

SUBSTITUTE FOR
SENATE BILL NO. 796

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 15, 18, 19,
20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e,
25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 31h, 32d, 32p, 35, 35a, 39,
39a, 41, 51a, 51c, 51d, 53a, 54, 55, 56, 61a, 61b, 62, 64b, 65, 67,
74, 81, 94, 94a, 98, 99c, 99h, 99s, 101, 102d, 104, 104b, 104c,
104d, 107, 147, 147a, 147c, 152a, and 166b (MCL 388.1603, 388.1604,
388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m,
388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f,
388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622g,
388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f,
388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d,

388.1631f, 388.1631h, 388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699c, 388.1699h, 388.1699s, 388.1701, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, and 388.1766b), sections 3 and 4 as amended by 2012 PA 201, section 6 as amended by 2016 PA 56, sections 11, 21f, 31a, 32d, and 107 as amended by 2015 PA 139, sections 11a, 11j, 11k, 11m, 15, 20, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31d, 31f, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 98, 99h, 101, 104, 104b, 104c, 147, 147a, 147c, and 152a as amended and sections 25g, 31h, 35, 35a, 55, 61b, 65, 67, 99c, 99s, 102d, and 104d as added by 2015 PA 85, section 18 as amended by 2015 PA 114, section 19 as amended by 2014 PA 196, and section 166b as amended by 2015 PA 222, and by adding sections 11s, 21, 31j, 32q, 54b, 61c, 61d, 61e, 63, 99t, and 152b; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Achievement authority" means the education
 2 achievement authority, the public body corporate and special
 3 authority initially created under section 5 of article III and
 4 section 28 of article VII of the state constitution of 1963 and the
 5 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
 6 124.512, by an interlocal agreement effective August 11, 2011,
 7 between the school district of the city of Detroit and the board of

1 regents of ~~eastern Michigan university~~, **EASTERN MICHIGAN**
2 **UNIVERSITY**, a state public university.

3 (2) "Achievement school" means a public school within the
4 education achievement system operated, managed, authorized,
5 established, or overseen by the achievement authority.

6 (3) "Average daily attendance", for the purposes of complying
7 with federal law, means 92% of the pupils counted in membership on
8 the pupil membership count day, as defined in section 6(7).

9 (4) "Board" means the governing body of a district or public
10 school academy.

11 (5) "Center" means the center for educational performance and
12 information created in section 94a.

13 (6) **"COMMUNITY DISTRICT" MEANS A SCHOOL DISTRICT ORGANIZED**
14 **UNDER PART 5B OF THE REVISED SCHOOL CODE.**

15 (7) ~~(6)~~—"Cooperative education program" means a written
16 voluntary agreement between and among districts to provide certain
17 educational programs for pupils in certain groups of districts. The
18 written agreement shall be approved by all affected districts at
19 least annually and shall specify the educational programs to be
20 provided and the estimated number of pupils from each district who
21 will participate in the educational programs.

22 (8) ~~(7)~~—"Department", except in section 107, means the
23 department of education.

24 (9) ~~(8)~~—"District" means a local school district established
25 under the revised school code or, except in sections 6(4), 6(6),
26 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school
27 academy. Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a,

1 105, 105c, and 166b, district also includes the education
2 achievement system.

3 (10) ~~(9)~~—"District of residence", except as otherwise provided
4 in this subsection, means the district in which a pupil's custodial
5 parent or parents or legal guardian resides. For a pupil described
6 in section 24b, the pupil's district of residence is the district
7 in which the pupil enrolls under that section. For a pupil
8 described in section 6(4)(d), the pupil's district of residence
9 shall be considered to be the district or intermediate district in
10 which the pupil is counted in membership under that section. For a
11 pupil under court jurisdiction who is placed outside the district
12 in which the pupil's custodial parent or parents or legal guardian
13 resides, the pupil's district of residence shall be considered to
14 be the educating district or educating intermediate district.

15 (11) ~~(10)~~—"District superintendent" means the superintendent
16 of a district, the chief administrator of a public school academy,
17 or the chancellor of the achievement authority.

18 Sec. 4. (1) "Education achievement system" means the
19 achievement authority and all achievement schools.

20 (2) "Elementary pupil" means a pupil in membership in grades K
21 to 8 in a district not maintaining classes above the eighth grade
22 or in grades K to 6 in a district maintaining classes above the
23 eighth grade. For the purposes of calculating universal service
24 fund (e-rate) discounts, "elementary pupil" includes children
25 enrolled in a preschool program operated by a district in its
26 facilities.

27 (3) "Extended school year" means an educational program

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

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

10 (5) ~~"General educational development testing preparation~~
11 ~~program" means a program that has high school level courses in~~
12 ~~English language arts, social studies, science, and mathematics and~~
13 ~~that prepares a person to successfully complete the general~~
14 ~~educational development (GED) test.~~ **"HIGH SCHOOL EQUIVALENCY TEST"**
15 **MEANS THE G.E.D. TEST DEVELOPED BY THE GED TESTING SERVICE, THE**
16 **TEST ASSESSING SECONDARY COMPLETION (TASC) DEVELOPED BY CTS/MCGRAW-**
17 **HILL, THE HISET TEST DEVELOPED BY THE EDUCATION TESTING SERVICE**
18 **(ETS), OR ANOTHER COMPARABLE TEST APPROVED BY THE DEPARTMENT OF**
19 **TALENT AND ECONOMIC DEVELOPMENT.**

20 (6) "High school pupil" means a pupil in membership in grades
21 7 to 12, except in a district not maintaining grades above the
22 eighth grade.

23 Sec. 6. (1) "Center program" means a program operated by a
24 district or by an intermediate district for special education
25 pupils from several districts in programs for pupils with autism
26 spectrum disorder, pupils with severe cognitive impairment, pupils
27 with moderate cognitive impairment, pupils with severe multiple

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

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

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

24 (4) "Membership", except as otherwise provided in this
25 article, means for a district, a public school academy, the
26 education achievement system, or an intermediate district the sum
27 of the product of ~~.90~~.75 times the number of full-time equated

1 pupils in grades K to 12 actually enrolled and in regular daily
2 attendance on the pupil membership count day for the current school
3 year, plus the product of ~~.10~~.25 times the final audited count
4 from the supplemental count day for the immediately preceding
5 school year. **HOWEVER, FOR A DISTRICT THAT IS A COMMUNITY DISTRICT**
6 **IN ITS FIRST YEAR OF OPERATION, "MEMBERSHIP" MEANS THE SUM OF THE**
7 **PRODUCT OF .75 TIMES THE NUMBER OF FULL-TIME EQUATED PUPILS IN**
8 **GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE IN**
9 **THE COMMUNITY DISTRICT ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE**
10 **CURRENT SCHOOL YEAR, PLUS THE PRODUCT OF .25 TIMES THE FINAL**
11 **AUDITED COUNT FROM THE SUPPLEMENTAL COUNT DAY OF PUPILS IN GRADES K**
12 **TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE IN A**
13 **QUALIFYING SCHOOL DISTRICT AS DEFINED IN SECTION 5 OF THE REVISED**
14 **SCHOOL CODE, MCL 380.5, FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR.**
15 A district's, public school academy's, or intermediate district's
16 membership shall be adjusted as provided under section 25e for
17 pupils who enroll in the district, public school academy, or
18 intermediate district after the pupil membership count day. All
19 pupil counts used in this subsection are as determined by the
20 department and calculated by adding the number of pupils registered
21 for attendance plus pupils received by transfer and minus pupils
22 lost as defined by rules promulgated by the superintendent, and as
23 corrected by a subsequent department audit. For the purposes of
24 this section and section 6a, for a school of excellence that is a
25 cyber school, as defined in section 551 of the revised school code,
26 MCL 380.551, and is in compliance with section 553a of the revised
27 school code, MCL 380.553a, a pupil's participation in the cyber

1 school's educational program is considered regular daily
2 attendance; for the education achievement system, a pupil's
3 participation in ~~an online~~ **A VIRTUAL** educational program of the
4 education achievement system or of an achievement school is
5 considered regular daily attendance; and for a district a pupil's
6 participation in ~~an online~~ **A VIRTUAL** course as defined in section
7 21f is considered regular daily attendance. The amount of the
8 foundation allowance for a pupil in membership is determined under
9 section 20. In making the calculation of membership, all of the
10 following, as applicable, apply to determining the membership of a
11 district, a public school academy, the education achievement
12 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 **WITH EXTREME BARRIERS TO EDUCATION, SUCH**
21 **AS BEING HOMELESS AS DEFINED UNDER 42 USC 11302.**

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

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

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

1 (iii) If a child does not meet the minimum age requirement to
2 be eligible to attend school for that school year under section
3 1147 of the revised school code, MCL 380.1147, but will be 5 years
4 of age not later than December 1 of that school year, the district
5 may count the child in membership for that school year if the
6 parent or legal guardian has notified the district in writing that
7 he or she intends to enroll the child in kindergarten for that
8 school year.

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

20 (n) If a pupil counted in membership in a public school
21 academy or the education achievement system is also educated by a
22 district or intermediate district as part of a cooperative
23 education program, the pupil shall be counted in membership only in
24 the public school academy or the education achievement system
25 unless a written agreement signed by all parties designates the
26 party or parties in which the pupil shall be counted in membership,
27 and the instructional time scheduled for the pupil in the district

1 or intermediate district shall be included in the full-time equated
2 membership determination under subdivision (q) and section 101.

3 However, for pupils receiving instruction in both a public school
4 academy or the education achievement system and in a district or
5 intermediate district but not as a part of a cooperative education
6 program, the following apply:

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

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

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

1 number equal to 1/2 the number used for determining full-time
2 equated memberships for pupils in grades 1 to 12. The change in the
3 counting of full-time equated memberships for pupils in
4 kindergarten that took effect for 2012-2013 is not a mandate.

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

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

24 (u) If, as a result of a disciplinary action, a district
25 determines through the district's alternative or disciplinary
26 education program that the best instructional placement for a pupil
27 is in the pupil's home or otherwise apart from the general school

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

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

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

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

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

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

1 membership count day, the department shall adjust the district's or
2 the education achievement system's pupil count for the pupil
3 membership count day to include the pupil in the count.

4 (w) For a public school academy that has been in operation for
5 at least 2 years and that suspended operations for at least 1
6 semester and is resuming operations, membership is the sum of the
7 product of ~~.90~~.75 times the number of full-time equated pupils in
8 grades K to 12 actually enrolled and in regular daily attendance on
9 the first pupil membership count day or supplemental count day,
10 whichever is first, occurring after operations resume, plus the
11 product of ~~.10~~.25 times the final audited count from the most
12 recent pupil membership count day or supplemental count day that
13 occurred before suspending operations, as determined by the
14 superintendent.

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

1 purposes of this subdivision. The membership figure calculated
2 under this subdivision is the greater of the following:

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

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

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

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

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

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

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

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

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

1 report to the center the number of pupils who were enrolled in the
2 program and were in full attendance for a month not later than ~~the~~
3 ~~tenth day of the next month.~~ **30 DAYS AFTER THE END OF THE MONTH.** A
4 district shall not report a pupil as being in full attendance for a
5 month unless both of the following are met:

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

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

17 (ee) A pupil participating in ~~an online~~ **A VIRTUAL** course under
18 section 21f shall be counted in membership in the district
19 enrolling the pupil.

20 (ff) If a public school academy that is not in its first or
21 second year of operation closes at the end of a school year and
22 does not reopen for the next school year, the department shall
23 adjust the membership count of the district or the education
24 achievement system in which a former pupil of the public school
25 academy enrolls and is in regular daily attendance for the next
26 school year to ensure that the district or the education
27 achievement system receives the same amount of membership aid for

1 the pupil as if the pupil were counted in the district or the
2 education achievement system on the supplemental count day of the
3 preceding school year.

4 (GG) A NONPUBLIC PART-TIME PUPIL ENROLLED IN GRADES 1 TO 12 IN
5 ACCORDANCE WITH SECTION 166B SHALL BE COUNTED FOR NO MORE THAN 0.5
6 OF A FULL-TIME EQUATED MEMBERSHIP.

7 (HH) A PUPIL ENROLLED IN A COMMUNITY DISTRICT SHALL BE COUNTED
8 IN MEMBERSHIP IN THE COMMUNITY DISTRICT.

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

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

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

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

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

22 (d) A pupil enrolled in a district other than the pupil's
23 district of residence under an intermediate district schools of
24 choice pilot program as described in section 91a or former section
25 91 if the intermediate district and its constituent districts have
26 been exempted from section 105.

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

1 district of residence if the pupil is enrolled in accordance with
2 section 105 or 105c.

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

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

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

26 (g) A pupil whose district of residence changed after the
27 pupil membership count day and before the supplemental count day

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

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

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

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

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

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

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

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

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

26 (l) A pupil enrolled in a district other than the pupil's
27 district of residence in a middle college program if the pupil's

1 district of residence and the enrolling district are both
2 constituent districts of the same intermediate district.

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

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

9 (o) A pupil who enrolls in a district other than the pupil's
10 district of residence as a result of the pupil's school not making
11 adequate yearly progress under the no child left behind act of
12 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC**
13 **LAW 114-95.**

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

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

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

1 which school is in session in the district or building.

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

4 (i) Fourth Wednesday in July.

5 (ii) First Wednesday in October.

6 (iii) Second Wednesday in February.

7 (iv) Fourth Wednesday in April.

8 **(C) FOR PUPILS ENROLLED IN THE YOUTH CHALLENGE PROGRAM**

9 **MAINTAINING A RESIDENTIAL 11-MONTH PROGRAM, THE FOURTH WEDNESDAY IN**
10 **AUGUST.**

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

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

16 (9) "Rule" means a rule promulgated pursuant to the
17 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
18 24.328.

19 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
20 380.1852.

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

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

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

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

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

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

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

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

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

23 (19) "Textbook" means a book, electronic book, or other
24 instructional print or electronic resource that is selected and
25 approved by the governing board of a district or, for an
26 achievement school, by the chancellor of the achievement authority
27 and that contains a presentation of principles of a subject, or

1 that is a literary work relevant to the study of a subject required
 2 for the use of classroom pupils, or another type of course material
 3 that forms the basis of classroom instruction.

4 (20) "Total state aid" or "total state school aid" means the
 5 total combined amount of all funds due to a district, intermediate
 6 district, or other entity under all of the provisions of this
 7 article.

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 ~~\$11,814,097,400.00 from the state school aid fund, the sum of~~
 12 ~~\$18,000,000.00 from the MPERS retirement obligation reform reserve~~
 13 ~~fund created under section 147b, and the sum of \$33,700,000.00 from~~
 14 ~~the general fund. For the fiscal year ending September 30, 2016,~~
 15 ~~there is appropriated for the public schools of this state and~~
 16 ~~certain other state purposes relating to education the sum of~~
 17 ~~\$12,078,985,100.00 from the state school aid fund and the sum of~~
 18 ~~\$45,900,000.00 from the general fund. FOR THE FISCAL YEAR ENDING~~
 19 ~~SEPTEMBER 30, 2017, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF~~
 20 ~~THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION~~
 21 ~~THE SUM OF \$12,062,479,300.00 FROM THE STATE SCHOOL AID FUND, THE~~
 22 ~~SUM OF \$226,000,000.00 FROM THE GENERAL FUND, AND AN AMOUNT NOT TO~~
 23 ~~EXCEED \$100.00 FROM THE DRINKING WATER RESERVE EMERGENCY FUND. In~~
 24 ~~addition, all other available federal funds are appropriated each~~
 25 ~~fiscal year for the fiscal years YEAR ending September 30, 2015 and~~
 26 ~~September 30, 2016-2017.~~

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

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

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

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

11 (2) The state treasurer may receive money or other assets from
12 any source for deposit into the school aid stabilization fund. The
13 state treasurer shall deposit into the school aid stabilization
14 fund all of the following:

15 (a) Unexpended and unencumbered state school aid fund revenue
16 for a fiscal year that remains in the state school aid fund as of
17 the bookclosing for that fiscal year.

18 (b) Money statutorily dedicated to the school aid
19 stabilization fund.

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

21 (3) Money available in the school aid stabilization fund may
22 not be expended without a specific appropriation from the school
23 aid stabilization fund. Money in the school aid stabilization fund
24 shall be expended only for purposes for which state school aid fund
25 money may be expended.

26 (4) The state treasurer shall direct the investment of the
27 school aid stabilization fund. The state treasurer shall credit to

1 the school aid stabilization fund interest and earnings from fund
2 investments.

3 (5) Money in the school aid stabilization fund at the close of
4 a fiscal year shall remain in the school aid stabilization fund and
5 shall not lapse to the unreserved school aid fund balance or the
6 general fund.

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

20 (7) For ~~2015-2016~~, **2016-2017**, in addition to the
21 appropriations in section 11, there is appropriated from the school
22 aid stabilization fund to the state school aid fund the amount
23 necessary to fully fund the allocations under this article.

24 Sec. 11j. From the appropriation in section 11, there is
25 allocated an amount not to exceed \$126,500,000.00 for ~~2015-2016~~
26 **2016-2017** for payments to the school loan bond redemption fund in
27 the department of treasury on behalf of districts and intermediate

1 districts. Notwithstanding section 296 or any other provision of
2 this act, funds allocated under this section are not subject to
3 proration and shall be paid in full.

4 Sec. 11k. For ~~2015-2016~~, **2016-2017**, there is appropriated from
5 the general fund to the school loan revolving fund an amount equal
6 to the amount of school bond loans assigned to the Michigan finance
7 authority, not to exceed the total amount of school bond loans held
8 in reserve as long-term assets. As used in this section, "school
9 loan revolving fund" means that fund created in section 16c of the
10 shared credit rating act, 1985 PA 227, MCL 141.1066c.

11 Sec. 11m. From the appropriation in section 11, there is
12 allocated for ~~2014-2015 an amount not to exceed \$0.00 and there is~~
13 ~~allocated for 2015-2016~~ **2016-2017** an amount not to exceed
14 ~~\$2,000,000.00~~ **\$3,000,000.00** for fiscal year cash-flow borrowing
15 costs solely related to the state school aid fund established by
16 section 11 of article IX of the state constitution of 1963.

17 **SEC. 11S. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION**
18 **11, THERE IS ALLOCATED \$10,142,500.00 FOR 2016-2017 FOR THE PURPOSE**
19 **OF PROVIDING SERVICES AND PROGRAMS TO CHILDREN WHO RESIDE WITHIN**
20 **THE BOUNDARIES OF A DISTRICT WITH THE MAJORITY OF ITS TERRITORY**
21 **LOCATED WITHIN THE BOUNDARIES OF A CITY FOR WHICH AN EXECUTIVE**
22 **PROCLAMATION OF EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY**
23 **PRECEDING FISCAL YEAR UNDER THE EMERGENCY MANAGEMENT ACT, 1976 PA**
24 **390, MCL 30.401 TO 30.421. IN ADDITION, FROM THE FUNDING**
25 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED \$100.00 FROM THE**
26 **DRINKING WATER EMERGENCY RESERVE FUND FOR THE PURPOSES OF THIS**
27 **SECTION.**

1 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
2 TO A DISTRICT WITH THE MAJORITY OF ITS TERRITORY LOCATED WITHIN THE
3 BOUNDARIES OF A CITY IN WHICH AN EXECUTIVE PROCLAMATION OF
4 EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY PRECEDING FISCAL
5 YEAR AND THAT HAS AT LEAST 5,000 PUPILS IN MEMBERSHIP FOR THE
6 CURRENT FISCAL YEAR, AN AMOUNT NOT TO EXCEED \$1,292,500.00 FOR THE
7 PURPOSE OF EMPLOYING SCHOOL NURSES AND SCHOOL SOCIAL WORKERS. THE
8 DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A FORM,
9 MANNER, AND FREQUENCY APPROVED BY THE DEPARTMENT. THE DEPARTMENT
10 SHALL PROVIDE A COPY OF THAT REPORT TO THE GOVERNOR, THE HOUSE AND
11 SENATE SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL
12 AGENCIES, AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS AFTER
13 RECEIPT. THE REPORT SHALL PROVIDE AT LEAST THE FOLLOWING
14 INFORMATION:

15 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS ALLOCATED
16 UNDER THIS SUBSECTION.

17 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO PUPILS BY THOSE
18 PERSONNEL.

19 (C) HOW MANY PUPILS RECEIVED EACH TYPE OF SERVICE IDENTIFIED
20 IN SUBDIVISION (B).

21 (D) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY
22 TO ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED
23 APPROPRIATE LEVELS AND TYPES OF SERVICES.

24 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
25 TO AN INTERMEDIATE DISTRICT THAT HAS A CONSTITUENT DISTRICT
26 DESCRIBED IN SUBSECTION (2) AN AMOUNT NOT TO EXCEED \$950,000.00 TO
27 AUGMENT STAFF FOR THE PURPOSE OF PROVIDING ADDITIONAL EARLY

1 CHILDHOOD SERVICES AND NUTRITIONAL SERVICES TO CHILDREN DESCRIBED
2 IN SUBSECTION (1), REGARDLESS OF LOCATION OF SCHOOL OF ATTENDANCE.
3 THE EARLY CHILDHOOD SERVICES TO BE PROVIDED UNDER THIS SUBSECTION
4 ARE STATE EARLY ON SERVICES AS DESCRIBED IN SUBSECTION (4) AND
5 EARLY LITERACY SERVICES. IN ADDITION, FUNDS ALLOCATED UNDER THIS
6 SUBSECTION MAY ALSO BE EXPENDED TO PROVIDE INFORMATIONAL RESOURCES
7 TO PARENTS, EDUCATORS, AND THE COMMUNITY, AND TO COORDINATE
8 SERVICES WITH OTHER LOCAL AGENCIES. THE INTERMEDIATE DISTRICT SHALL
9 PROVIDE A REPORT TO THE DEPARTMENT IN A FORM, MANNER, AND FREQUENCY
10 APPROVED BY THE DEPARTMENT. THE DEPARTMENT SHALL PROVIDE A COPY OF
11 THAT REPORT TO THE GOVERNOR, THE HOUSE AND SENATE SCHOOL AID
12 SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
13 BUDGET DIRECTOR WITHIN 5 DAYS AFTER RECEIPT. THE REPORT SHALL
14 PROVIDE AT LEAST THE FOLLOWING INFORMATION:

15 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS APPROPRIATED
16 IN THIS SUBSECTION.

17 (B) A DESCRIPTION OF THE EARLY CHILDHOOD SERVICES PROVIDED TO
18 CHILDREN BY THOSE PERSONNEL.

19 (C) WHAT TYPES OF ADDITIONAL NUTRITIONAL SERVICES WERE
20 PROVIDED.

21 (D) HOW MANY CHILDREN RECEIVED EACH TYPE OF SERVICE IDENTIFIED
22 IN SUBDIVISIONS (B) AND (C).

23 (E) WHAT TYPES OF INFORMATIONAL RESOURCES AND COORDINATION
24 EFFORTS WERE PROVIDED.

25 (F) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY
26 TO ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED
27 APPROPRIATE LEVELS AND TYPES OF SERVICES.

1 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
2 AN AMOUNT NOT TO EXCEED \$6,400,000.00 TO AN INTERMEDIATE DISTRICT
3 DESCRIBED IN SUBSECTION (3) TO PROVIDE STATE EARLY ON SERVICES FOR
4 CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF
5 AGE AS OF SEPTEMBER 1, 2016. THE DEPARTMENT SHALL ADMINISTER THE
6 STATE EARLY ON SERVICES CONSISTENT WITH THE DEFINITIONS OF SERVICES
7 CONTAINED IN THE EARLY ON MICHIGAN STATE PLAN, EXCEPT THAT ALL
8 CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF
9 AGE AS OF SEPTEMBER 1, 2016 SHALL BE ASSESSED AND EVALUATED AT
10 LEAST TWICE ANNUALLY.

11 (5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
12 AN AMOUNT NOT TO EXCEED \$1,500,000.00 TO AN INTERMEDIATE DISTRICT
13 DESCRIBED IN SUBSECTION (3) TO ENROLL CHILDREN DESCRIBED IN
14 SUBSECTION (1) IN SCHOOL-DAY GREAT START READINESS PROGRAMS,
15 REGARDLESS OF HOUSEHOLD INCOME ELIGIBILITY REQUIREMENTS CONTAINED
16 IN SECTION 39. THE DEPARTMENT SHALL ADMINISTER THIS FUNDING
17 CONSISTENT WITH ALL OTHER PROVISIONS OF THE GREAT START READINESS
18 PROGRAMS CONTAINED IN SECTION 32D AND SECTION 39.

19 (6) IN ADDITION TO OTHER FUNDING ALLOCATED AND APPROPRIATED IN
20 THIS SECTION, THERE IS APPROPRIATED AN AMOUNT NOT TO EXCEED
21 \$15,000,000.00 FOR 2016-2017 FOR STATE RESTRICTED CONTINGENCY
22 FUNDS. THESE CONTINGENCY FUNDS ARE NOT AVAILABLE FOR EXPENDITURE
23 UNTIL THEY HAVE BEEN TRANSFERRED TO A SECTION WITHIN THIS ARTICLE
24 UNDER SECTION 393(2) OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431,
25 MCL 18.1393.

26 Sec. 15. (1) If a district or intermediate district fails to
27 receive its proper apportionment, the department, upon satisfactory

1 proof that the district or intermediate district was entitled
2 justly, shall apportion the deficiency in the next apportionment.
3 Subject to subsections (2) and (3), if a district or intermediate
4 district has received more than its proper apportionment, the
5 department, upon satisfactory proof, shall deduct the excess in the
6 next apportionment. Notwithstanding any other provision in this
7 article, state aid overpayments to a district, other than
8 overpayments in payments for special education or special education
9 transportation, may be recovered from any payment made under this
10 article other than a special education or special education
11 transportation payment, from the proceeds of a loan to the district
12 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
13 141.942, or from the proceeds of millage levied or pledged under
14 section 1211 of the revised school code, MCL 380.1211. State aid
15 overpayments made in special education or special education
16 transportation payments may be recovered from subsequent special
17 education or special education transportation payments, from the
18 proceeds of a loan to the district under the emergency municipal
19 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
20 of millage levied or pledged under section 1211 of the revised
21 school code, MCL 380.1211.

22 (2) If the result of an audit conducted by or for the
23 department affects the current fiscal year membership, affected
24 payments shall be adjusted in the current fiscal year. A deduction
25 due to an adjustment made as a result of an audit conducted by or
26 for the department, or as a result of information obtained by the
27 department from the district, an intermediate district, the

1 department of treasury, or the office of auditor general, shall be
2 deducted from the district's apportionments when the adjustment is
3 finalized. At the request of the district and upon the district
4 presenting evidence satisfactory to the department of the hardship,
5 the department may grant up to an additional 4 years for the
6 adjustment and may advance payments to the district otherwise
7 authorized under this article if the district would otherwise
8 experience a significant hardship in satisfying its financial
9 obligations. ~~For a district that is a strict discipline academy~~
10 ~~established under sections 1311b to 1311m of the revised school~~
11 ~~code, MCL 380.1311b to 380.1311m, and that claimed a hardship in~~
12 ~~2014-2015 because of an overpayment caused by a miscalculation of~~
13 ~~its pupil membership for 2013-2014, the department shall consider~~
14 ~~the amount of repayment made by the district as of the effective~~
15 ~~date of the amendatory act that added this sentence to constitute~~
16 ~~full repayment and the district is not required to continue making~~
17 ~~repayment for the overpayment that occurred in 2013-2014.~~

18 (3) If, based on an audit by the department or the
19 department's designee or because of new or updated information
20 received by the department, the department determines that the
21 amount paid to a district or intermediate district under this
22 article for the current fiscal year or a prior fiscal year was
23 incorrect, the department shall make the appropriate deduction or
24 payment in the district's or intermediate district's allocation in
25 the next apportionment after the adjustment is finalized. The
26 deduction or payment shall be calculated according to the law in
27 effect in the fiscal year in which the incorrect amount was paid.

1 If the district does not receive an allocation for the fiscal year
2 or if the allocation is not sufficient to pay the amount of any
3 deduction, the amount of any deduction otherwise applicable shall
4 be satisfied from the proceeds of a loan to the district under the
5 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942,
6 or from the proceeds of millage levied or pledged under section
7 1211 of the revised school code, MCL 380.1211, as determined by the
8 department.

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

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

17 (6) In addition to funds appropriated in section 11 for all
18 programs and services, there is appropriated for ~~2014-2015 and for~~
19 ~~2015-2016-2016-2017~~ for obligations in excess of applicable
20 appropriations an amount equal to the collection of overpayments,
21 but not to exceed amounts available from overpayments.

22 Sec. 18. (1) Except as provided in another section of this
23 article, each district or other entity shall apply the money
24 received by the district or entity under this article to salaries
25 and other compensation of teachers and other employees, tuition,
26 transportation, lighting, heating, ventilation, water service, the
27 purchase of textbooks, other supplies, and any other school

1 operating expenditures defined in section 7. However, not more than
2 20% of the total amount received by a district under sections 22a
3 and 22b or received by an intermediate district under section 81
4 may be transferred by the board to either the capital projects fund
5 or to the debt retirement fund for debt service. The money shall
6 not be applied or taken for a purpose other than as provided in
7 this section. The department shall determine the reasonableness of
8 expenditures and may withhold from a recipient of funds under this
9 article the apportionment otherwise due upon a violation by the
10 recipient.

11 (2) A district or intermediate district shall adopt an annual
12 budget in a manner that complies with the uniform budgeting and
13 accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days
14 after a district board adopts its annual operating budget for the
15 following school fiscal year, or after a district board adopts a
16 subsequent revision to that budget, the district shall make all of
17 the following available through a link on its website homepage, or
18 may make the information available through a link on its
19 intermediate district's website homepage, in a form and manner
20 prescribed by the department:

21 (a) The annual operating budget and subsequent budget
22 revisions.

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

27 (i) A chart of personnel expenditures, broken into the

1 following subcategories:

2 (A) Salaries and wages.

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

6 (C) Retirement benefit costs.

7 (D) All other personnel costs.

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

10 (A) Instruction.

11 (B) Support services.

12 (C) Business and administration.

13 (D) Operations and maintenance.

14 (c) Links to all of the following:

15 (i) The current collective bargaining agreement for each
16 bargaining unit.

17 (ii) Each health care benefits plan, including, but not
18 limited to, medical, dental, vision, disability, long-term care, or
19 any other type of benefits that would constitute health care
20 services, offered to any bargaining unit or employee in the
21 district.

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

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

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

1 (vi) The district's written policy establishing specific
2 categories of reimbursable expenses, as described in section
3 1254(2) of the revised school code, MCL 380.1254.

4 (vii) Either the district's accounts payable check register
5 for the most recent school fiscal year or a statement of the total
6 amount of expenses incurred by board members or employees of the
7 district that were reimbursed by the district for the most recent
8 school fiscal year.

9 (d) The total salary and a description and cost of each fringe
10 benefit included in the compensation package for the superintendent
11 of the district and for each employee of the district whose salary
12 exceeds \$100,000.00.

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

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

17 (g) Any deficit elimination plan or enhanced deficit
18 elimination plan the district was required to submit under the
19 revised school code.

20 (h) Identification of all credit cards maintained by the
21 district as district credit cards, the identity of all individuals
22 authorized to use each of those credit cards, the credit limit on
23 each credit card, and the dollar limit, if any, for each
24 individual's authorized use of the credit card.

25 (i) Costs incurred for each instance of out-of-state travel by
26 the school administrator of the district that is fully or partially
27 paid for by the district and the details of each of those instances

1 of out-of-state travel, including at least identification of each
2 individual on the trip, destination, and purpose.

3 (3) For the information required under subsection (2)(a),
4 (2)(b)(i), and (2)(c), an intermediate district shall provide the
5 same information in the same manner as required for a district
6 under subsection (2).

7 (4) For the purposes of determining the reasonableness of
8 expenditures, whether a district or intermediate district has
9 received the proper amount of funds under this article, and whether
10 a violation of this article has occurred, all of the following
11 apply:

12 (a) The department shall require that each district and
13 intermediate district have an audit of the district's or
14 intermediate district's financial and pupil accounting records
15 conducted at least annually, and at such other times as determined
16 by the department, at the expense of the district or intermediate
17 district, as applicable. The audits must be performed by a
18 certified public accountant or by the intermediate district
19 superintendent, as may be required by the department, or in the
20 case of a district of the first class by a certified public
21 accountant, the intermediate superintendent, or the auditor general
22 of the city. A district or intermediate district shall retain these
23 records for the current fiscal year and from at least the 3
24 immediately preceding fiscal years.

25 (b) If a district operates in a single building with fewer
26 than 700 full-time equated pupils, if the district has stable
27 membership, and if the error rate of the immediately preceding 2

1 pupil accounting field audits of the district is less than 2%, the
2 district may have a pupil accounting field audit conducted
3 biennially but must continue to have desk audits for each pupil
4 count. The auditor must document compliance with the audit cycle in
5 the pupil auditing manual. As used in this subdivision, "stable
6 membership" means that the district's membership for the current
7 fiscal year varies from the district's membership for the
8 immediately preceding fiscal year by less than 5%.

9 (c) A district's or intermediate district's annual financial
10 audit shall include an analysis of the financial and pupil
11 accounting data used as the basis for distribution of state school
12 aid.

13 (d) The pupil and financial accounting records and reports,
14 audits, and management letters are subject to requirements
15 established in the auditing and accounting manuals approved and
16 published by the department.

17 (e) All of the following shall be done not later than November
18 1 each year for reporting the prior fiscal year data:

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

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

23 (iii) The intermediate district shall enter the pupil
24 membership audit reports for its constituent districts and for the
25 intermediate district, for the pupil membership count day and
26 supplemental count day, in the Michigan student data system.

27 (f) The annual financial audit reports and pupil accounting

1 procedures reports shall be available to the public in compliance
2 with the freedom of information act, 1976 PA 442, MCL 15.231 to
3 15.246.

4 (g) Not later than January 31 of each year, the department
5 shall notify the state budget director and the legislative
6 appropriations subcommittees responsible for review of the school
7 aid budget of districts and intermediate districts that have not
8 filed an annual financial audit and pupil accounting procedures
9 report required under this section for the school year ending in
10 the immediately preceding fiscal year.

11 (5) By November 1 each fiscal year, each district and
12 intermediate district shall submit to the center, in a manner
13 prescribed by the center, annual comprehensive financial data
14 **CONSISTENT WITH THE DISTRICT'S OR INTERMEDIATE DISTRICT'S AUDITED**
15 **FINANCIAL STATEMENTS AND** consistent with accounting manuals and
16 charts of accounts approved and published by the department. For an
17 intermediate district, the report shall also contain the website
18 address where the department can access the report required under
19 section 620 of the revised school code, MCL 380.620. The department
20 shall ensure that the prescribed Michigan public school accounting
21 manual chart of accounts includes standard conventions to
22 distinguish expenditures by allowable fund function and object. The
23 functions shall include at minimum categories for instruction,
24 pupil support, instructional staff support, general administration,
25 school administration, business administration, transportation,
26 facilities operation and maintenance, facilities acquisition, and
27 debt service; and shall include object classifications of salary,

1 benefits, including categories for active employee health
2 expenditures, purchased services, supplies, capital outlay, and
3 other. Districts shall report the required level of detail
4 consistent with the manual as part of the comprehensive annual
5 financial report.

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

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

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

17 (9) If a district that is a public school academy purchases
18 property using money received under this article, the public school
19 academy shall retain ownership of the property unless the public
20 school academy sells the property at fair market value.

21 (10) If a district or intermediate district does not comply
22 with subsections (4), (5), (6), and (7), **OR IF THE DEPARTMENT**
23 **DETERMINES THAT THE FINANCIAL DATA REQUIRED UNDER SUBSECTION (5)**
24 **ARE NOT CONSISTENT WITH AUDITED FINANCIAL STATEMENTS,** the
25 department shall withhold all state school aid due to the district
26 or intermediate district under this article, beginning with the
27 next payment due to the district or intermediate district, until

1 the district or intermediate district complies with subsections
2 (4), (5), (6), and (7). If the district or intermediate district
3 does not comply with subsections (4), (5), (6), and (7) by the end
4 of the fiscal year, the district or intermediate district forfeits
5 the amount withheld.

6 (11) If a district or intermediate district does not comply
7 with subsection (2), the department may withhold up to 10% of the
8 total state school aid due to the district or intermediate district
9 under this article, beginning with the next payment due to the
10 district or intermediate district, until the district or
11 intermediate district complies with subsection (2). If the district
12 or intermediate district does not comply with subsection (2) by the
13 end of the fiscal year, the district or intermediate district
14 forfeits the amount withheld.

15 (12) Not later than November 1, ~~2015,~~**2016**, if a district or
16 intermediate district offers ~~online-~~**VIRTUAL** learning under section
17 21f, the district or intermediate district shall submit to the
18 department a report that details the per-pupil costs of operating
19 the ~~online-~~**VIRTUAL** learning by vendor type. The report shall
20 include at least all of the following information concerning the
21 operation of ~~online-~~**VIRTUAL** learning for the school fiscal year
22 ending June 30, ~~2015-~~**2016**:

23 (a) The name of the district operating the ~~online-~~**VIRTUAL**
24 learning and of each district that enrolled students in the ~~online~~
25 **VIRTUAL** learning.

26 (b) The total number of students enrolled in the ~~online~~
27 **VIRTUAL** learning and the total number of membership pupils enrolled

1 in the ~~online~~-**VIRTUAL** learning.

2 (c) For each pupil who is enrolled in a district other than
3 the district offering ~~online~~-**VIRTUAL** learning, the name of that
4 district.

5 (d) The district in which the pupil was enrolled before
6 enrolling in the district offering ~~online~~-**VIRTUAL** learning.

7 (e) The number of participating students who had previously
8 dropped out of school.

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

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

19 (h) The name of each ~~online~~-**VIRTUAL** education provider
20 contracted by the district and the state in which each ~~online~~
21 **VIRTUAL** education provider is headquartered.

22 (13) Not later than March 31, ~~2016~~,**2017**, the department shall
23 submit to the house and senate appropriations subcommittees on
24 state school aid, the state budget director, and the house and
25 senate fiscal agencies a report summarizing the per-pupil costs by
26 vendor type of ~~online~~-**VIRTUAL** courses available under section 21f.

27 (14) As used in subsections (12) and (13), "vendor type" means

1 the following:

2 (a) ~~Online~~**VIRTUAL** courses provided by the Michigan Virtual
3 University.

4 (b) ~~Online~~**VIRTUAL** courses provided by a school of excellence
5 that is a cyber school, as defined in section 551 of the revised
6 school code, MCL 380.551.

7 (c) ~~Online~~**VIRTUAL** courses provided by third party vendors not
8 affiliated with a Michigan public school.

9 (d) ~~Online~~**VIRTUAL** courses created and offered by a district
10 or intermediate district.

11 (15) An allocation to a district or another entity under this
12 article is contingent upon the district's or entity's compliance
13 with this section.

14 Sec. 19. (1) A district or intermediate district shall comply
15 with all applicable reporting requirements specified in state and
16 federal law. Data provided to the center, in a form and manner
17 prescribed by the center, shall be aggregated and disaggregated as
18 required by state and federal law. In addition, a district or
19 intermediate district shall cooperate with all measures taken by
20 the center to establish and maintain a statewide P-20 longitudinal
21 data system.

22 (2) Each district shall furnish to the center not later than 5
23 weeks after the pupil membership count day and by June 30 of the
24 school fiscal year ending in the fiscal year, in a manner
25 prescribed by the center, the information necessary for the
26 preparation of the district and high school graduation report. This
27 information shall meet requirements established in the pupil

1 auditing manual approved and published by the department. The
2 center shall calculate an annual graduation and pupil dropout rate
3 for each high school, each district, and this state, in compliance
4 with nationally recognized standards for these calculations. The
5 center shall report all graduation and dropout rates to the senate
6 and house education committees and appropriations committees, the
7 state budget director, and the department not later than 30 days
8 after the publication of the list described in subsection (6).

9 (3) By the first business day in December and by June 30 of
10 each year, a district shall furnish to the center, in a manner
11 prescribed by the center, information related to educational
12 personnel as necessary for reporting required by state and federal
13 law.

14 (4) By June 30 of each year, a district shall furnish to the
15 center, in a manner prescribed by the center, information related
16 to safety practices and criminal incidents as necessary for
17 reporting required by state and federal law.

18 (5) If a district or intermediate district fails to meet the
19 requirements of this section, the department shall withhold 5% of
20 the total funds for which the district or intermediate district
21 qualifies under this article until the district or intermediate
22 district complies with all of those subsections. If the district or
23 intermediate district does not comply with all of those subsections
24 by the end of the fiscal year, the department shall place the
25 amount withheld in an escrow account until the district or
26 intermediate district complies with all of those subsections.

27 (6) Before publishing a list of school or district

1 accountability designations as required by the no child left behind
 2 act of 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT,**
 3 **PUBLIC LAW 114-95,** the department shall allow a school or district
 4 to appeal that determination. The department shall consider and act
 5 upon the appeal within 30 days after it is submitted and shall not
 6 publish the list until after all appeals have been considered and
 7 decided.

8 ~~(7) It is the intent of the legislature to implement not later~~
 9 ~~than~~ **BEGINNING IN** 2016-2017, statewide standard reporting
 10 requirements for education data approved by the department in
 11 conjunction with the center **SHALL BE IMPLEMENTED.** The department
 12 shall work with the center, intermediate districts, districts, and
 13 other interested stakeholders to ~~develop recommendations on the~~
 14 ~~implementation of~~ **IMPLEMENT** this policy change. A district or
 15 intermediate district shall implement the statewide standard
 16 reporting requirements not later than ~~2014-2015-2017-2018~~ or when a
 17 district or intermediate district updates its education data
 18 reporting system, whichever is later.

19 Sec. 20. (1) For ~~2015-2016,~~ **2016-2017,** both of the following
 20 apply:

21 (a) The basic foundation allowance is ~~\$8,169.00-~~ **\$8,229.00.**

22 (b) The minimum foundation allowance is ~~\$7,391.00-~~ **\$7,511.00.**

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

26 (3) Except as otherwise provided in this section, the amount
 27 of a district's foundation allowance shall be calculated as

1 follows, using in all calculations the total amount of the
2 district's foundation allowance as calculated before any proration:

3 (a) Except as otherwise provided in this subdivision, for a
4 district that had a foundation allowance for the immediately
5 preceding state fiscal year that was equal to the minimum
6 foundation allowance for the immediately preceding state fiscal
7 year, but less than the basic foundation allowance for the
8 immediately preceding state fiscal year, the district shall receive
9 a foundation allowance in an amount equal to the sum of the
10 district's foundation allowance for the immediately preceding state
11 fiscal year plus the difference between twice the dollar amount of
12 the adjustment from the immediately preceding state fiscal year to
13 the current state fiscal year made in the basic foundation
14 allowance and [(the difference between the basic foundation
15 allowance for the current state fiscal year and basic foundation
16 allowance for the immediately preceding state fiscal year minus
17 ~~\$23.00~~—\$20.00) times (the difference between the district's
18 foundation allowance for the immediately preceding state fiscal
19 year and the minimum foundation allowance for the immediately
20 preceding state fiscal year) divided by the difference between the
21 basic foundation allowance for the current state fiscal year and
22 the minimum foundation allowance for the immediately preceding
23 state fiscal year]. However, the foundation allowance for a
24 district that had less than the basic foundation allowance for the
25 immediately preceding state fiscal year shall not exceed the basic
26 foundation allowance for the current state fiscal year. ~~For the~~
27 ~~purposes of this subdivision, for 2015-2016, the minimum foundation~~

1 ~~allowance for the immediately preceding state fiscal year shall be~~
2 ~~considered to be \$7,251.00.~~

3 (b) Except as otherwise provided in this subsection, for a
4 district that in the immediately preceding state fiscal year had a
5 foundation allowance in an amount equal to the amount of the basic
6 foundation allowance for the immediately preceding state fiscal
7 year, the district shall receive a foundation allowance for ~~2015-~~
8 ~~2016-2016-2017~~ in an amount equal to the basic foundation allowance
9 for ~~2015-2016-2016-2017~~.

10 (c) For a district that had a foundation allowance for the
11 immediately preceding state fiscal year that was greater than the
12 basic foundation allowance for the immediately preceding state
13 fiscal year, the district's foundation allowance is an amount equal
14 to the sum of the district's foundation allowance for the
15 immediately preceding state fiscal year plus the lesser of the
16 increase in the basic foundation allowance for the current state
17 fiscal year, as compared to the immediately preceding state fiscal
18 year, or the product of the district's foundation allowance for the
19 immediately preceding state fiscal year times the percentage
20 increase in the United States consumer price index in the calendar
21 year ending in the immediately preceding fiscal year as reported by
22 the May revenue estimating conference conducted under section 367b
23 of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

27 ~~—— (e) For a district that received a payment under section 22e~~

~~as that section was in effect for 2014-2015, the district's 2014-2015 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2014-2015 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2014-2015 under section 22c as that section was in effect for 2014-2015.~~

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the local portion of the district's foundation allowance divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to \$6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the local portion of the district's foundation allowance divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For a receiving district, if school operating taxes continue to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12

1 of the revised school code, MCL 380.12, the taxable value per
2 membership pupil of property in the receiving district used for the
3 purposes of this subsection does not include the taxable value of
4 property within the geographic area of the dissolved district.

5 (5) The allocation calculated under this section for a pupil
6 shall be based on the foundation allowance of the pupil's district
7 of residence. For a pupil enrolled pursuant to section 105 or 105c
8 in a district other than the pupil's district of residence, the
9 allocation calculated under this section shall be based on the
10 lesser of the foundation allowance of the pupil's district of
11 residence or the foundation allowance of the educating district.
12 For a pupil in membership in a K-5, K-6, or K-8 district who is
13 enrolled in another district in a grade not offered by the pupil's
14 district of residence, the allocation calculated under this section
15 shall be based on the foundation allowance of the educating
16 district if the educating district's foundation allowance is
17 greater than the foundation allowance of the pupil's district of
18 residence. **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO**
19 **ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20F(6).**

20 (6) Except as otherwise provided in this subsection, for
21 pupils in membership, other than special education pupils, in a
22 public school academy, the allocation calculated under this section
23 is an amount per membership pupil other than special education
24 pupils in the public school academy equal to the foundation
25 allowance of the district in which the public school academy is
26 located or the state maximum public school academy allocation,
27 whichever is less. For pupils in membership, other than special

1 education pupils, in a public school academy that is a cyber school
2 and is authorized by a school district, the allocation calculated
3 under this section is an amount per membership pupil other than
4 special education pupils in the public school academy equal to the
5 foundation allowance of the district that authorized the public
6 school academy or the state maximum public school academy
7 allocation, whichever is less. However, a public school academy
8 that had an allocation under this subsection before 2009-2010 that
9 was equal to the sum of the local school operating revenue per
10 membership pupil other than special education pupils for the
11 district in which the public school academy is located and the
12 state portion of that district's foundation allowance shall not
13 have that allocation reduced as a result of the 2010 amendment to
14 this subsection. Notwithstanding section 101, for a public school
15 academy that begins operations after the pupil membership count
16 day, the amount per membership pupil calculated under this
17 subsection shall be adjusted by multiplying that amount per
18 membership pupil by the number of hours of pupil instruction
19 provided by the public school academy after it begins operations,
20 as determined by the department, divided by the minimum number of
21 hours of pupil instruction required under section 101(3). The
22 result of this calculation shall not exceed the amount per
23 membership pupil otherwise calculated under this subsection.

24 (7) Except as otherwise provided in this subsection, for
25 pupils attending an achievement school and in membership in the
26 education achievement system, other than special education pupils,
27 the allocation calculated under this section is an amount per

1 membership pupil other than special education pupils equal to the
2 foundation allowance of the district in which the achievement
3 school is located, not to exceed the basic foundation allowance.
4 Notwithstanding section 101, for an achievement school that begins
5 operation after the pupil membership count day, the amount per
6 membership pupil calculated under this subsection shall be adjusted
7 by multiplying that amount per membership pupil by the number of
8 hours of pupil instruction provided by the achievement school after
9 it begins operations, as determined by the department, divided by
10 the minimum number of hours of pupil instruction required under
11 section 101(3). The result of this calculation shall not exceed the
12 amount per membership pupil otherwise calculated under this
13 subsection. For the purposes of this subsection, if a public school
14 is transferred from a district to the state school reform/redesign
15 district or the achievement authority under section 1280c of the
16 revised school code, MCL 380.1280c, that public school is
17 considered to be an achievement school within the education
18 achievement system and not a school that is part of a district, and
19 a pupil attending that public school is considered to be in
20 membership in the education achievement system and not in
21 membership in the district that operated the school before the
22 transfer.

23 **(8) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR**
24 **PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL EDUCATION PUPILS, IN A**
25 **COMMUNITY DISTRICT, THE ALLOCATION CALCULATED UNDER THIS SECTION IS**
26 **AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS**
27 **IN THE COMMUNITY DISTRICT EQUAL TO THE FOUNDATION ALLOWANCE OF THE**

1 QUALIFYING SCHOOL DISTRICT, AS DESCRIBED IN SECTION 12B OF THE
2 REVISED SCHOOL CODE, MCL 380.12B, THAT IS LOCATED WITHIN THE SAME
3 GEOGRAPHIC AREA AS THE COMMUNITY DISTRICT.

4 (9) ~~(8)~~—Subject to subsection (4) **AND EXCEPT AS OTHERWISE**
5 **PROVIDED IN THIS SUBSECTION**, for a district that is formed or
6 reconfigured after June 1, 2002 by consolidation of 2 or more
7 districts or by annexation, the resulting district's foundation
8 allowance under this section beginning after the effective date of
9 the consolidation or annexation shall be the lesser of the sum of
10 the average of the foundation allowances of each of the original or
11 affected districts, calculated as provided in this section,
12 weighted as to the percentage of pupils in total membership in the
13 resulting district who reside in the geographic area of each of the
14 original or affected districts plus \$100.00 or the highest
15 foundation allowance among the original or affected districts. **FOR**
16 **A DISTRICT THAT IS FORMED OR RECONFIGURED AFTER JUNE 1, 2016 BY**
17 **CONSOLIDATION OF 2 OR MORE DISTRICTS OR BY ANNEXATION AND THAT**
18 **RECEIVED A GRANT UNDER SECTION 22G FOR REIMBURSEMENT OF TRANSITION**
19 **COSTS, FOR THE FIRST 2 FISCAL YEARS AFTER CONSOLIDATION OR**
20 **ANNEXATION, THE RESULTING DISTRICT'S FOUNDATION ALLOWANCE UNDER**
21 **THIS SECTION BEGINNING AFTER THE EFFECTIVE DATE OF THE**
22 **CONSOLIDATION OR ANNEXATION SHALL BE THE SUM OF THE AVERAGE OF THE**
23 **FOUNDATION ALLOWANCES OF EACH OF THE ORIGINAL OR AFFECTED**
24 **DISTRICTS, CALCULATED AS PROVIDED IN THIS SECTION, WEIGHTED AS TO**
25 **THE PERCENTAGE OF PUPILS IN TOTAL MEMBERSHIP IN THE RESULTING**
26 **DISTRICT WHO RESIDE IN THE GEOGRAPHIC AREA OF EACH OF THE ORIGINAL**
27 **OR AFFECTED DISTRICTS, PLUS \$300.00. FOR A DISTRICT THAT IS FORMED**

OR RECONFIGURED AFTER JUNE 1, 2016 BY THE CONSOLIDATION OF 2 OR MORE DISTRICTS LOCATED WHOLLY OR PARTIALLY IN THE SAME CITY, VILLAGE, OR TOWNSHIP OR BY ANNEXATION OF 1 DISTRICT BY ANOTHER LOCATED WHOLLY OR PARTIALLY IN THE SAME CITY, VILLAGE, OR TOWNSHIP, AND THAT RECEIVED A GRANT UNDER SECTION 22G THAT FUNDED A FEASIBILITY STUDY THAT DETERMINED THAT IT WAS IN THE BEST INTERESTS OF THE DISTRICTS TO CONSOLIDATE OR ANNEX, THE RESULTING DISTRICT'S FOUNDATION ALLOWANCE UNDER THIS SECTION BEGINNING AFTER THE EFFECTIVE DATE OF THE CONSOLIDATION OR ANNEXATION SHALL BE THE SUM OF THE HIGHEST FOUNDATION ALLOWANCE AMONG THE ORIGINAL DISTRICTS PLUS \$100.00. BEGINNING WITH THE THIRD FISCAL YEAR THAT STARTS AFTER THE CONSOLIDATION OR ANNEXATION, THE RESULTING DISTRICT'S FOUNDATION ALLOWANCE SHALL BE CALCULATED IN THE SAME MANNER AS PROVIDED UNDER THIS SUBSECTION FOR A DISTRICT THAT IS FORMED OR RECONFIGURED AFTER JUNE 1, 2002 AND THAT DID NOT RECEIVE A GRANT UNDER SECTION 22G. This subsection does not apply to a receiving district unless there is a subsequent consolidation or annexation that affects the district. THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20F(6).

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

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

1 (12) ~~(11)~~—To assist the legislature in determining the basic
2 foundation allowance for the subsequent state fiscal year, each
3 revenue estimating conference conducted under section 367b of the
4 management and budget act, 1984 PA 431, MCL 18.1367b, shall
5 calculate a pupil membership factor, a revenue adjustment factor,
6 and an index as follows:

7 (a) The pupil membership factor shall be computed by dividing
8 the estimated membership in the school year ending in the current
9 state fiscal year, excluding intermediate district membership, by
10 the estimated membership for the school year ending in the
11 subsequent state fiscal year, excluding intermediate district
12 membership. If a consensus membership factor is not determined at
13 the revenue estimating conference, the principals of the revenue
14 estimating conference shall report their estimates to the house and
15 senate subcommittees responsible for school aid appropriations not
16 later than 7 days after the conclusion of the revenue conference.

17 (b) The revenue adjustment factor shall be computed by
18 dividing the sum of the estimated total state school aid fund
19 revenue for the subsequent state fiscal year plus the estimated
20 total state school aid fund revenue for the current state fiscal
21 year, adjusted for any change in the rate or base of a tax the
22 proceeds of which are deposited in that fund and excluding money
23 transferred into that fund from the countercyclical budget and
24 economic stabilization fund under the management and budget act,
25 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
26 total school aid fund revenue for the current state fiscal year
27 plus the estimated total state school aid fund revenue for the

1 immediately preceding state fiscal year, adjusted for any change in
2 the rate or base of a tax the proceeds of which are deposited in
3 that fund. If a consensus revenue factor is not determined at the
4 revenue estimating conference, the principals of the revenue
5 estimating conference shall report their estimates to the house and
6 senate subcommittees responsible for school aid appropriations not
7 later than 7 days after the conclusion of the revenue conference.

8 (c) The index shall be calculated by multiplying the pupil
9 membership factor by the revenue adjustment factor. If a consensus
10 index is not determined at the revenue estimating conference, the
11 principals of the revenue estimating conference shall report their
12 estimates to the house and senate subcommittees responsible for
13 school aid appropriations not later than 7 days after the
14 conclusion of the revenue conference.

15 (13) ~~(12)~~—Payments to districts, public school academies, or
16 the education achievement system shall not be made under this
17 section. Rather, the calculations under this section shall be used
18 to determine the amount of state payments under section 22b.

19 (14) ~~(13)~~—If an amendment to section 2 of article VIII of the
20 state constitution of 1963 allowing state aid to some or all
21 nonpublic schools is approved by the voters of this state, each
22 foundation allowance or per-pupil payment calculation under this
23 section may be reduced.

24 (15) ~~(14)~~—As used in this section:

25 (a) "Certified mills" means the lesser of 18 mills or the
26 number of mills of school operating taxes levied by the district in
27 1993-94.

1 (b) "Combined state and local revenue" means the aggregate of
2 the district's state school aid received by or paid on behalf of
3 the district under this section and the district's local school
4 operating revenue.

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

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

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

14 (f) "Immediately preceding state fiscal year" means the state
15 fiscal year immediately preceding the current state fiscal year.

16 (g) "Local portion of the district's foundation allowance"
17 means an amount that is equal to the difference between (the sum of
18 the product of the taxable value per membership pupil of all
19 property in the district that is nonexempt property times the
20 district's certified mills and, for a district with certified mills
21 exceeding 12, the product of the taxable value per membership pupil
22 of property in the district that is commercial personal property
23 times the certified mills minus 12 mills) and (the quotient of the
24 product of the captured assessed valuation under tax increment
25 financing acts times the district's certified mills divided by the
26 district's membership excluding special education pupils).

27 (h) "Local school operating revenue" means school operating

1 taxes levied under section 1211 of the revised school code, MCL
2 380.1211. For a receiving district, if school operating taxes are
3 to be levied on behalf of a dissolved district that has been
4 attached in whole or in part to the receiving district to satisfy
5 debt obligations of the dissolved district under section 12 of the
6 revised school code, MCL 380.12, local school operating revenue
7 does not include school operating taxes levied within the
8 geographic area of the dissolved district.

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

12 (j) "Maximum public school academy allocation", except as
13 otherwise provided in this subdivision, means the maximum per-pupil
14 allocation as calculated by adding the highest per-pupil allocation
15 among all public school academies for the immediately preceding
16 state fiscal year plus the difference between twice the amount of
17 the difference between the basic foundation allowance for the
18 current state fiscal year and the basic foundation allowance for
19 the immediately preceding state fiscal year and [(the amount of the
20 difference between the basic foundation allowance for the current
21 state fiscal year and the basic foundation allowance for the
22 immediately preceding state fiscal year minus ~~\$23.00~~—\$20.00) times
23 (the difference between the highest per-pupil allocation among all
24 public school academies for the immediately preceding state fiscal
25 year and the minimum foundation allowance for the immediately
26 preceding state fiscal year) divided by the difference between the
27 basic foundation allowance for the current state fiscal year and

1 the minimum foundation allowance for the immediately preceding
2 state fiscal year]. For the purposes of this subdivision, for ~~2015-~~
3 ~~2016-~~**2016-2017**, the maximum public school academy allocation is
4 ~~\$7,391.00-~~**\$7,511.00.**

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

8 (l) "Nonexempt property" means property that is not a
9 principal residence, qualified agricultural property, qualified
10 forest property, supportive housing property, industrial personal
11 property, commercial personal property, or property occupied by a
12 public school academy.

13 (m) "Principal residence", "qualified agricultural property",
14 "qualified forest property", "supportive housing property",
15 "industrial personal property", and "commercial personal property"
16 mean those terms as defined in section 1211 of the revised school
17 code, MCL 380.1211.

18 (n) "Receiving district" means a district to which all or part
19 of the territory of a dissolved district is attached under section
20 12 of the revised school code, MCL 380.12.

21 (o) "School operating purposes" means the purposes included in
22 the operation costs of the district as prescribed in sections 7 and
23 18 and purposes authorized under section 1211 of the revised school
24 code, MCL 380.1211.

25 (p) "School operating taxes" means local ad valorem property
26 taxes levied under section 1211 of the revised school code, MCL
27 380.1211, and retained for school operating purposes.

1 (q) "Tax increment financing acts" means 1975 PA 197, MCL
2 125.1651 to 125.1681, the tax increment finance authority act, 1980
3 PA 450, MCL 125.1801 to 125.1830, the local development financing
4 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
5 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
6 or the corridor improvement authority act, 2005 PA 280, MCL
7 125.2871 to 125.2899.

8 (r) "Taxable value per membership pupil" means taxable value,
9 as certified by the county treasurer and reported to the
10 department, for the calendar year ending in the current state
11 fiscal year divided by the district's membership excluding special
12 education pupils for the school year ending in the current state
13 fiscal year.

14 Sec. 20d. In making the final determination required under
15 former section 20a of a district's combined state and local revenue
16 per membership pupil in 1993-94 and in making calculations under
17 section 20 for ~~2015-2016~~, **2016-2017**, the department and the
18 department of treasury shall comply with all of the following:

19 (a) For a district that had combined state and local revenue
20 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
21 or more and served as a fiscal agent for a state board designated
22 area vocational education center in the 1993-94 school year, total
23 state school aid received by or paid on behalf of the district
24 pursuant to this act in 1993-94 shall exclude payments made under
25 former section 146 and under section 147 on behalf of the
26 district's employees who provided direct services to the area
27 vocational education center. Not later than June 30, 1996, the

1 department shall make an adjustment under this subdivision to the
2 district's combined state and local revenue per membership pupil in
3 the 1994-95 state fiscal year and the department of treasury shall
4 make a final certification of the number of mills that may be
5 levied by the district under section 1211 of the revised school
6 code, MCL 380.1211, as a result of the adjustment under this
7 subdivision.

8 (b) If a district had an adjustment made to its 1993-94 total
9 state school aid that excluded payments made under former section
10 146 and under section 147 on behalf of the district's employees who
11 provided direct services for intermediate district center programs
12 operated by the district under article 5, if nonresident pupils
13 attending the center programs were included in the district's
14 membership for purposes of calculating the combined state and local
15 revenue per membership pupil for 1993-94, and if there is a signed
16 agreement by all constituent districts of the intermediate district
17 that an adjustment under this subdivision shall be made, the
18 foundation allowances for 1995-96 and 1996-97 of all districts that
19 had pupils attending the intermediate district center program
20 operated by the district that had the adjustment shall be
21 calculated as if their combined state and local revenue per
22 membership pupil for 1993-94 included resident pupils attending the
23 center program and excluded nonresident pupils attending the center
24 program.

25 Sec. 20f. (1) From the funds appropriated in section 11, there
26 is allocated an amount not to exceed ~~\$18,000,000.00~~ **\$27,000,000.00**
27 for ~~2015-2016~~ **2016-2017** for payments to eligible districts under

1 this section.

2 (2) The funding under this subsection is from the allocation
3 under subsection (1). A district is eligible for funding under this
4 subsection if the district received a payment under this section as
5 it was in effect for 2013-2014. A district was eligible for funding
6 in 2013-2014 if the sum of the following was less than \$5.00:

7 (a) The increase in the district's foundation allowance or
8 per-pupil payment as calculated under section 20 from 2012-2013 to
9 2013-2014.

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

12 (c) The quotient of the district's allocation under section
13 147a for 2012-2013 divided by the district's membership pupils for
14 2012-2013 minus the quotient of the district's allocation under
15 section 147a for 2013-2014 divided by the district's membership
16 pupils for 2013-2014.

17 (3) The amount allocated to each eligible district under
18 subsection (2) is an amount per membership pupil equal to the
19 amount per membership pupil the district received under this
20 section in 2013-2014.

21 (4) The funding under this subsection is from the allocation
22 under subsection (1). A district is eligible for funding under this
23 subsection for ~~2015-2016~~ **2016-2017** if the sum of the following is
24 less than \$25.00:

25 (a) The increase in the district's foundation allowance or
26 per-pupil payment as calculated under section 20 from 2014-2015 to
27 2015-2016.

1 (b) The decrease in the district's best practices per-pupil
2 funding under section 22f from 2014-2015 to 2015-2016.

3 (c) The decrease in the district's pupil performance per-pupil
4 funding under section 22j from 2014-2015 to 2015-2016.

5 (d) The quotient of the district's allocation under section
6 31a for 2015-2016 divided by the district's membership pupils for
7 2015-2016 minus the quotient of the district's allocation under
8 section 31a for 2014-2015 divided by the district's membership
9 pupils for 2014-2015.

10 (5) The amount allocated to each eligible district under
11 subsection (4) is an amount per membership pupil equal to \$25.00
12 minus the sum of the following:

13 (a) The increase in the district's foundation allowance or
14 per-pupil payment as calculated under section 20 from 2014-2015 to
15 2015-2016.

16 (b) The decrease in the district's best practices per-pupil
17 funding under section 22f from 2014-2015 to 2015-2016.

18 (c) The decrease in the district's pupil performance per-pupil
19 funding under section 22j from 2014-2015 to 2015-2016.

20 (d) The quotient of the district's allocation under section
21 31a for 2015-2016 divided by the district's membership pupils for
22 2015-2016 minus the quotient of the district's allocation under
23 section 31a for 2014-2015 divided by the district's membership
24 pupils for 2014-2015.

25 **(6) THE FUNDING FOR THIS SUBSECTION IS FROM THE ALLOCATION**
26 **UNDER SUBSECTION (1). A DISTRICT IS ELIGIBLE FOR FUNDING UNDER THIS**
27 **SUBSECTION IF IT HAD A FOUNDATION ALLOWANCE GREATER THAN \$8,169.00**

1 FOR THE 2015-2016 FISCAL YEAR. THE AMOUNT ALLOCATED TO EACH
2 ELIGIBLE DISTRICT UNDER THIS SUBSECTION SHALL BE DETERMINED AS
3 FOLLOWS:

4 (A) SUBJECT TO SUBDIVISION (B), THE PER-PUPIL ALLOCATION TO
5 EACH DISTRICT UNDER THIS SUBSECTION SHALL BE THE DIFFERENCE BETWEEN
6 THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING
7 STATE FISCAL YEAR TO THE CURRENT STATE FISCAL YEAR IN THE BASIC
8 FOUNDATION ALLOWANCE MINUS THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM
9 THE IMMEDIATELY PRECEDING FISCAL YEAR TO THE CURRENT STATE FISCAL
10 YEAR IN AN ELIGIBLE DISTRICT'S FOUNDATION ALLOWANCE.

11 (B) IF A DISTRICT'S LOCAL REVENUE PER PUPIL DOES NOT EXCEED
12 THE SUM OF ITS FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-
13 PUPIL ALLOCATION UNDER SUBDIVISION (A), THE TOTAL PAYMENT TO THE
14 DISTRICT CALCULATED UNDER THIS SUBSECTION SHALL BE THE PRODUCT OF
15 THE PER-PUPIL ALLOCATION UNDER SUBDIVISION (A) MULTIPLIED BY THE
16 DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS. IF A
17 DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE FOUNDATION ALLOWANCE
18 UNDER SECTION 20 BUT DOES NOT EXCEED THE SUM OF THE FOUNDATION
19 ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL ALLOCATION UNDER
20 SUBDIVISION (A), THE TOTAL PAYMENT TO THE DISTRICT CALCULATED UNDER
21 THIS SUBSECTION SHALL BE THE PRODUCT OF THE DIFFERENCE BETWEEN THE
22 SUM OF THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL
23 ALLOCATION UNDER SUBDIVISION (A) MINUS THE LOCAL REVENUE PER PUPIL
24 MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION
25 PUPILS. IF A DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE SUM OF
26 THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL
27 ALLOCATION UNDER SUBDIVISION (A), THERE IS NO PAYMENT CALCULATED

1 **UNDER THIS SUBSECTION FOR THE DISTRICT.**

2 (7) ~~(6)~~—If the allocation under subsection (1) is insufficient
3 to fully fund payments under subsections (3) and (5) as otherwise
4 calculated under this section, the department shall prorate
5 payments under this section on an equal per-pupil basis.

6 Sec. 20g. (1) From the money appropriated under section 11,
7 there is allocated an amount not to exceed \$2,200,000.00 for ~~2015-~~
8 ~~2016-2016-2017~~ for grants to eligible districts that first received
9 payments under this section in 2013-2014 for transition costs
10 related to the enrollment of pupils who were previously enrolled in
11 a district that was dissolved under section 12 of the revised
12 school code, MCL 380.12, allocated as provided under subsection
13 (3). Payments under this section shall continue for a total of 4
14 fiscal years following the dissolution of a district, after which
15 the payments shall cease.

16 (2) A receiving school district, as that term is defined in
17 section 12 of the revised school code, MCL 380.12, is an eligible
18 district under this section.

19 (3) The amount allocated to each eligible district under this
20 section is an amount equal to the product of the number of
21 membership pupils enrolled in the eligible district who were
22 previously enrolled in the dissolved school district in the school
23 year immediately preceding the dissolution, or who reside in the
24 geographic area of the dissolved school district and are entering
25 kindergarten, times 10.0% of the lesser of the foundation allowance
26 of the eligible district as calculated under section 20 or the
27 basic foundation allowance under section 20(1).

1 (4) IT IS THE INTENT OF THE LEGISLATURE THAT AN AMOUNT NOT TO
2 EXCEED \$660,000.00 BE USED SOLELY FOR PAYING OUTSTANDING DEBT OF A
3 DISSOLVED SCHOOL DISTRICT AND THAT THE PAYMENT BE MADE FROM,
4 CONSIDERED TO BE A PART OF, AND COUNTED AGAINST THE \$2,500,000.00
5 THAT WAS AVAILABLE FOR A QUALIFYING INTERMEDIATE DISTRICT UNDER
6 THIS SECTION AS IT WAS IN EFFECT FOR THE 2013-2014 FISCAL YEAR. FOR
7 PURPOSES OF THIS SUBSECTION, AN INTERMEDIATE DISTRICT IS A
8 QUALIFYING INTERMEDIATE DISTRICT IF IT IS REQUIRED TO PERFORM THE
9 FUNCTIONS AND SATISFY THE RESPONSIBILITIES OF A DISSOLVED SCHOOL
10 DISTRICT UNDER SECTION 12(3) OF THE REVISED SCHOOL CODE, MCL
11 380.12, IF THE AUTHORIZATION FOR THAT DISSOLVED SCHOOL DISTRICT TO
12 LEVY MILLS FOR SCHOOL OPERATING PURPOSES UNDER SECTION 1211 OF THE
13 REVISED SCHOOL CODE, MCL 380.1211, WAS NOT RENEWED AFTER THE SCHOOL
14 DISTRICT WAS DISSOLVED, AND IF THE INTERMEDIATE DISTRICT IS LOCATED
15 IN A COUNTY WITH A POPULATION OF LESS THAN 250,000.

16 (5) ~~(4)~~As used in this section, "dissolved school district"
17 means a school district that has been declared dissolved under
18 section 12 of the revised school code, 1976 PA 451, MCL 380.12.

19 SEC. 21. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
20 ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2016-2017 TO
21 MAKE SUPPLEMENTAL PAYMENTS TO ELIGIBLE DISTRICTS THAT ARE
22 IDENTIFIED AS BEING AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC
23 SCHOOLS IN THIS STATE.

24 (2) DISTRICTS ARE ELIGIBLE TO RECEIVE THE SUPPLEMENTAL
25 PAYMENTS CALCULATED UNDER THIS SECTION FOR 3 CONSECUTIVE FISCAL
26 YEARS IF ALL OF THE FOLLOWING CONDITIONS ARE MET:

27 (A) THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS APPOINTED A

1 CHIEF EXECUTIVE OFFICER TO TAKE CONTROL OF 1 OR MORE PUBLIC SCHOOLS
2 IN THE DISTRICT, AS PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED
3 SCHOOL CODE, MCL 380.1280C, AND THERE IS AT LEAST 1 HIGH SCHOOL
4 OPERATED BY THE DISTRICT.

5 (B) AS DETERMINED BY THE SCHOOL REFORM OFFICE, AN INTERVENTION
6 AGREEMENT MEETING AT LEAST THE FOLLOWING CRITERIA HAS BEEN EXECUTED
7 BY THE STATE SCHOOL REFORM/REDESIGN OFFICER AND THE DISTRICT. THE
8 INTERVENTION AGREEMENT SHALL INCLUDE, BUT IS NOT LIMITED TO:

9 (i) THE RIGHTS AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE
10 OFFICER. HOWEVER, THE INTERVENTION AGREEMENT SHALL NOT MITIGATE THE
11 AUTHORITY OF THE CHIEF EXECUTIVE OFFICER PRESCRIBED IN APPLICABLE
12 STATUTE INCLUDING FINANCIAL AND EMPLOYMENT AUTHORITY.

13 (ii) THE ALLOCATION OF SUPPLEMENTAL PAYMENTS UNDER THIS
14 SECTION.

15 (iii) THE COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER.

16 (iv) THE ROLE OF THE DISTRICT'S BOARD AND OFFICERS DURING THE
17 INTERVENTION TERM.

18 (v) TERMINATION AND RENEWAL RIGHTS OF THE SCHOOL REFORM
19 OFFICE.

20 (vi) LIABILITY PROVISIONS FOR THE CHIEF EXECUTIVE OFFICER.

21 (vii) A DISPUTE RESOLUTION PROCESS.

22 (viii) THE LENGTH OF THE TERM OF THE AGREEMENT.

23 (ix) OTHER PROVISIONS AS DETERMINED BY THE SCHOOL REFORM
24 OFFICE FOR SUCCESSFUL IMPLEMENTATION OF THE CHIEF EXECUTIVE OFFICER
25 INTERVENTION.

26 (C) THE DISTRICT AGREES TO APPEAR IN PERSON BEFORE THE HOUSE
27 AND SENATE APPROPRIATIONS SUBCOMMITTEES RESPONSIBLE FOR SCHOOL AID

1 AND PROVIDE A QUARTERLY REPORT CONCERNING THE DISTRICT'S USE OF
2 FUNDS TO INCREASE PUPIL ACHIEVEMENT.

3 (3) THE SUPPLEMENTAL PAYMENT PROVIDED TO A DISTRICT UNDER THIS
4 SECTION SHALL BE CALCULATED BY MULTIPLYING THE DISTRICT'S
5 FOUNDATION ALLOWANCE BY 20% OF THE HIGH SCHOOL'S MEMBERSHIP FOR THE
6 PRIOR FISCAL YEAR. THE SAME DOLLAR AMOUNT SHALL CONTINUE TO BE
7 AVAILABLE TO THE DISTRICT FOR A MAXIMUM OF 3 YEARS, SUBJECT TO THE
8 CONDITIONS SPECIFIED IN SUBSECTION (2).

9 (4) FROM THE ALLOCATION IN SUBSECTION (1), IN ADDITION TO THE
10 SUPPLEMENTAL PAYMENTS CALCULATED UNDER SUBSECTION (3), THERE IS
11 ALLOCATED AN AMOUNT SUFFICIENT TO PAY FOR THE APPOINTMENT OF CHIEF
12 EXECUTIVE OFFICERS BY THE STATE SCHOOL REFORM/REDESIGN OFFICER, AS
13 PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED SCHOOL CODE, MCL
14 380.1280C.

15 (5) AT LEAST TWICE A YEAR, THE STATE SCHOOL REFORM/REDESIGN
16 OFFICER SHALL PROVIDE A REPORT ON THE ACTIVITIES OF THE STATE
17 SCHOOL REFORM OFFICE TO THE SENATE AND HOUSE APPROPRIATIONS
18 SUBCOMMITTEES RESPONSIBLE FOR THE SCHOOL AID AND DEPARTMENT
19 BUDGETS.

20 (6) FOR THE PURPOSES OF THIS SECTION, A HIGH SCHOOL IS A
21 SCHOOL THAT OPERATES EXCLUSIVELY ALL OF GRADES 9 TO 12.

22 Sec. 21f. (1) ~~A pupil enrolled in a district in any of grades~~
23 ~~6 to 12 is eligible to enroll in an online course as provided for~~
24 ~~in this section.~~ TO BE ELIGIBLE TO RECEIVE FUNDING FOR A PUPIL
25 ENROLLED IN A VIRTUAL COURSE UNDER THIS SECTION, A PRIMARY DISTRICT
26 SHALL ENROLL AN ELIGIBLE PUPIL IN VIRTUAL COURSES IN ACCORDANCE
27 WITH THE PROVISIONS OF THIS SECTION. A PRIMARY DISTRICT SHALL NOT

1 OFFER A VIRTUAL COURSE TO AN ELIGIBLE PUPIL UNLESS THE VIRTUAL
2 COURSE IS PUBLISHED IN THE PRIMARY DISTRICT'S CATALOG OF BOARD-
3 APPROVED COURSES OR IN THE STATEWIDE CATALOG OF VIRTUAL COURSES
4 MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY PURSUANT TO SECTION
5 98. THE PRIMARY DISTRICT SHALL ALSO PROVIDE ON ITS PUBLICLY
6 ACCESSIBLE WEBSITE A LINK TO THE STATEWIDE CATALOG OF VIRTUAL
7 COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY. UNLESS THE
8 PUPIL IS AT LEAST AGE 18 OR IS AN EMANCIPATED MINOR, A PUPIL SHALL
9 NOT BE ENROLLED IN A VIRTUAL COURSE WITHOUT THE CONSENT OF THE
10 PUPIL'S PARENT OR LEGAL GUARDIAN.

11 ~~(2) With the consent of the pupil's parent or legal guardian,~~
12 ~~a-SUBJECT TO SUBSECTION (3), A PRIMARY~~ district shall enroll an
13 eligible pupil in up to 2 ~~online-VIRTUAL~~ courses as requested by
14 the pupil during an academic term, semester, or trimester. ~~Unless~~
15 ~~the pupil is newly enrolled in the pupil's primary district, the~~
16 ~~request for online course enrollment must be made in the academic~~
17 ~~term, semester, trimester, or summer preceding the enrollment. A~~
18 ~~district may not establish additional requirements that would~~
19 ~~prohibit a pupil from taking an online course. If a pupil has~~
20 ~~demonstrated previous success with online courses and the school~~
21 ~~leadership and the pupil's parent or legal guardian determine that~~
22 ~~it is in the best interest of the pupil, a pupil may be enrolled in~~
23 ~~more than 2 online courses in a specific academic term, semester,~~
24 ~~or trimester. Consent of the pupil's parent or legal guardian is~~
25 ~~not required if the pupil is at least age 18 or is an emancipated~~
26 ~~minor.~~

27 ~~—(3) An eligible pupil may enroll in an online course published~~

1 ~~in the pupil's primary district's catalog of online courses~~
2 ~~described in subsection (7) (a) or the statewide catalog of online~~
3 ~~courses maintained by the Michigan Virtual University pursuant to~~
4 ~~section 98.~~

5 (3) A PUPIL MAY BE ENROLLED IN MORE THAN 2 VIRTUAL COURSES IN
6 A SPECIFIC ACADEMIC TERM, SEMESTER, OR TRIMESTER IF ALL OF THE
7 FOLLOWING CONDITIONS ARE MET:

8 (A) THE PRIMARY DISTRICT HAS DETERMINED THAT IT IS IN THE BEST
9 INTEREST OF THE PUPIL.

10 (B) THE PUPIL AGREES WITH THE RECOMMENDATION OF THE PRIMARY
11 DISTRICT.

12 (C) THE PRIMARY DISTRICT, IN COLLABORATION WITH THE PUPIL, HAS
13 DEVELOPED AN EDUCATION DEVELOPMENT PLAN, IN A FORM AND MANNER
14 SPECIFIED BY THE DEPARTMENT, THAT IS KEPT ON FILE BY THE DISTRICT.

15 (4) ~~A providing district or community college shall determine~~
16 ~~whether or not it has capacity to accept applications for~~
17 ~~enrollment from nonresident applicants in online courses and may~~
18 ~~use that limit as the reason for refusal to enroll an applicant. If~~
19 ~~the number of nonresident applicants eligible for acceptance in an~~
20 ~~online~~ A VIRTUAL course does not exceed the capacity of the
21 ~~providing district or community college~~ PROVIDER to provide the
22 online VIRTUAL course, the ~~providing district or community college~~
23 PROVIDER shall accept for enrollment all of the ~~nonresident~~
24 applicants eligible for acceptance. If the number of ~~nonresident~~
25 applicants exceeds the ~~providing district's or community college's~~
26 PROVIDER'S capacity to provide the ~~online~~ VIRTUAL course, the
27 ~~providing district or community college~~ PROVIDER shall use a random

draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders. **A PRIMARY DISTRICT THAT IS ALSO A PROVIDER SHALL DETERMINE WHETHER OR NOT IT HAS THE CAPACITY TO ACCEPT APPLICATIONS FOR ENROLLMENT FROM NONRESIDENT APPLICANTS IN VIRTUAL COURSES AND MAY USE THAT LIMIT AS THE REASON FOR REFUSAL TO ENROLL A NONRESIDENT APPLICANT.**

(5) **A PRIMARY DISTRICT MAY NOT ESTABLISH ADDITIONAL REQUIREMENTS BEYOND THOSE SPECIFIED IN THIS SUBSECTION THAT WOULD PROHIBIT A PUPIL FROM TAKING A VIRTUAL COURSE.** A pupil's primary district may deny the pupil enrollment in an online course if any of the following apply, as determined by the district:

(A) **THE PUPIL IS ENROLLED IN ANY OF GRADES K TO 5.**

(B) ~~(a)~~ The pupil has previously gained the credits **THAT WOULD BE** provided from the completion of the ~~online~~-**VIRTUAL** course.

(C) ~~(b)~~ The ~~online~~-**VIRTUAL** course is not capable of generating academic credit.

(D) ~~(c)~~ The ~~online~~-**VIRTUAL** course is inconsistent with the remaining graduation requirements or career interests of the pupil.

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

(E) **THE PUPIL HAS NOT COMPLETED THE PREREQUISITE COURSEWORK FOR THE REQUESTED VIRTUAL COURSE OR HAS NOT DEMONSTRATED PROFICIENCY IN THE PREREQUISITE COURSE CONTENT.**

(F) **THE PUPIL HAS FAILED A PREVIOUS VIRTUAL COURSE IN THE SAME SUBJECT DURING THE 2 MOST RECENT ACADEMIC YEARS.**

(G) ~~(e)~~ The ~~online~~-**VIRTUAL** course is of insufficient quality

1 or rigor. A **PRIMARY** district that denies a pupil enrollment **REQUEST**
2 for this reason shall make a reasonable effort to assist the pupil
3 to find an alternative course in the same or a similar subject that
4 **THE PRIMARY DISTRICT DETERMINES** is of acceptable rigor and quality.

5 (H) ~~(f)~~—The cost of the ~~online~~ **VIRTUAL** course exceeds the
6 amount identified in subsection ~~(10)~~, **(9)**, unless the **PUPIL OR THE**
7 pupil's parent or legal guardian agrees to pay the cost that
8 exceeds this amount.

9 (I) ~~(g)~~—The online course enrollment request does not occur
10 within the same timelines established by the primary district for
11 enrollment and schedule changes for regular courses.

12 (J) **THE REQUEST FOR A VIRTUAL COURSE ENROLLMENT WAS NOT MADE**
13 **IN THE ACADEMIC TERM, SEMESTER, TRIMESTER, OR SUMMER PRECEDING THE**
14 **ENROLLMENT. THIS SUBDIVISION DOES NOT APPLY TO A REQUEST MADE BY A**
15 **PUPIL WHO IS NEWLY ENROLLED IN THE PRIMARY DISTRICT.**

16 (6) If a pupil is denied enrollment in ~~an online~~ **A VIRTUAL**
17 course by the pupil's primary district, the **PRIMARY DISTRICT SHALL**
18 **PROVIDE WRITTEN NOTIFICATION TO THE PUPIL OF THE DENIAL, THE REASON**
19 **OR REASONS FOR THE DENIAL PURSUANT TO SUBSECTION (5), AND A**
20 **DESCRIPTION OF THE APPEAL PROCESS. THE** pupil may appeal the denial
21 by submitting a letter to the superintendent of the intermediate
22 district in which the pupil's primary district is located. The
23 letter of appeal shall include the reason provided by the primary
24 district for not enrolling the pupil and the reason why the pupil
25 is claiming that the enrollment should be approved. The
26 intermediate district superintendent or designee shall respond to
27 the appeal within 5 days after it is received. If the intermediate

1 district superintendent or designee determines that the denial of
2 enrollment does not meet 1 or more of the reasons specified in
3 subsection (5), the primary district shall ~~allow~~**ENROLL** the pupil
4 ~~to enroll in the online~~**VIRTUAL** course.

5 (7) To provide ~~an online~~**A VIRTUAL** course **TO AN ELIGIBLE PUPIL**
6 under this section, ~~the providing district or intermediate district~~
7 **A PROVIDER** shall do all of the following:

8 (a) ~~Provide the Michigan Virtual University with the course~~
9 ~~syllabus in a form and method prescribed by the Michigan Virtual~~
10 ~~University for inclusion in a statewide online course catalog. The~~
11 ~~district or intermediate district shall also provide on its~~
12 ~~publicly accessible website a link to the course syllabi for all of~~
13 ~~the online courses offered by the district or intermediate district~~
14 ~~and a link to the statewide catalog of online courses maintained by~~
15 ~~the Michigan Virtual University.~~**ENSURE THAT THE VIRTUAL COURSE HAS**
16 **BEEN PUBLISHED IN THE PUPIL'S PRIMARY DISTRICT'S CATALOG OF BOARD-**
17 **APPROVED COURSES OR PUBLISHED IN THE STATEWIDE CATALOG OF VIRTUAL**
18 **COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY.**

19 (b) Assign to each pupil a teacher of record and provide the
20 primary district with the ~~personal~~**PERSONNEL** identification code
21 **ASSIGNED BY THE CENTER** for the teacher of record. **IF THE PROVIDER**
22 **IS A COMMUNITY COLLEGE, THE VIRTUAL COURSE MUST BE TAUGHT BY AN**
23 **INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING**
24 **COMMUNITY COLLEGE.**

25 (c) Offer the ~~online~~**VIRTUAL** course on an open entry and exit
26 method, or aligned to a semester, trimester, or accelerated
27 academic term format.

1 (D) IF THE VIRTUAL COURSE IS OFFERED TO ELIGIBLE PUPILS IN
2 MORE THAN 1 DISTRICT, THE FOLLOWING ADDITIONAL REQUIREMENTS MUST
3 ALSO BE MET:

4 (i) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH A COURSE
5 SYLLABUS THAT MEETS THE REQUIREMENTS UNDER SUBSECTION (14) (G) IN A
6 FORM AND MANNER PRESCRIBED BY THE MICHIGAN VIRTUAL UNIVERSITY FOR
7 INCLUSION IN A STATEWIDE CATALOG OF VIRTUAL COURSES.

8 (ii) ~~(d) Not later than October 1, 2015, OF EACH FISCAL YEAR,~~
9 provide the Michigan Virtual University with ~~the number of~~
10 ~~enrollments in each online~~ **AN AGGREGATED COUNT OF ENROLLMENTS FOR**
11 **EACH VIRTUAL** course the ~~district or intermediate district provided~~
12 **PROVIDER DELIVERED** to pupils pursuant to this section ~~in~~ **DURING** the
13 immediately preceding school year, and the number of enrollments in
14 which the pupil earned 60% or more of the total course points for
15 each ~~online~~ **VIRTUAL** course.

16 ~~—— (8) To provide an online course under this section, a~~
17 ~~community college shall do all of the following:~~

18 ~~—— (a) Provide the Michigan Virtual University with the course~~
19 ~~syllabus in a form and method prescribed by the Michigan Virtual~~
20 ~~University for inclusion in a statewide online course catalog.~~

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

24 ~~—— (c) Ensure that each online course it provides under this~~
25 ~~section generates postsecondary credit.~~

26 ~~—— (d) Beginning with October 1, 2016, and by October 1 of each~~
27 ~~year thereafter, provide the Michigan Virtual University with the~~

~~number of enrollments in each online course the community college provided to pupils pursuant to this section in the immediately preceding school year, and the number of enrollments in which the pupil earned 60% or more of the total course points for each online course.~~

~~—— (c) Be taught by an instructor employed by or contracted through the community college.~~

(8) ~~(9)~~ For any ~~online~~-**VIRTUAL** course a pupil enrolls in under this section, the pupil's primary district must assign to the pupil a mentor ~~to monitor the pupil's progress during the online course~~ and shall supply the ~~providing district~~-**PROVIDER** with the mentor's contact information.

(9) ~~(10)~~ For a pupil enrolled in 1 or more ~~online~~-**VIRTUAL** courses, ~~published in the pupil's primary district's catalog of online courses under subsection (7) or in the statewide catalog of online courses maintained by the Michigan Virtual University,~~ the primary district shall use foundation allowance or per-pupil funds calculated under section 20 to pay for the expenses associated with the ~~online~~-**VIRTUAL** course or courses. A **PRIMARY** district is not required to pay toward the cost of ~~an online~~-**A VIRTUAL** course an amount that exceeds 6.67% of the minimum foundation allowance for the current fiscal year as calculated under section 20.

(10) ~~(11)~~ ~~An online~~-**A VIRTUAL** learning pupil shall have the same rights and access to technology in his or her primary district's school facilities as all other pupils enrolled in the pupil's primary district. **THE DEPARTMENT SHALL ESTABLISH STANDARDS FOR HARDWARE, SOFTWARE, AND INTERNET ACCESS FOR PUPILS ENROLLED IN**

1 MORE THAN 2 VIRTUAL COURSES IN AN ACADEMIC TERM, SEMESTER, OR
 2 TRIMESTER TAKEN AT A LOCATION OTHER THAN A SCHOOL FACILITY.

3 (11) ~~(12)~~—If a pupil successfully completes an ~~online~~ **A**
 4 **VIRTUAL** course, as determined by the pupil's primary district, the
 5 pupil's primary district shall grant appropriate academic credit
 6 for completion of the course and shall count that credit toward
 7 completion of graduation and subject area requirements. A pupil's
 8 school record and transcript shall identify the ~~online~~ **VIRTUAL**
 9 course title as it appears in the ~~online~~ **VIRTUAL** course syllabus.

10 (12) ~~(13)~~—The enrollment of a pupil in 1 or more ~~online~~
 11 **VIRTUAL** courses shall not result in a pupil being counted as more
 12 than 1.0 full-time equivalent pupils under this article. **THE**
 13 **DEPARTMENT SHALL ESTABLISH THE MINIMUM REQUIREMENTS TO COUNT THE**
 14 **PUPIL IN PUPIL MEMBERSHIP.**

15 (13) ~~(14)~~—The portion of the full-time equated pupil
 16 membership for which a pupil is enrolled in 1 or more online
 17 courses under this section shall not be transferred under the pupil
 18 transfer process under section 25e.

19 (14) ~~(15)~~—As used in this section:

20 (A) **"INSTRUCTOR" MEANS AN INDIVIDUAL WHO IS EMPLOYED BY OR**
 21 **CONTRACTED THROUGH A COMMUNITY COLLEGE.**

22 (B) ~~(a)~~—"Mentor" means a professional employee of the primary
 23 district who monitors the pupil's progress, ensures the pupil has
 24 access to needed technology, is available for assistance, and
 25 ensures access to the teacher of record. A mentor may also serve as
 26 the teacher of record if **THE PRIMARY DISTRICT IS THE PROVIDER FOR**
 27 **THE VIRTUAL COURSE AND** the mentor meets the requirements under

subdivision ~~(g)~~ **(E)**.

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

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

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

~~(ii) The online course content outline.~~

~~(iii) The online course required assessments.~~

~~(iv) The online course prerequisites.~~

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

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

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

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

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

~~_____ (x) The course titles assigned by the district or intermediate district and the course titles and course codes from the National Center for Education Statistics (NCES) school codes for the exchange of data (SCED).~~

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

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

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

(C) ~~(e)~~ "Primary district" means the district that enrolls the pupil and reports the pupil as ~~a full-time equated pupil~~ for pupil membership purposes.

(D) ~~(f) "Providing district"~~ **"PROVIDER"** means the district, intermediate district, or community college that the primary district pays to provide the ~~online~~ **VIRTUAL** course **OR THE MICHIGAN VIRTUAL UNIVERSITY IF IT IS PROVIDING THE VIRTUAL COURSE.**

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

ALL OF THE FOLLOWING:

1 (i) HOLDS A VALID MICHIGAN TEACHING CERTIFICATE OR A TEACHING
2 PERMIT RECOGNIZED BY THE DEPARTMENT.

3 (ii) IF APPLICABLE, IS ENDORSED IN THE SUBJECT AREA AND GRADE
4 OF THE VIRTUAL COURSE.

5 (iii) IS RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING
6 INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS,
7 ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION STRATEGIES AND
8 MODIFYING LESSONS, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS
9 OF INSTRUCTION AND SUPPORT STRATEGIES.

10 (iv) HAS A PERSONNEL IDENTIFICATION CODE PROVIDED BY THE
11 CENTER.

12 (v) IF THE PROVIDER IS A COMMUNITY COLLEGE, IS AN INSTRUCTOR
13 EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.

14 (F) "VIRTUAL COURSE" MEANS A COURSE OF STUDY THAT IS CAPABLE
15 OF GENERATING A CREDIT OR A GRADE AND THAT IS PROVIDED IN AN
16 INTERACTIVE LEARNING ENVIRONMENT WHERE THE MAJORITY OF THE
17 CURRICULUM IS DELIVERED USING THE INTERNET AND IN WHICH PUPILS MAY
18 BE SEPARATED FROM THEIR INSTRUCTOR OR TEACHER OF RECORD BY TIME OR
19 LOCATION, OR BOTH.

20 (G) "VIRTUAL COURSE SYLLABUS" MEANS A DOCUMENT THAT INCLUDES
21 ALL OF THE FOLLOWING:

22 (i) AN ALIGNMENT DOCUMENT DETAILING HOW THE COURSE MEETS
23 APPLICABLE STATE STANDARDS OR, IF THE STATE DOES NOT HAVE STATE
24 STANDARDS, NATIONALLY RECOGNIZED STANDARDS.

25 (ii) THE VIRTUAL COURSE CONTENT OUTLINE.

26 (iii) THE VIRTUAL COURSE REQUIRED ASSESSMENTS.

27 (iv) THE VIRTUAL COURSE PREREQUISITES.

(v) EXPECTATIONS FOR ACTUAL INSTRUCTOR OR TEACHER OF RECORD CONTACT TIME WITH THE VIRTUAL LEARNING PUPIL AND OTHER COMMUNICATIONS BETWEEN A PUPIL AND THE INSTRUCTOR OR TEACHER OF RECORD.

(vi) ACADEMIC SUPPORT AVAILABLE TO THE VIRTUAL LEARNING PUPIL.

(vii) THE VIRTUAL COURSE LEARNING OUTCOMES AND OBJECTIVES.

(viii) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE VIRTUAL CONTENT.

(ix) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE INSTRUCTOR OR TEACHER OF RECORD.

(x) THE COURSE TITLES ASSIGNED BY THE PROVIDER AND THE COURSE TITLES AND COURSE CODES FROM THE NATIONAL CENTER FOR EDUCATION STATISTICS (NCES) SCHOOL CODES FOR THE EXCHANGE OF DATA (SCED).

(xi) THE NUMBER OF ELIGIBLE PUPILS THAT WILL BE ACCEPTED BY THE PROVIDER IN THE VIRTUAL COURSE. A PRIMARY DISTRICT THAT IS ALSO THE PROVIDER MAY LIMIT THE ENROLLMENT TO THOSE PUPILS ENROLLED IN THE PRIMARY DISTRICT.

(xii) THE RESULTS OF THE VIRTUAL COURSE QUALITY REVIEW USING THE GUIDELINES AND MODEL REVIEW PROCESS PUBLISHED BY THE MICHIGAN VIRTUAL UNIVERSITY.

(H) "VIRTUAL LEARNING PUPIL" MEANS A PUPIL ENROLLED IN 1 OR MORE VIRTUAL COURSES.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$5,377,000,000.00 for 2014-2015~~ and an amount not to exceed ~~\$5,281,700,000.00 for 2015-2016~~ \$5,202,300,000.00 FOR 2016-2017 for payments to districts and qualifying public school academies to guarantee each district and

1 qualifying public school academy an amount equal to its 1994-95
2 total state and local per pupil revenue for school operating
3 purposes under section 11 of article IX of the state constitution
4 of 1963. Pursuant to section 11 of article IX of the state
5 constitution of 1963, this guarantee does not apply to a district
6 in a year in which the district levies a millage rate for school
7 district operating purposes less than it levied in 1994. However,
8 subsection (2) applies to calculating the payments under this
9 section. Funds allocated under this section that are not expended
10 in the state fiscal year for which they were allocated, as
11 determined by the department, may be used to supplement the
12 allocations under sections 22b and 51c in order to fully fund those
13 calculated allocations for the same fiscal year.

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

19 (a) Except as otherwise provided in this subsection, the state
20 portion of a district's 1994-95 foundation allowance is an amount
21 equal to the district's 1994-95 foundation allowance or \$6,500.00,
22 whichever is less, minus the difference between the sum of the
23 product of the taxable value per membership pupil of all property
24 in the district that is nonexempt property times the district's
25 certified mills and, for a district with certified mills exceeding
26 12, the product of the taxable value per membership pupil of
27 property in the district that is commercial personal property times

1 the certified mills minus 12 mills and the quotient of the ad
2 valorem property tax revenue of the district captured under tax
3 increment financing acts divided by the district's membership. For
4 a district that has a millage reduction required under section 31
5 of article IX of the state constitution of 1963, the state portion
6 of the district's foundation allowance shall be calculated as if
7 that reduction did not occur. For a receiving district, if school
8 operating taxes are to be levied on behalf of a dissolved district
9 that has been attached in whole or in part to the receiving
10 district to satisfy debt obligations of the dissolved district
11 under section 12 of the revised school code, MCL 380.12, taxable
12 value per membership pupil of all property in the receiving
13 district that is nonexempt property and taxable value per
14 membership pupil of property in the receiving district that is
15 commercial personal property do not include property within the
16 geographic area of the dissolved district; ad valorem property tax
17 revenue of the receiving district captured under tax increment
18 financing acts does not include ad valorem property tax revenue
19 captured within the geographic boundaries of the dissolved district
20 under tax increment financing acts; and certified mills do not
21 include the certified mills of the dissolved district.

22 (b) For a district that had a 1994-95 foundation allowance
23 greater than \$6,500.00, the state payment under this subsection
24 shall be the sum of the amount calculated under subdivision (a)
25 plus the amount calculated under this subdivision. The amount
26 calculated under this subdivision shall be equal to the difference
27 between the district's 1994-95 foundation allowance minus \$6,500.00

1 and the current year hold harmless school operating taxes per
2 pupil. If the result of the calculation under subdivision (a) is
3 negative, the negative amount shall be an offset against any state
4 payment calculated under this subdivision. If the result of a
5 calculation under this subdivision is negative, there shall not be
6 a state payment or a deduction under this subdivision. The taxable
7 values per membership pupil used in the calculations under this
8 subdivision are as adjusted by ad valorem property tax revenue
9 captured under tax increment financing acts divided by the
10 district's membership. For a receiving district, if school
11 operating taxes are to be levied on behalf of a dissolved district
12 that has been attached in whole or in part to the receiving
13 district to satisfy debt obligations of the dissolved district
14 under section 12 of the revised school code, MCL 380.12, ad valorem
15 property tax revenue captured under tax increment financing acts do
16 not include ad valorem property tax revenue captured within the
17 geographic boundaries of the dissolved district under tax increment
18 financing acts.

19 (3) Beginning in 2003-2004, for pupils in membership in a
20 qualifying public school academy, there is allocated under this
21 section to the authorizing body that is the fiscal agent for the
22 qualifying public school academy for forwarding to the qualifying
23 public school academy an amount equal to the 1994-95 per pupil
24 payment to the qualifying public school academy under section 20.

25 (4) A district or qualifying public school academy may use
26 funds allocated under this section in conjunction with any federal
27 funds for which the district or qualifying public school academy

1 otherwise would be eligible.

2 (5) Except as otherwise provided in this subsection, for a
3 district that is formed or reconfigured after June 1, 2000 by
4 consolidation of 2 or more districts or by annexation, the
5 resulting district's 1994-95 foundation allowance under this
6 section beginning after the effective date of the consolidation or
7 annexation shall be the average of the 1994-95 foundation
8 allowances of each of the original or affected districts,
9 calculated as provided in this section, weighted as to the
10 percentage of pupils in total membership in the resulting district
11 in the state fiscal year in which the consolidation takes place who
12 reside in the geographic area of each of the original districts. If
13 an affected district's 1994-95 foundation allowance is less than
14 the 1994-95 basic foundation allowance, the amount of that
15 district's 1994-95 foundation allowance shall be considered for the
16 purpose of calculations under this subsection to be equal to the
17 amount of the 1994-95 basic foundation allowance. This subsection
18 does not apply to a receiving district unless there is a subsequent
19 consolidation or annexation that affects the district.

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

21 (7) As used in this section:

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

26 (b) "Certified mills" means the lesser of 18 mills or the
27 number of mills of school operating taxes levied by the district in

1 1993-94.

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

4 (d) "Current year hold harmless school operating taxes per
5 pupil" means the per pupil revenue generated by multiplying a
6 district's 1994-95 hold harmless millage by the district's current
7 year taxable value per membership pupil. For a receiving district,
8 if school operating taxes are to be levied on behalf of a dissolved
9 district that has been attached in whole or in part to the
10 receiving district to satisfy debt obligations of the dissolved
11 district under section 12 of the revised school code, MCL 380.12,
12 taxable value per membership pupil does not include the taxable
13 value of property within the geographic area of the dissolved
14 district.

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

19 (f) "Hold harmless millage" means, for a district with a 1994-
20 95 foundation allowance greater than \$6,500.00, the number of mills
21 by which the exemption from the levy of school operating taxes on a
22 homestead, qualified agricultural property, qualified forest
23 property, supportive housing property, industrial personal
24 property, commercial personal property, and property occupied by a
25 public school academy could be reduced as provided in section 1211
26 of the revised school code, MCL 380.1211, and the number of mills
27 of school operating taxes that could be levied on all property as

1 provided in section 1211(2) of the revised school code, MCL
2 380.1211, as certified by the department of treasury for the 1994
3 tax year. For a receiving district, if school operating taxes are
4 to be levied on behalf of a dissolved district that has been
5 attached in whole or in part to the receiving district to satisfy
6 debt obligations of the dissolved district under section 12 of the
7 revised school code, MCL 380.12, school operating taxes do not
8 include school operating taxes levied within the geographic area of
9 the dissolved district.

10 (g) "Homestead", "qualified agricultural property", "qualified
11 forest property", "supportive housing property", "industrial
12 personal property", and "commercial personal property" mean those
13 terms as defined in section 1211 of the revised school code, MCL
14 380.1211.

15 (h) "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 (i) "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, commercial personal property, or property occupied by a
22 public school academy.

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

26 (k) "Receiving district" means a district to which all or part
27 of the territory of a dissolved district is attached under section

1 12 of the revised school code, MCL 380.12.

2 (l) "School operating taxes" means local ad valorem property
3 taxes levied under section 1211 of the revised school code, MCL
4 380.1211, and retained for school operating purposes as defined in
5 section 20.

6 (m) "Tax increment financing acts" means 1975 PA 197, MCL
7 125.1651 to 125.1681, the tax increment finance authority act, 1980
8 PA 450, MCL 125.1801 to 125.1830, the local development financing
9 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
10 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
11 or the corridor improvement authority act, 2005 PA 280, MCL
12 125.2871 to 125.2899.

13 (n) "Taxable value per membership pupil" means each of the
14 following divided by the district's membership:

15 (i) For the number of mills by which the exemption from the
16 levy of school operating taxes on a homestead, qualified
17 agricultural property, qualified forest property, supportive
18 housing property, industrial personal property, commercial personal
19 property, and property occupied by a public school academy may be
20 reduced as provided in section 1211 of the revised school code, MCL
21 380.1211, the taxable value of homestead, qualified agricultural
22 property, qualified forest property, supportive housing property,
23 industrial personal property, commercial personal property, and
24 property occupied by a public school academy for the calendar year
25 ending in the current state fiscal year. For a receiving district,
26 if school operating taxes are to be levied on behalf of a dissolved
27 district that has been attached in whole or in part to the

1 receiving district to satisfy debt obligations of the dissolved
 2 district under section 12 of the revised school code, MCL 380.12,
 3 mills do not include mills within the geographic area of the
 4 dissolved district.

5 (ii) For the number of mills of school operating taxes that
 6 may be levied on all property as provided in section 1211(2) of the
 7 revised school code, MCL 380.1211, the taxable value of all
 8 property for the calendar year ending in the current state fiscal
 9 year. For a receiving district, if school operating taxes are to be
 10 levied on behalf of a dissolved district that has been attached in
 11 whole or in part to the receiving district to satisfy debt
 12 obligations of the dissolved district under section 12 of the
 13 revised school code, MCL 380.12, school operating taxes do not
 14 include school operating taxes levied within the geographic area of
 15 the dissolved district.

16 Sec. 22b. (1) ~~From the appropriation in section 11, FOR~~
 17 **DISCRETIONARY NONMANDATED PAYMENTS TO DISTRICTS UNDER THIS SECTION,**
 18 there is allocated **FOR 2016-2017** an amount not to exceed
 19 ~~\$3,440,000,000.00 for 2014-2015 and an amount not to exceed~~
 20 ~~\$3,728,000,000.00 for 2015-2016 for discretionary nonmandated~~
 21 ~~payments to districts under this section. \$3,639,485,800.00 FROM~~
 22 **THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, AND AN**
 23 **AMOUNT NOT TO EXCEED \$180,414,200.00 FROM THE GENERAL FUND MONEY**
 24 **APPROPRIATED IN SECTION 11.** Funds allocated under this section that
 25 are not expended in the state fiscal year for which they were
 26 allocated, as determined by the department, may be used to
 27 supplement the allocations under sections 22a and 51c in order to

1 fully fund those calculated allocations for the same fiscal year.

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

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

9 (a) Comply with section 1280b of the revised school code, MCL
10 380.1280b.

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

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

16 (d) Comply with section 1230g of the revised school code, MCL
17 380.1230g.

18 (e) Comply with section 21f.

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

24 (5) From the allocation in subsection (1), the department
25 shall pay up to \$1,000,000.00 in litigation costs incurred by this
26 state related to commercial or industrial property tax appeals,
27 including, but not limited to, appeals of classification, that

1 impact revenues dedicated to the state school aid fund.

2 (6) From the allocation in subsection (1), the department
3 shall pay up to \$1,000,000.00 in litigation costs incurred by this
4 state associated with lawsuits filed by 1 or more districts or
5 intermediate districts against this state. If the allocation under
6 this section is insufficient to fully fund all payments required
7 under this section, the payments under this subsection shall be
8 made in full before any proration of remaining payments under this
9 section.

10 (7) It is the intent of the legislature that all
11 constitutional obligations of this state have been fully funded
12 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
13 an entity receiving funds under this article that challenges the
14 legislative determination of the adequacy of this funding or
15 alleges that there exists an unfunded constitutional requirement,
16 the state budget director may escrow or allocate from the
17 discretionary funds for nonmandated payments under this section the
18 amount as may be necessary to satisfy the claim before making any
19 payments to districts under subsection (2). If funds are escrowed,
20 the escrowed funds are a work project appropriation and the funds
21 are carried forward into the following fiscal year. The purpose of
22 the work project is to provide for any payments that may be awarded
23 to districts as a result of litigation. The work project shall be
24 completed upon resolution of the litigation.

25 (8) If the local claims review board or a court of competent
26 jurisdiction makes a final determination that this state is in
27 violation of section 29 of article IX of the state constitution of

1 1963 regarding state payments to districts, the state budget
2 director shall use work project funds under subsection (7) or
3 allocate from the discretionary funds for nonmandated payments
4 under this section the amount as may be necessary to satisfy the
5 amount owed to districts before making any payments to districts
6 under subsection (2).

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

15 (10) If payments resulting from a final determination by the
16 local claims review board or a court of competent jurisdiction that
17 there has been a violation of section 29 of article IX of the state
18 constitution of 1963 exceed the amount allocated for discretionary
19 nonmandated payments under this section, the legislature shall
20 provide for adequate funding for this state's constitutional
21 obligations at its next legislative session.

22 (11) If a lawsuit challenging payments made to districts
23 related to costs reimbursed by federal title XIX Medicaid funds is
24 filed against this state, then, for the purpose of addressing
25 potential liability under such a lawsuit, the state budget director
26 may place funds allocated under this section in escrow or allocate
27 money from the funds otherwise allocated under this section, up to

1 a maximum of 50% of the amount allocated in subsection (1). If
 2 funds are placed in escrow under this subsection, those funds are a
 3 work project appropriation and the funds are carried forward into
 4 the following fiscal year. The purpose of the work project is to
 5 provide for any payments that may be awarded to districts as a
 6 result of the litigation. The work project shall be completed upon
 7 resolution of the litigation. In addition, this state reserves the
 8 right to terminate future federal title XIX Medicaid reimbursement
 9 payments to districts if the amount or allocation of reimbursed
 10 funds is challenged in the lawsuit. As used in this subsection,
 11 "title XIX" means title XIX of the social security act, 42 USC 1396
 12 to 1396v.

13 ~~—— (12) Payments under this section are subject to section 25g.~~

14 Sec. 22d. (1) From the appropriation in section 11, an amount
 15 not to exceed \$5,000,000.00 is allocated for ~~2015-2016~~**2016-2017**
 16 for supplemental payments to rural districts under this section.

17 (2) From the allocation under subsection (1), there is
 18 allocated for ~~2015-2016~~**2016-2017** an amount not to exceed
 19 \$957,300.00 for payments under this subsection to districts that
 20 meet all of the following:

21 (a) Operates grades K to 12.

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

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

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

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

1 (3) The amount of the additional funding to each eligible
2 district under subsection (2) shall be determined under a spending
3 plan developed as provided in this subsection and approved by the
4 superintendent of public instruction. The spending plan shall be
5 developed cooperatively by the intermediate superintendents of each
6 intermediate district in which an eligible district is located. The
7 intermediate superintendents shall review the financial situation
8 of each eligible district, determine the minimum essential
9 financial needs of each eligible district, and develop and agree on
10 a spending plan that distributes the available funding under
11 subsection (2) to the eligible districts based on those financial
12 needs. The intermediate superintendents shall submit the spending
13 plan to the superintendent of public instruction for approval. Upon
14 approval by the superintendent of public instruction, the amounts
15 specified for each eligible district under the spending plan are
16 allocated under subsection (2) and shall be paid to the eligible
17 districts in the same manner as payments under section 22b.

18 (4) Subject to subsection (6), from the allocation in
19 subsection (1), there is allocated for ~~2015-2016-2016-2017~~ an
20 amount not to exceed \$4,042,700.00 for payments under this
21 subsection to districts that have 7.3 or fewer pupils per square
22 mile as determined by the department.

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

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

27 Sec. 22g. (1) From the funds appropriated in section 11, there

1 is allocated for ~~2015-2016~~ 2016-2017 only an amount not to exceed
2 ~~\$5,000,000.00~~ \$6,500,000.00 for competitive assistance grants to
3 districts and intermediate districts, AS PROVIDED UNDER THIS
4 SECTION.

5 (2) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1), THERE IS
6 ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR
7 GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS FOR THE COST OF A
8 FEASIBILITY STUDY EXPLORING THE POSSIBILITY OF DISSOLUTION,
9 CONSOLIDATION, OR ANNEXATION.

10 (3) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1), THERE IS
11 ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR
12 GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS THAT MEET AT LEAST 1
13 OF THE FOLLOWING:

14 (A) THE DISTRICT OR INTERMEDIATE DISTRICT HAS CONTRACTED FOR A
15 FEASIBILITY STUDY EXPLORING DISSOLUTION, CONSOLIDATION, OR
16 ANNEXATION AND THE FEASIBILITY STUDY INDICATES THAT DISSOLUTION,
17 CONSOLIDATION, OR ANNEXATION WOULD BE IN THE BEST INTERESTS OF THE
18 DISTRICTS OR INTERMEDIATE DISTRICTS INVOLVED.

19 (B) THE STATE TREASURER HAS DECLARED THAT THE POTENTIAL FOR
20 FISCAL STRESS EXISTS FOR THE DISTRICT OR INTERMEDIATE DISTRICT, AS
21 PROVIDED UNDER SECTION 1219(3) OF THE REVISED SCHOOL CODE, MCL
22 380.1219.

23 (C) THE STATE TREASURER HAS DETERMINED THAT THE DISTRICT OR
24 INTERMEDIATE DISTRICT IS SUBJECT TO RAPIDLY DETERIORATING FINANCIAL
25 CIRCUMSTANCES AND THE STATE TREASURER HAS REQUIRED THE DISTRICT OR
26 INTERMEDIATE DISTRICT TO SUBMIT AN ENHANCED DEFICIT ELIMINATION
27 PLAN TO THE DEPARTMENT OF TREASURY UNDER SECTION 1220(5) OF THE

1 REVISED SCHOOL CODE, MCL 380.1220.

2 (4) ~~(2)~~ Funds received under ~~this section~~ **SUBSECTION (3)** may
 3 be used for reimbursement of transition costs associated with the
 4 **DISSOLUTION**, consolidation, or annexation of districts or
 5 intermediate districts. Grant funding **UNDER SUBSECTION (3)** shall be
 6 available for **DISSOLUTIONS**, consolidations, or annexations that
 7 occur on or after June 1, ~~2015~~ **2016**. Districts may spend funds
 8 allocated under this section over 3 fiscal years.

9 (5) **FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1), THERE IS**
 10 **ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR**
 11 **GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS THAT RECEIVED A GRANT**
 12 **UNDER THIS SECTION AS IT WAS IN EFFECT FOR 2015-2016 FOR**
 13 **REIMBURSEMENT OF REMAINING TRANSITION COSTS ASSOCIATED WITH A**
 14 **DISSOLUTION, CONSOLIDATION, OR ANNEXATION.**

15 Sec. 23a. (1) A dropout recovery program operated by a
 16 district qualifies for the special membership counting provisions
 17 of section 6(4)(dd) and the hours and day of pupil instruction
 18 exemption under section 101(12) if the dropout recovery program
 19 meets all of the following:

20 (a) Enrolls only eligible pupils.

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

1 and 380.1230a, with respect to that individual.

2 (c) Develops a written learning plan.

3 (d) Monitors the pupil's progress against the written learning
4 plan.

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

7 (f) Reports the pupil's progress results to the partner
8 district at least monthly.

9 (g) The program may be operated on or off a district school
10 campus, but may be operated using distance learning online only if
11 the program provides a computer and Internet access for each
12 eligible pupil participating in the program.

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

14 (i) If the district partners with an education management
15 organization for the program, the education management organization
16 has a dropout recovery program partnership relationship with at
17 least 1 other district.

18 (2) A district operating a dropout recovery program under this
19 section shall adopt a definition of satisfactory monthly progress
20 that is consistent with the definition of that term under
21 subsection (3).

22 (3) As used in this section:

23 (a) "Advocate" means an adult available to meet in person with
24 assigned pupils, as needed, to conduct social interventions, to
25 proctor final examinations, and to provide academic and social
26 support to pupils enrolled in the district's dropout recovery
27 program.

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

5 (c) "Eligible pupil" means a pupil who has been expelled from
6 school under the mandatory expulsion provisions in section 1311 or
7 1311a of the revised school code, MCL 380.1311 and 380.1311a, a
8 pupil who has been suspended or expelled from school under a local
9 policy, a pupil who is referred by a court, a pupil who is pregnant
10 or is a parent, a pupil who was previously a dropout, or a pupil
11 who is determined by the district to be at risk of dropping out.

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

19 **(E) "TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A VALID**
20 **MICHIGAN TEACHING CERTIFICATE; WHO, IF APPLICABLE, IS ENDORSED IN**
21 **THE SUBJECT AREA AND GRADE OF THE COURSE; AND IS RESPONSIBLE FOR**
22 **PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR EACH**
23 **PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING,**
24 **PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND**
25 **EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.**

26 **(F) ~~(e)~~**"Written learning plan" means a written plan developed
27 in conjunction with the advocate that includes the plan start and

1 end dates, courses to be taken, credit to be earned for each
2 course, teacher of record for each course, and advocate name and
3 contact information.

4 Sec. 24. (1) From the appropriation in section 11, there is
5 allocated for ~~2015-2016~~**2016-2017** an amount not to exceed
6 \$8,000,000.00 for payments to the educating district or
7 intermediate district for educating pupils assigned by a court or
8 the department of health and human services to reside in or to
9 attend a juvenile detention facility or child caring institution
10 licensed by the department of health and human services and
11 approved by the department to provide an on-grounds education
12 program. The amount of the payment under this section to a district
13 or intermediate district shall be calculated as prescribed under
14 subsection (2).

15 (2) The total amount allocated under this section shall be
16 allocated by paying to the educating district or intermediate
17 district an amount equal to the lesser of the district's or
18 intermediate district's added cost or the department's approved
19 per-pupil allocation for the district or intermediate district. For
20 the purposes of this subsection:

21 (a) "Added cost" means 100% of the added cost each fiscal year
22 for educating all pupils assigned by a court or the department of
23 health and human services to reside in or to attend a juvenile
24 detention facility or child caring institution licensed by the
25 department of health and human services or the department of
26 licensing and regulatory affairs and approved by the department to
27 provide an on-grounds education program. Added cost shall be

1 computed by deducting all other revenue received under this article
2 for pupils described in this section from total costs, as approved
3 by the department, in whole or in part, for educating those pupils
4 in the on-grounds education program or in a program approved by the
5 department that is located on property adjacent to a juvenile
6 detention facility or child caring institution. Costs reimbursed by
7 federal funds are not included.

8 (b) "Department's approved per-pupil allocation" for a
9 district or intermediate district shall be determined by dividing
10 the total amount allocated under this section for a fiscal year by
11 the full-time equated membership total for all pupils approved by
12 the department to be funded under this section for that fiscal year
13 for the district or intermediate district.

14 (3) A district or intermediate district educating pupils
15 described in this section at a residential child caring institution
16 may operate, and receive funding under this section for, a
17 department-approved on-grounds educational program for those pupils
18 that is longer than 181 days, but not longer than 233 days, if the
19 child caring institution was licensed as a child caring institution
20 and offered in 1991-92 an on-grounds educational program that was
21 longer than 181 days but not longer than 233 days and that was
22 operated by a district or intermediate district.

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

25 Sec. 24a. From the appropriation in section 11, there is
26 allocated an amount not to exceed ~~\$2,189,800.00 for 2015-2016~~
27 **\$1,328,100.00 FOR 2016-2017** for payments to intermediate districts

1 for pupils who are placed in juvenile justice service facilities
2 operated by the department of health and human services. Each
3 intermediate district shall receive an amount equal to the state
4 share of those costs that are clearly and directly attributable to
5 the educational programs for pupils placed in facilities described
6 in this section that are located within the intermediate district's
7 boundaries. The intermediate districts receiving payments under
8 this section shall cooperate with the department of health and
9 human services to ensure that all funding allocated under this
10 section is utilized by the intermediate district and department of
11 health and human services for educational programs for pupils
12 described in this section. Pupils described in this section are not
13 eligible to be funded under section 24. However, a program
14 responsibility or other fiscal responsibility associated with these
15 pupils shall not be transferred from the department of health and
16 human services to a district or intermediate district unless the
17 district or intermediate district consents to the transfer.

18 Sec. 24c. From the appropriation in section 11, there is
19 allocated an amount not to exceed ~~\$1,497,400.00 for 2015-2016~~
20 **\$1,732,400.00 FOR 2016-2017** for payments to districts for pupils
21 who are enrolled in a nationally administered community-based
22 education and youth mentoring program, known as the youth challenge
23 program, that is administered by the department of military and
24 veterans affairs. Both of the following apply to a district
25 receiving payments under this section:

26 (a) The district shall contract with the department of
27 military and veterans affairs to ensure that all funding allocated

1 under this section is utilized by the district and the department
2 of military and veterans affairs for the youth challenge program.

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

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

9 (2) If a pupil counted in membership for the pupil membership
10 count day transfers from a district or intermediate district to
11 enroll in another district or intermediate district after the pupil
12 membership count day and before the supplemental count day and, due
13 to the pupil's enrollment and attendance status as of the pupil
14 membership count day, the pupil was not counted in membership in
15 the educating district or intermediate district, the educating
16 district or intermediate district may report the enrollment and
17 attendance information to the center through the pupil transfer
18 process within 30 days after the transfer or within 30 days after
19 the pupil membership count certification date, whichever is later.
20 Pupil transfers may be submitted no earlier than the first day
21 after the certification deadline for the pupil membership count day
22 and before the supplemental count day. Upon receipt of the transfer
23 information under this subsection indicating that a pupil has
24 enrolled and is in attendance in an educating district or
25 intermediate district as described in this subsection, the pupil
26 transfer process shall do the following:

27 (a) Notify the district in which the pupil was previously

1 enrolled.

2 (b) Notify both the pupil auditing staff of the intermediate
3 district in which the educating district is located and the pupil
4 auditing staff of the intermediate district in which the district
5 that previously enrolled the pupil is located. The pupil auditing
6 staff shall investigate a representative sample based on required
7 audit sample sizes in the pupil auditing manual and may deny the
8 pupil membership transfer.

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

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

12 (a) Adjust the membership calculation for each district or
13 intermediate district in which the pupil was previously counted in
14 membership or that previously received an adjustment in its
15 membership calculation under this section due to a change in the
16 pupil's enrollment and attendance so that the district's or
17 intermediate district's membership is prorated to allow the
18 district or intermediate district to receive for each school day,
19 as determined by the financial calendar furnished by the center, in
20 which the pupil was enrolled and in attendance in the district or
21 intermediate district an amount equal to $1/105$ of a full-time
22 equated membership claimed in the fall pupil membership count. The
23 district or intermediate district shall receive a prorated
24 foundation allowance in an amount equal to the product of the
25 adjustment under this subdivision for the district or intermediate
26 district multiplied by the foundation allowance or per-pupil
27 payment as calculated under section 20 for the district or

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

4 (b) Adjust the membership calculation for the educating
5 district or intermediate district in which the pupil is enrolled
6 and is in attendance so that the district's or intermediate
7 district's membership is increased to allow the district or
8 intermediate district to receive an amount equal to the difference
9 between the full-time equated membership claimed in the fall pupil
10 membership count and the sum of the adjustments calculated under
11 subdivision (a) for each district or intermediate district in which
12 the pupil was previously enrolled and in attendance. The educating
13 district or intermediate district shall receive a prorated
14 foundation allowance in an amount equal to the product of the
15 adjustment under this subdivision for the educating district or
16 intermediate district multiplied by the foundation allowance or
17 per-pupil payment as calculated under section 20 for the educating
18 district or intermediate district. The foundation allowance or per-
19 pupil payment shall be adjusted by the pupil's full-time equated
20 status as affected by the membership definition under section 6(4).

21 (4) The changes in calculation of state school aid required
22 under subsection (3) shall take effect as of the date that the
23 pupil becomes enrolled and in attendance in the educating district
24 or intermediate district, and the department shall base all
25 subsequent payments under this article for the fiscal year to the
26 affected districts or intermediate districts on this recalculation
27 of state school aid.

1 (5) If a pupil enrolls in an educating district or
2 intermediate district as described in subsection (2), the district
3 or intermediate district in which the pupil is counted in
4 membership or another educating district or intermediate district
5 that received an adjustment in its membership calculation under
6 subsection (3), if any, and the educating district or intermediate
7 district shall provide to the center and the department all
8 information they require to comply with this section.

9 (6) The portion of the full-time equated pupil membership for
10 which a pupil is enrolled in 1 or more online courses under section
11 21f shall not be counted or transferred under the pupil transfer
12 process under this section.

13 (7) The center shall determine the number of pupils who did
14 not reside in this state as of the ~~2015-2016~~ **2016-2017** pupil
15 membership count day but who newly enrolled in a district or
16 intermediate district after that pupil membership count day and
17 before the ~~2015-2016~~ **2016-2017** supplemental count day. The center
18 shall further determine the number of pupils who were counted in
19 membership for the ~~2015-2016~~ **2016-2017** pupil membership count day
20 but who left this state before the ~~2015-2016~~ **2016-2017** supplemental
21 count day. The center shall provide a report to the senate and
22 house appropriations subcommittees on state school aid, and to the
23 senate and house fiscal agencies, detailing the number of pupils
24 transferring in from another state or transferring out from this
25 state between the pupil membership count day and supplemental count
26 day as described in this subsection. The center shall include in
27 the report a discussion of benefits and obstacles to developing a

1 pupil enrollment process for pupils who newly enroll in a district
2 or intermediate district after the pupil membership count day and
3 before the supplemental count day, and developing a process for
4 deducting pupils who were counted on the pupil membership count day
5 and transfer out of this state before the supplemental count day.

6 (8) As used in this section:

7 (a) "Educating district or intermediate district" means the
8 district or intermediate district in which a pupil enrolls after
9 the pupil membership count day or after an adjustment was made in
10 another district's or intermediate district's membership
11 calculation under this section due to the pupil's enrollment and
12 attendance.

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

16 Sec. 25f. (1) From the state school aid fund money
17 appropriated in section 11, there is allocated an amount not to
18 exceed \$1,000,000.00 for ~~2015-2016~~**2016-2017** for payments to strict
19 discipline academies established under sections 1311b to 1311m of
20 the revised school code, MCL 380.1311b to 380.1311m, as provided
21 under this section.

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

26 (3) The total amount allocated to a strict discipline academy
27 under this section is an amount equal to the lesser of the strict

1 discipline academy's added cost or the department's approved per-
2 pupil allocation for the strict discipline academy. However, the
3 sum of the amounts received by a strict discipline academy under
4 this section and under section 24 shall not exceed the product of
5 the strict discipline academy's per-pupil allocation calculated
6 under section 20 multiplied by the strict discipline academy's
7 full-time equated membership. The department shall allocate funds
8 to strict discipline academies under this section on a monthly
9 basis. For the purposes of this subsection:

10 (a) "Added cost" means 100% of the added cost each fiscal year
11 for educating all pupils enrolled and in regular daily attendance
12 at a strict discipline academy. Added cost shall be computed by
13 deducting all other revenue received under this article for pupils
14 described in this subsection from total costs, as approved by the
15 department, in whole or in part, for educating those pupils in a
16 strict discipline academy. The department shall include all costs
17 including, but not limited to, educational costs, insurance,
18 management fees, technology costs, legal fees, auditing fees,
19 interest, pupil accounting costs, and any other administrative
20 costs necessary to operate the program or to comply with statutory
21 requirements. Costs reimbursed by federal funds are not included.

22 (b) "Department's approved per-pupil allocation" for a strict
23 discipline academy shall be determined by dividing the total amount
24 allocated under this subsection for a fiscal year by the full-time
25 equated membership total for all pupils approved by the department
26 to be funded under this subsection for that fiscal year for the
27 strict discipline academy.

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

3 (5) If the funds allocated under this section are insufficient
4 to fully fund the adjustments under subsection (3), payments under
5 this section shall be prorated on an equal per-pupil basis.

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

8 Sec. 25g. (1) From the state school aid fund money
9 appropriated in section 11, there is allocated an amount not to
10 exceed \$1,000,000.00 for ~~2015-2016~~**2016-2017** for the purposes of
11 this section. If the operation of the special membership counting
12 provisions under section 6(4)(dd) and the other membership counting
13 provisions under section 6(4) result in a pupil being counted as
14 more than 1.0 FTE in a fiscal year, then the payment made for the
15 pupil under sections 22a and 22b shall not be based on more than
16 1.0 FTE for that pupil, and that portion of the FTE that exceeds
17 1.0 shall be paid under this section in an amount equal to that
18 portion multiplied by the educating district's foundation allowance
19 or per-pupil payment calculated under section 20.

20 (2) Special education pupils funded under section 53a shall
21 not be funded under this section.

22 (3) If the funds allocated under this section are insufficient
23 to fully fund the adjustments under subsection (1), payments under
24 this section shall be prorated on an equal per-pupil basis.

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

27 Sec. 26a. From the funds appropriated in section 11, there is

1 allocated an amount not to exceed ~~\$26,300,000.00 for 2015-2016~~
2 **\$20,000,000.00 FOR 2016-2017** to reimburse districts and
3 intermediate districts pursuant to section 12 of the Michigan
4 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
5 in ~~2015-2016~~. The allocations shall be made not later than 60 days
6 after the department of treasury certifies to the department and to
7 the state budget director that the department of treasury has
8 received all necessary information to properly determine the
9 amounts due to each eligible recipient.

10 Sec. 26b. (1) From the appropriation in section 11, there is
11 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
12 ~~\$4,276,800.00~~ **\$4,405,100.00** for payments to districts, intermediate
13 districts, and community college districts for the portion of the
14 payment in lieu of taxes obligation that is attributable to
15 districts, intermediate districts, and community college districts
16 pursuant to section 2154 of the natural resources and environmental
17 protection act, 1994 PA 451, MCL 324.2154.

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

22 Sec. 26c. (1) From the appropriation in section 11, there is
23 allocated an amount not to exceed ~~\$610,000.00 for 2015-2016~~
24 **\$1,000,000.00 FOR 2016-2017** to the promise zone fund created in
25 subsection (3).

26 (2) Funds allocated to the promise zone fund under this
27 section shall be used solely for payments to eligible districts and

1 intermediate districts that have a promise zone development plan
2 approved by the department of treasury under section 7 of the
3 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

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

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

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

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

21 Sec. 31a. (1) From the state school aid fund money
22 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
23 ~~2017~~ an amount not to exceed \$389,695,500.00 for payments to
24 eligible districts, eligible public school academies, and the
25 education achievement system for the purposes of ensuring that
26 pupils are proficient in reading by the end of grade 3 and that
27 high school graduates are career and college ready and for the

1 purposes under subsections (7) and (8).

2 (2) For a district or public school academy, or the education
3 achievement system, to be eligible to receive funding under this
4 section, other than funding under subsection (7) or (8), the sum of
5 the district's or public school academy's or the education
6 achievement system's combined state and local revenue per
7 membership pupil in the current state fiscal year, as calculated
8 under section 20, **PLUS THE AMOUNT OF A DISTRICT'S PER-PUPIL**
9 **ALLOCATION UNDER SECTION 20F(6)**, must be less than or equal to the
10 basic foundation allowance under section 20 for the current state
11 fiscal year.

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

23 (a) Implements effective instruction for all learners.

24 (b) Intervenes early.

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

27 (i) A core curriculum and classroom interventions available to

1 all pupils that meet the needs of most pupils.

2 (ii) Targeted group interventions.

3 (iii) Intense individual interventions.

4 (d) Monitors pupil progress to inform instruction.

5 (e) Uses data to make instructional decisions.

6 (f) Uses assessments including universal screening,
7 diagnostics, and progress monitoring.

8 (g) Engages families and the community.

9 (h) Implements evidence-based, scientifically validated,
10 instruction and intervention.

11 (i) Implements instruction and intervention practices with
12 fidelity.

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

14 (4) Except as otherwise provided in this subsection, an
15 eligible district or eligible public school academy or the
16 education achievement system shall receive under this section for
17 each membership pupil in the district or public school academy or
18 the education achievement system who met the income eligibility
19 criteria for free breakfast, lunch, or milk, as determined under
20 the Richard B. Russell national school lunch act, 42 USC 1751 to
21 1769, and as reported to the department in the form and manner
22 prescribed by the department not later than the fifth Wednesday
23 after the pupil membership count day of the immediately preceding
24 fiscal year and adjusted not later than December 31 of the
25 immediately preceding fiscal year, an amount per pupil equal to
26 11.5% of the sum of the district's foundation allowance or the
27 public school academy's or the education achievement system's per

1 pupil amount calculated under section 20 **PLUS THE AMOUNT OF THE**
2 **DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20F(6)**, not to exceed
3 the basic foundation allowance under section 20 for the current
4 state fiscal year, or of the public school academy's or the
5 education achievement system's per membership pupil amount
6 calculated under section 20 for the current state fiscal year.
7 However, a public school academy that began operations as a public
8 school academy, ~~or~~ an achievement school that began operations as
9 an achievement school, **OR A DISTRICT THAT IS A COMMUNITY DISTRICT**
10 **AND THAT FIRST ENROLLED PUPILS** after the pupil membership count day
11 of the immediately preceding school year shall receive under this
12 section for each membership pupil in the public school academy, **IN**
13 **THE COMMUNITY DISTRICT**, or in the education achievement system who
14 met the income eligibility criteria for free breakfast, lunch, or
15 milk, as determined under the Richard B. Russell national school
16 lunch act and as reported to the department not later than the
17 fifth Wednesday after the pupil membership count day of the current
18 fiscal year and adjusted not later than December 31 of the current
19 fiscal year, an amount per pupil equal to 11.5% of the public
20 school academy's, **THE COMMUNITY DISTRICT'S**, or the education
21 achievement system's per membership pupil amount calculated under
22 section 20 for the current state fiscal year.

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

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

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

25 (7) From the funds allocated under subsection (1), there is
26 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
27 ~~\$3,557,300.00~~ **\$5,557,300.00** to support child and adolescent health

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

1 (8) From the funds allocated under subsection (1), there is
2 allocated for ~~2015-2016~~**2016-2017** an amount not to exceed
3 \$5,150,000.00 for the state portion of the hearing and vision
4 screenings as described in section 9301 of the public health code,
5 1978 PA 368, MCL 333.9301. A local public health department shall
6 pay at least 50% of the total cost of the screenings. The frequency
7 of the screenings shall be as required under R 325.13091 to R
8 325.13096 and R 325.3271 to R 325.3276 of the Michigan
9 administrative code. Funds shall be awarded in a form and manner
10 approved jointly by the department and the department of health and
11 human services. Notwithstanding section 17b, payments to eligible
12 entities under this subsection shall be paid on a schedule
13 determined by the department.

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

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

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

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

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

1 then dividing that amount by the total statewide number of pupils
2 who met the income eligibility criteria for free breakfast, lunch,
3 or milk in the immediately preceding fiscal year, as described in
4 subsection (4).

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

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

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

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

1 (c) Has a family history of school failure, incarceration, or
2 substance abuse.

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

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

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

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

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

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

21 (iii) The pupil is homeless.

22 (iv) The pupil is a migrant.

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

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

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

1 graduation and dropout report.

2 (15) Beginning in 2018-2019, if a district, public school
3 academy, or the education achievement system does not demonstrate
4 to the satisfaction of the department that at least 50% of at-risk
5 pupils are ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE**
6 **ARTS** by the end of grade 3 as measured by the state assessment for
7 the immediately preceding school year and demonstrate to the
8 satisfaction of the department improvement over each of the 3
9 immediately preceding school years in the percentage of at-risk
10 pupils that are career- and college-ready as determined by
11 proficiency on the English language arts, mathematics, and science
12 content area assessments on the grade 11 summative assessment under
13 section 1279g(2)(a) of the revised school code, MCL 380.1279g, the
14 district, public school academy, or education achievement system
15 shall ensure all of the following:

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

25 (b) The district, public school academy, or the education
26 achievement system shall determine the proportion of total at-risk
27 pupils that represent the number of pupils in grade 11 that are not

1 career- and college-ready as measured by the student's score on the
2 English language arts, mathematics, and science content area
3 assessments on the grade 11 summative assessment under section
4 1279g(2)(a) of the revised school code, MCL 380.1279g, and the
5 district, public school academy, or the education achievement
6 system shall expend that same proportion multiplied by 1/2 of its
7 total at-risk funds under this section on tutoring and other
8 activities to improve scores on the college entrance examination
9 portion of the Michigan merit examination.

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

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

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

1 Sec. 31d. (1) From the appropriations in section 11, there is
2 allocated an amount not to exceed \$22,495,100.00 ~~for 2015-2016~~ **FOR**
3 **2016-2017** for the purpose of making payments to districts and other
4 eligible entities under this section.

5 (2) The amounts allocated from state sources under this
6 section shall be used to pay the amount necessary to reimburse
7 districts for 6.0127% of the necessary costs of the state mandated
8 portion of the school lunch programs provided by those districts.
9 The amount due to each district under this section shall be
10 computed by the department using the methods of calculation adopted
11 by the Michigan supreme court in the consolidated cases known as
12 Durant v State of Michigan, Michigan supreme court docket no.
13 104458-104492.

14 (3) The payments made under this section include all state
15 payments made to districts so that each district receives at least
16 6.0127% of the necessary costs of operating the state mandated
17 portion of the school lunch program in a fiscal year.

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

24 (5) From the federal funds appropriated in section 11, there
25 is allocated for ~~2015-2016~~ **2016-2017** all available federal funding,
26 estimated at \$510,000,000.00 for the national school lunch program
27 and all available federal funding, estimated at \$3,200,000.00 for

1 the emergency food assistance program.

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

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

9 Sec. 31f. (1) From the appropriations in section 11, there is
10 allocated an amount not to exceed ~~\$5,625,000.00 for 2015-2016~~
11 **\$2,500,000.00 FOR 2016-2017** for the purpose of making payments to
12 districts to reimburse for the cost of providing breakfast.

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

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

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

21 (3) The payment for a district under this section is at a per
22 meal rate equal to the lesser of the district's actual cost or 100%
23 of the statewide average cost of a breakfast served, as determined
24 and approved by the department, less federal reimbursement,
25 participant payments, and other state reimbursement. The statewide
26 average cost shall be determined by the department using costs as
27 reported in a manner approved by the department for the preceding

1 school year.

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

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

8 Sec. 31h. From the funds appropriated in section 11, there is
9 allocated an amount not to exceed \$300,000.00 for ~~2015-2016-2016-~~
10 **2017** for the purpose of providing funding to a district that
11 educates high school pupils from another district that voluntarily
12 closed its high school program in 2013. The funding under this
13 section is ~~intended to be~~ for the ~~first~~ **SECOND** of 2 years, unless
14 it is determined that the federal elementary and secondary
15 education act allows federal title I funds that previously
16 supported the high school pupils in their resident district to
17 instead be provided to the educating district. Funding under this
18 section shall be used to support the additional costs of educating
19 high school pupils in a manner that is similar to the way title I
20 funds provided additional support to the education of those pupils
21 when they were educated in their resident district high school
22 program before its closure in 2013.

23 **SEC. 31J. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN**
24 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00**
25 **FOR 2016-2017 FOR A PILOT PROJECT TO SUPPORT DISTRICTS IN THE**
26 **PURCHASE OF LOCALLY GROWN FRUITS AND VEGETABLES AS DESCRIBED IN**
27 **THIS SECTION.**

1 (2) THE DEPARTMENT SHALL PROVIDE FUNDING TO PROSPERITY REGIONS
2 2, 4, AND 6 FOR THE PILOT PROJECT DESCRIBED UNDER THIS SECTION.
3 FROM THE FUNDING IDENTIFIED IN SUBSECTION (1), FUNDING RETAINED BY
4 THE PROSPERITY REGIONS FOR ADMINISTRATION OF THE PROJECT SHALL NOT
5 EXCEED 10%, AND FUNDING RETAINED BY THE DEPARTMENT FOR
6 ADMINISTRATION SHALL NOT EXCEED 6%.

7 (3) THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A COMPETITIVE
8 GRANT PROGRAM FOR DISTRICTS WITHIN THE IDENTIFIED PROSPERITY
9 REGIONS TO ASSIST IN PAYING FOR THE COSTS INCURRED BY THE DISTRICT
10 TO PURCHASE OR INCREASE PURCHASES OF WHOLE OR MINIMALLY PROCESSED
11 FRUITS, VEGETABLES, AND LEGUMES GROWN IN THIS STATE. THE MAXIMUM
12 AMOUNT THAT MAY BE DRAWN DOWN ON A GRANT TO A DISTRICT SHALL BE
13 BASED ON THE NUMBER OF MEALS SERVED BY THE SCHOOL DISTRICT DURING
14 THE PREVIOUS SCHOOL YEAR UNDER THE RICHARD B. RUSSELL NATIONAL
15 SCHOOL LUNCH ACT, 42 USC 1751 TO 1769. THE DEPARTMENT SHALL
16 COLLABORATE WITH THE MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL
17 DEVELOPMENT TO PROVIDE TRAINING TO NEWLY PARTICIPATING SCHOOLS AND
18 ELECTRONIC INFORMATION ON MICHIGAN AGRICULTURE.

19 (4) THE GOALS OF THE PILOT PROJECT INCLUDE IMPROVING DAILY
20 NUTRITION AND EATING HABITS FOR CHILDREN THROUGH THE SCHOOL
21 SETTINGS WHILE INVESTING IN MICHIGAN'S AGRICULTURAL AND RELATED
22 FOOD BUSINESS ECONOMY.

23 (5) A DISTRICT THAT RECEIVES A GRANT UNDER THIS SECTION SHALL
24 USE THOSE FUNDS FOR THE COSTS INCURRED BY THE SCHOOL DISTRICT TO
25 PURCHASE WHOLE OR MINIMALLY PROCESSED FRUITS, VEGETABLES, AND
26 LEGUMES THAT MEET ALL OF THE FOLLOWING:

27 (A) ARE PURCHASED ON OR AFTER THE DATE THE DISTRICT RECEIVED

1 NOTIFICATION FROM THE DEPARTMENT OF THE AMOUNT TO BE DISTRIBUTED TO
2 THE DISTRICT UNDER THIS SUBSECTION, INCLUDING PURCHASES MADE TO
3 LAUNCH MEALS IN SEPTEMBER 2016 FOR THE 2016-2017 SCHOOL YEAR.

4 (B) ARE GROWN IN THIS STATE AND, IF MINIMALLY PROCESSED, ARE
5 ALSO PROCESSED IN THIS STATE.

6 (C) ARE USED FOR MEALS THAT ARE SERVED AS PART OF THE UNITED
7 STATES DEPARTMENT OF AGRICULTURE'S CHILD NUTRITION PROGRAMS.

8 (6) FOR MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES THAT
9 SATISFY THE REQUIREMENTS OF SUBSECTION (5), MATCHING REIMBURSEMENTS
10 SHALL BE MADE IN AN AMOUNT NOT TO EXCEED 10 CENTS FOR EVERY SCHOOL
11 MEAL THAT IS SERVED AS PART OF THE UNITED STATES DEPARTMENT OF
12 AGRICULTURE'S CHILD NUTRITION PROGRAMS AND THAT USES MICHIGAN-GROWN
13 FRUITS, VEGETABLES, AND LEGUMES.

14 (7) A DISTRICT THAT RECEIVES A GRANT FOR REIMBURSEMENT UNDER
15 THIS SECTION SHALL USE THE GRANT TO PURCHASE WHOLE OR MINIMALLY
16 PROCESSED FRUITS, VEGETABLES, AND LEGUMES THAT ARE GROWN IN THIS
17 STATE AND, IF MINIMALLY PROCESSED, ARE ALSO PROCESSED IN THIS
18 STATE.

19 (8) IN AWARDING GRANTS UNDER THIS SECTION, THE DEPARTMENT
20 SHALL WORK IN CONJUNCTION WITH PROSPERITY REGION OFFICES, IN
21 CONSULTATION WITH MICHIGAN-BASED FARM TO SCHOOL RESOURCE
22 ORGANIZATIONS, TO DEVELOP SCORING CRITERIA THAT ASSESS AN
23 APPLICANT'S ABILITY TO PROCURE MICHIGAN-GROWN PRODUCTS, PREPARE AND
24 MENU MICHIGAN-GROWN PRODUCTS, PROMOTE AND MARKET MICHIGAN-GROWN
25 PRODUCTS, AND SUBMIT LETTERS OF INTENT FROM DISTRICTS ON PLANS FOR
26 EDUCATIONAL ACTIVITIES THAT PROMOTE THE GOALS OF THE PROGRAM.

27 (9) THE DEPARTMENT SHALL GIVE PREFERENCE TO DISTRICTS THAT

1 PROPOSE EDUCATIONAL ACTIVITIES THAT MEET 1 OR MORE OF THE
2 FOLLOWING: PROMOTE HEALTHY FOOD ACTIVITIES; HAVE CLEAR EDUCATIONAL
3 OBJECTIVES; INVOLVE PARENTS OR THE COMMUNITY; AND CONNECT TO A
4 SCHOOL'S FARM-TO-SCHOOL PROCUREMENT ACTIVITIES.

5 (10) IN AWARDING GRANTS, THE DEPARTMENT SHALL ALSO CONSIDER
6 ALL OF THE FOLLOWING: THE PERCENTAGE OF CHILDREN WHO QUALIFY FOR
7 FREE OR REDUCED PRICE SCHOOL MEALS UNDER THE RICHARD B. RUSSELL
8 NATIONAL SCHOOL LUNCH ACT, 42 USC 1751 TO 1769; THE VARIETY OF
9 SCHOOL SIZES AND GEOGRAPHIC LOCATIONS WITHIN THE IDENTIFIED
10 PROSPERITY REGIONS; AND EXISTING OR FUTURE COLLABORATION
11 OPPORTUNITIES BETWEEN MORE THAN 1 DISTRICT IN A PROSPERITY REGION.

12 (11) AS A CONDITION OF RECEIVING A GRANT UNDER THIS SECTION, A
13 DISTRICT SHALL PROVIDE OR DIRECT ITS VENDORS TO PROVIDE TO
14 PROSPERITY REGION OFFICES COPIES OF MONTHLY RECEIPTS THAT SHOW THE
15 QUANTITY OF DIFFERENT MICHIGAN-GROWN FRUITS, VEGETABLES, AND
16 LEGUMES PURCHASED, THE AMOUNT OF MONEY SPENT ON EACH OF THESE
17 PRODUCTS, AND THE NAME AND MICHIGAN LOCATION OF THE FARM THAT GREW
18 THE PRODUCTS. THE DISTRICT SHALL ALSO PROVIDE TO THE PROSPERITY
19 REGION MONTHLY LUNCH NUMBERS AND LUNCH PARTICIPATION RATES, AND
20 CALENDARS OR MONTHLY MENUS NOTING WHEN AND HOW MICHIGAN-GROWN
21 PRODUCTS WERE USED IN MEALS. THE DISTRICT AND SCHOOL FOOD SERVICE
22 DIRECTOR OR DIRECTORS ALSO SHALL AGREE TO RESPOND TO BRIEF ONLINE
23 SURVEYS AND TO PROVIDE A REPORT THAT SHOWS THE PERCENTAGE
24 RELATIONSHIP OF MICHIGAN SPENDING COMPARED TO TOTAL FOOD SPENDING.
25 NOT LATER THAN MARCH 1, 2017, EACH PROSPERITY REGION OFFICE SHALL
26 SUBMIT A REPORT TO THE DEPARTMENT ON EXPECTED OUTCOMES AND RELATED
27 MEASUREMENTS FOR ECONOMIC DEVELOPMENT AND CHILDREN'S NUTRITION AND

1 READINESS TO LEARN BASED ON PROGRESS SO FAR. THE REPORT SHALL
2 INCLUDE AT LEAST ALL OF THE FOLLOWING:

3 (A) THE EXTENT TO WHICH FARMERS AND RELATED BUSINESSES,
4 INCLUDING DISTRIBUTORS AND PROCESSORS, SEE AN INCREASE IN MARKET
5 OPPORTUNITIES AND INCOME GENERATION THROUGH SALES OF MICHIGAN OR
6 LOCAL PRODUCTS TO DISTRICTS. ALL OF THE FOLLOWING APPLY FOR
7 PURPOSES OF THIS SUBDIVISION:

8 (i) THE DATA USED TO DETERMINE THE AMOUNT OF THIS INCREASE
9 SHALL BE THE TOTAL DOLLAR AMOUNT OF MICHIGAN OR LOCAL FRUITS,
10 VEGETABLES, AND LEGUMES PURCHASED BY SCHOOLS, ALONG WITH THE NUMBER
11 OF DIFFERENT TYPES OF PRODUCTS PURCHASED; SCHOOL FOOD PURCHASING
12 TRENDS IDENTIFIED ALONG WITH PRODUCTS THAT ARE OF NEW AND GROWING
13 INTEREST AMONG FOOD SERVICE DIRECTORS; THE NUMBER OF BUSINESSES
14 IMPACTED; AND THE PERCENTAGE OF TOTAL FOOD BUDGET SPENT ON
15 MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES.

16 (ii) THE PROSPERITY REGION OFFICE SHALL USE PURCHASING DATA
17 COLLECTED FOR THE PROJECT AND SURVEYS OF SCHOOL FOOD SERVICE
18 DIRECTORS ON THE IMPACT AND SUCCESS OF THE PROJECT AS THE SOURCE
19 FOR THE DATA DESCRIBED IN SUBPARAGRAPH (i).

20 (B) THE ABILITY TO WHICH PUPILS CAN ACCESS A VARIETY OF
21 HEALTHY MICHIGAN-GROWN FOODS THROUGH SCHOOLS AND INCREASE THEIR
22 CONSUMPTION OF THOSE FOODS. ALL OF THE FOLLOWING APPLY FOR PURPOSES
23 OF THIS SUBDIVISION:

24 (i) THE DATA USED TO DETERMINE WHETHER THIS SUBPARAGRAPH IS
25 MET SHALL BE THE NUMBER OF PUPILS EXPOSED TO MICHIGAN-GROWN FRUITS,
26 VEGETABLES, AND LEGUMES AT SCHOOLS; THE VARIETY OF PRODUCTS SERVED;
27 NEW ITEMS TASTE-TESTED OR PLACED ON MENUS; AND THE INCREASE IN

1 PUPIL WILLINGNESS TO TRY NEW LOCAL, HEALTHY FOODS.

2 (ii) THE PROSPERITY REGION OFFICE SHALL USE PURCHASING DATA
3 COLLECTED FOR THE PROJECT, MEAL COUNT AND ENROLLMENT NUMBERS,
4 SCHOOL MENU CALENDARS, AND SURVEYS OF SCHOOL FOOD SERVICE DIRECTORS
5 AS THE SOURCE FOR THE DATA DESCRIBED IN SUBPARAGRAPH (i) .

6 (12) THE DEPARTMENT SHALL COMPILE THE REPORTS PROVIDED BY
7 PROSPERITY REGION OFFICES UNDER SUBSECTION (11) INTO 1 LEGISLATIVE
8 REPORT. THE DEPARTMENT SHALL PROVIDE THIS REPORT NOT LATER THAN
9 APRIL 1, 2017 TO THE HOUSE AND SENATE SUBCOMMITTEES RESPONSIBLE FOR
10 SCHOOL AID, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
11 BUDGET DIRECTOR.

12 Sec. 32d. (1) From the funds appropriated in section 11, there
13 is allocated to eligible intermediate districts and consortia of
14 intermediate districts for great start readiness programs an amount
15 not to exceed \$243,600,000.00 for ~~2015-2016.~~ **2016-2017**. Funds
16 allocated under this section for great start readiness programs
17 shall be used to provide part-day, school-day, or GSRP/head start
18 blended comprehensive free compensatory classroom programs designed
19 to improve the readiness and subsequent achievement of
20 educationally disadvantaged children who meet the participant
21 eligibility and prioritization guidelines as defined by the
22 department. For a child to be eligible to participate in a program
23 under this section, the child shall be at least 4, but less than 5,
24 years of age as of ~~the date specified for determining a child's~~
25 ~~eligibility to attend school under section 1147 of the revised~~
26 ~~school code, MCL 380.1147.~~ **SEPTEMBER 1 OF THE SCHOOL YEAR IN WHICH**
27 **THE PROGRAM IS OFFERED AND SHALL MEET THOSE ELIGIBILITY AND**

1 **PRIORITIZATION GUIDELINES.**

2 (2) Funds allocated under subsection (1) shall be allocated to
3 intermediate districts or consortia of intermediate districts based
4 on the formula in section 39. An intermediate district or
5 consortium of intermediate districts receiving funding under this
6 section shall act as the fiduciary for the great start readiness
7 programs. In order to be eligible to receive funds allocated under
8 this subsection from an intermediate district or consortium of
9 intermediate districts, a district, a consortium of districts, or a
10 public or private for-profit or nonprofit legal entity or agency
11 shall comply with this section and section 39.

12 (3) In addition to the allocation under subsection (1), from
13 the general fund money appropriated under section 11, there is
14 allocated an amount not to exceed \$300,000.00 for ~~2015-2016-2016-~~
15 **2017** for a competitive grant to continue a longitudinal evaluation
16 of children who have participated in great start readiness
17 programs.

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

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

27 (b) An age-appropriate educational curriculum that is in

1 compliance with the early childhood standards of quality for
2 prekindergarten children adopted by the state board.

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

5 (d) Physical and dental health and developmental screening
6 services for all program participants.

7 (e) Referral services for families of program participants to
8 community social service agencies, including mental health
9 services, as appropriate.

10 (f) Active and continuous involvement of the parents or
11 guardians of the program participants.

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

15 (h) Participation in a school readiness advisory committee
16 convened as a workgroup of the great start collaborative that
17 provides for the involvement of classroom teachers, parents or
18 guardians of program participants, and community, volunteer, and
19 social service agencies and organizations, as appropriate. The
20 advisory committee annually shall review and make recommendations
21 regarding the program components listed in this subsection. The
22 advisory committee also shall make recommendations to the great
23 start collaborative regarding other community services designed to
24 improve all children's school readiness.

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

27 (j) Participation in this state's great start to quality

1 process with a rating of at least 3 stars.

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

5 (a) Ensure compliance with all program components described in
6 subsection (4).

7 (b) Except as otherwise provided in this subdivision, ensure
8 that at least 90% of the children participating in an eligible
9 great start readiness program for whom the intermediate district is
10 receiving funds under this section are children who live with
11 families with a household income that is equal to or less than 250%
12 of the federal poverty level. If the intermediate district
13 determines that all eligible children are being served and that
14 there are no children on the waiting list under section 39(1)(d)
15 who live with families with a household income that is equal to or
16 less than 250% of the federal poverty level, the intermediate
17 district may then enroll children who live with families with a
18 household income that is equal to or less than 300% of the federal
19 poverty level. The enrollment process shall consider income and
20 risk factors, such that children determined with higher need are
21 enrolled before children with lesser need. For purposes of this
22 subdivision, all age-eligible children served in foster care or who
23 are experiencing homelessness or who have individualized education
24 plans recommending placement in an inclusive preschool setting
25 shall be considered to live with families with household income
26 equal to or less than 250% of the federal poverty level regardless
27 of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT**

1 **WITHIN THE LOWEST QUINTILE.**

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

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

19 (ii) Paraprofessionals possessing proper training in early
20 childhood ~~development~~, **EDUCATION**, including an associate's degree
21 in early childhood education or child development or the
22 equivalent, or a child development associate (CDA) credential.
23 However, if an applicant demonstrates to the department that it is
24 unable to fully comply with this subparagraph after making
25 reasonable efforts to comply, the applicant may use
26 paraprofessionals who have completed at least 1 course that earns
27 college credit in early childhood education or child development if

1 the applicant provides to the department, and the department
2 approves, a plan for each paraprofessional to come into compliance
3 with the standards in this subparagraph. A paraprofessional's
4 compliance plan must be completed within 2 years of the date of
5 employment. Progress toward completion of the compliance plan shall
6 consist of at least 2 courses or 60 clock hours of training per
7 calendar year.

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

19 (6) For a grant recipient that enrolls pupils in a school-day
20 program funded under this section, each child enrolled in the
21 school-day program shall be counted as ~~2 children served by the~~
22 ~~program~~ **DESCRIBED IN SECTION 39** for purposes of determining the
23 ~~number of children to be served and for determining the amount of~~
24 the grant award. ~~A grant award shall not be increased solely on the~~
25 ~~basis of providing a school-day program.~~

26 (7) For a grant recipient that enrolls pupils in a GSRP/head
27 start blended program, the grant recipient shall ensure that all

1 head start and GSRP policies and regulations are applied to the
2 blended slots, with adherence to the highest standard from either
3 program, to the extent allowable under federal law.

4 (8) An intermediate district or consortium of intermediate
5 districts receiving a grant under this section shall designate an
6 early childhood coordinator, and may provide services directly or
7 may contract with 1 or more districts or public or private for-
8 profit or nonprofit providers that meet all requirements of
9 subsection ~~(4)~~. **SUBSECTIONS (4) AND (5) .**

10 ~~—— (9) Funds received under this section may be retained for~~
11 ~~administrative services as follows:~~

12 ~~—— (a) For the portion of the total grant amount for which~~
13 ~~services are provided directly by an intermediate district or~~
14 ~~consortium of intermediate districts, the intermediate district or~~
15 ~~consortium of intermediate districts may retain an amount equal to~~
16 ~~not more than 7% of that portion of the grant amount.~~

17 ~~—— (b) For the portion of the total grant amount for which~~
18 ~~services are contracted, the intermediate district or consortium of~~
19 ~~intermediate districts receiving the grant may retain an amount~~
20 ~~equal to not more than 4% of that portion of the grant amount and~~
21 ~~the subrecipients engaged by the intermediate district to provide~~
22 ~~program services may retain for administrative services an amount~~
23 ~~equal to not more than 4% of that portion of the grant amount.~~

24 (9) **AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE**
25 **DISTRICTS MAY RETAIN FOR ADMINISTRATIVE SERVICES PROVIDED BY THE**
26 **INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS AN**
27 **AMOUNT NOT TO EXCEED 4% OF THE GRANT AMOUNT. EXPENSES INCURRED BY**

1 SUBRECIPIENTS ENGAGED BY THE INTERMEDIATE DISTRICT OR CONSORTIUM OF
2 INTERMEDIATE DISTRICTS FOR DIRECTLY RUNNING PORTIONS OF THE PROGRAM
3 SHALL BE CONSIDERED PROGRAM COSTS OR A CONTRACTED PROGRAM FEE FOR
4 SERVICE.

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

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

1 plans recommending placement in an inclusive preschool setting
2 shall be considered to live with families with household income
3 equal to or less than 250% of the federal poverty level regardless
4 of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT**
5 **WITHIN THE LOWEST QUINTILE.**

6 (12) An intermediate district or consortium of intermediate
7 districts receiving a grant under this section shall allow parents
8 of eligible children who are residents of the intermediate district
9 or within the consortium to choose a program operated by or
10 contracted with another intermediate district or consortium of
11 intermediate districts and shall ~~pay to the educating intermediate~~
12 ~~district or consortium the per child amount attributable to each~~
13 ~~child enrolled pursuant to this sentence, as determined under~~
14 ~~section 39.~~ **ENTER INTO A WRITTEN AGREEMENT REGARDING PAYMENT, IN A**
15 **MANNER PRESCRIBED THE DEPARTMENT.**

16 (13) An intermediate district or consortium of intermediate
17 districts receiving a grant under this section shall conduct a
18 local process to contract with interested and eligible public and
19 private for-profit and nonprofit community-based providers that
20 meet all requirements of subsection (4) for at least 30% of its
21 total slot allocation. **FOR THE PURPOSES OF THIS 30% ALLOCATION, A**
22 **HEAD START GRANTEE OR DELEGATE IS NOT CONSIDERED TO BE A PUBLIC,**
23 **PRIVATE FOR-PROFIT, OR NONPROFIT COMMUNITY-BASED PROVIDER.** The
24 intermediate district or consortium shall report to the department,
25 in a manner prescribed by the department, a detailed list of
26 community-based providers by provider type, including private for-
27 profit, private nonprofit, community college or university, head

~~start grantee or delegate,~~ and district or intermediate district,
and the number and proportion of its total slot allocation
allocated to each provider as subrecipient. If the intermediate
district or consortium is not able to contract for at least 30% of
its total slot allocation, the grant recipient shall notify the
department and, if the department verifies that the intermediate
district or consortium attempted to contract for at least 30% of
its total slot allocation and was not able to do so, then the
intermediate district or consortium may retain and use all of its
allocated slots as provided under this section. To be able to use
this exemption, the intermediate district or consortium shall
demonstrate to the department that the intermediate district or
consortium increased the percentage of its total slot allocation
for which it contracts with a community-based provider and the
intermediate district or consortium shall submit evidence
satisfactory to the department, and the department must be able to
verify this evidence, demonstrating that the intermediate district
or consortium took measures to contract for at least 30% of its
total slot allocation as required under this subsection, including,
but not limited to, at least all of the following measures:

(a) The intermediate district or consortium notified each
NONPARTICIPATING licensed child care center located in the service
area of the intermediate district or consortium ~~at least twice~~
regarding the center's eligibility to participate, **IN A MANNER**
PRESCRIBED BY THE DEPARTMENT. ~~One of these notifications may be~~
~~made electronically, but at least 1 of these notifications shall be~~
~~made via hard copy through the United States mail. At least 1 of~~

~~1 these notifications shall be made within 7 days after the~~
~~2 intermediate district or consortium receives notice from the~~
~~3 department of its slot allocations.~~

4 (b) The intermediate district or consortium provided to each
5 **NONPARTICIPATING** licensed child care center located in the service
6 area of the intermediate district or consortium information
7 regarding great start readiness program requirements and a
8 description of the application and selection process for community-
9 based providers.

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

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

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

27 (a) Ensure that a great start resource center or the

1 department provides each intermediate district or consortium
2 receiving a grant under this section with the contact information
3 for each licensed child care center located in the service area of
4 the intermediate district or consortium by March 1 of each year.

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

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

17 (d) Not later than ~~November~~**DECEMBER** 1 of each year, compile
18 the results of the information reported by each intermediate
19 district or consortium under subsection (10) and report to the
20 legislature a list by intermediate district or consortium with the
21 number and percentage of each intermediate district's or
22 consortium's total slot allocation allocated to community-based
23 providers by provider type, including private for-profit, private
24 nonprofit, community college or university, head start grantee or
25 delegate, and district or intermediate district.

26 (16) A recipient of funds under this section shall report to
27 the department in a form and manner prescribed by the department

1 the number of children participating in the program who meet the
2 income eligibility criteria under subsection (5)(b) and the total
3 number of children participating in the program. For children
4 participating in the program who meet the income eligibility
5 criteria specified under subsection (5)(b), a recipient shall also
6 report whether or not a parent is available to provide care based
7 on employment status. For the purposes of this subsection,
8 "employment status" shall be defined by the department of health
9 and human services in a manner consistent with maximizing the
10 amount of spending that may be claimed for temporary assistance for
11 needy families maintenance of effort purposes.

12 (17) As used in this section:

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

16 (b) "Part-day program" means a program that operates at least
17 4 days per week, 30 weeks per year, for at least 3 hours of
18 teacher-child contact time per day but for fewer hours of teacher-
19 child contact time per day than a school-day program.

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

25 (18) An intermediate district or consortium of intermediate
26 districts receiving funds under this section shall establish a
27 sliding scale of tuition rates based upon household income for

1 children participating in an eligible great start readiness program
2 who live with families with a household income that is more than
3 250% of the federal poverty level to be used by all of its
4 providers, as approved by the department. A grant recipient shall
5 charge tuition according to that sliding scale of tuition rates on
6 a uniform basis for any child who does not meet the income
7 eligibility requirements under this section.

8 (19) From the amount appropriated in subsection (1), there is
9 allocated an amount not to exceed \$10,000,000.00 for reimbursement
10 of transportation costs for children attending great start
11 readiness programs funded under this section. To receive
12 reimbursement under this subsection, not later than November 1,
13 ~~2015,~~ **2016**, a program funded under this section that provides
14 transportation shall submit to the intermediate district that is
15 the fiscal agent for the program a projected transportation budget.
16 The amount of the reimbursement for transportation under this
17 subsection shall be no more than the projected transportation
18 budget or \$150.00 multiplied by the number of slots funded for the
19 program under this section. If the amount allocated under this
20 subsection is insufficient to fully reimburse the transportation
21 costs for all programs that provide transportation and submit the
22 required information, the reimbursement shall be prorated in an
23 equal amount per slot funded. Payments shall be made to the
24 intermediate district that is the fiscal agent for each program,
25 and the intermediate district shall then reimburse the program
26 provider for transportation costs as prescribed under this
27 subsection.

1 Sec. 32p. (1) From the school aid fund appropriation in
2 section 11, there is allocated an amount not to exceed
3 \$13,400,000.00 to intermediate districts for ~~2015-2016~~**2016-2017**
4 for the purpose of providing early childhood funding to
5 intermediate school districts to support the activities under
6 subsection (2) and subsection (4), and to provide early childhood
7 programs for children from birth through age 8. The funding
8 provided to each intermediate district under this section shall be
9 determined by the distribution formula established by the
10 department's office of great start to provide equitable funding
11 statewide. In order to receive funding under this section, each
12 intermediate district shall provide an application to the office of
13 great start not later than September 15 of the immediately
14 preceding fiscal year indicating the activities planned to be
15 provided.

16 (2) Each intermediate district or consortium of intermediate
17 districts that receives funding under this section shall convene a
18 local great start collaborative and a parent coalition. The goal of
19 each great start collaborative and parent coalition shall be to
20 ensure the coordination and expansion of local early childhood
21 infrastructure and programs that allow every child in the community
22 to achieve the following outcomes:

23 (a) Children born healthy.

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

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

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

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

8 (a) Physical health.

9 (b) Social-emotional health.

10 (c) Family supports and basic needs.

11 (d) Parent education.

12 (e) Early education, **INCLUDING THE CHILD'S VOCABULARY**
13 **DEVELOPMENT**, and care.

14 (4) From the funds allocated in subsection (1), at least
15 \$2,500,000.00 shall be used for the purpose of providing home
16 visits to at-risk children and their families. The home visits
17 shall be conducted as part of a locally coordinated, family-
18 centered, evidence-based, data-driven home visit strategic plan
19 that is approved by the department. The goals of the home visits
20 funded under this subsection shall be to improve school readiness
21 **USING EVIDENCE-BASED METHODS, INCLUDING VOCABULARY DEVELOPMENT, TO**
22 reduce the number of pupils retained in grade level, and **TO** reduce
23 the number of pupils requiring special education services. The
24 department shall coordinate the goals of the home visit strategic
25 plans approved under this subsection with other state agency home
26 visit programs in a way that strengthens Michigan's home visiting
27 infrastructure and maximizes federal funds available for the

1 purposes of at-risk family home visits. **THE COORDINATION AMONG**
2 **DEPARTMENTS AND AGENCIES IS INTENDED TO AVOID DUPLICATION OF STATE**
3 **SERVICES AND SPENDING, AND SHOULD EMPHASIZE EFFICIENT SERVICE**
4 **DELIVERY OF HOME VISITING PROGRAMS.**

5 (5) Not later than December 1 of each year, each intermediate
6 district shall provide a report to the department detailing the
7 activities actually provided during the immediately preceding
8 school year and the families and children actually served. At a
9 minimum, the report shall include an evaluation of the services
10 provided with additional funding under subsection (4) for home
11 visits, using the goals identified in subsection (4) as the basis
12 for the evaluation, including the degree to which school readiness
13 was improved, any change in the number of pupils retained at grade
14 level, and any change in the number of pupils receiving special
15 education services. The department shall compile and summarize
16 these reports and submit its summary to the house and senate
17 appropriations subcommittees on school aid and to the house and
18 senate fiscal agencies not later than February 15 of each year.

19 (6) An intermediate district or consortium of intermediate
20 districts that receives funding under this section may carry over
21 any unexpended funds received under this section into the next
22 fiscal year and may expend those unused funds through June 30 of
23 the next fiscal year. A recipient of a grant shall return any
24 unexpended grant funds to the department in the manner prescribed
25 by the department not later than September 30 of the next fiscal
26 year after the fiscal year in which the funds are received.

27 **SEC. 32Q. FROM THE GENERAL FUND ALLOCATION UNDER SECTION 11,**

1 THERE IS ALLOCATED TO A DISTRICT OR INTERMEDIATE DISTRICT AN AMOUNT
2 EQUAL TO \$175,000.00 IN 2016-2017 FOR THE PURPOSE OF THIS SECTION.
3 A DISTRICT OR INTERMEDIATE DISTRICT RECEIVING A GRANT UNDER THIS
4 SECTION SHALL PARTNER WITH AN EARLY CHILDHOOD COLLABORATIVE TO
5 CONDUCT A PILOT PROGRAM AS PROVIDED UNDER THIS SECTION. IT IS THE
6 INTENT OF THE LEGISLATURE THAT THIS IS THE FIRST OF 3 YEARS OF
7 FUNDING, AND THAT FUNDING SHALL CONTINUE IN 2017-2018 AND 2018-
8 2019. FUNDING ALLOCATED TO A DISTRICT OR INTERMEDIATE DISTRICT
9 SHALL BE USED IN PARTNERSHIP WITH A COLLABORATIVE TO CONDUCT A
10 PILOT PROGRAM TO EVALUATE THE RELATIVE IMPACT ON VULNERABLE
11 CHILDREN OF 1 VERSUS 2 YEARS OF PRESCHOOL EDUCATION. ALL OF THE
12 FOLLOWING APPLY TO THE PILOT PROGRAM FUNDED UNDER THIS SECTION:

13 (A) THE FUNDS SHALL BE USED FOR RESEARCH, FAMILY COACHING
14 SUPPORT, ADMINISTRATION, INFORMATION SYSTEMS, AND EVALUATION.

15 (B) IN ORDER TO BE ELIGIBLE TO RECEIVE THE APPROPRIATED FUNDS,
16 THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE DISTRICT
17 OR INTERMEDIATE DISTRICT, SHALL PROVIDE THE FUNDING FOR ALL
18 ELIGIBLE CHILDREN INCLUDED IN THE PILOT PROGRAM.

19 (C) THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE
20 DISTRICT OR INTERMEDIATE DISTRICT, SHALL DEVELOP A 3-YEAR PILOT
21 PROGRAM UNDER THE SUPERVISION OF THE OFFICE OF GREAT START IN THE
22 DEPARTMENT.

23 (D) FOR A CHILD TO BE ELIGIBLE FOR PARTICIPATION IN THE PILOT
24 PROGRAM UNDER THIS SECTION, THE CHILD SHALL BE 3 YEARS OF AGE AS OF
25 THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND
26 SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

27 (E) A CHILD PARTICIPATING IN THE PILOT PROGRAM SHALL MEET THE

1 PARTICIPANT ELIGIBILITY AND PRIORITIZATION GUIDELINES AS DEFINED BY
2 THE DEPARTMENT.

3 (F) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL
4 DISTRIBUTE FUNDS UNDER THIS SECTION NOT LATER THAN NOVEMBER 15 OF
5 THE FISCAL YEAR.

6 (G) THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE
7 DISTRICT OR INTERMEDIATE DISTRICT, SHALL PROVIDE ANNUAL PROGRESS
8 EVALUATIONS TO THE OFFICE OF GREAT START.

9 (H) BY DECEMBER 1, 2019, THE EARLY LEARNING COLLABORATIVE, IN
10 PARTNERSHIP WITH THE DISTRICT OR INTERMEDIATE DISTRICT, SHALL
11 PROVIDE A PILOT PROGRAM REPORT AND EVALUATION TO THE OFFICE OF
12 GREAT START. THE OFFICE OF GREAT START SHALL REVIEW THE PILOT
13 PROGRAM REPORT AND EVALUATION AND, BY FEBRUARY 15, 2020, PROVIDE A
14 REPORT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON
15 STATE SCHOOL AID AND TO THE SENATE AND HOUSE FISCAL AGENCIES OF ITS
16 EVALUATION OF THE PILOT PROGRAM.

17 Sec. 35. (1) The funds allocated under section 35a shall be
18 used for programs to ensure children are reading at grade level by
19 the end of grade 3. The superintendent shall designate staff or
20 contracted employees funded under section 35a as critical shortage.
21 Programs funded under section 35a are intended to ensure that this
22 state will be in the top 10 most improved states in grade 4 reading
23 proficiency by the 2019 National Assessment of Educational Progress
24 (NAEP) and will be in the top 10 states overall in grade 4 reading
25 proficiency by 2025.

26 (2) From the general fund appropriation in section 11, there
27 is allocated to the department an amount not to exceed

1 \$1,000,000.00 for ~~2015-2016~~ **2016-2017** for implementation costs
2 associated with programs funded under section 35a.

3 ~~—— (3) From the amount allocated under subsection (2), there is~~
4 ~~allocated an amount not to exceed \$100,000.00 for the purpose of~~
5 ~~performing an evaluation of the pilot programs under section 35a(2)~~
6 ~~in a manner approved by the department. The evaluation report shall~~
7 ~~include at least all of the following:~~

8 ~~—— (a) A description of the components of the pilot programs that~~
9 ~~were effective in helping parents prepare their children for~~
10 ~~success in school.~~

11 ~~—— (b) A description of any barriers that parents and their~~
12 ~~children encountered that prevented them from participating in the~~
13 ~~pilot programs.~~

14 ~~—— (c) An assessment of whether these pilot programs should be~~
15 ~~expanded to other locations in the state.~~

16 Sec. 35a. (1) From the appropriations in section 11, there is
17 allocated for ~~2015-2016~~ **2016-2017** for the purposes of this section
18 an amount not to exceed ~~\$23,900,000.00~~ **\$22,900,000.00** from the
19 state school aid fund appropriation and an amount not to exceed
20 ~~\$1,500,000.00~~ **\$1,000,000.00** from the general fund appropriation.

21 ~~—— (2) From the allocations under subsection (1), there is~~
22 ~~allocated an amount not to exceed \$1,000,000.00 for 2015-2016 for~~
23 ~~the purpose of conducting parent education pilot programs for~~
24 ~~parents of children less than 4 years of age so that children are~~
25 ~~developmentally ready to succeed in school at the time of school~~
26 ~~entry. All of the following apply to programs funded under this~~
27 ~~subsection:~~

~~1 (a) The department shall develop a competitive application
2 process and method of grant distribution consistent with the
3 provisions of this subsection. The amount of a grant award to a
4 pilot program shall be an amount equal to the number of children
5 residing in the district or consortium of districts operating the
6 program who are younger than 4 years of age as of the date
7 specified for determining a child's eligibility to attend school
8 under section 1147 of the revised school code, MCL 380.1147,
9 multiplied by \$120.00 per child or \$130,000.00, whichever is less.
10 The department shall ensure that grants are awarded in each
11 prosperity region or subregion.~~

~~12 (b) An application for a competitive grant under this
13 subsection shall be submitted by an intermediate district on behalf
14 of a district or consortium of districts within the intermediate
15 district. The application shall be submitted in a form and manner
16 approved by the department and shall contain at least the following
17 components:~~

~~18 (i) A description of the program design including the names of
19 the district or consortium of districts that will operate the
20 program, the physical location of the program, and the anticipated
21 number of families that will be served.~~

~~22 (ii) An assurance that the program will be supervised by a
23 teacher who has a valid teaching certificate with an early
24 childhood (ZA or ZS) endorsement, a valid teaching certificate in
25 career education with both a KH and VH endorsement, a bachelor's
26 degree in child development or early child development, or a
27 bachelor's degree related to adult learning.~~

~~1 (iii) An estimate of the number of families residing in the
2 district or consortium of districts that will operate the pilot
3 program that have at least 1 child less than 4 years of age as of
4 the date specified for determining a child's eligibility to attend
5 school under section 1147 of the revised school code, MCL 380.1147.~~

~~6 (iv) A description of the public awareness and outreach
7 efforts that will be made.~~

~~8 (v) An assurance that the intermediate district and the
9 district or consortium of districts operating the program will
10 provide information in a form and manner as approved by the
11 department to allow for an evaluation of the pilot projects.~~

~~12 (vi) A description of the sliding fee scale that will be
13 established for tuition, with fees reduced or waived for those
14 unable to pay.~~

~~15 (vii) A budget for the program. A program may use not more
16 than 5% of a grant to administer the program.~~

~~17 (c) To be eligible for a grant under this subsection, a
18 program shall provide at least 2 hours per week throughout the
19 school year for parents and their eligible children to participate
20 in parent education programs and meet at least the following
21 minimum requirements:~~

~~22 (i) Require that parents be physically present in classes with
23 their children or be in concurrent classes.~~

~~24 (ii) Use research-based information to educate parents about
25 the physical, cognitive, social, and emotional development of
26 children.~~

~~27 (iii) Provide structured learning activities requiring~~

1 ~~interaction between children and their parents.~~

2 ~~—— (iv) Provide structured learning activities for children that~~
3 ~~promote positive interaction with their peers.~~

4 ~~—— (d) For a child to be eligible to participate in a program~~
5 ~~under this subsection, the child shall be less than 4 years of age~~
6 ~~as of the date specified for determining a child's eligibility to~~
7 ~~attend school under section 1147 of the revised school code, MCL~~
8 ~~380.1147.~~

9 (2) ~~(3)~~ From the allocations under subsection (1), there is
10 allocated an amount not to exceed \$950,000.00 for ~~2015-2016-2016-~~
11 ~~2017~~ for professional development purposes under this subsection.
12 This allocation represents the ~~first~~ **SECOND** of 2 years of funding
13 for the purposes of this subsection. All of the following apply to
14 funding under this subsection:

15 (a) The department shall award grants to districts to support
16 professional development for educators in a department-approved
17 research-based training program related to current state literacy
18 standards for pupils in grades K to 3. The professional development
19 shall also include training in the use of screening and diagnostic
20 tools, progress monitoring, and intervention methods used to
21 address barriers to learning and delays in learning that are
22 diagnosed through the use of these tools. The department shall
23 determine the amount of the grant awards.

24 (b) In addition to other methods of professional development
25 delivery, the department shall collaborate with the Michigan
26 Virtual University to provide this training online to all educators
27 of pupils in grades K to 3.

(c) The funds allocated under this subsection are a work project appropriation, and any unexpended funds for ~~2015-2016-2016-2017~~ are carried forward into ~~2016-2017-~~**2017-2018**. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, ~~2017-~~**2018**.

(3) ~~(4)~~ From the allocations under subsection (1), there is allocated an amount not to exceed \$1,450,000.00 for ~~2015-2016-2016-2017~~ for grants under this subsection. This allocation represents the ~~first-~~**SECOND** of 2 years of funding. All of the following apply to grants under this subsection:

(a) The department shall award grants to districts to administer department-approved screening and diagnostic tools to monitor the development of early literacy and early reading skills of pupils in grades K to 3 and to support research-based professional development for educators in administering screening and diagnostic tools and in data interpretation of the results obtained through the use of those tools for the purpose of implementing a multi-tiered system of support to improve reading proficiency among pupils in grades K to 3. The department shall award grants to eligible districts in an amount determined by the department.

(B) A DEPARTMENT-APPROVED SCREENING AND DIAGNOSTIC TOOL ADMINISTERED BY A DISTRICT USING FUNDING UNDER THIS SECTION MUST INCLUDE ALL OF THE FOLLOWING COMPONENTS: PHONEMIC AWARENESS, PHONICS, FLUENCY, AND COMPREHENSION. FURTHER, ALL OF THE FOLLOWING SUB-SKILLS MUST BE ASSESSED WITHIN EACH OF THESE COMPONENTS:

1 (i) PHONEMIC AWARENESS - SEGMENTATION, BLENDING, AND SOUND
2 MANIPULATION (DELETION AND SUBSTITUTION) .

3 (ii) PHONICS - DECODING (READING) AND ENCODING (SPELLING) .

4 (iii) FLUENCY - READING RATE, ACCURACY, AND EXPRESSION.

5 (iv) COMPREHENSION - MAKING MEANING OF TEXT.

6 (C) ~~(b)~~—In addition to other methods of professional
7 development delivery, the department shall collaborate with the
8 Michigan Virtual University to provide this training online to all
9 educators of pupils in grades K to 3.

10 (D) ~~(e)~~—The funds allocated under this subsection are a work
11 project appropriation, and any unexpended funds for ~~2015-2016-2016-~~
12 **2017** are carried forward into ~~2016-2017-~~**2017-2018**. The purpose of
13 the work project is to continue to implement the professional
14 development training described in this subsection. The estimated
15 completion date of the work project is September 30, ~~2017-~~**2018**.

16 (4) ~~(5)~~—From the allocations under subsection (1), there is
17 allocated an amount not to exceed \$3,000,000.00 **FOR 2016-2017** for
18 the purpose of providing early literacy coaches at intermediate
19 districts to assist teachers in developing and implementing
20 instructional strategies for pupils in grades K to 3 so that pupils
21 are reading at grade level by the end of grade 3. All of the
22 following apply to funding under this subsection:

23 (a) The department shall develop an application process
24 consistent with the provisions of this subsection. An application
25 shall provide assurances that literacy coaches funded under this
26 subsection are knowledgeable about at least the following:

27 (i) Current state literacy standards for pupils in grades K to

1 3.

2 (ii) Implementing an instructional delivery model based on
3 frequent use of formative, screening, and diagnostic tools, known
4 as a multi-tiered system of support, to determine individual
5 progress for pupils in grades K to 3 so that pupils are reading at
6 grade level by the end of grade 3.

7 (iii) The use of data from diagnostic tools to determine the
8 necessary additional supports and interventions needed by
9 individual pupils in grades K to 3 in order to be reading at grade
10 level.

11 (b) From the allocation under this subsection, the department
12 shall award grants to intermediate districts for the support of
13 early literacy coaches. An intermediate district must provide
14 matching funds for at least 50% of the cost of the literacy coach.
15 The department shall provide this funding in the following manner:

16 (i) Each intermediate district shall be awarded grant funding
17 to support the cost of 1 early literacy coach in an equal amount
18 per early literacy coach, not to exceed \$37,500.00.

19 (ii) After distribution of the grant funding under
20 subparagraph (i), the department shall distribute the remainder of
21 grant funding for additional early literacy coaches in an amount
22 not to exceed \$37,500.00 per early literacy coach. The number of
23 funded early literacy coaches for each intermediate district shall
24 be based on the percentage of the total statewide number of pupils
25 in grades K to 3 who meet the income eligibility standards for the
26 federal free and reduced-price lunch programs who are enrolled in
27 districts in the intermediate district. For each additional early

1 literacy coach funded under this subparagraph, the department shall
2 not make an award to an intermediate district under this
3 subparagraph in an amount that is less than the amount necessary to
4 pay 1/2 of the total cost of that additional early literacy coach.

5 (c) The funds allocated under this subsection are a work
6 project appropriation, and any unexpended funds for ~~2015-2016-2016-~~
7 ~~2017~~ are carried forward into ~~2016-2017-~~**2017-2018**. The purpose of
8 the work project is to continue to provide early literacy coaches
9 as described in this subsection. The estimated completion date of
10 the work project is September 30, ~~2017-~~**2018**.

11 (5) ~~(6)~~ From the allocations under subsection (1), there is
12 allocated an amount not to exceed \$17,500,000.00 for ~~2015-2016~~
13 ~~2016-2017~~ to districts that provide additional instructional time
14 to those pupils in grades K to 3 who have been identified by using
15 department-approved screening and diagnostic tools as needing
16 additional supports and interventions in order to be reading at
17 grade level by the end of grade 3. Additional instructional time
18 may be provided before, during, and after regular school hours or
19 as part of a year-round balanced school calendar. All of the
20 following apply to funding under this subsection:

21 (a) In order to be eligible to receive funding, a district
22 shall demonstrate to the satisfaction of the department that the
23 district has done all of the following:

24 (i) Implemented a multi-tiered system of support instructional
25 delivery model that is an evidence-based model that uses data-
26 driven problem solving to integrate academic and behavioral
27 instruction and that uses intervention delivered to all pupils in

1 varying intensities based on pupil needs. The multi-tiered system
2 of supports must provide at least all of the following essential
3 elements:

4 (A) Implements effective instruction for all learners.

5 (B) Intervenes early.

6 (C) Provides a multi-tiered model of instruction and
7 intervention that provides the following: a core curriculum and
8 classroom interventions available to all pupils that meet the needs
9 of most pupils; targeted group interventions; and intense
10 individual interventions.

11 (D) Monitors pupil progress to inform instruction.

12 (E) Uses data to make instructional decisions.

13 (F) Uses assessments including universal screening,
14 diagnostics, and progress monitoring.

15 (G) Engages families and the community.

16 (H) Implements evidence-based, scientifically validated,
17 instruction and intervention.

18 (I) Implements instruction and intervention practices with
19 fidelity.

20 (J) Uses a collaborative problem-solving model.

21 (ii) Used department-approved research-based diagnostic tools
22 to identify individual pupils in need of additional instructional
23 time.

24 (iii) Used a reading instruction method that focuses on the 5
25 fundamental building blocks of reading: phonics, phonemic
26 awareness, fluency, vocabulary, and comprehension and content
27 knowledge.

1 (iv) Provided teachers of pupils in grades K to 3 with
2 research-based professional development in diagnostic data
3 interpretation.

4 (b) Funding allocated under this subsection shall be
5 distributed to eligible districts by multiplying the number of
6 full-time-equivalent pupils in grade 1 in the district by \$165.00.

7 (c) If the funds allocated under this subsection are
8 insufficient to fully fund the payments under this subsection,
9 payments under this subsection shall be prorated on an equal per-
10 pupil basis based on grade 1 pupils.

11 (6) ~~(7)~~ From the general fund money allocated in subsection
12 (1), the department shall allocate the amount of \$1,000,000.00 for
13 ~~2015-2016-2016-2017~~ to the Michigan Education Corps. All of the
14 following apply to funding under this subsection:

15 (a) By August 1, ~~2016,~~ **2017**, the Michigan Education Corps
16 shall provide a report concerning its use of the funding to the
17 senate and house appropriations subcommittees on state school aid,
18 the senate and house fiscal agencies, and the senate and house
19 caucus policy offices on outcomes and performance measures of the
20 Michigan Education Corps, including, but not limited to, the degree
21 to which the Michigan Education Corps's replication of the Michigan
22 Reading Corps program is demonstrating sufficient efficacy and
23 impact. The report must include data pertaining to at least all of
24 the following:

25 (i) The current impact of the Michigan Reading Corps on this
26 state in terms of numbers of children and programs receiving
27 support. This portion of the report shall specify the number of

1 children tutored, including dosage and completion, and the
2 demographics of those children.

3 (ii) Whether the assessments and interventions are implemented
4 with fidelity. This portion of the report shall include details on
5 the total number of assessments and interventions completed and the
6 range, median, mean, and standard deviation for all assessments.

7 (iii) Whether the literacy improvement of children
8 participating in the Michigan Reading Corps is consistent with
9 expectations. This portion of the report shall detail at least all
10 of the following:

11 (A) Growth rate by grade level, in comparison to targeted
12 growth rate.

13 (B) Average linear growth rates.

14 (C) Exit rates.

15 (D) Percentage of children who exit who also meet or exceed
16 spring benchmarks.

17 (iv) The impact of the Michigan Reading Corps on organizations
18 and stakeholders, including, but not limited to, school
19 administrators, internal coaches, and AmeriCorps members.

20 (b) If the department determines that the Michigan Education
21 Corps has misused the funds allocated under this subsection, the
22 Michigan Education Corps shall reimburse this state for the amount
23 of state funding misused.

24 (8) From the general fund money allocated under subsection
25 (1), there is allocated to the department an amount not to exceed
26 \$500,000.00 for 2015-2016 for the adoption of a certification test
27 to ensure that all newly certificated elementary teachers have the

1 skills to deliver evidence-based literacy instruction. **THE FUNDS**
2 **ALLOCATED UNDER THIS SUBSECTION ARE A WORK PROJECT APPROPRIATION,**
3 **AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO**
4 **2016-2017.**

5 Sec. 39. (1) An eligible applicant receiving funds under
6 section 32d shall submit an application, in a form and manner
7 prescribed by the department, by a date specified by the department
8 in the immediately preceding state fiscal year. The application
9 shall include a comprehensive needs assessment using aggregated
10 data from the applicant's entire service area and a community
11 collaboration plan that is endorsed by the local great start
12 collaborative and is part of the community's great start strategic
13 plan that includes, but is not limited to, great start readiness
14 program and head start providers, and shall identify all of the
15 following:

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

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

23 (c) The number of ~~children the applicant will be able to serve~~
24 **SLOTS THE APPLICANT WILL BE ABLE TO FILL WITH CHILDREN** who meet the
25 criteria of section 32d including a verification of physical
26 facility and staff resources capacity.

27 (d) The estimated number of **SLOTS THAT WILL REMAIN UNFILLED**

1 **AND** children who meet the criteria of section 32d who will remain
2 unserved after the applicant and community early childhood programs
3 have met their funded enrollments. The applicant shall maintain a
4 waiting list of identified unserved eligible children who would be
5 served when openings are available.

6 (2) After notification of funding allocations, an applicant
7 receiving funds under section 32d shall also submit an
8 implementation plan for approval, in a form and manner prescribed
9 by the department, by a date specified by the department, that
10 details how the applicant complies with the program components
11 established by the department pursuant to section 32d.

12 (3) The number of prekindergarten children construed to be in
13 need of special readiness assistance under section 32d shall be
14 calculated for each applicant in the following manner: 1/2 of the
15 percentage of the applicant's pupils in grades 1 to 5 in all
16 districts served by the applicant who are eligible for free lunch,
17 as determined using the district's pupil membership count as of the
18 pupil membership count day in the school year prior to the fiscal
19 year for which the calculation is made, under the Richard B.
20 Russell national school lunch act, 42 USC 1751 to 1769i, shall be
21 multiplied by the average kindergarten enrollment of the districts
22 served by the applicant on the pupil membership count day of the 2
23 immediately preceding fiscal years. **EACH CHILD CONSTRUED TO BE IN**
24 **NEED SHALL CONSTITUTE 1 SLOT.**

25 (4) The initial allocation for each fiscal year to each
26 eligible applicant under section 32d shall be determined by
27 multiplying the number of ~~children~~**SLOTS** determined by the formula

1 under subsection (3) or the number of ~~children-SLOTS~~ the applicant
 2 indicates it will be able to ~~serve-FILL~~ under subsection (1)(c),
 3 whichever is less, by \$3,625.00 and shall be distributed among
 4 applicants in decreasing order of concentration of eligible
 5 children as determined by the formula under subsection (3). If the
 6 number of ~~children-SLOTS~~ an applicant indicates it will be able to
 7 ~~serve-FILL~~ under subsection (1)(c) includes children able to be
 8 served in a school-day program, then the number ~~able to be served~~
 9 ~~in-OF SLOTS FOR~~ a school-day program shall be doubled for the
 10 purposes of making this calculation. ~~of the lesser of the number of~~
 11 ~~children determined by the formula under subsection (3) and the~~
 12 ~~number of children the applicant indicates it will be able to serve~~
 13 ~~under subsection (1)(c) and determining the amount of the initial~~
 14 ~~allocation to the applicant under section 32d.~~ A district may
 15 contract with a head start agency to serve children enrolled in
 16 head start with a school-day program by blending head start funds
 17 with a part-day great start readiness program allocation. All head
 18 start and great start readiness program policies and regulations
 19 apply to the blended program.

20 (5) If funds allocated for eligible applicants under section
 21 32d remain after the initial allocation under subsection (4), the
 22 allocation under this subsection shall be distributed to each
 23 eligible applicant under section 32d in decreasing order of
 24 concentration of eligible children as determined by the formula
 25 under subsection (3). The allocation shall be determined by
 26 multiplying the number of ~~children-SLOTS~~ in each district within
 27 the applicant's service area ~~served-FILLED~~ in the immediately

1 preceding fiscal year or the number of ~~children-SLOTS~~ the applicant
2 indicates it will be able to ~~serve-FILL~~ under subsection (1)(c),
3 whichever is less, minus the number of ~~children-SLOTS~~ for which the
4 applicant received funding in subsection (4) by \$3,625.00.

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

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

27 (7) ~~(8)~~—If, taking into account the total amount to be

1 allocated to the applicant as calculated under this section, an
2 applicant determines that it is able to include additional eligible
3 children in the great start readiness program without additional
4 funds under section 32d, the applicant may include additional
5 eligible children but shall not receive additional funding under
6 section 32d for those children.

7 Sec. 39a. (1) From the federal funds appropriated in section
8 11, there is allocated for ~~2015-2016~~**2016-2017** to districts,
9 intermediate districts, and other eligible entities all available
10 federal funding, estimated at \$779,076,400.00 for the federal
11 programs under the no child left behind act of 2001, Public Law
12 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95.**

13 These funds are allocated as follows:

14 (a) An amount estimated at \$5,000,000.00 to provide students
15 with drug- and violence-prevention programs and to implement
16 strategies to improve school safety, funded from DED-OESE, drug-
17 free schools and communities funds.

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

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

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

1 (e) An amount estimated at \$3,000,000.00 for rural and low
2 income schools, funded from DED-OESE, rural and low income school
3 funds.

4 (f) An amount estimated at \$565,000,000.00 to provide
5 supplemental programs to enable educationally disadvantaged
6 children to meet challenging academic standards, funded from DED-
7 OESE, title I, disadvantaged children funds.

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

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

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

19 **(J) AN AMOUNT ESTIMATED AT \$55,900,000.00 TO IMPROVE THE**
20 **ACADEMIC ACHIEVEMENT OF STUDENTS, FUNDED FROM DED-OESE, TITLE IV,**
21 **STUDENT SUPPORT AND ACADEMIC ENRICHMENT GRANTS.**

22 (2) From the federal funds appropriated in section 11, there
23 is allocated for ~~2015-2016~~ **2016-2017** to districts, intermediate
24 districts, and other eligible entities all available federal
25 funding, estimated at \$30,800,000.00 for the following programs
26 that are funded by federal grants:

27 (a) An amount estimated at \$200,000.00 for acquired

1 immunodeficiency syndrome education grants, funded from HHS -
2 Centers for Disease Control and Prevention, AIDS funding.

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

6 (c) An amount estimated at \$4,000,000.00 to provide mental
7 health, substance abuse, or violence prevention services to
8 students, funded from HHS-SAMHSA.

9 (d) An amount estimated at \$24,000,000.00 for providing career
10 and technical education services to pupils, funded from DED-OVAE,
11 basic grants to states.

12 (3) All federal funds allocated under this section shall be
13 distributed in accordance with federal law and with flexibility
14 provisions outlined in Public Law 107-116, and in the education
15 flexibility partnership act of 1999, Public Law 106-25.
16 Notwithstanding section 17b, payments of federal funds to
17 districts, intermediate districts, and other eligible entities
18 under this section shall be paid on a schedule determined by the
19 department.

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

25 **(5) FOR THE PURPOSES OF FUNDING FEDERAL TITLE I GRANTS UNDER**
26 **THIS ARTICLE, IN ADDITION TO ANY OTHER FEDERAL GRANTS FOR WHICH A**
27 **STRICT DISCIPLINE ACADEMY IS ELIGIBLE, THE DEPARTMENT SHALL**

1 ALLOCATE TO STRICT DISCIPLINE ACADEMIES OUT OF TITLE I, PART A
2 FUNDS EQUAL TO WHAT A STRICT DISCIPLINE ACADEMY WOULD HAVE RECEIVED
3 IF INCLUDED AND CALCULATED UNDER TITLE I, PART D, OR WHAT IT WOULD
4 RECEIVE UNDER THE FORMULA ALLOCATION UNDER TITLE I, PART A,
5 WHICHEVER IS GREATER.

6 (6) ~~(5)~~—As used in this section:

7 (a) "DED" means the United States Department of Education.

8 (b) "DED-OESE" means the DED Office of Elementary and
9 Secondary Education.

10 (c) "DED-OVAE" means the DED Office of Vocational and Adult
11 Education.

12 (d) "HHS" means the United States Department of Health and
13 Human Services.

14 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental
15 Health Services Administration.

16 Sec. 41. From the appropriation in section 11, there is
17 allocated an amount not to exceed \$1,200,000.00 for ~~2015-2016-2016-~~
18 ~~2017~~ to applicant districts and intermediate districts offering
19 programs of instruction for pupils of limited English-speaking
20 ability under section 1153 of the revised school code, MCL
21 380.1153. Reimbursement shall be on a per-pupil basis and shall be
22 based on the number of pupils of limited English-speaking ability
23 in membership on the pupil membership count day. Funds allocated
24 under this section shall be used solely for instruction in
25 speaking, reading, writing, or comprehension of English. A pupil
26 shall not be counted under this section or instructed in a program
27 under this section for more than 3 years.

1 Sec. 51a. (1) From the appropriation in section 11, there is
2 allocated an amount not to exceed ~~\$901,946,100.00 for 2014-2015 and~~
3 ~~an amount not to exceed \$918,546,100.00 for 2015-2016~~
4 **\$973,046,100.00 FOR 2016-2017** from state sources and all available
5 federal funding under sections 611 to 619 of part B of the
6 individuals with disabilities education act, 20 USC 1411 to 1419,
7 estimated at \$370,000,000.00 ~~each fiscal year for 2014-2015 and for~~
8 ~~2015-2016,~~ **FOR 2016-2017**, plus any carryover federal funds from
9 previous year appropriations. The allocations under this subsection
10 are for the purpose of reimbursing districts and intermediate
11 districts for special education programs, services, and special
12 education personnel as prescribed in article 3 of the revised
13 school code, MCL 380.1701 to 380.1766; net tuition payments made by
14 intermediate districts to the Michigan schools for the deaf and
15 blind; and special education programs and services for pupils who
16 are eligible for special education programs and services according
17 to statute or rule. For meeting the costs of special education
18 programs and services not reimbursed under this article, a district
19 or intermediate district may use money in general funds or special
20 education funds, not otherwise restricted, or contributions from
21 districts to intermediate districts, tuition payments, gifts and
22 contributions from individuals or other entities, or federal funds
23 that may be available for this purpose, as determined by the
24 intermediate district plan prepared pursuant to article 3 of the
25 revised school code, MCL 380.1701 to 380.1766. Notwithstanding
26 section 17b, payments of federal funds to districts, intermediate
27 districts, and other eligible entities under this section shall be

1 paid on a schedule determined by the department.

2 (2) From the funds allocated under subsection (1), there is
3 allocated the amount necessary, estimated at ~~\$248,100,000.00 for~~
4 ~~2014-2015 and estimated at \$251,800,000.00 for 2015-2016,~~
5 **\$271,600,000.00 FOR 2016-2017**, for payments toward reimbursing
6 districts and intermediate districts for 28.6138% of total approved
7 costs of special education, excluding costs reimbursed under
8 section 53a, and 70.4165% of total approved costs of special
9 education transportation. Allocations under this subsection shall
10 be made as follows:

11 (a) The initial amount allocated to a district under this
12 subsection toward fulfilling the specified percentages shall be
13 calculated by multiplying the district's special education pupil
14 membership, excluding pupils described in subsection (11), times
15 the foundation allowance under section 20 of the pupil's district
16 of residence **PLUS THE AMOUNT OF THE DISTRICT'S PER-PUPIL ALLOCATION**
17 **UNDER SECTION 20F(6)**, not to exceed the basic foundation allowance
18 under section 20 for the current fiscal year, or, for a special
19 education pupil in membership in a district that is a public school
20 academy, times an amount equal to the amount per membership pupil
21 calculated under section 20(6) or, for a pupil described in this
22 subsection who is counted in membership in the education
23 achievement system, times an amount equal to the amount per
24 membership pupil under section 20(7). For an intermediate district,
25 the amount allocated under this subdivision toward fulfilling the
26 specified percentages shall be an amount per special education
27 membership pupil, excluding pupils described in subsection (11),

1 and shall be calculated in the same manner as for a district, using
2 the foundation allowance under section 20 of the pupil's district
3 of residence, not to exceed the basic foundation allowance under
4 section 20 for the current fiscal year, **AND THAT DISTRICT'S PER-**
5 **PUPIL ALLOCATION UNDER SECTION 20F(6) .**

6 (b) After the allocations under subdivision (a), districts and
7 intermediate districts for which the payments calculated under
8 subdivision (a) do not fulfill the specified percentages shall be
9 paid the amount necessary to achieve the specified percentages for
10 the district or intermediate district.

11 (3) From the funds allocated under subsection (1), there is
12 allocated for ~~2014-2015 an amount not to exceed \$1,000,000.00 and~~
13 ~~there is allocated for 2015-2016~~ **2016-2017** an amount not to exceed
14 ~~\$1,300,000.00~~ **\$1,100,000.00** to make payments to districts and
15 intermediate districts under this subsection. If the amount
16 allocated to a district or intermediate district for a fiscal year
17 under subsection (2)(b) is less than the sum of the amounts
18 allocated to the district or intermediate district for 1996-97
19 under sections 52 and 58, there is allocated to the district or
20 intermediate district for the fiscal year an amount equal to that
21 difference, adjusted by applying the same proration factor that was
22 used in the distribution of funds under section 52 in 1996-97 as
23 adjusted to the district's or intermediate district's necessary
24 costs of special education used in calculations for the fiscal
25 year. This adjustment is to reflect reductions in special education
26 program operations or services between 1996-97 and subsequent
27 fiscal years. Adjustments for reductions in special education

1 program operations or services shall be made in a manner determined
2 by the department and shall include adjustments for program or
3 service shifts.

4 (4) If the department determines that the sum of the amounts
5 allocated for a fiscal year to a district or intermediate district
6 under subsection (2)(a) and (b) is not sufficient to fulfill the
7 specified percentages in subsection (2), then the shortfall shall
8 be paid to the district or intermediate district during the fiscal
9 year beginning on the October 1 following the determination and
10 payments under subsection (3) shall be adjusted as necessary. If
11 the department determines that the sum of the amounts allocated for
12 a fiscal year to a district or intermediate district under
13 subsection (2)(a) and (b) exceeds the sum of the amount necessary
14 to fulfill the specified percentages in subsection (2), then the
15 department shall deduct the amount of the excess from the
16 district's or intermediate district's payments under this article
17 for the fiscal year beginning on the October 1 following the
18 determination and payments under subsection (3) shall be adjusted
19 as necessary. However, if the amount allocated under subsection
20 (2)(a) in itself exceeds the amount necessary to fulfill the
21 specified percentages in subsection (2), there shall be no
22 deduction under this subsection.

23 (5) State funds shall be allocated on a total approved cost
24 basis. Federal funds shall be allocated under applicable federal
25 requirements, except that an amount not to exceed \$3,500,000.00 may
26 be allocated by the department ~~each fiscal year for 2014-2015 and~~
27 ~~for 2015-2016~~ **FOR 2016-2017** to districts, intermediate districts,

1 or other eligible entities on a competitive grant basis for
2 programs, equipment, and services that the department determines to
3 be designed to benefit or improve special education on a statewide
4 scale.

5 (6) From the amount allocated in subsection (1), there is
6 allocated an amount not to exceed \$2,200,000.00 ~~each fiscal year~~
7 ~~for 2014-2015 and for 2015-2016~~ **FOR 2016-2017** to reimburse 100% of
8 the net increase in necessary costs incurred by a district or
9 intermediate district in implementing the revisions in the
10 administrative rules for special education that became effective on
11 July 1, 1987. As used in this subsection, "net increase in
12 necessary costs" means the necessary additional costs incurred
13 solely because of new or revised requirements in the administrative
14 rules minus cost savings permitted in implementing the revised
15 rules. Net increase in necessary costs shall be determined in a
16 manner specified by the department.

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

19 (a) "Total approved costs of special education" shall be
20 determined in a manner specified by the department and may include
21 indirect costs, but shall not exceed 115% of approved direct costs
22 for section 52 and section 53a programs. The total approved costs
23 include salary and other compensation for all approved special
24 education personnel for the program, including payments for social
25 security and Medicare and public school employee retirement system
26 contributions. The total approved costs do not include salaries or
27 other compensation paid to administrative personnel who are not

1 special education personnel as defined in section 6 of the revised
2 school code, MCL 380.6. Costs reimbursed by federal funds, other
3 than those federal funds included in the allocation made under this
4 article, are not included. Special education approved personnel not
5 utilized full time in the evaluation of students or in the delivery
6 of special education programs, ancillary, and other related
7 services shall be reimbursed under this section only for that
8 portion of time actually spent providing these programs and
9 services, with the exception of special education programs and
10 services provided to youth placed in child caring institutions or
11 juvenile detention programs approved by the department to provide
12 an on-grounds education program.

13 (b) Beginning with the 2004-2005 fiscal year, a district or
14 intermediate district that employed special education support
15 services staff to provide special education support services in
16 2003-2004 or in a subsequent fiscal year and that in a fiscal year
17 after 2003-2004 receives the same type of support services from
18 another district or intermediate district shall report the cost of
19 those support services for special education reimbursement purposes
20 under this article. This subdivision does not prohibit the transfer
21 of special education classroom teachers and special education
22 classroom aides if the pupils counted in membership associated with
23 those special education classroom teachers and special education
24 classroom aides are transferred and counted in membership in the
25 other district or intermediate district in conjunction with the
26 transfer of those teachers and aides.

27 (c) If the department determines before bookclosing for a

1 fiscal year that the amounts allocated for that fiscal year under
2 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
3 will exceed expenditures for that fiscal year under subsections
4 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
5 district or intermediate district whose reimbursement for that
6 fiscal year would otherwise be affected by subdivision (b),
7 subdivision (b) does not apply to the calculation of the
8 reimbursement for that district or intermediate district and
9 reimbursement for that district or intermediate district shall be
10 calculated in the same manner as it was for 2003-2004. If the
11 amount of the excess allocations under subsections (2), (3), (6),
12 and (11) and sections 53a, 54, and 56 is not sufficient to fully
13 fund the calculation of reimbursement to those districts and
14 intermediate districts under this subdivision, then the
15 calculations and resulting reimbursement under this subdivision
16 shall be prorated on an equal percentage basis. Beginning in 2015-
17 2016, the amount of reimbursement under this subdivision for a
18 fiscal year shall not exceed \$2,000,000.00 for any district or
19 intermediate district.

20 (d) Reimbursement for ancillary and other related services, as
21 defined by R 340.1701c of the Michigan administrative code, shall
22 not be provided when those services are covered by and available
23 through private group health insurance carriers or federal
24 reimbursed program sources unless the department and district or
25 intermediate district agree otherwise and that agreement is
26 approved by the state budget director. Expenses, other than the
27 incidental expense of filing, shall not be borne by the parent. In

1 addition, the filing of claims shall not delay the education of a
2 pupil. A district or intermediate district shall be responsible for
3 payment of a deductible amount and for an advance payment required
4 until the time a claim is paid.

5 (e) Beginning with calculations for 2004-2005, if an
6 intermediate district purchases a special education pupil
7 transportation service from a constituent district that was
8 previously purchased from a private entity; if the purchase from
9 the constituent district is at a lower cost, adjusted for changes
10 in fuel costs; and if the cost shift from the intermediate district
11 to the constituent does not result in any net change in the revenue
12 the constituent district receives from payments under sections 22b
13 and 51c, then upon application by the intermediate district, the
14 department shall direct the intermediate district to continue to
15 report the cost associated with the specific identified special
16 education pupil transportation service and shall adjust the costs
17 reported by the constituent district to remove the cost associated
18 with that specific service.

19 (8) A pupil who is enrolled in a full-time special education
20 program conducted or administered by an intermediate district or a
21 pupil who is enrolled in the Michigan schools for the deaf and
22 blind shall not be included in the membership count of a district,
23 but shall be counted in membership in the intermediate district of
24 residence.

25 (9) Special education personnel transferred from 1 district to
26 another to implement the revised school code shall be entitled to
27 the rights, benefits, and tenure to which the person would

1 otherwise be entitled had that person been employed by the
2 receiving district originally.

3 (10) If a district or intermediate district uses money
4 received under this section for a purpose other than the purpose or
5 purposes for which the money is allocated, the department may
6 require the district or intermediate district to refund the amount
7 of money received. Money that is refunded shall be deposited in the
8 state treasury to the credit of the state school aid fund.

9 (11) From the funds allocated in subsection (1), there is
10 allocated the amount necessary, estimated at ~~\$3,400,000.00 for~~
11 ~~2014-2015 and estimated at \$3,300,000.00 for 2015-2016,~~
12 **\$3,700,000.00 FOR 2016-2017**, to pay the foundation allowances for
13 pupils described in this subsection. The allocation to a district
14 under this subsection shall be calculated by multiplying the number
15 of pupils described in this subsection who are counted in
16 membership in the district times **SUM OF** the foundation allowance
17 under section 20 of the pupil's district of residence **PLUS THE**
18 **AMOUNT OF THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20F(6)**,
19 not to exceed the basic foundation allowance under section 20 for
20 the current fiscal year, or, for a pupil described in this
21 subsection who is counted in membership in a district that is a
22 public school academy, times an amount equal to the amount per
23 membership pupil under section 20(6) or, for a pupil described in
24 this subsection who is counted in membership in the education
25 achievement system, times an amount equal to the amount per
26 membership pupil under section 20(7). The allocation to an
27 intermediate district under this subsection shall be calculated in

1 the same manner as for a district, using the foundation allowance
2 under section 20 of the pupil's district of residence, not to
3 exceed the basic foundation allowance under section 20 for the
4 current fiscal year, **AND THAT DISTRICT'S PER-PUPIL ALLOCATION UNDER**
5 **SECTION 20F(6)**. This subsection applies to all of the following
6 pupils:

7 (a) Pupils described in section 53a.

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

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

15 (12) If it is determined that funds allocated under subsection
16 (2) or (11) or under section 51c will not be expended, funds up to
17 the amount necessary and available may be used to supplement the
18 allocations under subsection (2) or (11) or under section 51c in
19 order to fully fund those allocations. After payments under
20 subsections (2) and (11) and section 51c, the remaining
21 expenditures from the allocation in subsection (1) shall be made in
22 the following order:

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

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

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

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

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

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

5 (14) If a public school academy enrolls pursuant to this
6 section a pupil who resides outside of the intermediate district in
7 which the public school academy is located and who is eligible for
8 special education programs and services according to statute or
9 rule, or who is a child with disabilities, as defined under the
10 individuals with disabilities education act, Public Law 108-446,
11 the provision of special education programs and services and the
12 payment of the added costs of special education programs and
13 services for the pupil are the responsibility of the district and
14 intermediate district in which the pupil resides unless the
15 enrolling district or intermediate district has a written agreement
16 with the district or intermediate district in which the pupil
17 resides or the public school academy for the purpose of providing
18 the pupil with a free appropriate public education and the written
19 agreement includes at least an agreement on the responsibility for
20 the payment of the added costs of special education programs and
21 services for the pupil.

22 ~~(15) It is the intent of the legislature that, beginning~~
23 **BEGINNING** in 2016-2017, a district, public school academy, or
24 intermediate district that fails to comply with subsection (14) or
25 with the requirements of federal regulations regarding the
26 treatment of public school academies and public school academy
27 pupils for the purposes of special education, 34 CFR 300.209,

1 forfeits from its total state aid an amount equal to 10% of its
2 total state aid.

3 Sec. 51c. As required by the court in the consolidated cases
4 known as Durant v State of Michigan, Michigan supreme court docket
5 no. 104458-104492, from the allocation under section 51a(1), there
6 is allocated ~~each fiscal year for 2014-2015 and for 2015-2016~~ the
7 amount necessary, estimated at ~~\$597,300,000.00 for 2014-2015 and~~
8 ~~estimated at \$610,000,000.00 for 2015-2016,~~ **\$644,500,000.00 FOR**
9 **2016-2017**, for payments to reimburse districts for 28.6138% of
10 total approved costs of special education excluding costs
11 reimbursed under section 53a, and 70.4165% of total approved costs
12 of special education transportation. Funds allocated under this
13 section that are not expended in the state fiscal year for which
14 they were allocated, as determined by the department, may be used
15 to supplement the allocations under sections 22a and 22b in order
16 to fully fund those calculated allocations for the same fiscal
17 year.

18 Sec. 51d. (1) From the federal funds appropriated in section
19 11, there is allocated for ~~2015-2016,~~ **2016-2017**, all available
20 federal funding, estimated at \$71,000,000.00, for special education
21 programs and services that are funded by federal grants. All
22 federal funds allocated under this section shall be distributed in
23 accordance with federal law. Notwithstanding section 17b, payments
24 of federal funds to districts, intermediate districts, and other
25 eligible entities under this section shall be paid on a schedule
26 determined by the department.

27 (2) From the federal funds allocated under subsection (1), the

1 following amounts are allocated for ~~2015-2016~~**2016-2017**:

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

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

8 (c) An amount estimated at \$45,000,000.00 for special
9 education programs funded by DED-OSERS, handicapped program,
10 individuals with disabilities act funds.

11 (3) As used in this section, "DED-OSERS" means the United
12 States Department of Education Office of Special Education and
13 Rehabilitative Services.

14 Sec. 53a. (1) For districts, reimbursement for pupils
15 described in subsection (2) shall be 100% of the total approved
16 costs of operating special education programs and services approved
17 by the department and included in the intermediate district plan
18 adopted pursuant to article 3 of the revised school code, MCL
19 380.1701 to 380.1766, minus the district's foundation allowance
20 calculated under section 20 **AND MINUS THE DISTRICT'S PER-PUPIL**
21 **ALLOCATION UNDER SECTION 20F(6)**. For intermediate districts,
22 reimbursement for pupils described in subsection (2) shall be
23 calculated in the same manner as for a district, using the
24 foundation allowance under section 20 of the pupil's district of
25 residence, not to exceed the basic foundation allowance under
26 section 20 for the current fiscal year, **AND THAT DISTRICT'S PER-**
27 **PUPIL ALLOCATION UNDER SECTION 20F(6)**.

1 (2) Reimbursement under subsection (1) is for the following
2 special education pupils:

3 (a) Pupils assigned to a district or intermediate district
4 through the community placement program of the courts or a state
5 agency, if the pupil was a resident of another intermediate
6 district at the time the pupil came under the jurisdiction of the
7 court or a state agency.

8 (b) Pupils who are residents of institutions operated by the
9 department of health and human services.

10 (c) Pupils who are former residents of department of community
11 health institutions for the developmentally disabled who are placed
12 in community settings other than the pupil's home.

13 (d) Pupils enrolled in a department-approved on-grounds
14 educational program longer than 180 days, but not longer than 233
15 days, at a residential child care institution, if the child care
16 institution offered in 1991-92 an on-grounds educational program
17 longer than 180 days but not longer than 233 days.

18 (e) Pupils placed in a district by a parent for the purpose of
19 seeking a suitable home, if the parent does not reside in the same
20 intermediate district as the district in which the pupil is placed.

21 (3) Only those costs that are clearly and directly
22 attributable to educational programs for pupils described in
23 subsection (2), and that would not have been incurred if the pupils
24 were not being educated in a district or intermediate district, are
25 reimbursable under this section.

26 (4) The costs of transportation shall be funded under this
27 section and shall not be reimbursed under section 58.

1 (5) Not more than \$10,500,000.00 of the allocation for ~~2015-~~
2 ~~2016-2016-2017~~ in section 51a(1) shall be allocated under this
3 section.

4 Sec. 54. Each intermediate district shall receive an amount
5 per-pupil for each pupil in attendance at the Michigan schools for
6 the deaf and blind. The amount shall be proportionate to the total
7 instructional cost at each school. Not more than \$1,688,000.00 of
8 the allocation for ~~2015-2016-2016-2017~~ in section 51a(1) shall be
9 allocated under this section.

10 SEC. 54B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
11 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,370,000.00 FOR
12 2016-2017 TO BEGIN IMPLEMENTATION OF THE RECOMMENDATIONS OF THE
13 SPECIAL EDUCATION REFORM TASK FORCE PUBLISHED IN JANUARY 2016.

14 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
15 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$750,000.00 FOR THE PURPOSE
16 OF PILOTING STATEWIDE IMPLEMENTATION OF THE MICHIGAN INTEGRATED
17 BEHAVIOR AND LEARNING SUPPORT INITIATIVE (MIBLSI), A NATIONALLY
18 RECOGNIZED PROGRAM THAT INCLUDES POSITIVE BEHAVIORAL INTERVENTION
19 AND SUPPORTS AND PROVIDES A STATEWIDE STRUCTURE TO SUPPORT LOCAL
20 INITIATIVES FOR AN INTEGRATED BEHAVIOR AND READING PROGRAM. WITH
21 THE ASSISTANCE OF THE INTERMEDIATE DISTRICTS INVOLVED IN MIBLSI,
22 THE DEPARTMENT SHALL IDENTIFY AT LEAST 3 INTERMEDIATE DISTRICTS TO
23 PARTICIPATE IN THE PILOT TO ENSURE THAT MIBLSI CAN BE IMPLEMENTED
24 STATEWIDE WITH FIDELITY AND SUSTAINABILITY. THE DEPARTMENT SHALL
25 ENSURE THAT THE INTERMEDIATE DISTRICTS CHOSEN ARE GEOGRAPHICALLY
26 DIVERSE IN EACH PILOT COHORT. IN ADDITION, THE DEPARTMENT SHALL
27 IDENTIFY AN INTERMEDIATE DISTRICT TO ACT AS A FISCAL AGENT FOR

1 THESE FUNDS.

2 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
3 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$620,000.00 FOR THE PURPOSE
4 OF PROVIDING TRAINING TO INTERMEDIATE DISTRICTS AND DISTRICTS
5 RELATED TO THE SAFE IMPLEMENTATION OF EMERGENCY RESTRAINTS AND
6 SECLUSION. THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A TRAINING
7 PROGRAM THAT IS BASED ON THE STATE BOARD'S ADOPTED STANDARDS AND ON
8 ANY OTHER LEGISLATION ENACTED BY THE LEGISLATURE REGARDING THE
9 EMERGENCY USE OF SECLUSION AND RESTRAINT.

10 Sec. 55. (1) From the money appropriated in section 11, there
11 is allocated an amount not to exceed \$150,000.00 for ~~2015-2016~~
12 2016-2017 to Michigan State University, Department of Epidemiology,
13 for a study of the Conductive Learning Center located at Aquinas
14 College. This funding shall be used to develop and implement an
15 evaluation of the effectiveness of conductive education for
16 children with cerebral palsy. The evaluation shall be
17 multidimensional and shall include a control group of children with
18 cerebral palsy not enrolled in conductive education. It should
19 include an assessment of the motor system itself as well as the
20 impact of conductive education on each of the following:

21 (a) The acquisition of skills permitting complex motor
22 functions.

23 (b) The performance of tasks essential to daily living.

24 (c) The attitudes and feelings of both children and parents.

25 (d) The long-term need for special education for children with
26 cerebral palsy.

27 ~~(2) It is the intent of the legislature that this~~ **THIS** funding

1 is for the ~~first~~ **SECOND** of 2 years of funding for this purpose.

2 Sec. 56. (1) For the purposes of this section:

3 (a) "Membership" means for a particular fiscal year the total
4 membership for the immediately preceding fiscal year of the
5 intermediate district and the districts constituent to the
6 intermediate district.

7 (b) "Millage levied" means the millage levied for special
8 education pursuant to part 30 of the revised school code, MCL
9 380.1711 to 380.1743, including a levy for debt service
10 obligations.

11 (c) "Taxable value" means the total taxable value of the
12 districts constituent to an intermediate district, except that if a
13 district has elected not to come under part 30 of the revised
14 school code, MCL 380.1711 to 380.1743, membership and taxable value
15 of the district shall not be included in the membership and taxable
16 value of the intermediate district.

17 (2) From the allocation under section 51a(1), there is
18 allocated an amount not to exceed \$37,758,100.00 for ~~2015-2016~~
19 **2016-2017** to reimburse intermediate districts levying millages for
20 special education pursuant to part 30 of the revised school code,
21 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
22 reimbursement shall be limited as if the funds were generated by
23 these millages and governed by the intermediate district plan
24 adopted pursuant to article 3 of the revised school code, MCL
25 380.1701 to 380.1766. As a condition of receiving funds under this
26 section, an intermediate district distributing any portion of
27 special education millage funds to its constituent districts shall

1 submit for departmental approval and implement a distribution plan.

2 (3) Reimbursement for those millages levied in ~~2014-2015-2015-~~
3 ~~2016~~ shall be made in ~~2015-2016-2016-2017~~ at an amount per ~~2014-~~
4 ~~2015-2015-2016~~ membership pupil computed by subtracting from
5 ~~\$174,400.00-\$179,100.00~~ the ~~2014-2015-2015-2016~~ taxable value
6 behind each membership pupil and multiplying the resulting
7 difference by the ~~2014-2015-2015-2016~~ millage levied.

8 (4) The amount paid to a single intermediate district under
9 this section shall not exceed 62.9% of the total amount allocated
10 under subsection (2).

11 (5) The amount paid to a single intermediate district under
12 this section shall not be less than 75% of the amount allocated to
13 the intermediate district under this section for the immediately
14 preceding fiscal year.

15 Sec. 61a. (1) From the appropriation in section 11, there is
16 allocated an amount not to exceed \$36,611,300.00 for ~~2015-2016~~
17 ~~2016-2017~~ to reimburse on an added cost basis districts, except for
18 a district that served as the fiscal agent for a vocational
19 education consortium in the 1993-94 school year, and secondary area
20 vocational-technical education centers for secondary-level career
21 and technical education programs according to rules approved by the
22 superintendent. Applications for participation in the programs
23 shall be submitted in the form prescribed by the department. The
24 department shall determine the added cost for each career and
25 technical education program area. The allocation of added cost
26 funds shall be prioritized based on the capital and program
27 expenditures needed to operate the career and technical education

1 programs provided; the number of pupils enrolled; the advancement
2 of pupils through the instructional program; the existence of an
3 articulation agreement with at least 1 postsecondary institution
4 that provides pupils with opportunities to earn postsecondary
5 credit during the pupil's participation in the career and technical
6 education program and transfers those credits to the postsecondary
7 institution upon completion of the career and technical education
8 program; **AND** the program rank in student placement, job openings,
9 and wages, ~~and the length of the training period provided,~~ and
10 shall not exceed 75% of the added cost of any program.

11 Notwithstanding any rule or department determination to the
12 contrary, when determining a district's allocation or the formula
13 for making allocations under this section, the department shall
14 include the participation of pupils in grade 9 in all of those
15 determinations and in all portions of the formula. With the
16 approval of the department, the board of a district maintaining a
17 secondary career and technical education program may offer the
18 program for the period from the close of the school year until
19 September 1. The program shall use existing facilities and shall be
20 operated as prescribed by rules promulgated by the superintendent.

21 (2) Except for a district that served as the fiscal agent for
22 a vocational education consortium in the 1993-94 school year,
23 districts and intermediate districts shall be reimbursed for local
24 career and technical education administration, shared time career
25 and technical education administration, and career education
26 planning district career and technical education administration.
27 The definition of what constitutes administration and reimbursement

1 shall be pursuant to guidelines adopted by the superintendent. Not
 2 more than \$800,000.00 of the allocation in subsection (1) shall be
 3 distributed under this subsection.

4 (3) A career and technical education program funded under this
 5 section may provide an opportunity for participants who are
 6 eligible to be funded under section 107 to enroll in the career and
 7 technical education program funded under this section if the
 8 participation does not occur during regular school hours.

9 Sec. 61b. (1) From the appropriation in section 11, there is
 10 allocated an amount not to exceed \$10,000,000.00 for ~~2015-2016~~
 11 **2016-2017** for CTE early/middle college programs authorized under
 12 this section **AND FOR PROVIDING GRANTS TO SUPPORT THE PLANNING,**
 13 **DEVELOPMENT, OR EXPANSION OF CTE EARLY/MIDDLE COLLEGE PROGRAMS.** The
 14 purpose of these programs is to increase the number of Michigan
 15 residents with high-quality degrees or credentials, and to increase
 16 the number of students who are college and career ready upon high
 17 school graduation.

18 (2) From the funds allocated under subsection (1), an amount
 19 as determined under this ~~subsection~~ **SECTION** shall be allocated to
 20 each intermediate district serving as a fiscal agent for state-
 21 approved CTE early/middle college programs in each of the
 22 prosperity regions and subregions identified by the department. An
 23 intermediate district shall not use more than 5% of the funds
 24 allocated under this ~~subsection~~ **SECTION** for administrative costs
 25 for serving as the fiscal agent.

26 (3) To be an eligible fiscal agent **FOR A GRANT TO EXISTING CTE**
 27 **EARLY MIDDLE/COLLEGE PROGRAMS,** an intermediate district must agree

1 to do all of the following in a form and manner determined by the
2 department:

3 (a) Distribute funds to eligible CTE early/middle college
4 programs in a prosperity region or subregion as described in this
5 section.

6 (b) Collaborate with the talent district career council that
7 is located in the prosperity region or subregion to develop a
8 regional strategic plan under subsection ~~(4)~~—(5) that aligns CTE
9 programs and services into an efficient and effective delivery
10 system for high school students.

11 (c) Implement a regional process to rank career clusters in
12 the prosperity region or subregion as described under subsection
13 ~~(4)~~—(5). Regional processes shall be approved by the department
14 before the ranking of career clusters.

15 (d) Report CTE early/middle college program and student data
16 and information as prescribed by the department.

17 **(4) TO BE AN ELIGIBLE FISCAL AGENT FOR A PLANNING,**
18 **DEVELOPMENT, OR EXPANSION GRANT FOR CTE EARLY MIDDLE/COLLEGE**
19 **PROGRAMS, AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE**
20 **DISTRICTS MUST AGREE TO DO ALL OF THE FOLLOWING IN A FORM AND**
21 **MANNER DETERMINED BY THE DEPARTMENT:**

22 **(A) COMPLETE AND SUBMIT A CTE EARLY/MIDDLE COLLEGE APPLICATION**
23 **THROUGH THE DEPARTMENT, INCLUDING THE MEMORANDUM OF UNDERSTANDING**
24 **UNDER SUBDIVISION (B) AND THE TOTAL POPULATION OF HIGH SCHOOL**
25 **STUDENTS AS MEASURED BY THE PUPIL MEMBERSHIP COUNT DAY FOR EACH**
26 **HIGH SCHOOL THAT IS FORMALLY PART OF THE CTE EARLY/MIDDLE COLLEGE**
27 **THAT IS BEING DEVELOPED OR EXPANDED.**

1 (B) DEVELOP AND APPROVE AN ACCEPTABLE MEMORANDUM OF
2 UNDERSTANDING WITH A COMMUNITY COLLEGE OR OTHER INSTITUTION OF
3 HIGHER EDUCATION.

4 (C) ESTABLISH BUSINESS PARTNERSHIPS FOR EACH OF THE PROGRAMS
5 OF STUDY THAT ARE DEVELOPED OR EXPANDED.

6 (D) OBTAIN APPROVAL OF AN ACCEPTABLE CONSORTIUM AGREEMENT FROM
7 PARTICIPATING LOCAL SCHOOL DISTRICTS' BOARDS OF EDUCATION THAT
8 OFFICIALLY CREATES THE PROGRAM FOR THEIR HIGH SCHOOL STUDENTS FOR
9 THE 2017-2018 SCHOOL YEAR.

10 (E) NOT LATER THAN APRIL 1, 2017, ADVERTISE TO HIGH SCHOOL
11 STUDENTS AND THEIR PARENTS OR GUARDIANS THE CTE EARLY/MIDDLE
12 COLLEGE LEARNING OPPORTUNITY, AND PROVIDE PROOF OF THE
13 ADVERTISEMENT TO THE DEPARTMENT.

14 (F) IF THE FISCAL AGENT IS A CONSORTIUM, REQUIRE THE FISCAL
15 AGENT TO SERVE AS TECHNICAL SUPPORT FOR INTERMEDIATE DISTRICTS THAT
16 ARE WORKING WITH THEIR LOCAL DISTRICTS TO DEVELOP A CTE
17 EARLY/MIDDLE COLLEGE FOR STUDENTS.

18 (5) ~~(4)~~—A regional strategic plan must be approved by the
19 talent district career council before submission to the department.
20 A regional strategic plan shall include, but not be limited to, the
21 following:

22 (a) An identification of regional employer need based on a
23 ranking of all career clusters in the prosperity region or
24 subregion ranked by 10-year job openings projections and median
25 wage for each standard occupational code in each career cluster as
26 obtained from the United States Bureau of Labor Statistics.
27 Standard occupational codes within high-ranking clusters also may

1 be further ranked by median wage. The rankings shall be reviewed by
2 the talent district career council located in the prosperity region
3 or subregion and modified if necessary to accurately reflect
4 employer demand for talent in the prosperity region or subregion. **A**
5 **TALENT DISTRICT CAREER COUNCIL SHALL DOCUMENT THAT IT HAS CONDUCTED**
6 **THIS REVIEW AND DETERMINED THAT IT IS ACCURATE.** These career
7 cluster rankings shall be determined and updated once every 3
8 years.

9 (b) An identification of educational entities in the
10 prosperity region or subregion that will provide eligible CTE
11 early/middle college programs including districts, intermediate
12 districts, postsecondary institutions, and noncredit occupational
13 training programs leading to an industry-recognized credential.

14 (c) A strategy to inform parents and students of CTE
15 early/middle college programs in the prosperity region or
16 subregion.

17 (d) Any other requirements as defined by the department.

18 **(6)** ~~(5)~~—An eligible CTE early/middle college program is a 5-
19 year high school program that meets all of the following:

20 (a) Has been identified in the highest 5 career cluster
21 rankings in any of the 10 regional strategic plans jointly approved
22 by the Michigan talent investment agency in the department of
23 talent and economic development and the department.

24 (b) Has a coherent sequence of courses that will allow a
25 student to earn a high school diploma and achieve at least 1 of the
26 following in a specific career cluster:

27 (i) An associate degree.

1 (ii) An industry-recognized technical certification approved
2 by the Michigan talent investment agency in the department of
3 talent and economic development.

4 (iii) Up to 60 transferable college credits.

5 (iv) Participation in a registered apprenticeship.

6 (c) Is aligned with the Michigan merit curriculum.

7 (d) Has an articulation agreement with at least 1
8 postsecondary institution that provides students with opportunities
9 to receive postsecondary credits during the student's participation
10 in the CTE early/middle college program and transfers those credits
11 to the postsecondary institution upon completion of the CTE
12 early/middle college program.

13 (e) Provides instruction that is supervised, directed, or
14 coordinated by an appropriately certificated CTE teacher or, for
15 concurrent enrollment courses, a postsecondary faculty member.

16 (f) Provides for highly integrated student support services
17 that include at least the following:

18 (i) Teachers as academic advisors.

19 (ii) Supervised course selection.

20 (iii) Monitoring of student progress and completion.

21 (iv) Career planning services provided by a local one-stop
22 service center as described in the Michigan works one-stop service
23 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
24 high school counselor or advisor.

25 (g) Has courses that are taught on a college campus, are
26 college courses offered at the high school and taught by college
27 faculty, or are courses taught in combination with online

1 instruction.

2 (7) ~~(6)~~ Funds to eligible **EXISTING** CTE early/middle college
3 programs shall be distributed as follows:

4 (a) The department shall calculate statewide average CTE costs
5 per ~~full-time-equated~~ pupil for each career cluster by dividing
6 total prior year statewide costs for each career cluster by prior
7 year ~~full-time-equated~~ pupils for each career cluster.

8 (b) Distribution to each eligible CTE early/middle college
9 program shall be the product of 50% of CTE costs per ~~full-time~~
10 ~~equated~~ pupil times the current year ~~full-time-equated~~ pupil
11 enrollment of each career cluster in an eligible CTE early/middle
12 college program.

13 (8) FUNDS TO INTERMEDIATE DISTRICTS OR CONSORTIA OF
14 INTERMEDIATE DISTRICTS FOR PLANNING, DEVELOPMENT, OR EXPANSION
15 GRANTS SHALL BE MADE IN A FORM AND MANNER AS DETERMINED BY THE
16 DEPARTMENT. THE PER-PUPIL AMOUNT OF A PLANNING, DEVELOPMENT, OR
17 EXPANSION GRANT SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE TOTAL
18 ALLOCATION UNDER SUBSECTION (1) AND THE CALCULATED PAYMENTS TO
19 EXISTING PROGRAMS UNDER SUBSECTION (7), DIVIDED BY THE TOTAL NUMBER
20 OF PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE IN GRADES 9 TO
21 12 AS OF THE MOST RECENT PUPIL MEMBERSHIP COUNT DAY WHO WOULD BE
22 PART OF THE CTE EARLY/MIDDLE COLLEGE OPPORTUNITIES THAT ARE BEING
23 DEVELOPED OR EXPANDED. THE AMOUNT OF A GRANT TO AN INTERMEDIATE
24 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS UNDER THIS
25 SUBSECTION SHALL BE EQUAL TO THE PER-PUPIL AMOUNT CALCULATED UNDER
26 THIS SUBSECTION MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED AND IN
27 REGULAR DAILY ATTENDANCE IN GRADES 9 TO 12 AS OF THE MOST RECENT

1 PUPIL MEMBERSHIP COUNT DAY WITHIN THE INTERMEDIATE DISTRICT OR
2 CONSORTIUM OF INTERMEDIATE DISTRICTS FOR EACH HIGH SCHOOL THAT IS
3 PART OF A CTE EARLY/MIDDLE COLLEGE OPPORTUNITY THAT IS BEING
4 DEVELOPED OR EXPANDED. AT A MINIMUM, ELIGIBLE INTERMEDIATE
5 DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS RECEIVING FUNDING
6 FOR PLANNING, DEVELOPMENT, OR EXPANSION GRANTS UNDER THIS SECTION
7 SHALL ENSURE THE CTE EARLY/MIDDLE COLLEGE PROVIDES ALL OF THE
8 FOLLOWING:

9 (A) AN INDIVIDUALIZED EDUCATION PLAN FOR EACH PUPIL ENROLLED
10 IN THE PROGRAM.

11 (B) A CURRICULUM THAT INCLUDES ENTRY-LEVEL COLLEGE COURSES.

12 (C) INSTRUCTION IN MATHEMATICS, SCIENCE, AND LANGUAGE ARTS
13 THAT IS INTEGRATED, WHERE APPROPRIATE, INTO THE COURSES IN THE
14 APPROVED FIELD.

15 (9) FUNDING PROVIDED TO INTERMEDIATE DISTRICTS OR CONSORTIA OF
16 INTERMEDIATE DISTRICTS FOR PLANNING, DEVELOPMENT, OR EXPANSION
17 GRANTS SHALL BE FOR A PERIOD OF 4 CONSECUTIVE FISCAL YEARS. FOR THE
18 FIRST 2 FISCAL YEARS OF THE GRANT PERIOD, THE GRANT AMOUNT SHALL BE
19 100% OF THE AWARD DETERMINED BY THE DEPARTMENT. FOR EACH OF THE
20 REMAINING 2 FISCAL YEARS OF THE GRANT PERIOD, THE GRANT AMOUNT
21 SHALL BE AN AMOUNT EQUAL TO 50% OF THE RECIPIENT'S GRANT AMOUNT FOR
22 THE PREVIOUS FISCAL YEAR.

23 (10) ~~(7)~~—In order to receive funds under this section, a CTE
24 early/middle college program shall furnish to the intermediate
25 district that is the fiscal agent identified in subsection (1), in
26 a form and manner determined by the department, all information
27 needed to administer this program and meet federal reporting

1 requirements; shall allow the department or the department's
2 designee to review all records related to the program for which it
3 receives funds; and shall reimburse the state for all disallowances
4 found in the review, as determined by the department.

5 (11) ~~(8)~~—Funds distributed under this section may be used to
6 fund program expenditures that would otherwise be paid from
7 foundation allowances. **A PROGRAM RECEIVING FUNDING UNDER SECTION**
8 **61A MAY RECEIVE FUNDING UNDER THIS SECTION FOR ALLOWABLE COSTS THAT**
9 **EXCEED THE REIMBURSEMENT THE PROGRAM RECEIVED UNDER SECTION 61A.**
10 **THE COMBINED PAYMENTS RECEIVED BY A PROGRAM UNDER SECTION 61A AND**
11 **THIS SECTION SHALL NOT EXCEED THE TOTAL ALLOWABLE COSTS OF THE**
12 **PROGRAM.** A program provider shall not use more than 5% of the funds
13 allocated under this section to the program for administrative
14 costs.

15 (12) ~~(9)~~—If the allocation under subsection (1) is
16 insufficient to fully fund payments as otherwise calculated under
17 this section, the department shall prorate payments under this
18 section on an equal percentage basis.

19 (13) ~~(10)~~—If pupils enrolled in a career cluster in an
20 eligible CTE early/middle college program qualify to be reimbursed
21 under this section, those pupils continue to qualify for
22 reimbursement until graduation, even if the career cluster is no
23 longer identified as being in the highest 5 career cluster
24 rankings.

25 (14) ~~(11)~~—As used in this section:

26 (a) "Allowable costs" means those costs directly attributable
27 to the program as jointly determined by the Michigan talent

1 investment agency and the department.

2 (b) "CTE" means career and technical education.

3 (c) "Talent district career council" means an advisory council
4 to the local workforce development boards located in a prosperity
5 region consisting of educational, employer, labor, and parent
6 representatives.

7 SEC. 61C. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
8 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED
9 \$10,000,000.00 TO COOPERATING EDUCATIONAL POLICY DISTRICTS FOR THE
10 CTE SKILLED TRADES INITIATIVE UNDER THIS SECTION.

11 (2) TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, EACH
12 CEPD SHALL APPLY IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.
13 FUNDING TO EACH CEPD SHALL BE EQUAL TO THE QUOTIENT OF THE
14 ALLOCATION UNDER SUBSECTION (1) AND THE SUM OF THE NUMBER OF
15 COOPERATING EDUCATIONAL POLICY DISTRICTS APPLYING FOR FUNDING UNDER
16 THIS SECTION.

17 (3) THE FUNDING ALLOCATED TO EACH CEPD SHALL BE USED TO UPDATE
18 EQUIPMENT IN CURRENT CTE PROGRAMS THAT ARE SUPPORTING AND DRIVING
19 ECONOMIC DEVELOPMENT IN THEIR INDIVIDUAL COMMUNITIES, OR FOR NEW
20 AND EMERGING CERTIFIED CTE PROGRAMS TO ALLOW CEPD ADMINISTRATORS TO
21 PROVIDE PROGRAMMING IN COMMUNITIES THAT WILL ENHANCE ECONOMIC
22 DEVELOPMENT. THE FUNDING FOR EQUIPMENT SHOULD BE USED TO SUPPORT
23 AND ENHANCE COMMUNITY AREAS THAT HAVE SUSTAINED JOB GROWTH, AND ACT
24 AS A COMMITMENT TO BUILD A MORE QUALIFIED AND SKILLED WORKFORCE.

25 (4) THE ALLOCATION OF FUNDS AT THE LOCAL LEVEL SHALL BE
26 DETERMINED BY CEPD ADMINISTRATORS USING DATA FROM THE STATE,
27 REGION, AND LOCAL SOURCES TO MAKE WELL-INFORMED DECISIONS ON

1 PROGRAM EQUIPMENT IMPROVEMENTS. GRANTS AWARDED BY CEPD
2 ADMINISTRATORS FOR CAPITAL INFRASTRUCTURE SHALL BE USED TO ENSURE
3 THAT CTE PROGRAMS CAN DELIVER EDUCATIONAL PROGRAMS IN HIGH-WAGE,
4 HIGH-SKILL, AND HIGH-DEMAND OCCUPATIONS. EACH CEPD SHALL CONTINUE
5 TO ENSURE THAT PROGRAM ADVISORY BOARDS MAKE RECOMMENDATIONS ON
6 NEEDED IMPROVEMENTS FOR EQUIPMENT THAT SUPPORT JOB GROWTH AND JOB
7 SKILL DEVELOPMENT AND RETENTION FOR BOTH THE PRESENT AND THE
8 FUTURE.

9 (5) NOT LATER THAN SEPTEMBER 15 OF EACH FISCAL YEAR, EACH CEPD
10 RECEIVING FUNDING UNDER THIS SECTION SHALL ANNUALLY REPORT TO THE
11 DEPARTMENT, THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON
12 STATE SCHOOL AID, AND THE SENATE AND HOUSE FISCAL AGENCIES AND
13 LEGISLATURE ON EQUIPMENT PURCHASED UNDER THIS SECTION. IN ADDITION,
14 THE REPORT SHALL IDENTIFY GROWTH DATA ON PROGRAM INVOLVEMENT,
15 RETENTION, AND DEVELOPMENT OF STUDENT SKILLS.

16 (6) AS USED IN THIS SECTION, "CEPD" MEANS A COOPERATING
17 EDUCATIONAL POLICY DISTRICT DESCRIBED IN THIS SECTION.

18 SEC. 61D. (1) FROM THE GENERAL FUND MONEY APPROPRIATED UNDER
19 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00
20 FOR A COMPETITIVE GRANT TO SUPPORT A PROGRAM THAT IS AN INNOVATIVE
21 RETENTION AND COMPLETION PROGRAM DESIGNED TO CREATE A SEAMLESS
22 EDUCATIONAL AND CAREER PATHWAY SUPPORT STRUCTURE FROM KINDERGARTEN
23 TO A COLLEGE CREDENTIAL THAT DOES AT LEAST ALL OF THE FOLLOWING:

24 (A) CREATES A PIPELINE FROM KINDERGARTEN TO COLLEGE.

25 (B) PROVIDES INTENSIVE COACHING AT ALL LEVELS OF K-12
26 EDUCATION TO FOSTER AN ENVIRONMENT THAT EDUCATES PUPILS ON THE
27 AVAILABILITY AND POSITIVE OUTCOMES FROM POSTSECONDARY EDUCATION.

1 (C) INTRODUCES CAREER CLUSTERS TO ELEMENTARY SCHOOL PUPILS,
2 INTRODUCES CAREER PATHWAYS TO MIDDLE SCHOOL PUPILS, AND DEVELOPS
3 STUDENT SUCCESS PLANS FOR HIGH SCHOOL PUPILS.

4 (D) PROVIDES FAMILY LITERACY SESSIONS.

5 (E) PROVIDES A SUMMER BRIDGE PROGRAM TO ENSURE SEAMLESS
6 TRANSITION FROM HIGH SCHOOL TO POSTSECONDARY EDUCATIONAL
7 OPPORTUNITIES.

8 (F) INTRODUCES K-12 PUPILS TO COLLEGE AND CAREER OPPORTUNITIES
9 AT POSTSECONDARY CAMPUSES AND BRIDGES THOSE PUPILS INTO THE
10 RESPECTIVE POSTSECONDARY INSTITUTIONS FOR COURSEWORK.

11 (G) CREATES A PARTNERSHIP BETWEEN AREA DISTRICTS, A COMMUNITY
12 COLLEGE, AND A PUBLIC UNIVERSITY TO SERVE PUPILS IN THE PROGRAM.

13 (H) SYNCHRONIZES FAMILIES AND PUPILS TO ASSESS AND UNDERSTAND
14 THEIR KNOWLEDGE OF HOW TO BE SUCCESSFUL IN SCHOOL AND WORK.

15 (2) FUNDS TO AN ELIGIBLE INNOVATIVE RETENTION AND COMPLETION
16 PROGRAM UNDER SUBSECTION (1) SHALL BE DISTRIBUTED BY THE DEPARTMENT
17 BASED ON A COMPETITIVE GRANT APPLICATION. AN INNOVATIVE RETENTION
18 AND COMPLETION PROGRAM SEEKING FUNDING UNDER THIS SUBSECTION SHALL
19 SUBMIT AN APPLICATION TO THE DEPARTMENT NOT LATER THAN JANUARY 1,
20 2017 IDENTIFYING PROGRAM PLANS, GOALS, AND A PROJECTED BUDGET, AND
21 THE DEPARTMENT SHALL AWARD THE GRANT FUNDING NOT LATER THAN
22 FEBRUARY 15, 2017. FUNDS ALLOCATED UNDER THIS SUBSECTION MAY BE
23 USED FOR SALARIES AND BENEFITS, SUPPLY AND PROGRAMMING COSTS, AND
24 GAP SCHOLARSHIPS. A PROGRAM RECEIVING FUNDING UNDER THIS SECTION
25 SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
26 SUBCOMMITTEES FOR SCHOOL AID, THE HOUSE AND SENATE FISCAL AGENCIES,
27 AND THE STATE BUDGET DIRECTOR NOT LATER THAN DECEMBER 1, 2017

1 INDICATING STUDENTS SERVED, GOALS ACCOMPLISHED, BARRIERS TO
2 SUCCESS, AND POTENTIAL NEXT STEPS AND OTHER ITEMS DETERMINED BY THE
3 GRANT RECIPIENT. A GRANT APPLICATION FROM A COMMUNITY DESIGNATED
4 WITH A WATER EMERGENCY SHALL BE GRANTED ADDITIONAL CONSIDERATION
5 UNDER THIS SECTION.

6 SEC. 61E. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN
7 SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO
8 EXCEED \$100,000.00 TO AN ELIGIBLE MICHIGAN-APPROVED 501(C) (3)
9 ORGANIZATION FOR THE PURPOSES OF THIS SECTION. THE DEPARTMENT SHALL
10 OVERSEE FUNDS DISTRIBUTED TO AN ELIGIBLE GRANTEE UNDER THIS
11 SECTION.

12 (2) AS USED IN THIS SECTION, "ELIGIBLE MICHIGAN-APPROVED
13 501(C) (3) ORGANIZATION" MEANS AN ORGANIZATION THAT IS EXEMPT FROM
14 TAXATION UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE OF
15 1986, 26 USC 501, THAT PROVIDES CURRICULUM AND TRAINING TO STATE-
16 APPROVED CAREER AND TECHNOLOGY EDUCATION PROGRAMS WITH
17 CLASSIFICATION OF INSTRUCTIONAL PROGRAMS (CIP) CODES IN THE 12.05XX
18 CATEGORY, AND THAT ADMINISTERS NATIONAL CERTIFICATION FOR THE
19 PURPOSE OF RESTAURANT MANAGEMENT AND CULINARY ARTS FOR CAREER AND
20 PROFESSIONAL DEVELOPMENT.

21 Sec. 62. (1) For the purposes of this section:

22 (a) "Membership" means for a particular fiscal year the total
23 membership for the immediately preceding fiscal year of the
24 intermediate district and the districts constituent to the
25 intermediate district or the total membership for the immediately
26 preceding fiscal year of the area vocational-technical program.

27 (b) "Millage levied" means the millage levied for area

1 vocational-technical education pursuant to sections 681 to 690 of
2 the revised school code, MCL 380.681 to 380.690, including a levy
3 for debt service obligations incurred as the result of borrowing
4 for capital outlay projects and in meeting capital projects fund
5 requirements of area vocational-technical education.

6 (c) "Taxable value" means the total taxable value of the
7 districts constituent to an intermediate district or area
8 vocational-technical education program, except that if a district
9 has elected not to come under sections 681 to 690 of the revised
10 school code, MCL 380.681 to 380.690, the membership and taxable
11 value of that district shall not be included in the membership and
12 taxable value of the intermediate district. However, the membership
13 and taxable value of a district that has elected not to come under
14 sections 681 to 690 of the revised school code, MCL 380.681 to
15 380.690, shall be included in the membership and taxable value of
16 the intermediate district if the district meets both of the
17 following:

18 (i) The district operates the area vocational-technical
19 education program pursuant to a contract with the intermediate
20 district.

21 (ii) The district contributes an annual amount to the
22 operation of the program that is commensurate with the revenue that
23 would have been raised for operation of the program if millage were
24 levied in the district for the program under sections 681 to 690 of
25 the revised school code, MCL 380.681 to 380.690.

26 (2) From the appropriation in section 11, there is allocated
27 an amount not to exceed \$9,190,000.00 for ~~2015-2016~~**2016-2017** to

1 reimburse intermediate districts and area vocational-technical
2 education programs established under section 690(3) of the revised
3 school code, MCL 380.690, levying millages for area vocational-
4 technical education pursuant to sections 681 to 690 of the revised
5 school code, MCL 380.681 to 380.690. The purpose, use, and
6 expenditure of the reimbursement shall be limited as if the funds
7 were generated by those millages.

8 (3) Reimbursement for the millages levied in ~~2014-2015-2015-~~
9 ~~2016~~ shall be made in ~~2015-2016-2016-2017~~ at an amount per ~~2014-~~
10 ~~2015-2015-2016~~ membership pupil computed by subtracting from
11 ~~\$189,400.00-\$196,100.00~~ the ~~2014-2015-2015-2016~~ taxable value
12 behind each membership pupil and multiplying the resulting
13 difference by the ~~2014-2015-2015-2016~~ millage levied.

14 (4) The amount paid to a single intermediate district under
15 this section shall not exceed 38.4% of the total amount allocated
16 under subsection (2).

17 (5) The amount paid to a single intermediate district under
18 this section shall not be less than 75% of the amount allocated to
19 the intermediate district under this section for the immediately
20 preceding fiscal year.

21 **SEC. 63. FROM THE APPROPRIATION UNDER SECTION 11, THERE IS**
22 **ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$500,000.00 FOR A**
23 **PAYMENT TO AN INTERMEDIATE DISTRICT THAT IS PARTICIPATING IN A**
24 **JOINT CAPITAL PROJECT WITH A LOCAL HEALTH DEPARTMENT IN WHICH THE**
25 **HEALTH DEPARTMENT IS CONSTRUCTING A NEW BUILDING ON THE**
26 **INTERMEDIATE DISTRICT'S PROPERTY THAT WILL HAVE AN ENCLOSED HALLWAY**
27 **TO CONNECT WITH A CAREER AND TECHNICAL EDUCATION CENTER. THIS**

1 **ALLOCATION IS TO SUPPORT THE COSTS INCURRED BY THE INTERMEDIATE**
2 **DISTRICT DUE TO THIS PROJECT.**

3 Sec. 64b. (1) From the appropriation in section 11, there is
4 allocated an amount not to exceed \$1,750,000.00 for ~~2015-2016-2016-~~
5 **2017** 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~~**A** community college or state public
3 university in this state upon successful completion of the course
4 as outlined 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 ~~2015-2016~~
9 **2016-2017** 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 ~~2015-2016~~**2016-2017** 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. 65. (1) From the general fund money appropriated under
21 section 11, there is allocated an amount not to exceed \$340,000.00
22 for ~~2015-2016~~**2016-2017** for a pre-college engineering K-12
23 educational program that is focused on the development of a diverse
24 future Michigan workforce, that serves multiple communities within
25 southeast Michigan, that enrolls pupils from multiple districts,
26 and that received funds appropriated for this purpose in the
27 appropriations act that provided the Michigan strategic fund budget

1 for 2014-2015.

2 (2) To be eligible for funding under this section, a program
3 must have the ability to expose pupils to, and motivate and prepare
4 pupils for, science, technology, engineering, and mathematics
5 careers and postsecondary education with special attention given to
6 groups of pupils who are at-risk and underrepresented in technical
7 professions and careers.

8 Sec. 67. (1) From the general fund amount appropriated in
9 section 11, there is allocated an amount not to exceed
10 ~~\$3,600,000.00 for 2015-2016~~ **\$3,050,000.00 FOR 2016-2017** for college
11 and career preparation activities. The programs funded under this
12 section are intended to inform students of college and career
13 options and to provide a wide array of tools and resources intended
14 to increase the number of pupils who are adequately prepared with
15 the information needed to make informed decisions on college and
16 career. The funds appropriated under this section are intended to
17 be used to increase the number of Michigan residents with high-
18 quality degrees or credentials. Funds appropriated under this
19 section shall not be used to supplant funding for counselors
20 already funded by districts.

21 (2) From the amount allocated in subsection (1), an amount not
22 to exceed \$3,000,000.00 shall be used for the college access
23 program. The talent investment agency of the department of talent
24 and economic development shall administer these funds in
25 collaboration with the Michigan college access network. These funds
26 may be used for any of the following purposes:

27 (a) Michigan college access network operations, programming,

1 and services to local college access networks.

2 (b) Local college access networks, which are community-based
3 college access/success partnerships committed to increasing the
4 college participation and completion rates within geographically
5 defined communities through a coordinated strategy.

6 (c) The Michigan college advising program, a program intended
7 to place trained, recently graduated college advisors in high
8 schools that serve significant numbers of low-income and first-
9 generation college-going pupils. State funds used for this purpose
10 may not exceed 33% of the total funds available under this
11 subsection.

12 (d) Subgrants of up to \$5,000.00 to districts with
13 comprehensive high schools that establish a college access team and
14 implement specific strategies to create a college-going culture in
15 a high school in a form and manner approved by the Michigan college
16 access network and the Michigan talent investment agency.

17 (e) The Michigan college access portal, an online one-stop
18 portal to help pupils and families plan and apply for college.

19 (f) Public awareness and outreach campaigns to encourage low-
20 income and first-generation college-going pupils to take necessary
21 steps toward college and to assist pupils and families in
22 completing a timely and accurate free application for federal
23 student aid.

24 (g) Subgrants to postsecondary institutions to recruit, hire,
25 and train college student mentors and college advisors to assist
26 high school pupils in navigating the postsecondary planning and
27 enrollment process.

(3) From the amount allocated in subsection (1), an amount not to exceed ~~\$600,000.00~~ **\$50,000.00** shall be used for ~~the purposes of this subsection. The talent investment agency of the department of talent and economic development shall administer these funds in collaboration with the Michigan college access network and the Michigan Virtual University to provide all of the following:~~

~~—— (a) A pilot~~ **AN** outreach program to provide information to pupils, parents, and educators on dual enrollment and other opportunities available to high school pupils to earn postsecondary credits, industry-recognized technical certifications, and participation in registered apprenticeships at no cost.

~~—— (b) An online career planning tool that meets all of the following:~~

~~—— (i) Helps pupils create educational development plans before starting high school.~~

~~—— (ii) Provides information to pupils allowing them to make more informed choices about career and education options.~~

~~—— (iii) Is available to pupils at no cost.~~

(4) For the purposes of this section, "college" means any postsecondary educational opportunity that leads to a career, including, but not limited to, a postsecondary degree, industry-recognized technical certification, or registered apprenticeship.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed ~~\$3,315,700.00 for 2015-2016~~ **\$3,320,600.00 FOR 2016-2017** for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for each fiscal year the amount necessary for payments to state

1 supported colleges or universities and intermediate districts
2 providing school bus driver safety instruction pursuant to section
3 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
4 payments shall be in an amount determined by the department not to
5 exceed the actual cost of instruction and driver compensation for
6 each public or nonpublic school bus driver attending a course of
7 instruction. For the purpose of computing compensation, the hourly
8 rate allowed each school bus driver shall not exceed the hourly
9 rate received for driving a school bus. Reimbursement compensating
10 the driver during the course of instruction shall be made by the
11 department to the college or university or intermediate district
12 providing the course of instruction.

13 (3) From the allocation in subsection (1), there is allocated
14 for ~~2015-2016-2016-2017~~ the amount necessary to pay the reasonable
15 costs of nonspecial education auxiliary services transportation
16 provided pursuant to section 1323 of the revised school code, MCL
17 380.1323. Districts funded under this subsection shall not receive
18 funding under any other section of this article for nonspecial
19 education auxiliary services transportation.

20 (4) From the funds allocated in subsection (1), there is
21 allocated an amount not to exceed ~~\$1,690,700.00 for 2015-2016~~
22 **\$1,695,600.00 FOR 2016-2017** for reimbursement to districts and
23 intermediate districts for costs associated with the inspection of
24 school buses and pupil transportation vehicles by the department of
25 state police as required under section 715a of the Michigan vehicle
26 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
27 transportation act, 1990 PA 187, MCL 257.1839. The department of

1 state police shall prepare a statement of costs attributable to
 2 each district for which bus inspections are provided and submit it
 3 to the department and to an intermediate district serving as
 4 fiduciary in a time and manner determined jointly by the department
 5 and the department of state police. Upon review and approval of the
 6 statement of cost, the department shall forward to the designated
 7 intermediate district serving as fiduciary the amount of the
 8 reimbursement on behalf of each district and intermediate district
 9 for costs detailed on the statement within 45 days after receipt of
 10 the statement. The designated intermediate district shall make
 11 payment in the amount specified on the statement to the department
 12 of state police within 45 days after receipt of the statement. The
 13 total reimbursement of costs under this subsection shall not exceed
 14 the amount allocated under this subsection. Notwithstanding section
 15 17b, payments to eligible entities under this subsection shall be
 16 paid on a schedule prescribed by the department.

17 Sec. 81. (1) From the appropriation in section 11, there is
 18 allocated for ~~2015-2016-2016-2017~~ to the intermediate districts the
 19 sum necessary, but not to exceed ~~\$67,108,000.00~~ **\$68,182,000.00** to
 20 provide state aid to intermediate districts under this section.

21 (2) From the allocation in subsection (1), there is allocated
 22 for ~~2015-2016-2016-2017~~ an amount not to exceed ~~\$67,108,000.00~~
 23 **\$68,182,000.00** for allocations to each intermediate district in an
 24 amount equal to ~~103.1%~~ **101.6%** of the amount allocated to the
 25 intermediate district under this subsection for ~~2014-2015-~~ **2015-**
 26 **2016**. Funding provided under this section shall be used to comply
 27 with requirements of this article and the revised school code that

1 are applicable to intermediate districts, and for which funding is
2 not provided elsewhere in this article, and to provide technical
3 assistance to districts as authorized by the intermediate school
4 board.

5 (3) Intermediate districts receiving funds under subsection
6 (2) shall collaborate with the department to develop expanded
7 professional development opportunities for teachers to update and
8 expand their knowledge and skills needed to support the Michigan
9 merit curriculum.

10 (4) From the allocation in subsection (1), there is allocated
11 to an intermediate district, formed by the consolidation or
12 annexation of 2 or more intermediate districts or the attachment of
13 a total intermediate district to another intermediate school
14 district or the annexation of all of the constituent K-12 districts
15 of a previously existing intermediate school district which has
16 disorganized, an additional allotment of \$3,500.00 each fiscal year
17 for each intermediate district included in the new intermediate
18 district for 3 years following consolidation, annexation, or
19 attachment.

20 (5) In order to receive funding under subsection (2), an
21 intermediate district shall do all of the following:

22 (a) Demonstrate to the satisfaction of the department that the
23 intermediate district employs at least 1 person who is trained in
24 pupil accounting and auditing procedures, rules, and regulations.

25 (b) Demonstrate to the satisfaction of the department that the
26 intermediate district employs at least 1 person who is trained in
27 rules, regulations, and district reporting procedures for the

1 individual-level student data that serves as the basis for the
2 calculation of the district and high school graduation and dropout
3 rates.

4 (c) Comply with sections 1278a and 1278b of the revised school
5 code, MCL 380.1278a and 380.1278b.

6 (d) Furnish data and other information required by state and
7 federal law to the center and the department in the form and manner
8 specified by the center or the department, as applicable.

9 (e) Comply with section 1230g of the revised school code, MCL
10 380.1230g.

11 (f) Comply with section 761 of the revised school code, MCL
12 380.761.

13 Sec. 94. (1) From the general fund appropriation in section
14 11, there is allocated to the department for ~~2015-2016~~-2016-2017 an
15 amount not to exceed \$250,000.00 for efforts to increase the number
16 of pupils who participate and succeed in advanced placement and
17 international baccalaureate programs.

18 (2) From the funds allocated under this section, the
19 department shall award funds to cover all or part of the costs of
20 advanced placement test fees or international baccalaureate test
21 fees **AND INTERNATIONAL BACCALAUREATE REGISTRATION FEES** for low-
22 income pupils who take an advanced placement or an international
23 baccalaureate test. Payments shall not exceed \$20.00 per test
24 completed **OR \$150.00 PER INTERNATIONAL BACCALAUREATE REGISTRATION**
25 **FEES PER PUPIL REGISTERED.**

26 (3) The department shall only award funds under this section
27 if the department determines that all of the following criteria are

1 met:

2 (a) Each pupil for whom payment is made meets eligibility
3 requirements of the federal advanced placement test fee program
4 under section 1701 of the no child left behind act of 2001, Public
5 Law 107-110, **OR UNDER A CORRESPONDING PROVISION OF THE EVERY**
6 **STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95.**

7 (b) The tests are administered by the college board, the
8 international baccalaureate organization, or another test provider
9 approved by the department.

10 (c) The pupil for whom payment is made pays at least \$5.00
11 toward the cost of each test for which payment is made.

12 (4) The department shall establish procedures for awarding
13 funds under this section.

14 (5) Notwithstanding section 17b, payments under this section
15 shall be made on a schedule determined by the department.

16 Sec. 94a. (1) There is created within the state budget office
17 in the department of technology, management, and budget the center
18 for educational performance and information. The center shall do
19 all of the following:

20 (a) Coordinate the collection of all data required by state
21 and federal law from districts, intermediate districts, and
22 postsecondary institutions.

23 (b) Create, maintain, and enhance this state's P-20
24 longitudinal data system and ensure that it meets the requirements
25 of subsection (4).

26 (c) Collect data in the most efficient manner possible in
27 order to reduce the administrative burden on reporting entities,

1 including, but not limited to, electronic transcript services.

2 (d) Create, maintain, and enhance this state's web-based
3 educational portal to provide information to school leaders,
4 teachers, researchers, and the public in compliance with all
5 federal and state privacy laws. Data shall include, but are not
6 limited to, all of the following:

7 (i) Data sets that link teachers to student information,
8 allowing districts to assess individual teacher impact on student
9 performance and consider student growth factors in teacher and
10 principal evaluation systems.

11 (ii) Data access or, if practical, data sets, provided for
12 regional data warehouses that, in combination with local data, can
13 improve teaching and learning in the classroom.

14 (iii) Research-ready data sets for researchers to perform
15 research that advances this state's educational performance.

16 (e) Provide data in a useful manner to allow state and local
17 policymakers to make informed policy decisions.

18 (f) Provide public reports to the citizens of this state to
19 allow them to assess allocation of resources and the return on
20 their investment in the education system of this state.

21 (g) Other functions as assigned by the state budget director.

22 (2) Each state department, officer, or agency that collects
23 information from districts, intermediate districts, or
24 postsecondary institutions as required under state or federal law
25 shall make arrangements with the center to ensure that the state
26 department, officer, or agency is in compliance with subsection
27 (1). This subsection does not apply to information collected by the

1 department of treasury under the uniform budgeting and accounting
2 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
3 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
4 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
5 388.1939; or section 1351a of the revised school code, MCL
6 380.1351a.

7 (3) The center may enter into any interlocal agreements
8 necessary to fulfill its functions.

9 (4) The center shall ensure that the P-20 longitudinal data
10 system required under subsection (1)(b) meets all of the following:

11 (a) Includes data at the individual student level from
12 preschool through postsecondary education and into the workforce.

13 (b) Supports interoperability by using standard data
14 structures, data formats, and data definitions to ensure linkage
15 and connectivity in a manner that facilitates the exchange of data
16 among agencies and institutions within the state and between
17 states.

18 (c) Enables the matching of individual teacher and student
19 records so that an individual student may be matched with those
20 teachers providing instruction to that student.

21 (d) Enables the matching of individual teachers with
22 information about their certification and the institutions that
23 prepared and recommended those teachers for state certification.

24 (e) Enables data to be easily generated for continuous
25 improvement and decision-making, including timely reporting to
26 parents, teachers, and school leaders on student achievement.

27 (f) Ensures the reasonable quality, validity, and reliability

1 of data contained in the system.

2 (g) Provides this state with the ability to meet federal and
3 state reporting requirements.

4 (h) For data elements related to preschool through grade 12
5 and postsecondary, meets all of the following:

6 (i) Contains a unique statewide student identifier that does
7 not permit a student to be individually identified by users of the
8 system, except as allowed by federal and state law.

9 (ii) Contains student-level enrollment, demographic, and
10 program participation information.

11 (iii) Contains student-level information about the points at
12 which students exit, transfer in, transfer out, drop out, or
13 complete education programs.

14 (iv) Has the capacity to communicate with higher education
15 data systems.

16 (i) For data elements related to preschool through grade 12
17 only, meets all of the following:

18 (i) Contains yearly test records of individual students for
19 assessments approved by DED-OESE for accountability purposes under
20 section 1111(b) of the elementary and secondary education act of
21 1965, 20 USC 6311, including information on individual students not
22 tested, by grade and subject.

23 (ii) Contains student-level transcript information, including
24 information on courses completed and grades earned.

25 (iii) Contains student-level college readiness test scores.

26 (j) For data elements related to postsecondary education only:

27 (i) Contains data that provide information regarding the

1 extent to which individual students transition successfully from
2 secondary school to postsecondary education, including, but not
3 limited to, all of the following:

4 (A) Enrollment in remedial coursework.

5 (B) Completion of 1 year's worth of college credit applicable
6 to a degree within 2 years of enrollment.

7 (ii) Contains data that provide other information determined
8 necessary to address alignment and adequate preparation for success
9 in postsecondary education.

10 (5) From the general fund appropriation in section 11, there
11 is allocated an amount not to exceed ~~\$11,967,000.00 for 2015-2016~~
12 **\$12,173,200.00 FOR 2016-2017** to the department of technology,
13 management, and budget to support the operations of the center. In
14 addition, from the federal funds appropriated in section 11 there
15 is allocated for ~~2015-2016-2016-2017~~ the amount necessary,
16 estimated at \$193,500.00, to support the operations of the center
17 and to establish a P-20 longitudinal data system necessary for
18 state and federal reporting purposes. The center shall cooperate
19 with the department to ensure that this state is in compliance with
20 federal law and is maximizing opportunities for increased federal
21 funding to improve education in this state.

22 (6) From the funds allocated in subsection (5), the center may
23 use an amount determined by the center for competitive grants for
24 ~~2015-2016-2016-2017~~ to support collaborative efforts on the P-20
25 longitudinal data system. All of the following apply to grants
26 awarded under this subsection:

27 (a) The center shall award competitive grants to eligible

1 intermediate districts or a consortium of intermediate districts
2 based on criteria established by the center.

3 (b) Activities funded under the grant shall support the P-20
4 longitudinal data system portal and may include portal hosting,
5 hardware and software acquisition, maintenance, enhancements, user
6 support and related materials, and professional learning tools and
7 activities aimed at improving the utility of the P-20 longitudinal
8 data system.

9 (c) An applicant that received a grant under this subsection
10 for the immediately preceding fiscal year shall receive priority
11 for funding under this section. However, after 3 fiscal years of
12 continuous funding, an applicant is required to compete openly with
13 new applicants.

14 (7) Funds allocated under this section that are not expended
15 in the fiscal year in which they were allocated may be carried
16 forward to a subsequent fiscal year and are appropriated for the
17 purposes for which the funds were originally allocated.

18 (8) The center may bill departments as necessary in order to
19 fulfill reporting requirements of state and federal law. The center
20 may also enter into agreements to supply custom data, analysis, and
21 reporting to other principal executive departments, state agencies,
22 local units of government, and other individuals and organizations.
23 The center may receive and expend funds in addition to those
24 authorized in subsection (5) to cover the costs associated with
25 salaries, benefits, supplies, materials, and equipment necessary to
26 provide such data, analysis, and reporting services.

27 (9) As used in this section:

1 (a) "DED-OESE" means the United States Department of Education
2 Office of Elementary and Secondary Education.

3 (b) "State education agency" means the department.

4 Sec. 98. (1) From the general fund money appropriated in
5 section 11, there is allocated an amount not to exceed
6 ~~\$7,387,500.00 for 2015-2016~~ **\$7,000,000.00 FOR 2016-2017** for the
7 purposes described in this section. **THE MICHIGAN VIRTUAL UNIVERSITY**
8 **SHALL PROVIDE A REPORT TO THE LEGISLATURE NOT LATER THAN NOVEMBER**
9 **1, 2016 THAT INCLUDES ITS MISSION, ITS PLANS, AND PROPOSED**
10 **BENCHMARKS IT MUST MEET, WHICH SHALL INCLUDE A PLAN TO ACHIEVE A**
11 **50% INCREASE IN DOCUMENTED IMPROVEMENT IN EACH REQUIREMENT OF THE**
12 **MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE AND MICHIGAN VIRTUAL**
13 **SCHOOL, AND ALL OTHER ORGANIZATIONAL PRIORITIES IDENTIFIED IN THIS**
14 **SECTION, IN ORDER TO RECEIVE FULL FUNDING FOR 2017-2018. NOT LATER**
15 **THAN MARCH 1, 2017, THE MICHIGAN VIRTUAL UNIVERSITY SHALL PROVIDE**
16 **AN UPDATE TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON**
17 **SCHOOL AID TO SHOW THE PROGRESS BEING MADE TO MEET THE BENCHMARKS**
18 **IDENTIFIED.**

19 (2) The Michigan Virtual University shall operate the Michigan
20 Virtual Learning Research Institute. The Michigan Virtual Learning
21 Research Institute shall do all of the following:

22 (a) Support and accelerate innovation in education through the
23 following activities:

24 (i) Test, evaluate, and recommend as appropriate new
25 technology-based instructional tools and resources.

26 (ii) Research, design, and recommend ~~digital~~ **VIRTUAL** education
27 delivery models for use by pupils and teachers that include age-

1 appropriate multimedia instructional content.

2 (iii) Research, develop, and recommend annually to the
3 department criteria by which cyber schools and ~~online-VIRTUAL~~
4 course providers should be monitored and evaluated to ensure a
5 quality education for their pupils.

6 (iv) Based on pupil completion and performance data reported
7 to the department or the center for educational performance and
8 information from cyber schools and other ~~online-VIRTUAL~~ course
9 providers operating in this state, analyze the effectiveness of
10 ~~online-VIRTUAL~~ learning delivery models in preparing pupils to be
11 college- and career-ready and publish a report that highlights
12 enrollment totals, completion rates, and the overall impact on
13 pupils. The report shall be submitted to the house and senate
14 appropriations subcommittees on state school aid, the state budget
15 director, the house and senate fiscal agencies, and the department
16 not later than March 31, ~~2016-2017~~.

17 (v) Before August 31, ~~2016-2017~~, provide an extensive
18 professional development program to at least ~~500-30,000~~ educational
19 personnel, including teachers, school administrators, and school
20 board members, that focuses on the effective integration of ~~digital~~
21 **VIRTUAL** learning into curricula and instruction. **THE MICHIGAN**
22 **VIRTUAL LEARNING INSTITUTE SHALL WORK WITH THE NETWORK OF EXISTING**
23 **MATHEMATICS AND SCIENCE CENTERS TO COORDINATE PROFESSIONAL**
24 **DEVELOPMENT OF TEACHERS IN APPLICABLE FIELDS.** Not later than
25 December 1, ~~2016-2017~~, the Michigan Virtual Learning Research
26 Institute shall submit a report to the house and senate
27 appropriations subcommittees on state school aid, the state budget

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

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

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

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

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

21 (iii) Promote and distribute the most current instructional
22 design standards and guidelines for ~~online~~**VIRTUAL** teaching.

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

27 (v) Pursue public/private partnerships that include districts

1 to study and implement competency-based technology-rich ~~online~~
2 **VIRTUAL** learning models.

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

8 (vii) Convene focus groups and conduct annual surveys of
9 teachers, administrators, pupils, parents, and others to identify
10 barriers and opportunities related to ~~online~~**VIRTUAL** learning.

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

15 (ix) Research and establish an Internet-based platform that
16 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 **VIRTUAL** resources that align to Michigan's K-12 curriculum
22 standards for use by students, educators, and parents.

23 (x) Create and maintain a public statewide catalog of ~~online~~
24 **VIRTUAL** learning courses being offered by all public schools and
25 community colleges in this state. The Michigan Virtual Learning
26 Research Institute shall identify and develop a list of nationally
27 recognized best practices for ~~online~~**VIRTUAL** learning and use this

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

14 (A) The number of enrollments in each ~~online~~-**VIRTUAL** course in
15 the immediately preceding school year.

16 (B) The number of enrollments that earned 60% or more of the
17 total course points for each ~~online~~-**VIRTUAL** course in the
18 immediately preceding school year.

19 (C) The completion rate for each ~~online~~-**VIRTUAL** course.

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

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

27 (3) To further enhance its expertise and leadership in ~~digital~~

1 **VIRTUAL** learning, the Michigan Virtual University shall continue to
2 operate the Michigan Virtual School as a statewide laboratory and
3 quality model of instruction by implementing ~~online~~-**VIRTUAL** and
4 blended learning solutions for Michigan schools in accordance with
5 the following parameters:

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

9 (b) The Michigan Virtual University shall use no more than
10 \$1,000,000.00 of the amount allocated under this section to
11 subsidize the cost paid by districts for ~~online~~-**VIRTUAL** courses.

12 (c) In providing educators responsible for the teaching of
13 ~~online~~-**VIRTUAL** courses as provided for in this section, the
14 Michigan Virtual School shall follow the requirements to request
15 and assess, and the department of state police shall provide, a
16 criminal history check and criminal records check under sections
17 1230 and 1230a of the revised school code, MCL 380.1230 and
18 380.1230a, in the same manner as if the Michigan Virtual School
19 were a school district under those sections.

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

25 (a) Information technology courses.

26 (b) College level equivalent courses, as defined in section
27 1471 of the revised school code, MCL 380.1471.

1 (c) Courses and dual enrollment opportunities.

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

3 (e) General education development test preparation courses for
4 adjudicated youth.

5 (f) Special interest courses.

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

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

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

21 (a) A list of the districts served by the Michigan Virtual
22 School.

23 (b) A list of ~~online~~-**VIRTUAL** course titles available to
24 districts.

25 (c) The total number of ~~online~~-**VIRTUAL** course enrollments and
26 information on registrations and completions by course.

27 (d) The overall course completion rate percentage.

1 (7) The governor may appoint an advisory group for the
2 Michigan Virtual Learning Research Institute established under
3 subsection (2). The members of the advisory group shall serve at
4 the pleasure of the governor and shall serve without compensation.
5 The purpose of the advisory group is to make recommendations to the
6 governor, the legislature, and the president and board of the
7 Michigan Virtual University that will accelerate innovation in this
8 state's education system in a manner that will prepare elementary
9 and secondary students to be career and college ready and that will
10 promote the goal of increasing the percentage of citizens of this
11 state with high-quality degrees and credentials to at least 60% by
12 2025.

13 (8) Not later than November 1, ~~2015,~~**2016**, the Michigan
14 Virtual University shall submit to the house and senate
15 appropriations subcommittees on state school aid, the state budget
16 director, and the house and senate fiscal agencies a detailed
17 budget for the ~~2015-2016~~**2016-2017** fiscal year that includes a
18 breakdown on its projected costs to deliver ~~online~~**VIRTUAL**
19 educational services to districts and a summary of the anticipated
20 fees to be paid by districts for those services. Not later than
21 March 1 each year, the Michigan Virtual University shall submit to
22 the house and senate appropriations subcommittees on state school
23 aid, the state budget director, and the house and senate fiscal
24 agencies a breakdown on its actual costs to deliver ~~online~~**VIRTUAL**
25 educational services to districts and a summary of the actual fees
26 paid by districts for those services based on audited financial
27 statements for the immediately preceding fiscal year.

(9) As used in this section:

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

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

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

(C) ~~(d)~~ **"VIRTUAL** course" means a course of study that is capable of generating a credit or a grade ~~, AND~~ that is provided in an interactive Internet-connected-learning environment ~~, IN~~ **WHICH THE MAJORITY OF THE CURRICULUM IS DELIVERED USING THE INTERNET AND** in which pupils are separated from their ~~teachers~~ **INSTRUCTOR OR TEACHER OF RECORD** by time or location, or both. ~~, and in which a teacher who holds a valid Michigan teaching certificate is responsible for providing instruction, determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.~~

1 Sec. 99c. (1) From the appropriation in section 11, there is
2 allocated from the general fund an amount not to exceed \$60,000.00
3 for ~~2015-2016~~**2016-2017** for the purpose of civic education as
4 described in this section.

5 (2) The department shall establish a competitive grant process
6 that awards funding to not more than 1 provider for the delivery of
7 programs that exemplify best practices in civic education. The
8 programs shall teach upper elementary, middle, and high school
9 pupils how to participate responsibly in local and state
10 government, and shall provide upper elementary, middle, and high
11 school pupils with an innovative course of instruction on the
12 history and principles of United States constitutional democracy.
13 The grantee also shall provide support to all schools in this state
14 beyond those targeted for intensive programming funded under this
15 section through its website, conduct presentations at statewide
16 conferences, and conduct presentations at districts and
17 intermediate districts.

18 **(3) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL AWARD**
19 **THE GRANTS UNDER THIS SECTION NOT LATER THAN DECEMBER 1, 2016.**

20 Sec. 99h. (1) From the appropriation in section 11, there is
21 allocated an amount not to exceed ~~\$2,000,000.00 for 2015-2016~~
22 **\$2,500,000.00 FOR 2016-2017** for competitive grants to districts
23 that provide pupils in grades 7 to 12 with expanded opportunities
24 to improve mathematics, science, and technology skills by
25 participating in events hosted by a science and technology
26 development program known as FIRST (for inspiration and recognition
27 of science and technology) robotics. **PROGRAMS FUNDED UNDER THIS**

1 SECTION ARE INTENDED TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING
2 PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND
3 TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY
4 UPON HIGH SCHOOL GRADUATION.

5 (2) A district applying for a FIRST tech challenge or FIRST
6 robotics competition program grant shall submit an application in a
7 form and manner determined by the department. To be eligible for a
8 grant, a district shall demonstrate in its application that the
9 district has established a partnership for the purposes of the
10 FIRST program with at least 1 sponsor, business entity, higher
11 education institution, or technical school, shall submit a spending
12 plan, and shall pay at least 25% of the cost of the FIRST robotics
13 program.

14 (3) The department shall distribute the grant funding under
15 this section for the following purposes:

16 (a) Grants to districts to pay for stipends of \$1,500.00 for 1
17 coach per team, distributed as follows:

18 (i) Not more than 500 stipends for coaches of high school
19 teams, including existing teams.

20 (ii) Not more than 100 stipends for coaches of middle school
21 or junior high teams, including existing teams.

22 (iii) If the requests for stipends exceed the numbers of
23 stipends allowed under subparagraphs (i) and (ii), and if there is
24 funding remaining unspent under subdivisions (b) and (c), the
25 department shall use that remaining unspent funding for grants to
26 districts to pay for additional stipends in a manner that expands
27 the geographical distribution of teams.

1 (b) Grants to districts for event registrations, materials,
2 travel costs, and other expenses associated with the preparation
3 for and attendance at FIRST tech challenge and FIRST robotics
4 competitions. Each grant recipient shall provide a local match from
5 other private or local funds for the funds received under this
6 subdivision equal to at least 50% of the costs of participating in
7 an event. The department shall set maximum grant amounts under this
8 subdivision in a manner that maximizes the number of teams that
9 will be able to receive funding.

10 (c) Grants to districts for awards to teams that advance to
11 the state and world championship competitions. The department shall
12 determine an equal amount per team for those teams that advance to
13 the state championship and a second equal award amount to those
14 teams that advance to the world championship.

15 (4) The funds allocated under this section are a work project
16 appropriation, and any unexpended funds for ~~2015-2016-2016-2017~~ are
17 carried forward into ~~2016-2017.~~ **2017-2018**. The purpose of the work
18 project is to continue to implement the projects described under
19 subsection (1). The estimated completion date of the work project
20 is September 30, ~~2018-2019~~.

21 Sec. 99s. (1) From the funds appropriated under section 11,
22 there is allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
23 ~~\$3,250,000.00~~ **\$4,250,000.00** from the state school aid fund
24 appropriation and an amount not to exceed ~~\$775,000.00~~ **\$2,025,000.00**
25 from the general fund appropriation for Michigan science,
26 technology, engineering, and mathematics (MiSTEM) programs. In
27 addition, from the federal funds appropriated in section 11, there

1 is allocated for ~~2015-2016~~**2016-2017** an amount estimated at
2 \$5,249,300.00 from DED-OESE, title II, mathematics and science
3 partnership grants. **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED**
4 **TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN**
5 **SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE**
6 **THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH**
7 **SCHOOL GRADUATION.**

8 (2) From the general fund allocation in subsection (1), there
9 is allocated an amount not to exceed \$50,000.00 to the department
10 for administrative and travel costs related to the MiSTEM advisory
11 council. All of the following apply to the MiSTEM advisory council
12 funded under this subsection:

13 (a) The MiSTEM advisory council is created. The MiSTEM
14 advisory council shall provide to the governor, legislature,
15 department of talent and economic development, and department
16 recommendations designed to improve and promote innovation in STEM
17 education and **TO** prepare students for careers in science,
18 technology, engineering, and mathematics.

19 (b) The MiSTEM advisory council created under subdivision (a)
20 shall consist of the following members:

21 (i) The governor shall appoint 11 voting members who are
22 representative of business sectors that are important to Michigan's
23 economy and rely on a STEM-educated workforce, nonprofit
24 organizations and associations that promote STEM education, K-12
25 and postsecondary education entities involved in STEM-related
26 career education, or other sectors as considered appropriate by the
27 governor. Each of these members shall serve at the pleasure of the

1 governor and for a term determined by the governor.

2 (ii) The senate majority leader shall appoint 2 members of the
3 senate to serve as nonvoting, ex-officio members of the MiSTEM
4 advisory council, including 1 majority party member and 1 minority
5 party member.

6 (iii) The speaker of the house of representatives shall
7 appoint 2 members of the house of representatives to serve as
8 nonvoting, ex-officio members of the MiSTEM advisory council,
9 including 1 majority party member and 1 minority party member.

10 (c) Each member of the MiSTEM advisory council shall serve
11 without compensation.

12 (d) The MiSTEM advisory council shall recommend **TO THE**
13 **GOVERNOR, THE LEGISLATURE, AND THE DEPARTMENT** a statewide strategy
14 for delivering STEM education-related opportunities to pupils and
15 objective criteria for determining preferred STEM programs. The
16 ~~MiSTEM advisory council also shall make funding recommendations to~~
17 ~~the governor, legislature, and department for funding programs~~
18 ~~under this section for 2016-2017 not later than March 1, 2016,~~
19 ~~including, but not limited to, recommendations concerning funding~~
20 ~~for the STEM programs funded under this section for 2015-2016, and~~
21 ~~shall continue to make funding recommendations annually thereafter.~~

22 **(E) BEGINNING IN 2017-2018, THE MISTEM ADVISORY COUNCIL SHALL**
23 **SUBMIT ITS FUNDING RECOMMENDATIONS NOT LATER THAN DECEMBER 15 OF**
24 **EACH FISCAL YEAR.**

25 **(F) IF THE MISTEM ADVISORY COUNCIL IS UNABLE TO MAKE SPECIFIC**
26 **FUNDING RECOMMENDATIONS BY JUNE 1, 2016 FOR 2016-2017, THE**
27 **DEPARTMENT SHALL DISTRIBUTE THE FUNDS ALLOCATED UNDER SUBSECTION**

1 (3) ON A COMPETITIVE GRANT BASIS THAT AT LEAST FOLLOWS THE QUALITY
2 GUIDELINES AND PRIORITY AREAS RECOMMENDED BY THE MISTEM ADVISORY
3 COUNCIL. EACH GRANT SHALL NOT EXCEED \$250,000.00 AND MUST PROVIDE
4 STEM EDUCATION-RELATED OPPORTUNITIES FOR PUPILS.

5 (G) ~~(e)~~—The MiSTEM advisory council shall work with directors
6 of mathematics and science centers funded under subsection ~~(3)~~—(4)
7 to connect educators with businesses, workforce developers,
8 economic developers, community colleges, and universities.

9 (3) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION
10 (1), THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED
11 \$1,475,000.00 FOR THE PURPOSE OF FUNDING PROGRAMS UNDER THIS
12 SECTION FOR 2016-2017, AS RECOMMENDED BY THE MISTEM ADVISORY
13 COUNCIL.

14 (4) ~~(3)~~—From the state school aid fund allocation under
15 subsection (1), there is allocated for ~~2015-2016-2016-2017~~ an
16 amount not to exceed ~~\$2,750,000.00~~—\$3,750,000.00 to support the
17 activities and programs of mathematics and science centers. In
18 addition, from the federal funds allocated under subsection (1),
19 there is allocated for ~~2015-2016-2016-2017~~ an amount estimated at
20 \$5,249,300.00 from DED-OESE, title II, mathematics and science
21 partnership grants, for the purposes of this subsection. All of the
22 following apply to the programs and funding under this subsection:

23 (a) Within a service area designated locally, approved by the
24 department, and consistent with the comprehensive master plan for
25 mathematics and science centers developed by the department and
26 approved by the state board, an established mathematics and science
27 center shall provide 2 or more of the following 6 basic services,

1 as described in the master plan, to constituent districts and
2 communities: leadership, pupil services, curriculum support,
3 community involvement, professional development, and resource
4 clearinghouse services.

5 (b) The department shall not award a state grant under this
6 subsection to more than 1 mathematics and science center located in
7 a designated region as prescribed in the 2007 master plan unless
8 each of the grants serves a distinct target population or provides
9 a service that does not duplicate another program in the designated
10 region.

11 (c) As part of the technical assistance process, the
12 department shall provide minimum standard guidelines that may be
13 used by the mathematics and science center for providing fair
14 access for qualified pupils and professional staff as prescribed in
15 this subsection.

16 (d) Allocations under this subsection to support the
17 activities and programs of mathematics and science centers shall be
18 continuing support grants to all 33 established mathematics and
19 science centers. For ~~2015-2016, 2016-2017~~, each established
20 mathematics and science center ~~that was funded for 2014-2015 under~~
21 ~~former section 99~~ shall receive state funding in an amount equal to
22 100% of the amount it was allocated under former section 99 for
23 ~~2014-2015. 2015-2016~~. If a center declines state funding or a
24 center closes, the remaining money available under this subsection
25 shall be distributed to the remaining centers, as determined by the
26 department.

27 (e) From the funds allocated under this subsection, the

1 department shall distribute for ~~2015-2016~~ **2016-2017** an amount not
2 to exceed \$750,000.00 in a form and manner determined by the
3 department to those centers able to provide curriculum and
4 professional development support to assist districts in
5 implementing the Michigan merit curriculum components for
6 mathematics and science. Funding under this subdivision is in
7 addition to funding allocated under subdivision (d).

8 **(F) FROM THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THE**
9 **NETWORK OF 33 MATHEMATICS AND SCIENCE CENTERS SHALL USE UP TO**
10 **\$1,000,000.00 TO DO 1 OR MORE OF THE FOLLOWING:**

11 **(i) EXPAND IMPLEMENTATION OF STEM PROFESSIONAL LEARNING WITH**
12 **EMPHASIS ON MICHIGAN'S MATHEMATICS AND SCIENCE STANDARDS.**

13 **(ii) EXPAND IMPLEMENTATION OF STUDENT PROGRAMMING IN STEM**
14 **EXPERIENCES SUCH AS ROBOTICS AND CODING, AND INCREASE CAREER**
15 **AWARENESS IN STEM PATHWAYS WITH IMMEDIATE EMPHASIS ON COMPUTER**
16 **SCIENCES.**

17 **(iii) EXPAND SUPPORT OF EXISTING MATHEMATICS AND SCIENCE**
18 **CENTER NETWORK INFRASTRUCTURE BY DOING THE FOLLOWING:**

19 **(A) INCREASING THE SUPPORTED TIME OF MATHEMATICS AND SCIENCE**
20 **CENTER NETWORK STEM PROFESSIONALS TO PROVIDE NECESSARY PROFESSIONAL**
21 **LEARNING FOR TEACHERS, AND COORDINATE STEM INITIATIVES INCLUDING**
22 **STUDENT PROGRAMMING.**

23 **(B) INTERACTING WITH MISTEM ADVISORY COUNCIL TO INFORM STEM**
24 **PROGRAM DECISIONS.**

25 **(C) EXPANDING NETWORK PARTNERSHIPS AND COLLABORATIONS AMONG**
26 **STEM-RELATED STAKEHOLDERS SUCH AS BUSINESS AND INDUSTRY, WORKFORCE**
27 **DEVELOPERS, ECONOMIC DEVELOPERS, COMMUNITY COLLEGES, AND**

1 UNIVERSITIES.

2 (D) IMPROVING THE ABILITY OF THE EXECUTIVE DIRECTOR TO SUPPORT
3 NETWORK OPERATIONS BY INCREASING EFFICIENCIES ACROSS CENTERS.

4 (G) ~~(f)~~—In order to receive state or federal funds under this
5 subsection, a grant recipient shall allow access for the department
6 or the department's designee to audit all records related to the
7 program for which it receives those funds. The grant recipient
8 shall reimburse the state for all disallowances found in the audit.

9 (H) ~~(g)~~—Not later than September 30, ~~2018~~, **2017**, the
10 department shall ~~reevaluate and update~~ **WORK WITH THE MISTEM**
11 **ADVISORY COUNCIL TO REVISE** the comprehensive master plan described
12 in subdivision (a) **TO ENSURE THAT THE COMPREHENSIVE MASTER PLAN IS**
13 **IN COMPLIANCE WITH THE STATEWIDE STRATEGY DEVELOPED BY THE COUNCIL**
14 **UNDER SUBSECTION (2) (D) .**

15 (I) ~~(h)~~—The department shall give preference in awarding the
16 federal grants allocated under this subsection to eligible existing
17 mathematics and science centers.

18 (J) ~~(i)~~—In order to receive state funds under this subsection,
19 a grant recipient shall provide at least a 10% local match from
20 local public or private resources for the funds received under this
21 subsection.

22 (K) ~~(j)~~—Not later than July 1 of each year, a mathematics and
23 science center that receives funds under this subsection shall
24 report to the department in a form and manner prescribed by the
25 department on the following performance measures:

26 (i) Statistical change in pre- and post-assessment scores for
27 students who enrolled in mathematics and science activities

1 provided to districts by the mathematics and science center.

2 (ii) Statistical change in pre- and post-assessment scores for
3 teachers who enrolled in professional development activities
4 provided by the mathematics and science center.

5 (I) ~~(k)~~ As used in this subsection:

6 (i) "DED" means the United States Department of Education.

7 (ii) "DED-OESE" means the DED Office of Elementary and
8 Secondary Education.

9 ~~—— (4) From the general fund money allocated under subsection~~
10 ~~(1), there is allocated for 2015-2016 an amount not to exceed~~
11 ~~\$100,000.00 to the Michigan STEM partnership, to be used to~~
12 ~~administer the grant process under this subsection. From the~~
13 ~~general fund money allocated in subsection (1), there is allocated~~
14 ~~for 2015-2016 an amount not to exceed \$375,000.00 to the Michigan~~
15 ~~STEM partnership to be used for a competitive grant process to~~
16 ~~award competitive grants to organizations conducting student-~~
17 ~~focused, project-based programs and competitions, either in the~~
18 ~~classroom or extracurricular, in science, technology, engineering,~~
19 ~~and mathematics subjects such as, but not limited to, robotics,~~
20 ~~coding, and design-build-test projects, from pre-kindergarten~~
21 ~~through college level. All of the following apply to the grant~~
22 ~~funding under this subsection:~~

23 ~~—— (a) Funding under this subsection is in addition to funding~~
24 ~~allocated under subsection (3) and shall be used for connecting~~
25 ~~mathematics and science centers for science, technology,~~
26 ~~engineering, and mathematics purposes and to support the goals of~~
27 ~~the Michigan STEM partnership.~~

~~1 (b) A program receiving funds under section 99h may not
2 receive funds under this subsection.~~

~~3 (c) In order to receive state funds under this subsection, a
4 grant recipient shall provide at least a 10% local match from local
5 public or private resources for the funds received under this
6 subsection.~~

~~7 (5) From the funds allocated under subsection (1), there is
8 allocated an amount not to exceed \$250,000.00 for 2015-2016 only
9 for grants to districts to support professional development for
10 teachers in a department approved training program for science,
11 technology, engineering, and mathematics (STEM) instruction. All of
12 the following apply to the grant funding under this subsection:~~

~~13 (a) Any district may apply for funding under this subsection
14 for 2015-2016 by a date determined by the department. In awarding
15 grants, the department shall give priority, in a form and manner
16 determined by the department, to applicant districts with teachers
17 who have not previously received training in programs funded under
18 this subsection or former section 99b.~~

~~19 (b) For a training program to be approved by the department
20 for the purposes of this subsection, the program shall meet all of
21 the following criteria:~~

~~22 (i) Utilize an integrative STEM approach to content
23 organization and delivery. The integrative STEM approach shall
24 include content derived from science, technology, engineering, and
25 mathematics.~~

~~26 (ii) Offer evidence that the program outcomes address
27 mathematics, science, and technological literacy standards in an~~

~~exploratory middle school or high school offering.~~

~~—— (iii) Offer evidence that the program positively influences student career choices along STEM career paths and increases student engagement through peer reviewed research.~~

~~—— (iv) Present evidence of the periodic updating of the curriculum.~~

~~—— (v) Utilize outcome measures for teacher professional development.~~

~~—— (vi) Provide peer reviewed evidence that the program is effective with disadvantaged students and those with language barriers.~~

~~—— (c) The department shall award grants to districts in an amount determined by the department, but not to exceed \$3,200.00 per participant.~~

~~—— (d) A district receiving funds under this subsection shall use the funds only for department approved training programs under this subsection.~~

(5) ~~(6)~~ From the allocations under subsection (1), there is allocated an amount not to exceed \$250,000.00 ~~for 2015-2016 only~~ **\$500,000.00 FOR 2016-2017** for competitive grants to districts that provide pupils in grades K to 12 with expanded opportunities in science education and skills by participating in events and competitions hosted by Science Olympiad. All of the following apply to the grant funding under this subsection:

(a) A district applying for a grant under this subsection shall submit an application in the form and manner determined by the department not later than November 15, ~~2015.~~ **2016.** The

department shall select districts for grants and make notification not later than December 15, ~~2015.~~ **2016.** To be eligible for a grant, a district shall pay at least 25% of the cost of participating in the Science Olympiad program.

(b) The department shall distribute the grant funding allocated under this subsection for the following purposes:

(i) Grants to districts of up to \$800.00 for new elementary teams.

(ii) Grants to districts of up to \$400.00 for established elementary teams.

(iii) Grants to districts of up to \$1,600.00 for new secondary teams.

(iv) Grants to districts of up to \$800.00 for established secondary teams.

(6) ~~(7)~~ From the general fund allocation under subsection (1), there is allocated an amount not to exceed ~~\$250,000.00 for 2015-2016 only~~ **\$500,000.00 FOR 2016-2017** for a grant to the Van Andel Education Institute for the purposes of advancing and promoting science education and increasing the number of students who choose to pursue careers in science or science-related fields. Funds allocated under this subsection shall be used to provide professional development for science teachers in using student-driven, inquiry-based instruction.

SEC. 99T. (1) FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR 2016-2017 TO PURCHASE STATEWIDE ACCESS TO AN ONLINE ALGEBRA TOOL THAT MEETS ALL OF THE FOLLOWING:

1 (A) PROVIDES STUDENTS STATEWIDE WITH COMPLETE ACCESS TO VIDEOS
2 ALIGNED WITH STATE STANDARDS INCLUDING STUDY GUIDES AND WORKBOOKS
3 THAT ARE ALIGNED WITH THE VIDEOS.

4 (B) PROVIDES STUDENTS STATEWIDE WITH ACCESS TO A PERSONALIZED
5 ONLINE ALGEBRA LEARNING TOOL INCLUDING ADAPTIVE DIAGNOSTICS.

6 (C) PROVIDES STUDENTS STATEWIDE WITH DYNAMIC ALGEBRA PRACTICE
7 ASSESSMENTS THAT EMULATE THE STATE ASSESSMENT WITH IMMEDIATE
8 FEEDBACK AND HELP SOLVING PROBLEMS.

9 (D) PROVIDES STUDENTS STATEWIDE WITH ONLINE ACCESS TO ALGEBRA
10 HELP 24 HOURS A DAY AND 7 DAYS A WEEK FROM STUDY EXPERTS, TEACHERS,
11 AND PEERS ON A MODERATED SOCIAL NETWORKING PLATFORM.

12 (E) PROVIDES AN ONLINE ALGEBRA PROFESSIONAL DEVELOPMENT
13 NETWORK FOR TEACHERS.

14 (F) IS ALREADY PROVIDED UNDER A STATEWIDE CONTRACT IN AT LEAST
15 1 OTHER STATE.

16 (2) THE DEPARTMENT SHALL CHOOSE THE ONLINE ALGEBRA TOOL BY
17 OCTOBER 1, 2016.

18 Sec. 101. (1) To be eligible to receive state aid under this
19 article, not later than the fifth Wednesday after the pupil
20 membership count day and not later than the fifth Wednesday after
21 the supplemental count day, each district superintendent shall
22 submit to the center and the intermediate superintendent, in the
23 form and manner prescribed by the center, the number of pupils
24 enrolled and in regular daily attendance in the district as of the
25 pupil membership count day and as of the supplemental count day, as
26 applicable, for the current school year. In addition, a district
27 maintaining school during the entire year, as provided under

1 section 1561 of the revised school code, MCL 380.1561, shall submit
2 to the center and the intermediate superintendent, in the form and
3 manner prescribed by the center, the number of pupils enrolled and
4 in regular daily attendance in the district for the current school
5 year pursuant to rules promulgated by the superintendent. Not later
6 than the sixth Wednesday after the pupil membership count day and
7 not later than the sixth Wednesday after the supplemental count
8 day, the district shall certify the data in a form and manner
9 prescribed by the center and file the certified data with the
10 intermediate superintendent. If a district fails to submit and
11 certify the attendance data, as required under this subsection, the
12 center shall notify the department and state aid due to be
13 distributed under this article shall be withheld from the
14 defaulting district immediately, beginning with the next payment
15 after the failure and continuing with each payment until the
16 district complies with this subsection. If a district does not
17 comply with this subsection by the end of the fiscal year, the
18 district forfeits the amount withheld. A person who willfully
19 falsifies a figure or statement in the certified and sworn copy of
20 enrollment shall be punished in the manner prescribed by section
21 161.

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

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

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

13 (a) Except as otherwise provided in this section, each
14 district shall provide at least 1,098 hours and, beginning in 2010-
15 2011, the required minimum number of days of pupil instruction.
16 Beginning in 2014-2015, the required minimum number of days of
17 pupil instruction is 175. However, all of the following apply to
18 these requirements:

19 (i) If a collective bargaining agreement that provides a
20 complete school calendar was in effect for employees of a district
21 as of July 1, 2013, and if that school calendar is not in
22 compliance with this subsection, then this subsection does not
23 apply to that district until after the expiration of that
24 collective bargaining agreement. If a district entered into a
25 collective bargaining agreement on or after July 1, 2013 and if
26 that collective bargaining agreement did not provide for at least
27 175 days of pupil instruction beginning in 2014-2015, then the

1 department shall withhold from the district's total state school
2 aid an amount equal to 5% of the funding the district receives in
3 2014-2015 under sections 22a and 22b.

4 (ii) A district may apply for a waiver under subsection (9)
5 from the requirements of this subdivision.

6 (b) Beginning in 2016-2017, the required minimum number of
7 days of pupil instruction is 180. If a collective bargaining
8 agreement that provides a complete school calendar was in effect
9 for employees of a district as of the effective date of the
10 amendatory act that added this subdivision, and if that school
11 calendar is not in compliance with this subdivision, then this
12 subdivision does not apply to that district until after the
13 expiration of that collective bargaining agreement. A district may
14 apply for a waiver under subsection (9) from the requirements of
15 this subdivision.

16 (c) Except as otherwise provided in this article, a district
17 failing to comply with the required minimum hours and days of pupil
18 instruction under this subsection shall forfeit from its total
19 state aid allocation an amount determined by applying a ratio of
20 the number of hours or days the district was in noncompliance in
21 relation to the required minimum number of hours and days under
22 this subsection. Not later than August 1, the board of each
23 district shall **EITHER** certify to the department **THAT THE DISTRICT**
24 **WAS IN FULL COMPLIANCE WITH THIS SECTION REGARDING** the number of
25 hours and days of pupil instruction in the previous school year, **OR**
26 **REPORT TO THE DEPARTMENT, IN A FORM AND MANNER PRESCRIBED BY THE**
27 **CENTER, EACH INSTANCE OF NONCOMPLIANCE.** If the district did not

1 provide at least the required minimum number of hours and days of
2 pupil instruction under this subsection, the deduction of state aid
3 shall be made in the following fiscal year from the first payment
4 of state school aid. A district is not subject to forfeiture of
5 funds under this subsection for a fiscal year in which a forfeiture
6 was already imposed under subsection (6).

7 (d) Hours or days lost because of strikes or teachers'
8 conferences shall not be counted as hours or days of pupil
9 instruction.

10 (e) If a collective bargaining agreement that provides a
11 complete school calendar is in effect for employees of a district
12 as of October 19, 2009, and if that school calendar is not in
13 compliance with this subsection, then this subsection does not
14 apply to that district until after the expiration of that
15 collective bargaining agreement.

16 (f) Except as otherwise provided in subdivisions (g) and (h),
17 a district not having at least 75% of the district's membership in
18 attendance on any day of pupil instruction shall receive state aid
19 in that proportion of 1/180 that the actual percent of attendance
20 bears to the specified percentage.

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

1 of the instructional calendar. Instead, for any of those days, if
2 the district does not have at least 60% of the district's
3 membership in attendance on that day, the district shall receive
4 state aid in that proportion of 1/180 that the actual percentage of
5 attendance bears to the specified percentage. For any day of pupil
6 instruction added to the instructional calendar as described in
7 this subdivision, the district shall report to the department the
8 percentage of the district's membership that is in attendance, in
9 the form and manner prescribed by the department.

10 (h) At the request of a district that operates a department-
11 approved alternative education program and that does not provide
12 instruction for pupils in all of grades K to 12, the superintendent
13 shall grant a waiver from the requirements of subdivision (f). The
14 waiver shall indicate that an eligible district is subject to the
15 proration provisions of subdivision (f) only if the district does
16 not have at least 50% of the district's membership in attendance on
17 any day of pupil instruction. In order to be eligible for this
18 waiver, a district must maintain records to substantiate its
19 compliance with the following requirements:

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

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

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

1 (i) All of the following apply to a waiver granted under
2 subdivision (h):

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

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

15 (iii) A waiver that is not a waiver described in subparagraph
16 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
17 to remain in effect.

18 (j) The superintendent shall promulgate rules for the
19 implementation of this subsection.

20 (4) Except as otherwise provided in this subsection, the first
21 6 days or the equivalent number of hours for which pupil
22 instruction is not provided because of conditions not within the
23 control of school authorities, such as severe storms, fires,
24 epidemics, utility power unavailability, water or sewer failure, or
25 health conditions as defined by the city, county, or state health
26 authorities, shall be counted as hours and days of pupil
27 instruction. With the approval of the superintendent of public

1 instruction, the department shall count as hours and days of pupil
2 instruction for a fiscal year not more than 3 additional days or
3 the equivalent number of additional hours for which pupil
4 instruction is not provided in a district due to unusual and
5 extenuating occurrences resulting from conditions not within the
6 control of school authorities such as those conditions described in
7 this subsection. Subsequent such hours or days shall not be counted
8 as hours or days of pupil instruction.

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

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

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

27 (b) The board of the district takes formal action not to

1 operate its schools for at least the required minimum number of
2 hours and days of pupil instruction under subsection (3) in a
3 school year, including hours and days counted under subsection (4).

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

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

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

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

27 (d) If a pupil in grades 9 to 12 who is enrolled in a

1 cooperative education program or a special education pupil cannot
2 receive the required minimum number of hours of pupil instruction
3 solely because of travel time between instructional sites during
4 the school day, that travel time, up to a maximum of 3 hours per
5 school week, shall be considered to be pupil instruction time for
6 the purpose of determining whether the pupil is receiving the
7 required minimum number of hours of pupil instruction. However, if
8 a district demonstrates to the satisfaction of the department that
9 the travel time limitation under this subdivision would create
10 undue costs or hardship to the district, the department may
11 consider more travel time to be pupil instruction time for this
12 purpose.

13 (e) In grades 7 through 12, instructional time that is part of
14 a junior reserve officer training corps (JROTC) program shall be
15 considered to be pupil instruction time regardless of whether the
16 instructor is a certificated teacher if all of the following are
17 met:

18 (i) The instructor has met all of the requirements established
19 by the United States Department of Defense and the applicable
20 branch of the armed services for serving as an instructor in the
21 junior reserve officer training corps program.

22 (ii) The board of the district or intermediate district
23 employing or assigning the instructor complies with the
24 requirements of sections 1230 and 1230a of the revised school code,
25 MCL 380.1230 and 380.1230a, with respect to the instructor to the
26 same extent as if employing the instructor as a regular classroom
27 teacher.

1 (8) Except as otherwise provided in subsections (11) and (12),
2 the department shall apply the guidelines under subsection (7) in
3 calculating the full-time equivalency of pupils.

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

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

26 (b) If the waiver is for a 100% online model of delivery and
27 the educational program for which the waiver is granted makes

1 educational services available to pupils for a minimum of at least
2 1,098 hours during a school year and ensures that each pupil is on
3 track for course completion at proficiency level, a waiver that is
4 granted for the 2011-2012 fiscal year or a subsequent fiscal year
5 remains in effect unless it is revoked by the superintendent.

6 (c) A waiver that is not a waiver described in subdivision (a)
7 or (b) is valid for 1 fiscal year and must be renewed annually to
8 remain in effect.

9 (10) Until 2014-2015, a district may count up to 38 hours of
10 qualifying professional development for teachers as hours of pupil
11 instruction. However, if a collective bargaining agreement that
12 provides for the counting of up to 38 hours of qualifying
13 professional development for teachers as pupil instruction is in
14 effect for employees of a district as of July 1, 2013, then until
15 the school year that begins after the expiration of that collective
16 bargaining agreement a district may count up to the contractually
17 specified number of hours of qualifying professional development
18 for teachers as hours of pupil instruction. Professional
19 development provided online is allowable and encouraged, as long as
20 the instruction has been approved by the district. The department
21 shall issue a list of approved online professional development
22 providers, which shall include the Michigan Virtual School. As used
23 in this subsection, "qualifying professional development" means
24 professional development that is focused on 1 or more of the
25 following:

26 (a) Achieving or improving adequate yearly progress as defined
27 under the no child left behind act of 2001, Public Law 107-110.

1 (b) Achieving accreditation or improving a school's
2 accreditation status under section 1280 of the revised school code,
3 MCL 380.1280.

4 (c) Achieving highly qualified teacher status as defined under
5 the no child left behind act of 2001, Public Law 107-110.

6 (d) Integrating technology into classroom instruction.

7 (e) Maintaining teacher certification.

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

12 (12) Subsections (3) and (8) do not apply to eligible pupils
13 enrolled in a dropout recovery program that meets the requirements
14 of section 23a. As used in this subsection, "eligible pupil" means
15 that term as defined in section 23a.

16 (13) Beginning in 2013, at least every 2 years the
17 superintendent shall review the waiver standards set forth in the
18 pupil accounting and auditing manuals to ensure that the waiver
19 standards and waiver process continue to be appropriate and
20 responsive to changing trends in online learning. The
21 superintendent shall solicit and consider input from stakeholders
22 as part of this review.

23 Sec. 102d. (1) From the funds appropriated in section 11,
24 there is allocated an amount not to exceed \$1,500,000.00 for ~~2015-~~
25 ~~2016-2016-2017~~ for reimbursements to districts **AND INTERMEDIATE**
26 **DISTRICTS** for the licensing of school data analytical tools as
27 described under this section. The reimbursement is for districts

1 **AND INTERMEDIATE DISTRICTS** that choose to use a school data
 2 analytical tool to assist the district **OR INTERMEDIATE DISTRICT** and
 3 that enter into a licensing agreement for a school data analytical
 4 tool with 1 of the vendors approved by the department of
 5 technology, management, and budget under subsection (2). **FUNDS**
 6 **ALLOCATED UNDER THIS SECTION ARE INTENDED TO PROVIDE DISTRICTS AND**
 7 **INTERMEDIATE DISTRICTS WITH FINANCIAL FORECASTING AND TRANSPARENCY**
 8 **REPORTING TOOLS TO HELP IMPROVE THE FINANCIAL HEALTH OF DISTRICTS**
 9 **AND TO IMPROVE COMMUNICATION WITH THE PUBLIC, RESULTING IN**
 10 **INCREASED FUND BALANCES FOR DISTRICTS AND INTERMEDIATE DISTRICTS.**

11 (2) Not later than October 15, 2015, the department of
 12 technology, management, and budget shall review vendors for school
 13 data analytical tools and provide districts **AND INTERMEDIATE**
 14 **DISTRICTS** with a list of at least 2 and up to 4 approved vendors
 15 that districts **AND INTERMEDIATE DISTRICTS** may use to be eligible
 16 for a reimbursement paid under this section. For a vendor to be
 17 approved under this section ~~, the department of technology,~~
 18 ~~management, and budget must determine that~~ **FOR 2016-2017, IT MUST**
 19 **HAVE BEEN APPROVED UNDER THIS SECTION FOR 2015-2016 AND** the school
 20 data analytical tool supplied by the vendor ~~meets~~ **MUST MEET** at
 21 least all of the following:

- 22 (a) Analyzes financial data.
- 23 (b) Analyzes academic data.
- 24 (c) Provides early warning indicators of financial stress.
- 25 (d) Has the capability to provide peer district comparisons of
- 26 both financial and academic data.
- 27 (e) Has the capability to provide financial projections for at

1 least 3 subsequent fiscal years.

2 (3) Funds allocated under this section shall be paid to
3 districts **AND INTERMEDIATE DISTRICTS** as a reimbursement for already
4 having a licensing agreement or for entering into a licensing
5 agreement not later than December 1, ~~2015~~ 2016 with a vendor
6 approved under subsection (2) to implement a school data analytical
7 tool. **REIMBURSEMENT WILL BE PRORATED FOR THE PORTION OF THE STATE**
8 **FISCAL YEAR NOT COVERED BY THE LICENSING AGREEMENT. HOWEVER, A**
9 **LICENSING AGREEMENT THAT TAKES EFFECT AFTER OCTOBER 1, 2016 AND**
10 **BEFORE DECEMBER 1, 2016 WILL NOT BE PRORATED IF THE TERM OF THE**
11 **AGREEMENT IS AT LEAST 1 YEAR.** Reimbursement under this section
12 shall be made ~~on an equal per pupil basis.~~ **AS FOLLOWS:**

13 (A) ALL DISTRICTS AND INTERMEDIATE DISTRICTS SEEKING
14 REIMBURSEMENT SHALL SUBMIT REQUESTS NOT LATER THAN DECEMBER 1, 2016
15 INDICATING THE COST PAID FOR THE FINANCIAL DATA ANALYTICAL TOOL.

16 (B) THE DEPARTMENT SHALL DETERMINE THE SUM OF THE FUNDING
17 REQUESTS UNDER SUBDIVISION (A) AND, IF THERE ARE SUFFICIENT FUNDS,
18 SHALL PAY 1/2 OF THE COSTS SUBMITTED UNDER SUBDIVISION (A). IF
19 THERE ARE INSUFFICIENT FUNDS TO PAY 1/2 OF THE COSTS SUBMITTED
20 UNDER (A), THEN REIMBURSEMENT SHALL BE MADE ON AN EQUAL PERCENTAGE
21 BASIS.

22 (C) FUNDS REMAINING AFTER THE CALCULATION AND PAYMENT UNDER
23 SUBDIVISION (B) SHALL BE DISTRIBUTED ON AN EQUAL PER-PUPIL BASIS,
24 WITH AN INTERMEDIATE DISTRICT'S PUPILS CONSIDERED TO BE THE SUM OF
25 THE PUPIL MEMBERSHIPS OF THE CONSTITUENT DISTRICTS FOR WHICH THE
26 INTERMEDIATE DISTRICT IS PURCHASING THE FINANCIAL DATA ANALYTICAL
27 TOOL.

1 (4) Notwithstanding section 17b, payments under this section
2 shall be made on a schedule determined by the department.

3 Sec. 104. (1) In order to receive state aid under this
4 article, a district shall comply with sections 1249, 1278a, 1278b,
5 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
6 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
7 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
8 the state school aid fund money appropriated in section 11, there
9 is allocated for ~~2015-2016~~**2016-2017** an amount not to exceed
10 ~~\$43,994,400.00~~**\$35,236,800.00** for payments on behalf of districts
11 for costs associated with complying with those provisions of law.
12 In addition, from the federal funds appropriated in section 11,
13 there is allocated for ~~2015-2016~~**2016-2017** an amount estimated at
14 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
15 funds, and from DED-OSERS, section 504 of part B of the individuals
16 with disabilities education act, Public Law 94-142, plus any
17 carryover federal funds from previous year appropriations, for the
18 purposes of complying with the federal no child left behind act of
19 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC**
20 **LAW 114-95.**

21 (2) The results of each test administered as part of the
22 Michigan student test of educational progress (M-STEP), including
23 tests administered to high school students, shall include an item
24 analysis that lists all items that are counted for individual pupil
25 scores and the percentage of pupils choosing each possible
26 response. **THE DEPARTMENT SHALL WORK WITH THE CENTER TO IDENTIFY THE**
27 **NUMBER OF STUDENTS ENROLLED AT THE TIME ASSESSMENTS ARE GIVEN BY**

1 EACH DISTRICT. IN CALCULATING THE PERCENTAGE OF PUPILS ASSESSED FOR
2 A DISTRICT'S SCORECARD, THE DEPARTMENT SHALL USE ONLY THE NUMBER OF
3 PUPILS ENROLLED IN THE DISTRICT AT THE TIME THE DISTRICT
4 ADMINISTERS THE ASSESSMENTS AND SHALL EXCLUDE PUPILS WHO ENROLL IN
5 THE DISTRICT AFTER THE DISTRICT ADMINISTERS THE ASSESSMENTS.

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

10 (4) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1),
11 \$1,100,000.00 SHALL BE FOR THE SUPPORT OF DISTRICTS UNDER A DIGITAL
12 LITERACY PREPARATION INITIATIVE FOCUSED ON PUPILS ENROLLED IN
13 DISTRICTS IN GRADES K TO 8. THE INITIATIVE SHALL DO ALL OF THE
14 FOLLOWING:

15 (A) ASSESS THE DIGITAL LITERACY SKILL LEVELS OF EACH PUPIL AND
16 PRESCRIBE DIGITAL CURRICULUM TARGETED AT AREAS OF DETERMINED
17 WEAKNESS BASED ON RESULTS.

18 (B) PROVIDE PUPILS WITH THE ABILITY TO ENGAGE WITH THE DIGITAL
19 CURRICULUM IN AN INDEPENDENT OR TEACHER-FACILITATED MODALITY.

20 (C) PROVIDE TRAINING AND PROFESSIONAL DEVELOPMENT FOR
21 TEACHERS.

22 (5) THE DIGITAL LITERACY PREPARATION INITIATIVE IDENTIFIED
23 UNDER SUBSECTION (4) SHALL BE A PILOT PROJECT IMPLEMENTED THROUGH A
24 PARTNERSHIP WITH A VENDOR THAT IS SPECIFICALLY EXPERIENCED IN THE
25 EDUCATIONAL DISCIPLINES DESCRIBED AND HAS DEMONSTRABLE EXPERIENCE
26 SERVING DISTRICTS IN THIS STATE AND AT A NATIONAL LEVEL. THE VENDOR
27 SHALL MEET AT LEAST BOTH OF THE FOLLOWING QUALIFICATIONS:

1 (A) EXPERIENCE SPECIFIC TO THE DEVELOPMENT AND SUPPORT OF
2 DIGITAL CURRICULUM AND CONTENT SPECIFIC FOR PREPARING PUPILS FOR
3 ONLINE NEXT GENERATION ASSESSMENTS.

4 (B) PROVIDE DIGITAL CURRICULUM AND CONTENT THAT MEETS THE
5 FOLLOWING:

6 (i) ALIGNS TO MICHIGAN AND INTERNATIONAL SOCIETY FOR
7 TECHNOLOGY IN EDUCATION (ISTE) STANDARDS.

8 (ii) IS PROVIDED ENTIRELY ONLINE, IS HIGHLY ENGAGING, AND IS
9 GRADE-APPROPRIATE.

10 (iii) INCLUDES SCOPE AND SEQUENCE DESIGNED SPECIFICALLY FOR
11 NEXT GENERATION ASSESSMENT.

12 (iv) AUTOMATICALLY PRESCRIBES CONTENT TO PUPILS BASED ON THE
13 RESULTS OF A PRETEST.

14 (v) ALLOWS TEACHER INTERVENTION AND FACILITATION.

15 (6) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
16 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR THE SUPPORT OF DISTRICTS
17 THAT USE THE KINDERGARTEN ENTRY ASSESSMENT (KEA) DEVELOPED BY THE
18 DEPARTMENT AND FIELD TESTED IN 2015-2016.

19 (7) THE DEPARTMENT MAY RECOMMEND, BUT MAY NOT REQUIRE,
20 DISTRICTS TO ALLOW PUPILS TO USE AN EXTERNAL KEYBOARD WITH TABLET
21 DEVICES FOR ONLINE M-STEP TESTING, INCLUDING, BUT NOT LIMITED TO,
22 OPEN-ENDED TEST ITEMS SUCH AS CONSTRUCTED RESPONSE OR EQUATION
23 BUILDER ITEMS.

24 (8) ~~(4)~~—Notwithstanding section 17b, payments on behalf of
25 districts, intermediate districts, and other eligible entities
26 under this section shall be paid on a schedule determined by the
27 department.

~~(5) From the allocation in subsection (1), there is allocated an amount not to exceed \$8,500,000.00 for the following purposes:~~

~~(a) Converting existing student assessments to online assessments.~~

~~(b) Providing paper and pencil test versions to districts not prepared to implement online assessments.~~

~~(c) Expanding writing assessments to additional grade levels.~~

~~(d) Providing an increased number of constructed response test questions so that pupils can demonstrate higher order skills such 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 \$5,600,000.00 for the purpose of~~

~~implementing a summative assessment system pursuant to section~~

~~104e.~~

~~(8)~~ (9) As used in this section:

(a) "DED" means the United States Department of Education.

(b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

(c) "DED-OSERS" means the DED Office of Special Education and

1 Rehabilitative Services.

2 Sec. 104b. (1) In order to receive state aid under this
3 article, a district shall comply with this section and shall
4 administer the Michigan merit examination to pupils in grade 11,
5 and to pupils in grade 12 who did not take the complete Michigan
6 merit examination in grade 11, as provided in this section. The
7 Michigan merit examination consists of a college entrance test,
8 work skills test, and the summative assessment known as the
9 Michigan student test of educational progress (M-STEP).

10 (2) For the purposes of this section, the department of
11 technology, management, and budget shall contract with 1 or more
12 providers to develop, supply, and score the Michigan merit
13 examination. The Michigan merit examination shall consist of all of
14 the following:

15 (a) Assessment instruments that measure English language arts,
16 mathematics, reading, and science, and are used by the majority of
17 colleges and universities in this state for entrance purposes. This
18 may include 1 or more writing components. In selecting assessment
19 instruments to fulfill the requirements of this subdivision, the
20 department may consider the degree to which those assessment
21 instruments are aligned to this state's content standards.

22 (b) One or more tests from 1 or more test developers that
23 assess a pupil's ability to apply at least reading and mathematics
24 skills in a manner that is intended to allow employers to use the
25 results in making employment decisions. The department of
26 technology, management, and budget and the superintendent shall
27 ensure that any test or tests selected under this subdivision have

1 all the components necessary to allow a pupil to be eligible to
2 receive the results of a nationally recognized evaluation of
3 workforce readiness if the pupil's test performance is adequate.

4 (c) A social studies component.

5 (d) Any other component that is necessary to obtain the
6 approval of the United States Department of Education to use the
7 Michigan merit examination for the purposes of the no child left
8 behind act of 2001, Public Law 107-110, **OR THE EVERY STUDENT**
9 **SUCCEEDS ACT, PUBLIC LAW 114-95.**

10 (3) In addition to all other requirements of this section, all
11 of the following apply to the Michigan merit examination:

12 (a) The department of technology, management, and budget and
13 the superintendent shall ensure that any contractor used for
14 scoring the Michigan merit examination supplies an individual
15 report for each pupil that will identify for the pupil's parents
16 and teachers whether the pupil met expectations or failed to meet
17 expectations for each standard, to allow the pupil's parents and
18 teachers to assess and remedy problems before the pupil moves to
19 the next grade.

20 (b) The department of technology, management, and budget and
21 the superintendent shall ensure that any contractor used for
22 scoring, developing, or processing the Michigan merit examination
23 meets quality management standards commonly used in the assessment
24 industry, including at least meeting level 2 of the capability
25 maturity model developed by the Software Engineering Institute of
26 Carnegie Mellon University for the first year the Michigan merit
27 examination is offered to all grade 11 pupils and at least meeting

1 level 3 of the capability maturity model for subsequent years.

2 (c) The department of technology, management, and budget and
3 the superintendent shall ensure that any contract for scoring,
4 administering, or developing the Michigan merit examination
5 includes specific deadlines for all steps of the assessment
6 process, including, but not limited to, deadlines for the correct
7 testing materials to be supplied to schools and for the correct
8 results to be returned to schools, and includes penalties for
9 noncompliance with these deadlines.

10 (d) The superintendent shall ensure that the Michigan merit
11 examination meets all of the following:

12 (i) Is designed to test pupils on this state's content
13 standards in all subjects tested.

14 (ii) Complies with requirements of the no child left behind
15 act of 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT,**
16 **PUBLIC LAW 114-95.**

17 (iii) Is consistent with the code of fair testing practices in
18 education prepared by the Joint Committee on Testing Practices of
19 the American Psychological Association.

20 (iv) Is factually accurate. If the superintendent determines
21 that a question is not factually accurate and should be excluded
22 from scoring, the state board and the superintendent shall ensure
23 that the question is excluded from scoring.

24 (4) A district shall include on each pupil's high school
25 transcript all of the following:

26 (a) For each high school graduate who has completed the
27 Michigan merit examination under this section, the pupil's scaled

1 score on each subject area component of the Michigan merit
2 examination.

3 (b) The number of school days the pupil was in attendance at
4 school each school year during high school and the total number of
5 school days in session for each of those school years.

6 (5) The superintendent shall work with the provider or
7 providers of the Michigan merit examination to produce Michigan
8 merit examination subject area scores for each pupil participating
9 in the Michigan merit examination. To the extent that the
10 department determines that additional test items beyond those
11 included in the college entrance component of the Michigan merit
12 examination are required in a particular subject area, the
13 department shall ensure that all test items in that subject area
14 are scaled and merged for the purposes of producing a Michigan
15 merit examination subject area score. The superintendent shall
16 design and distribute to districts, intermediate districts, and
17 nonpublic schools a simple and concise document that describes the
18 scoring for each subject area and indicates the scaled score ranges
19 for each subject area.

20 (6) The Michigan merit examination shall be administered in
21 each district during the last 12 weeks of the district's school
22 year. The superintendent shall ensure that the Michigan merit
23 examination is scored and the scores are returned to pupils, their
24 parents or legal guardians, and districts not later than the
25 beginning of the pupil's first semester of grade 12. The returned
26 scores shall indicate at least the pupil's scaled score for each
27 subject area component and the range of scaled scores for each

1 subject area. In reporting the scores to pupils, parents, and
2 schools, the superintendent shall provide standards-specific,
3 meaningful, and timely feedback on the pupil's performance on the
4 Michigan merit examination.

5 (7) A district shall administer the complete Michigan merit
6 examination to a pupil only once and shall not administer the
7 complete Michigan merit examination to the same pupil more than
8 once. If a pupil does not take the complete Michigan merit
9 examination in grade 11, the district shall administer the complete
10 Michigan merit examination to the pupil in grade 12. If a pupil
11 chooses to retake the college entrance examination component of the
12 Michigan merit examination, as described in subsection (2)(a), the
13 pupil may do so through the provider of the college entrance
14 examination component and the cost of the retake is the
15 responsibility of the pupil unless all of the following are met:

16 (a) The pupil has taken the complete Michigan merit
17 examination.

18 (b) The pupil meets the income eligibility criteria for free
19 breakfast, lunch, or milk, as determined under the Richard B.
20 Russell national school lunch act, 42 USC 1751 to 1769i.

21 (c) The pupil has applied to the provider of the college
22 entrance examination component for a scholarship or fee waiver to
23 cover the cost of the retake and that application has been denied.

24 (d) After taking the complete Michigan merit examination, the
25 pupil has not already received a free retake of the college
26 entrance examination component paid for either by this state or
27 through a scholarship or fee waiver by the provider.

1 (8) The superintendent shall ensure that the length of the
2 Michigan merit examination and the combined total time necessary to
3 administer all of the components of the Michigan merit examination
4 are the shortest possible that will still maintain the degree of
5 reliability and validity of the Michigan merit examination results
6 determined necessary by the superintendent. The superintendent
7 shall ensure that the maximum total combined length of time that
8 schools are required to set aside for pupils to answer all test
9 questions on the Michigan merit examination does not exceed 8 hours
10 if the superintendent determines that sufficient alignment to
11 applicable Michigan merit curriculum content standards can be
12 achieved within that time limit.

13 (9) A district shall provide accommodations to a pupil with
14 disabilities for the Michigan merit examination, as provided under
15 section 504 of title V of the rehabilitation act of 1973, 29 USC
16 794; subtitle A of title II of the Americans with disabilities act
17 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
18 education act amendments of 1997, Public Law 105-17; and the
19 implementing regulations for those statutes. The provider or
20 providers of the Michigan merit examination and the superintendent
21 shall mutually agree upon the accommodations to be provided under
22 this subsection.

23 (10) To the greatest extent possible, the Michigan merit
24 examination shall be based on this state's content standards, as
25 appropriate. Annually, after each administration of the Michigan
26 merit examination, the department shall provide a report of the
27 points per standard so that teachers will know what content will be

1 covered within the Michigan merit examination. The department may
2 augment the college entrance and work skills components of the
3 Michigan merit examination to develop the assessment, depending on
4 the alignment of those components to this state's content
5 standards. If these components do not align to these standards, the
6 department shall produce additional components as required by law,
7 while minimizing the amount of time needed for assessments.

8 (11) A child who is a student in a nonpublic school or home
9 school may take the Michigan merit examination under this section.
10 To take the Michigan merit examination, a child who is a student in
11 a home school shall contact the district in which the child
12 resides, and that district shall administer the Michigan merit
13 examination, or the child may take the Michigan merit examination
14 at a nonpublic school if allowed by the nonpublic school. Upon
15 request from a nonpublic school, the superintendent shall direct
16 the provider or providers to supply the Michigan merit examination
17 to the nonpublic school and the nonpublic school may administer the
18 Michigan merit examination. If a district administers the Michigan
19 merit examination under this subsection to a child who is not
20 enrolled in the district, the scores for that child are not
21 considered for any purpose to be scores of a pupil of the district.

22 (12) In contracting under subsection (2), the department of
23 technology, management, and budget shall consider a contractor that
24 provides electronically-scored essays with the ability to score
25 constructed response feedback in multiple languages and provide
26 ongoing instruction and feedback.

27 (13) The purpose of the Michigan merit examination is to

1 assess pupil performance in mathematics, science, social studies,
2 and English language arts for the purpose of improving academic
3 achievement and establishing a statewide standard of competency.
4 The assessment under this section provides a common measure of data
5 that will contribute to the improvement of Michigan schools'
6 curriculum and instruction by encouraging alignment with Michigan's
7 curriculum framework standards and promotes pupil participation in
8 higher level mathematics, science, social studies, and English
9 language arts courses. These standards are based upon the
10 expectations of what pupils should learn through high school and
11 are aligned with national standards.

12 (14) For a pupil enrolled in a middle college program, other
13 than a middle college operated as a shared educational entity or a
14 specialized shared educational entity, if the pupil receives at
15 least 50% of his or her instruction at the high school while in
16 grade 11, the Michigan merit examination shall be administered to
17 the pupil at the high school at which the pupil receives high
18 school instruction, and the department shall include the pupil's
19 scores on the Michigan merit examination in the scores for that
20 high school for all purposes for which a school's or district's
21 results are reported. The department shall allow the middle college
22 program to use a 5-year graduation rate for determining adequate
23 yearly progress. As used in this subsection, "middle college" means
24 a program consisting of a series of courses and other requirements
25 and conditions, including an early college or other program created
26 under a memorandum of understanding, that allows a pupil to
27 graduate from high school with both a high school diploma and a

1 certificate or degree from a community college or state public
2 university.

3 (15) As used in this section:

4 (a) "English language arts" means reading and writing.

5 (b) "Social studies" means United States history, world
6 history, world geography, economics, and American government.

7 Sec. 104c. (1) In order to receive state aid under this
8 article, a district shall administer the state assessments
9 described in this section.

10 (2) For the purposes of this section, the department shall
11 develop for use in the spring of 2015-2016 the Michigan student
12 test of educational progress (M-STEP) assessments in English
13 language arts and mathematics. These assessments shall be aligned
14 to state standards.

15 (3) For the purposes of this section, the department shall
16 implement a summative assessment system that is proven to be valid
17 and reliable for administration to pupils as provided under this
18 subsection. The summative assessment system shall meet all of the
19 following requirements:

20 (a) The summative assessment system shall measure student
21 proficiency on the current state standards, shall measure student
22 growth for consecutive grade levels in which students are assessed
23 in the same subject area in both grade levels, and shall be capable
24 of measuring individual student performance.

25 (b) The summative assessments for English language arts and
26 mathematics shall be administered to all public school pupils in
27 grades 3 to 11, including those pupils as required by the federal

1 individuals with disabilities education act, Public Law 108-446,
2 and by title I of the federal elementary and secondary education
3 act.

4 (c) The summative assessments for science shall be
5 administered to all public school pupils in at least grades 4 and
6 7, including those pupils as required by the federal individuals
7 with disabilities education act, Public Law 108-446, and by title I
8 of the federal elementary and secondary education act.

9 (d) The summative assessments for social studies shall be
10 administered to all public school pupils in at least grades 5 and
11 8, including those pupils as required by the federal individuals
12 with disabilities education act, Public Law 108-446, and by title I
13 of the federal elementary and secondary education act.

14 (e) The content of the summative assessments shall be aligned
15 to state standards.

16 (f) The pool of questions for the summative assessments shall
17 be subject to a transparent review process for quality, bias, and
18 sensitive issues involving educator review and comment. The
19 department shall post samples from tests or retired tests featuring
20 questions from this pool for review by the public.

21 (g) The summative assessment system shall ensure that
22 students, parents, and teachers are provided with reports that
23 convey individual student proficiency and growth on the assessment
24 and that convey individual student domain-level performance in each
25 subject area, including representative questions, and individual
26 student performance in meeting state standards.

27 (h) The summative assessment system shall be capable of

1 providing, and the department shall ensure that students, parents,
2 teachers, administrators, and community members are provided with,
3 reports that convey aggregate student proficiency and growth data
4 by teacher, grade, school, and district.

5 (i) The summative assessment system shall ensure the
6 capability of reporting the available data to support educator
7 evaluations.

8 (j) The summative assessment system shall ensure that the
9 reports provided to districts containing individual student data
10 are available within 60 days after completion of the assessments.

11 (k) The summative assessment system shall ensure that access
12 to individually identifiable student data meets all of the
13 following:

14 (i) Is in compliance with 20 USC 1232g, commonly referred to
15 as the family educational rights and privacy act of 1974.

16 (ii) Except as may be provided for in an agreement with a
17 vendor to provide assessment services, as necessary to support
18 educator evaluations pursuant to subdivision (i), or for research
19 or program evaluation purposes, is available only to the student;
20 to the student's parent or legal guardian; and to a school
21 administrator or teacher, to the extent that he or she has a
22 legitimate educational interest.

23 (l) The summative assessment system shall ensure that the
24 assessments are pilot tested before statewide implementation.

25 (m) The summative assessment system shall ensure that
26 assessments are designed so that the maximum total combined length
27 of time that schools are required to set aside for a pupil to

1 answer all test questions on all assessments that are part of the
 2 system for the pupil's grade level does not exceed that maximum
 3 total combined length of time for the previous statewide assessment
 4 system or 9 hours, whichever is less. This subdivision does not
 5 limit the amount of time a district may allow a pupil to complete a
 6 test.

7 (n) The total cost of executing the summative assessment
 8 system statewide each year, including, but not limited to, the cost
 9 of contracts for administration, scoring, and reporting, shall not
 10 exceed an amount equal to 2 times the cost of executing the
 11 previous statewide assessment after adjustment for inflation.

12 (4) Beginning in the 2015-2016 school year, the department
 13 shall field test additional components in the assessment system
 14 under this subsection for full implementation in ~~the 2016-2017~~
 15 **SUBSEQUENT** school year. ~~YEARS~~. The additional components are
 16 necessary to determine a pupil's proficiency level before grade 3.
 17 The additional components are as follows:

18 (a) Assessments administered in the fall and spring of each
 19 year to measure English language arts and mathematics in each of
 20 grades 1 and 2.

21 (b) The kindergarten ~~entry~~ **READINESS** assessment ~~(KEA)~~, **(KRA)**,
 22 to be administered in the fall of the kindergarten year. The ~~KEA~~
 23 **KRA** shall include the same components as under subdivision (a) and
 24 also may include observational components that measure cognitive,
 25 social-emotional, and physical skills. **THE DEPARTMENT SHALL WORK**
 26 **WITH AT LEAST 3 INTERMEDIATE DISTRICTS AND THEIR CONSTITUENT**
 27 **DISTRICTS TO PARTICIPATE IN THE KRA.**

1 (5) This section does not prohibit districts from adopting
2 interim assessments.

3 (6) As used in this section, "English language arts" means
4 that term as defined in section 104b.

5 Sec. 104d. (1) From the state school aid fund money
6 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
7 **2017** an amount not to exceed ~~\$4,000,000.00~~ **\$9,500,000.00** for
8 providing reimbursement to districts that purchase a computer-
9 adaptive test, ~~for each pupil enrolled in the district or that~~
10 purchase 1 or more diagnostic tools, screening tools, or benchmark
11 assessments for pupils in grades K to 3 that are intended to
12 increase reading proficiency by grade 4.

13 (2) In order to receive reimbursement under this section for
14 the purchase of a computer-adaptive test, the computer-adaptive
15 test must provide for at least all of the following:

16 (a) Internet-delivered, standards-based assessment using a
17 computer-adaptive model to target the instructional level of each
18 pupil.

19 (b) Unlimited testing opportunities throughout the ~~2015-2016~~
20 **2016-2017** school year.

21 (c) Valid and reliable diagnostic assessment data.

22 (d) Adjustment of testing difficulty based on previous answers
23 to test questions.

24 (e) Immediate feedback to pupils and teachers.

25 (3) In order to receive reimbursement under this section for
26 the purchase of 1 or more diagnostic tools or screening tools for
27 pupils in grades K to 3, each of the tools must meet all of the

1 following:

2 (a) Be reliable.

3 (b) Be valid.

4 (c) Be useful. As used in this subdivision, "useful" means
5 that a tool is easy to administer and requires a short time to
6 complete and that results are linked to intervention.

7 (4) In order to receive funding under this section for the
8 purchase of 1 or more benchmark assessments for pupils in grades K
9 to 3, each of the benchmark assessments must meet all of the
10 following:

11 (a) Be aligned to the state standards of this state.

12 (b) Complement this state's summative assessment system.

13 (c) Be administered at least once a year before the
14 administration of any summative assessment to monitor pupil
15 progress.

16 (d) Provide information on pupil achievement with regard to
17 learning the content required in a given year or grade span.

18 (5) Reimbursement under this section shall be made to eligible
19 districts that purchase a computer-adaptive test or 1 or more
20 diagnostic tools, screening tools, or benchmark assessments
21 described in this section by October 15, ~~2015~~—2016 and shall be
22 made on an equal per-pupil basis according to the available
23 funding, **BASED ON THE NUMBER OF PUPILS FOR WHOM ASSESSMENTS WERE**
24 **PURCHASED.**

25 (6) In order to receive reimbursement under this section, a
26 district shall demonstrate to the satisfaction of the department
27 that each qualifying computer-adaptive test, diagnostic tool,

1 screening tool, or benchmark assessment was purchased by the
2 district by December 1, ~~2015-2016~~.

3 Sec. 107. (1) From the appropriation in section 11, there is
4 allocated an amount not to exceed \$25,000,000.00 for ~~2015-2016~~
5 **2016-2017** for adult education programs authorized under this
6 section. Except as otherwise provided under subsections (16) and
7 (18), funds allocated under this section are restricted for adult
8 education programs as authorized under this section only. A
9 recipient of funds under this section shall not use those funds for
10 any other purpose.

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

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

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

26 (i) Is less than 20 years of age on September 1 of the school
27 year, is not attending an institution of higher education, and is

1 enrolled in a job- or employment-related program through a referral
2 by an employer or by a Michigan workforce agency.

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

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

5 (iv) Is at least 20 years of age on September 1 of the school
6 year, is enrolled in an adult basic education program, and is
7 determined by a department-approved assessment, in a form and
8 manner prescribed by the department, to be below grade 9 level in
9 reading or mathematics, or both.

10 (b) If the individual has not obtained a high school diploma
11 or ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY** certificate, the individual meets
12 1 of the following:

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

15 (ii) Is at least 16 years of age on September 1 of the school
16 year, has been permanently expelled from school under section
17 1311(2) or 1311a of the revised school code, MCL 380.1311 and
18 380.1311a, and has no appropriate alternative education program
19 available through his or her district of residence.

20 (4) By April 1 of each fiscal year, the intermediate districts
21 within a prosperity region or subregion shall determine which
22 intermediate district will serve as the prosperity region's or
23 subregion's fiscal agent for the next fiscal year and shall notify
24 the department in a form and manner determined by the department.
25 The department shall approve or disapprove of the prosperity
26 region's or subregion's selected fiscal agent. From the funds
27 allocated under subsection (1), an amount as determined under this

1 subsection shall be allocated to each intermediate district serving
2 as a fiscal agent for adult education programs in each of the
3 prosperity regions or subregions identified by the department. An
4 intermediate district shall not use more than 5% of the funds
5 allocated under this subsection for administration costs for
6 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
7 allocation provided to each intermediate district serving as a
8 fiscal agent shall be based on the proportion of total funding
9 formerly received by the adult education providers in that
10 prosperity region or subregion in 2013-2014, and 33% shall be
11 allocated based on the factors in subdivisions (a), (b), and (c).
12 ~~For 2016-2017, 33% of the allocation provided to each intermediate~~
13 ~~district serving as a fiscal agent shall be based upon the~~
14 ~~proportion of total funding formerly received by the adult~~
15 ~~education providers in that prosperity region in 2013-2014 and 67%~~
16 ~~of the allocation shall be based upon the factors in subdivisions~~
17 ~~(a), (b), and (c). Beginning in 2017-2018, 100% of the allocation~~
18 ~~provided to each intermediate district serving as a fiscal agent~~
19 ~~shall be based on the factors in subdivisions (a), (b), and (c).~~
20 The funding factors for this section are as follows:

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

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

7 (c) Five percent of this portion of the funding shall be
8 distributed based upon the proportion of the state population of
9 individuals age 18 or older who lack basic English language
10 proficiency that resides in each of the prosperity regions or
11 subregions, as reported by the most recent 5-year estimates from
12 the American community survey (ACS) from the United States Census
13 Bureau.

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

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

19 (b) Collaborate with the talent district career council, which
20 is an advisory council of the workforce development boards located
21 in the prosperity region or subregion, or its successor, to develop
22 a regional strategy that aligns adult education programs and
23 services into an efficient and effective delivery system for adult
24 education learners, with special consideration for providing
25 contextualized learning and career pathways.

26 (c) Collaborate with the talent district career council, which
27 is an advisory council of the workforce development boards located

1 in the prosperity region or subregion, or its successor, to create
2 a local process and criteria that will identify eligible adult
3 education providers to receive funds allocated under this section
4 based on location, demand for services, past performance, quality
5 indicators as identified by the department, and cost to provide
6 instructional services. The fiscal agent shall determine all local
7 processes, criteria, and provider determinations. However, the
8 local processes, criteria, and provider services must be approved
9 by the department before funds may be distributed to the fiscal
10 agent.

11 (d) Provide oversight to its adult education providers
12 throughout the program year to ensure compliance with the
13 requirements of this section.

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

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

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

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

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

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

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

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

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

14 (i) The participant is assessed as having attained basic
15 English proficiency as determined by a department-approved
16 assessment.

17 (ii) The participant fails to show progress on 2 successive
18 department-approved assessments after having completed at least 450
19 hours of instruction. The department shall provide information to a
20 funding recipient regarding appropriate assessment instruments for
21 this program.

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

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

1 (b) The program shall administer a pre-test approved by the
2 department before enrolling an individual to determine the
3 individual's literacy levels, shall administer a ~~G.E.D.~~**HIGH SCHOOL**
4 **EQUIVALENCY** practice test to determine the individual's potential
5 for success on the ~~G.E.D.~~**HIGH SCHOOL EQUIVALENCY** test, and shall
6 administer a post-test upon completion of the program in compliance
7 with the state-approved assessment policy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (b) Twenty percent for participant completion of the adult
2 basic education objectives by achieving an educational gain as
3 determined by the national reporting system levels; for achieving
4 basic English proficiency, as determined by the department; for
5 ~~obtaining a G.E.D.~~ **ACHIEVING A HIGH SCHOOL EQUIVALENCY CERTIFICATE**
6 or passage of 1 or more individual ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY**
7 tests; for attainment of a high school diploma or passage of a
8 course required for a participant to attain a high school diploma;
9 for enrollment in a postsecondary institution, or for entry into or
10 retention of employment, as applicable.

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

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

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

27 (15) A funding recipient receiving funds under this section

1 may establish a sliding scale of tuition rates based upon a
2 participant's family income. A funding recipient may charge a
3 participant tuition to receive adult education services under this
4 section from that sliding scale of tuition rates on a uniform
5 basis. The amount of tuition charged per participant shall not
6 exceed the actual operating cost per participant minus any funds
7 received under this section per participant. A funding recipient
8 may not charge a participant tuition under this section if the
9 participant's income is at or below 200% of the federal poverty
10 guidelines published by the United States Department of Health and
11 Human Services.

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

25 (17) All intermediate district participant audits of adult
26 education programs shall be performed pursuant to the adult
27 education participant auditing and accounting manuals published by

1 the department.

2 (18) From the amount appropriated in subsection (1), an amount
3 not to exceed \$500,000.00 shall be allocated for ~~2015-2016-2016-~~
4 **2017** to not more than 1 pilot program that is located in a
5 prosperity region with 2 or more subregions and that connects adult
6 education participants directly with employers by linking adult
7 education, career and technical skills, and workforce development.
8 To be eligible for funding under this subsection, a pilot program
9 shall provide a collaboration linking adult education programs
10 within the county, the area career/technical center, and local
11 employers, and shall meet the additional criteria in subsections
12 (19) and (20). Funding under this subsection for ~~2015-2016-2016-~~
13 **2017** is for the ~~first~~-**SECOND** of 3 years of funding.

14 (19) A pilot program funded under subsection (18) shall
15 require adult education staff to work with Michigan Works! to
16 identify a cohort of participants who are most prepared to
17 successfully enter the workforce. Participants identified under
18 this subsection shall be dually enrolled in adult education
19 programming and at least 1 technical course at the area
20 career/technical center.

21 (20) A pilot program funded under subsection (18) shall have
22 on staff an adult education navigator who will serve as a
23 caseworker for each participant identified under subsection (19).
24 The navigator shall work with adult education staff and potential
25 employers to design an educational program best suited to the
26 personal and employment needs of the participant, and shall work
27 with human service agencies or other entities to address any

1 barrier in the way of participant access.

2 (21) Not later than December 1, ~~2016~~, **2017**, the pilot program
3 funded under subsection (18) shall provide to the senate and house
4 appropriations subcommittees on school aid and to the senate and
5 house fiscal agencies a report detailing number of participants,
6 graduation rates, and a measure of transitioning to employment.

7 (22) The department shall develop an application process for a
8 pilot program to be funded under subsection (18) and shall award
9 funding not later than ~~November 1, 2015~~. **OCTOBER 1, 2016**. Funding
10 allocated under subsection (18) may be paid on a schedule other
11 than that specified under section 17b.

12 **(23) THE DEPARTMENT SHALL APPROVE AT LEAST 1 HIGH SCHOOL**
13 **EQUIVALENCY TEST AND DETERMINE WHETHER A HIGH SCHOOL EQUIVALENCY**
14 **CERTIFICATE MEETS THE REQUISITE STANDARDS FOR HIGH SCHOOL**
15 **EQUIVALENCY IN THIS STATE.**

16 (24) ~~(23)~~As used in this section:

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

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

22 (ii) Prepares an individual to be successful in any of a full
23 range of secondary or postsecondary education options, including
24 apprenticeships registered under the act of August 16, 1937

25 (commonly known as the "national apprenticeship act"), 29 USC 50 et
26 seq.

27 (iii) Includes counseling to support an individual in

1 achieving the individual's education and career goals.

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

5 (v) Organizes education, training, and other services to meet
6 the particular needs of an individual in a manner that accelerates
7 the educational and career advancement of the individual to the
8 extent practicable.

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

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

14 (b) "Department" means the department of talent and economic
15 development.

16 (c) "Eligible adult education provider" means a district,
17 intermediate district, a consortium of districts, a consortium of
18 intermediate districts, or a consortium of districts and
19 intermediate districts that is identified as part of the local
20 process described in subsection (5)(c) and approved by the
21 department.

22 (d) "Participant" means the sum of the number of full-time
23 equated individuals enrolled in and attending a department-approved
24 adult education program under this section, using quarterly
25 participant count days on the schedule described in section
26 6(7)(b).

27 Sec. 147. (1) The allocation for ~~2015-2016~~**2016-2017** for the

1 public school employees' retirement system pursuant to the public
2 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
3 to 38.1408, shall be made using the individual projected benefit
4 entry age normal cost method of valuation and risk assumptions
5 adopted by the public school employees retirement board and the
6 department of technology, management, and budget.

7 (2) The annual level percentage of payroll contribution rates
8 for the ~~2015-2016~~ **2016-2017** fiscal year, as determined by the
9 retirement system, are estimated as follows:

10 (a) For public school employees who first worked for a public
11 school reporting unit before July 1, 2010 and who are enrolled in
12 the health premium subsidy, the annual level percentage of payroll
13 contribution rate is estimated at ~~36.31%~~, **36.64%**, with ~~25.78%~~
14 **24.94%** paid directly by the employer.

15 (b) For public school employees who first worked for a public
16 school reporting unit on or after July 1, 2010 and who are enrolled
17 in the health premium subsidy, the annual level percentage of
18 payroll contribution rate is estimated at ~~35.09%~~, **36.01%**, with
19 ~~24.56%~~ **24.31%** paid directly by the employer.

20 (c) For public school employees who first worked for a public
21 school reporting unit on or after July 1, 2010 and who participate
22 in the personal healthcare fund, the annual level percentage of
23 payroll contribution rate is estimated at ~~34.66%~~, **35.79%**, with
24 ~~24.13%~~ **24.09%** paid directly by the employer.

25 (d) For public school employees who first worked for a public
26 school reporting unit on or after September 4, 2012, who elect
27 defined contribution, and who participate in the personal

1 healthcare fund, the annual level percentage of payroll
2 contribution rate is estimated at ~~31.49%~~, **32.66%**, with 20.96% paid
3 directly by the employer.

4 (e) For public school employees who first worked for a public
5 school reporting unit before July 1, 2010, who elect defined
6 contribution, and who are enrolled in the health premium subsidy,
7 the annual level percentage of payroll contribution rate is
8 estimated at ~~31.92%~~, **32.88%**, with ~~21.39%~~ **21.18%** paid directly by
9 the employer.

10 (f) For public school employees who first worked for a public
11 school reporting unit before July 1, 2010, who elect defined
12 contribution, and who participate in the personal healthcare fund,
13 the annual level percentage of payroll contribution rate is
14 estimated at ~~31.49%~~, **32.66%**, with 20.96% paid directly by the
15 employer.

16 (g) For public school employees who first worked for a public
17 school reporting unit before July 1, 2010 and who participate in
18 the personal healthcare fund, the annual level percentage of
19 payroll contribution rate is estimated at ~~35.88%~~, **36.42%**, with
20 ~~25.35%~~ **24.72%** paid directly by the employer.

21 (3) In addition to the employer payments described in
22 subsection (2), the employer shall pay the applicable contributions
23 to the Tier 2 plan, as determined by the public school employees
24 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

25 (4) The contribution rates in subsection (2) reflect an
26 amortization period of ~~23~~ **22** years for ~~2015-2016~~. **2016-2017**. The
27 public school employees' retirement system board shall notify each

1 district and intermediate district by February 28 of each fiscal
2 year of the estimated contribution rate for the next fiscal year.

3 Sec. 147a. From the appropriation in section 11, there is
4 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
5 \$100,000,000.00 for payments to participating districts. A district
6 that receives money under this section shall use that money solely
7 for the purpose of offsetting a portion of the retirement
8 contributions owed by the district for the fiscal year in which it
9 is received. The amount allocated to each participating district
10 under this section shall be based on each participating district's
11 percentage of the total statewide payroll for all participating
12 districts for the immediately preceding fiscal year. As used in
13 this section, "participating district" means a district that is a
14 reporting unit of the Michigan public school employees' retirement
15 system under the public school employees retirement act of 1979,
16 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to
17 the Michigan public school employees' retirement system for the
18 applicable fiscal year.

19 Sec. 147c. (1) From the appropriation in section 11, there is
20 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
21 ~~\$892,900,000.00~~ **\$982,200,000.00** from the state school aid fund for
22 payments to districts and intermediate districts that are
23 participating entities of the Michigan public school employees'
24 retirement system. In addition, from the general fund money
25 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
26 **2017** an amount not to exceed \$600,000.00 for payments to district
27 libraries that are participating entities of the Michigan public

1 school employees' retirement system.

2 (2) For ~~2015-2016~~, **2016-2017**, the amounts allocated under
3 subsection (1) are estimated to provide an average MPSERS rate cap
4 per pupil amount of ~~\$601.00~~ **\$660.00** and are estimated to provide a
5 rate cap per pupil for districts ranging between ~~\$4.00~~ **\$5.00** and
6 ~~\$2,300.00~~ **\$3,100.00**.

7 (3) Payments made under this section ~~for 2015-2016~~ shall be
8 equal to the difference between the unfunded actuarial accrued
9 liability contribution rate as calculated pursuant to section 41 of
10 the public school employees retirement act of 1979, 1980 PA 300,
11 MCL 38.1341, as calculated without taking into account the maximum
12 employer rate of 20.96% included in section 41 of the public school
13 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
14 maximum employer rate of 20.96% included in section 41 of the
15 public school employees retirement act of 1979, 1980 PA 300, MCL
16 38.1341.

17 (4) The amount allocated to each participating entity under
18 this section shall be based on each participating entity's
19 proportion of the total covered payroll for the immediately
20 preceding fiscal year for the same type of participating entities.
21 A participating entity that receives funds under this section shall
22 use the funds solely for the purpose of retirement contributions as
23 specified in subsection (5).

24 (5) Each participating entity receiving funds under this
25 section shall forward an amount equal to the amount allocated under
26 subsection (4) to the retirement system in a form, manner, and time
27 frame determined by the retirement system.

1 (6) Funds allocated under this section should be considered
2 when comparing a district's growth in total state aid funding from
3 1 fiscal year to the next.

4 (7) Not later than December 20, ~~2015~~, **2016**, the department
5 shall publish and post on its website an estimated MPERS rate cap
6 per pupil for each district.

7 (8) As used in this section:

8 (a) "MPERS rate cap per pupil" means an amount equal to the
9 quotient of the district's payment under this section divided by
10 the district's pupils in membership.

11 (b) "Participating entity" means a district, intermediate
12 district, or district library that is a reporting unit of the
13 Michigan public school employees' retirement system under the
14 public school employees retirement act of 1979, 1980 PA 300, MCL
15 38.1301 to 38.1437, and that reports employees to the Michigan
16 public school employees' retirement system for the applicable
17 fiscal year.

18 (c) "Retirement board" means the board that administers the
19 retirement system under the public school employees retirement act
20 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

21 (d) "Retirement system" means the Michigan public school
22 employees' retirement system under the public school employees
23 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

24 Sec. 152a. (1) As required by the court in the consolidated
25 cases known as Adair v State of Michigan, Michigan supreme court
26 docket nos. 137424 and 137453, from the state school aid fund money
27 appropriated in section 11 there is allocated for ~~2015-2016-2016-~~

1 2017 an amount not to exceed \$38,000,500.00 to be used solely for
2 the purpose of paying necessary costs related to the state-mandated
3 collection, maintenance, and reporting of data to this state.

4 (2) From the allocation in subsection (1), the department
5 shall make payments to districts and intermediate districts in an
6 equal amount per-pupil based on the total number of pupils in
7 membership in each district and intermediate district. The
8 department shall not make any adjustment to these payments after
9 the final installment payment under section 17b is made.

10 **SEC. 152B. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN**
11 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
12 **\$5,000,000.00 FOR 2016-2017 TO REIMBURSE NONPUBLIC SCHOOLS FOR THE**
13 **COSTS IDENTIFIED IN THE NONPUBLIC MANDATE REPORT PUBLISHED BY THE**
14 **DEPARTMENT ON NOVEMBER 25, 2014 TO ENSURE THE HEALTH AND SAFETY OF**
15 **ALL SCHOOLCHILDREN IN THE STATE.**

16 (2) THE DEPARTMENT SHALL DISTRIBUTE FUNDS ALLOCATED UNDER
17 SUBSECTION (1) TO NONPUBLIC SCHOOL APPLICANTS IN AN AMOUNT EQUAL TO
18 \$50.00 PER ENROLLED STUDENT IN A FORM AND MANNER DETERMINED BY THE
19 DEPARTMENT.

20 (3) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
21 TO FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION,
22 THE DEPARTMENT SHALL PRORATE PAYMENTS ON AN EQUAL PER-STUDENT
23 BASIS.

24 Sec. 166b. (1) This act does not prohibit a parent or legal
25 guardian of a minor who is enrolled in any of grades kindergarten
26 to 12 in a nonpublic school or who is being home-schooled from also
27 enrolling the minor in a district, public school academy, or

1 intermediate district in any curricular offering that is provided
2 by the district, public school academy, or intermediate district at
3 a public school site and is available to pupils in the minor's
4 grade level or age group, subject to compliance with the same
5 requirements that apply to a full-time pupil's participation in the
6 offering. However, state school aid shall be provided under this
7 act for a minor enrolled as described in this subsection only for
8 curricular offerings that are offered to full-time pupils in the
9 minor's grade level or age group during regularly scheduled school
10 hours.

11 (2) This act does not prohibit a parent or legal guardian of a
12 minor who is enrolled in any of grades kindergarten to 12 in a
13 nonpublic school or who resides within the district and is being
14 home-schooled from also enrolling the minor in the district in a
15 curricular offering being provided by the district at the nonpublic
16 school site. However, state school aid shall be provided under this
17 act for a minor enrolled as described in this subsection only if
18 all of the following apply:

19 (a) Either of the following:

20 (i) The nonpublic school site is located, or the nonpublic
21 students are educated, within the geographic boundaries of the
22 district.

23 (ii) If the nonpublic school has submitted a written request
24 to the district in which the nonpublic school is located for the
25 district to provide certain instruction under this subsection for a
26 school year and the district does not agree to provide some or all
27 of that instruction by May 1 immediately preceding that school year

1 or, if the request is submitted after March 1 immediately preceding
2 that school year, within 60 days after the nonpublic school submits
3 the request, the instruction is instead provided by an eligible
4 other district. This subparagraph does not require a nonpublic
5 school to submit more than 1 request to the district in which the
6 nonpublic school is located for that district to provide
7 instruction under this subsection, and does not require a nonpublic
8 school to submit an additional request to the district in which the
9 nonpublic school is located for that district to provide additional
10 instruction under this subsection beyond the instruction requested
11 in the original request, before having the instruction provided by
12 an eligible other district. A public school academy that is located
13 in the district in which the nonpublic school is located or in an
14 eligible other district also may provide instruction under this
15 subparagraph under the same conditions as an eligible other
16 district. As used in this subparagraph, "eligible other district"
17 means a district that is located in the same intermediate district
18 as the district in which the nonpublic school is located or is
19 located in an intermediate district that is contiguous to that
20 intermediate district.

21 (b) The nonpublic school is registered with the department as
22 a nonpublic school and meets all state reporting requirements for
23 nonpublic schools.

24 (c) The instruction is scheduled to occur during the regular
25 school day.

26 (d) The instruction is provided directly by a certified
27 teacher at the district or public school academy or at an

1 intermediate district.

2 (e) The curricular offering is also available to full-time
3 pupils in the minor's grade level or age group in the district or
4 public school academy during the regular school day at a public
5 school site.

6 (f) The curricular offering is restricted to nonessential
7 elective courses for pupils in grades kindergarten to 12. **THE**
8 **DEPARTMENT SHALL PROVIDE A UNIFORM DEFINITION OF NONESSENTIAL**
9 **ELECTIVE COURSES.**

10 (3) ~~A~~**SUBJECT TO SECTION 6(4)(GG)**, A minor enrolled as
11 described in this section is a part-time pupil for purposes of
12 state school aid under this act.

13 (4) A district that receives a written request to provide
14 instruction under subsection (2) shall reply to the request in
15 writing by May 1 immediately preceding the applicable school year
16 or, if the request is made after March 1 immediately preceding that
17 school year, within 60 days after the nonpublic school submits the
18 request. The written reply shall specify whether the district
19 agrees to provide or does not agree to provide the instruction for
20 each portion of instruction included in the request.

21 Enacting section 1. In accordance with section 30 of article I
22 of the state constitution of 1963, total state spending on school
23 aid under article I of the state school aid act of 1979, 1979 PA
24 94, MCL 388.1601 to 388.1772, as amended by this amendatory act,
25 from state sources for fiscal year 2016-2017 is estimated at
26 \$12,288,479,400.00 and state appropriations for school aid to be
27 paid to local units of government for fiscal year 2016-2017 are

1 estimated at \$12,127,646,000.00.

2 Enacting section 2. Sections 22i, 31c, and 43 of the state
3 school aid act of 1979, 1979 PA 94, MCL 388.1622i, 388.1631c, and
4 388.1643, are repealed effective October 1, 2016.

5 Enacting section 3. This amendatory act takes effect October
6 1, 2016.