

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1155**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 31a, 98b, and 104a (MCL 388.1631a,
388.1698b, and 388.1704a), as amended by 2004 PA 351, and by
adding section 104b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 31a. (1) From the money appropriated in section 11,
2 there is allocated for 2004-2005 an amount not to exceed
3 \$314,200,000.00 for payments to eligible districts and eligible
4 public school academies under this section. Subject to
5 subsection (12), the amount of the additional allowance under
6 this section shall be based on the number of actual pupils in
7 membership in the district or public school academy who met the
8 income eligibility criteria for free breakfast, lunch, or milk in
9 the immediately preceding state fiscal year, as determined under

1 the Richard B. Russell national school lunch act, 42 USC 1751 to
2 1769h, and reported to the department by October 31 of the
3 immediately preceding fiscal year and adjusted not later than
4 December 31 of the immediately preceding fiscal year. However,
5 for a public school academy that began operations as a public
6 school academy after the pupil membership count day of the
7 immediately preceding school year, the basis for the additional
8 allowance under this section shall be the number of actual pupils
9 in membership in the public school academy who met the income
10 eligibility criteria for free breakfast, lunch, or milk in the
11 current state fiscal year, as determined under the Richard
12 B. Russell national school lunch act.

13 (2) To be eligible to receive funding under this section,
14 other than funding under subsection (6), a district or public
15 school academy that has not been previously determined to be
16 eligible shall apply to the department, in a form and manner
17 prescribed by the department, and a district or public school
18 academy must meet all of the following:

19 (a) The sum of the district's or public school academy's
20 combined state and local revenue per membership pupil in the
21 current state fiscal year, as calculated under section 20, plus
22 the amount of the district's per pupil allocation under section
23 20j(2), is less than or equal to \$6,500.00 adjusted by the dollar
24 amount of the difference between the basic foundation allowance
25 under section 20 for the current state fiscal year and \$5,000.00,
26 minus \$200.00.

27 (b) The district or public school academy agrees to use the

1 funding only for purposes allowed under this section and to
2 comply with the program and accountability requirements under
3 this section.

4 (3) Except as otherwise provided in this subsection, an
5 eligible district or eligible public school academy shall receive
6 under this section for each membership pupil in the district or
7 public school academy who met the income eligibility criteria for
8 free breakfast, lunch, or milk, as determined under the Richard
9 B. Russell national school lunch act and as reported to the
10 department by October 31 of the immediately preceding fiscal year
11 and adjusted not later than December 31 of the immediately
12 preceding fiscal year, an amount per pupil equal to 11.5% of the
13 sum of the district's foundation allowance or public school
14 academy's per pupil amount calculated under section 20, plus the
15 amount of the district's per pupil allocation under section
16 20j(2), not to exceed \$6,500.00 adjusted by the dollar amount of
17 the difference between the basic foundation allowance under
18 section 20 for the current state fiscal year and \$5,000.00, minus
19 \$200.00, or of the public school academy's per membership pupil
20 amount calculated under section 20 for the current state fiscal
21 year. A public school academy that began operations as a public
22 school academy after the pupil membership count day of the
23 immediately preceding school year shall receive under this
24 section for each membership pupil in the public school academy
25 who met the income eligibility criteria for free breakfast,
26 lunch, or milk, as determined under the Richard B. Russell
27 national school lunch act and as reported to the department by

1 October 31 of the current fiscal year and adjusted not later than
2 December 31 of the current fiscal year, an amount per pupil equal
3 to 11.5% of the public school academy's per membership pupil
4 amount calculated under section 20 for the current state fiscal
5 year.

6 (4) Except as otherwise provided in this section, a district
7 or public school academy receiving funding under this section
8 shall use that money only to provide instructional programs and
9 direct noninstructional services, including, but not limited to,
10 medical or counseling services, for at-risk pupils; for school
11 health clinics; and for the purposes of subsection (5) or (6).
12 In addition, a district that is organized as a school district of
13 the first class under the revised school code or a district or
14 public school academy in which at least 50% of the pupils in
15 membership met the income eligibility criteria for free
16 breakfast, lunch, or milk in the immediately preceding state
17 fiscal year, as determined and reported as described in
18 subsection (1), may use not more than 10% of the funds it
19 receives under this section for school security. A district or
20 public school academy shall not use any of that money for
21 administrative costs or to supplant another program or other
22 funds, except for funds allocated to the district or public
23 school academy under this section in the immediately preceding
24 year and already being used by the district or public school
25 academy for at-risk pupils. The instruction or direct
26 noninstructional services provided under this section may be
27 conducted before or after regular school hours or by adding extra

1 school days to the school year and may include, but are not
2 limited to, tutorial services, early childhood programs to serve
3 children age 0 to 5, and reading programs as described in former
4 section 32f as in effect for 2001-2002. A tutorial method may be
5 conducted with paraprofessionals working under the supervision of
6 a certificated teacher. The ratio of pupils to paraprofessionals
7 shall be between 10:1 and 15:1. Only 1 certificated teacher is
8 required to supervise instruction using a tutorial method. As
9 used in this subsection, "to supplant another program" means to
10 take the place of a previously existing instructional program or
11 direct noninstructional services funded from a funding source
12 other than funding under this section.

13 (5) Except as otherwise provided in subsection (11), a
14 district or public school academy that receives funds under this
15 section and that operates a school breakfast program under
16 section 1272a of the revised school code, MCL 380.1272a, shall
17 use from the funds received under this section an amount, not to
18 exceed \$10.00 per pupil for whom the district or public school
19 academy receives funds under this section, necessary to operate
20 the school breakfast program.

21 (6) From the funds allocated under subsection (1), there is
22 allocated for 2004-2005 an amount not to exceed \$3,743,000.00 to
23 support teen health centers. These grants shall be awarded for 3
24 consecutive years beginning with 2003-2004 in a form and manner
25 approved jointly by the department and the department of
26 community health. Each grant recipient shall remain in
27 compliance with the terms of the grant award or shall forfeit the

1 grant award for the duration of the 3-year period after the
2 noncompliance. Beginning in 2004-2005, to continue to receive
3 funding for a teen health center under this section a grant
4 recipient shall ensure that the teen health center has an
5 advisory committee and that at least one-third of the members of
6 the advisory committee are parents or legal guardians of
7 school-aged children. A teen health center program shall
8 recognize the role of a child's parents or legal guardian in the
9 physical and emotional well-being of the child. If any funds
10 allocated under this subsection are not used for the purposes of
11 this subsection for the fiscal year in which they are allocated,
12 those unused funds shall be used that fiscal year to avoid or
13 minimize any proration that would otherwise be required under
14 subsection (12) for that fiscal year.

15 (7) Each district or public school academy receiving funds
16 under this section shall submit to the department by July 15 of
17 each fiscal year a report, not to exceed 10 pages, on the usage
18 by the district or public school academy of funds under this
19 section, which report shall include at least a brief description
20 of each program conducted by the district or public school
21 academy using funds under this section, the amount of funds under
22 this section allocated to each of those programs, the number of
23 at-risk pupils eligible for free or reduced price school lunch
24 who were served by each of those programs, and the total number
25 of at-risk pupils served by each of those programs. If a
26 district or public school academy does not comply with this
27 subsection, the department shall withhold an amount equal to the

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

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

12 (9) Subject to subsections (5), (6), and (11), any district
13 may use up to 100% of the funds it receives under this section to
14 reduce the ratio of pupils to teachers in grades K-6, or any
15 combination of those grades, in school buildings in which the
16 percentage of pupils described in subsection (1) exceeds the
17 district's aggregate percentage of those pupils. Subject to
18 subsections (5), (6), and (11), if a district obtains a waiver
19 from the department, the district may use up to 100% of the funds
20 it receives under this section to reduce the ratio of pupils to
21 teachers in grades K-6, or any combination of those grades, in
22 school buildings in which the percentage of pupils described in
23 subsection (1) is at least 60% of the district's aggregate
24 percentage of those pupils and at least 30% of the total number
25 of pupils enrolled in the school building. To obtain a waiver, a
26 district must apply to the department and demonstrate to the
27 satisfaction of the department that the class size reductions

1 would be in the best interests of the district's at-risk pupils.

2 (10) A district or public school academy may use funds
3 received under this section for adult high school completion,
4 general educational development (G.E.D.) test preparation, adult
5 English as a second language, or adult basic education programs
6 described in section 107.

7 (11) For an individual school or schools operated by a
8 district or public school academy receiving funds under this
9 section that have been determined by the department to meet the
10 adequate yearly progress standards of the federal no child left
11 behind act of 2001, Public Law 107-110, in both mathematics and
12 English language arts at all applicable grade levels for all
13 applicable subgroups, the district or public school academy may
14 submit to the department an application for flexibility in using
15 the funds received under this section that are attributable to
16 the pupils in the school or schools. The application shall
17 identify the affected school or schools and the affected funds
18 and shall contain a plan for using the funds for specific
19 purposes identified by the district that are designed to benefit
20 at-risk pupils in the school, but that may be different from the
21 purposes otherwise allowable under this section. The department
22 shall approve the application if the department determines that
23 the purposes identified in the plan are reasonably designed to
24 benefit at-risk pupils in the school. If the department does not
25 act to approve or disapprove an application within 30 days after
26 it is submitted to the department, the application is considered
27 to be approved. If an application for flexibility in using the

1 funds is approved, the district may use the funds identified in
2 the application for any purpose identified in the plan.

3 (12) If necessary, and before any proration required under
4 section 11, the department shall prorate payments under this
5 section by reducing the amount of the per pupil payment under
6 this section by a dollar amount calculated by determining the
7 amount by which the amount necessary to fully fund the
8 requirements of this section exceeds the maximum amount allocated
9 under this section and then dividing that amount by the total
10 statewide number of pupils who met the income eligibility
11 criteria for free breakfast, lunch, or milk in the immediately
12 preceding fiscal year, as described in subsection (1).

13 (13) If a district is formed by consolidation after June 1,
14 1995, and if 1 or more of the original districts was not eligible
15 before the consolidation for an additional allowance under this
16 section, the amount of the additional allowance under this
17 section for the consolidated district shall be based on the
18 number of pupils described in subsection (1) enrolled in the
19 consolidated district who reside in the territory of an original
20 district that was eligible before the consolidation for an
21 additional allowance under this section.

22 (14) A district or public school academy that does not meet
23 the eligibility requirement under subsection (2)(a) is eligible
24 for funding under this section if at least 1/4 of the pupils in
25 membership in the district or public school academy met the
26 income eligibility criteria for free breakfast, lunch, or milk in
27 the immediately preceding state fiscal year, as determined and

1 reported as described in subsection (1), and at least 4,500 of
2 the pupils in membership in the district or public school academy
3 met the income eligibility criteria for free breakfast, lunch, or
4 milk in the immediately preceding state fiscal year, as
5 determined and reported as described in subsection (1). A
6 district or public school academy that is eligible for funding
7 under this section because the district meets the requirements of
8 this subsection shall receive under this section for each
9 membership pupil in the district or public school academy who met
10 the income eligibility criteria for free breakfast, lunch, or
11 milk in the immediately preceding fiscal year, as determined and
12 reported as described in subsection (1), an amount per pupil
13 equal to 11.5% of the sum of the district's foundation allowance
14 or public school academy's per pupil allocation under section 20,
15 plus the amount of the district's per pupil allocation under
16 section 20j(2), not to exceed \$6,500.00 adjusted by the dollar
17 amount of the difference between the basic foundation allowance
18 under section 20 for the current state fiscal year and \$5,000.00,
19 minus \$200.00.

20 (15) As used in this section, "at-risk pupil" means a pupil
21 for whom the district has documentation that the pupil meets at
22 least 2 of the following criteria: is a victim of child abuse or
23 neglect; is below grade level in English language and
24 communication skills or mathematics; is a pregnant teenager or
25 teenage parent; is eligible for a federal free or reduced-price
26 lunch subsidy; has atypical behavior or attendance patterns; or
27 has a family history of school failure, incarceration, or

1 substance abuse. For pupils for whom the results of at least the
2 applicable Michigan education assessment program (MEAP) test have
3 been received, at-risk pupil also includes a pupil who does not
4 meet the other criteria under this subsection but who did not
5 achieve at least a score of level 2 on the most recent MEAP
6 English language arts, mathematics, or science test for which
7 results for the pupil have been received. **For pupils for whom**
8 **the results of the Michigan merit examination have been received,**
9 **at-risk pupil also includes a pupil who does not meet the other**
10 **criteria under this subsection but who did not achieve**
11 **proficiency on the reading component of the most recent Michigan**
12 **merit examination for which results for the pupil have been**
13 **received, did not achieve proficiency on the mathematics**
14 **component of the most recent Michigan merit examination for which**
15 **results for the pupil have been received, or did not achieve**
16 **basic competency on the science component of the most recent**
17 **Michigan merit examination for which results for the pupil have**
18 **been received.** For pupils in grades K-3, at-risk pupil also
19 includes a pupil who is at risk of not meeting the district's
20 core academic curricular objectives in English language arts or
21 mathematics.

22 Sec. 98b. (1) From the school aid stabilization fund
23 created in section 11a, there is appropriated and allocated for
24 2004-2005 an amount not to exceed \$3,700,000.00 for the freedom
25 to learn program described in this section. In addition, from
26 the federal funds appropriated in section 11 there is allocated
27 for 2004-2005 an amount not to exceed \$10,343,200.00 from the

1 competitive grants of DED-OESE, title II, educational technology
2 grants funds, and an amount not to exceed \$7,000,000.00 from
3 funds carried forward from 2003-2004 from unexpended DED-OESE,
4 title II, educational technology grants funds.

5 (2) The allocations in subsection (1) shall be used to
6 develop, implement, and operate the freedom to learn program and
7 make program grants. The goal of the program is to achieve
8 one-to-one access to wireless technology for K-12 pupils through
9 statewide and local public-private partnerships. To implement
10 the program, the state education agency shall sign a memorandum
11 of understanding with the Michigan virtual university that
12 provides for joint administration of program grants under this
13 subsection. ~~If the Michigan virtual university ceases to~~
14 ~~operate, or fails to perform its functions described in this~~
15 ~~section, then~~ **However, beginning January 1, 2005,** Ferris state
16 university shall perform the functions of the Michigan virtual
17 university under this section and the funds allocated to the
18 Michigan virtual university under this section are instead
19 allocated to Ferris state university. **Not later than January 31,**
20 **2005, the state education agency shall enter into a memorandum of**
21 **understanding with Ferris state university that provides for this**
22 **transfer of functions.** The Michigan virtual university **or Ferris**
23 **state university, as applicable,** and the state education agency
24 shall make grants to districts as described in this section. In
25 awarding the grants, the Michigan virtual university **or Ferris**
26 **state university, as applicable,** and the state education agency
27 shall give priority to applications that demonstrate that the

1 district's program will meet all of the following:

2 (a) Will be ready for immediate implementation and will have
3 begun professional development on technology integration in the
4 classroom.

5 (b) Will utilize state structure and resources for
6 professional development, as coordinated by the Michigan virtual
7 university **or Ferris state university, as applicable.**

8 (c) Will opt to participate in the statewide partnership
9 described in subsection (9).

10 (3) The amount of program grants to districts is estimated at
11 \$250.00 per pupil in membership in grade 6 in 2004-2005, or in
12 another grade allowed in this section, or per grade 6 teacher if
13 the funding is awarded in a ratio of at least 20 pupils funded
14 for each teacher funded. The state education agency and the
15 Michigan virtual university **or Ferris state university, as**
16 **applicable,** shall establish grant criteria that maximize the
17 distribution of federal funds to achieve the \$250.00 per pupil or
18 teacher in districts that qualify for federal funds. To qualify
19 for a grant under this section, a district shall submit an
20 application to the state education agency and the Michigan
21 virtual university **or Ferris state university, as applicable,** and
22 complete the application process established by the state
23 education agency and the Michigan virtual university **or Ferris**
24 **state university, as applicable.** The application shall include
25 at least all of the following:

26 (a) If the district is applying for federal funds, how the
27 district will meet the requirements of the competitive grants

1 under DED-OESE, title II, part D.

2 (b) How the district will provide the opportunity for each
3 pupil in membership in grade 6 to receive a wireless computing
4 device. If the district has already achieved one-to-one wireless
5 access in grade 6 or if the district's school building grade
6 configuration makes implementation of the program for grade 6
7 impractical, the district may apply for a grant for the next
8 highest grade. If the district does not have a grade 6 or
9 higher, the district may apply for funding for the next lowest
10 grade level. If the district operates 1 or more schools that are
11 not meeting adequate yearly progress, as determined by the
12 department, and that contain grade 6, the district may apply for
13 funding for a school building-wide program for 1 or more of those
14 schools. A public school academy that does not offer a grade
15 higher than grade 5 may apply to receive a grant under this
16 section for pupils in the highest grade offered by the public
17 school academy.

18 (c) The district shall submit a plan describing the uses of
19 the grant funds. The plan shall describe a plan for professional
20 development on technology integration, content and curriculum,
21 and local partnerships with the other districts and
22 representatives from businesses, industry, and higher education.
23 The plan shall include at least the following:

24 (i) The academic achievement goals, which may include, but
25 are not limited to, goals related to mathematics, science, and
26 language arts.

27 (ii) The engagement goals, which may include, but are not

1 limited to, goals related to retention rates, dropout rates,
2 detentions, and suspensions.

3 (iii) A commitment that at least 25% of the total local
4 budget for the program will be used on professional development
5 on technology integration in the classroom.

6 (d) A 3- to 5-year plan or funding model for increasing the
7 share that is borne locally of the expenditures for one-to-one
8 wireless access. The Michigan virtual university **or Ferris state**
9 **university, as applicable,** shall provide districts with sample
10 local plans and funding models for the purposes of this
11 subdivision and with information on available federal and private
12 resources.

13 (e) How the district will amend its local technology plan as
14 required under state and federal law to reflect the program under
15 this section.

16 (4) A district that receives a grant under this section shall
17 provide at least a \$25.00 per pupil match for grant money
18 received under this section from local public or private
19 resources.

20 (5) The amount of a grant under this section to a single
21 district for a fiscal year shall not exceed 25% of the total
22 amount available for grants under this section for that fiscal
23 year.

24 (6) A district that received money under section 98 in
25 2002-2003 for a wireless technology grant is eligible to receive
26 a grant under this section.

27 (7) The federal funding under subsection (1) shall be used

1 first to provide the grants under this subsection. A district
2 described in this subsection shall apply to the Michigan virtual
3 university **or Ferris state university, as applicable**, and the
4 state education agency for a grant in the form and manner
5 prescribed by the department. An application under this section
6 is not subject to the requirements of subsection (3) if the
7 application demonstrates that the program will meet all of the
8 following:

9 (a) Will continue as a demonstration program.

10 (b) Will provide regional assistance to schools that are not
11 meeting adequate yearly progress, as determined by the
12 department, and to new grant recipients, as directed by the state
13 education agency and the Michigan virtual university **or Ferris**
14 **state university, as applicable.**

15 (c) Will seek to expand its existing wireless technology
16 initiatives.

17 (8) The state funding under subsection (1) shall be used
18 first to provide grants to districts that received money under
19 section 98 in 2002-2003 and were designated as program
20 application sites.

21 (9) The department of management and budget shall establish a
22 statewide public-private partnership to implement the program.
23 The department of management and budget shall select a program
24 partner through a request for proposals process for a total
25 learning technology package that includes, but is not limited to,
26 a wireless laptop, software, professional development, service,
27 and support, and for management by a single point of contact

1 individual responsible for the overall implementation. The
2 proposal selected shall achieve significant efficiencies and
3 economies of scale and be interoperable with existing
4 technologies. The private partner selected in the request for
5 proposals process to partner with the state must possess all of
6 the following:

7 (a) Experience in the development and successful
8 implementation of large-scale, school-based wireless technology
9 projects.

10 (b) Proven technical ability to deliver a total solutions
11 package of learning technology for elementary and secondary
12 students and teachers.

13 (c) Results-based education solutions to increase student
14 achievement and advance professional development for teachers.

15 (d) Ability to coordinate, utilize, and expand existing
16 technology infrastructures and professional development delivery
17 systems within school districts and regions.

18 (e) Ability to provide a wireless computing device that is
19 able to be connected to the wireless network and is able to
20 access a school's preexisting local network and the internet both
21 wirelessly in the school and through dial-up or other remote
22 connection from the home or elsewhere outside school.

23 (10) A district may elect to purchase or lease wireless
24 computing devices from a vendor other than the statewide
25 partnership described in subsection (9) if the Michigan virtual
26 university **or Ferris state university, as applicable,** determines
27 that the vendor meets the requirements of subdivisions (a) to (d)

1 of subsection (9) and the vendor is identified in the district's
2 grant application.

3 (11) The state education agency shall sign a memorandum of
4 understanding with the Michigan virtual university regarding
5 DED-OESE, title II, educational technology grants, as provided
6 under this subsection. **Not later than January 31, 2005, the**
7 **state education agency shall enter into a memorandum of**
8 **understanding with Ferris state university to provide for the**
9 **transfer of functions under this subsection.** The Michigan virtual
10 university **or Ferris state university, as applicable,** shall
11 coordinate activities described in this subsection with the
12 freedom to learn grants described under this section. The
13 memorandum of understanding shall require that the Michigan
14 virtual university **or Ferris state university, as applicable,**
15 coordinate the following state activities related to DED-OESE,
16 title II, educational technology grants in accordance with
17 federal law:

18 (a) Assist in the development of innovative strategies for
19 the delivery of specialized or rigorous academic courses and
20 curricula through the use of technology, including distance
21 learning technologies.

22 (b) Establish and support public-private initiatives for the
23 acquisition of educational technology for students in high-need
24 districts.

25 (12) Funds allocated under this section that are not expended
26 in the state fiscal year for which they were allocated may be
27 carried forward to a subsequent state fiscal year.

1 (13) ~~The state education agency and the Michigan virtual~~
2 ~~university shall complete the memoranda of understanding required~~
3 ~~under this section within 60 days after the effective date of the~~
4 ~~amendatory act that added this subsection.~~ It is the intent of
5 the legislature that all plans or applications submitted by the
6 state education agency to the United States department of
7 education relating to the distribution of federal funds under
8 this section are for the purposes described in this section.

9 (14) The state education agency shall ensure that the program
10 goals and plans for the freedom to learn program are contained in
11 the state technology plan required by federal law.

12 (15) From the funds allocated under this section, an amount
13 not to exceed \$2,750,000.00 is allocated to the Michigan virtual
14 university **or Ferris state university, as applicable,** to be used
15 for statewide activities, as follows:

16 (a) An amount estimated at \$1,700,000.00 to develop a
17 professional development network in partnership with other
18 statewide entities for professional development on technology
19 integration in the classroom.

20 (b) An amount estimated at \$250,000.00 for development of a
21 content resource package that will include on-line coursework
22 content.

23 (c) An amount estimated at \$300,000.00 to Ferris state
24 university to develop or purchase an on-line assessment system to
25 supplement the Michigan education assessment program tests **and**
26 **the Michigan merit examination** and provide immediate feedback on
27 pupil achievement. The assessment system shall include

1 high-quality tests aligned to the state curriculum framework and
 2 tests that can be customized by teachers and integrated with
 3 on-line instructional resources. The ~~Michigan virtual~~
 4 ~~university and the~~ state education agency shall work in
 5 partnership **with Ferris state university** to implement the
 6 assessment program. The state education agency shall give first
 7 priority in implementing the assessment systems to districts not
 8 meeting adequately yearly progress requirements as established by
 9 the federal no child left behind act of 2001, Public Law 107-110,
 10 and to schools participating in grant programs under this
 11 section.

12 (d) An amount not to exceed \$500,000.00 for comprehensive
 13 statewide evaluation of current and future projects under this
 14 section and for statewide administration of the freedom to learn
 15 program.

16 ~~(16) The Michigan virtual university is encouraged to work~~
 17 ~~in partnership with Ferris state university in performing the~~
 18 ~~functions under subsection (15).~~

19 **(16)** ~~(17)~~ Notwithstanding section 17b, payments under this
 20 section may be made pursuant to an agreement with the
 21 department.

22 **(17)** ~~(18)~~ It is the intent of the legislature that this
 23 state will seek to raise private funds for the current and future
 24 funding of the freedom to learn program under this section and
 25 all of the program components.

26 **(18)** ~~(19)~~ As used in this section:

27 (a) "DED-OESE" means the United States department of

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1 education office of elementary and secondary education.

2 (b) "State education agency" means the department.

3 Sec. 104a. (1) ~~In~~ **Subject to subsection (14) and section**
 4 **104b, until the end of the 2005-2006 school year, in** order to
 5 receive state aid under this act, a district shall comply with
 6 this section and shall administer state assessments to high
 7 school pupils in the subject areas of English language arts,
 8 mathematics, [science, and

9
 10] social studies. If the ~~department~~ **superintendent**
 11 determines that it would be consistent with the purposes of this
 12 section, the ~~department~~ **superintendent** may designate the grade
 13 11 Michigan education assessment program tests ~~or the ACT/ACT~~
 14 ~~work keys tests~~ as the assessments to be used for the purposes
 15 of this section. The district shall include on the pupil's high
 16 school transcript all of the following:

17 (a) For each high school graduate who has completed a subject
 18 area assessment under this section, the pupil's scaled score on
 19 the assessment.

20 (b) If the pupil's scaled score on a subject area assessment
 21 falls within the range required under subsection (2) for ~~a~~
 22 ~~category established under subsection (2)~~ **"exceeds**
 23 **expectations", "meets expectations", or "basic",** an indication
 24 that the pupil has achieved state endorsement for that subject
 25 area.

26 (c) The number of school days the pupil was in attendance at
 27 school each school year during high school and the total number

1 of school days in session for each of those school years.

2 (2) The ~~department~~ **superintendent** shall develop scaled
3 scores for reporting subject area assessment results for each of
4 the subject areas under this section. The ~~department~~
5 **superintendent** shall establish ~~3~~ **4** categories for each subject
6 area indicating ~~basic competency, above average, and~~
7 ~~outstanding~~ **exceeds expectations, meets expectations, basic, and**
8 **below basic**, and shall establish the scaled score range required
9 for each category. The ~~department~~ **superintendent** shall design
10 and distribute to districts, intermediate districts, and
11 nonpublic schools a simple and concise document that describes
12 these categories in each subject area and indicates the scaled
13 score ranges for each category in each subject area. A district
14 may award a high school diploma to a pupil who successfully
15 completes local district requirements established in accordance
16 with state law for high school graduation, regardless of whether
17 the pupil is eligible for any state endorsement.

18 (3) The assessments administered for the purposes of this
19 section shall be administered to pupils during the last ~~30~~ **90**
20 school days of grade 11. The ~~department~~ **superintendent** shall
21 ensure that the assessments are scored and the scores are
22 returned to pupils, their parents or legal guardians, and
23 districts not later than the beginning of the pupil's first
24 semester of grade 12. ~~The department shall arrange for those~~
25 ~~portions of a pupil's assessment that cannot be scored~~
26 ~~mechanically to be scored in Michigan by persons who are Michigan~~
27 ~~teachers, retired Michigan teachers, or Michigan school~~

1 ~~administrators and who have been trained in scoring the~~
2 ~~assessments.~~ The returned scores shall indicate the pupil's
3 scaled score for each subject area assessment, the range of
4 scaled scores for each subject area, and the range of scaled
5 scores required for each category established under
6 subsection (2). In reporting the scores to pupils, parents, and
7 schools, the ~~department~~ **superintendent** shall provide specific,
8 meaningful, and timely feedback on the pupil's performance on the
9 assessment.

10 (4) Beginning with assessments conducted in the 2005-2006
11 school year, all of the following apply to the assessments under
12 this section:

13 (a) The superintendent shall ensure that any contractor used
14 for scoring the assessment supplies an individual report for each
15 pupil that will identify for the student's parents and teachers
16 whether the pupil met expectations or failed to meet expectations
17 for each standard, to allow the pupil's parents and teachers to
18 assess and remedy problems before the pupil moves to the next
19 grade.

20 (b) The superintendent shall ensure that any contractor used
21 for scoring, developing, or processing an assessment instrument
22 meets quality management standards commonly used in the
23 assessment industry, including at least meeting level 2 of the
24 capability maturity model developed by the software engineering
25 institute of Carnegie Mellon university for the 2005-2006 school
26 year assessments and at least meeting level 3 of the capability
27 maturity model for subsequent assessments.

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1 (c) The superintendent shall ensure that any contract it
 2 enters into for scoring, administering, or developing an
 3 assessment instrument includes specific deadlines for all steps
 4 of the assessment process, including, but not limited to,
 5 deadlines for the correct testing materials to be supplied to
 6 schools and for the correct results to be returned to schools,
 7 and includes penalties for noncompliance with these deadlines.

8 (d) The superintendent shall ensure that the assessment
 9 instruments meet all of the following:

10 (i) Are designed to test pupils on grade level content
 11 expectations or course content expectations, as appropriate, in
 12 all subjects tested.

13 (ii) Comply with requirements of the no child left behind act
 14 of 2001, Public Law 107-110.

15 (iii) Are consistent with the code of fair testing practices
 16 in education prepared by the joint committee on testing practices
 17 of the American psychological association.

[(iv) Are factually accurate. If the superintendent determines that a
 question is not factually accurate and should be removed from an
 assessment instrument, the state board and the superintendent shall
 ensure that the question is removed from the assessment instrument.]

18 (5) ~~(4)~~ For each pupil who does not achieve ~~state~~
 19 ~~endorsement~~ **proficiency** in 1 or more subject areas, the board of
 20 the district in which the pupil is enrolled shall provide that
 21 there be at least 1 meeting attended by at least the pupil and a
 22 member of the district's staff or a local or intermediate
 23 district consultant who is proficient in the measurement and
 24 evaluation of pupils. The district may provide the meeting as a
 25 group meeting for pupils in similar circumstances. If the pupil
 26 is a minor, the district shall invite and encourage the pupil's
 27 parent, legal guardian, or person in loco parentis to attend the

1 meeting and shall mail a notice of the meeting to the pupil's
2 parent, legal guardian, or person in loco parentis. The purpose
3 of this meeting and any subsequent meeting under this subsection
4 shall be to determine an educational program for the pupil
5 designed to have the pupil achieve state endorsement in each
6 subject area in which he or she did not achieve state
7 endorsement. In addition, a district may provide for subsequent
8 meetings with the pupil conducted by a high school counselor or
9 teacher designated by the pupil's high school principal, and
10 shall invite and encourage the pupil's parent, legal guardian, or
11 person in loco parentis to attend the subsequent meetings. The
12 district shall provide special programs for the pupil or develop
13 a program using the educational programs regularly provided by
14 the district unless the board of the district decides otherwise
15 and publishes and explains its decision in a public justification
16 report.

17 (6) ~~(5)~~ A pupil who wants to repeat an assessment
18 administered under this section may repeat the assessment,
19 without charge to the pupil, in the next school year or after
20 graduation. An individual may repeat an assessment at any time
21 the district administers an applicable assessment instrument or
22 during a retesting period under subsection ~~(7)~~ (8).

23 (7) ~~(6)~~ The ~~department~~ **superintendent** shall ensure that
24 the length of the assessments used for the purposes of this
25 section and the combined total time necessary to administer all
26 of the assessments are the shortest possible that will still
27 maintain the degree of reliability and validity of the assessment

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1 results determined necessary by the ~~department~~ **superintendent**.

2 The ~~department~~ **superintendent** shall ensure that the maximum
3 total combined length of time that schools are required to set
4 aside for administration of all of the assessments used for the
5 purposes of this section does not exceed 8 hours. However, this
6 subsection does not limit the amount of time that individuals may
7 have to complete the assessments.

8 **(8)** ~~-(7)-~~ The ~~department~~ **superintendent** shall establish,
9 schedule, and arrange periodic retesting periods throughout the
10 year **until the end of the 2006-2007 school year** for individuals
11 who desire to repeat an assessment under this section. The
12 ~~department~~ **superintendent** shall coordinate the arrangements for
13 administering the repeat assessments and shall ensure that the
14 retesting is made available at least within each intermediate
15 district and, to the extent possible, within each district.

16 **(9)** ~~-(8)-~~ A district shall provide accommodations to a pupil
17 with disabilities for the assessments required under this
18 section, as provided under section 504 of title V of the
19 rehabilitation act of 1973, 29 USC 794; subtitle A of title II of
20 the Americans with disabilities act of 1990, 42 USC 12131 to
21 12134; **the individuals with disabilities education act amendments**
22 **of 1997, Public Law 105-17;** and the implementing regulations for
23 those statutes.

24 **(10)** ~~-(9)-~~ For the purposes of this section, the ~~department~~
25 **superintendent** shall develop or select and approve assessment
26 instruments to measure pupil performance in English language
27 arts, mathematics, **[social studies,]** and science. ~~Unless the~~

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1 ~~department selects and approves the ACT/ACT work keys tests, the~~
 2 [
 3] **The**
 4 assessment instruments shall be based on ~~the model core academic~~
 5 ~~content standards objectives under section 1278 of the revised~~
 6 ~~school code, MCL 380.1278~~ **grade level content expectations or**
 7 **course content expectations, as appropriate.**

8 **(11)** ~~-(10)-~~ Upon written request by the pupil's parent or
 9 legal guardian stating that the request is being made for the
 10 purpose of providing the pupil with an opportunity to qualify to
 11 take 1 or more postsecondary courses as an eligible student under
 12 the postsecondary enrollment options act, 1996 PA 160,
 13 MCL 388.511 to 388.524, **or under the career and technical**
 14 **preparation act, 2000 PA 258, MCL 388.1901 to 388.1913,** the board
 15 of a district shall allow a pupil who is in at least grade 10 to
 16 take an assessment administered under this section without charge
 17 at any time the district regularly administers the assessment or
 18 during a retesting period established under subsection ~~-(7)-~~
 19 **(8)**. A district is not required to include in an annual
 20 education report, or in any other report submitted to the
 21 ~~department~~ **superintendent** for accreditation purposes, results
 22 of assessments taken under this subsection by a pupil in grade 11
 23 or lower until the results of that pupil's graduating class are
 24 otherwise reported.

25 **(12)** ~~-(11)-~~ All assessment instruments developed or selected
 26 and approved by the state under any statute or rule for a purpose
 27 related to K to 12 education shall be objective-oriented and

1 consistent with ~~the model core academic content standards~~
2 ~~objectives under section 1278 of the revised school code,~~
3 ~~MCL 380.1278~~ **grade level content expectations or course content**
4 **expectations, as appropriate.**

5 **(13) ~~(12) A~~ Until the end of the 2006-2007 school year, a**
6 **person who has graduated from high school after 1996 and who has**
7 **not previously taken an assessment under this section may take an**
8 **assessment used for the purposes of this section, without charge**
9 **to the person, at the district from which he or she graduated**
10 **from high school at any time that district administers the**
11 **assessment or during a retesting period scheduled under**
12 **subsection ~~(7)~~ (8) and have his or her scaled score on the**
13 **assessment included on his or her high school transcript. If the**
14 **person's scaled score on a subject area assessment falls within**
15 **the range required under subsection (2) for a category**
16 **established under subsection (2), the district shall also**
17 **indicate on the person's high school transcript that the person**
18 **has achieved state endorsement for that subject area.**

19 **(14) Until the end of the 2006-2007 school year, a person who**
20 **has previously taken an assessment under this section may take a**
21 **retest on the assessment for the purposes of qualifying for a**
22 **Michigan merit award under the Michigan merit award scholarship**
23 **act, 1999 PA 94, MCL 390.1451 to 390.1459. The person may take**
24 **the retest, without charge to the person, at the district in**
25 **which he or she is enrolled or resides or, if it is not available**
26 **in that district, at another location within the intermediate**
27 **district in which he or she resides, at a regular testing time**

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1 scheduled for the assessment or during a retesting period
 2 scheduled under subsection (8).

3 (15) ~~(13)~~ A child who is a student in a nonpublic school or
 4 home school may take an assessment under this section. To take
 5 an assessment, a child who is a student in a home school shall
 6 contact the district in which the child resides, and that
 7 district shall administer the assessment, or the child may take
 8 the assessment at a nonpublic school if allowed by the nonpublic
 9 school. Upon request from a nonpublic school, the ~~department~~
 10 **superintendent** shall supply assessments and the nonpublic school
 11 may administer the assessment. **If a district administers an**
 12 **assessment under this subsection to a child who is not enrolled**
 13 **in the district, the scores for that child are not considered for**
 14 **any purpose to be scores of a pupil of the district.**

15 (16) ~~(14)~~ The purpose of the assessment under this section
 16 is to assess pupil performance in mathematics, science, [social
 17 studies,] and English language arts for the purpose of improving
 18 academic achievement and establishing a statewide standard of
 19 competency. The assessment under this section provides a common
 20 measure of data that will contribute to the improvement of
 21 Michigan schools' curriculum and instruction by encouraging
 22 alignment with Michigan's curriculum framework standards. These
 23 standards are based upon the expectations of what pupils should
 24 know and be able to do by the end of grade 11.

25 (17) ~~(15)~~ As used in this section: ~~—,"social~~

26 (a) "English language arts" means reading and writing.

27 (b) "Social studies" means ~~—geography,~~ United States

1 history, world history, world geography, economics, and American
2 government.

3 Sec. 104b. (1) Beginning in the 2006 calendar year, in
4 order to receive state aid under this act, a district shall
5 comply with this section and shall administer the state
6 assessments under section 1279 or the Michigan merit examination
7 to pupils in grade 11 as provided in this section, as follows:

8 (a) For pupils in grade 11 in the 2005-2006 school year, the
9 provisions concerning state assessments under section 104a apply
10 to all pupils in grade 11 and the Michigan merit examination
11 shall be administered to a sample of pupils in grade 11
12 statewide, as identified by the department. The pupils to be
13 included in this sample shall be determined by the department as
14 the department determines necessary to seek the approval of the
15 United States department of education to use the Michigan merit
16 examination for the purposes of the federal no child left behind
17 act of 2001, Public Law 107-110.

18 (b) Subject to subdivision (c), for pupils in grade 11 in the
19 2006-2007 school year and subsequent school years, the Michigan
20 merit examination shall be offered to all pupils in grade 11.

21 (c) If the United States department of education has not
22 approved the use of the Michigan merit examination for the
23 purposes of the federal no child left behind act of 2001, Public
24 Law 107-110, by December 31, 2006, all of the following apply:

25 (i) The provisions concerning state assessments under section
26 104a shall continue to apply to all pupils in grade 11 until the
27 next calendar year that begins after that approval occurs.

1 (ii) The Michigan merit examination shall be offered to all
2 pupils in grade 11 beginning in the next calendar year that
3 begins after that approval occurs.

4 (iii) If it is necessary as part of the process of continuing
5 to seek the approval of the United States department of education
6 to use the Michigan merit examination for the purposes of the
7 federal no child left behind act of 2001, Public Law 107-110, the
8 department may again provide for the administration of both the
9 state assessments under section 104a and the Michigan merit
10 examination to a sample of pupils in grade 11 statewide as
11 described in subdivision (a).

12 (2) The department shall take all steps necessary, including,
13 but not limited to, conducting a content alignment study and
14 statistical analyses, to obtain the approval of the United States
15 department of education to use the Michigan merit examination for
16 the purposes of the federal no child left behind act of 2001,
17 Public Law 107-110, by not later than December 31, 2006 or as
18 soon thereafter as possible.

19 (3) For the purposes of this section, the department of
20 management and budget shall contract with 1 or more providers to
21 develop, supply, and score the Michigan merit examination. The
22 Michigan merit examination shall consist of all of the
23 following:

24 (a) Assessment instruments that measure English language
25 arts, mathematics, reading, and science and are used by colleges
26 and universities in this state for entrance or placement
27 purposes.

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1 (b) One or more tests from 1 or more test developers that
2 assess a pupil's ability to apply reading and mathematics skills
3 in a manner that is intended to allow employers to use the
4 results in making employment decisions.

5 [(c) A social studies component.

6]

7 (d) Any other component that is necessary to obtain the
8 approval of the United States department of education to use the
9 Michigan merit examination for the purposes of the federal no
10 child left behind act of 2001, Public Law 107-110.

11 (4) In addition to all other requirements of this section,
12 all of the following apply to the Michigan merit examination:

13 (a) The department of management and budget and the
14 superintendent shall ensure that any contractor used for scoring
15 the Michigan merit examination supplies an individual report for
16 each pupil that will identify for the pupil's parents and
17 teachers whether the pupil met expectations or failed to meet
18 expectations for each standard, to allow the pupil's parents and
19 teachers to assess and remedy problems before the pupil moves to
20 the next grade.

21 (b) The department of management and budget and the
22 superintendent shall ensure that any contractor used for scoring,
23 developing, or processing the Michigan merit examination meets
24 quality management standards commonly used in the assessment
25 industry, including at least meeting level 2 of the capability
26 maturity model developed by the software engineering institute of
27 Carnegie Mellon university for the first year the Michigan merit

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1 examination is offered to all grade 11 pupils and at least
2 meeting level 3 of the capability maturity model for subsequent
3 years.

4 (c) The department of management and budget and the
5 superintendent shall ensure that any contract for scoring,
6 administering, or developing the Michigan merit examination
7 includes specific deadlines for all steps of the assessment
8 process, including, but not limited to, deadlines for the correct
9 testing materials to be supplied to schools and for the correct
10 results to be returned to schools, and includes penalties for
11 noncompliance with these deadlines.

12 (d) The superintendent shall ensure that the Michigan merit
13 examination meets all of the following:

14 (i) Is designed to test pupils on grade level content
15 expectations or course content expectations, as appropriate, in
16 all subjects tested.

17 (ii) Complies with requirements of the no child left behind
18 act of 2001, Public Law 107-110.

19 (iii) Is consistent with the code of fair testing practices
20 in education prepared by the joint committee on testing practices
21 of the American psychological association.

22 [(iv) Is factually accurate. If the superintendent determines that a
question is not factually accurate and should be removed from an
assessment instrument, the state board and the superintendent shall
ensure that the question is removed from the assessment instrument.]

23 (5) Beginning with pupils completing grade 11 in 2006, a
24 district shall include on each pupil's high school transcript all
25 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
score on each subject area component of the Michigan merit

1 examination.

2 (b) The number of school days the pupil was in attendance at
3 school each school year during high school and the total number
4 of school days in session for each of those school years.

5 (6) The superintendent shall work with the provider or
6 providers of the Michigan merit examination to produce Michigan
7 merit examination subject area scores for each pupil
8 participating in the Michigan merit examination, including
9 scaling and merging of test items for the different subject area
10 components. The superintendent shall design and distribute to
11 districts, intermediate districts, and nonpublic schools a simple
12 and concise document that describes the scoring for each subject
13 area and indicates the scaled score ranges for each subject
14 area.

15 (7) The Michigan merit examination shall be administered each
16 year after March 1 and before June 1 to pupils in grade 11. The
17 superintendent shall ensure that the Michigan merit examination
18 is scored and the scores are returned to pupils, their parents or
19 legal guardians, and districts not later than the beginning of
20 the pupil's first semester of grade 12. The returned scores
21 shall indicate at least the pupil's scaled score for each subject
22 area component and the range of scaled scores for each subject
23 area. In reporting the scores to pupils, parents, and schools,
24 the superintendent shall provide standards-specific, meaningful,
25 and timely feedback on the pupil's performance on the Michigan
26 merit examination.

27 (8) A pupil who does not qualify for a Michigan merit award

1 scholarship under the Michigan merit award scholarship act, 1999
2 PA 94, MCL 390.1451 to 390.1459, and who wants to repeat the
3 Michigan merit examination may repeat the Michigan merit
4 examination in the next school year on a designated testing
5 date. The first time a pupil repeats the Michigan merit
6 examination under this subsection shall be without charge to the
7 pupil, but the pupil is responsible for paying the cost of any
8 subsequent repeat.

9 (9) The superintendent shall ensure that the length of the
10 Michigan merit examination and the combined total time necessary
11 to administer all of the components of the Michigan merit
12 examination are the shortest possible that will still maintain
13 the degree of reliability and validity of the Michigan merit
14 examination results determined necessary by the superintendent.
15 The superintendent shall ensure that the maximum total combined
16 length of time that schools are required to set aside for
17 administration of all of the components of the Michigan merit
18 examination does not exceed 8 hours.

19 (10) A district shall provide accommodations to a pupil with
20 disabilities for the Michigan merit examination, as provided
21 under section 504 of title V of the rehabilitation act of 1973,
22 29 USC 794; subtitle A of title II of the Americans with
23 disabilities act of 1990, 42 USC 12131 to 12134; the individuals
24 with disabilities education act amendments of 1997, Public Law
25 105-17; and the implementing regulations for those statutes. The
26 provider or providers of the Michigan merit examination and the
27 superintendent shall mutually agree upon the accommodations to be

1 provided under this subsection.

2 (11) To the greatest extent possible, the Michigan merit
3 examination shall be based on grade level content expectations or
4 course content expectations, as appropriate.

5 (12) A child who is a student in a nonpublic school or home
6 school may take the Michigan merit examination under this
7 section. To take the Michigan merit examination, a child who is
8 a student in a home school shall contact the district in which
9 the child resides, and that district shall administer the
10 Michigan merit examination, or the child may take the Michigan
11 merit examination at a nonpublic school if allowed by the
12 nonpublic school. Upon request from a nonpublic school, the
13 superintendent shall direct the provider or providers to supply
14 the Michigan merit examination to the nonpublic school and the
15 nonpublic school may administer the Michigan merit examination.
16 If a district administers the Michigan merit examination under
17 this subsection to a child who is not enrolled in the district,
18 the scores for that child are not considered for any purpose to
19 be scores of a pupil of the district.

20 (13) In contracting under subsection (3), the department of
21 management and budget shall consider a contractor that provides
22 electronically-scored essays with the ability to score
23 constructed response feedback in multiple languages and provide
24 ongoing instruction and feedback.

25 (14) The purpose of the Michigan merit examination is to
26 assess pupil performance in mathematics, science, [social studies,] and
English
27 language arts for the purpose of improving academic achievement

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1 and establishing a statewide standard of competency. The
2 assessment under this section provides a common measure of data
3 that will contribute to the improvement of Michigan schools'
4 curriculum and instruction by encouraging alignment with
5 Michigan's curriculum framework standards and promotes pupil
6 participation in higher level mathematics, science, [social studies,] and
English
7 language arts courses. These standards are based upon the
8 expectations of what pupils should learn through high school and
9 are aligned with national standards.

10 (15) As used in this section:

11 (a) "English language arts" means reading and writing.

12 (b) "Social studies" means United States history, world
13 history, world geography, economics, and American government.

14 Enacting section 1. This amendatory act does not take
15 effect unless all of the following bills of the 92nd Legislature
16 are enacted into law:

17 (a) Senate Bill No. 1153.

18 (b) Senate Bill No. 1154.

19 (c) Senate Bill No. 1156.

20 (d) Senate Bill No. 1157.