATED ONCE  
20 EVERY 3 YEARS.

21 (B) AN IDENTIFICATION OF EDUCATIONAL ENTITIES IN THE  
22 PROSPERITY REGION OR SUBREGION THAT WILL PROVIDE ELIGIBLE CTE  
23 EARLY/MIDDLE COLLEGE PROGRAMS INCLUDING DISTRICTS, INTERMEDIATE  
24 DISTRICTS, POSTSECONDARY INSTITUTIONS, AND NONCREDIT OCCUPATIONAL  
25 TRAINING PROGRAMS LEADING TO AN INDUSTRY-RECOGNIZED CREDENTIAL.

26 (C) A STRATEGY TO INFORM PARENTS AND STUDENTS OF CTE  
27 EARLY/MIDDLE COLLEGE PROGRAMS IN THE PROSPERITY REGION OR

1 SUBREGION.

2 (D) ANY OTHER REQUIREMENTS AS DEFINED BY THE DEPARTMENT.

3 (5) AN ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM IS A 5-YEAR  
4 HIGH SCHOOL PROGRAM THAT MEETS ALL OF THE FOLLOWING:

5 (A) HAS BEEN IDENTIFIED IN THE HIGHEST 5 CAREER CLUSTER  
6 RANKINGS IN ANY OF THE 10 REGIONAL STRATEGIC PLANS JOINTLY APPROVED  
7 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF  
8 TALENT AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT.

9 (B) HAS A COHERENT SEQUENCE OF COURSES THAT WILL ALLOW A  
10 STUDENT TO EARN A HIGH SCHOOL DIPLOMA AND ACHIEVE AT LEAST 1 OF THE  
11 FOLLOWING IN A SPECIFIC CAREER CLUSTER:

12 (i) AN ASSOCIATE DEGREE.

13 (ii) AN INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION APPROVED  
14 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF  
15 TALENT AND ECONOMIC DEVELOPMENT.

16 (iii) UP TO 60 TRANSFERABLE COLLEGE CREDITS.

17 (iv) PARTICIPATION IN A REGISTERED APPRENTICESHIP.

18 (C) IS ALIGNED WITH THE MICHIGAN MERIT CURRICULUM.

19 (D) HAS AN ARTICULATION AGREEMENT WITH AT LEAST 1  
20 POSTSECONDARY INSTITUTION THAT PROVIDES STUDENTS WITH OPPORTUNITIES  
21 TO RECEIVE POSTSECONDARY CREDITS DURING THE STUDENT'S PARTICIPATION  
22 IN THE CTE EARLY/MIDDLE COLLEGE PROGRAM AND TRANSFERS THOSE CREDITS  
23 TO THE POSTSECONDARY INSTITUTION UPON COMPLETION OF THE CTE  
24 EARLY/MIDDLE COLLEGE PROGRAM.

25 (E) PROVIDES INSTRUCTION THAT IS SUPERVISED, DIRECTED, OR  
26 COORDINATED BY AN APPROPRIATELY CERTIFICATED CTE TEACHER OR, FOR  
27 CONCURRENT ENROLLMENT COURSES, A POSTSECONDARY FACULTY MEMBER.

1 (F) PROVIDES FOR HIGHLY INTEGRATED STUDENT SUPPORT SERVICES  
2 THAT INCLUDE AT LEAST THE FOLLOWING:

3 (i) TEACHERS AS ACADEMIC ADVISORS.

4 (ii) SUPERVISED COURSE SELECTION.

5 (iii) MONITORING OF STUDENT PROGRESS AND COMPLETION.

6 (iv) CAREER PLANNING SERVICES PROVIDED BY A LOCAL ONE-STOP  
7 SERVICE CENTER AS DESCRIBED IN THE MICHIGAN WORKS ONE-STOP SERVICE  
8 CENTER SYSTEM ACT, 2006 PA 491, MCL 408.111 TO 408.135, OR BY A  
9 HIGH SCHOOL COUNSELOR OR ADVISOR.

10 (G) HAS COURSES THAT ARE TAUGHT ON A COLLEGE CAMPUS, ARE  
11 COLLEGE COURSES OFFERED AT THE HIGH SCHOOL AND TAUGHT BY COLLEGE  
12 FACULTY, OR ARE COURSES TAUGHT IN COMBINATION WITH ONLINE  
13 INSTRUCTION.

14 (6) FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS SHALL  
15 BE DISTRIBUTED AS FOLLOWS:

16 (A) THE DEPARTMENT SHALL CALCULATE STATEWIDE AVERAGE CTE COSTS  
17 PER FULL-TIME EQUATED PUPIL FOR EACH CAREER CLUSTER BY DIVIDING  
18 TOTAL PRIOR YEAR STATEWIDE COSTS FOR EACH CAREER CLUSTER BY PRIOR  
19 YEAR FULL-TIME EQUATED PUPILS FOR EACH CAREER CLUSTER.

20 (B) DISTRIBUTION TO EACH ELIGIBLE CTE EARLY/MIDDLE COLLEGE  
21 PROGRAM SHALL BE THE PRODUCT OF 50% OF CTE COSTS PER FULL-TIME  
22 EQUATED PUPIL TIMES THE CURRENT YEAR FULL-TIME EQUATED PUPIL  
23 ENROLLMENT OF EACH CAREER CLUSTER IN AN ELIGIBLE CTE EARLY/MIDDLE  
24 COLLEGE PROGRAM.

25 (7) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A CTE  
26 EARLY/MIDDLE COLLEGE PROGRAM SHALL FURNISH TO THE INTERMEDIATE  
27 DISTRICT THAT IS THE FISCAL AGENT IDENTIFIED IN SUBSECTION (1), IN



1 A FORM AND MANNER DETERMINED BY THE DEPARTMENT, ALL INFORMATION  
2 NEEDED TO ADMINISTER THIS PROGRAM AND MEET FEDERAL REPORTING  
3 REQUIREMENTS; SHALL ALLOW THE DEPARTMENT OR THE DEPARTMENT'S  
4 DESIGNEE TO REVIEW ALL RECORDS RELATED TO THE PROGRAM FOR WHICH IT  
5 RECEIVES FUNDS; AND SHALL REIMBURSE THE STATE FOR ALL DISALLOWANCES  
6 FOUND IN THE REVIEW, AS DETERMINED BY THE DEPARTMENT.

7 (8) FUNDS DISTRIBUTED UNDER THIS SECTION MAY BE USED TO FUND  
8 PROGRAM EXPENDITURES THAT WOULD OTHERWISE BE PAID FOR FROM  
9 FOUNDATION ALLOWANCES. A PROGRAM PROVIDER SHALL NOT USE MORE THAN  
10 5% OF THE FUNDS ALLOCATED UNDER THIS SECTION TO THE PROGRAM FOR  
11 ADMINISTRATIVE COSTS.

12 (9) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO  
13 FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE  
14 DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL  
15 PERCENTAGE BASIS.

16 (10) IF PUPILS ENROLLED IN A CAREER CLUSTER IN AN ELIGIBLE CTE  
17 EARLY/MIDDLE COLLEGE PROGRAM QUALIFY TO BE REIMBURSED UNDER THIS  
18 SECTION, THOSE PUPILS CONTINUE TO QUALIFY FOR REIMBURSEMENT UNTIL  
19 GRADUATION, EVEN IF THE CAREER CLUSTER IS NO LONGER IDENTIFIED AS  
20 BEING IN THE HIGHEST 5 CAREER CLUSTER RANKINGS.

21 (11) AS USED IN THIS SECTION:

22 (A) "ALLOWABLE COSTS" MEANS THOSE COSTS DIRECTLY ATTRIBUTABLE  
23 TO THE PROGRAM AS JOINTLY DETERMINED BY THE MICHIGAN TALENT  
24 INVESTMENT AGENCY AND THE DEPARTMENT.

25 (B) "CTE" MEANS CAREER AND TECHNICAL EDUCATION.

26 (C) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL  
27 TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY

1    **REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT**  
2    **REPRESENTATIVES.**

3            Sec. 62. (1) For the purposes of this section:

4            (a) "Membership" means for a particular fiscal year the total  
5    membership for the immediately preceding fiscal year of the  
6    intermediate district and the districts constituent to the  
7    intermediate district or the total membership for the immediately  
8    preceding fiscal year of the area vocational-technical program.

9            (b) "Millage levied" means the millage levied for area  
10   vocational-technical education pursuant to sections 681 to 690 of  
11   the revised school code, MCL 380.681 to 380.690, including a levy  
12   for debt service obligations incurred as the result of borrowing  
13   for capital outlay projects and in meeting capital projects fund  
14   requirements of area vocational-technical education.

15           (c) "Taxable value" means the total taxable value of the  
16   districts constituent to an intermediate district or area  
17   vocational-technical education program, except that if a district  
18   has elected not to come under sections 681 to 690 of the revised  
19   school code, MCL 380.681 to 380.690, the membership and taxable  
20   value of that district shall not be included in the membership and  
21   taxable value of the intermediate district. However, the membership  
22   and taxable value of a district that has elected not to come under  
23   sections 681 to 690 of the revised school code, MCL 380.681 to  
24   380.690, shall be included in the membership and taxable value of  
25   the intermediate district if the district meets both of the  
26   following:

27           (i) The district operates the area vocational-technical

1 education program pursuant to a contract with the intermediate  
2 district.

3 (ii) The district contributes an annual amount to the  
4 operation of the program that is commensurate with the revenue that  
5 would have been raised for operation of the program if millage were  
6 levied in the district for the program under sections 681 to 690 of  
7 the revised school code, MCL 380.681 to 380.690.

8 (2) From the appropriation in section 11, there is allocated  
9 an amount not to exceed \$9,190,000.00 for ~~2014-2015~~**2015-2016** to  
10 reimburse intermediate districts and area vocational-technical  
11 education programs established under section 690(3) of the revised  
12 school code, MCL 380.690, levying millages for area vocational-  
13 technical education pursuant to sections 681 to 690 of the revised  
14 school code, MCL 380.681 to 380.690. The purpose, use, and  
15 expenditure of the reimbursement shall be limited as if the funds  
16 were generated by those millages.

17 (3) Reimbursement for the millages levied in ~~2013-2014~~**2014-**  
18 **2015** shall be made in ~~2014-2015~~**2015-2016** at an amount per ~~2013-~~  
19 ~~2014~~**2014-2015** membership pupil computed by subtracting from  
20 ~~\$188,100.00~~**\$189,400.00** the ~~2013-2014~~**2014-2015** taxable value  
21 behind each membership pupil and multiplying the resulting  
22 difference by the ~~2013-2014~~**2014-2015** millage levied.

23 (4) The amount paid to a single intermediate district under  
24 this section shall not exceed 38.4% of the total amount allocated  
25 under subsection (2).

26 (5) The amount paid to a single intermediate district under  
27 this section shall not be less than 75% of the amount allocated to

1 the intermediate district under this section for the immediately  
2 preceding fiscal year.

3 Sec. 64b. (1) From the appropriation in section 11, there is  
4 allocated an amount not to exceed \$1,750,000.00 for ~~2014-2015-2015-~~  
5 ~~2016~~ for supplemental payments to districts that support the  
6 attendance of district pupils in grades 9 to 12 under the  
7 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
8 388.524, or under the career and technical preparation act, 2000 PA  
9 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that  
10 support the attendance of district pupils in a concurrent  
11 enrollment program if the district meets the requirements under  
12 subsection (3). **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO**  
13 **INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY**  
14 **UPON HIGH SCHOOL GRADUATION.**

15 (2) To be eligible for payments under this section for  
16 supporting the attendance of district pupils under the  
17 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
18 388.524, or under the career and technical preparation act, 2000 PA  
19 258, MCL 388.1901 to 388.1913, a district shall do all of the  
20 following:

21 (a) Provide information to all high school pupils on  
22 postsecondary enrollment options, including enrollment eligibility,  
23 the institutions and types of courses that are eligible for  
24 participation, the decision-making process for granting academic  
25 credit, and an explanation of eligible charges that will be paid by  
26 the district.

27 (b) Enter into a written agreement with a postsecondary

1 institution before the enrollment of district pupils.

2 (c) Agree to pay all eligible charges pursuant to section 21b.

3 (d) Award high school credit for the postsecondary course if  
4 the pupil successfully completes the course.

5 (3) To be eligible for payments under this section for pupils  
6 enrolled in a concurrent enrollment program, a district shall do  
7 all of the following:

8 (a) Provide information to all high school pupils on  
9 postsecondary enrollment options, including enrollment eligibility,  
10 the institutions and types of courses that are eligible for  
11 participation, the decision-making process for granting academic  
12 credit, and an explanation of eligible charges that will be paid by  
13 the district.

14 (b) Enter into a written agreement with a postsecondary  
15 institution establishing the concurrent enrollment program before  
16 the enrollment of district pupils in a postsecondary course through  
17 the postsecondary institution.

18 (c) Ensure that the course is taught by either a high school  
19 teacher or postsecondary faculty pursuant to standards established  
20 by the postsecondary institution with which the district has  
21 entered into a written agreement to operate the concurrent  
22 enrollment program.

23 (d) Ensure that the written agreement provides that the  
24 postsecondary institution agrees not to charge the pupil for any  
25 cost of the program.

26 (e) Ensure that the course is taught in the local district or  
27 intermediate district.

1 (f) Ensure that the pupil is awarded both high school and  
2 college credit **AT ANY COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY**  
3 **IN THIS STATE** upon successful completion of the course as outlined  
4 in the agreement with the postsecondary institution.

5 (4) Funds shall be awarded to eligible districts under this  
6 section in the following manner:

7 (a) A payment of \$10.00 per credit, for up to 3 credits, for a  
8 credit-bearing course in which a pupil enrolls during the ~~2014-2015~~  
9 **2015-2016** school year as described under either subsection (2) or  
10 (3).

11 (b) An additional payment of \$30.00 per-pupil per course  
12 identified in subdivision (a), if the pupil successfully completes,  
13 and is awarded both high school and postsecondary credit for, the  
14 course during the ~~2014-2015-2015-2016~~ school year.

15 (5) A district requesting payment under this section shall  
16 submit an application to the department in the form and manner  
17 prescribed by the department. Notwithstanding section 17b, payments  
18 under this section shall be made on a schedule determined by the  
19 department.

20 **SEC. 67. (1) FROM THE GENERAL FUND AMOUNT APPROPRIATED IN**  
21 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**  
22 **\$3,600,000.00 FOR 2015-2016 FOR COLLEGE AND CAREER PREPARATION**  
23 **ACTIVITIES. THE PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO**  
24 **INFORM STUDENTS OF COLLEGE AND CAREER OPTIONS AND TO PROVIDE A WIDE**  
25 **ARRAY OF TOOLS AND RESOURCES INTENDED TO INCREASE THE NUMBER OF**  
26 **PUPILS WHO ARE ADEQUATELY PREPARED WITH THE INFORMATION NEEDED TO**  
27 **MAKE INFORMED DECISIONS ON COLLEGE AND CAREER. THE FUNDS**

1 APPROPRIATED UNDER THIS SECTION ARE INTENDED TO BE USED TO INCREASE  
2 THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH-QUALITY DEGREES OR  
3 CREDENTIALS. FUNDS APPROPRIATED UNDER THIS SECTION SHALL NOT BE  
4 USED TO SUPPLANT FUNDING FOR COUNSELORS ALREADY FUNDED BY  
5 DISTRICTS.

6 (2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT  
7 TO EXCEED \$3,000,000.00 SHALL BE USED FOR THE COLLEGE ACCESS  
8 PROGRAM. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF TALENT  
9 AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN  
10 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK. THESE FUNDS  
11 MAY BE USED FOR ANY OF THE FOLLOWING PURPOSES:

12 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING,  
13 AND SERVICES TO LOCAL COLLEGE ACCESS NETWORKS.

14 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED  
15 COLLEGE ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE  
16 COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN GEOGRAPHICALLY  
17 DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

18 (C) THE MICHIGAN COLLEGE ADVISING PROGRAM, A PROGRAM INTENDED  
19 TO PLACE TRAINED, RECENTLY GRADUATED COLLEGE ADVISORS IN HIGH  
20 SCHOOLS THAT SERVE SIGNIFICANT NUMBERS OF LOW-INCOME AND FIRST-  
21 GENERATION COLLEGE-GOING PUPILS. STATE FUNDS USED FOR THIS PURPOSE  
22 MAY NOT EXCEED 33% OF THE TOTAL FUNDS AVAILABLE UNDER THIS  
23 SUBSECTION.

24 (D) SUBGRANTS OF UP TO \$5,000.00 TO DISTRICTS WITH  
25 COMPREHENSIVE HIGH SCHOOLS THAT ESTABLISH A COLLEGE ACCESS TEAM AND  
26 IMPLEMENT SPECIFIC STRATEGIES TO CREATE A COLLEGE-GOING CULTURE IN  
27 A HIGH SCHOOL IN A FORM AND MANNER APPROVED BY THE MICHIGAN COLLEGE

1 ACCESS NETWORK AND THE MICHIGAN TALENT INVESTMENT AGENCY.

2 (E) THE MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE ONE-STOP  
3 PORTAL TO HELP PUPILS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

4 (F) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-  
5 INCOME AND FIRST-GENERATION COLLEGE-GOING PUPILS TO TAKE NECESSARY  
6 STEPS TOWARD COLLEGE AND TO ASSIST PUPILS AND FAMILIES IN  
7 COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL  
8 STUDENT AID.

9 (G) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE,  
10 AND TRAIN COLLEGE STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST  
11 HIGH SCHOOL PUPILS IN NAVIGATING THE POSTSECONDARY PLANNING AND  
12 ENROLLMENT PROCESS.

13 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT  
14 TO EXCEED \$600,000.00 SHALL BE USED FOR THE PURPOSES OF THIS  
15 SUBSECTION. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF  
16 TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN  
17 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK AND THE  
18 MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE ALL OF THE FOLLOWING:

19 (A) A PILOT OUTREACH PROGRAM TO PROVIDE INFORMATION TO PUPILS,  
20 PARENTS, AND EDUCATORS ON DUAL ENROLLMENT AND OTHER OPPORTUNITIES  
21 AVAILABLE TO HIGH SCHOOL PUPILS TO EARN POSTSECONDARY CREDITS,  
22 INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATIONS, AND PARTICIPATION IN  
23 REGISTERED APPRENTICESHIPS AT NO COST.

24 (B) AN ONLINE CAREER PLANNING TOOL THAT MEETS ALL OF THE  
25 FOLLOWING:

26 (i) HELPS PUPILS CREATE EDUCATIONAL DEVELOPMENT PLANS BEFORE  
27 STARTING HIGH SCHOOL.



1           (ii) PROVIDES INFORMATION TO PUPILS ALLOWING THEM TO MAKE MORE  
2 INFORMED CHOICES ABOUT CAREER AND EDUCATION OPTIONS.

3           (iii) IS AVAILABLE TO PUPILS AT NO COST.

4           (4) FOR THE PURPOSES OF THIS SECTION, "COLLEGE" MEANS ANY  
5 POSTSECONDARY EDUCATIONAL OPPORTUNITY THAT LEADS TO A CAREER,  
6 INCLUDING, BUT NOT LIMITED TO, A POSTSECONDARY DEGREE, INDUSTRY-  
7 RECOGNIZED TECHNICAL CERTIFICATION, OR REGISTERED APPRENTICESHIP.

8           Sec. 74. (1) From the amount appropriated in section 11, there  
9 is allocated an amount not to exceed ~~\$3,316,500.00 for 2014-2015~~  
10 **\$3,315,700.00 FOR 2015-2016** for the purposes of this section.

11           (2) From the allocation in subsection (1), there is allocated  
12 for each fiscal year the amount necessary for payments to state  
13 supported colleges or universities and intermediate districts  
14 providing school bus driver safety instruction pursuant to section  
15 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The  
16 payments shall be in an amount determined by the department not to  
17 exceed the actual cost of instruction and driver compensation for  
18 each public or nonpublic school bus driver attending a course of  
19 instruction. For the purpose of computing compensation, the hourly  
20 rate allowed each school bus driver shall not exceed the hourly  
21 rate received for driving a school bus. Reimbursement compensating  
22 the driver during the course of instruction shall be made by the  
23 department to the college or university or intermediate district  
24 providing the course of instruction.

25           (3) From the allocation in subsection (1), there is allocated  
26 for ~~2014-2015-2015-2016~~ the amount necessary to pay the reasonable  
27 costs of nonspecial education auxiliary services transportation

1 provided pursuant to section 1323 of the revised school code, MCL  
2 380.1323. Districts funded under this subsection shall not receive  
3 funding under any other section of this article for nonspecial  
4 education auxiliary services transportation.

5 (4) From the funds allocated in subsection (1), there is  
6 allocated an amount not to exceed ~~\$1,691,500.00 for 2014-2015~~  
7 **\$1,690,700.00 FOR 2015-2016** for reimbursement to districts and  
8 intermediate districts for costs associated with the inspection of  
9 school buses and pupil transportation vehicles by the department of  
10 state police as required under section 715a of the Michigan vehicle  
11 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil  
12 transportation act, 1990 PA 187, MCL 257.1839. The department of  
13 state police shall prepare a statement of costs attributable to  
14 each district for which bus inspections are provided and submit it  
15 to the department and to an intermediate district serving as  
16 fiduciary in a time and manner determined jointly by the department  
17 and the department of state police. Upon review and approval of the  
18 statement of cost, the department shall forward to the designated  
19 intermediate district serving as fiduciary the amount of the  
20 reimbursement on behalf of each district and intermediate district  
21 for costs detailed on the statement within 45 days after receipt of  
22 the statement. The designated intermediate district shall make  
23 payment in the amount specified on the statement to the department  
24 of state police within 45 days after receipt of the statement. The  
25 total reimbursement of costs under this subsection shall not exceed  
26 the amount allocated under this subsection. Notwithstanding section  
27 17b, payments to eligible entities under this subsection shall be

1 paid on a schedule prescribed by the department.

2       SEC. 77. (1) IF A DISTRICT IS EDUCATING ALL OF THE HIGH SCHOOL  
3 PUPILS WHO ARE COUNTED IN MEMBERSHIP IN ANOTHER DISTRICT PURSUANT  
4 TO AN AGREEMENT BETWEEN THE 2 DISTRICTS AND IF THE EDUCATING  
5 DISTRICT PROVIDES TRANSPORTATION FOR ITS OWN RESIDENT HIGH SCHOOL  
6 PUPILS, THE EDUCATING DISTRICT SHALL USE STATE SCHOOL AID UNDER  
7 THIS ARTICLE TO PROVIDE TRANSPORTATION TO AND FROM SCHOOL FOR  
8 NORMAL CURRICULAR ACTIVITIES FOR THOSE HIGH SCHOOL PUPILS WHO  
9 RESIDE IN THE OTHER DISTRICT.

10       (2) SUBSECTION (1) DOES NOT REQUIRE THE EDUCATING DISTRICT TO  
11 PROVIDE TRANSPORTATION FOR A NONRESIDENT PUPIL FOR ANY  
12 EXTRACURRICULAR OR ATHLETIC ACTIVITY IN WHICH THE PUPIL  
13 PARTICIPATES.

14       Sec. 81. (1) Except as otherwise provided in this section,  
15 from the appropriation in section 11, there is allocated for ~~2014-~~  
16 ~~2015-2015-2016~~ to the intermediate districts the sum necessary, but  
17 not to exceed ~~\$67,115,000.00~~ **\$68,108,000.00** to provide state aid to  
18 intermediate districts under this section.

19       (2) From the allocation in subsection (1), there is allocated  
20 for ~~2014-2015-2015-2016~~ an amount not to exceed ~~\$65,108,000.00~~  
21 **\$68,108,000.00** for allocations to each intermediate district in an  
22 amount equal to ~~104.8%~~ **104.6%** of the amount allocated to the  
23 intermediate district under this subsection for ~~2013-2014. 2014-~~  
24 **2015**. Funding provided under this section shall be used to comply  
25 with requirements of this article and the revised school code that  
26 are applicable to intermediate districts, and for which funding is  
27 not provided elsewhere in this article, and to provide technical

1 assistance to districts as authorized by the intermediate school  
2 board.

3 (3) Intermediate districts receiving funds under subsection  
4 (2) shall collaborate with the department to develop expanded  
5 professional development opportunities for teachers to update and  
6 expand their knowledge and skills needed to support the Michigan  
7 merit curriculum.

8 (4) From the allocation in subsection (1), there is allocated  
9 to an intermediate district, formed by the consolidation or  
10 annexation of 2 or more intermediate districts or the attachment of  
11 a total intermediate district to another intermediate school  
12 district or the annexation of all of the constituent K-12 districts  
13 of a previously existing intermediate school district which has  
14 disorganized, an additional allotment of \$3,500.00 each fiscal year  
15 for each intermediate district included in the new intermediate  
16 district for 3 years following consolidation, annexation, or  
17 attachment. ~~From the allocation in subsection (1), there is~~  
18 ~~allocated \$7,000.00 for purposes of this subsection for 2012-2013,~~  
19 ~~for 2013-2014, and for 2014-2015, after which the payment under~~  
20 ~~this subsection will cease.~~

21 (5) In order to receive funding under subsection (2), an  
22 intermediate district shall do all of the following:

23 (a) Demonstrate to the satisfaction of the department that the  
24 intermediate district employs at least 1 person who is trained in  
25 pupil accounting and auditing procedures, rules, and regulations.

26 (b) Demonstrate to the satisfaction of the department that the  
27 intermediate district employs at least 1 person who is trained in

1 rules, regulations, and district reporting procedures for the  
2 individual-level student data that serves as the basis for the  
3 calculation of the district and high school graduation and dropout  
4 rates.

5 (c) Comply with sections 1278a and 1278b of the revised school  
6 code, MCL 380.1278a and 380.1278b.

7 (d) Furnish data and other information required by state and  
8 federal law to the center and the department in the form and manner  
9 specified by the center or the department, as applicable.

10 (e) Comply with section 1230g of the revised school code, MCL  
11 380.1230g.

12 (f) Comply with section 761 of the revised school code, MCL  
13 380.761.

14 ~~—— (6) From the allocation in subsection (1), there is allocated~~  
15 ~~an amount not to exceed \$2,000,000.00 for 2014-2015 for an~~  
16 ~~incentive payment to each intermediate district that meets best~~  
17 ~~practices as determined by the department under this subsection.~~  
18 ~~The amount of the incentive payment is an amount equal to 3.1% of~~  
19 ~~the amount allocated to the intermediate district under subsection~~  
20 ~~(2). An intermediate district is eligible for an incentive payment~~  
21 ~~under this subsection if the intermediate district satisfies at~~  
22 ~~least 5 of the following requirements not later than June 1, 2015:~~

23 ~~—— (a) The intermediate district enters into an agreement with~~  
24 ~~the department to comply with all of the following:~~

25 ~~—— (i) If the intermediate district developed a service~~  
26 ~~consolidation plan in 2013-2014, implement the service~~  
27 ~~consolidation plan in 2014-2015 and report to the department not~~

1 ~~later than February 1, 2015 on the intermediate district's progress~~  
2 ~~in implementing the service consolidation plan.~~

3 ~~—— (ii) If the intermediate district did not develop a service~~  
4 ~~consolidation plan in 2012-2013 or 2013-2014, develop a service~~  
5 ~~consolidation plan in 2014-2015 to reduce operating costs that is~~  
6 ~~in compliance with guidelines that were developed by the department~~  
7 ~~for former section 11d as that section was in effect for 2010-2011.~~

8 ~~—— (iii) Make the intermediate district's service consolidation~~  
9 ~~plan publicly available on the intermediate district's website.~~

10 ~~—— (b) The intermediate district has obtained competitive bids on~~  
11 ~~the provision of 1 or more noninstructional services for the~~  
12 ~~intermediate district or its constituent districts with a value of~~  
13 ~~at least \$50,000.00. The unfunded accrued liability costs for~~  
14 ~~retirement and other benefits shall be excluded from the~~  
15 ~~intermediate district's current costs for the purpose of comparing~~  
16 ~~competitive bids to the current costs of providing services.~~

17 ~~—— (c) The intermediate district develops a technology plan in~~  
18 ~~accordance with department policy on behalf of all constituent~~  
19 ~~districts within the intermediate district that integrates~~  
20 ~~technology into the classroom and prepares teachers to use digital~~  
21 ~~technologies as part of the instructional program of each of its~~  
22 ~~constituent districts. An intermediate district that developed a~~  
23 ~~technology plan in 2012-2013 or 2013-2014 shall continue to~~  
24 ~~implement that technology plan in 2014-2015.~~

25 ~~—— (d) The intermediate district provides to parents and~~  
26 ~~community members a dashboard or report card demonstrating the~~  
27 ~~intermediate district's efforts to manage its finances responsibly.~~

~~The dashboard or report card shall include revenue and expenditure projections for the intermediate district for 2014-2015 and 2015-2016, a listing of all debt service obligations, detailed by project, including anticipated 2014-2015 payment for each project, a listing of total outstanding debt, and at least all of the following for the 3 most recent school years for which the data are available:~~

~~—— (i) A list of services offered by the intermediate district that are shared by other local or intermediate districts and a list of the districts or intermediate districts that participate.~~

~~—— (ii) The total cost savings to local or other intermediate districts that share services with the intermediate district.~~

~~—— (iii) The number and percentage of teachers in the intermediate district service area that are trained to integrate technology into the classroom.~~

~~—— (iv) The total funds received from levying special education and vocational education millages, and the number of special education and vocational education pupils served with those dollars.~~

~~—— (v) The number and percentage of individualized education programs developed for special education pupils that contain academic goals.~~

~~—— (e) The intermediate district works in a consortium with 1 or more other intermediate districts and the center to develop local information management system requirements and bid specifications that result in a recommended model information system that supports interoperability to ensure linkage and connectivity in a manner~~

~~that facilitates the efficient exchange of data among districts, intermediate districts, and the center. At a minimum, these specifications shall include pupil management systems for both general and special education, learning management tools, and business services.~~

~~—— (f) If an intermediate district provides medical, pharmacy, dental, vision, disability, long term care, or any other type of benefit that would constitute a health care services benefit, to employees and their dependents, the intermediate district is the policyholder for each of its insurance policies that covers 1 or more of these benefits. An intermediate district that does not directly employ its staff or an intermediate district with a voluntary employee beneficiary association that pays no more than the maximum per employee contribution amount and that contributes no more than the maximum employer contribution percentage of total annual costs for the medical benefit plans as described in sections 3 and 4 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied this requirement.~~

**(6) AN INTERMEDIATE DISTRICT SHALL USE AT LEAST A PORTION OF THE INCREASED FUNDING UNDER THIS SECTION FOR 2015-2016 TO EXPLORE, FACILITATE, AND IMPLEMENT SERVICE CONSOLIDATION AMONG AND BETWEEN THE INTERMEDIATE DISTRICT AND ITS CONSTITUENT DISTRICTS.**

Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to the department for ~~2014-2015~~ **2015-2016** an amount not to exceed \$250,000.00 for efforts to increase the number of pupils who participate and succeed in advanced placement and



1 international baccalaureate programs.

2 (2) From the funds allocated under this section, the  
3 department shall award funds to cover all or part of the costs of  
4 advanced placement test fees or international baccalaureate test  
5 fees for low-income pupils who take an advanced placement or an  
6 international baccalaureate test. Payments shall not exceed \$20.00  
7 per test completed.

8 (3) The department shall only award funds under this section  
9 if the department determines that all of the following criteria are  
10 met:

11 (a) Each pupil for whom payment is made meets eligibility  
12 requirements of the federal advanced placement test fee program  
13 under section 1701 of the no child left behind act of 2001, Public  
14 Law 107-110.

15 (b) The tests are administered by the college board, the  
16 international baccalaureate organization, or another test provider  
17 approved by the department.

18 (c) The pupil for whom payment is made pays at least \$5.00  
19 toward the cost of each test for which payment is made.

20 (4) The department shall establish procedures for awarding  
21 funds under this section.

22 (5) Notwithstanding section 17b, payments under this section  
23 shall be made on a schedule determined by the department.

24 Sec. 94a. (1) There is created within the state budget office  
25 in the department of technology, management, and budget the center  
26 for educational performance and information. The center shall do  
27 all of the following:

1 (a) Coordinate the collection of all data required by state  
2 and federal law from districts, intermediate districts, and  
3 postsecondary institutions.

4 (b) Create, maintain, and enhance this state's P-20  
5 longitudinal data system and ensure that it meets the requirements  
6 of subsection (4).

7 (c) Collect data in the most efficient manner possible in  
8 order to reduce the administrative burden on reporting entities,  
9 including, but not limited to, electronic transcript services.

10 (d) Create, maintain, and enhance this state's web-based  
11 educational portal to provide information to school leaders,  
12 teachers, researchers, and the public in compliance with all  
13 federal and state privacy laws. Data shall include, but are not  
14 limited to, all of the following:

15 (i) Data sets that link teachers to student information,  
16 allowing districts to assess individual teacher impact on student  
17 performance and consider student growth factors in teacher and  
18 principal evaluation systems.

19 (ii) Data access or, if practical, data sets, provided for  
20 regional data warehouses that, in combination with local data, can  
21 improve teaching and learning in the classroom.

22 (iii) Research-ready data sets for researchers to perform  
23 research that advances this state's educational performance.

24 (e) Provide data in a useful manner to allow state and local  
25 policymakers to make informed policy decisions.

26 (f) Provide public reports to the citizens of this state to  
27 allow them to assess allocation of resources and the return on

1 their investment in the education system of this state.

2 (g) Other functions as assigned by the state budget director.

3 (2) Each state department, officer, or agency that collects  
4 information from districts, intermediate districts, or  
5 postsecondary institutions as required under state or federal law  
6 shall make arrangements with the center to ensure that the state  
7 department, officer, or agency is in compliance with subsection  
8 (1). This subsection does not apply to information collected by the  
9 department of treasury under the uniform budgeting and accounting  
10 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal  
11 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond  
12 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to  
13 388.1939; or section 1351a of the revised school code, MCL  
14 380.1351a.

15 (3) The center may enter into any interlocal agreements  
16 necessary to fulfill its functions.

17 (4) The center shall ensure that the P-20 longitudinal data  
18 system required under subsection (1)(b) meets all of the following:

19 (a) Includes data at the individual student level from  
20 preschool through postsecondary education and into the workforce.

21 (b) Supports interoperability by using standard data  
22 structures, data formats, and data definitions to ensure linkage  
23 and connectivity in a manner that facilitates the exchange of data  
24 among agencies and institutions within the state and between  
25 states.

26 (c) Enables the matching of individual teacher and student  
27 records so that an individual student may be matched with those

1 teachers providing instruction to that student.

2 (d) Enables the matching of individual teachers with  
3 information about their certification and the institutions that  
4 prepared and recommended those teachers for state certification.

5 (e) Enables data to be easily generated for continuous  
6 improvement and decision-making, including timely reporting to  
7 parents, teachers, and school leaders on student achievement.

8 (f) Ensures the reasonable quality, validity, and reliability  
9 of data contained in the system.

10 (g) Provides this state with the ability to meet federal and  
11 state reporting requirements.

12 (h) For data elements related to preschool through grade 12  
13 and postsecondary, meets all of the following:

14 (i) Contains a unique statewide student identifier that does  
15 not permit a student to be individually identified by users of the  
16 system, except as allowed by federal and state law.

17 (ii) Contains student-level enrollment, demographic, and  
18 program participation information.

19 (iii) Contains student-level information about the points at  
20 which students exit, transfer in, transfer out, drop out, or  
21 complete education programs.

22 (iv) Has the capacity to communicate with higher education  
23 data systems.

24 (i) For data elements related to preschool through grade 12  
25 only, meets all of the following:

26 (i) Contains yearly test records of individual students for  
27 assessments approved by DED-OESE for accountability purposes under

1 section 1111(b) of the elementary and secondary education act of  
2 1965, 20 USC 6311, including information on individual students not  
3 tested, by grade and subject.

4 (ii) Contains student-level transcript information, including  
5 information on courses completed and grades earned.

6 (iii) Contains student-level college readiness test scores.

7 (j) For data elements related to postsecondary education only:

8 (i) Contains data that provide information regarding the  
9 extent to which individual students transition successfully from  
10 secondary school to postsecondary education, including, but not  
11 limited to, all of the following:

12 (A) Enrollment in remedial coursework.

13 (B) Completion of 1 year's worth of college credit applicable  
14 to a degree within 2 years of enrollment.

15 (ii) Contains data that provide other information determined  
16 necessary to address alignment and adequate preparation for success  
17 in postsecondary education.

18 (5) From the general fund appropriation in section 11, there  
19 is allocated an amount not to exceed ~~\$12,022,800.00 for 2014-2015~~  
20 **\$11,967,000.00 FOR 2015-2016** to the department of technology,  
21 management, and budget to support the operations of the center. In  
22 addition, from the federal funds appropriated in section 11 there  
23 is allocated for ~~2014-2015-2015-2016~~ the amount necessary,  
24 estimated at \$193,500.00, to support the operations of the center  
25 and to establish a P-20 longitudinal data system ~~as provided under~~  
26 ~~this section in compliance with the assurance provided to the~~  
27 ~~United States department of education in order to receive state~~

1 ~~fiscal stabilization funds.~~ **NECESSARY FOR STATE AND FEDERAL**

2 **REPORTING PURPOSES.** The center shall cooperate with the department  
3 to ensure that this state is in compliance with federal law and is  
4 maximizing opportunities for increased federal funding to improve  
5 education in this state.

6 (6) From the funds allocated in subsection (5), ~~there is~~  
7 ~~allocated for 2014-2015 an amount not to exceed \$850,000.00~~ **THE**  
8 **CENTER MAY USE AN AMOUNT DETERMINED BY THE CENTER FOR 2015-2016** for  
9 competitive grants to support collaborative efforts on the P-20  
10 longitudinal data system. All of the following apply to grants  
11 awarded under this subsection:

12 (a) The center shall award competitive grants to eligible  
13 intermediate districts or a consortium of intermediate districts  
14 based on criteria established by the center.

15 (b) Activities funded under the grant shall support the P-20  
16 longitudinal data system portal and may include portal hosting,  
17 hardware and software acquisition, maintenance, enhancements, user  
18 support and related materials, and professional learning tools and  
19 activities aimed at improving the utility of the P-20 longitudinal  
20 data system.

21 (c) An applicant that received a grant under this subsection  
22 for the immediately preceding fiscal year shall receive priority  
23 for funding under this section. However, after 3 fiscal years of  
24 continuous funding, an applicant is required to compete openly with  
25 new applicants.

26 (7) Funds allocated under this section that are not expended  
27 in the fiscal year in which they were allocated may be carried

1 forward to a subsequent fiscal year and are appropriated for the  
2 purposes for which the funds were originally allocated.

3 (8) The center may bill departments as necessary in order to  
4 fulfill reporting requirements of state and federal law. The center  
5 may also enter into agreements to supply custom data, analysis, and  
6 reporting to other principal executive departments, state agencies,  
7 local units of government, and other individuals and organizations.  
8 The center may receive and expend funds in addition to those  
9 authorized in subsection (5) to cover the costs associated with  
10 salaries, benefits, supplies, materials, and equipment necessary to  
11 provide such data, analysis, and reporting services.

12 (9) As used in this section:

13 (a) "DED-OESE" means the United States ~~department of education~~  
14 ~~office of elementary and secondary education.~~ **DEPARTMENT OF**  
15 **EDUCATION OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

16 (b) "State education agency" means the department.

17 Sec. 95a. (1) The educator evaluation reserve fund is created  
18 as a separate account within the state school aid fund.

19 (2) The state treasurer may receive money or other assets from  
20 any source for deposit into the educator evaluation reserve fund.  
21 The state treasurer shall direct the investment of the educator  
22 evaluation reserve fund. The state treasurer shall credit to the  
23 educator evaluation reserve fund interest and earnings from the  
24 educator evaluation reserve fund.

25 (3) Money in the educator evaluation reserve fund at the close  
26 of the fiscal year shall remain in the educator evaluation reserve  
27 fund and shall not lapse to the state school aid fund or to the

1 general fund. The department of treasury shall be the administrator  
2 of the educator evaluation reserve fund for auditing purposes.

3 (4) From the appropriations in section 11, there is allocated  
4 to the educator evaluation reserve fund for 2014-2015 an amount not  
5 to exceed ~~\$12,100,000.00~~ **\$650,000.00** from the state school aid fund  
6 and an amount not to exceed ~~\$2,700,000.00~~ **\$0.00** from the general  
7 fund. Subject to subsections (5) and (6), the department shall  
8 expend the money in the educator evaluation reserve fund for  
9 implementing evaluation systems for public school teachers and  
10 school administrators.

11 ~~—— (5) Funds in the educator evaluation reserve fund shall not be~~  
12 ~~expended unless House Bill Nos. 5223 and 5224 of the 97th~~  
13 ~~Legislature are enacted into law.~~

14 (5) ~~(6)~~ Funds in the educator evaluation reserve fund shall  
15 not be expended unless the state budget office has approved the  
16 department's spending plan.

17 Sec. 98. (1) From the general fund money appropriated in  
18 section 11, there is allocated an amount not to exceed  
19 \$7,387,500.00 for ~~2014-2015~~ **2015-2016** for the purposes described in  
20 this section.

21 (2) The Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall  
22 operate the Michigan ~~virtual learning research institute.~~ **VIRTUAL**  
23 **LEARNING RESEARCH INSTITUTE.** The Michigan ~~virtual learning research~~  
24 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall do all of the  
25 following:

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



1 (i) Test, evaluate, and recommend as appropriate new  
2 technology-based instructional tools and resources.

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

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

10 (iv) Based on pupil completion and performance data reported  
11 to the department or the center for educational performance and  
12 information from cyber schools and other online course providers  
13 operating in this state, analyze the effectiveness of online  
14 learning delivery models in preparing pupils to be college- and  
15 career-ready and publish a report that highlights enrollment  
16 totals, completion rates, and the overall impact on pupils. The  
17 report shall be submitted to the house and senate appropriations  
18 subcommittees on state school aid, the state budget director, the  
19 house and senate fiscal agencies, and the department not later than  
20 ~~December 1, 2015.~~ **MARCH 31, 2016.**

21 (v) Before August 31, ~~2015,~~ **2016**, provide an extensive  
22 professional development program to at least 500 educational  
23 personnel, including teachers, school administrators, and school  
24 board members, that focuses on the effective integration of digital  
25 learning into curricula and instruction. Not later than December 1,  
26 ~~2015,~~ **2016**, the Michigan ~~virtual learning research institute~~  
27 **VIRTUAL LEARNING RESEARCH INSTITUTE** shall submit a report to the

1 house and senate appropriations subcommittees on state school aid,  
2 the state budget director, the house and senate fiscal agencies,  
3 and the department on the number and percentage of teachers, school  
4 administrators, and school board members who have received  
5 professional development services from the Michigan ~~virtual~~  
6 ~~university.~~ **VIRTUAL UNIVERSITY.** The report shall also identify  
7 barriers and other opportunities to encourage the adoption of  
8 digital learning in the public education system.

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

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

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

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

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

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

27 (v) Pursue public/private partnerships that include districts

1 to study and implement competency-based technology-rich online  
2 learning models.

3       **(vi) CREATE A STATEWIDE NETWORK OF SCHOOL-BASED MENTORS**  
4 **SERVING AS LIAISONS BETWEEN PUPILS, ONLINE INSTRUCTORS, PARENTS,**  
5 **AND SCHOOL STAFF AND PROVIDE MENTORS WITH RESEARCH-BASED TRAINING**  
6 **AND TECHNICAL ASSISTANCE DESIGNED TO HELP MORE PUPILS BE SUCCESSFUL**  
7 **ONLINE LEARNERS.**

8       **(vii) ~~(vi)~~**—Convene focus groups and conduct annual surveys of  
9 teachers, administrators, pupils, parents, and others to identify  
10 barriers and opportunities related to online learning.

11       **(viii) ~~(vii)~~**—Produce an annual consumer awareness report for  
12 schools and parents about effective online education providers and  
13 education delivery models, performance data, cost structures, and  
14 research trends.

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

23       **(x) ~~(ix)~~**—Create and maintain a public statewide catalog of  
24 online learning courses being offered by all public schools **AND**  
25 **COMMUNITY COLLEGES** in this state. The Michigan ~~virtual learning~~  
26 ~~research institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall  
27 identify and develop a list of nationally recognized best practices

for online learning and use this list to support reviews of online course vendors, courses, and instructional practices. The Michigan ~~virtual learning research institute~~ **VIRTUAL LEARNING RESEARCH**

**INSTITUTE** shall also provide a mechanism for intermediate districts to use the identified best practices to review content offered by constituent districts. The Michigan ~~virtual learning research~~

~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall review the

online course offerings of the Michigan ~~virtual university~~, **VIRTUAL**

**UNIVERSITY**, and make the results from these reviews available to

the public as part of the statewide catalog. The Michigan ~~virtual~~

~~learning research institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE**

shall ensure that the statewide catalog is made available to the

public on the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**

website and shall allow the ability to link it to each district's

website as provided for in section 21f. ~~Beginning in 2014-2015, the~~

**THE** statewide catalog shall also contain all of the following:

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

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

(C) The completion rate for each online course.

**(xi)** ~~(x) Collaborate with key stakeholders to examine the need and process for incorporating~~ **DEVELOP PROTOTYPE AND PILOT**

registration, payment services, and transcript functionality to the statewide catalog **AND TRAIN KEY STAKEHOLDERS ON HOW TO USE NEW**

**FEATURES.**

1           (xii) ~~(xi)~~ Collaborate with key stakeholders to examine  
2 district level accountability and teacher effectiveness issues  
3 related to online learning under section 21f and make findings and  
4 recommendations publicly available.

5           (3) ~~In order for the Michigan virtual university to receive~~  
6 ~~any funds allocated under this section, the~~ **TO FURTHER ENHANCE ITS**  
7 **EXPERTISE AND LEADERSHIP IN DIGITAL LEARNING, THE MICHIGAN VIRTUAL**  
8 **UNIVERSITY SHALL CONTINUE TO OPERATE THE MICHIGAN VIRTUAL SCHOOL AS**  
9 **A STATEWIDE LABORATORY AND QUALITY MODEL OF INSTRUCTION BY**  
10 **IMPLEMENTING ONLINE AND BLENDED LEARNING SOLUTIONS FOR MICHIGAN**  
11 **SCHOOLS IN ACCORDANCE WITH THE FOLLOWING PARAMETERS:**

12           (A) ~~THE Michigan virtual school~~ **VIRTUAL SCHOOL** must maintain  
13 its accreditation status from recognized national and international  
14 accrediting entities.

15           (B) **THE MICHIGAN VIRTUAL UNIVERSITY SHALL USE NO MORE THAN**  
16 **\$1,000,000.00 OF THE AMOUNT ALLOCATED UNDER THIS SECTION TO**  
17 **SUBSIDIZE THE COST PAID BY DISTRICTS FOR ONLINE COURSES.**

18           (C) **IN PROVIDING EDUCATORS RESPONSIBLE FOR THE TEACHING OF**  
19 **ONLINE COURSES AS PROVIDED FOR IN THIS SECTION, THE MICHIGAN**  
20 **VIRTUAL SCHOOL SHALL FOLLOW THE REQUIREMENTS TO REQUEST AND ASSESS,**  
21 **AND THE DEPARTMENT OF STATE POLICE SHALL PROVIDE, A CRIMINAL**  
22 **HISTORY CHECK AND CRIMINAL RECORDS CHECK UNDER SECTIONS 1230 AND**  
23 **1230A OF THE REVISED SCHOOL CODE, MCL 380.1230 AND 380.1230A, IN**  
24 **THE SAME MANNER AS IF THE MICHIGAN VIRTUAL SCHOOL WERE A DISTRICT.**

25           (4) If the course offerings are included in the statewide  
26 catalog of online courses under subsection (2) (b) (ix), the Michigan  
27 ~~virtual school~~ **VIRTUAL SCHOOL** operated by the Michigan ~~virtual~~

1 ~~university~~**VIRTUAL UNIVERSITY** may offer online course offerings,  
2 including, but not limited to, all of the following:

3 (a) Information technology courses.

4 (b) College level equivalent courses, as defined in section  
5 1471 of the revised school code, MCL 380.1471.

6 (c) Courses and dual enrollment opportunities.

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

8 (e) General education development test preparation courses for  
9 adjudicated youth.

10 (f) Special interest courses.

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

13 (5) If a home-schooled or nonpublic school student is a  
14 resident of a district that subscribes to services provided by the  
15 Michigan ~~virtual school~~,**VIRTUAL SCHOOL**, the student may use the  
16 services provided by the Michigan ~~virtual school~~**VIRTUAL SCHOOL** to  
17 the district without charge to the student beyond what is charged  
18 to a district pupil using the same services.

19 (6) Not later than December 1 of each fiscal year, the  
20 Michigan ~~virtual university~~**VIRTUAL UNIVERSITY** shall provide a  
21 report to the house and senate appropriations subcommittees on  
22 state school aid, the state budget director, the house and senate  
23 fiscal agencies, and the department that includes at least all of  
24 the following information related to the Michigan ~~virtual school~~  
25 **VIRTUAL SCHOOL** for the preceding state fiscal year:

26 (a) A list of the districts served by the Michigan ~~virtual~~  
27 ~~school~~**VIRTUAL SCHOOL**.

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

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

4 (d) The overall course completion rate percentage.

5 (7) The governor may appoint an advisory group for the  
6 Michigan ~~virtual learning research institute~~ **VIRTUAL LEARNING**  
7 **RESEARCH INSTITUTE** established under subsection (2). The members of  
8 the advisory group shall serve at the pleasure of the governor and  
9 shall serve without compensation. The purpose of the advisory group  
10 is to make recommendations to the governor, the legislature, and  
11 the president and board of the Michigan ~~virtual university~~ **VIRTUAL**  
12 **UNIVERSITY** that will accelerate innovation in this state's  
13 education system in a manner that will prepare elementary and  
14 secondary students to be career and college ready and that will  
15 promote the goal of increasing the percentage of citizens of this  
16 state with high-quality degrees and credentials to at least 60% by  
17 2025.

18 (8) Not later than November 1, ~~2014,~~ **2015**, the Michigan  
19 ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the house and  
20 senate appropriations subcommittees on state school aid, the state  
21 budget director, and the house and senate fiscal agencies a  
22 detailed budget for the ~~2014-2015~~ **2015-2016** fiscal year that  
23 includes a breakdown on its projected costs to deliver online  
24 educational services to districts and a summary of the anticipated  
25 fees to be paid by districts for those services. ~~Beginning in 2013-~~  
26 ~~2014, not~~ **NOT** later than ~~February 1,~~ **MARCH 1 EACH YEAR**, the  
27 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall submit to the

1 house and senate appropriations subcommittees on state school aid,  
2 the state budget director, and the house and senate fiscal agencies  
3 a breakdown on its actual costs to deliver online educational  
4 services to districts and a summary of the actual fees paid by  
5 districts for those services based on audited financial statements  
6 for the immediately preceding fiscal year.

7 (9) As used in this section:

8 (a) "Blended learning" means a hybrid instructional delivery  
9 model where pupils are provided content, instruction, and  
10 assessment, in part at a supervised educational facility away from  
11 home where the pupil and a teacher with a valid Michigan teaching  
12 certificate are in the same physical location and in part through  
13 ~~internet-connected~~ **INTERNET-CONNECTED** learning environments with  
14 some degree of pupil control over time, location, and pace of  
15 instruction.

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

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

23 (d) "Online course" means a course of study that is capable of  
24 generating a credit or a grade, that is provided in an interactive  
25 internet-connected learning environment, in which pupils are  
26 separated from their teachers by time or location, or both, and in  
27 which a teacher who holds a valid Michigan teaching certificate is



1 responsible for **PROVIDING INSTRUCTION**, determining appropriate  
2 instructional methods for each pupil, diagnosing learning needs,  
3 assessing pupil learning, prescribing intervention strategies,  
4 reporting outcomes, and evaluating the effects of instruction and  
5 support strategies.

6       Sec. 99. (1) From the funds appropriated in section 11, there  
7 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
8 ~~\$2,750,000.00~~ **\$3,750,000.00** from the state school aid fund and an  
9 amount not to exceed \$475,000.00 from the general fund to support  
10 the activities and programs of mathematics and science centers and  
11 for other purposes as described in this section. In addition, from  
12 the federal funds appropriated in section 11, there is allocated  
13 for ~~2014-2015-2015-2016~~ an amount estimated at \$5,249,300.00 from  
14 DED-OESE, title II, mathematics and science partnership grants.

15       (2) Within a service area designated locally, approved by the  
16 department, and consistent with the comprehensive master plan for  
17 mathematics and science centers developed by the department and  
18 approved by the state board, an established mathematics and science  
19 center shall provide 2 or more of the following 6 basic services,  
20 as described in the master plan, to constituent districts and  
21 communities: leadership, pupil services, curriculum support,  
22 community involvement, professional development, and resource  
23 clearinghouse services.

24       (3) The department shall not award a state grant under this  
25 section to more than 1 mathematics and science center located in a  
26 designated region as prescribed in the 2007 master plan unless each  
27 of the grants serves a distinct target population or provides a

1 service that does not duplicate another program in the designated  
2 region.

3 (4) As part of the technical assistance process, the  
4 department shall provide minimum standard guidelines that may be  
5 used by the mathematics and science center for providing fair  
6 access for qualified pupils and professional staff as prescribed in  
7 this section.

8 (5) Allocations under this section to support the activities  
9 and programs of mathematics and science centers shall be continuing  
10 support grants to all 33 established mathematics and science  
11 centers. Each established mathematics and science center that was  
12 funded in the immediately preceding fiscal year shall receive state  
13 funding in an amount equal to 100% of the amount it was allocated  
14 under this subsection for the immediately preceding fiscal year. If  
15 a center declines state funding or a center closes, the remaining  
16 money available under this section shall be distributed to the  
17 remaining centers, as determined by the department.

18 (6) From the funds allocated in subsection (1), there is  
19 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
20 \$750,000.00 in a form and manner determined by the department to  
21 those centers able to provide curriculum and professional  
22 development support to assist districts in implementing the  
23 Michigan merit curriculum components for mathematics and science.  
24 Funding under this subsection is in addition to funding allocated  
25 under subsection (5).

26 (7) From the general fund money allocated in subsection (1),  
27 there is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed

1 \$100,000.00 to the Michigan STEM partnership, to be used to  
2 administer the grant process under this subsection. From the  
3 general fund money allocated in subsection (1), there is allocated  
4 for ~~2014-2015-2015-2016~~ an amount not to exceed \$375,000.00 to the  
5 Michigan STEM partnership to be used for a competitive grant  
6 process to award competitive grants to organizations conducting  
7 student-focused, project-based programs and competitions, either in  
8 the classroom or extracurricular, in science, technology,  
9 engineering, and mathematics subjects such as, but not limited to,  
10 robotics, coding, and design-build-test projects, from pre-  
11 kindergarten through college level. Funding under this subsection  
12 is in addition to funding allocated under subsection (5) and shall  
13 be used for connecting mathematics and science centers for science,  
14 technology, engineering, and mathematics purposes and to support  
15 the goals of the Michigan STEM partnership. A program receiving  
16 funds under section 99h may not receive funds under this  
17 subsection.

18 (8) In order to receive state or federal funds under this  
19 section, a grant recipient shall allow access for the department or  
20 the department's designee to audit all records related to the  
21 program for which it receives such funds. The grant recipient shall  
22 reimburse the state for all disallowances found in the audit.

23 (9) Not later than September 30, 2018, the department shall  
24 reevaluate and update the comprehensive master plan described in  
25 subsection (1).

26 (10) The department shall give preference in awarding the  
27 federal grants allocated in subsection (1) to eligible existing

1 mathematics and science centers.

2 (11) In order to receive state funds under this section, a  
3 grant recipient shall provide at least a 10% local match from local  
4 public or private resources for the funds received under this  
5 section.

6 (12) Not later than July 1 of each year, a mathematics and  
7 science center that receives funds under this section shall report  
8 to the department in a form and manner prescribed by the department  
9 on the following performance measures:

10 (a) Statistical change in pre- and post-assessment scores for  
11 students who enrolled in mathematics and science activities  
12 provided to districts by the mathematics and science center.

13 (b) Statistical change in pre- and post-assessment scores for  
14 teachers who enrolled in professional development activities  
15 provided by the mathematics and science center.

16 (13) As used in this section:

17 (a) "DED" means the United States ~~department of~~  
18 ~~education.~~ **DEPARTMENT OF EDUCATION.**

19 (b) "DED-OESE" means the DED ~~office of elementary and~~  
20 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

21 **SEC. 99C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**  
22 **ALLOCATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED \$60,000.00**  
23 **FOR 2015-2016 FOR THE PURPOSE OF CIVIC EDUCATION AS DESCRIBED IN**  
24 **THIS SECTION. THE DEPARTMENT SHALL ESTABLISH A COMPETITIVE GRANT**  
25 **PROCESS THAT AWARDS FUNDING TO NOT MORE THAN 1 PROVIDER FOR THE**  
26 **DELIVERY OF PROGRAMS THAT EXEMPLIFY BEST PRACTICES IN CIVIC**  
27 **EDUCATION. THE PROGRAMS SHALL TEACH UPPER ELEMENTARY, MIDDLE, AND**

1 HIGH SCHOOL PUPILS HOW TO PARTICIPATE RESPONSIBLY IN LOCAL AND  
2 STATE GOVERNMENT, AND SHALL PROVIDE UPPER ELEMENTARY, MIDDLE, AND  
3 HIGH SCHOOL PUPILS WITH AN INNOVATIVE COURSE OF INSTRUCTION ON THE  
4 HISTORY AND PRINCIPLES OF UNITED STATES CONSTITUTIONAL DEMOCRACY.  
5 THE GRANTEE ALSO SHALL PROVIDE SUPPORT TO ALL SCHOOLS IN THIS STATE  
6 BEYOND THOSE TARGETED FOR INTENSIVE PROGRAMMING FUNDED UNDER THIS  
7 SECTION THROUGH ITS WEBSITE, CONDUCT PRESENTATIONS AT STATEWIDE  
8 CONFERENCES, AND CONDUCT PRESENTATIONS AT DISTRICTS AND  
9 INTERMEDIATE DISTRICTS.

10 Sec. 99h. (1) From the appropriation in section 11, there is  
11 allocated an amount not to exceed \$2,000,000.00 for ~~2014-2015-2015-~~  
12 ~~2016~~ for competitive grants to districts that provide pupils in  
13 grades 7 to 12 with expanded opportunities to improve mathematics,  
14 science, and technology skills by participating in events hosted by  
15 a science and technology development program known as FIRST (for  
16 inspiration and recognition of science and technology) robotics.

17 (2) A district applying for a FIRST tech challenge or FIRST  
18 robotics competition program grant shall submit an application in a  
19 form and manner determined by the department. To be eligible for a  
20 grant, a district shall demonstrate in its application that the  
21 district has established a partnership for the purposes of the  
22 FIRST program with at least 1 sponsor, business entity, higher  
23 education institution, or technical school, shall submit a spending  
24 plan, and shall pay at least 25% of the cost of the FIRST robotics  
25 program.

26 (3) The department shall distribute the grant funding under  
27 this section for the following purposes:

1 (a) Grants to districts to pay for stipends of \$1,500.00 for 1  
2 coach per team, distributed as follows:

3 (i) Not more than 500 stipends for coaches of high school  
4 teams, including existing teams.

5 (ii) Not more than 100 stipends for coaches of middle school  
6 or junior high teams, including existing teams.

7 (iii) If the requests for stipends exceed the numbers of  
8 stipends allowed under subparagraphs (i) and (ii), and if there is  
9 funding remaining unspent under subdivisions (b) and (c), the  
10 department shall use that remaining unspent funding for grants to  
11 districts to pay for additional stipends in a manner that expands  
12 the geographical distribution of teams.

13 (b) Grants to districts for event registrations, materials,  
14 travel costs, and other expenses associated with the preparation  
15 for and attendance at FIRST tech challenge and FIRST robotics  
16 competitions. Each grant recipient shall provide a local match from  
17 other private or local funds for the funds received under this  
18 subdivision equal to at least 50% of the costs of participating in  
19 an event. The department shall set maximum grant amounts under this  
20 subdivision in a manner that maximizes the number of teams that  
21 will be able to receive funding.

22 (c) Grants to districts for awards to teams that advance to  
23 the state and world championship competitions. The department shall  
24 determine an equal amount per team for those teams that advance to  
25 the state championship and a second equal award amount to those  
26 teams that advance to the world championship.

27 (4) The funds allocated under this section are a work project

1 appropriation, and any unexpended funds for ~~2014-2015-2015-2016~~ are  
2 carried forward into ~~2015-2016-~~**2016-2017**. The purpose of the work  
3 project is to continue to implement the projects described under  
4 subsection (1). The estimated completion date of the work project  
5 is September 30, ~~2017-~~**2018**.

6       Sec. 102. (1) A district or intermediate district receiving  
7 money under this article shall not adopt or operate under a deficit  
8 budget, and a district or intermediate district shall not incur an  
9 operating deficit in a fund during a school fiscal year. ~~A-IF A~~  
10 district or intermediate district ~~that~~ has an existing deficit fund  
11 balance, ~~that~~ incurs a deficit fund balance in the most recently  
12 completed school fiscal year, or ~~that~~ adopts a current year budget  
13 that projects a deficit fund balance, ~~shall not be allotted or paid~~  
14 ~~a further sum under this article~~ **THE DISTRICT OR INTERMEDIATE**  
15 **DISTRICT SHALL IMMEDIATELY NOTIFY THE SUPERINTENDENT AND STATE**  
16 **TREASURER AND WITHIN 30 DAYS OF THAT NOTIFICATION SUBMIT TO THE**  
17 **SUPERINTENDENT AND THE STATE TREASURER A PREPLAN FINANCIAL REPORT**  
18 **IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY.**  
19 **THE DEPARTMENT MAY WITHHOLD SOME OR ALL OF THE MONEY PAYABLE TO THE**  
20 **DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE AS THE**  
21 **SUPERINTENDENT DETERMINES NECESSARY TO INCENTIVIZE THE DISTRICT OR**  
22 **INTERMEDIATE DISTRICT TO ELIMINATE THE DEFICIT** until the district  
23 or intermediate district submits to the department for approval a  
24 budget for the current school fiscal year and ~~a plan to eliminate~~  
25 ~~the district's or intermediate district's deficit not later than~~  
26 ~~the end of the second school fiscal year after the deficit was~~  
27 ~~incurred or the budget projecting a deficit was adopted. Withheld~~

~~state aid payments~~ A DEFICIT ELIMINATION PLAN IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OR THE DEFICIT ELIMINATION PLAN IS APPROVED BY THE DEPARTMENT. THE DEPARTMENT MAY REQUIRE A DEFICIT ELIMINATION PLAN TO INCLUDE AN ACADEMIC PLAN FOR THE DISTRICT OR INTERMEDIATE DISTRICT. MONEY WITHHELD UNDER THIS SECTION shall be released after the department approves the deficit elimination plan. ~~and ensures that the budget for the current school fiscal year is balanced.~~ After the department approves a district's or intermediate district's deficit elimination plan, the district or intermediate district shall post the deficit elimination plan on the district's or intermediate district's website.

(2) Not later than March 1 of each year, the department shall prepare a report of deficits incurred or projected by districts and intermediate districts in the immediately preceding fiscal year and the progress made in reducing those deficits and submit the report to the standing committees of the legislature responsible for K-12 education legislation, the appropriations subcommittees of the legislature responsible for K-12 ~~education~~ **SCHOOL AID** appropriations, the house and senate fiscal agencies, the state treasurer, and the state budget director. The department also shall submit quarterly interim reports concerning the progress made by districts and intermediate districts in reducing those deficits **TO THE STANDING COMMITTEES OF THE LEGISLATURE RESPONSIBLE FOR K-12 EDUCATION LEGISLATION, THE APPROPRIATIONS SUBCOMMITTEES OF THE LEGISLATURE RESPONSIBLE FOR K-12 SCHOOL AID APPROPRIATIONS, THE HOUSE AND SENATE FISCAL AGENCIES, THE STATE TREASURER, AND THE STATE BUDGET DIRECTOR.** On a quarterly basis, the superintendent of



1 public instruction shall publicly present those reports to the  
 2 appropriations subcommittees of the legislature responsible for K-  
 3 12 education appropriations.

4 ~~—— (3) The amount of the permissible deficit for each school~~  
 5 ~~fiscal year shall not exceed the amount of state aid reduced by an~~  
 6 ~~executive order during that school fiscal year.~~

7 (3) ~~(4)~~ A district or intermediate district that has an  
 8 existing deficit fund balance, that incurs a deficit fund balance  
 9 in the most recently completed school fiscal year, or that adopts a  
 10 current year budget that projects a deficit fund balance shall  
 11 submit to the department **AND THE STATE TREASURER** a monthly  
 12 monitoring report on revenue and expenditures in a form and manner  
 13 prescribed by the department and shall post these reports on its  
 14 website.

15 (4) ~~(5)~~ If a district or intermediate district is ~~not able to~~  
 16 ~~comply with the provisions of this section, the district or~~  
 17 ~~intermediate district shall submit to the department a plan to~~  
 18 ~~eliminate its deficit. Upon approval of the plan submitted,~~  
 19 **REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN UNDER THIS SECTION,**  
 20 **AND THE DEFICIT ELIMINATION PLAN IS APPROVED BY THE DEPARTMENT,** the  
 21 superintendent ~~of public instruction~~ may continue allotment and  
 22 payment of funds under this article. ~~, extend~~ **WHEN APPROVING A**  
 23 **DEFICIT ELIMINATION PLAN, THE SUPERINTENDENT MAY ESTABLISH** the  
 24 period of time in which a district or intermediate district has to  
 25 eliminate its deficit, and set special conditions that the district  
 26 or intermediate district must meet ~~during the period of the~~  
 27 ~~extension.~~ **WHILE THE DEFICIT ELIMINATION IS IN EFFECT.** After the

1 department approves a district's or intermediate district's deficit  
2 elimination plan under this subsection, the district or  
3 intermediate district shall post the deficit elimination plan on  
4 the district's or intermediate district's website. **THE REQUIREMENTS**  
5 **OF THIS SECTION RELATING TO A DEFICIT ELIMINATION PLAN DO NOT APPLY**  
6 **TO A DISTRICT OR INTERMEDIATE DISTRICT IF THE DISTRICT OR**  
7 **INTERMEDIATE DISTRICT IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT**  
8 **ELIMINATION PLAN UNDER SUBSECTION (5).**

9 (5) IF THE STATE TREASURER DETERMINES THAT FINANCIAL STRESS IS  
10 EVIDENT, THE STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE  
11 DISTRICT TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN IN ORDER TO  
12 ENSURE THAT THE DEFICIT DOES NOT BECOME UNMANAGEABLE AND TRIGGER  
13 ACTION UNDER THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA  
14 436, MCL 141.1541 TO 141.1575. AN ENHANCED DEFICIT ELIMINATION PLAN  
15 SHALL PROVIDE FOR THE RESOLUTION OF THE DETERIORATING FINANCIAL  
16 CIRCUMSTANCES, PERSISTENTLY DECLINING ENROLLMENT, OR OTHER  
17 INDICATORS OF RECURRING OPERATING DEFICITS OR RECURRING FINANCIAL  
18 STRESS AND IS SUBJECT TO APPROVAL BY THE STATE TREASURER. AS A  
19 CONDITION OF APPROVING AN ENHANCED DEFICIT ELIMINATION PLAN, THE  
20 STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE DISTRICT  
21 REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER THIS  
22 SECTION TO ENTER INTO A FINANCIAL RECOVERY AGREEMENT WITH THE STATE  
23 TREASURER. A FINANCIAL RECOVERY AGREEMENT MAY PROVIDE FOR, BUT IS  
24 NOT LIMITED TO, ALL OF THE FOLLOWING:

25 (A) ASSISTANCE AND GUIDANCE FROM THE DEPARTMENT OF TREASURY  
26 AND OTHER STATE DEPARTMENTS AND AGENCIES.

27 (B) AN ACADEMIC PLAN FOR THE DISTRICT.

1 (C) THE APPOINTMENT OF A LOCAL AUDITOR OR INSPECTOR, OR BOTH.

2 (D) REMEDIAL MEASURES OR OTHER ACTION UNDER THIS ARTICLE OR  
3 THE REVISED SCHOOL CODE NECESSARY TO ADDRESS THE FINANCIAL  
4 CIRCUMSTANCES OF THE DISTRICT OR INTERMEDIATE DISTRICT.

5 (E) THE REQUIRED RETENTION BY THE DISTRICT OR INTERMEDIATE  
6 DISTRICT OF A CONSULTANT OR 1 OR MORE OTHER EXPERTS FOR THE PURPOSE  
7 OF ASSISTING THE DISTRICT OR INTERMEDIATE DISTRICT TO ACHIEVE THE  
8 GOALS AND OBJECTIVES OF THE FINANCIAL RECOVERY AGREEMENT.

9 (6) BEFORE A DISTRICT OR INTERMEDIATE DISTRICT SUBMITS AN  
10 ENHANCED DEFICIT ELIMINATION PLAN TO THE STATE TREASURER UNDER  
11 SUBSECTION (5), THE BOARD OF THE DISTRICT OR INTERMEDIATE DISTRICT  
12 SHALL APPROVE THE PLAN. IF A DISTRICT OR INTERMEDIATE DISTRICT IS  
13 REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER  
14 SUBSECTION (5), SOME OR ALL OF THE MONEY PAYABLE TO THE DISTRICT OR  
15 INTERMEDIATE DISTRICT UNDER THIS ARTICLE MAY BE WITHHELD AND  
16 RELEASED IN THE SAME MANNER AS PROVIDED UNDER SUBSECTION (1). WHEN  
17 APPROVING AN ENHANCED DEFICIT ELIMINATION PLAN, THE STATE TREASURER  
18 MAY ESTABLISH THE PERIOD OF TIME WITHIN WHICH A DISTRICT OR  
19 INTERMEDIATE DISTRICT MUST ELIMINATE ITS DEFICIT AND MAY SET  
20 SPECIAL CONDITIONS THAT THE DISTRICT OR INTERMEDIATE DISTRICT MUST  
21 MEET WHILE THE DEFICIT ELIMINATION PLAN IS IN EFFECT.

22 (7) AFTER THE STATE TREASURER APPROVES AN ENHANCED DEFICIT  
23 ELIMINATION PLAN FOR A DISTRICT OR INTERMEDIATE DISTRICT, THE  
24 DISTRICT OR INTERMEDIATE DISTRICT SHALL POST THE ENHANCED DEFICIT  
25 ELIMINATION PLAN ON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S  
26 WEBSITE.

27 (8) IF A DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED TO

1 SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SUBSECTION (5),  
2 THE DISTRICT OR INTERMEDIATE DISTRICT SHALL SUBMIT TO THE  
3 SUPERINTENDENT AND THE STATE TREASURER AN ENHANCED MONTHLY  
4 MONITORING REPORT ON REVENUE, EXPENDITURES, CASH FLOW, DEBT, OTHER  
5 LIABILITIES, ASSETS, BUDGET AMENDMENTS, PUPIL MEMBERSHIP, AND OTHER  
6 DATA RELATING TO THE FINANCES OF THE DISTRICT OR INTERMEDIATE  
7 DISTRICT IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF  
8 TREASURY AND SHALL POST THESE REPORTS ON ITS WEBSITE.

9 (9) AN ALLOCATION TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER  
10 THIS ARTICLE IS CONTINGENT UPON THE DISTRICT'S OR INTERMEDIATE  
11 DISTRICT'S COMPLIANCE WITH THIS SECTION.

12 (10) A DISTRICT OR INTERMEDIATE DISTRICT REQUIRED TO SUBMIT A  
13 DEFICIT ELIMINATION PLAN OR ENHANCED DEFICIT ELIMINATION PLAN SHALL  
14 ENSURE THAT THE ACADEMIC PLAN INCLUDES ATTEMPTS TO EXHAUST ALL  
15 RESOURCES UNDER SECTIONS 35A TO 35G.

16 (11) ~~(6) For the purposes of~~ AS USED IN this section: 7  
17 "deficit

18 (A) "DEFICIT ELIMINATION PLAN" MEANS A PLAN REQUIRED UNDER  
19 THIS SECTION FOR THE ELIMINATION OF A DEFICIT THAT SETS FORTH  
20 ACTIONS TO BE TAKEN TO ELIMINATE THE DEFICIT WITHIN THE TIME PERIOD  
21 PRESCRIBED BY THE DEPARTMENT.

22 (B) "DEFICIT fund balance" means that term as defined in the  
23 Michigan public school accounting manual published by the  
24 department.

25 (C) "ENHANCED DEFICIT ELIMINATION PLAN" MEANS MEASURES  
26 REQUIRED BY THE STATE TREASURER UNDER THIS SECTION TO ADDRESS THE  
27 FINANCIAL CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT AND

1 RESOLVE ANY DEFICIT WITHIN THE TIME PERIOD PRESCRIBED BY THE STATE  
2 TREASURER.

3 (D) "PREPLAN FINANCIAL REPORT" MEANS A REPORT ON THE FINANCIAL  
4 CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT, REQUIRED  
5 UNDER THIS SECTION AND SUBMITTED IN A FORM AND MANNER PRESCRIBED BY  
6 THE STATE TREASURER, WHICH MAY INCLUDE, BUT IS NOT LIMITED TO,  
7 FINANCIAL DATA AND OTHER INFORMATION ON LIABILITIES, PAYMENTS,  
8 ENROLLMENT, BORROWING, AND OTHER CRITERIA RELATING TO THE FINANCIAL  
9 CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT.

10 SEC. 102A. (1) BEFORE JULY 7 OF EACH YEAR, EACH DISTRICT  
11 RECEIVING MONEY UNDER THIS ARTICLE SHALL TRANSMIT TO THE CENTER THE  
12 BUDGETARY ASSUMPTIONS USED BY THE DISTRICT WHEN ADOPTING ITS ANNUAL  
13 BUDGET PURSUANT TO THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968  
14 PA 2, MCL 141.421 TO 141.440A. THE SUBMISSION OF THE BUDGETARY  
15 ASSUMPTIONS UNDER THIS SECTION SHALL BE IN THE FORM PRESCRIBED BY  
16 THE CENTER AND SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

17 (A) THE PROJECTED FOUNDATION ALLOWANCE USED BY THE DISTRICT  
18 WHEN ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL  
19 YEAR.

20 (B) THE DISTRICT'S PROJECTED MEMBERSHIP USED BY THE DISTRICT  
21 WHEN ADOPTING ITS BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

22 (C) THE DISTRICT'S EXPENDITURES PER-PUPIL FOR THE IMMEDIATELY  
23 PRECEDING SCHOOL FISCAL YEAR, CALCULATED BY DIVIDING THE DISTRICT'S  
24 TOTAL GENERAL FUND OPERATING EXPENDITURES DURING THAT SCHOOL FISCAL  
25 YEAR BY THE DISTRICT'S MEMBERSHIP REPORTED BY THE DEPARTMENT IN THE  
26 MOST RECENT STATE AID FINANCIAL STATUS REPORT FOR THE MONTH OF MAY.

27 (D) THE DISTRICT'S PROJECTED EXPENDITURES PER-PUPIL FOR THE

1 CURRENT SCHOOL FISCAL YEAR, CALCULATED BY DIVIDING THE TOTAL  
2 GENERAL FUND OPERATING EXPENDITURES AUTHORIZED BY THE DISTRICT'S  
3 GOVERNING BODY WHEN ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT  
4 SCHOOL FISCAL YEAR BY THE DISTRICT'S PROJECTED MEMBERSHIP USED WHEN  
5 ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

6 (2) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS  
7 CONTINGENT UPON THE DISTRICT'S COMPLIANCE WITH THIS SECTION.

8 SEC. 102B. (1) IF A DISTRICT DETERMINES THAT CONDITIONS OF  
9 FISCAL STRESS, A DEFICIT, OR CONDITIONS INDICATING A FINANCIAL  
10 EMERGENCY HAVE ARISEN OR MAY ARISE FOR THE DISTRICT, THE DISTRICT  
11 SHALL NOTIFY THE SUPERINTENDENT AND REQUEST TECHNICAL ASSISTANCE IN  
12 ADDRESSING THE FISCAL STRESS, DEFICIT, OR FINANCIAL EMERGENCY. THE  
13 SUPERINTENDENT SHALL NOTIFY THE STATE TREASURER OF ANY REQUEST FOR  
14 TECHNICAL ASSISTANCE UNDER THIS SUBSECTION.

15 (2) AFTER RECEIVING A REQUEST FOR TECHNICAL ASSISTANCE UNDER  
16 SUBSECTION (1), THE DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF  
17 TREASURY REGARDING THE PROVISION OF TECHNICAL ASSISTANCE TO THE  
18 DISTRICT. SUBJECT TO AVAILABLE RESOURCES, THE DEPARTMENT AND THE  
19 DEPARTMENT OF TREASURY SHALL REVIEW THE FINANCIAL CONDITION AND THE  
20 BUDGET OF THE DISTRICT AND PROVIDE THE DISTRICT WITH TECHNICAL  
21 ASSISTANCE, INCLUDING, BUT NOT LIMITED TO, DATA ANALYSIS TOOLS,  
22 WITH THE OBJECTIVE OF ASSISTING THE DISTRICT IN AVOIDING OR  
23 REMEDYING CONDITIONS OF FISCAL STRESS, A DEFICIT, OR A FINANCIAL  
24 EMERGENCY BEFORE FURTHER STATE INTERVENTION.

25 (3) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS  
26 CONTINGENT UPON THE DISTRICT'S COMPLIANCE WITH THIS SECTION.

27 (4) AS USED IN THIS SECTION:

1 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2)  
2 OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL  
3 141.435, OR UNDER SECTION 102(1). DEFICIT ALSO INCLUDES 1 OR BOTH  
4 OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE  
5 DISTRICT:

6 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR  
7 INTERMEDIATE DISTRICT IS NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT  
8 THE END OF THE CURRENT SCHOOL FISCAL YEAR.

9 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE  
10 DISTRICT OTHER THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR  
11 PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE TOTAL GENERAL  
12 FUND BALANCE.

13 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE  
14 CONDITIONS DESCRIBED IN SECTION 5(3)(A) TO (M) OF THE LOCAL  
15 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,  
16 EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR  
17 NEXT SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO  
18 PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH  
19 THIS ARTICLE, THE REVISED SCHOOL CODE, AND ALL APPLICABLE RULES.

20 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

21 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-  
22 TERM FINANCIAL OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

23 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION  
24 4(1)(A) TO (S) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,  
25 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR WITHIN A  
26 DISTRICT.

27 SEC. 102C. (1) THE SUPERINTENDENT OR THE STATE TREASURER MAY

1 REQUIRE A DISTRICT TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS  
2 UNDER THIS SECTION IF EITHER DETERMINES THAT FINANCIAL STRESS MAY  
3 EXIST WITHIN THE DISTRICT, THAT A DEFICIT IS PROJECTED TO ARISE  
4 WITHIN THE DISTRICT DURING THE CURRENT SCHOOL FISCAL YEAR OR THE  
5 FOLLOWING 2 SCHOOL FISCAL YEARS, OR THAT THE DISTRICT MAY BE UNABLE  
6 TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING ITS  
7 OBLIGATIONS OR ABILITY TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A  
8 MANNER THAT COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL CODE,  
9 AND APPLICABLE RULES BASED UPON 1 OR MORE OF THE FOLLOWING:

10 (A) THE DISTRICT HAS FAILED TO PAY A REQUIRED OBLIGATION ONCE  
11 OR MORE IN A SCHOOL FISCAL YEAR.

12 (B) THE DISTRICT HAS EXPENDED OR DISTRIBUTED TAX REVENUE IN A  
13 MANNER PROHIBITED BY LAW.

14 (C) THE DISTRICT'S PUPIL ENROLLMENT HAS DECLINED BY 5% OR MORE  
15 IN A SINGLE SCHOOL FISCAL YEAR OR BY 15% OR MORE OVER A PERIOD OF 3  
16 OR MORE FISCAL YEARS AND THE DISTRICT FAILED TO REDUCE EXPENDITURES  
17 IN A MANNER THAT ADDRESSED THE ENROLLMENT DECLINE.

18 (D) THE SCHOOL DISTRICT'S EXPENDITURES PER-PUPIL HAVE  
19 INCREASED BY 5% OR MORE IN THE MOST RECENT SCHOOL FISCAL YEAR AS  
20 COMPARED TO THE IMMEDIATELY PRECEDING SCHOOL FISCAL YEAR. AS USED  
21 IN THIS SUBDIVISION, "EXPENDITURES PER-PUPIL" MEANS THE QUOTIENT OF  
22 DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES FOR A SCHOOL  
23 FISCAL YEAR BY THE FINAL AUDITED NUMBER OF PUPILS IN MEMBERSHIP FOR  
24 THE STATE FISCAL YEAR IN WHICH THAT SCHOOL FISCAL YEAR ENDED.

25 (E) THE DISTRICT'S ACTUAL ENROLLMENT OR FOUNDATION ALLOWANCE  
26 FOR A SCHOOL FISCAL YEAR WAS 97% OR LESS OF THE DISTRICT'S  
27 BUDGETARY ASSUMPTIONS REPORTED UNDER SECTION 102A FOR THE SCHOOL



1 FISCAL YEAR AND THE DISTRICT FAILED TO ADOPT AN AMENDED BUDGET  
2 REFLECTING THE ACTUAL ENROLLMENT AND FOUNDATION ALLOWANCE FOR THE  
3 SCHOOL FISCAL YEAR BY NOVEMBER 15 OF THE SCHOOL FISCAL YEAR.

4 (F) THE DISTRICT HAS APPLIED FOR A LOAN UNDER THE EMERGENCY  
5 MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942.

6 (2) IF A DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL  
7 REPORTS UNDER SUBSECTION (1), THE DISTRICT SHALL DO ALL OF THE  
8 FOLLOWING:

9 (A) SUBMIT A PERIODIC FINANCIAL STATUS REPORT IN THE FORM AND  
10 MANNER AND ON THE PERIODIC BASIS PRESCRIBED BY THE DEPARTMENT OF  
11 TREASURY AFTER CONSULTATION WITH THE DEPARTMENT.

12 (B) TRANSMIT A COPY OF EACH PERIODIC FINANCIAL STATUS REPORT  
13 REQUIRED UNDER THIS SECTION TO THE MEMBERS OF ITS GOVERNING BODY  
14 FOR APPROVAL PRIOR TO SUBMISSION OF THE REPORT TO THE DEPARTMENT OF  
15 TREASURY AND THE DEPARTMENT.

16 (C) PROVIDE THE DEPARTMENT OF TREASURY OR THE DEPARTMENT WITH  
17 OTHER FINANCIAL DATA OR INFORMATION RELATING TO THE FINANCIAL  
18 CONDITIONS OF THE DISTRICT AS REQUESTED BY THE DEPARTMENT OF  
19 TREASURY OR THE DEPARTMENT.

20 (D) ALLOW THE DEPARTMENT OF TREASURY OR THE DEPARTMENT TO  
21 EXAMINE FINANCIAL RECORDS AND BOOKS OF ACCOUNT OF THE DISTRICT.

22 (E) PROMPTLY AND FULLY PROVIDE THE ASSISTANCE AND INFORMATION  
23 NECESSARY AND PROPERLY REQUESTED BY THE DEPARTMENT OF TREASURY OR  
24 THE DEPARTMENT IN THE EXERCISE OF THE DEPARTMENT OF TREASURY'S OR  
25 THE DEPARTMENT'S DUTIES UNDER THIS SECTION.

26 (3) IF A DISTRICT FAILS TO SUBMIT A PERIODIC FINANCIAL STATUS  
27 REPORT REQUIRED UNDER THIS SECTION, OR IF THE STATE TREASURER

1 DETERMINES OR IS NOTIFIED BY THE SUPERINTENDENT THAT INFORMATION  
2 INCLUDED ON A PERIODIC FINANCIAL STATUS REPORT INDICATES THAT  
3 FINANCIAL STRESS EXISTS WITHIN A DISTRICT THAT HAS A DEFICIT, OR  
4 THAT A DEFICIT IS PROJECTED TO OCCUR WITHIN A DISTRICT IN THE  
5 CURRENT SCHOOL FISCAL YEAR OR THE NEXT SCHOOL FISCAL YEAR AND THAT  
6 THE DISTRICT LACKS THE CAPACITY TO ADDRESS WITHOUT STATE  
7 ASSISTANCE, THE STATE TREASURER MAY REQUIRE THE DISTRICT TO SUBMIT  
8 AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 102.

9 (4) A DISTRICT IS NOT REQUIRED TO SUBMIT PERIODIC FINANCIAL  
10 STATUS REPORTS UNDER THIS SECTION IF THE DISTRICT IS REQUIRED TO  
11 SUBMIT A DEFICIT ELIMINATION PLAN OR AN ENHANCED DEFICIT  
12 ELIMINATION PLAN UNDER SECTION 102, OR IF A FINANCIAL EMERGENCY HAS  
13 BEEN DECLARED FOR THE DISTRICT UNDER THE LOCAL FINANCIAL STABILITY  
14 AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575. IF A  
15 DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS  
16 UNDER THIS SECTION AND A LOAN IS ISSUED TO THE SCHOOL DISTRICT  
17 UNDER THE EMERGENCY LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942,  
18 THE STATE TREASURER SHALL REQUIRE THE SCHOOL DISTRICT TO SUBMIT  
19 PERIODIC FINANCIAL REPORTS UNDER THIS SECTION FOR AT LEAST 4 YEARS  
20 AFTER THE DATE OF ISSUANCE OF THE LOAN.

21 (5) A DISTRICT IS NO LONGER REQUIRED TO SUBMIT PERIODIC  
22 FINANCIAL STATUS REPORTS UNDER THIS SECTION IF THE STATE TREASURER,  
23 AFTER CONSULTATION WITH THE SUPERINTENDENT, DETERMINES THAT THE  
24 PERIODIC FINANCIAL STATUS REPORTS SUBMITTED BY THE DISTRICT  
25 INDICATE THAT POTENTIAL FINANCIAL STRESS DOES NOT EXIST WITHIN THE  
26 DISTRICT, THAT A DEFICIT IS NOT PROJECTED TO ARISE WITHIN THE  
27 DISTRICT WITHIN THE CURRENT SCHOOL FISCAL YEAR OR THE FOLLOWING 2

1 SCHOOL FISCAL YEARS, AND THAT THE DISTRICT WILL BE ABLE TO MEET ITS  
2 FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING THE DISTRICT'S ABILITY  
3 TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES  
4 WITH THIS ARTICLE, THE REVISED SCHOOL CODE, AND APPLICABLE RULES.

5 (6) IF THE STATE TREASURER MAKES A DETERMINATION UNDER  
6 SUBSECTION (5) THAT THE CONDITIONS UNDER THAT SUBSECTION APPLY TO A  
7 DISTRICT, THE STATE TREASURER SHALL NOTIFY THE DISTRICT. THE  
8 SUPERINTENDENT MAY NOTIFY THE STATE TREASURER THAT THE  
9 SUPERINTENDENT HAS DETERMINED THAT CONDITIONS UNDER SUBSECTION (5)  
10 APPLY TO A DISTRICT.

11 (7) AS USED IN THIS SECTION:

12 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2)  
13 OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL  
14 141.435, OR UNDER SECTION 102(1). DEFICIT ALSO INCLUDES 1 OR BOTH  
15 OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE  
16 DISTRICT:

17 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR  
18 INTERMEDIATE DISTRICT IS NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT  
19 THE END OF THE CURRENT SCHOOL FISCAL YEAR.

20 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE  
21 DISTRICT OTHER THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR  
22 PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE TOTAL GENERAL  
23 FUND BALANCE.

24 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE  
25 CONDITIONS DESCRIBED IN SECTION 5(3)(A) TO (M) OF THE LOCAL  
26 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,  
27 EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR

1 NEXT SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO  
2 PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH  
3 THIS ARTICLE, THE REVISED SCHOOL CODE, AND ALL APPLICABLE RULES.

4 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

5 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-  
6 TERM FINANCIAL OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

7 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION  
8 4(1) (A) TO (S) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,  
9 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR WITHIN A  
10 DISTRICT.

11 SEC. 102D. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11,  
12 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2015-  
13 2016 FOR REIMBURSEMENTS TO DISTRICTS FOR THE LICENSING OF SCHOOL  
14 DATA ANALYTICAL TOOLS AS DESCRIBED UNDER THIS SECTION. THE  
15 REIMBURSEMENT IS FOR DISTRICTS THAT CHOOSE TO USE A SCHOOL DATA  
16 ANALYTICAL TOOL TO ASSIST THE DISTRICT AND THAT ENTER INTO A  
17 LICENSING AGREEMENT FOR A SCHOOL DATA ANALYTICAL TOOL WITH 1 OF THE  
18 VENDORS APPROVED BY THE DEPARTMENT UNDER SUBSECTION (2).

19 (2) NOT LATER THAN OCTOBER 15, 2015, THE DEPARTMENT SHALL  
20 REVIEW VENDORS FOR SCHOOL DATA ANALYTICAL TOOLS AND PROVIDE  
21 DISTRICTS WITH A LIST OF UP TO 4 APPROVED VENDORS THAT DISTRICTS  
22 MAY USE TO BE ELIGIBLE FOR A REIMBURSEMENT PAID UNDER THIS SECTION.  
23 FOR A VENDOR TO BE APPROVED UNDER THIS SECTION, THE DEPARTMENT MUST  
24 DETERMINE THAT THE SCHOOL DATA ANALYTICAL TOOL SUPPLIED BY THE  
25 VENDOR MEETS AT LEAST ALL OF THE FOLLOWING:

26 (A) ANALYZES FINANCIAL DATA.

27 (B) ANALYZES ACADEMIC DATA.

(C) PROVIDES EARLY WARNING INDICATORS OF FINANCIAL STRESS.

(D) HAS THE CAPABILITY TO PROVIDE PEER DISTRICT COMPARISONS OF BOTH FINANCIAL AND ACADEMIC DATA.

(E) HAS THE CAPABILITY TO PROVIDE FINANCIAL PROJECTIONS FOR AT LEAST 3 SUBSEQUENT FISCAL YEARS.

(3) FUNDS ALLOCATED UNDER THIS SECTION SHALL BE PAID TO DISTRICTS AS A REIMBURSEMENT FOR ALREADY HAVING A LICENSING AGREEMENT OR FOR ENTERING INTO A LICENSING AGREEMENT NOT LATER THAN DECEMBER 1, 2015 WITH A VENDOR APPROVED UNDER SUBSECTION (2) TO IMPLEMENT A SCHOOL DATA ANALYTICAL TOOL. REIMBURSEMENT UNDER THIS SECTION SHALL BE MADE ON AN EQUAL PER-PUPIL BASIS.

(4) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

Sec. 104. (1) In order to receive state aid under this article, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed ~~\$41,394,400.00~~ **\$43,994,400.00** for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2014-2015-2015-2016~~ an amount estimated at \$6,250,000.00, funded from DED-OESE, title VI, state assessment funds, and from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any

1 carryover federal funds from previous year appropriations, for the  
2 purposes of complying with the federal no child left behind act of  
3 2001, Public Law 107-110.

4 (2) The results of each test administered as part of the  
5 Michigan ~~educational assessment program~~, **STUDENT TEST OF**  
6 **EDUCATIONAL PROGRESS (M-STEP)**, including tests administered to high  
7 school students, shall include an item analysis that lists all  
8 items that are counted for individual pupil scores and the  
9 percentage of pupils choosing each possible response.

10 (3) All federal funds allocated under this section shall be  
11 distributed in accordance with federal law and with flexibility  
12 provisions outlined in Public Law 107-116, and in the education  
13 flexibility partnership act of 1999, Public Law 106-25.

14 (4) Notwithstanding section 17b, payments on behalf of  
15 districts, intermediate districts, and other eligible entities  
16 under this section shall be paid on a schedule determined by the  
17 department.

18 (5) From the allocation in subsection (1), there is allocated  
19 an amount not to exceed \$8,500,000.00 for the following purposes:

20 (a) Converting existing student assessments to online  
21 assessments.

22 (b) Providing paper and pencil test versions to districts not  
23 prepared to implement online assessments.

24 (c) Expanding writing assessments to additional grade levels.

25 (d) Providing an increased number of constructed response test  
26 questions so that pupils can demonstrate higher-order skills such  
27 as problem solving and communicating reasoning.

(6) From the allocation in subsection (1), there is allocated an amount not to exceed \$3,200,000.00 for the development or selection of an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored. The department and the center shall ensure that any data collected by the online reporting tool do not provide individually identifiable student data to the federal government.

(7) From the allocation in subsection (1), there is allocated an amount not to exceed ~~\$3,000,000.00~~ **\$5,600,000.00** for the purpose of implementing a summative assessment system pursuant to section 104c.

(8) As used in this section:

(a) "DED" means the United States ~~department of~~ **DEPARTMENT OF EDUCATION.**

(b) "DED-OESE" means the DED ~~office of elementary and secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

(c) "DED-OSERS" means the DED ~~office of special education and rehabilitative services.~~ **OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES.**

Sec. 104b. (1) In order to receive state aid under this article, a district shall comply with this section and shall administer the Michigan merit examination to pupils in grade 11, and to pupils in grade 12 who did not take the complete Michigan merit examination in grade 11, as provided in this section. **THE MICHIGAN MERIT EXAMINATION CONSISTS OF A COLLEGE ENTRANCE TEST, WORK SKILLS TEST, AND THE SUMMATIVE ASSESSMENT KNOWN AS THE**

1 **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP).**

2 (2) For the purposes of this section, the department of  
3 technology, management, and budget shall contract with 1 or more  
4 providers to develop, supply, and score the Michigan merit  
5 examination. The Michigan merit examination shall consist of all of  
6 the following:

7 (a) Assessment instruments that measure English language arts,  
8 mathematics, reading, and science, and **THAT** are used by colleges  
9 and universities in this state for entrance or placement purposes.  
10 This ~~shall~~ **MAY** include 1 or more writing components.

11 (b) One or more tests from 1 or more test developers that  
12 assess a pupil's ability to apply at least reading and mathematics  
13 skills in a manner that is intended to allow employers to use the  
14 results in making employment decisions. The department of  
15 technology, management, and budget and the superintendent shall  
16 ensure that any test or tests selected under this subdivision have  
17 all the components necessary to allow a pupil to be eligible to  
18 receive the results of a nationally recognized evaluation of  
19 workforce readiness if the pupil's test performance is adequate.

20 (c) A social studies component.

21 (d) Any other component that is necessary to obtain the  
22 approval of the United States ~~department of education~~ **DEPARTMENT OF**  
23 **EDUCATION** to use the Michigan merit examination for the purposes of  
24 the no child left behind act of 2001, Public Law 107-110.

25 (3) In addition to all other requirements of this section, all  
26 of the following apply to the Michigan merit examination:

27 (a) The department of technology, management, and budget and



1 the superintendent shall ensure that any contractor used for  
2 scoring the Michigan merit examination supplies an individual  
3 report for each pupil that will identify for the pupil's parents  
4 and teachers whether the pupil met expectations or failed to meet  
5 expectations for each standard, to allow the pupil's parents and  
6 teachers to assess and remedy problems before the pupil moves to  
7 the next grade.

8 (b) The department of technology, management, and budget and  
9 the superintendent shall ensure that any contractor used for  
10 scoring, developing, or processing the Michigan merit examination  
11 meets quality management standards commonly used in the assessment  
12 industry, including at least meeting level 2 of the capability  
13 maturity model developed by the software engineering institute of  
14 Carnegie Mellon university for the first year the Michigan merit  
15 examination is offered to all grade 11 pupils and at least meeting  
16 level 3 of the capability maturity model for subsequent years.

17 (c) The department of technology, management, and budget and  
18 the superintendent shall ensure that any contract for scoring,  
19 administering, or developing the Michigan merit examination  
20 includes specific deadlines for all steps of the assessment  
21 process, including, but not limited to, deadlines for the correct  
22 testing materials to be supplied to schools and for the correct  
23 results to be returned to schools, and includes penalties for  
24 noncompliance with these deadlines.

25 (d) The superintendent shall ensure that the Michigan merit  
26 examination meets all of the following:

27 (i) Is designed to test pupils on ~~grade-level content~~

1 ~~expectations or course content expectations, as appropriate, THIS~~  
2 **STATE'S CONTENT STANDARDS** in all subjects tested.

3 (ii) Complies with requirements of the no child left behind  
4 act of 2001, Public Law 107-110.

5 (iii) Is consistent with the code of fair testing practices in  
6 education prepared by the ~~joint committee on testing practices of~~  
7 ~~the American psychological association.~~ **JOINT COMMITTEE ON TESTING**  
8 **PRACTICES OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION.**

9 (iv) Is factually accurate. If the superintendent determines  
10 that a question is not factually accurate and should be excluded  
11 from scoring, the state board and the superintendent shall ensure  
12 that the question is excluded from scoring.

13 (4) A district shall include on each pupil's high school  
14 transcript all of the following:

15 (a) For each high school graduate who has completed the  
16 Michigan merit examination under this section, the pupil's scaled  
17 score on each subject area component of the Michigan merit  
18 examination.

19 (b) The number of school days the pupil was in attendance at  
20 school each school year during high school and the total number of  
21 school days in session for each of those school years.

22 (5) The superintendent shall work with the provider or  
23 providers of the Michigan merit examination to produce Michigan  
24 merit examination subject area scores for each pupil participating  
25 in the Michigan merit examination, including scaling and merging of  
26 test items for the different subject area components. The  
27 superintendent shall design and distribute to districts,

1 intermediate districts, and nonpublic schools a simple and concise  
2 document that describes the scoring for each subject area and  
3 indicates the scaled score ranges for each subject area.

4 (6) The Michigan merit examination shall be administered in  
5 each district during the last 12 weeks of the district's school  
6 year. The superintendent shall ensure that the Michigan merit  
7 examination is scored and the scores are returned to pupils, their  
8 parents or legal guardians, and districts not later than the  
9 beginning of the pupil's first semester of grade 12. The returned  
10 scores shall indicate at least the pupil's scaled score for each  
11 subject area component and the range of scaled scores for each  
12 subject area. In reporting the scores to pupils, parents, and  
13 schools, the superintendent shall provide standards-specific,  
14 meaningful, and timely feedback on the pupil's performance on the  
15 Michigan merit examination.

16 (7) A district shall administer the complete Michigan merit  
17 examination to a pupil only once and shall not administer the  
18 complete Michigan merit examination to the same pupil more than  
19 once. If a pupil does not take the complete Michigan merit  
20 examination in grade 11, the district shall administer the complete  
21 Michigan merit examination to the pupil in grade 12. If a pupil  
22 chooses to retake the college entrance examination component of the  
23 Michigan merit examination, as described in subsection (2)(a), the  
24 pupil may do so through the provider of the college entrance  
25 examination component and the cost of the retake is the  
26 responsibility of the pupil unless all of the following are met:

27 (a) The pupil has taken the complete Michigan merit

1 examination.

2 (b) The pupil did not qualify for a Michigan promise grant  
3 under section 6 of the Michigan promise grant act, 2006 PA 479, MCL  
4 390.1626, based on the pupil's performance on the complete Michigan  
5 merit examination.

6 (c) The pupil meets the income eligibility criteria for free  
7 breakfast, lunch, or milk, as determined under the Richard B.  
8 Russell national school lunch act, 42 USC 1751 to 1769i.

9 (d) The pupil has applied to the provider of the college  
10 entrance examination component for a scholarship or fee waiver to  
11 cover the cost of the retake and that application has been denied.

12 (e) After taking the complete Michigan merit examination, the  
13 pupil has not already received a free retake of the college  
14 entrance examination component paid for either by this state or  
15 through a scholarship or fee waiver by the provider.

16 (8) The superintendent shall ensure that the length of the  
17 Michigan merit examination and the combined total time necessary to  
18 administer all of the components of the Michigan merit examination  
19 are the shortest possible that will still maintain the degree of  
20 reliability and validity of the Michigan merit examination results  
21 determined necessary by the superintendent. The superintendent  
22 shall ensure that the maximum total combined length of time that  
23 schools are required to set aside for pupils to answer all test  
24 questions on the Michigan merit examination does not exceed 8 hours  
25 if the superintendent determines that sufficient alignment to  
26 applicable Michigan merit curriculum content standards can be  
27 achieved within that time limit.

1           (9) A district shall provide accommodations to a pupil with  
2 disabilities for the Michigan merit examination, as provided under  
3 section 504 of title V of the rehabilitation act of 1973, 29 USC  
4 794; subtitle A of title II of the Americans with disabilities act  
5 of 1990, 42 USC 12131 to 12134; the individuals with disabilities  
6 education act amendments of 1997, Public Law 105-17; and the  
7 implementing regulations for those statutes. The provider or  
8 providers of the Michigan merit examination and the superintendent  
9 shall mutually agree upon the accommodations to be provided under  
10 this subsection.

11           (10) To the greatest extent possible, the Michigan merit  
12 examination shall be based on ~~grade level content expectations or~~  
13 ~~course content expectations, as appropriate. Not later than July 1,~~  
14 ~~2008, the department shall identify specific grade level content~~  
15 ~~expectations to be taught before and after the middle of grade 11,~~  
16 ~~so that teachers will know what content will be covered within the~~  
17 ~~Michigan merit examination.~~**THIS STATE'S CONTENT STANDARDS. THE**  
18 **DEPARTMENT MAY AUGMENT THE COLLEGE ENTRANCE AND WORK SKILLS**  
19 **COMPONENTS OF THE MICHIGAN MERIT EXAM TO DEVELOP THE ASSESSMENT,**  
20 **DEPENDING ON THE ALIGNMENT OF THOSE COMPONENTS TO THIS STATE'S**  
21 **CONTENT STANDARDS. IF THESE COMPONENTS DO NOT ALIGN TO THESE**  
22 **STANDARDS, THE DEPARTMENT SHALL PRODUCE ADDITIONAL COMPONENTS AS**  
23 **REQUIRED BY LAW, WHILE MINIMIZING THE AMOUNT OF TIME NEEDED FOR**  
24 **ASSESSMENTS.**

25           (11) A child who is a student in a nonpublic school or home  
26 school may take the Michigan merit examination under this section.  
27 To take the Michigan merit examination, a child who is a student in

1 a home school shall contact the district in which the child  
2 resides, and that district shall administer the Michigan merit  
3 examination, or the child may take the Michigan merit examination  
4 at a nonpublic school if allowed by the nonpublic school. Upon  
5 request from a nonpublic school, the superintendent shall direct  
6 the provider or providers to supply the Michigan merit examination  
7 to the nonpublic school and the nonpublic school may administer the  
8 Michigan merit examination. If a district administers the Michigan  
9 merit examination under this subsection to a child who is not  
10 enrolled in the district, the scores for that child are not  
11 considered for any purpose to be scores of a pupil of the district.

12 (12) In contracting under subsection (2), the department of  
13 **TECHNOLOGY**, management, and budget shall consider a contractor that  
14 provides electronically-scored essays with the ability to score  
15 constructed response feedback in multiple languages and provide  
16 ongoing instruction and feedback.

17 (13) The purpose of the Michigan merit examination is to  
18 assess pupil performance in mathematics, science, social studies,  
19 and English language arts for the purpose of improving academic  
20 achievement and establishing a statewide standard of competency.  
21 The assessment under this section provides a common measure of data  
22 that will contribute to the improvement of Michigan schools'  
23 curriculum and instruction by encouraging alignment with Michigan's  
24 curriculum framework standards and promotes pupil participation in  
25 higher level mathematics, science, social studies, and English  
26 language arts courses. These standards are based upon the  
27 expectations of what pupils should learn through high school and

1 are aligned with national standards.

2 (14) For a pupil enrolled in a middle college program, other  
3 than a middle college operated as a shared educational entity or a  
4 specialized shared educational entity, if the pupil receives at  
5 least 50% of his or her instruction at the high school while in  
6 grade 11, the Michigan merit examination shall be administered to  
7 the pupil at the high school at which the pupil receives high  
8 school instruction, and the department shall include the pupil's  
9 scores on the Michigan merit examination in the scores for that  
10 high school for all purposes for which a school's or district's  
11 results are reported. The department shall allow the middle college  
12 program to use a 5-year graduation rate for determining adequate  
13 yearly progress. As used in this subsection, "middle college" means  
14 a program consisting of a series of courses and other requirements  
15 and conditions, including an early college or other program created  
16 under a memorandum of understanding, that allows a pupil to  
17 graduate from high school with both a high school diploma and a  
18 certificate or degree from a community college or state public  
19 university.

20 (15) As used in this section:

21 (a) "English language arts" means reading and writing.

22 (b) "Social studies" means United States history, world  
23 history, world geography, economics, and American government.

24 Sec. 104c. (1) In order to receive state aid under this  
25 article, a district shall administer the state assessments  
26 described in this section.

27 (2) For the purposes of this section, the department shall

1 develop for use in the spring of ~~2014-2015 new Michigan education~~  
2 ~~assessment program (MEAP)~~ **2015-2016 THE MICHIGAN STUDENT TEST OF**  
3 **EDUCATIONAL PROGRESS (M-STEP)** assessments in English language arts  
4 and mathematics. These assessments shall be aligned to state  
5 standards.

6 (3) For the purposes of this section, the department shall  
7 implement ~~beginning in the 2015-2016 school year~~ a summative  
8 assessment system that is proven to be valid and reliable for  
9 administration to pupils as provided under this subsection. The  
10 summative assessment system shall meet all of the following  
11 requirements:

12 (a) The summative assessment system shall measure student  
13 proficiency on the current state standards, shall measure student  
14 growth for consecutive grade levels in which students are assessed  
15 in the same subject area in both grade levels, and shall be capable  
16 of measuring individual student performance.

17 (b) The summative assessments for English language arts and  
18 mathematics shall be administered to all public school pupils in  
19 grades 3 to ~~10~~, **11**, including those pupils as required by the  
20 federal individuals with disabilities education act, Public Law  
21 108-446, and by title I of the federal elementary and secondary  
22 education act.

23 (c) The summative assessments for science shall be  
24 administered to all public school pupils in at least grades 4 and  
25 7, including those pupils as required by the federal individuals  
26 with disabilities education act, Public Law 108-446, and by title I  
27 of the federal elementary and secondary education act.



1 (d) The summative assessments for social studies shall be  
2 administered to all public school pupils in at least grades 5 and  
3 8, including those pupils as required by the federal individuals  
4 with disabilities education act, Public Law 108-446, and by title I  
5 of the federal elementary and secondary education act.

6 (e) The content of the summative assessments shall be aligned  
7 to state standards.

8 (f) The pool of questions for the summative assessments shall  
9 be subject to a transparent review process for quality, bias, and  
10 sensitive issues involving educator review and comment. The  
11 department shall post samples from tests or retired tests featuring  
12 questions from this pool for review by the public.

13 (g) The summative assessment system shall ensure that  
14 students, parents, and teachers are provided with reports that  
15 convey individual student proficiency and growth on the assessment  
16 and that convey individual student domain-level performance in each  
17 subject area, including representative questions, and individual  
18 student performance in meeting state standards.

19 (h) The summative assessment system shall be capable of  
20 providing, and the department shall ensure that students, parents,  
21 teachers, administrators, and community members are provided with,  
22 reports that convey aggregate student proficiency and growth data  
23 by teacher, grade, school, and district.

24 (i) The summative assessment system shall ensure the  
25 capability of reporting the available data to support educator  
26 evaluations.

27 (j) The summative assessment system shall ensure that the

1 reports provided to districts containing individual student data  
2 are available within 60 days after completion of the assessments.

3 ~~— (k) The assessments shall be capable of being implemented~~  
4 ~~statewide in a fully operational manner no later than the 2015-2016~~  
5 ~~school year.~~

6 (K) ~~(l)~~ The summative assessment system shall ensure that  
7 access to individually identifiable student data meets all of the  
8 following:

9 (i) Is in compliance with 20 USC 1232g, commonly referred to  
10 as the family educational rights and privacy act of 1974.

11 (ii) Except as may be provided for in an agreement with a  
12 vendor to provide assessment services, as necessary to support  
13 educator evaluations pursuant to subdivision (i), or for research  
14 or program evaluation purposes, is available only to the student;  
15 to the student's parent or legal guardian; and to a school  
16 administrator or teacher, to the extent that he or she has a  
17 legitimate educational interest.

18 (I) ~~(m)~~ The summative assessment system shall ensure that the  
19 assessments are pilot tested before statewide implementation.

20 (M) ~~(n)~~ The summative assessment system shall ensure that  
21 assessments are designed so that the maximum total combined length  
22 of time that schools are required to set aside for a pupil to  
23 answer all test questions on all assessments that are part of the  
24 system for the pupil's grade level does not exceed that maximum  
25 total combined length of time for the previous statewide assessment  
26 system or 9 hours, whichever is less. This subdivision does not  
27 limit the amount of time a district may allow a pupil to complete a

1 test.

2 (N) ~~(e)~~—The total cost of executing the summative assessment  
3 system statewide each year, including, but not limited to, the cost  
4 of contracts for administration, scoring, and reporting, shall not  
5 exceed an amount equal to 2 times the cost of executing the  
6 previous statewide assessment after adjustment for inflation.

7 ~~(4) To begin the process required under subsection (3), not~~  
8 ~~later than September 1, 2014, the department shall issue a request~~  
9 ~~for proposals for the summative assessment system described in that~~  
10 ~~subsection.~~**BEGINNING IN THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT**  
11 **SHALL FIELD TEST ADDITIONAL COMPONENTS IN THE ASSESSMENT SYSTEM**  
12 **UNDER THIS SUBSECTION FOR FULL IMPLEMENTATION IN THE 2016-2017**  
13 **SCHOOL YEAR. THE ADDITIONAL COMPONENTS ARE NECESSARY TO DETERMINE A**  
14 **PUPIL'S PROFICIENCY LEVEL BEFORE GRADE 3. THE ADDITIONAL COMPONENTS**  
15 **ARE AS FOLLOWS:**

16 (A) ASSESSMENTS ADMINISTERED IN THE FALL AND SPRING OF EACH  
17 YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN EACH OF  
18 GRADES 1 AND 2.

19 (B) THE KINDERGARTEN ENTRY ASSESSMENT (KEA), TO BE  
20 ADMINISTERED IN THE FALL OF THE KINDERGARTEN YEAR. THE KEA SHALL  
21 INCLUDE THE SAME COMPONENTS AS UNDER SUBDIVISION (A) AND ALSO MAY  
22 INCLUDE OBSERVATIONAL COMPONENTS THAT MEASURE COGNITIVE, SOCIAL-  
23 EMOTIONAL, AND PHYSICAL SKILLS.

24 (5) This section does not prohibit districts from adopting  
25 interim assessments.

26 ~~—(6) The department shall seek a waiver or amendment to an~~  
27 ~~existing waiver for federal approval of the assessment framework~~

~~under this section and shall notify the United States department of education about the provisions of this section and take necessary steps to assure the United States department of education that this state is on track to develop and implement a summative assessment system as required by federal law.~~

(6) ~~(7)~~As used in this section, "English language arts" means that term as defined in section 104b.

SEC. 104D. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR PROVIDING REIMBURSEMENT TO DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST FOR EACH STUDENT ENROLLED IN THE DISTRICT. IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION, THE COMPUTER-ADAPTIVE TEST SHALL PROVIDE AT LEAST THE FOLLOWING:

(A) INTERNET-DELIVERED, STANDARDS-BASED ASSESSMENT USING A COMPUTER-ADAPTIVE MODEL TO TARGET THE INSTRUCTIONAL LEVEL OF EACH PUPIL.

(B) UNLIMITED TESTING OPPORTUNITIES THROUGHOUT THE 2015-2016 SCHOOL YEAR.

(C) VALID AND RELIABLE DIAGNOSTIC ASSESSMENT DATA.

(D) ADJUSTMENT OF TESTING DIFFICULTY BASED ON PREVIOUS ANSWERS TO TEST QUESTIONS.

(E) IMMEDIATE FEEDBACK TO PUPILS AND TEACHERS.

(2) REIMBURSEMENT UNDER THIS SECTION SHALL BE MADE TO ELIGIBLE DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST DESCRIBED IN SUBSECTION (1) BY OCTOBER 15, 2015 AND SHALL BE MADE ON AN EQUAL PER-PUPIL BASIS ACCORDING TO THE AVAILABLE FUNDING.

1           (3) IN ORDER TO RECEIVE REIMBURSEMENT UNDER THIS SECTION, A  
2 DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT  
3 THAT A QUALIFYING COMPUTER-ADAPTIVE TEST WAS PURCHASED BY THE  
4 DISTRICT BY OCTOBER 15, 2015.

5           Sec. 107. (1) From the appropriation in section 11, there is  
6 allocated an amount not to exceed ~~\$22,000,000.00~~ **\$29,000,000.00** for  
7 ~~2014-2015-2015-2016~~ for adult education programs authorized under  
8 this section. ~~Funds~~ **EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTIONS**  
9 **(16) AND (18), FUNDS** allocated under this section are restricted  
10 for adult education programs as authorized under this section only.  
11 A recipient of funds under this section shall not use those funds  
12 for any other purpose.

13           (2) To be eligible for funding under this section, ~~a program~~  
14 **AN ELIGIBLE ADULT EDUCATION PROVIDER** shall employ certificated  
15 teachers and qualified administrative staff and shall offer  
16 continuing education opportunities for teachers to allow them to  
17 maintain certification.

18           (3) To be eligible to be a participant funded under this  
19 section, ~~a person~~ **AN INDIVIDUAL** shall be enrolled in an adult basic  
20 education program, an adult English as a second language program, a  
21 general educational development (G.E.D.) test preparation program,  
22 a job- or employment-related program, or a high school completion  
23 program, that meets the requirements of this section, and for which  
24 instruction is provided, and shall meet either of the following, as  
25 applicable:

26           (a) If the individual has obtained a high school diploma or a  
27 general educational development (G.E.D.) certificate, the

individual meets 1 of the following:

~~(i) Is less than 20 years of age on September 1 of the school year and is enrolled in the Michigan career and technical institute.~~

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

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

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

(iv) IS 20 YEARS OF AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR, IS ENROLLED IN AN ADULT BASIC EDUCATION PROGRAM, AND IS DETERMINED BY A DEPARTMENT-APPROVED ASSESSMENT, IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, TO BE BELOW GRADE 9 LEVEL IN READING OR MATHEMATICS, OR BOTH.

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

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

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

(4) BY APRIL 1 OF EACH FISCAL YEAR, THE INTERMEDIATE DISTRICTS WITHIN A PROSPERITY REGION OR SUBREGION SHALL DETERMINE WHICH

1 INTERMEDIATE DISTRICT WILL SERVE AS THE PROSPERITY REGION'S OR  
2 SUBREGION'S FISCAL AGENT FOR THE NEXT FISCAL YEAR AND SHALL NOTIFY  
3 THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.  
4 THE DEPARTMENT SHALL APPROVE OR DISAPPROVE OF THE PROSPERITY  
5 REGION'S OR SUBREGION'S SELECTED FISCAL AGENT. From the funds  
6 allocated under subsection (1), an amount as determined under this  
7 subsection shall be allocated to each intermediate district serving  
8 as a fiscal agent for adult education programs in each of the ~~10~~  
9 prosperity regions **OR SUBREGIONS** identified by the department. An  
10 intermediate district shall not use more than 5% of the funds  
11 allocated under this subsection for administration costs for  
12 serving as the fiscal agent. ~~The department shall ensure that the~~  
13 ~~funds allocated under this subsection for 2014-2015 will provide~~  
14 ~~services in 2014-2015 to at least the same number of individuals as~~  
15 ~~the number of individuals who were enrolled in programs funded~~  
16 ~~under this section in 2013-2014. For BEGINNING IN 2014-2015, 67% of~~  
17 the allocation provided to each intermediate district serving as a  
18 fiscal agent shall be based on the proportion of total funding  
19 formerly received by the adult education providers in that  
20 prosperity region **OR SUBREGION** in 2013-2014, and 33% shall be  
21 allocated based on the factors in subdivisions (a), (b), and (c).  
22 ~~For 2015-2016, 33% of the allocation provided to each intermediate~~  
23 ~~district serving as a fiscal agent shall be based upon the~~  
24 ~~proportion of total funding formerly received by the adult~~  
25 ~~education providers in that prosperity region in 2013-2014 and 67%~~  
26 ~~of the allocation shall be based upon the factors in subdivisions~~  
27 ~~(a), (b), and (c). For 2016-2017, 100% of the allocation provided~~

1 ~~to each intermediate district serving as a fiscal agent shall be~~  
2 ~~based on the factors in subdivisions (a), (b), and (c).~~ The funding  
3 factors for this section are as follows:

4 (a) Sixty percent of this portion of the funding shall be  
5 distributed based upon the proportion of the state population of  
6 individuals between the ages of 18 and 24 that are not high school  
7 graduates that resides in each of the prosperity regions **OR**  
8 **SUBREGIONS**, as reported by the most recent 5-year estimates from  
9 the American community survey (ACS) from the United States ~~census~~  
10 ~~bureau.~~**CENSUS BUREAU.**

11 (b) Thirty-five percent of this portion of the funding shall  
12 be distributed based upon the proportion of the state population of  
13 individuals age 25 or older who are not high school graduates that  
14 resides in each of the prosperity regions **OR SUBREGIONS**, as  
15 reported by the most recent 5-year estimates from the American  
16 community survey (ACS) from the United States ~~census bureau.~~**CENSUS**  
17 **BUREAU.**

18 (c) Five percent of this portion of the funding shall be  
19 distributed based upon the proportion of the state population of  
20 individuals age 18 or older who lack basic English language  
21 proficiency that resides in each of the prosperity regions **OR**  
22 **SUBREGIONS**, as reported by the most recent 5-year estimates from  
23 the American community survey (ACS) from the United States ~~census~~  
24 ~~bureau.~~**CENSUS BUREAU.**

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



1 (a) Distribute funds to adult education programs in a  
2 prosperity region **OR SUBREGION** as described in this section.

3 (b) Collaborate with ~~education advisory groups~~ **THE TALENT**  
4 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the  
5 workforce development boards located in the prosperity region **OR**  
6 **SUBREGION, OR ITS SUCCESSOR,** to develop a regional strategy that  
7 aligns adult education programs and services into an efficient and  
8 effective delivery system for adult education learners, **WITH**  
9 **SPECIAL CONSIDERATION FOR PROVIDING CONTEXTUALIZED LEARNING AND**  
10 **CAREER PATHWAYS.**

11 (c) Collaborate with ~~education advisory groups~~ **THE TALENT**  
12 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the  
13 workforce development boards located in the prosperity region **OR**  
14 **SUBREGION, OR ITS SUCCESSOR,** to create a local process and criteria  
15 that will identify eligible adult education providers to receive  
16 funds allocated under this section based on location, demand for  
17 services, **PAST PERFORMANCE, QUALITY INDICATORS AS IDENTIFIED BY THE**  
18 **DEPARTMENT,** and cost to provide instructional services. ~~All~~ **THE**  
19 **FISCAL AGENT SHALL DETERMINE ALL** local processes, criteria, and  
20 provider determinations. **HOWEVER, THE LOCAL PROCESSES, CRITERIA,**  
21 **AND PROVIDER SERVICES** must be approved by the department before  
22 funds may be distributed to the fiscal agent.

23 **(D) PROVIDE OVERSIGHT TO ITS ADULT EDUCATION PROVIDERS**  
24 **THROUGHOUT THE PROGRAM YEAR TO ENSURE COMPLIANCE WITH THE**  
25 **REQUIREMENTS OF THIS SECTION.**

26 **(E)** ~~(d)~~ Report adult education program and participant data  
27 and information as prescribed by the department.

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

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

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

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

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

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

20           (ii) The participant fails to show progress on 2 successive  
21 assessments after having completed at least 450 hours of  
22 instruction.

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

26           (i) The participant is assessed as having attained basic  
27 English proficiency as determined by a department-approved

1 assessment.

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

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

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

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

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

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

23 (ii) The participant fails to show progress on 2 successive  
24 department-approved assessments used to determine readiness to take  
25 the G.E.D. test after having completed at least 450 hours of  
26 instruction.

27 (9) A high school completion program operated on a year-round

1 or school year basis may be funded under this section, subject to  
2 all of the following:

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

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

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

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

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

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

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

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

27 (c) An individual may be enrolled in this program and the

1 grant recipient shall receive funding according to subsection (11)  
2 until 1 of the following occurs:

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

5 (ii) The individual fails to show progress on 2 successive  
6 assessments after having completed at least 450 hours of  
7 instruction.

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

10 (a) ~~Seventy-five~~ **NINETY** percent for enrollment of eligible  
11 participants.

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

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

1 the local or intermediate district conducting the program.

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

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

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

22 (16) In order to receive funds under this section, a funding  
23 recipient shall furnish to the department, in a form and manner  
24 determined by the department, all information needed to administer  
25 this program and meet federal reporting requirements; shall allow  
26 the department or the department's designee to review all records  
27 related to the program for which it receives funds; and shall

1 reimburse the state for all disallowances found in the review, as  
2 determined by the department. IN ADDITION, A FUNDING RECIPIENT  
3 SHALL AGREE TO PAY TO A CAREER AND TECHNICAL EDUCATION PROGRAM  
4 UNDER SECTION 61A THE AMOUNT OF FUNDING RECEIVED UNDER THIS SECTION  
5 IN THE PROPORTION OF CAREER AND TECHNICAL EDUCATION COURSEWORK USED  
6 TO SATISFY ADULT BASIC EDUCATION PROGRAMMING, AS BILLED TO THE  
7 FUNDING RECIPIENT UNDER SECTION 61A.

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

12 (18) FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), AN AMOUNT  
13 NOT TO EXCEED \$500,000.00 SHALL BE ALLOCATED FOR 2015-2016 TO NOT  
14 MORE THAN 1 PILOT PROGRAM THAT IS LOCATED IN A PROSPERITY REGION  
15 WITH 2 OR MORE SUBREGIONS AND THAT CONNECTS ADULT EDUCATION  
16 PARTICIPANTS DIRECTLY WITH EMPLOYERS BY LINKING ADULT EDUCATION,  
17 CAREER AND TECHNICAL SKILLS, AND WORKFORCE DEVELOPMENT. TO BE  
18 ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, A PILOT PROGRAM SHALL  
19 PROVIDE A COLLABORATION LINKING ADULT EDUCATION PROGRAMS WITHIN THE  
20 COUNTY, THE AREA CAREER/TECHNICAL CENTER, AND LOCAL EMPLOYERS, AND  
21 SHALL MEET THE ADDITIONAL CRITERIA IN SUBSECTIONS (19) AND (20).  
22 FUNDING UNDER THIS SUBSECTION FOR 2015-2016 IS FOR THE FIRST OF 3  
23 YEARS OF FUNDING.

24 (19) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL  
25 REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN WORKS! TO  
26 IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST PREPARED TO  
27 SUCCESSFULLY ENTER THE WORKFORCE. PARTICIPANTS IDENTIFIED UNDER

1 THIS SUBSECTION SHALL BE DUALY ENROLLED IN ADULT EDUCATION  
2 PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA  
3 CAREER/TECHNICAL CENTER.

4 (20) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL HAVE  
5 ON STAFF AN ADULT EDUCATION NAVIGATOR WHO WILL SERVE AS A  
6 CASEWORKER FOR EACH PARTICIPANT IDENTIFIED UNDER SUBSECTION (19).  
7 THE NAVIGATOR SHALL WORK WITH ADULT EDUCATION STAFF AND POTENTIAL  
8 EMPLOYERS TO DESIGN AN EDUCATIONAL PROGRAM BEST SUITED TO THE  
9 PERSONAL AND EMPLOYMENT NEEDS OF THE PARTICIPANT, AND SHALL WORK  
10 WITH HUMAN SERVICE AGENCIES OR OTHER ENTITIES TO ADDRESS ANY  
11 BARRIER IN THE WAY OF PARTICIPANT ACCESS.

12 (21) NOT LATER THAN DECEMBER 1, 2016, THE PILOT PROGRAM FUNDED  
13 UNDER SUBSECTION (18) SHALL PROVIDE TO THE SENATE AND HOUSE  
14 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND TO THE SENATE AND  
15 HOUSE FISCAL AGENCIES A REPORT DETAILING NUMBER OF PARTICIPANTS,  
16 GRADUATION RATES, AND A MEASURE OF TRANSITIONING TO EMPLOYMENT.

17 (22) THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS FOR A  
18 PILOT PROGRAM TO BE FUNDED UNDER SUBSECTION (18) AND SHALL AWARD  
19 FUNDING NOT LATER THAN NOVEMBER 1, 2015. FUNDING ALLOCATED UNDER  
20 SUBSECTION (18) MAY BE PAID ON A SCHEDULE OTHER THAN THAT SPECIFIED  
21 UNDER SECTION 17B.

22 (23) ~~(18)~~As used in this section:

23 (A) "CAREER PATHWAY" MEANS A COMBINATION OF RIGOROUS AND HIGH-  
24 QUALITY EDUCATION, TRAINING, AND OTHER SERVICES THAT COMPLY WITH  
25 ALL OF THE FOLLOWING:

26 (i) ALIGNS WITH THE SKILL NEEDS OF INDUSTRIES IN THE ECONOMY  
27 OF THIS STATE OR IN THE REGIONAL ECONOMY INVOLVED.



1           (ii) PREPARES AN INDIVIDUAL TO BE SUCCESSFUL IN ANY OF A FULL  
2 RANGE OF SECONDARY OR POSTSECONDARY EDUCATION OPTIONS, INCLUDING  
3 APPRENTICESHIPS REGISTERED UNDER THE ACT OF AUGUST 16, 1937  
4 (COMMONLY KNOWN AS THE "NATIONAL APPRENTICESHIP ACT"), 29 USC 50 ET  
5 SEQ.

6           (iii) INCLUDES COUNSELING TO SUPPORT AN INDIVIDUAL IN  
7 ACHIEVING THE INDIVIDUAL'S EDUCATION AND CAREER GOALS.

8           (iv) INCLUDES, AS APPROPRIATE, EDUCATION OFFERED CONCURRENTLY  
9 WITH AND IN THE SAME CONTEXT AS WORKFORCE PREPARATION ACTIVITIES  
10 AND TRAINING FOR A SPECIFIC OCCUPATION OR OCCUPATIONAL CLUSTER.

11           (v) ORGANIZES EDUCATION, TRAINING, AND OTHER SERVICES TO MEET  
12 THE PARTICULAR NEEDS OF AN INDIVIDUAL IN A MANNER THAT ACCELERATES  
13 THE EDUCATIONAL AND CAREER ADVANCEMENT OF THE INDIVIDUAL TO THE  
14 EXTENT PRACTICABLE.

15           (vi) ENABLES AN INDIVIDUAL TO ATTAIN A SECONDARY SCHOOL  
16 DIPLOMA OR ITS RECOGNIZED EQUIVALENT, AND AT LEAST 1 RECOGNIZED  
17 POSTSECONDARY CREDENTIAL.

18           (vii) HELPS AN INDIVIDUAL ENTER OR ADVANCE WITHIN A SPECIFIC  
19 OCCUPATION OR OCCUPATIONAL CLUSTER.

20           (B) ~~(a)~~—"Department" means the Michigan strategic fund.

21           (C) ~~(b)~~—"Eligible adult education provider" means a district,  
22 intermediate district, a consortium of districts, a consortium of  
23 intermediate districts, or a consortium of districts and  
24 intermediate districts that is identified as part of the local  
25 process described in subsection (5)(c) and approved by the  
26 department.

27           (D) ~~(e)~~—"Participant" means the sum of the number of full-time

1 equated individuals enrolled in and attending a department-approved  
2 adult education program under this section, using quarterly  
3 participant count days on the schedule described in section  
4 6(7)(b).

5       Sec. 147. (1) The allocation for ~~2014-2015~~**-2015-2016** for the  
6 public school employees' retirement system pursuant to the public  
7 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301  
8 to 38.1408, shall be made using the individual projected benefit  
9 entry age normal cost method of valuation and risk assumptions  
10 adopted by the public school employees retirement board and the  
11 department of technology, management, and budget.

12       (2) The annual level percentage of payroll contribution rates  
13 for the ~~2014-2015~~**-2015-2016** fiscal year, as determined by the  
14 retirement system, are estimated as follows:

15       (a) For public school employees who first worked for a public  
16 school reporting unit before July 1, 2010 and who are enrolled in  
17 the health premium subsidy, the annual level percentage of payroll  
18 contribution rate is estimated at ~~33.41%~~**-36.31%**, with 25.78% paid  
19 directly by the employer.

20       (b) For public school employees who first worked for a public  
21 school reporting unit on or after July 1, 2010 and who are enrolled  
22 in the health premium subsidy, the annual level percentage of  
23 payroll contribution rate is estimated at ~~32.33%~~**-35.09%**, with  
24 ~~24.70%~~**-24.56%** paid directly by the employer.

25       (c) For public school employees who first worked for a public  
26 school reporting unit on or after July 1, 2010 and who participate  
27 in the personal healthcare fund, the annual level percentage of

1 payroll contribution rate is estimated at ~~31.82%~~, **34.66%**, with  
2 ~~24.19%~~ **24.13%** paid directly by the employer.

3 (d) For public school employees who first worked for a public  
4 school reporting unit on or after September 4, 2012, who elect  
5 defined contribution, and who participate in the personal  
6 healthcare fund, the annual level percentage of payroll  
7 contribution rate is estimated at ~~28.59%~~, **31.49%**, with 20.96% paid  
8 directly by the employer.

9 (e) For public school employees who first worked for a public  
10 school reporting unit before July 1, 2010, who elect defined  
11 contribution, and who are enrolled in the health premium subsidy,  
12 the annual level percentage of payroll contribution rate is  
13 estimated at ~~29.10%~~, **31.92%**, with ~~21.47%~~ **21.39%** paid directly by  
14 the employer.

15 (f) For public school employees who first worked for a public  
16 school reporting unit before July 1, 2010, who elect defined  
17 contribution, and who participate in the personal healthcare fund,  
18 the annual level percentage of payroll contribution rate is  
19 estimated at ~~28.59%~~, **31.49%**, with 20.96% paid directly by the  
20 employer.

21 (g) For public school employees who first worked for a public  
22 school reporting unit before July 1, 2010 and who participate in  
23 the personal healthcare fund, the annual level percentage of  
24 payroll contribution rate is estimated at ~~32.90%~~, **35.88%**, with  
25 ~~25.27%~~ **25.35%** paid directly by the employer.

26 (3) In addition to the employer payments described in  
27 subsection (2), the employer shall pay the applicable contributions

1 to the Tier 2 plan, as determined by the public school employees  
2 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

3 (4) The contribution rates in subsection (2) reflect an  
4 amortization period of ~~24-23~~ years for ~~2014-2015-2015-2016~~. The  
5 public school employees' retirement system board shall notify each  
6 district and intermediate district by February 28 of each fiscal  
7 year of the estimated contribution rate for the next fiscal year.

8 Sec. 147a. From the appropriation in section 11, there is  
9 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
10 \$100,000,000.00 for payments to participating districts. A district  
11 that receives money under this section shall use that money solely  
12 for the purpose of offsetting a portion of the retirement  
13 contributions owed by the district for the fiscal year in which it  
14 is received. The amount allocated to each participating district  
15 under this section shall be based on each participating district's  
16 percentage of the total statewide payroll for all participating  
17 districts for the immediately preceding fiscal year. As used in  
18 this section, "participating district" means a district that is a  
19 reporting unit of the Michigan public school employees' retirement  
20 system under the public school employees retirement act of 1979,  
21 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to  
22 the Michigan public school employees' retirement system for the  
23 applicable fiscal year.

24 Sec. 147c. (1) From the appropriation in section 11, there is  
25 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed  
26 ~~\$658,400,000.00~~ **\$892,900,000.00** from the state school aid fund ~~7~~  
27 ~~and there is appropriated for 2014-2015 an amount not to exceed~~

1 ~~\$18,000,000.00 from the MPERS retirement obligation reform reserve~~  
2 ~~fund,~~ for payments to districts and intermediate districts that are  
3 participating entities of the Michigan public school employees'  
4 retirement system. In addition, from the general fund money  
5 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~  
6 **2016** an amount not to exceed ~~\$500,000.00~~ **\$600,000.00** for payments  
7 to district libraries that are participating entities of the  
8 Michigan public school employees' retirement system.

9 (2) For ~~2014-2015,~~ **2015-2016**, the amounts allocated under  
10 subsection (1) are estimated to provide an average MPERS rate cap  
11 per pupil amount of ~~\$449.00~~ **\$601.00** and are estimated to provide a  
12 rate cap per pupil for districts ranging between \$4.00 and  
13 ~~\$2,056.00~~ **\$2,300.00**.

14 (3) Payments made under this section for ~~2014-2015~~ **2015-2016**  
15 shall be equal to the difference between the unfunded actuarial  
16 accrued liability contribution rate as calculated pursuant to  
17 section 41 of the public school employees retirement act of 1979,  
18 1980 PA 300, MCL 38.1341, as calculated without taking into account  
19 the maximum employer rate of 20.96% included in section 41 of the  
20 public school employees retirement act of 1979, 1980 PA 300, MCL  
21 38.1341, and the maximum employer rate of 20.96% included in  
22 section 41 of the public school employees retirement act of 1979,  
23 1980 PA 300, MCL 38.1341.

24 (4) The amount allocated to each participating entity under  
25 this section shall be based on each participating entity's  
26 proportion of the total covered payroll for the immediately  
27 preceding fiscal year for the same type of participating entities.

1 A participating entity that receives funds under this section shall  
2 use the funds solely for the purpose of retirement contributions as  
3 specified in subsection (5).

4 (5) Each participating entity receiving funds under this  
5 section shall forward an amount equal to the amount allocated under  
6 subsection (4) to the retirement system in a form, manner, and time  
7 frame determined by the retirement system.

8 (6) Funds allocated under this section should be considered  
9 when comparing a district's growth in total state aid funding from  
10 1 fiscal year to the next.

11 (7) Not later than ~~October 20, 2014,~~ **DECEMBER 20, 2015**, the  
12 department shall publish and post on its website an estimated  
13 MPSERS rate cap per pupil for each district.

14 (8) As used in this section:

15 (a) "MPSERS rate cap per pupil" means an amount equal to the  
16 quotient of the district's payment under this section divided by  
17 the district's pupils in membership.

18 (b) "Participating entity" means a district, intermediate  
19 district, or district library that is a reporting unit of the  
20 Michigan public school employees' retirement system under the  
21 public school employees retirement act of 1979, 1980 PA 300, MCL  
22 38.1301 to 38.1437, and that reports employees to the Michigan  
23 public school employees' retirement system for the applicable  
24 fiscal year.

25 (c) "Retirement board" means the board that administers the  
26 retirement system under the public school employees retirement act  
27 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

1 (d) "Retirement system" means the Michigan public school  
2 employees' retirement system under the public school employees  
3 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

4 Sec. 152a. (1) As required by the court in the consolidated  
5 cases known as Adair v State of Michigan, Michigan supreme court  
6 docket nos. 137424 and 137453, from the state school aid fund money  
7 appropriated in section 11 there is allocated for ~~2014-2015-2015-~~  
8 **2016** an amount not to exceed \$38,000,500.00 to be used solely for  
9 the purpose of paying necessary costs related to the state-mandated  
10 collection, maintenance, and reporting of data to this state.

11 (2) From the allocation in subsection (1), the department  
12 shall make payments to districts and intermediate districts in an  
13 equal amount per-pupil based on the total number of pupils in  
14 membership in each district and intermediate district. The  
15 department shall not make any adjustment to these payments after  
16 the final installment payment under section 17b is made.

17 Sec. 163. (1) Except as provided in the revised school code,  
18 the board of a district or intermediate district shall not permit  
19 any of the following:

20 (a) A noncertificated ~~teacher~~**EDUCATOR** to teach in an  
21 elementary or secondary school or in an adult basic education or  
22 high school completion program.

23 (b) A noncertificated ~~counselor~~**EDUCATOR** to provide counseling  
24 services to pupils in an elementary or secondary school or in an  
25 adult basic education or high school completion program.

26 **(C) A NONCERTIFICATED EDUCATOR TO ADMINISTER INSTRUCTIONAL**  
27 **PROGRAMS IN AN ELEMENTARY OR SECONDARY SCHOOL, OR IN AN ADULT BASIC**

1 **EDUCATION OR HIGH SCHOOL COMPLETION PROGRAM, UNLESS THAT EDUCATOR**  
 2 **IS FULFILLING APPLICABLE CONTINUING EDUCATION REQUIREMENTS.**

3 (2) Except as provided in the revised school code, a district  
 4 or intermediate district employing ~~teachers or counselors~~ **EDUCATORS**  
 5 not legally certificated **OR LICENSED** shall have deducted the sum  
 6 equal to the amount paid the ~~teachers or counselors~~ **EDUCATORS** for  
 7 the period of noncertificated, **UNLICENSED**, or illegal employment.  
 8 Each intermediate superintendent shall notify the department of the  
 9 name of the noncertificated ~~teacher or counselor,~~ **OR UNLICENSED**  
 10 **EDUCATOR**, and the district employing that individual and the amount  
 11 of salary the noncertificated ~~teacher or counselor~~ **OR UNLICENSED**  
 12 **EDUCATOR** was paid within a constituent district.

13 (3) If a school official is notified by the department that he  
 14 or she is employing a nonapproved, noncertificated, ~~teacher or~~  
 15 ~~counselor~~ **OR UNLICENSED EDUCATOR** in violation of this section and  
 16 knowingly continues to employ that ~~teacher or counselor,~~ **EDUCATOR**,  
 17 the school official is guilty of a misdemeanor, punishable by a  
 18 fine of \$1,500.00 for each incidence. This penalty is in addition  
 19 to all other financial penalties otherwise specified in this  
 20 article.

21 Sec. 201. (1) Subject to the conditions set forth in this  
 22 article, the amounts listed in this section are appropriated for  
 23 community colleges for the fiscal year ending September 30, ~~2015,~~  
 24 **2016**, from the funds indicated in this section. The following is a  
 25 summary of the appropriations in this section:

26 (a) The gross appropriation is ~~\$364,724,900.00.~~  
 27 **\$393,825,600.00.** After deducting total interdepartmental grants and



1 intradepartmental transfers in the amount of \$0.00, the adjusted  
2 gross appropriation is ~~\$364,724,900.00~~ **\$393,825,600.00**.

3 (b) The sources of the adjusted gross appropriation described  
4 in subdivision (a) are as follows:

5 (i) Total federal revenues, \$0.00.

6 (ii) Total local revenues, \$0.00.

7 (iii) Total private revenues, \$0.00.

8 (iv) Total other state restricted revenues,  
9 ~~\$364,724,900.00~~ **\$271,114,800.00**.

10 (v) State general fund/general purpose money,  
11 ~~\$0.00~~ **\$122,710,800.00**.

12 (2) Subject to subsection (3), the amount appropriated for  
13 community college operations is ~~\$307,191,300.00~~ **\$311,492,000.00**,  
14 allocated as follows:

15 (a) The appropriation for Alpena Community College is  
16 ~~\$5,390,700.00, \$5,236,500.00 for operations and \$154,200.00 for~~  
17 ~~performance funding.~~ **\$5,464,400.00, \$5,390,700.00 FOR OPERATIONS AND**  
18 **\$73,700.00 FOR PERFORMANCE FUNDING.**

19 (b) The appropriation for Bay de Noc Community College is  
20 ~~\$5,419,500.00, \$5,279,300.00 for operations and \$140,200.00 for~~  
21 ~~performance funding.~~ **\$5,490,200.00, \$5,419,500.00 FOR OPERATIONS AND**  
22 **\$70,700.00 FOR PERFORMANCE FUNDING.**

23 (c) The appropriation for Delta College is ~~\$14,498,900.00,~~  
24 ~~\$14,063,500.00 for operations and \$435,400.00 for performance~~  
25 ~~funding.~~ **\$14,704,000.00, \$14,498,900.00 FOR OPERATIONS AND**  
26 **\$205,100.00 FOR PERFORMANCE FUNDING.**

27 (d) The appropriation for Glen Oaks Community College is

1 ~~\$2,516,100.00, \$2,441,500.00 for operations and \$74,600.00 for~~  
2 ~~performance funding.~~ **\$2,551,100.00, \$2,516,100.00 FOR OPERATIONS AND**  
3 **\$35,000.00 FOR PERFORMANCE FUNDING.**

4 (e) The appropriation for Gogebic Community College is  
5 ~~\$4,451,400.00, \$4,330,300.00 for operations and \$121,100.00 for~~  
6 ~~performance funding.~~ **\$4,509,900.00, \$4,451,400.00 FOR OPERATIONS AND**  
7 **\$58,500.00 FOR PERFORMANCE FUNDING.**

8 (f) The appropriation for Grand Rapids Community College is  
9 ~~\$17,947,500.00, \$17,454,900.00 for operations and \$492,600.00 for~~  
10 ~~performance funding.~~ **\$18,187,300.00, \$17,947,500.00 FOR OPERATIONS**  
11 **AND \$239.800.00 FOR PERFORMANCE FUNDING.**

12 (g) The appropriation for Henry Ford Community College is  
13 ~~\$21,623,800.00, \$21,060,000.00 for operations and \$563,800.00 for~~  
14 ~~performance funding.~~ **\$21,893,300.00, \$21,623,800.00 FOR OPERATIONS**  
15 **AND \$269,500.00 FOR PERFORMANCE FUNDING.**

16 (h) The appropriation for Jackson College is ~~\$12,087,300.00,~~  
17 ~~\$11,758,200.00 for operations and \$329,100.00 for performance~~  
18 ~~funding.~~ **\$12,245,300.00, \$12,087,300.00 FOR OPERATIONS AND**  
19 **\$158,000.00 FOR PERFORMANCE FUNDING.**

20 (i) The appropriation for Kalamazoo Valley Community College  
21 is ~~\$12,503,100.00, \$12,122,500.00 for operations and \$380,600.00~~  
22 ~~for performance funding.~~ **\$12,689,400.00, \$12,503,100.00 FOR**  
23 **OPERATIONS AND \$186,300.00 FOR PERFORMANCE FUNDING.**

24 (j) The appropriation for Kellogg Community College is  
25 ~~\$9,813,500.00, \$9,522,000.00 for operations and \$291,500.00 for~~  
26 ~~performance funding.~~ **\$9,950,100.00, \$9,813,500.00 FOR OPERATIONS AND**  
27 **\$136,600.00 FOR PERFORMANCE FUNDING.**

1 (k) The appropriation for Kirtland Community College is  
2 ~~\$3,167,700.00, \$3,055,700.00 for operations and \$112,000.00 for~~  
3 ~~performance funding.~~**\$3,221,500.00, \$3,167,700.00 FOR OPERATIONS AND**  
4 **\$53,800.00 FOR PERFORMANCE FUNDING.**

5 (l) The appropriation for Lake Michigan College is  
6 ~~\$5,342,900.00, \$5,178,100.00 for operations and \$164,800.00 for~~  
7 ~~performance funding.~~**\$5,417,700.00, \$5,342.900.00 FOR OPERATIONS AND**  
8 **\$74,800.00 FOR PERFORMANCE FUNDING.**

9 (m) The appropriation for Lansing Community College is  
10 ~~\$30,877,600.00, \$30,023,700.00 for operations and \$853,900.00 for~~  
11 ~~performance funding.~~**\$31,288,200.00, \$30,877,600.00 FOR OPERATIONS**  
12 **AND \$410,600.00 FOR PERFORMANCE FUNDING.**

13 (n) The appropriation for Macomb Community College is  
14 ~~\$32,816,600.00, \$31,931,200.00 for operations and \$885,400.00 for~~  
15 ~~performance funding.~~**\$33,239,500.00, \$32,816,600.00 FOR OPERATIONS**  
16 **AND \$422,900.00 FOR PERFORMANCE FUNDING.**

17 (o) The appropriation for Mid Michigan Community College is  
18 ~~\$4,682,000.00, \$4,517,900.00 for operations and \$164,100.00 for~~  
19 ~~performance funding.~~**\$4,757,700.00, \$4,682,000.00 FOR OPERATIONS AND**  
20 **\$75,700.00 FOR PERFORMANCE FUNDING.**

21 (p) The appropriation for Monroe County Community College is  
22 ~~\$4,492,900.00, \$4,342,600.00 for operations and \$150,300.00 for~~  
23 ~~performance funding.~~**\$4,565,600.00, \$4,492,900.00 FOR OPERATIONS AND**  
24 **\$72,700.00 FOR PERFORMANCE FUNDING.**

25 (q) The appropriation for Montcalm Community College is  
26 ~~\$3,226,700.00, \$3,121,200.00 for operations and \$105,500.00 for~~  
27 ~~performance funding.~~**\$3,280,600.00, \$3,226,700.00 FOR OPERATIONS AND**

1   **\$53,900.00 FOR PERFORMANCE FUNDING.**

2           (r) The appropriation for C.S. Mott Community College is  
3   ~~\$15,686,100.00, \$15,247,100.00 for operations and \$439,000.00 for~~  
4   ~~performance funding.~~**\$15,901,700.00, \$15,686,100.00 FOR OPERATIONS**  
5   **AND \$215,600.00 FOR PERFORMANCE FUNDING.**

6           (s) The appropriation for Muskegon Community College is  
7   ~~\$8,901,000.00, \$8,653,500.00 for operations and \$247,500.00 for~~  
8   ~~performance funding.~~**\$9,020,700.00, \$8,901,000.00 FOR OPERATIONS AND**  
9   **\$119,700.00 FOR PERFORMANCE FUNDING.**

10          (t) The appropriation for North Central Michigan College is  
11   ~~\$3,172,400.00, \$3,064,400.00 for operations and \$108,000.00 for~~  
12   ~~performance funding.~~**\$3,224,800.00, \$3,172,400.00 FOR OPERATIONS AND**  
13   **\$52,400.00 FOR PERFORMANCE FUNDING.**

14          (u) The appropriation for Northwestern Michigan College is  
15   ~~\$9,078,800.00, \$8,825,300.00 for operations and \$253,500.00 for~~  
16   ~~performance funding.~~**\$9,200,500.00, \$9,078,800.00 FOR OPERATIONS AND**  
17   **\$121,700.00 FOR PERFORMANCE FUNDING.**

18          (v) The appropriation for Oakland Community College is  
19   ~~\$21,123,300.00, \$20,483,100.00 for operations and \$640,200.00 for~~  
20   ~~performance funding.~~**\$21,429,400.00, \$21,123,300.00 FOR OPERATIONS**  
21   **AND \$306,100.00 FOR PERFORMANCE FUNDING.**

22          (w) The appropriation for St. Clair County Community College  
23   is ~~\$7,061,600.00, \$6,860,100.00 for operations and \$201,500.00 for~~  
24   ~~performance funding.~~**\$7,158,000.00, \$7,061,600.00 FOR OPERATIONS AND**  
25   **\$96,400.00 FOR PERFORMANCE FUNDING.**

26          (x) The appropriation for Schoolcraft College is  
27   ~~\$12,513,700.00, \$12,112,200.00 for operations and \$401,500.00 for~~

1 ~~performance funding.~~\$12,706,400.00, \$12,513,700.00 FOR OPERATIONS  
2 AND \$192,700.00 FOR PERFORMANCE FUNDING.

3 (y) The appropriation for Southwestern Michigan College is  
4 ~~\$6,576,400.00, \$6,404,300.00 for operations and \$172,100.00 for~~  
5 ~~performance funding.~~\$6,657,600.00, \$6,576,400.00 FOR OPERATIONS AND  
6 \$81,200.00 FOR PERFORMANCE FUNDING.

7 (z) The appropriation for Washtenaw Community College is  
8 ~~\$13,077,300.00, \$12,610,800.00 for operations and \$466,500.00 for~~  
9 ~~performance funding.~~\$13,301,100.00, \$13,077,300.00 FOR OPERATIONS  
10 AND \$223,800.00 FOR PERFORMANCE FUNDING.

11 (aa) The appropriation for Wayne County Community College is  
12 ~~\$16,727,600.00, \$16,194,300.00 for operations and \$533,300.00 for~~  
13 ~~performance funding.~~\$16,989,800.00, \$16,727,600.00 FOR OPERATIONS  
14 AND \$262,200.00 FOR PERFORMANCE FUNDING.

15 (bb) The appropriation for West Shore Community College is  
16 ~~\$2,414,900.00, \$2,349,800.00 for operations and \$65,100.00 for~~  
17 ~~performance funding.~~\$2,446,200.00, \$2,414,900.00 FOR OPERATIONS AND  
18 \$31,300.00 FOR PERFORMANCE FUNDING.

19 (3) The amount appropriated in subsection (2) for community  
20 college operations is ~~\$307,191,300.00, appropriated from the state~~  
21 ~~school aid fund.~~APPROPRIATED FROM THE FOLLOWING:

22 (A) STATE SCHOOL AID FUND, \$244,581,200.00.

23 (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$66,910,800.00.

24 (4) From the appropriations described in subsection (1),  
25 subject to section 207a, the amount appropriated for fiscal year  
26 ~~2014-2015-2015-2016~~ to offset certain fiscal year ~~2014-2015-2015-~~  
27 2016 retirement contributions is \$1,733,600.00, appropriated from

1 the state school aid fund.

2 (5) From the appropriations described in subsection (1),  
 3 subject to section 207b, the amount appropriated for payments to  
 4 community colleges that are participating entities of the  
 5 retirement system is ~~\$52,300,000.00, \$69,500,000.00, \$17,200,000.00~~  
 6 appropriated from the state school aid fund **AND \$52,300,000.00**  
 7 **APPROPRIATED FROM STATE GENERAL FUND/GENERAL PURPOSE MONEY.**

8 (6) From the appropriations described in subsection (1),  
 9 subject to section 207c, the amount appropriated for renaissance  
 10 zone tax reimbursements is ~~\$3,500,000.00, \$5,100,000.00,~~  
 11 **\$1,600,000.00** appropriated from the state school aid fund **AND**  
 12 **\$3,500,000.00 APPROPRIATED FROM STATE GENERAL FUND/GENERAL PURPOSE**  
 13 **MONEY.**

14 (7) **FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THE**  
 15 **AMOUNT APPROPRIATED FOR PART-TIME, INDEPENDENT STUDENT GRANTS IS**  
 16 **\$6,000,000.00, APPROPRIATED FROM THE STATE SCHOOL AID FUND.**

17 Sec. 201a. It is the intent of the legislature to provide  
 18 appropriations for the fiscal year ending on September 30, ~~2016~~  
 19 **2017** for the items listed in section 201. The fiscal year ~~2015-2016~~  
 20 **2016-2017** appropriations are anticipated to be the same as those  
 21 for fiscal year ~~2014-2015, 2015-2016~~, except that the amounts will  
 22 be adjusted for changes in retirement costs, caseload and related  
 23 costs, federal fund match rates, economic factors, and available  
 24 revenue. These adjustments will be determined after the January  
 25 ~~2015-2016~~ consensus revenue estimating conference.

26 Sec. 206. The funds appropriated in section 201 are  
 27 appropriated for community colleges with fiscal years ending June

30, ~~2015-2016~~ and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2014-2015~~. Each community college shall accrue its July and August ~~2015-2016~~ payments to its institutional fiscal year ending June 30, ~~2015-2016~~. However, if the state budget director determines that a community college failed to submit all verified Michigan community colleges activities classification structure data for school year ~~2013-2014-2014-2015~~ to the workforce development agency by November 1, ~~2014, 2015~~, or failed to submit its longitudinal data system data set for school year ~~2013-2014-2014-2015~~ to the center for educational performance and information under section 219, the state treasurer shall withhold the monthly installments from that community college until those data are submitted. The state budget director shall notify the chairs of the house and senate appropriations subcommittees on community colleges at least 10 days before withholding funds from any community college.

Sec. 207a. All of the following apply to the allocation of the **FISCAL YEAR 2015-2016** appropriations described in section 201(4):

(a) A community college that receives money under section 201(4) shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the college for ~~the~~ **THAT** fiscal year. ~~ending September 30, 2015.~~

(b) The amount allocated to each participating community college under section 201(4) shall be based on each ~~participating~~ college's **PERCENTAGE OF THE** total **COVERED** payroll ~~covered by the~~

1 ~~retirement system covered payroll~~ for all **COMMUNITY COLLEGES THAT**  
2 **ARE** participating colleges ~~for~~ **IN THE IMMEDIATELY PRECEDING** fiscal  
3 year. ~~2013-2014.~~

4       Sec. 207b. All of the following apply to the allocation of the  
5 **FISCAL YEAR 2015-2016** appropriations described in section 201(5)  
6 for payments to community colleges that are participating entities  
7 of the retirement system:

8       (a) The amount of a payment under section 201(5) shall be the  
9 difference between the unfunded actuarial accrued liability  
10 contribution rate as calculated under section 41 of the public  
11 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,  
12 and the maximum employer rate of 20.96% under section 41 of the  
13 public school employees retirement act of 1979, 1980 PA 300, MCL  
14 38.1341.

15       (b) The amount allocated to each community college under  
16 section 201(5) shall be based on each community college's  
17 percentage of the total covered payroll for all community colleges  
18 that are participating colleges in the immediately preceding fiscal  
19 year. A community college that receives funds under this  
20 subdivision shall use the funds solely for the purpose of  
21 retirement contributions under section 201(5).

22       (c) Each participating college that receives funds under  
23 section 201(5) shall forward an amount equal to the amount  
24 allocated under subdivision (b) to the retirement system in a form  
25 and manner determined by the retirement system.

26       Sec. 207c. All of the following apply to the allocation of the  
27 appropriations described in section 201(6) to community colleges



1 described in section 12(3) of the Michigan renaissance zone act,  
2 **1996 PA 376**, MCL 125.2692:

3 (a) The amount allocated to each community college under  
4 section 201(6) **FOR FISCAL YEAR 2015-2016** shall be based on that  
5 community college's proportion of total revenue lost by community  
6 colleges ~~in fiscal year 2013-2014~~ as a result of the exemption of  
7 property **TAXES LEVIED IN 2015** under the Michigan renaissance zone  
8 act, **1996 PA 376, MCL 125.2681 TO 125.2696**.

9 (b) The appropriations described in section 201(6) shall be  
10 made to each eligible community college within 60 days after the  
11 department of treasury certifies to the state budget director that  
12 it has received all necessary information to properly determine the  
13 amounts ~~of tax revenue lost by~~ **PAYABLE TO** each eligible community  
14 college ~~in fiscal year 2013-2014~~ under section 12 of the Michigan  
15 renaissance zone act, **1996 PA 376, MCL 125.2692**.

16 Sec. 209. (1) Within 30 days after the board of a community  
17 college adopts its annual operating budget for the following ~~school~~  
18 fiscal year, or after the board adopts a subsequent revision to  
19 that budget, the community college shall make all of the following  
20 available through a link on its website homepage:

21 (a) The annual operating budget and subsequent budget  
22 revisions.

23 (b) A link to the most recent "Activities Classification  
24 Structure Data Book and Companion".

25 (c) General fund revenue and expenditure projections for  
26 fiscal year ~~2014-2015~~ **2015-2016** and fiscal year ~~2015-2016~~ **2016-**  
27 **2017**.

1 (d) A listing of all debt service obligations, detailed by  
2 project, anticipated fiscal year ~~2014-2015~~-2015-2016 payment of  
3 each project, and total outstanding debt.

4 (e) The estimated cost to the community college resulting from  
5 the patient protection and affordable care act, Public Law 111-148,  
6 as amended by the health care and education reconciliation act of  
7 2010, Public Law 111-152.

8 (f) Links to all of the following for the community college:

9 (i) The current collective bargaining agreement for each  
10 bargaining unit.

11 (ii) Each health care benefits plan, including, but not  
12 limited to, medical, dental, vision, disability, long-term care, or  
13 any other type of benefits that would constitute health care  
14 services, offered to any bargaining unit or employee of the  
15 community college.

16 (iii) Audits and financial reports for the most recent fiscal  
17 year for which they are available.

18 (iv) A copy of the board of trustees resolution regarding  
19 compliance with best practices for the local strategic value  
20 component described in section 230(2).

21 (2) For statewide consistency and public visibility, community  
22 colleges must use the icon badge provided by the department of  
23 technology, management, and budget consistent with the icon badge  
24 developed by the department of education for K-12 school districts.  
25 It must appear on the front of each community college's homepage.  
26 The size of the icon may be reduced to 150 x 150 pixels.

27 (3) The state budget director shall determine whether a

1 community college has complied with this section. The state budget  
2 director may withhold a community college's monthly installments  
3 described in section 206 until the community college complies with  
4 this section. The state budget director shall notify the chairs of  
5 the house and senate appropriations subcommittee on community  
6 colleges at least 10 days before withholding funds from any  
7 community college.

8 (4) Each community college shall report the following  
9 information to the senate and house appropriations subcommittees on  
10 community colleges, the senate and house fiscal agencies, and the  
11 state budget office by November 15 of each fiscal year and post  
12 that information on ~~the internet~~ **ITS** website **AS** required under  
13 subsection (1):

14 (a) Budgeted fiscal year ~~2014-2015-2015-2016~~ general fund  
15 revenue from tuition and fees.

16 (b) Budgeted fiscal year ~~2014-2015-2015-2016~~ general fund  
17 revenue from state appropriations.

18 (c) Budgeted fiscal year ~~2014-2015-2015-2016~~ general fund  
19 revenue from property taxes.

20 (d) Budgeted fiscal year ~~2014-2015-2015-2016~~ total general  
21 fund revenue.

22 (e) Budgeted fiscal year ~~2014-2015-2015-2016~~total general  
23 fund expenditures.

24 (5) By November 15 of each year, a community college shall  
25 report the following information to the center for educational  
26 performance and information and post the information on its website  
27 under the budget transparency icon badge:

1 (a) Opportunities for earning college credit through the  
2 following programs:

3 (i) State approved career and technical education or a tech  
4 prep articulated program of study.

5 (ii) Direct college credit or concurrent enrollment.

6 (iii) Dual enrollment.

7 (iv) An early college/middle college program.

8 (b) For each program described in subdivision (a) that the  
9 community college offers, all of the following information:

10 (i) The number of high school students participating in the  
11 program.

12 (ii) The number of school districts that participate in the  
13 program with the community college.

14 (iii) Whether a college professor, qualified local school  
15 district employee, or other individual teaches the course or  
16 courses in the program.

17 (iv) The total cost to the community college to operate the  
18 program.

19 (v) The cost per credit hour for the course or courses in the  
20 program.

21 (vi) The location where the course or courses in the program  
22 are held.

23 (vii) Instructional resources offered to the program  
24 instructors.

25 (viii) Resources offered to the student in the program.

26 (ix) Transportation services provided to students in the  
27 program.

1       Sec. 210b. (1) It is the intent of the legislature that the  
 2 Michigan ~~association of collegiate registrars and admissions~~  
 3 ~~officers~~ **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS**  
 4 **OFFICERS** implement any agreement or agreements among the community  
 5 colleges and universities concerning the transferability of college  
 6 courses resulting from the recommendations of the committee created  
 7 under former section 210a.

8       (2) It is the intent of the legislature that the Michigan  
 9 ~~association of collegiate registrars and admissions officers,~~  
 10 **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS**, the  
 11 Michigan ~~community college association,~~ **COMMUNITY COLLEGE**  
 12 **ASSOCIATION**, and the ~~presidents council, state universities~~  
 13 **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan shall together  
 14 submit an implementation update report to the senate and house  
 15 appropriations subcommittees on community colleges and higher  
 16 education, the senate and house fiscal agencies, and the state  
 17 budget director by March 1, ~~2015-2016~~.

18       **SEC. 210C. (1) A STUDY COMMITTEE SHALL BE CREATED TO DEVELOP A**  
 19 **PROCESS TO IMPROVE THE TRANSFERABILITY AND APPLICABILITY OF**  
 20 **ASSOCIATE OF ARTS AND ASSOCIATE OF SCIENCE DEGREES AS A BLOCK OF**  
 21 **CREDITS BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES ON A**  
 22 **STATEWIDE BASIS. BUILDING ON THE MICHIGAN TRANSFER NETWORK**  
 23 **SPONSORED BY THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND**  
 24 **ADMISSIONS OFFICERS AND, WHERE POSSIBLE, EXISTING LOCAL**  
 25 **ARTICULATION AGREEMENTS BETWEEN INDIVIDUAL INSTITUTIONS, THE**  
 26 **COMMITTEE SHALL WORK TO EXPLORE STANDARDS FOR PROGRAM ARTICULATION**  
 27 **BETWEEN INSTITUTIONS SO THAT AN ASSOCIATE OF ARTS AND ASSOCIATE OF**

1 SCIENCE DEGREE EARNED AT A COMMUNITY COLLEGES IS CONSIDERED THE  
2 EQUIVALENT OF THE FIRST 60 CREDITS OF A BACCALAUREATE DEGREE, AND  
3 THOSE CREDITS CAN BE SEAMLESSLY TRANSFERRED AND APPLIED TO THE  
4 PROGRAM OF STUDY AT THE RECEIVING UNIVERSITY.

5 (2) IT IS THE INTENT OF THE LEGISLATURE THAT THE STUDY  
6 COMMITTEE CREATED UNDER SUBSECTION (1) WILL EXPLORE RELEVANT ISSUES  
7 SUCH AS THE SATISFACTION OF ALL LOWER DIVISION GENERAL EDUCATION  
8 REQUIREMENTS, THE APPLICABILITY OF EQUIVALENT COURSES TO THE MAJOR  
9 PROGRAM OF STUDY, JUNIOR-LEVEL STANDING AT THE UNIVERSITY FOR  
10 TRANSFER STUDENTS, AND THE COMPLETION OF THE BACCALAUREATE DEGREE  
11 WITH A LIMIT OF 60 POSTTRANSFER CREDIT HOURS. BECAUSE OF THE  
12 LEGISLATURE'S INTEREST IN PROMOTING DEGREE COMPLETION, THE STUDY  
13 COMMITTEE SHOULD ALSO CONSIDER INCENTIVES FOR STUDENTS TO COMPLETE  
14 BOTH AN ASSOCIATE DEGREE AND A BACCALAUREATE DEGREE.

15 (3) THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) SHALL  
16 CONSIST OF THE FOLLOWING MEMBERS:

17 (A) TEN REPRESENTATIVES FROM COMMUNITY COLLEGES SELECTED BY  
18 THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.

19 (B) TEN REPRESENTATIVES FROM PUBLIC UNIVERSITIES SELECTED BY  
20 THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

21 (C) FOUR MEMBERS OF THE MICHIGAN ASSOCIATION OF COLLEGIATE  
22 REGISTRARS AND ADMISSIONS OFFICERS.

23 (D) ONE MEMBER OF THE MICHIGAN HOUSE OF REPRESENTATIVES  
24 SELECTED BY THE SPEAKER OF THE HOUSE.

25 (E) ONE MEMBER OF THE MICHIGAN HOUSE OF REPRESENTATIVES  
26 SELECTED BY THE MINORITY LEADER OF THE HOUSE.

27 (F) ONE MEMBER OF THE MICHIGAN SENATE SELECTED BY THE SENATE

1 MAJORITY LEADER.

2 (G) ONE MEMBER OF THE MICHIGAN SENATE SELECTED BY THE SENATE  
3 MINORITY LEADER.

4 (4) THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) SHALL  
5 SUBMIT A PROJECT STATUS REPORT AND INITIAL RECOMMENDATIONS TO THE  
6 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES  
7 AND HIGHER EDUCATION, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE  
8 STATE BUDGET DIRECTOR BY MARCH 1, 2016.

9 SEC. 210D. IT IS THE INTENT OF THE LEGISLATURE THAT COMMUNITY  
10 COLLEGES WORK WITH PUBLIC UNIVERSITIES IN THIS STATE TO IMPLEMENT  
11 STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF  
12 STUDENTS WHO ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF  
13 THE NECESSARY CREDITS. THESE STATEWIDE AGREEMENTS SHALL ENABLE  
14 STUDENTS WHO HAVE EARNED A SIGNIFICANT NUMBER OF CREDITS AT A  
15 COMMUNITY COLLEGE AND TRANSFERRED TO A BACCALAUREATE-GRANTING  
16 INSTITUTION BEFORE COMPLETING A DEGREE TO TRANSFER THE CREDITS  
17 EARNED AT THE BACCALAUREATE INSTITUTION BACK TO THE COMMUNITY  
18 COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL OF VALUE.

19 SEC. 215. ALL OF THE FOLLOWING APPLY TO THE MONEY APPROPRIATED  
20 FOR PART-TIME, INDEPENDENT STUDENT GRANTS UNDER SECTION 201:

21 (A) PAYMENTS OF THE AMOUNTS INCLUDED IN SECTION 201 FOR PART-  
22 TIME, INDEPENDENT STUDENT GRANTS SHALL BE DISTRIBUTED PURSUANT TO  
23 1986 PA 102, MCL 390.1281 TO 390.1288.

24 (B) IN ORDER TO INCREASE THE NUMBER OF RESIDENTS IN THIS STATE  
25 WITH A POSTSECONDARY CREDENTIAL, A COMMUNITY COLLEGE THAT RECEIVES  
26 FUNDS FROM THE PART-TIME, INDEPENDENT STUDENT GRANTS UNDER SECTION  
27 201 IS ENCOURAGED TO PRIORITIZE THESE FUNDS FOR AID TO STUDENTS WHO

1 HAVE ENROLLED IN AN ACADEMIC PROGRAM AFTER NOT BEING ENROLLED FOR  
2 MORE THAN A SEMESTER OR TERM, WHO HAVE PREVIOUSLY EARNED CREDITS IN  
3 AN ACADEMIC PROGRAM, AND WHO HAVE NOT YET EARNED A CERTIFICATE OR  
4 DEGREE.

5 (C) THE MONEY APPROPRIATED FOR PART-TIME, INDEPENDENT STUDENT  
6 GRANTS SHALL BE PAID OUT OF THE STATE TREASURY AND SHALL BE  
7 DISTRIBUTED TO THE RESPECTIVE COMMUNITY COLLEGES UNDER A QUARTERLY  
8 PAYMENT SYSTEM AS FOLLOWS: 50% SHALL BE PAID AT THE BEGINNING OF  
9 THE STATE'S FIRST FISCAL QUARTER, 30% DURING THE STATE'S SECOND  
10 FISCAL QUARTER, 10% DURING THE STATE'S THIRD FISCAL QUARTER, AND  
11 10% DURING THE STATE'S FOURTH FISCAL QUARTER.

12 (D) THE DEPARTMENT OF TREASURY SHALL DETERMINE THE NEEDS  
13 ANALYSIS CRITERIA FOR STUDENTS TO QUALIFY FOR PART-TIME,  
14 INDEPENDENT STUDENT GRANTS. TO BE CONSISTENT WITH FEDERAL  
15 REQUIREMENTS, THE DEPARTMENT OF TREASURY MAY TAKE STUDENT WAGES  
16 INTO CONSIDERATION WHEN DETERMINING THE AMOUNT OF THE AWARD.

17 Sec. 217. (1) The workforce development agency shall do all of  
18 the following:

19 (a) Establish, maintain, and coordinate the state community  
20 college database commonly known as the "activities classification  
21 structure" or "ACS" database.

22 (b) Collect data concerning community colleges and community  
23 college programs in this state, including data required by law.

24 (c) Establish procedures to ensure the validity and  
25 reliability of the data and the collection process.

26 (d) Develop model data collection policies, including, but not  
27 limited to, policies that ensure the privacy of any individual



1 student data. Privacy policies shall ensure that student social  
2 security numbers are not released to the public for any purpose.

3 (e) Provide data in a useful manner to allow state  
4 policymakers and community college officials to make informed  
5 policy decisions.

6 (f) Assist community colleges in complying with audits under  
7 this section or federal law.

8 (2) There is created within the workforce development agency  
9 the activities classification structure advisory committee. The  
10 committee shall provide advice to the director of the workforce  
11 development agency regarding the management of the state community  
12 college database, including, but not limited to:

13 (a) Determining what data are necessary to collect and  
14 maintain to enable state and community college officials to make  
15 informed policy decisions.

16 (b) Defining the roles of all stakeholders in the data  
17 collection system.

18 (c) Recommending timelines for the implementation and ongoing  
19 collection of data.

20 (d) Establishing and maintaining data definitions, data  
21 transmission protocols, and system specifications and procedures  
22 for the efficient and accurate transmission and collection of data.

23 (e) Establishing and maintaining a process for ensuring the  
24 accuracy of the data.

25 (f) Establishing and maintaining policies related to data  
26 collection, including, but not limited to, privacy policies related  
27 to individual student data.

1 (g) Ensuring that the data are made available to state  
 2 policymakers and citizens of this state in the most useful format  
 3 possible.

4 (h) Addressing other matters as determined by the director of  
 5 the workforce development agency or as required by law.

6 (3) The activities classification structure advisory committee  
 7 created in subsection (2) shall consist of the following members:

8 (a) One representative from the house fiscal agency, appointed  
 9 by the director of the house fiscal agency.

10 (b) One representative from the senate fiscal agency,  
 11 appointed by the director of the senate fiscal agency.

12 (c) One representative from the workforce development agency,  
 13 appointed by the director of the workforce development agency.

14 (d) One representative from the state budget office, appointed  
 15 by the state budget director.

16 (e) One representative from the governor's policy office,  
 17 appointed by that office.

18 (f) Four representatives of the Michigan ~~community colleges~~  
 19 ~~association,~~ **COMMUNITY COLLEGE ASSOCIATION**, appointed by the  
 20 president of the association. From the groupings of community  
 21 colleges given in table 17 of the activities classification  
 22 structure ~~report~~ **DATABASE** described in subsection ~~(4)~~, **(1)**, the  
 23 association shall appoint 1 representative each from group 1, group  
 24 2, and group 3, and 1 representative from either group 3 or 4.

25 ~~(4) The activities classification structure advisory committee~~  
 26 ~~shall review the existing activities classification structure~~  
 27 ~~report, data, definitions, processes, and other items as needed and~~

~~publish an initial report on their findings and recommendations by July 30, 2015. This report shall be submitted to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the director of the workforce development agency, the state budget director, and the Michigan community colleges association.~~

Sec. 225. Each community college shall report to the house and senate fiscal agencies, the state budget director, and the workforce development agency by August 31, ~~2014,~~ **2015**, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the ~~2014-2015~~ **2015-2016** academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported ~~2014-2015~~ **2015-2016** academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the workforce development agency within 15 days of being adopted.

Sec. 226. Each community college shall report to the workforce development agency the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15 of each year.

**COMMUNITY COLLEGES SHALL WORK WITH THE WORKFORCE DEVELOPMENT AGENCY AND THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DEVELOP A SYSTEMATIC APPROACH FOR MEETING THIS REQUIREMENT.**

Sec. 229a. Included in the fiscal year ~~2014-2015~~ **2015-2016**

1 appropriations for the department of technology, management, and  
2 budget are appropriations to provide funding for the state share of  
3 costs for previously constructed capital projects for community  
4 colleges. Those appropriations for state building authority rent  
5 represent additional state general fund support for community  
6 colleges, and the following is an estimate of the amount of that  
7 support to each community college:

- 8 (a) Alpena Community College, ~~\$485,400.00~~-\$652,700.00.
- 9 (b) Bay de Noc Community College, ~~\$636,600.00~~-\$685,900.00.
- 10 (c) Delta College, ~~\$2,842,800.00~~-\$3,510,900.00.
- 11 (d) Glen Oaks Community College, ~~\$123,300.00~~-\$123,100.00.
- 12 (e) Gogebic Community College, ~~\$16,900.00~~-\$67,600.00.
- 13 (f) Grand Rapids Community College,  
14 ~~\$1,792,400.00~~-\$2,126,000.00.
- 15 (g) Henry Ford Community College, ~~\$1,030,800.00~~-\$1,028,500.00.
- 16 (h) Jackson College, ~~\$1,787,300.00~~-\$1,677,800.00.
- 17 (i) Kalamazoo Valley Community College,  
18 ~~\$1,471,000.00~~-\$1,557,700.00.
- 19 (j) Kellogg Community College, ~~\$521,400.00~~-\$520,200.00.
- 20 (k) Kirtland Community College, ~~\$364,000.00~~-\$363,200.00.
- 21 (l) Lake Michigan College, ~~\$340,900.00~~-\$340,200.00.
- 22 (m) Lansing Community College, ~~\$610,100.00~~-\$1,282,200.00.
- 23 (n) Macomb Community College, ~~\$1,316,600.00~~-\$1,377,400.00.
- 24 (o) Mid Michigan Community College,  
25 ~~\$1,117,300.00~~-\$1,712,600.00.
- 26 (p) Monroe County Community College,  
27 ~~\$1,266,500.00~~-\$1,263,600.00.

1 (q) Montcalm Community College, ~~\$973,700.00~~ **\$971,500.00.**

2 (r) C.S. Mott Community College, ~~\$1,808,000.00~~ **\$1,803,900.00.**

3 (s) Muskegon Community College, ~~\$198,500.00~~ **\$267,800.00.**

4 (t) North Central Michigan College, ~~\$117,600.00~~ **\$469,400.00.**

5 (u) Northwestern Michigan College,

6 ~~\$1,308,600.00~~ **\$1,305,600.00.**

7 (v) Oakland Community College, ~~\$466,300.00~~ **\$465,200.00.**

8 (w) St. Clair County Community College,

9 ~~\$357,000.00~~ **\$356,200.00.**

10 (x) Schoolcraft College, ~~\$1,550,300.00~~ **\$1,546,700.00.**

11 (y) Southwestern Michigan College, ~~\$231,100.00~~ **\$286,900.00.**

12 (z) Washtenaw Community College, ~~\$1,680,600.00~~ **\$1,676,800.00.**

13 (aa) Wayne County Community College,

14 ~~\$1,466,000.00~~ **\$1,462,700.00.**

15 (bb) West Shore Community College, ~~\$578,600.00~~ **\$577,300.00.**

16 Sec. 230. (1) Money included in the appropriations for  
17 community college operations under section 201(2) in fiscal year  
18 ~~2014-2015~~ **2015-2016** for performance funding is distributed based on  
19 the following formula:

20 (a) Allocated proportionate to fiscal year ~~2013-2014~~ **2014-2015**  
21 base appropriations, 50%.

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

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

24 (d) Based on a weighted degree formula as provided for in the  
25 2006 recommendations of the performance indicators task force,  
26 17.5%.

27 (e) Based on the local strategic value component, as developed

1 in cooperation with the Michigan ~~community college association~~  
2 **COMMUNITY COLLEGE ASSOCIATION** and described in subsection (2), 15%.

3 (2) Money included in the appropriations for community college  
4 operations under section 201(2) for local strategic value shall be  
5 allocated to each community college that certifies to the state  
6 budget director, through a board of trustees resolution on or  
7 before October 15, ~~2014~~, **2015**, that the college has met 4 out of 5  
8 best practices listed in each category described in subsection (3).  
9 The resolution shall provide specifics as to how the community  
10 college meets each best practice measure within each category. One-  
11 third of funding available under the strategic value component  
12 shall be allocated to each category described in subsection (3).  
13 Amounts distributed under local strategic value shall be on a  
14 proportionate basis to each college's fiscal year ~~2013-2014~~ **2014-**  
15 **2015** operations funding. Payments to community colleges that  
16 qualify for local strategic value funding shall be distributed with  
17 the November installment payment described in section 206.

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

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

24 (i) The community college has active partnerships with local  
25 employers including hospitals and health care providers.

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

1           (iii) The community college supports entrepreneurship through  
2 a small business assistance center or other training or consulting  
3 activities targeted toward small businesses.

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

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

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

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

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

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

24           (iv) The community college provides, supports, or participates  
25 in programming to promote successful transitions to college for new  
26 or reentering adult students, such as adult basic education,  
27 general education development certificate preparation and testing,

1 or recruiting, advising, or orientation activities specific to  
2 adults.

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

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

8 (i) The community college provides continuing education  
9 programming for leisure, wellness, personal enrichment, or  
10 professional development.

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

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

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

23 (v) The community college promotes, sponsors, or hosts  
24 community service activities for students, staff, or community  
25 members.

26 **(4) PAYMENTS FOR PERFORMANCE FUNDING UNDER SECTION 201(2)**  
27 **SHALL BE MADE TO A COMMUNITY COLLEGE ONLY IF THAT COMMUNITY COLLEGE**



1 ACTIVELY PARTICIPATES IN THE MICHIGAN TRANSFER NETWORK SPONSORED BY  
2 THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS  
3 OFFICERS AND SUBMITS TIMELY UPDATES, INCLUDING UPDATED COURSE  
4 EQUIVALENCIES AT LEAST EVERY 6 MONTHS, TO THE MICHIGAN TRANSFER  
5 NETWORK. THE STATE BUDGET DIRECTOR SHALL DETERMINE IF A COMMUNITY  
6 COLLEGE HAS NOT SATISFIED THIS REQUIREMENT. THE STATE BUDGET  
7 DIRECTOR MAY WITHHOLD PAYMENTS FOR PERFORMANCE FUNDING UNTIL A  
8 COMMUNITY COLLEGE IS IN COMPLIANCE WITH THIS SECTION.

9 SEC. 230A. (1) A TASK FORCE SHALL BE FORMED BY OCTOBER 15,  
10 2015 TO REVIEW, EVALUATE, DISCUSS, AND MAKE RECOMMENDATIONS  
11 REGARDING PERFORMANCE INDICATORS ESTABLISHED UNDER THE AUTHORITY OF  
12 SECTION 242 OF 2005 PA 154. THE TASK FORCE SHALL REVIEW WHETHER THE  
13 CURRENT METRICS USED ARE THE MOST APPROPRIATE AND RELIABLE  
14 PERFORMANCE INDICATORS AVAILABLE AND DETERMINE THE MOST EFFICIENT  
15 METHODOLOGY FOR CONNECTING STATE FUNDING TO THOSE INDICATORS.

16 (2) THE TASK FORCE DESCRIBED IN SUBSECTION (1) SHALL CONSIST  
17 OF THE FOLLOWING MEMBERS:

18 (A) TWO MEMBERS OF THE MICHIGAN HOUSE OF REPRESENTATIVES. ONE  
19 MEMBER SHALL BE DESIGNATED BY THE SPEAKER OF THE HOUSE, AND 1  
20 MEMBER SHALL BE DESIGNATED BY THE HOUSE MINORITY LEADER.

21 (B) TWO MEMBERS OF THE MICHIGAN SENATE. ONE MEMBER SHALL BE  
22 DESIGNATED BY THE SENATE MAJORITY LEADER, AND 1 MEMBER SHALL BE  
23 DESIGNATED BY THE SENATE MINORITY LEADER.

24 (C) ONE REPRESENTATIVE FROM THE DEPARTMENT OF TECHNOLOGY,  
25 MANAGEMENT, AND BUDGET, DESIGNATED BY THE STATE BUDGET DIRECTOR.

26 (D) FOUR REPRESENTATIVES OF MICHIGAN PUBLIC COMMUNITY  
27 COLLEGES. THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION SHALL

1 DESIGNATE 1 REPRESENTATIVE FROM EACH OF THE 4 GROUPS DESCRIBED IN  
 2 THE ACTIVITIES CLASSIFICATION STRUCTURE DATA BOOK PUBLISHED BY THE  
 3 WORKFORCE DEVELOPMENT AGENCY.

4 (3) THE TASK FORCE DESCRIBED IN SUBSECTION (1) SHALL SUBMIT A  
 5 REPORT CONTAINING ITS FINDINGS AND RECOMMENDATIONS TO THE HOUSE AND  
 6 SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE  
 7 HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY  
 8 JANUARY 15, 2016.

9 Sec. 236. (1) Subject to the conditions set forth in this  
 10 article, the amounts listed in this section are appropriated for  
 11 higher education for the fiscal year ending September 30, ~~2015,~~  
 12 **2016**, from the funds indicated in this section. The following is a  
 13 summary of the appropriations in this section:

14 (a) The gross appropriation is ~~\$1,516,496,300.00.~~  
 15 **\$1,541,219.200.00.** After deducting total interdepartmental grants  
 16 and intradepartmental transfers in the amount of \$0.00, the  
 17 adjusted gross appropriation is ~~\$1,516,496,300.00.~~  
 18 **\$1,541,219,200.00.**

19 (b) The sources of the adjusted gross appropriation described  
 20 in subdivision (a) are as follows:

21 (i) Total federal revenues, \$97,026,400.00.

22 (ii) Total local revenues, \$0.00.

23 (iii) Total private revenues, \$0.00.

24 (iv) Total other state restricted revenues,  
 25 ~~\$206,567,900.00.~~**\$205,279,500.00.**

26 (v) State general fund/general purpose money,  
 27 ~~\$1,212,902,000.00.~~**\$1,238,913,300.00.**

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is ~~\$79,115,000.00, \$73,540,100.00 for operations and \$5,574,900.00 for performance funding.~~ **\$81,502,900.00, \$79,164,800.00 FOR OPERATIONS AND \$2,338,100.00 FOR PERFORMANCE FUNDING.**

(b) The appropriation for Eastern Michigan University is ~~\$71,771,100.00, \$67,275,400.00 for operations and \$4,495,700.00 for performance funding.~~ **\$73,196,700.00, \$71,782,500.00 FOR OPERATIONS AND \$1,414,200.00 FOR PERFORMANCE FUNDING.**

(c) The appropriation for Ferris State University is ~~\$49,087,000.00, \$45,636,500.00 for operations and \$3,450,500.00 for performance funding.~~ **\$50,606,700.00, \$49,119,100.00 FOR OPERATIONS AND \$1,487,600.00 FOR PERFORMANCE FUNDING.**

(d) The appropriation for Grand Valley State University is ~~\$63,136,000.00, \$57,823,500.00 for operations and \$5,312,500.00 for performance funding.~~ **\$65,680,200.00, \$63,156,500.00 FOR OPERATIONS AND \$2,523,700.00 FOR PERFORMANCE FUNDING.**

(e) The appropriation for Lake Superior State University is ~~\$12,782,500.00, \$12,231,000.00 for operations and \$551,500.00 for performance funding.~~ **\$13,247,300.00, \$12,997,500.00 FOR OPERATIONS AND \$249,800.00 FOR PERFORMANCE FUNDING.**

(f) The appropriation for Michigan State University is ~~\$324,038,100.00, \$249,597,800.00 for operations, \$14,831,300.00 for performance funding, \$32,027,900.00 for MSU AgBioResearch, and \$27,581,100.00 for MSU extension.~~ **\$330,391,700.00, \$264,437,900.00 FOR OPERATIONS, \$5,152,600.00 FOR PERFORMANCE FUNDING,**

1   \$32,668,500.00 FOR MSU AGBIORESEARCH, AND \$28,132,700.00 FOR MSU  
2   EXTENSION.

3       (g) The appropriation for Michigan Technological University is  
4   ~~\$45,923,100.00, \$43,473,800.00 for operations and \$2,449,300.00 for~~  
5   ~~performance funding.~~ \$46,908,000.00, \$45,938,000.00 FOR OPERATIONS  
6   AND \$970,000.00 FOR PERFORMANCE FUNDING.

7       (h) The appropriation for Northern Michigan University is  
8   ~~\$44,277,200.00, \$41,741,400.00 for operations and \$2,535,800.00 for~~  
9   ~~performance funding.~~ \$45,254,400.00, \$44,338,300.00 FOR OPERATIONS  
10   AND \$916,100.00 FOR PERFORMANCE FUNDING.

11       (i) The appropriation for Oakland University is  
12   ~~\$48,364,100.00, \$45,651,600.00 for operations and \$2,712,500.00 for~~  
13   ~~performance funding.~~ \$50,021,000.00, \$48,371,900.00 FOR OPERATIONS  
14   AND \$1,649,100.00 FOR PERFORMANCE FUNDING.

15       (j) The appropriation for Saginaw Valley State University is  
16   ~~\$27,610,200.00, \$25,991,000.00 for operations and \$1,619,200.00 for~~  
17   ~~performance funding.~~ \$28,120,400.00, \$27,621,600.00 FOR OPERATIONS  
18   AND \$498,800.00 FOR PERFORMANCE FUNDING.

19       (k) The appropriation for University of Michigan - Ann Arbor  
20   is ~~\$295,174,100.00, \$279,232,700.00 for operations and~~  
21   ~~\$15,941,400.00 for performance funding.~~ \$300,874,900.00,  
22   \$295,178,500.00 FOR OPERATIONS AND \$5,696,400.00 FOR PERFORMANCE  
23   FUNDING.

24       (l) The appropriation for University of Michigan - Dearborn is  
25   ~~\$23,689,300.00, \$22,510,400.00 for operations and \$1,178,900.00 for~~  
26   ~~performance funding.~~ \$24,095,700.00, \$23,701,000.00 FOR OPERATIONS  
27   AND \$394,700.00 FOR PERFORMANCE FUNDING.

(m) The appropriation for University of Michigan - Flint is  
~~\$21,337,700.00, \$19,938,200.00 for operations and \$1,399,500.00 for~~  
~~performance funding.~~ **\$21,901,700.00, \$21,359,600.00 FOR OPERATIONS**  
**AND \$542,100.00 FOR PERFORMANCE FUNDING.**

(n) The appropriation for Wayne State University is  
~~\$190,519,800.00, \$183,398,300.00 for operations and \$7,121,500.00~~  
~~for performance funding.~~ **\$191,623,200.00, \$190,529,900.00 FOR**  
**OPERATIONS AND \$1,093,300.00 FOR PERFORMANCE FUNDING.**

(o) The appropriation for Western Michigan University is  
~~\$102,742,000.00, \$97,279,000.00 for operations and \$5,463,000.00~~  
~~for performance funding.~~ **\$104,633,700.00, \$102,761,100.00 FOR**  
**OPERATIONS AND \$1,872,600.00 FOR PERFORMANCE FUNDING.**

(3) The amount appropriated in subsection (2) for public universities is appropriated from the following:

(a) State school aid fund, \$200,019,500.00.

(b) State general fund/general purpose money,  
~~\$1,199,547,700.00.~~ **\$1,228,039,000.00.**

(4) The amount appropriated for Michigan public school employees' retirement system reimbursement is ~~\$2,446,200.00,~~  
**\$5,160,000.00**, appropriated from the state school aid fund.

~~— (5) For fiscal year 2014-2015 only, in addition to the amount~~  
~~appropriated under subsection (4), \$4,002,200.00 is appropriated~~  
~~for Michigan public school employees' retirement system~~  
~~reimbursement, appropriated from the state school aid fund.~~

~~(5) (6)~~ The amount appropriated for state and regional programs is ~~\$2,295,000.00~~ **\$315,000.00**, appropriated from general fund/general purpose money and allocated as follows:

1 ~~—— (a) College access program, \$2,000,000.00.~~

2 (A) ~~(b)~~ Higher education database modernization and  
3 conversion, \$200,000.00.

4 (B) ~~(c) Midwestern higher education compact,~~ **HIGHER EDUCATION**  
5 **COMPACT, \$95,000.00-\$115,000.00.**

6 (6) ~~(7)~~ The amount appropriated for the Martin Luther King,  
7 Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,  
8 appropriated from general fund/general purpose money and allocated  
9 as follows:

10 (a) Select student support services, \$1,956,100.00.

11 (b) Michigan college/university partnership program,  
12 \$586,800.00.

13 (c) Morris Hood, Jr. educator development program,  
14 \$148,600.00.

15 (7) ~~(8)~~ Subject to subsection ~~(9)~~, **(8)**, the amount  
16 appropriated for grants and financial aid is ~~\$105,494,200.00,~~  
17 **\$104,994,200.00**, allocated as follows:

18 (a) State competitive scholarships, \$18,361,700.00~~—~~

19 (b) Tuition grants, \$33,532,500.00.

20 (c) Tuition incentive program, \$48,500,000.00.

21 (d) Children of veterans and officer's survivor tuition grant  
22 programs, \$1,400,000.00.

23 (e) Project GEAR-UP, \$3,200,000.00.

24 ~~—— (f) North American Indian tuition waivers, \$500,000.00.~~

25 (8) ~~(9)~~ The money appropriated in subsection (8) for grants  
26 and financial aid is appropriated from the following:

27 (a) Federal revenues under the United States ~~department of~~

1 ~~education, office of elementary and secondary education, DEPARTMENT~~  
 2 **OF EDUCATION, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION,** GEAR-UP  
 3 program, \$3,200,000.00.

4 (b) Federal revenues under the social security act, temporary  
 5 assistance for needy families, \$93,826,400.00.

6 (c) Contributions to children of veterans tuition grant  
 7 program, \$100,000.00.

8 (d) State general fund/general purpose money,  
 9 ~~\$8,367,800.00.~~ **\$7,867,800.00.**

10 Sec. 236a. It is the intent of the legislature to provide  
 11 appropriations for the fiscal year ending on September 30, ~~2016~~  
 12 **2017** for the items listed in section 236. The fiscal year ~~2015-2016~~  
 13 **2016-2017** appropriations are anticipated to be the same as those  
 14 for fiscal year ~~2014-2015,~~ **2015-2016,** except that the amounts will  
 15 be adjusted for changes in caseload and related costs, federal fund  
 16 match rates, economic factors, and available revenue. These  
 17 adjustments will be determined after the January ~~2015-2016~~  
 18 consensus revenue estimating conference.

19 Sec. 236b. In addition to the funds appropriated in section  
 20 236, there is appropriated for grants and financial aid in fiscal  
 21 year ~~2014-2015-2015-2016~~ an amount not to exceed \$6,000,000.00 for  
 22 federal contingency funds. These funds are not available for  
 23 expenditure until they have been transferred under section 393(2)  
 24 of the management and budget act, 1984 PA 431, MCL 18.1393, for  
 25 another purpose under this article.

26 Sec. 236c. In addition to the funds appropriated for fiscal  
 27 year ~~2014-2015-2015-2016~~ in section 236, appropriations to the

department of technology, management, and budget in the act providing general appropriations for fiscal year ~~2014-2015-2015-~~ 2016 for state building authority rent, totaling an estimated ~~\$124,825,300.00,~~ **\$135,995,300.00**, provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each university:

(a) Central Michigan University, ~~\$9,103,200.00-~~**\$9,551,800.00.**

(b) Eastern Michigan University, ~~\$4,861,700.00-~~**\$4,860,900.00.**

(c) Ferris State University, ~~\$6,252,200.00-~~**\$6,251,200.00.**

(d) Grand Valley State University,

~~\$4,252,500.00-~~**\$6,952,300.00.**

(e) Lake Superior State University,

~~\$1,112,900.00-~~**\$1,720,300.00.**

(f) Michigan State University, ~~\$16,101,200.00-~~**\$16,549,200.00.**

(g) Michigan Technological University,

~~\$7,444,600.00-~~**\$7,443,400.00.**

(h) Northern Michigan University, ~~\$8,016,400.00-~~**\$9,706,200.00.**

(i) Oakland University, ~~\$10,969,800.00-~~**\$12,993,400.00.**

(j) Saginaw Valley State University,

~~\$9,777,400.00-~~**\$9,865,800.00.**

(k) University of Michigan - Ann Arbor,

~~\$9,159,200.00-~~**\$9,607,800.00.**

(l) University of Michigan - Dearborn,

~~\$6,296,200.00-~~**\$6,745,200.00.**



(m) University of Michigan - Flint,  
~~\$2,855,000.00.~~ **\$3,104,000.00.**

(n) Wayne State University, ~~\$13,679,800.00.~~ **\$15,703,000.00.**

(o) Western Michigan University,  
~~\$14,943,200.00.~~ **\$14,940,800.00.**

Sec. 241. (1) Subject to ~~section~~ **SECTIONS 244 AND** 265a, the funds appropriated in section 236 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2014.~~ **2015.** Except for Wayne State University, each institution shall accrue its July and August ~~2015-2016~~ payments to its institutional fiscal year ending June 30, ~~2015.~~ **2016.**

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, ~~2014,~~ **2015,** these data shall be submitted to the state budget director by October 15, ~~2014.~~ **2015.** Public universities with a fiscal year ending September 30, ~~2014-2015~~ shall submit preliminary HEIDI data by November 15, ~~2014-2015~~ and final data by December 15, ~~2014.~~ **2015.** If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer may withhold the monthly installments under subsection (1) to the public university until those data are submitted.

1       Sec. 244. A public university receiving funds in section 236  
2 shall cooperate with all measures taken by the state to develop,  
3 operate, and maintain the statewide P-20 longitudinal data system  
4 described in section 94a. If the state budget director finds that a  
5 university has not complied with this section, the state budget  
6 director is authorized to withhold the monthly installments  
7 provided to that university under section ~~236-241~~ until he or she  
8 finds the university has complied with this section.

9       Sec. 246. (1) **ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF**  
10 **THE FISCAL YEAR 2015-2016 APPROPRIATIONS DESCRIBED IN SECTION**  
11 **236(4) FOR PAYMENTS TO UNIVERSITIES THAT ARE PARTICIPATING ENTITIES**  
12 **OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM:**

13       **(A)** The funds appropriated in section ~~236-236(4)~~ for Michigan  
14 public school employees' retirement system reimbursement shall be  
15 allocated to each participating public university under this  
16 section based on each participating public university's percentage  
17 of the total combined payrolls of the universities' employees who  
18 are members of the retirement system and who were hired before  
19 January 1, 1996 and the universities' employees who would have been  
20 members of the retirement system on or after January 1, 1996, but  
21 for the enactment of 1995 PA 272 for all public universities that  
22 are participating public universities for the immediately preceding  
23 state fiscal year.

24       **(B) THE AMOUNT OF A PAYMENT UNDER SECTION 236(4) SHALL BE**  
25 **EQUAL TO THE DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED**  
26 **LIABILITY CONTRIBUTION RATE FOR UNIVERSITY REPORTING UNITS AS**  
27 **CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES**

1 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AS CALCULATED  
 2 WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 25.73%  
 3 INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT  
 4 ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE MAXIMUM EMPLOYER  
 5 RATE FOR UNIVERSITY REPORTING UNITS OF 25.73% UNDER SECTION 41 OF  
 6 THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300,  
 7 MCL 38.1341. Payments shall be made in a form and manner determined  
 8 by the office of retirement services.

9 (C) A public university that receives money under ~~this section~~  
 10 236(4) shall use that money solely for the purpose of ~~offsetting a~~  
 11 ~~portion of the retirement contributions. owed by the university.~~  
 12 EACH PARTICIPATING UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION  
 13 236(4) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT RECEIVED UNDER  
 14 SECTION 236(4) TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT  
 15 SYSTEM IN A FORM AND MANNER DETERMINED BY THE OFFICE OF RETIREMENT  
 16 SERVICES.

17 (2) As used in this section, "participating public university"  
 18 means a public university that is a reporting unit of the Michigan  
 19 public school employees' retirement system under the public school  
 20 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
 21 ~~38.1408,~~ 38.1437, and that pays contributions to the Michigan  
 22 public school employees' retirement system for the state fiscal  
 23 year.

24 Sec. 252. (1) The amounts appropriated in section 236 for the  
 25 state tuition grant program shall be distributed pursuant to 1966  
 26 PA 313, MCL 390.991 to 390.997a.

27 (2) Tuition grant awards shall be made to all eligible

1 Michigan residents enrolled in undergraduate degree programs who  
2 are qualified and who apply before July 1 of each year for the next  
3 academic year.

4 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and  
5 subject to subsections (7) and (8), the department of treasury  
6 shall determine an actual maximum tuition grant award per student,  
7 which shall be no less than \$1,512.00, that ensures that the  
8 aggregate payments for the tuition grant program do not exceed the  
9 appropriation contained in section 236 for the state tuition grant  
10 program. If the department determines that insufficient funds are  
11 available to establish a maximum award amount equal to at least  
12 \$1,512.00, the department shall immediately report to the house and  
13 senate appropriations subcommittees on higher education, the house  
14 and senate fiscal agencies, and the state budget director regarding  
15 the estimated amount of additional funds necessary to establish a  
16 \$1,512.00 maximum award amount. If the department determines that  
17 sufficient funds are available to establish a maximum award amount  
18 equal to at least \$1,512.00, the department shall immediately  
19 report to the house and senate appropriations subcommittees on  
20 higher education, the house and senate fiscal agencies, and the  
21 state budget director regarding the maximum award amount  
22 established and the projected amount of any projected year-end  
23 appropriation balance based on that maximum award amount. By  
24 December 15, and again by February 18 of each fiscal year, the  
25 department shall analyze the status of award commitments, shall  
26 make any necessary adjustments, and shall confirm that those award  
27 commitments will not exceed the appropriation contained in section

1 236 for the tuition grant program. The determination and actions  
2 shall be reported to the state budget director and the house and  
3 senate fiscal agencies no later than the final day of February of  
4 each year. If award adjustments are necessary, the students shall  
5 be notified of the adjustment by March 4 of each year.

6 (4) Any unexpended and unencumbered funds remaining on  
7 September 30, ~~2015-2016~~ from the amounts appropriated in section  
8 236 for the tuition grant program for fiscal year ~~2014-2015-2015-~~  
9 ~~2016~~ shall not lapse on September 30, ~~2015,~~ ~~2016~~, but shall  
10 continue to be available for expenditure for tuition grants  
11 provided in the ~~2015-2016-2016-2017~~ fiscal year under a work  
12 project account. The use of these unexpended fiscal year ~~2014-2015~~  
13 ~~2015-2016~~ funds shall terminate at the end of the ~~2015-2016-2016-~~  
14 ~~2017~~ fiscal year.

15 (5) The department of treasury shall continue a proportional  
16 tuition grant maximum award level for recipients enrolled less than  
17 full-time in a given semester or term.

18 (6) If the department of treasury increases the maximum award  
19 per eligible student from that provided in the previous fiscal  
20 year, it shall not have the effect of reducing the number of  
21 eligible students receiving awards in relation to the total number  
22 of eligible applicants. Any increase in the maximum grant shall be  
23 proportional for all eligible students receiving awards for that  
24 fiscal year.

25 (7) Except as provided in subsection (4), the department of  
26 treasury shall not award more than \$3,200,000.00 in tuition grants  
27 to eligible students enrolled in the same independent nonprofit

1 college or university in this state. Any decrease in the maximum  
 2 grant shall be proportional for all eligible students enrolled in  
 3 that college or university, as determined by the department.

4 (8) The department of treasury shall not award tuition grants  
 5 to otherwise eligible students enrolled in an independent college  
 6 or university that does not report, in a form and manner directed  
 7 by and satisfactory to the department of treasury, by ~~August 31~~  
 8 **SEPTEMBER 30** of each year, ~~beginning with August 31, 2015,~~ all of  
 9 the following:

10 (a) The number of students in the most recently completed  
 11 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state  
 12 tuition grant **AT THE REPORTING INSTITUTION** and successfully  
 13 completed a program or graduated.

14 (b) The number of students in the most recently completed  
 15 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state  
 16 tuition grant **AT THE REPORTING INSTITUTION** and took a remedial  
 17 education class.

18 (c) The number of students in the most recently completed  
 19 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a Pell grant  
 20 **AT THE REPORTING INSTITUTION** and successfully completed a program  
 21 or graduated.

22 Sec. 254. The sums appropriated in section 236 for ~~the state~~  
 23 ~~competitive scholarship, tuition incentive, and tuition grant~~  
 24 ~~programs~~ **STUDENT FINANCIAL AID PROGRAMS UNDER THIS ARTICLE** shall be  
 25 paid out of the state treasury and shall be distributed to the  
 26 respective institutions under a quarterly payment system as  
 27 follows: 50% shall be paid at the beginning of the state's first

1 fiscal quarter, 30% during the state's second fiscal quarter, 10%  
 2 during the state's third fiscal quarter, and 10% during the state's  
 3 fourth fiscal quarter.

4 Sec. 255. The department of treasury shall determine the needs  
 5 analysis criteria for students to qualify for the ~~state-competitive~~  
 6 ~~scholarship program and tuition grant program.~~ **STUDENT FINANCIAL**  
 7 **AID PROGRAMS UNDER THIS ARTICLE.** To be consistent with federal  
 8 requirements, the department of treasury may take student wages  
 9 into consideration when determining the amount of the award.

10 Sec. 258. By February 15 of each year, the department of  
 11 treasury shall post to its publicly available website a report for  
 12 the preceding fiscal year on all student financial aid programs for  
 13 which funds are appropriated in **SECTION 201 OR** section 236. For  
 14 each student financial aid program, the report shall include, but  
 15 is not limited to, the total number of awards paid in the preceding  
 16 fiscal year, the total dollar amount of those awards, and the  
 17 number of students receiving awards and the total amount of those  
 18 awards at each eligible postsecondary institution. To the extent  
 19 information is available, the report shall also include information  
 20 on household income and other demographic characteristics of  
 21 students receiving awards under each program and historical  
 22 information on the number of awards and total award amounts for  
 23 each program.

24 Sec. 263. (1) Included in the appropriation in section 236 for  
 25 fiscal year ~~2014-2015-2015-2016~~ for MSU AgBioResearch is  
 26 \$2,982,900.00 and included in the appropriation in section 236 for  
 27 MSU ~~extension~~-**EXTENSION** is \$2,645,200.00 for ~~project~~-**PROJECT**

1 GREEN. Project GREEN is intended to address critical regulatory,  
2 food safety, economic, and environmental problems faced by this  
3 state's plant-based agriculture, forestry, and processing  
4 industries. "GREEN" is an acronym for generating research and  
5 extension to meet environmental and economic needs.

6 (2) The department of agriculture and rural development and  
7 Michigan State University, in consultation with agricultural  
8 commodity groups and other interested parties, shall develop  
9 ~~project~~**PROJECT** GREEN and its program priorities.

10 Sec. 263a. (1) Not later than September 30 of each year,  
11 Michigan State University shall submit a report on MSU  
12 AgBioResearch and MSU ~~extension~~**EXTENSION** to the house and senate  
13 appropriations subcommittees on agriculture and on higher  
14 education, the house and senate standing committees on agriculture,  
15 the house and senate fiscal agencies, and the state budget director  
16 for the preceding academic fiscal year.

17 (2) The report required under subsection (1) shall include all  
18 of the following:

19 (a) Total funds expended by MSU AgBioResearch and by MSU  
20 ~~extension-service~~**EXTENSION** identified by state, local, private,  
21 federal, and university fund sources.

22 (b) The metric goals that were used to evaluate the impacts of  
23 programs operated by MSU ~~extension~~**EXTENSION** and MSU AgBioResearch.  
24 It is the intent of the legislature that the following metric goals  
25 will be used to evaluate the impacts of those programs:

26 (i) Increasing the number of agriculture and food-related  
27 firms collaborating with and using services of research and



1 extension faculty and staff by 3% per year.

2 (ii) Increasing the number of individuals utilizing MSU  
3 ~~extension's~~ **EXTENSION'S** educational services by 5% per year.

4 (iii) Increasing external funds generated in support of  
5 research and extension, beyond state appropriations, by 10% over  
6 the amounts generated in the past 3 state fiscal years.

7 (iv) Increasing the sector's total economic impact ~~from~~  
8 ~~today's \$71,000,000,000.00~~ to **AT LEAST** \$100,000,000,000.00.

9 (v) ~~Doubling~~ **INCREASING** Michigan's agricultural exports ~~from~~  
10 ~~\$1,750,000,000.00~~ to **AT LEAST** \$3,500,000,000.00.

11 (vi) Increasing jobs in the food and agriculture sector by  
12 10%.

13 (vii) Improving access by Michigan consumers to healthy foods  
14 by 20%.

15 (c) A review of major programs within both MSU AgBioResearch  
16 and MSU ~~extension~~ **EXTENSION** with specific reference to  
17 accomplishments, impacts, and the metrics described in subdivision  
18 (b), including a specific accounting of Project GREEN expenditures  
19 and the impact of those expenditures.

20 Sec. 264. Included in the appropriation in section 236 for  
21 fiscal year ~~2014-2015~~ **2015-2016** for Michigan State University is  
22 \$80,000.00 for the Michigan ~~future farmers of America association.~~  
23 **FUTURE FARMERS OF AMERICA ASSOCIATION.** This \$80,000.00 allocation  
24 shall not supplant any existing support that Michigan State  
25 University provides to the Michigan ~~future farmers of America~~  
26 ~~association.~~ **FUTURE FARMERS OF AMERICA ASSOCIATION.**

27 Sec. 265. (1) Payments under section 265a for performance

1 funding shall only be made to a public university that certifies to  
2 the state budget director by August 31, ~~2014-2015~~ that its board  
3 did not adopt an increase in tuition and fee rates for resident  
4 undergraduate students after September 1, ~~2013-2014~~ for the ~~2013-~~  
5 ~~2014-2014-2015~~ academic year and that its board will not adopt an  
6 increase in tuition and fee rates for resident undergraduate  
7 students for the ~~2014-2015-2015-2016~~ academic year that is greater  
8 than ~~3.2%-2.8%~~. As used in this subsection:

9 (a) Subject to subdivision (c), "fee" means any board-  
10 authorized fee that will be paid by more than 1/2 of all resident  
11 undergraduate students at least once during their enrollment at a  
12 public university. A university increasing a fee that applies to a  
13 specific subset of students or courses shall provide sufficient  
14 information to prove that the increase applied to that subset will  
15 not cause the increase in the average amount of board-authorized  
16 total tuition and fees paid by resident undergraduate students in  
17 the ~~2014-2015-2015-2016~~ academic year to exceed the limit  
18 established in this subsection.

19 (b) "Tuition and fee rate" means the average of full-time  
20 rates for all undergraduate classes, based on an average of the  
21 rates authorized by the university board and actually charged to  
22 students, deducting any uniformly-rebated or refunded amounts, for  
23 the 2 semesters with the highest levels of full-time equated  
24 resident undergraduate enrollment during the academic year.

25 (c) For purposes of subdivision (a), for a public university  
26 that compels resident undergraduate students to be covered by  
27 health insurance as a condition to enroll at the university, "fee"

1 includes the annual amount a student is charged for coverage by the  
2 university-affiliated group health insurance policy if he or she  
3 does not provide proof that he or she is otherwise covered by  
4 health insurance. This subdivision does not apply to limited  
5 subsets of resident undergraduate students to be covered by health  
6 insurance for specific reasons other than general enrollment at the  
7 university.

8 (2) The state budget director shall implement uniform  
9 reporting requirements to ensure that a public university receiving  
10 a payment under section 265a for performance funding has satisfied  
11 the tuition restraint requirements of this section. The state  
12 budget director shall have the sole authority to determine if a  
13 public university has met the requirements of this section.  
14 Information reported by a public university to the state budget  
15 director under this subsection shall also be reported to the house  
16 and senate appropriations subcommittees on higher education and the  
17 house and senate fiscal agencies.

18 Sec. 265a. (1) Appropriations to public universities in  
19 section 236 for fiscal year ~~2014-2015~~ **2015-2016** for performance  
20 funding shall be paid only to a public university that complies  
21 with section 265 and certifies to the state budget director, the  
22 house and senate appropriations subcommittees on higher education,  
23 and the house and senate fiscal agencies by August 31, ~~2014-2015~~  
24 that it complies with all of the following requirements:

25 (a) The university participates in reverse transfer agreements  
26 described in section 286 with at least 3 Michigan community  
27 colleges or has made a good-faith effort to enter into reverse

1 transfer agreements.

2 (b) The university does not and will not consider whether dual  
3 enrollment credits earned by an incoming student were utilized  
4 towards his or her high school graduation requirements when making  
5 a determination as to whether those credits may be used by the  
6 student toward completion of a university degree or certificate  
7 program.

8 (c) The university participates in the Michigan ~~transfer~~  
9 ~~network~~ **TRANSFER NETWORK** created as part of the Michigan  
10 ~~association of collegiate registrars and admissions officers~~  
11 **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS**  
12 transfer agreement.

13 (2) Any performance funding amounts under section 236 that are  
14 not paid to a public university because it did not comply with 1 or  
15 more requirements under subsection (1) are unappropriated and  
16 reappropriated for performance funding to those public universities  
17 that meet the requirements under subsection (1), distributed in  
18 proportion to their performance funding appropriation amounts under  
19 section 236.

20 (3) The state budget director shall report to the house and  
21 senate appropriations subcommittees on higher education and the  
22 house and senate fiscal agencies by September ~~17, 2014,~~ **30, 2015,**  
23 regarding any performance funding amounts that are not paid to a  
24 public university because it did not comply with 1 or more  
25 requirements under subsection (1) and any reappropriation of funds  
26 under subsection (2).

27 (4) Performance funding amounts described in section 236 are

distributed based on the following formula:

~~— (a) Proportional to each university's share of total operations funding appropriated in fiscal year 2010-2011, 50.0%.~~

(A) ~~(b)~~ Based on weighted undergraduate completions in critical skills areas, ~~11.1%-22.2%~~

(B) ~~(c)~~ Based on research and development expenditures, for universities classified in Carnegie classifications as doctoral/research universities, research universities (high research activity), or research universities (very high research activity) only, ~~5.6%-11.1%~~.

(C) ~~(d)~~ Based on 6-year graduation rate, total degree completions, and institutional support as a percentage of core expenditures, and **THE PERCENTAGE OF** students receiving Pell grants, scored against national Carnegie classification peers and weighted by total undergraduate fiscal year equated students, ~~33.3%-66.7%~~.

(5) For purposes of determining the score of a university under subsection ~~(4)(d)~~, **(4)(C)**, each university is assigned 1 of the following scores:

(a) A university classified as in the top 20%, a score of 3.

(b) A university classified as above national median, a score of 2.

(c) A university classified as improving, a score of 2. It is the intent of the legislature that, beginning in the ~~2015-2016~~ **2016-2017** state fiscal year, a university classified as improving is assigned a score of 1.

(d) A university that is not included in subdivision (a), (b), or (c), a score of 0.

(6) For purposes of this section, "Carnegie classification" shall mean the basic classification of the university according to the most recent version of the Carnegie classification of institutions of higher education, published by the Carnegie ~~foundation for the advancement of teaching.~~ **FOUNDATION FOR THE ADVANCEMENT OF TEACHING.**

Sec. 267. All public universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year ~~2014-2015~~ **2015-2016** as part of their higher education institutional data inventory (HEIDI) data by August 31 of each year. A public university shall report any revisions for any semester of the reported academic year ~~2014-2015~~ **2015-2016** tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 268. ~~(1) For the fiscal year ending September 30, 2014, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund.~~

~~———— (2) Appropriations in section 236(8)(f) for North American Indian tuition waivers shall be paid to universities under section 2a of 1976 PA 174, MCL 390.1252a. Allocations shall be adjusted for amounts included in university operations appropriations. If funds are insufficient to support the entire cost of waivers, amounts shall be prorated.~~

~~(1) (3)~~ By February 15 of each year, the department of civil rights shall annually submit to the state budget director, the

1 house and senate appropriations subcommittees on higher education,  
2 and the house and senate fiscal agencies a report on North American  
3 Indian tuition waivers for the preceding fiscal year that includes,  
4 but is not limited to, all of the following information for each  
5 postsecondary institution:

6 (a) The total number of waiver applications.

7 (b) The total number of waivers granted and the monetary value  
8 of each waiver.

9 (c) The number of students who withdraw from classes.

10 (d) The number of students who successfully complete a degree  
11 or certificate program and the 6-year graduation rate.

12 **(2) A PUBLIC UNIVERSITY THAT RECEIVES FUNDS IN SECTION 236**  
13 **SHALL PROVIDE TO THE DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION**  
14 **NECESSARY TO PREPARE THE REPORT DESCRIBED IN SUBSECTION (1).**

15 Sec. 269. For fiscal year ~~2014-2015~~, **2015-2016**, from the  
16 amount appropriated in section 236 to Central Michigan University  
17 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal  
18 College for the costs of waiving tuition for North American Indians  
19 under 1976 PA 174, MCL 390.1251 to 390.1253.

20 Sec. 270. For fiscal year ~~2014-2015~~, **2015-2016**, from the amount  
21 appropriated in section 236 to Lake Superior State University for  
22 operations, \$100,000.00 shall be paid to Bay Mills Community  
23 College for the costs of waiving tuition for North American Indians  
24 under 1976 PA 174, MCL 390.1251 to 390.1253.

25 Sec. 274. It is the intent of the legislature that public and  
26 private organizations that conduct human embryonic stem cell  
27 derivation subject to section 27 of article I of the state

1 constitution of 1963 will provide information to the director of  
2 the department of community health by December 1, ~~2014~~**2015** that  
3 includes all of the following:

4 (a) Documentation that the organization conducting human  
5 embryonic stem cell derivation is conducting its activities in  
6 compliance with the requirements of section 27 of article I of the  
7 state constitution of 1963 and all relevant ~~national institutes of~~  
8 ~~health~~**NATIONAL INSTITUTES OF HEALTH** guidelines pertaining to  
9 embryonic stem cell derivation.

10 (b) A list of all human embryonic stem cell lines submitted by  
11 the organization to the ~~national institutes of health~~**NATIONAL**  
12 **INSTITUTES OF HEALTH** for inclusion in the ~~human embryonic stem cell~~  
13 ~~registry~~**HUMAN EMBRYONIC STEM CELL REGISTRY** before and during  
14 fiscal year ~~2013-2014~~**2014-2015**, and the status of each submission  
15 as approved, pending approval, or review completed but not yet  
16 accepted.

17 (c) Number of human embryonic stem cell lines derived and not  
18 submitted for inclusion in the ~~human embryonic stem cell registry~~,  
19 **HUMAN EMBRYONIC STEM CELL REGISTRY**, before and during fiscal year  
20 ~~2013-2014~~**2014-2015**.

21 Sec. 276. (1) Included in the appropriation for fiscal year  
22 ~~2014-2015~~**2015-2016** for each public university in section 236 is  
23 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
24 future faculty program that is intended to increase the pool of  
25 academically or economically disadvantaged candidates pursuing  
26 faculty teaching careers in postsecondary education. Preference may  
27 not be given to applicants on the basis of race, color, ethnicity,



1 gender, or national origin. Institutions should encourage  
2 applications from applicants who would otherwise not adequately be  
3 represented in the graduate student and faculty populations. Each  
4 public university shall apply the percentage change applicable to  
5 every public university in the calculation of appropriations in  
6 section 236 to the amount of funds allocated to the future faculty  
7 program.

8 (2) The program shall be administered by each public  
9 university in a manner prescribed by the workforce development  
10 agency. The workforce development agency shall use a good faith  
11 effort standard to evaluate whether a fellowship is in default.

12 Sec. 277. (1) Included in the appropriation for fiscal year  
13 ~~2014-2015~~ **2015-2016** for each public university in section 236 is  
14 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
15 college day program that is intended to introduce academically or  
16 economically disadvantaged schoolchildren to the potential of a  
17 college education. Preference may not be given to participants on  
18 the basis of race, color, ethnicity, gender, or national origin.  
19 Public universities should encourage participation from those who  
20 would otherwise not adequately be represented in the student  
21 population.

22 (2) Individual program plans of each public university shall  
23 include a budget of equal contributions from this program, the  
24 participating public university, the participating school district,  
25 and the participating independent degree-granting college. College  
26 day funds shall not be expended to cover indirect costs. Not more  
27 than 20% of the university match shall be attributable to indirect

1 costs. Each public university shall apply the percentage change  
2 applicable to every public university in the calculation of  
3 appropriations in section 236 to the amount of funds allocated to  
4 the college day program.

5 (3) The program described in this section shall be  
6 administered by each public university in a manner prescribed by  
7 the workforce development agency.

8 Sec. 278. (1) Included in section 236 for fiscal year ~~2014-~~  
9 ~~2015-2015-2016~~ is funding for the Martin Luther King, Jr. - Cesar  
10 Chavez - Rosa Parks select student support services program for  
11 developing academically or economically disadvantaged student  
12 retention programs for 4-year public and independent educational  
13 institutions in this state. Preference may not be given to  
14 participants on the basis of race, color, ethnicity, gender, or  
15 national origin. Institutions should encourage participation from  
16 those who would otherwise not adequately be represented in the  
17 student population.

18 (2) An award made under this program to any 1 institution  
19 shall not be greater than \$150,000.00, and the amount awarded shall  
20 be matched on a 70% state, 30% college or university basis.

21 (3) The program described in this section shall be  
22 administered by the workforce development agency.

23 Sec. 279. (1) Included in section 236 for fiscal year ~~2014-~~  
24 ~~2015-2015-2016~~ is funding for the Martin Luther King, Jr. - Cesar  
25 Chavez - Rosa Parks college/university partnership program between  
26 4-year public and independent colleges and universities and public  
27 community colleges, which is intended to increase the number of

1 academically or economically disadvantaged students who transfer  
2 from community colleges into baccalaureate programs. Preference may  
3 not be given to participants on the basis of race, color,  
4 ethnicity, gender, or national origin. Institutions should  
5 encourage participation from those who would otherwise not  
6 adequately be represented in the transfer student population.

7 (2) The grants shall be made under the program described in  
8 this section to Michigan public and independent colleges and  
9 universities. An award to any 1 institution shall not be greater  
10 than \$150,000.00, and the amount awarded shall be matched on a 70%  
11 state, 30% college or university basis.

12 (3) The program described in this section shall be  
13 administered by the workforce development agency.

14 Sec. 280. (1) Included in the appropriation for fiscal year  
15 ~~2014-2015-2015-2016~~ for each public university in section 236 is  
16 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
17 visiting professors program which is intended to increase the  
18 number of instructors in the classroom to provide role models for  
19 academically or economically disadvantaged students. Preference may  
20 not be given to participants on the basis of race, color,  
21 ethnicity, gender, or national origin. Public universities should  
22 encourage participation from those who would otherwise not  
23 adequately be represented in the student population.

24 (2) The program described in this section shall be  
25 administered by the workforce development agency.

26 Sec. 281. (1) Included in the appropriation for fiscal year  
27 ~~2014-2015-2015-2016~~ in section 236 is funding under the Martin

1 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the  
2 Morris Hood, Jr. educator development program which is intended to  
3 increase the number of academically or economically disadvantaged  
4 students who enroll in and complete K-12 teacher education programs  
5 at the baccalaureate level. Preference may not be given to  
6 participants on the basis of race, color, ethnicity, gender, or  
7 national origin. Institutions should encourage participation from  
8 those who would otherwise not adequately be represented in the  
9 teacher education student population.

10 (2) The program described in this section shall be  
11 administered by each state-approved teacher education institution  
12 in a manner prescribed by the workforce development agency.

13 (3) Approved teacher education institutions may and are  
14 encouraged to use student support services funding in coordination  
15 with the Morris Hood, Jr. funding to achieve the goals of the  
16 program described in this section.

17 Enacting section 1. (1) In accordance with section 30 of  
18 article IX of the state constitution of 1963, total state spending  
19 from state sources on school aid under article I of the state  
20 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as  
21 amended by 2014 PA 196, 2015 PA 5, and this amendatory act for  
22 fiscal year 2014-2015 is estimated at \$11,864,647,400.00 and state  
23 appropriations for school aid to be paid to local units of  
24 government for fiscal year 2014-2015 are estimated at  
25 \$11,705,999,600.00. In accordance with section 30 of article IX of  
26 the state constitution of 1963, total state spending from state  
27 sources on school aid under article I of the state school aid act

1 of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this  
2 amendatory act for fiscal year 2015-2016 is estimated at  
3 \$12,193,294,700.00 and state appropriations for school aid to be  
4 paid to local units of government for fiscal year 2015-2016 are  
5 estimated at \$12,032,877,700.00.

6 (2) In accordance with section 30 of article IX of the state  
7 constitution of 1963, total state spending from state sources for  
8 community colleges for fiscal year 2015-2016 under article II of  
9 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to  
10 388.1830, as amended by this amendatory act, is estimated at  
11 \$393,825,600.00 and the amount of that state spending from state  
12 sources to be paid to local units of government for fiscal year  
13 2015-2016 is estimated at \$393,825.600.00.

14 (3) In accordance with section 30 of article IX of the state  
15 constitution of 1963, total state spending from state sources for  
16 higher education for fiscal year 2015-2016 under article III of the  
17 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1893,  
18 as amended by this amendatory act, is estimated at  
19 \$1,444,192,800.00 and the amount of that state spending from state  
20 sources to be paid to local units of government for fiscal year  
21 2015-2016 is estimated at \$0.00.

22 Enacting section 2. Sections 12, 22c, 22g, 22j, 31b, 32r, 64c,  
23 64d, 74a, 99b, 147d, 213, 259, 262a, 272a, 273, and 274a of the  
24 state school aid act of 1979, 1979 PA 94, MCL 388.1612, 388.1622c,  
25 388.1622g, 388.1622j, 388.1631b, 388.1632r, 388.1664c, 388.1664d,  
26 388.1674a, 388.1699b, 388.1747d, 388.1813, 388.1859, 388.1862a,  
27 388.1872a, 388.1873, and 388.1874a, are repealed effective October

1 1, 2015.

2 Enacting section 3. (1) Except as otherwise provided in  
3 subsection (2), this amendatory act takes effect October 1, 2015.

4 (2) Sections 11, 18a, and 95a of the state school aid act of  
5 1979, 1979 PA 94, MCL 388.1611, 388.1618a, and 388.1695a, as  
6 amended by this amendatory act, take effect upon enactment of this  
7 amendatory act.