

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 796, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11 and 17b (MCL 388.1611 and 388.1617b), section 11 as amended by 2015 PA 139 and section 17b as amended by 2007 PA 137.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 25g, 26a, 26b, 26c, 31a, 31c, 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, 99h, 99s, 101, 102d, 104, 104b, 104c, 104d, 107, 147, 147a, 147c, 152a, 166, and 166b (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611r, 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, 388.1631c, 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, 388.1699h, 388.1699s, 388.1701, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766, and 388.1766b), section 3 as amended by 2012 PA 201, sections 4, 6, 98, and 107 as amended by 2016 PA 56, sections 11, 21f, 31a, and 32d as amended by 2015 PA 139, sections 11a, 11j, 11k, 11m, 11r, 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, 99h, 101, 104, 104b, 104c, 147, 147a, 147c, and 152a as amended and sections 25g, 31c, 31h, 35, 35a, 55, 61b, 65, 67, 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, section 166 as amended by 1996 PA 300, and section 166b as amended by 2015 PA 222, and by adding sections 11o, 11s, 20m, 21, 21g, 31b, 31j, 32q, 54b, 61c, 63, 99t, 152b, and 167a; and to repeal acts and parts of acts.

Geoff Hansen

Tim Kelly

Dave Hildenbrand

Phil Potvin

Hoon-Yung Hopgood

Sarah Roberts

Conferees for the Senate

Conferees for the House

**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, 11r, 15, 18,
19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c,
25e, 25f, 25g, 26a, 26b, 26c, 31a, 31c, 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, 99h, 99s, 101, 102d, 104, 104b,
104c, 104d, 107, 147, 147a, 147c, 152a, 166, and 166b (MCL
388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j,
388.1611k, 388.1611m, 388.1611r, 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, 388.1631c, 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, 388.1699h, 388.1699s, 388.1701, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766, and 388.1766b), section 3 as amended by 2012 PA 201, sections 4, 6, 98, and 107 as amended by 2016 PA 56, sections 11, 21f, 31a, and 32d as amended by 2015 PA 139, sections 11a, 11j, 11k, 11m, 11r, 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, 99h, 101, 104, 104b, 104c, 147, 147a, 147c, and 152a as amended and sections 25g, 31c, 31h, 35, 35a, 55, 61b, 65, 67, 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, section 166 as amended by 1996 PA 300, and section 166b as amended by 2015 PA 222, and by adding sections 11o, 11s, 20m, 21, 21g, 31b, 31j, 32q, 54b, 61c, 63, 99t, 152b, and 167a; 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,

1 between the school district of the city of Detroit and the board of
2 regents of ~~eastern Michigan university~~, **EASTERN MICHIGAN**
3 **UNIVERSITY**, a state public university.

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

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

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

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

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

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

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

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

academy. Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a, 105, 105c, and 166b, district also includes the education achievement system. **EXCEPT IN SECTION 20, DISTRICT ALSO INCLUDES A COMMUNITY DISTRICT.**

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

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

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

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

1 facilities.

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

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

12 (5) "High school equivalency certificate" means a certificate
13 granted for the successful completion of a high school equivalency
14 test.

15 (6) "High school equivalency test" means ~~a high school~~
16 ~~equivalency test approved by the department under section 107.~~**THE**
17 **G.E.D. TEST DEVELOPED BY THE GED TESTING SERVICE, THE TEST**
18 **ASSESSING SECONDARY COMPLETION (TASC) DEVELOPED BY CTS/MCGRAW-HILL,**
19 **THE HISET TEST DEVELOPED BY THE EDUCATION TESTING SERVICE (ETS), OR**
20 **ANOTHER COMPARABLE TEST APPROVED BY THE DEPARTMENT OF TALENT AND**
21 **ECONOMIC DEVELOPMENT.**

22 (7) "High school equivalency test preparation program" means a
23 program that has high school level courses in English language
24 arts, social studies, science, and mathematics and that prepares an
25 individual to successfully complete a high school equivalency test.

26 (8) "High school pupil" means a pupil in membership in grades
27 7 to 12, except in a district not maintaining grades above the

1 eighth grade.

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

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

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

the district or high school, who leave high school with a diploma or other credential of equal status.

(4) "Membership", except as otherwise provided in this article, means for a district, a public school academy, the education achievement system, or an intermediate district the sum of the product of .90 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .10 times the final audited count from the

supplemental count day for the immediately preceding school year. A district's, public school academy's, or intermediate district's membership shall be adjusted as provided under section 25e for

pupils who enroll ~~in the district, public school academy, or~~

~~intermediate district~~ after the pupil membership count day **IN A**

STRICT DISCIPLINE ACADEMY OPERATING UNDER SECTIONS 1311B TO 1311M

OF THE REVISED SCHOOL CODE, MCL 380.1311B TO 380.1311M. HOWEVER,

FOR A DISTRICT THAT IS A COMMUNITY DISTRICT IN ITS FIRST YEAR OF

OPERATION, "MEMBERSHIP" MEANS THE SUM OF THE PRODUCT OF .90 TIMES

THE NUMBER OF FULL-TIME EQUATED PUPILS IN GRADES K TO 12 ACTUALLY

ENROLLED AND IN REGULAR DAILY ATTENDANCE IN THE COMMUNITY DISTRICT

ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE CURRENT SCHOOL YEAR, PLUS

THE PRODUCT OF .10 TIMES THE FINAL AUDITED COUNT FROM THE

SUPPLEMENTAL COUNT DAY OF PUPILS IN GRADES K TO 12 ACTUALLY

ENROLLED AND IN REGULAR DAILY ATTENDANCE IN A QUALIFYING SCHOOL

DISTRICT AS DEFINED IN SECTION 5 OF THE REVISED SCHOOL CODE, MCL

380.5, FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR. All pupil counts

used in this subsection are as determined by the department and

1 calculated by adding the number of pupils registered for attendance
2 plus pupils received by transfer and minus pupils lost as defined
3 by rules promulgated by the superintendent, and as corrected by a
4 subsequent department audit. For the purposes of this section and
5 section 6a, for a school of excellence that is a cyber school, as
6 defined in section 551 of the revised school code, MCL 380.551, and
7 is in compliance with section 553a of the revised school code, MCL
8 380.553a, a pupil's participation in the cyber school's educational
9 program is considered regular daily attendance; for the education
10 achievement system, a pupil's participation in ~~an online~~ **A VIRTUAL**
11 educational program of the education achievement system or of an
12 achievement school is considered regular daily attendance; and for
13 a district a pupil's participation in ~~an online~~ **A VIRTUAL** course as
14 defined in section 21f is considered regular daily attendance. The
15 amount of the foundation allowance for a pupil in membership is
16 determined under section 20. In making the calculation of
17 membership, all of the following, as applicable, apply to
18 determining the membership of a district, a public school academy,
19 the education achievement system, or an intermediate district:

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

25 (b) If a pupil is educated in a district other than the
26 pupil's district of residence, if the pupil is not being educated
27 as part of a cooperative education program, if the pupil's district

1 of residence does not give the educating district its approval to
2 count the pupil in membership in the educating district, and if the
3 pupil is not covered by an exception specified in subsection (6) to
4 the requirement that the educating district must have the approval
5 of the pupil's district of residence to count the pupil in
6 membership, the pupil shall not be counted in membership in any
7 district.

8 (c) A special education pupil educated by the intermediate
9 district shall be counted in membership in the intermediate
10 district.

11 (d) A pupil placed by a court or state agency in an on-grounds
12 program of a juvenile detention facility, a child caring
13 institution, or a mental health institution, or a pupil funded
14 under section 53a, shall be counted in membership in the district
15 or intermediate district approved by the department to operate the
16 program.

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

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

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

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

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

7 (i) If operations begin before the pupil membership count day
8 for the fiscal year, membership is the average number of full-time
9 equated pupils in grades K to 12 actually enrolled and in regular
10 daily attendance on the pupil membership count day for the current
11 school year and on the supplemental count day for the current
12 school year, as determined by the department and calculated by
13 adding the number of pupils registered for attendance on the pupil
14 membership count day plus pupils received by transfer and minus
15 pupils lost as defined by rules promulgated by the superintendent,
16 and as corrected by a subsequent department audit, plus the final
17 audited count from the supplemental count day for the current
18 school year, and dividing that sum by 2.

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

25 (j) If a district is the authorizing body for a public school
26 academy, then, in the first school year in which pupils are counted
27 in membership on the pupil membership count day in the public

1 school academy, the determination of the district's membership
2 shall exclude from the district's pupil count for the immediately
3 preceding supplemental count day any pupils who are counted in the
4 public school academy on that first pupil membership count day who
5 were also counted in the district on the immediately preceding
6 supplemental count day.

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

12 (l) To be counted in membership, a pupil shall meet the
13 minimum age requirement to be eligible to attend school under
14 section 1147 of the revised school code, MCL 380.1147, or shall be
15 enrolled under subsection (3) of that section, and shall be less
16 than 20 years of age on September 1 of the school year except as
17 follows:

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

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

25 (A) Is enrolled in a public school academy or an alternative
26 education high school diploma program, that is primarily focused on
27 educating ~~homeless~~ pupils **WITH EXTREME BARRIERS TO EDUCATION, SUCH**

1 AS BEING HOMELESS AS DEFINED UNDER 42 USC 11302.

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

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

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

8 (iii) If a child does not meet the minimum age requirement to
9 be eligible to attend school for that school year under section
10 1147 of the revised school code, MCL 380.1147, but will be 5 years
11 of age not later than December 1 of that school year, the district
12 may count the child in membership for that school year if the
13 parent or legal guardian has notified the district in writing that
14 he or she intends to enroll the child in kindergarten for that
15 school year.

16 (m) An individual who has ~~obtained~~ **ACHIEVED** a high school
17 diploma shall not be counted in membership. An individual who has
18 achieved a high school equivalency certificate shall not be counted
19 in membership unless the individual is a student with a disability
20 as defined in R 340.1702 of the Michigan administrative code. An
21 individual participating in a job training program funded under
22 former section 107a or a jobs program funded under former section
23 107b, administered by the ~~Michigan strategic fund,~~ **DEPARTMENT OF**
24 **TALENT AND ECONOMIC DEVELOPMENT**, or participating in any successor
25 of either of those 2 programs, shall not be counted in membership.

26 (n) If a pupil counted in membership in a public school
27 academy or the education achievement system is also educated by a

1 district or intermediate district as part of a cooperative
2 education program, the pupil shall be counted in membership only in
3 the public school academy or the education achievement system
4 unless a written agreement signed by all parties designates the
5 party or parties in which the pupil shall be counted in membership,
6 and the instructional time scheduled for the pupil in the district
7 or intermediate district shall be included in the full-time equated
8 membership determination under subdivision (q) and section 101.

9 However, for pupils receiving instruction in both a public school
10 academy or the education achievement system and in a district or
11 intermediate district but not as a part of a cooperative education
12 program, the following apply:

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

24 (ii) If the public school academy or the education achievement
25 system provides instruction for less than 1/2 of the class hours
26 required under section 101, the district or intermediate district
27 providing the remainder of the hours of instruction shall receive

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

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

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

15 (q) The number of class hours used to calculate full-time
16 equated memberships shall be consistent with section 101. In
17 determining full-time equated memberships for pupils who are
18 enrolled in a postsecondary institution, a pupil shall not be
19 considered to be less than a full-time equated pupil solely because
20 of the effect of his or her postsecondary enrollment, including
21 necessary travel time, on the number of class hours provided by the
22 district to the pupil.

23 (r) Full-time equated memberships for pupils in kindergarten
24 shall be determined by dividing the number of instructional hours
25 scheduled and provided per year per kindergarten pupil by the same
26 number used for determining full-time equated memberships for
27 pupils in grades 1 to 12. However, to the extent allowable under

1 federal law, for a district or public school academy that provides
2 evidence satisfactory to the department that it used federal title
3 I money in the 2 immediately preceding school fiscal years to fund
4 full-time kindergarten, full-time equated memberships for pupils in
5 kindergarten shall be determined by dividing the number of class
6 hours scheduled and provided per year per kindergarten pupil by a
7 number equal to $1/2$ the number used for determining full-time
8 equated memberships for pupils in grades 1 to 12. The change in the
9 counting of full-time equated memberships for pupils in
10 kindergarten that took effect for 2012-2013 is not a mandate.

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

27 (t) A pupil enrolled in a cooperative education program may be

1 counted in membership in the pupil's district of residence with the
2 written approval of all parties to the cooperative agreement.

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

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

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

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

27 (iv) Credit earned is awarded to the pupil and placed on the

1 pupil's transcript.

2 (v) If a pupil was enrolled in a public school academy on the
3 pupil membership count day, if the public school academy's contract
4 with its authorizing body is revoked or the public school academy
5 otherwise ceases to operate, and if the pupil enrolls in a district
6 or the education achievement system within 45 days after the pupil
7 membership count day, the department shall adjust the district's or
8 the education achievement system's pupil count for the pupil
9 membership count day to include the pupil in the count.

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

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

1 district that does not operate grades 9 to 12 and if 1 or both of
2 the affected districts request the department to use the
3 determination allowed under this sentence, the department shall
4 include the square mileage of both districts in determining the
5 number of pupils per square mile for each of the districts for the
6 purposes of this subdivision. The membership figure calculated
7 under this subdivision is the greater of the following:

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

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

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

25 (z) A pupil of a district that begins its school year after
26 Labor Day who is enrolled in an intermediate district program that
27 begins before Labor Day shall not be considered to be less than a

1 full-time pupil solely due to instructional time scheduled but not
2 attended by the pupil before Labor Day.

3 (aa) For the first year in which a pupil is counted in
4 membership on the pupil membership count day in a middle college
5 program, the membership is the average of the full-time equated
6 membership on the pupil membership count day and on the
7 supplemental count day for the current school year, as determined
8 by the department. If a pupil described in this subdivision was
9 counted in membership by the operating district on the immediately
10 preceding supplemental count day, the pupil shall be excluded from
11 the district's immediately preceding supplemental count for the
12 purposes of determining the district's membership.

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

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

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

1 subsection result in a pupil being counted as more than 1.0 FTE in
2 a fiscal year, the payment made for the pupil under sections 22a
3 and 22b shall not be based on more than 1.0 FTE for that pupil, and
4 any portion of an FTE for that pupil that exceeds 1.0 shall instead
5 be paid under section 25g. The district operating the program shall
6 report to the center the number of pupils who were enrolled in the
7 program and were in full attendance for a month not later than ~~the~~
8 ~~tenth day of the next month.~~ **30 DAYS AFTER THE END OF THE MONTH.** A
9 district shall not report a pupil as being in full attendance for a
10 month unless both of the following are met:

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

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

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

25 (ff) If a public school academy that is not in its first or
26 second year of operation closes at the end of a school year and
27 does not reopen for the next school year, the department shall

1 adjust the membership count of the district or the education
2 achievement system in which a former pupil of the public school
3 academy enrolls and is in regular daily attendance for the next
4 school year to ensure that the district or the education
5 achievement system receives the same amount of membership aid for
6 the pupil as if the pupil were counted in the district or the
7 education achievement system on the supplemental count day of the
8 preceding school year.

9 (GG) IF A SPECIAL EDUCATION PUPIL IS EXPELLED UNDER SECTION
10 1311 OR 1311A OF THE REVISED SCHOOL CODE, MCL 380.1311 AND
11 380.1311A, AND IS NOT IN ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT
12 DAY BECAUSE OF THE EXPULSION, AND IF THE PUPIL REMAINS ENROLLED IN
13 THE DISTRICT AND RESUMES REGULAR DAILY ATTENDANCE DURING THAT
14 SCHOOL YEAR, THE DISTRICT'S MEMBERSHIP SHALL BE ADJUSTED TO COUNT
15 THE PUPIL IN MEMBERSHIP AS IF HE OR SHE HAD BEEN IN ATTENDANCE ON
16 THE PUPIL MEMBERSHIP COUNT DAY.

17 (HH) A PUPIL ENROLLED IN A COMMUNITY DISTRICT SHALL BE COUNTED
18 IN MEMBERSHIP IN THE COMMUNITY DISTRICT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (o) A pupil who enrolls in a district other than the pupil's
20 district of residence as a result of the pupil's school not making
21 adequate yearly progress under the no child left behind act of
22 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC**
23 **LAW 114-95.**

24 However, **EXCEPT FOR PUPILS ENROLLED IN THE YOUTH CHALLENGE**
25 **PROGRAM AT THE SITE AT WHICH THE YOUTH CHALLENGE PROGRAM OPERATED**
26 **FOR 2015-2016,** if a district educates pupils who reside in another
27 district and if the primary instructional site for those pupils is

1 established by the educating district after 2009-2010 and is
2 located within the boundaries of that other district, the educating
3 district must have the approval of that other district to count
4 those pupils in membership.

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

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

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

15 (i) Fourth Wednesday in July.

16 (ii) First Wednesday in October.

17 (iii) Second Wednesday in February.

18 (iv) Fourth Wednesday in April.

19 (8) "Pupils in grades K to 12 actually enrolled and in regular
20 daily attendance" means pupils in grades K to 12 in attendance and
21 receiving instruction in all classes for which they are enrolled on
22 the pupil membership count day or the supplemental count day, as
23 applicable. Except as otherwise provided in this subsection, a
24 pupil who is absent from any of the classes in which the pupil is
25 enrolled on the pupil membership count day or supplemental count
26 day and who does not attend each of those classes during the 10
27 consecutive school days immediately following the pupil membership

count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, an intermediate district, a public school academy, or the education achievement system before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, public school academy, or education achievement system within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

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

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

1 380.1852.

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

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

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

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

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

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

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

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

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

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

16 Sec. 11. (1) ~~For the fiscal year ending September 30, 2015,~~
 17 ~~there is appropriated for the public schools of this state and~~
 18 ~~certain other state purposes relating to education the sum of~~
 19 ~~\$11,814,097,400.00 from the state school aid fund, the sum of~~
 20 ~~\$18,000,000.00 from the MPSEERS retirement obligation reform reserve~~
 21 ~~fund created under section 147b, and the sum of \$33,700,000.00 from~~
 22 ~~the general fund.~~ For the fiscal year ending September 30, 2016,
 23 there is appropriated for the public schools of this state and
 24 certain other state purposes relating to education the sum of
 25 ~~\$12,078,985,100.00~~ \$11,905,439,300.00 from the state school aid
 26 fund and the sum of ~~\$45,900,000.00~~ \$55,100,000.00 from the general
 27 fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017, THERE IS**

1 APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER
2 STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$12,052,309,300.00
3 FROM THE STATE SCHOOL AID FUND, THE SUM OF \$218,900,000.00 FROM THE
4 GENERAL FUND, AN AMOUNT NOT TO EXCEED \$72,000,000.00 FROM THE
5 COMMUNITY DISTRICT EDUCATION TRUST FUND CREATED UNDER SECTION 12 OF
6 THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.262, AND AN AMOUNT
7 NOT TO EXCEED \$100.00 FROM THE WATER EMERGENCY RESERVE FUND. In
8 addition, all other available federal funds are appropriated each
9 fiscal year for the fiscal years ending September 30, ~~2015-2016~~ and
10 September 30, ~~2016-2017~~.

11 (2) The appropriations under this section shall be allocated
12 as provided in this article. Money appropriated under this section
13 from the general fund shall be expended to fund the purposes of
14 this article before the expenditure of money appropriated under
15 this section from the state school aid fund.

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

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

22 (2) The state treasurer may receive money or other assets from
23 any source for deposit into the school aid stabilization fund. The
24 state treasurer shall deposit into the school aid stabilization
25 fund all of the following:

26 (a) Unexpended and unencumbered state school aid fund revenue
27 for a fiscal year that remains in the state school aid fund as of

1 the bookclosing for that fiscal year.

2 (b) Money statutorily dedicated to the school aid
3 stabilization fund.

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

5 (3) Money available in the school aid stabilization fund may
6 not be expended without a specific appropriation from the school
7 aid stabilization fund. Money in the school aid stabilization fund
8 shall be expended only for purposes for which state school aid fund
9 money may be expended.

10 (4) The state treasurer shall direct the investment of the
11 school aid stabilization fund. The state treasurer shall credit to
12 the school aid stabilization fund interest and earnings from fund
13 investments.

14 (5) Money in the school aid stabilization fund at the close of
15 a fiscal year shall remain in the school aid stabilization fund and
16 shall not lapse to the unreserved school aid fund balance or the
17 general fund.

18 (6) If the maximum amount appropriated under section 11 from
19 the state school aid fund for a fiscal year exceeds the amount
20 available for expenditure from the state school aid fund for that
21 fiscal year, there is appropriated from the school aid
22 stabilization fund to the state school aid fund an amount equal to
23 the projected shortfall as determined by the department of
24 treasury, but not to exceed available money in the school aid
25 stabilization fund. If the money in the school aid stabilization
26 fund is insufficient to fully fund an amount equal to the projected
27 shortfall, the state budget director shall notify the legislature

1 as required under section 296(2) and state payments in an amount
 2 equal to the remainder of the projected shortfall shall be prorated
 3 in the manner provided under section 296(3).

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

8 Sec. 11j. From the appropriation in section 11, there is
 9 allocated an amount not to exceed ~~\$126,500,000.00~~ **\$10,500,000.00**
 10 for 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
 11 **\$126,500,000.00 FOR 2016-2017** for payments to the school loan bond
 12 redemption fund in the department of treasury on behalf of
 13 districts and intermediate districts. Notwithstanding section 296
 14 or any other provision of this act, funds allocated under this
 15 section are not subject to proration and shall be paid in full.

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

23 Sec. 11m. From the appropriation in section 11, ~~there is~~
 24 ~~allocated for 2014-2015 an amount not to exceed \$0.00 and there is~~
 25 ~~allocated for 2015-2016 an amount not to exceed \$2,000,000.00~~
 26 **\$1,000,000.00 AND THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO**
 27 **EXCEED \$3,000,000.00** for fiscal year cash-flow borrowing costs

1 solely related to the state school aid fund established by section
2 11 of article IX of the state constitution of 1963.

3 SEC. 11o. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
4 11, THERE IS ALLOCATED \$9,200,000.00 FOR 2015-2016 TO AN
5 INTERMEDIATE DISTRICT FOR THE PURPOSE OF PROVIDING STATE EARLY
6 CHILDHOOD SERVICES DESCRIBED IN THIS SECTION TO CHILDREN WHO RESIDE
7 WITHIN THE BOUNDARIES OF A CONSTITUENT DISTRICT WITH THE MAJORITY
8 OF ITS TERRITORY LOCATED WITHIN THE BOUNDARIES OF A CITY FOR WHICH
9 AN EXECUTIVE PROCLAMATION OF EMERGENCY IS ISSUED DURING THE FISCAL
10 YEAR UNDER THE EMERGENCY MANAGEMENT ACT, 1976 PA 390, MCL 30.401 TO
11 30.421.

12 (2) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS
13 ALLOCATED AN AMOUNT NOT TO EXCEED \$8,300,000.00 FOR STATE EARLY
14 INTERVENTION SERVICES PROVIDED TO CHILDREN LESS THAN 5 YEARS OF AGE
15 AS OF SEPTEMBER 1, 2015. THE INTERMEDIATE DISTRICT SHALL USE THE
16 FUNDS TO PROVIDE STATE EARLY INTERVENTION SERVICES THAT ARE SIMILAR
17 TO THE SERVICES DESCRIBED IN THE EARLY ON MICHIGAN STATE PLAN, AS
18 APPROVED BY THE DEPARTMENT.

19 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
20 AN AMOUNT NOT TO EXCEED \$650,000.00 TO PROVIDE SUMMER GREAT START
21 READINESS PROGRAMS AND RELATED SERVICES, AS APPROVED BY THE
22 DEPARTMENT.

23 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
24 AN AMOUNT NOT TO EXCEED \$250,000.00 TO A CONSTITUENT DISTRICT
25 DESCRIBED IN SUBSECTION (1) THAT HAS AN AGREEMENT WITH A
26 POSTSECONDARY INSTITUTION TO PROVIDE SUMMER EARLY CHILDHOOD
27 PROGRAMS SIMILAR TO GREAT START READINESS PROGRAMS, AS APPROVED BY

1 THE DEPARTMENT.

2 (5) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT
3 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED
4 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO
5 PROVIDE EARLY CHILDHOOD SERVICES DESCRIBED IN THIS SECTION. THE
6 ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,
7 2018.

8 Sec. 11r. (1) From the appropriation in section 11, there is
9 allocated for 2014-2015 an amount not to exceed \$4,000,000.00 to be
10 deposited into the distressed districts emergency grant fund
11 created under this section for the purpose of funding grants under
12 this section.

13 (2) The distressed districts emergency grant fund is created
14 as a separate account within the state school aid fund. The state
15 treasurer may receive money or other assets from any source for
16 deposit into the distressed districts emergency grant fund. The
17 state treasurer shall direct the investment of the distressed
18 districts emergency grant fund and shall credit to the distressed
19 districts emergency grant fund interest and earnings from the fund.

20 (3) Subject to subsection (4), ~~and except as otherwise~~
21 ~~provided under subsection (8),~~ a district is eligible to receive a
22 grant from the distressed districts emergency grant fund if either
23 of the following applies:

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

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

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

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

21 (6) Before disbursing funds under this section, the state
22 treasurer shall notify the house and senate appropriations
23 subcommittees on school aid and the house and senate fiscal
24 agencies. The notification shall include, but not be limited to,
25 the district receiving funds under this section, the amount of the
26 funds awarded under this section, an explanation of the district
27 conditions that necessitate funding under this section, and the

1 intended use of funds disbursed under this section.

2 (7) ~~Money~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (8),**
3 **MONEY** in the distressed districts emergency grant fund at the close
4 of a fiscal year shall remain in the distressed districts emergency
5 grant fund and shall not lapse to the state school aid fund or to
6 the general fund.

7 ~~—— (8) For 2014-2015 only, for a district that is a strict~~
8 ~~discipline academy established under sections 1311b to 1311m of the~~
9 ~~revised school code, MCL 380.1311b to 380.1311m, that serves at~~
10 ~~least 340 pupils as reported on the line labeled "State Aid~~
11 ~~Membership" in the May 2015 state aid financial status report, and~~
12 ~~that services a program that provided pupil accounting information~~
13 ~~to the department for the October 2013 data collection on the~~
14 ~~department form entitled "ANNUAL SURVEY OF CHILDREN IN LOCAL~~
15 ~~INSTITUTIONS FOR NEGLECTED OR DELINQUENT CHILDREN OR IN~~
16 ~~CORRECTIONAL INSTITUTIONS (Title I of P.L. 107-110)", but for which~~
17 ~~the information was not correctly compiled by the department, the~~
18 ~~department shall award a grant to that district under this~~
19 ~~subsection from the funding allocated under subsection (1) to~~
20 ~~compensate the district for the loss in federal funding that~~
21 ~~occurred as a result of the department's incorrect compilation. The~~
22 ~~amount of the grant under this subsection for this purpose shall be~~
23 ~~\$178,000.00 for the amount lost for the 2014-2015 school year.~~

24 (8) **FOR 2015-2016 ONLY, AN AMOUNT NOT TO EXCEED \$2,800,000.00**
25 **SHALL BE LAPSED FROM THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND**
26 **TO THE STATE SCHOOL AID FUND.**

27 **SEC. 11S. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION**

1 11, THERE IS ALLOCATED \$10,142,500.00 FOR 2016-2017 FOR THE PURPOSE
2 OF PROVIDING SERVICES AND PROGRAMS TO CHILDREN WHO RESIDE WITHIN
3 THE BOUNDARIES OF A DISTRICT WITH THE MAJORITY OF ITS TERRITORY
4 LOCATED WITHIN THE BOUNDARIES OF A CITY FOR WHICH AN EXECUTIVE
5 PROCLAMATION OF EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY
6 PRECEDING FISCAL YEAR UNDER THE EMERGENCY MANAGEMENT ACT, 1976 PA
7 390, MCL 30.401 TO 30.421. FROM THE FUNDING APPROPRIATED IN SECTION
8 11, THERE IS ALLOCATED \$100.00 FROM THE WATER EMERGENCY RESERVE
9 FUND FOR THE PURPOSES OF THIS SECTION.

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

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

26 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO PUPILS BY THOSE
27 PERSONNEL.

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

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

6 (3) FROM THE ALLOCATION IN SUBSECTION (1) , THERE IS ALLOCATED
7 TO AN INTERMEDIATE DISTRICT THAT HAS A CONSTITUENT DISTRICT
8 DESCRIBED IN SUBSECTION (2) AN AMOUNT NOT TO EXCEED \$1,195,000.00
9 TO AUGMENT STAFF FOR THE PURPOSE OF PROVIDING ADDITIONAL EARLY
10 CHILDHOOD SERVICES AND FOR NUTRITIONAL SERVICES TO CHILDREN
11 DESCRIBED IN SUBSECTION (1) , REGARDLESS OF LOCATION OF SCHOOL OF
12 ATTENDANCE. THE EARLY CHILDHOOD SERVICES TO BE PROVIDED UNDER THIS
13 SUBSECTION ARE STATE EARLY INTERVENTION SERVICES AS DESCRIBED IN
14 SUBSECTION (4) AND EARLY LITERACY SERVICES. IN ADDITION, FUNDS
15 ALLOCATED UNDER THIS SUBSECTION MAY ALSO BE EXPENDED TO PROVIDE
16 INFORMATIONAL RESOURCES TO PARENTS, EDUCATORS, AND THE COMMUNITY,
17 AND TO COORDINATE SERVICES WITH OTHER LOCAL AGENCIES. THE
18 INTERMEDIATE DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A
19 FORM, MANNER, AND FREQUENCY APPROVED BY THE DEPARTMENT. THE
20 DEPARTMENT SHALL PROVIDE A COPY OF THAT REPORT TO THE GOVERNOR, THE
21 HOUSE AND SENATE SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE
22 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS AFTER
23 RECEIPT. THE REPORT SHALL PROVIDE AT LEAST THE FOLLOWING
24 INFORMATION:

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

27 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO CHILDREN BY

1 THOSE PERSONNEL.

2 (C) WHAT TYPES OF ADDITIONAL NUTRITIONAL SERVICES WERE
3 PROVIDED.

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

6 (E) WHAT TYPES OF INFORMATIONAL RESOURCES AND COORDINATION
7 EFFORTS WERE PROVIDED.

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

11 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
12 AN AMOUNT NOT TO EXCEED \$6,155,000.00 TO INTERMEDIATE DISTRICTS
13 DESCRIBED IN SUBSECTION (3) TO PROVIDE STATE EARLY INTERVENTION
14 SERVICES FOR CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN
15 4 YEARS OF AGE AS OF SEPTEMBER 1, 2016. THE INTERMEDIATE DISTRICT
16 SHALL USE THESE FUNDS TO PROVIDE STATE EARLY INTERVENTION SERVICES
17 THAT ARE SIMILAR TO THE SERVICES DESCRIBED IN THE EARLY ON MICHIGAN
18 STATE PLAN, INCLUDING ENSURING THAT ALL CHILDREN DESCRIBED IN
19 SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF AGE AS OF SEPTEMBER 1,
20 2016 ARE ASSESSED AND EVALUATED AT LEAST TWICE ANNUALLY.

21 (5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
22 AN AMOUNT NOT TO EXCEED \$1,500,000.00 TO INTERMEDIATE DISTRICTS
23 DESCRIBED IN SUBSECTION (3) TO ENROLL CHILDREN DESCRIBED IN
24 SUBSECTION (1) IN SCHOOL-DAY GREAT START READINESS PROGRAMS,
25 REGARDLESS OF HOUSEHOLD INCOME ELIGIBILITY REQUIREMENTS CONTAINED
26 IN SECTION 39. THE DEPARTMENT SHALL ADMINISTER THIS FUNDING
27 CONSISTENT WITH ALL OTHER PROVISIONS OF THE GREAT START READINESS

1 PROGRAMS CONTAINED IN SECTION 32D AND SECTION 39.

2 (6) IN ADDITION TO OTHER FUNDING ALLOCATED AND APPROPRIATED IN
3 THIS SECTION, THERE IS APPROPRIATED AN AMOUNT NOT TO EXCEED
4 \$15,000,000.00 FOR 2016-2017 FOR STATE RESTRICTED CONTINGENCY
5 FUNDS. THESE CONTINGENCY FUNDS ARE NOT AVAILABLE FOR EXPENDITURE
6 UNTIL THEY HAVE BEEN TRANSFERRED TO A SECTION WITHIN THIS ARTICLE
7 UNDER SECTION 393(2) OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431,
8 MCL 18.1393.

9 Sec. 15. (1) If a district or intermediate district fails to
10 receive its proper apportionment, the department, upon satisfactory
11 proof that the district or intermediate district was entitled
12 justly, shall apportion the deficiency in the next apportionment.
13 Subject to subsections (2) and (3), if a district or intermediate
14 district has received more than its proper apportionment, the
15 department, upon satisfactory proof, shall deduct the excess in the
16 next apportionment. Notwithstanding any other provision in this
17 article, state aid overpayments to a district, other than
18 overpayments in payments for special education or special education
19 transportation, may be recovered from any payment made under this
20 article other than a special education or special education
21 transportation payment, from the proceeds of a loan to the district
22 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
23 141.942, or from the proceeds of millage levied or pledged under
24 section 1211 of the revised school code, MCL 380.1211. State aid
25 overpayments made in special education or special education
26 transportation payments may be recovered from subsequent special
27 education or special education transportation payments, from the

1 proceeds of a loan to the district under the emergency municipal
2 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
3 of millage levied or pledged under section 1211 of the revised
4 school code, MCL 380.1211.

5 (2) If the result of an audit conducted by or for the
6 department affects the current fiscal year membership, affected
7 payments shall be adjusted in the current fiscal year. A deduction
8 due to an adjustment made as a result of an audit conducted by or
9 for the department, or as a result of information obtained by the
10 department from the district, an intermediate district, the
11 department of treasury, or the office of auditor general, shall be
12 deducted from the district's apportionments when the adjustment is
13 finalized. At the request of the district and upon the district
14 presenting evidence satisfactory to the department of the hardship,
15 the department may grant up to an additional 4 years for the
16 adjustment and may advance payments to the district otherwise
17 authorized under this article if the district would otherwise
18 experience a significant hardship in satisfying its financial
19 obligations. ~~For a district that is a strict discipline academy~~
20 ~~established under sections 1311b to 1311m of the revised school~~
21 ~~code, MCL 380.1311b to 380.1311m, and that claimed a hardship in~~
22 ~~2014-2015 because of an overpayment caused by a miscalculation of~~
23 ~~its pupil membership for 2013-2014, the department shall consider~~
24 ~~the amount of repayment made by the district as of the effective~~
25 ~~date of the amendatory act that added this sentence to constitute~~
26 ~~full repayment and the district is not required to continue making~~
27 ~~repayment for the overpayment that occurred in 2013-2014.~~

1 (3) If, based on an audit by the department or the
2 department's designee or because of new or updated information
3 received by the department, the department determines that the
4 amount paid to a district or intermediate district under this
5 article for the current fiscal year or a prior fiscal year was
6 incorrect, the department shall make the appropriate deduction or
7 payment in the district's or intermediate district's allocation in
8 the next apportionment after the adjustment is finalized. The
9 deduction or payment shall be calculated according to the law in
10 effect in the fiscal year in which the incorrect amount was paid.
11 If the district does not receive an allocation for the fiscal year
12 or if the allocation is not sufficient to pay the amount of any
13 deduction, the amount of any deduction otherwise applicable shall
14 be satisfied from the proceeds of a loan to the district under the
15 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942,
16 or from the proceeds of millage levied or pledged under section
17 1211 of the revised school code, MCL 380.1211, as determined by the
18 department.

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

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

27 (6) In addition to funds appropriated in section 11 for all

1 programs and services, there is appropriated for ~~2014-2015 and for~~
2 ~~2015-2016-2016-2017~~ for obligations in excess of applicable
3 appropriations an amount equal to the collection of overpayments,
4 but not to exceed amounts available from overpayments.

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

21 (2) A district or intermediate district shall adopt an annual
22 budget in a manner that complies with the uniform budgeting and
23 accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days
24 after a district board adopts its annual operating budget for the
25 following school fiscal year, or after a district board adopts a
26 subsequent revision to that budget, the district shall make all of
27 the following available through a link on its website homepage, or

1 may make the information available through a link on its
2 intermediate district's website homepage, in a form and manner
3 prescribed by the department:

4 (a) The annual operating budget and subsequent budget
5 revisions.

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

10 (i) A chart of personnel expenditures, broken into the
11 following subcategories:

12 (A) Salaries and wages.

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

16 (C) Retirement benefit costs.

17 (D) All other personnel costs.

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

20 (A) Instruction.

21 (B) Support services.

22 (C) Business and administration.

23 (D) Operations and maintenance.

24 (c) Links to all of the following:

25 (i) The current collective bargaining agreement for each
26 bargaining unit.

27 (ii) Each health care benefits plan, including, but not

1 limited to, medical, dental, vision, disability, long-term care, or
2 any other type of benefits that would constitute health care
3 services, offered to any bargaining unit or employee in the
4 district.

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

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

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

11 (vi) The district's written policy establishing specific
12 categories of reimbursable expenses, as described in section
13 1254(2) of the revised school code, MCL 380.1254.

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

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

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

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

27 (g) Any deficit elimination plan or enhanced deficit

1 elimination plan the district was required to submit under the
2 revised school code.

3 (h) Identification of all credit cards maintained by the
4 district as district credit cards, the identity of all individuals
5 authorized to use each of those credit cards, the credit limit on
6 each credit card, and the dollar limit, if any, for each
7 individual's authorized use of the credit card.

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

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

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

22 (a) The department shall require that each district and
23 intermediate district have an audit of the district's or
24 intermediate district's financial and pupil accounting records
25 conducted at least annually, and at such other times as determined
26 by the department, at the expense of the district or intermediate
27 district, as applicable. The audits must be performed by a

1 certified public accountant or by the intermediate district
2 superintendent, as may be required by the department, or in the
3 case of a district of the first class by a certified public
4 accountant, the intermediate superintendent, or the auditor general
5 of the city. A district or intermediate district shall retain these
6 records for the current fiscal year and from at least the 3
7 immediately preceding fiscal years.

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

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

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

27 (e) All of the following shall be done not later than November

1 each year for reporting the prior fiscal year data:

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

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

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

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

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

(5) By November 1 each fiscal year, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data **CONSISTENT WITH THE DISTRICT'S OR INTERMEDIATE DISTRICT'S AUDITED FINANCIAL STATEMENTS AND** consistent with accounting manuals and charts of accounts approved and published by the department. For an intermediate district, the report shall also contain the website

1 address where the department can access the report required under
2 section 620 of the revised school code, MCL 380.620. The department
3 shall ensure that the prescribed Michigan public school accounting
4 manual chart of accounts includes standard conventions to
5 distinguish expenditures by allowable fund function and object. The
6 functions shall include at minimum categories for instruction,
7 pupil support, instructional staff support, general administration,
8 school administration, business administration, transportation,
9 facilities operation and maintenance, facilities acquisition, and
10 debt service; and shall include object classifications of salary,
11 benefits, including categories for active employee health
12 expenditures, purchased services, supplies, capital outlay, and
13 other. Districts shall report the required level of detail
14 consistent with the manual as part of the comprehensive annual
15 financial report.

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

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

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

27 (9) If a district that is a public school academy purchases

1 property using money received under this article, the public school
2 academy shall retain ownership of the property unless the public
3 school academy sells the property at fair market value.

4 (10) If a district or intermediate district does not comply
5 with subsections (4), (5), (6), and (7), **OR IF THE DEPARTMENT**
6 **DETERMINES THAT THE FINANCIAL DATA REQUIRED UNDER SUBSECTION (5)**
7 **ARE NOT CONSISTENT WITH AUDITED FINANCIAL STATEMENTS**, the
8 department shall withhold all state school aid due to the district
9 or intermediate district under this article, beginning with the
10 next payment due to the district or intermediate district, until
11 the district or intermediate district complies with subsections
12 (4), (5), (6), and (7). If the district or intermediate district
13 does not comply with subsections (4), (5), (6), and (7) by the end
14 of the fiscal year, the district or intermediate district forfeits
15 the amount withheld.

16 (11) If a district or intermediate district does not comply
17 with subsection (2), the department may withhold up to 10% of the
18 total state school aid due to the district or intermediate district
19 under this article, beginning with the next payment due to the
20 district or intermediate district, until the district or
21 intermediate district complies with subsection (2). If the district
22 or intermediate district does not comply with subsection (2) by the
23 end of the fiscal year, the district or intermediate district
24 forfeits the amount withheld.

25 (12) Not later than November 1, ~~2015~~, **2016**, if a district or
26 intermediate district offers ~~online~~-**VIRTUAL** learning under section
27 21f, the district or intermediate district shall submit to the

1 department a report that details the per-pupil costs of operating
2 the ~~online-VIRTUAL~~ learning by vendor type. The report shall
3 include at least all of the following information concerning the
4 operation of ~~online-VIRTUAL~~ learning for the school fiscal year
5 ending June 30, ~~2015~~**2016**:

6 (a) The name of the district operating the ~~online-VIRTUAL~~
7 learning and of each district that enrolled students in the ~~online~~
8 **VIRTUAL** learning.

9 (b) The total number of students enrolled in the ~~online~~
10 **VIRTUAL** learning and the total number of membership pupils enrolled
11 in the ~~online-VIRTUAL~~ learning.

12 (c) For each pupil who is enrolled in a district other than
13 the district offering ~~online-VIRTUAL~~ learning, the name of that
14 district.

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

17 (e) The number of participating students who had previously
18 dropped out of school.

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

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

1 **VIRTUAL** learning.

2 (h) The name of each ~~online~~**VIRTUAL** education provider
3 contracted by the district and the state in which each ~~online~~
4 **VIRTUAL** education provider is headquartered.

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

10 (14) As used in subsections (12) and (13), "vendor type" means
11 the following:

12 (a) ~~Online~~**VIRTUAL** courses provided by the Michigan Virtual
13 University.

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

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

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

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

24 Sec. 19. (1) A district or intermediate district shall comply
25 with all applicable reporting requirements specified in state and
26 federal law. Data provided to the center, in a form and manner
27 prescribed by the center, shall be aggregated and disaggregated as

1 required by state and federal law. In addition, a district or
2 intermediate district shall cooperate with all measures taken by
3 the center to establish and maintain a statewide P-20 longitudinal
4 data system.

5 (2) Each district shall furnish to the center not later than 5
6 weeks after the pupil membership count day and by June 30 of the
7 school fiscal year ending in the fiscal year, in a manner
8 prescribed by the center, the information necessary for the
9 preparation of the district and high school graduation report. This
10 information shall meet requirements established in the pupil
11 auditing manual approved and published by the department. The
12 center shall calculate an annual graduation and pupil dropout rate
13 for each high school, each district, and this state, in compliance
14 with nationally recognized standards for these calculations. The
15 center shall report all graduation and dropout rates to the senate
16 and house education committees and appropriations committees, the
17 state budget director, and the department not later than 30 days
18 after the publication of the list described in subsection (6).

19 (3) By the first business day in December and by June 30 of
20 each year, a district shall furnish to the center, in a manner
21 prescribed by the center, information related to educational
22 personnel as necessary for reporting required by state and federal
23 law.

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

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

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

~~(7) It is the intent of the legislature to implement not later than~~ **BEGINNING IN 2016-2017, THE DEPARTMENT SHALL IMPLEMENT** statewide standard reporting requirements for education data approved by the department in conjunction with the center. The department shall work with the center, intermediate districts, districts, and other interested stakeholders to ~~develop~~ **IMPLEMENT** ~~recommendations on the implementation of~~ this policy change. A district or intermediate district shall implement the statewide standard reporting requirements not later than ~~2014-2015~~ **2017-2018** or when a district or intermediate district updates its

1 education data reporting system, whichever is later.

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

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

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

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

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

13 (a) Except as otherwise provided in this subdivision, for a
14 district that had a foundation allowance for the immediately
15 preceding state fiscal year that was equal to the minimum
16 foundation allowance for the immediately preceding state fiscal
17 year, but less than the basic foundation allowance for the
18 immediately preceding state fiscal year, the district shall receive
19 a foundation allowance in an amount equal to the sum of the
20 district's foundation allowance for the immediately preceding state
21 fiscal year plus the difference between twice the dollar amount of
22 the adjustment from the immediately preceding state fiscal year to
23 the current state fiscal year made in the basic foundation
24 allowance and [(the difference between the basic foundation
25 allowance for the current state fiscal year and basic foundation
26 allowance for the immediately preceding state fiscal year minus
27 ~~\$23.00~~) **-\$20.00**] times (the difference between the district's

1 foundation allowance for the immediately preceding state fiscal
2 year and the minimum foundation allowance for the immediately
3 preceding state fiscal year) divided by the difference between the
4 basic foundation allowance for the current state fiscal year and
5 the minimum foundation allowance for the immediately preceding
6 state fiscal year]. However, the foundation allowance for a
7 district that had less than the basic foundation allowance for the
8 immediately preceding state fiscal year shall not exceed the basic
9 foundation allowance for the current state fiscal year. ~~For the~~
10 ~~purposes of this subdivision, for 2015-2016, the minimum foundation~~
11 ~~allowance for the immediately preceding state fiscal year shall be~~
12 ~~considered to be \$7,251.00.~~

13 (b) Except as otherwise provided in this subsection, for a
14 district that in the immediately preceding state fiscal year had a
15 foundation allowance in an amount equal to the amount of the basic
16 foundation allowance for the immediately preceding state fiscal
17 year, the district shall receive a foundation allowance for ~~2015-~~
18 ~~2016-2016-2017~~ in an amount equal to the basic foundation allowance
19 for ~~2015-2016-2016-2017~~.

20 (c) For a district that had a foundation allowance for the
21 immediately preceding state fiscal year that was greater than the
22 basic foundation allowance for the immediately preceding state
23 fiscal year, the district's foundation allowance is an amount equal
24 to the sum of the district's foundation allowance for the
25 immediately preceding state fiscal year plus the lesser of the
26 increase in the basic foundation allowance for the current state
27 fiscal year, as compared to the immediately preceding state fiscal

1 year, or the product of the district's foundation allowance for the
2 immediately preceding state fiscal year times the percentage
3 increase in the United States consumer price index in the calendar
4 year ending in the immediately preceding fiscal year as reported by
5 the May revenue estimating conference conducted under section 367b
6 of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

10 ~~—— (e) For a district that received a payment under section 22c~~
11 ~~as that section was in effect for 2014-2015, the district's 2014-~~
12 ~~2015 foundation allowance shall be considered to have been an~~
13 ~~amount equal to the sum of the district's actual 2014-2015~~
14 ~~foundation allowance as otherwise calculated under this section~~
15 ~~plus the per pupil amount of the district's equity payment for~~
16 ~~2014-2015 under section 22c as that section was in effect for 2014-~~
17 ~~2015.~~

18 (4) Except as otherwise provided in this subsection, the state
19 portion of a district's foundation allowance is an amount equal to
20 the district's foundation allowance or the basic foundation
21 allowance for the current state fiscal year, whichever is less,
22 minus the local portion of the district's foundation allowance
23 divided by the district's membership excluding special education
24 pupils. For a district described in subsection (3)(c), the state
25 portion of the district's foundation allowance is an amount equal
26 to \$6,962.00 plus the difference between the district's foundation
27 allowance for the current state fiscal year and the district's

1 foundation allowance for 1998-99, minus the local portion of the
2 district's foundation allowance divided by the district's
3 membership excluding special education pupils. For a district that
4 has a millage reduction required under section 31 of article IX of
5 the state constitution of 1963, the state portion of the district's
6 foundation allowance shall be calculated as if that reduction did
7 not occur. For a receiving district, if school operating taxes
8 continue to be levied on behalf of a dissolved district that has
9 been attached in whole or in part to the receiving district to
10 satisfy debt obligations of the dissolved district under section 12
11 of the revised school code, MCL 380.12, the taxable value per
12 membership pupil of property in the receiving district used for the
13 purposes of this subsection does not include the taxable value of
14 property within the geographic area of the dissolved district. **FOR**
15 **A COMMUNITY DISTRICT, IF SCHOOL OPERATING TAXES CONTINUE TO BE**
16 **LEVIED BY A QUALIFYING SCHOOL DISTRICT UNDER SECTION 12B OF THE**
17 **REVISED SCHOOL CODE, MCL 380.12B, WITH THE SAME GEOGRAPHIC AREA AS**
18 **THE COMMUNITY DISTRICT, THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF**
19 **PROPERTY IN THE COMMUNITY DISTRICT TO BE USED FOR THE PURPOSES OF**
20 **THIS SUBSECTION DOES NOT INCLUDE THE TAXABLE VALUE OF PROPERTY**
21 **WITHIN THE GEOGRAPHIC AREA OF THE COMMUNITY DISTRICT.**

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

1 residence or the foundation allowance of the educating district.
2 For a pupil in membership in a K-5, K-6, or K-8 district who is
3 enrolled in another district in a grade not offered by the pupil's
4 district of residence, the allocation calculated under this section
5 shall be based on the foundation allowance of the educating
6 district if the educating district's foundation allowance is
7 greater than the foundation allowance of the pupil's district of
8 residence. **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO**
9 **ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M.**

10 (6) Except as otherwise provided in this subsection, for
11 pupils in membership, other than special education pupils, in a
12 public school academy, the allocation calculated under this section
13 is an amount per membership pupil other than special education
14 pupils in the public school academy equal to the foundation
15 allowance of the district in which the public school academy is
16 located or the state maximum public school academy allocation,
17 whichever is less. For pupils in membership, other than special
18 education pupils, in a public school academy that is a cyber school
19 and is authorized by a school district, the allocation calculated
20 under this section is an amount per membership pupil other than
21 special education pupils in the public school academy equal to the
22 foundation allowance of the district that authorized the public
23 school academy or the state maximum public school academy
24 allocation, whichever is less. However, a public school academy
25 that had an allocation under this subsection before 2009-2010 that
26 was equal to the sum of the local school operating revenue per
27 membership pupil other than special education pupils for the

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

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

1 section 101(3). The result of this calculation shall not exceed the
2 amount per membership pupil otherwise calculated under this
3 subsection. For the purposes of this subsection, if a public school
4 is transferred from a district to the state school reform/redesign
5 district or the achievement authority under section 1280c of the
6 revised school code, MCL 380.1280c, that public school is
7 considered to be an achievement school within the education
8 achievement system and not a school that is part of a district, and
9 a pupil attending that public school is considered to be in
10 membership in the education achievement system and not in
11 membership in the district that operated the school before the
12 transfer.

13 (8) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR
14 PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL EDUCATION PUPILS, IN A
15 COMMUNITY DISTRICT, THE ALLOCATION CALCULATED UNDER THIS SECTION IS
16 AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS
17 IN THE COMMUNITY DISTRICT EQUAL TO THE FOUNDATION ALLOWANCE OF THE
18 QUALIFYING SCHOOL DISTRICT, AS DESCRIBED IN SECTION 12B OF THE
19 REVISED SCHOOL CODE, MCL 380.12B, THAT IS LOCATED WITHIN THE SAME
20 GEOGRAPHIC AREA AS THE COMMUNITY DISTRICT.

21 (9) ~~(8)~~—Subject to subsection (4), for a district that is
22 formed or reconfigured after June 1, 2002 by consolidation of 2 or
23 more districts or by annexation, the resulting district's
24 foundation allowance under this section beginning after the
25 effective date of the consolidation or annexation shall be the
26 lesser of the sum of the average of the foundation allowances of
27 each of the original or affected districts, calculated as provided

1 in this section, weighted as to the percentage of pupils in total
2 membership in the resulting district who reside in the geographic
3 area of each of the original or affected districts plus \$100.00 or
4 the highest foundation allowance among the original or affected
5 districts. This subsection does not apply to a receiving district
6 unless there is a subsequent consolidation or annexation that
7 affects the district. **THE CALCULATION UNDER THIS SUBSECTION SHALL**
8 **TAKE INTO ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION**
9 **20M.**

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

14 (11) ~~(10)~~—State payments related to payment of the foundation
15 allowance for a special education pupil are not calculated under
16 this section but are instead calculated under section 51a.

17 (12) ~~(11)~~—To assist the legislature in determining the basic
18 foundation allowance for the subsequent state fiscal year, each
19 revenue estimating conference conducted under section 367b of the
20 management and budget act, 1984 PA 431, MCL 18.1367b, shall
21 calculate a pupil membership factor, a revenue adjustment factor,
22 and an index as follows:

23 (a) The pupil membership factor shall be computed by dividing
24 the estimated membership in the school year ending in the current
25 state fiscal year, excluding intermediate district membership, by
26 the estimated membership for the school year ending in the
27 subsequent state fiscal year, excluding intermediate district

1 membership. If a consensus membership factor is not determined at
2 the revenue estimating conference, the principals of the revenue
3 estimating conference shall report their estimates to the house and
4 senate subcommittees responsible for school aid appropriations not
5 later than 7 days after the conclusion of the revenue conference.

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

24 (c) The index shall be calculated by multiplying the pupil
25 membership factor by the revenue adjustment factor. If a consensus
26 index is not determined at the revenue estimating conference, the
27 principals of the revenue estimating conference shall report their

1 estimates to the house and senate subcommittees responsible for
2 school aid appropriations not later than 7 days after the
3 conclusion of the revenue conference.

4 (13) ~~(12)~~—Payments to districts, public school academies, or
5 the education achievement system shall not be made under this
6 section. Rather, the calculations under this section shall be used
7 to determine the amount of state payments under section 22b.

8 (14) ~~(13)~~—If an amendment to section 2 of article VIII of the
9 state constitution of 1963 allowing state aid to some or all
10 nonpublic schools is approved by the voters of this state, each
11 foundation allowance or per-pupil payment calculation under this
12 section may be reduced.

13 (15) ~~(14)~~—As used in this section:

14 (a) "Certified mills" means the lesser of 18 mills or the
15 number of mills of school operating taxes levied by the district in
16 1993-94.

17 (b) "Combined state and local revenue" means the aggregate of
18 the district's state school aid received by or paid on behalf of
19 the district under this section and the district's local school
20 operating revenue.

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

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

26 (e) "Dissolved district" means a district that loses its
27 organization, has its territory attached to 1 or more other

1 districts, and is dissolved as provided under section 12 of the
2 revised school code, MCL 380.12.

3 (f) "Immediately preceding state fiscal year" means the state
4 fiscal year immediately preceding the current state fiscal year.

5 (g) "Local portion of the district's foundation allowance"
6 means an amount that is equal to the difference between (the sum of
7 the product of the taxable value per membership pupil of all
8 property in the district that is nonexempt property times the
9 district's certified mills and, for a district with certified mills
10 exceeding 12, the product of the taxable value per membership pupil
11 of property in the district that is commercial personal property
12 times the certified mills minus 12 mills) and (the quotient of the
13 product of the captured assessed valuation under tax increment
14 financing acts times the district's certified mills divided by the
15 district's membership excluding special education pupils).

16 (h) "Local school operating revenue" means school operating
17 taxes levied under section 1211 of the revised school code, MCL
18 380.1211. For a receiving district, if school operating taxes are
19 to be levied on behalf of a dissolved district that has been
20 attached in whole or in part to the receiving district to satisfy
21 debt obligations of the dissolved district under section 12 of the
22 revised school code, MCL 380.12, local school operating revenue
23 does not include school operating taxes levied within the
24 geographic area of the dissolved district.

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

(j) "Maximum public school academy allocation", except as otherwise provided in this subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year and [(the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year minus ~~\$23.00~~—\$20.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year) divided by the difference between the basic foundation allowance for the current state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year]. For the purposes of this subdivision, for ~~2015-2016, 2016-2017~~, the maximum public school academy allocation is ~~\$7,391.00~~—\$7,511.00.

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

(l) "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, or property occupied by a

1 public school academy.

2 (m) "Principal residence", "qualified agricultural property",
3 "qualified forest property", "supportive housing property",
4 "industrial personal property", and "commercial personal property"
5 mean those terms as defined in section 1211 of the revised school
6 code, MCL 380.1211.

7 (n) "Receiving district" means a district to which all or part
8 of the territory of a dissolved district is attached under section
9 12 of the revised school code, MCL 380.12.

10 (o) "School operating purposes" means the purposes included in
11 the operation costs of the district as prescribed in sections 7 and
12 18 and purposes authorized under section 1211 of the revised school
13 code, MCL 380.1211.

14 (p) "School operating taxes" means local ad valorem property
15 taxes levied under section 1211 of the revised school code, MCL
16 380.1211, and retained for school operating purposes.

17 (q) "Tax increment financing acts" means 1975 PA 197, MCL
18 125.1651 to 125.1681, the tax increment finance authority act, 1980
19 PA 450, MCL 125.1801 to 125.1830, the local development financing
20 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
21 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
22 or the corridor improvement authority act, 2005 PA 280, MCL
23 125.2871 to 125.2899.

24 (r) "Taxable value per membership pupil" means taxable value,
25 as certified by the county treasurer and reported to the
26 department, for the calendar year ending in the current state
27 fiscal year divided by the district's membership excluding special

1 education pupils for the school year ending in the current state
2 fiscal year.

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

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

24 (b) If a district had an adjustment made to its 1993-94 total
25 state school aid that excluded payments made under former section
26 146 and under section 147 on behalf of the district's employees who
27 provided direct services for intermediate district center programs

1 operated by the district under article 5, if nonresident pupils
2 attending the center programs were included in the district's
3 membership for purposes of calculating the combined state and local
4 revenue per membership pupil for 1993-94, and if there is a signed
5 agreement by all constituent districts of the intermediate district
6 that an adjustment under this subdivision shall be made, the
7 foundation allowances for 1995-96 and 1996-97 of all districts that
8 had pupils attending the intermediate district center program
9 operated by the district that had the adjustment shall be
10 calculated as if their combined state and local revenue per
11 membership pupil for 1993-94 included resident pupils attending the
12 center program and excluded nonresident pupils attending the center
13 program.

14 Sec. 20f. (1) From the funds appropriated in section 11, there
15 is allocated an amount not to exceed \$18,000,000.00 for ~~2015-2016~~
16 **2016-2017** for payments to eligible districts under this section.

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

22 (a) The increase in the district's foundation allowance or
23 per-pupil payment as calculated under section 20 from 2012-2013 to
24 2013-2014.

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

27 (c) The quotient of the district's allocation under section

1 147a for 2012-2013 divided by the district's membership pupils for
2 2012-2013 minus the quotient of the district's allocation under
3 section 147a for 2013-2014 divided by the district's membership
4 pupils for 2013-2014.

5 (3) The amount allocated to each eligible district under
6 subsection (2) is an amount per membership pupil equal to the
7 amount per membership pupil the district received under this
8 section in 2013-2014.

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

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

1 (a) The increase in the district's foundation allowance or
2 per-pupil payment as calculated under section 20 from 2014-2015 to
3 2015-2016.

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

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

8 (d) The quotient of the district's allocation under section
9 31a for 2015-2016 divided by the district's membership pupils for
10 2015-2016 minus the quotient of the district's allocation under
11 section 31a for 2014-2015 divided by the district's membership
12 pupils for 2014-2015.

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

17 Sec. 20g. (1) From the money appropriated under section 11,
18 there is allocated an amount not to exceed ~~\$2,200,000.00 for 2015-~~
19 ~~2016~~ **\$1,200,000.00 EACH FISCAL YEAR FOR 2015-2016 AND FOR 2016-2017**
20 for grants to eligible districts that first received payments under
21 this section in 2013-2014 for transition costs related to the
22 enrollment of pupils who were previously enrolled in a district
23 that was dissolved under section 12 of the revised school code, MCL
24 380.12, allocated as provided under subsection (3). Payments under
25 this section shall continue for a total of 4 fiscal years following
26 the dissolution of a district, after which the payments shall
27 cease.

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

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

13 (4) IT IS THE INTENT OF THE LEGISLATURE THAT AN AMOUNT NOT TO
14 EXCEED \$660,000.00 BE LAPSED FROM THE \$2,500,000.00 THAT WAS
15 AVAILABLE FOR A QUALIFYING INTERMEDIATE DISTRICT UNDER THIS SECTION
16 AS IT WAS IN EFFECT FOR THE 2013-2014 FISCAL YEAR. IN ADDITION TO
17 THE MONEY ALLOCATED UNDER SUBSECTION (1), FROM THE FUNDS
18 APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN
19 AMOUNT NOT TO EXCEED \$660,000.00 TO A QUALIFYING INTERMEDIATE
20 DISTRICT FOR PAYING OUTSTANDING DEBT OF A DISSOLVED SCHOOL
21 DISTRICT. FOR PURPOSES OF THIS SUBSECTION, AN INTERMEDIATE DISTRICT
22 IS A QUALIFYING INTERMEDIATE DISTRICT IF IT IS REQUIRED TO PERFORM
23 THE FUNCTIONS AND SATISFY THE RESPONSIBILITIES OF A DISSOLVED
24 SCHOOL DISTRICT UNDER SECTION 12(3) OF THE REVISED SCHOOL CODE, MCL
25 380.12, IF THE AUTHORIZATION FOR THAT DISSOLVED SCHOOL DISTRICT TO
26 LEVY MILLS FOR SCHOOL OPERATING PURPOSES UNDER SECTION 1211 OF THE
27 REVISED SCHOOL CODE, MCL 380.1211, WAS NOT RENEWED AFTER THE SCHOOL

1 DISTRICT WAS DISSOLVED, AND IF THE INTERMEDIATE DISTRICT IS LOCATED
2 IN A COUNTY WITH A POPULATION OF LESS THAN 250,000.

3 (5) ~~(4)~~—As used in this section, "dissolved school district"
4 means a school district that has been declared dissolved under
5 section 12 of the revised school code, 1976 PA 451, MCL 380.12.

6 SEC. 20M. (1) FOUNDATION ALLOWANCE SUPPLEMENTAL PAYMENTS FOR
7 2016-2017 TO DISTRICTS THAT IN THE 2015-2016 FISCAL YEAR HAD A
8 FOUNDATION ALLOWANCE GREATER THAN \$8,169.00 SHALL BE CALCULATED
9 UNDER THIS SECTION.

10 (2) THE PER-PUPIL ALLOCATION TO EACH DISTRICT UNDER THIS
11 SECTION SHALL BE THE DIFFERENCE BETWEEN THE DOLLAR AMOUNT OF THE
12 ADJUSTMENT FROM THE IMMEDIATELY PRECEDING STATE FISCAL YEAR TO THE
13 CURRENT STATE FISCAL YEAR IN THE BASIC FOUNDATION ALLOWANCE MINUS
14 THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING
15 FISCAL YEAR TO THE CURRENT STATE FISCAL YEAR IN A QUALIFYING
16 DISTRICT'S FOUNDATION ALLOWANCE.

17 (3) IF A DISTRICT'S LOCAL REVENUE PER PUPIL DOES NOT EXCEED
18 THE SUM OF ITS FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-
19 PUPIL ALLOCATION UNDER SUBSECTION (2), THE TOTAL PAYMENT TO THE
20 DISTRICT CALCULATED UNDER THIS SECTION SHALL BE THE PRODUCT OF THE
21 PER-PUPIL ALLOCATION UNDER SUBSECTION (2) MULTIPLIED BY THE
22 DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS. IF A
23 DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE FOUNDATION ALLOWANCE
24 UNDER SECTION 20 BUT DOES NOT EXCEED THE SUM OF THE FOUNDATION
25 ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL ALLOCATION UNDER
26 SUBSECTION (2), THE TOTAL PAYMENT TO THE DISTRICT CALCULATED UNDER
27 THIS SECTION SHALL BE THE PRODUCT OF THE DIFFERENCE BETWEEN THE SUM

1 OF THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL
2 ALLOCATION UNDER SUBSECTION (2) MINUS THE LOCAL REVENUE PER PUPIL
3 MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION
4 PUPILS. IF A DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE SUM OF
5 THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL
6 ALLOCATION UNDER SUBSECTION (2), THERE IS NO PAYMENT CALCULATED
7 UNDER THIS SECTION FOR THE DISTRICT.

8 (4) PAYMENTS TO DISTRICTS SHALL NOT BE MADE UNDER THIS
9 SECTION. RATHER, THE CALCULATIONS UNDER THIS SECTION SHALL BE MADE
10 AND USED TO DETERMINE THE AMOUNT OF STATE PAYMENTS UNDER SECTION
11 22B.

12 SEC. 21. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
13 ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2016-2017 TO
14 MAKE SUPPLEMENTAL PAYMENTS TO ELIGIBLE DISTRICTS THAT ARE
15 IDENTIFIED UNDER SECTION 1280C OF THE REVISED SCHOOL CODE, MCL
16 380.1280C, AS BEING AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC
17 SCHOOLS IN THIS STATE.

18 (2) A DISTRICT IS ELIGIBLE TO RECEIVE THE SUPPLEMENTAL
19 PAYMENTS CALCULATED UNDER THIS SECTION FOR 3 CONSECUTIVE FISCAL
20 YEARS IF ALL OF THE FOLLOWING CONDITIONS ARE MET:

21 (A) THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS APPOINTED A
22 CHIEF EXECUTIVE OFFICER TO TAKE CONTROL OF 1 OR MORE PUBLIC SCHOOLS
23 IN THE DISTRICT, AS PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED
24 SCHOOL CODE, MCL 380.1280C, AND THERE IS AT LEAST 1 HIGH SCHOOL
25 OPERATED BY THE DISTRICT.

26 (B) AS DETERMINED BY THE SCHOOL REFORM OFFICE, AN INTERVENTION
27 AGREEMENT MEETING AT LEAST THE FOLLOWING CRITERIA HAS BEEN EXECUTED

1 BY THE STATE SCHOOL REFORM/REDESIGN OFFICER AND THE DISTRICT. THE
2 INTERVENTION AGREEMENT SHALL INCLUDE, BUT IS NOT LIMITED TO:

3 (i) THE RIGHTS AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE
4 OFFICER. HOWEVER, THE INTERVENTION AGREEMENT SHALL NOT MITIGATE THE
5 AUTHORITY OF THE CHIEF EXECUTIVE OFFICER PRESCRIBED IN APPLICABLE
6 STATUTE INCLUDING FINANCIAL AND EMPLOYMENT AUTHORITY.

7 (ii) THE ALLOCATION OF SUPPLEMENTAL PAYMENTS UNDER THIS
8 SECTION.

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

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

12 (v) TERMINATION AND RENEWAL RIGHTS OF THE SCHOOL REFORM
13 OFFICE.

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

15 (vii) A DISPUTE RESOLUTION PROCESS.

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

17 (ix) OTHER PROVISIONS AS DETERMINED BY THE SCHOOL REFORM
18 OFFICE FOR SUCCESSFUL IMPLEMENTATION OF THE CHIEF EXECUTIVE OFFICER
19 INTERVENTION.

20 (c) THE DISTRICT HAS NOT ENTERED INTO AND IS NOT CURRENTLY
21 OPERATING UNDER A LOCAL GOVERNMENT OPTION UNDER THE LOCAL FINANCIAL
22 STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575, OR
23 A SUCCESSOR ACT.

24 (3) THE STATE SCHOOL REFORM/REDESIGN OFFICER, AT LEAST
25 ANNUALLY, SHALL APPEAR IN PERSON BEFORE THE HOUSE AND SENATE
26 APPROPRIATIONS SUBCOMMITTEES RESPONSIBLE FOR SCHOOL AID TO PROVIDE
27 AN UPDATE ON THE YEARLY PROGRESS OF SCHOOLS UNDER THE CONTROL OF A

1 CHIEF EXECUTIVE OFFICER. IN ADDITION, THE STATE SCHOOL
2 REFORM/REDESIGN OFFICER SHALL PROVIDE A QUARTERLY REPORT CONCERNING
3 THE CHIEF EXECUTIVE OFFICER'S USE OF FUNDS TO INCREASE PUPIL
4 ACHIEVEMENT.

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

11 (5) FROM THE ALLOCATION IN SUBSECTION (1), IN ADDITION TO THE
12 SUPPLEMENTAL PAYMENTS CALCULATED UNDER SUBSECTION (4), THERE IS
13 ALLOCATED AN AMOUNT SUFFICIENT TO PAY FOR THE APPOINTMENT OF CHIEF
14 EXECUTIVE OFFICERS BY THE STATE SCHOOL REFORM/REDESIGN OFFICER, AS
15 PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED SCHOOL CODE, MCL
16 380.1280C.

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

19 Sec. 21f. (1) ~~A pupil enrolled in a district in any of grades~~
20 ~~6 to 12 is eligible to enroll in an online course as provided for~~
21 ~~in this section.~~ A PRIMARY DISTRICT SHALL ENROLL AN ELIGIBLE PUPIL
22 IN VIRTUAL COURSES IN ACCORDANCE WITH THE PROVISIONS OF THIS
23 SECTION. A PRIMARY DISTRICT SHALL NOT OFFER A VIRTUAL COURSE TO AN
24 ELIGIBLE PUPIL UNLESS THE VIRTUAL COURSE IS PUBLISHED IN THE
25 PRIMARY DISTRICT'S CATALOG OF BOARD-APPROVED COURSES OR IN THE
26 STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN
27 VIRTUAL UNIVERSITY PURSUANT TO SECTION 98. THE PRIMARY DISTRICT

1 SHALL ALSO PROVIDE ON ITS PUBLICLY ACCESSIBLE WEBSITE A LINK TO THE
2 STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN
3 VIRTUAL UNIVERSITY. UNLESS THE PUPIL IS AT LEAST AGE 18 OR IS AN
4 EMANCIPATED MINOR, A PUPIL SHALL NOT BE ENROLLED IN A VIRTUAL
5 COURSE WITHOUT THE CONSENT OF THE PUPIL'S PARENT OR LEGAL GUARDIAN.

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

22 ~~—— (3) An eligible pupil may enroll in an online course published~~
23 ~~in the pupil's primary district's catalog of online courses~~
24 ~~described in subsection (7) (a) or the statewide catalog of online~~
25 ~~courses maintained by the Michigan Virtual University pursuant to~~
26 ~~section 98.~~

27 (3) A PUPIL MAY BE ENROLLED IN MORE THAN 2 VIRTUAL COURSES IN

1 A SPECIFIC ACADEMIC TERM, SEMESTER, OR TRIMESTER IF ALL OF THE
2 FOLLOWING CONDITIONS ARE MET:

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

5 (B) THE PUPIL AGREES WITH THE RECOMMENDATION OF THE PRIMARY
6 DISTRICT.

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

10 (4) ~~A providing district or community college shall determine~~
11 ~~whether or not it has capacity to accept applications for~~
12 ~~enrollment from nonresident applicants in online courses and may~~
13 ~~use that limit as the reason for refusal to enroll an applicant. If~~
14 ~~the number of nonresident applicants eligible for acceptance in an~~
15 ~~online~~ **A VIRTUAL** course does not exceed the capacity of the
16 ~~providing district or community college~~ **PROVIDER** to provide the
17 ~~online~~ **VIRTUAL** course, the ~~providing district or community college~~
18 **PROVIDER** shall accept for enrollment all of the ~~nonresident~~
19 applicants eligible for acceptance. If the number of ~~nonresident~~
20 applicants exceeds the ~~providing district's or community college's~~
21 **PROVIDER'S** capacity to provide the ~~online~~ **VIRTUAL** course, the
22 ~~providing district or community college~~ **PROVIDER** shall use a random
23 draw system, subject to the need to abide by state and federal
24 antidiscrimination laws and court orders. **A PRIMARY DISTRICT THAT**
25 **IS ALSO A PROVIDER SHALL DETERMINE WHETHER OR NOT IT HAS THE**
26 **CAPACITY TO ACCEPT APPLICATIONS FOR ENROLLMENT FROM NONRESIDENT**
27 **APPLICANTS IN VIRTUAL COURSES AND MAY USE THAT LIMIT AS THE REASON**

1 FOR REFUSAL TO ENROLL A NONRESIDENT APPLICANT.

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

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

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

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

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

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

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

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

22 (G) ~~(e)~~ The ~~online~~-VIRTUAL course is of insufficient quality
23 or rigor. A PRIMARY district that denies a pupil enrollment REQUEST
24 for this reason shall ~~make a reasonable effort to assist the pupil~~
25 ~~to find an alternative course~~ ENROLL THE PUPIL IN A VIRTUAL COURSE
26 in the same or a similar subject that THE PRIMARY DISTRICT
27 DETERMINES is of acceptable rigor and quality.

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

5 (I) ~~(g)~~ The ~~online course enrollment request does~~ **FOR A**
6 **VIRTUAL COURSE ENROLLMENT DID** not occur within the same timelines
7 established by the primary district for enrollment and schedule
8 changes for regular courses.

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

13 (6) If a pupil is denied enrollment in ~~an online~~ **A VIRTUAL**
14 course by the pupil's primary district, the **PRIMARY DISTRICT SHALL**
15 **PROVIDE WRITTEN NOTIFICATION TO THE PUPIL OF THE DENIAL, THE REASON**
16 **OR REASONS FOR THE DENIAL PURSUANT TO SUBSECTION (5), AND A**
17 **DESCRIPTION OF THE APPEAL PROCESS. THE** pupil may appeal the denial
18 by submitting a letter to the superintendent of the intermediate
19 district in which the pupil's primary district is located. The
20 letter of appeal shall include the reason provided by the primary
21 district for not enrolling the pupil and the reason why the pupil
22 is claiming that the enrollment should be approved. The
23 intermediate district superintendent or designee shall respond to
24 the appeal within 5 days after it is received. If the intermediate
25 district superintendent or designee determines that the denial of
26 enrollment does not meet 1 or more of the reasons specified in
27 subsection (5), the primary district shall ~~allow~~ **ENROLL** the pupil

1 ~~to enroll in the online~~ **VIRTUAL** course.

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

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

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

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

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

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

(ii) ~~(d)~~ Not later than October 1, ~~2015,~~ **OF EACH FISCAL YEAR,** provide the Michigan Virtual University with ~~the number of~~ **AN AGGREGATED COUNT OF ENROLLMENTS FOR EACH VIRTUAL** ~~enrollments in each online~~ course the ~~district or intermediate district provided~~ **PROVIDER DELIVERED** to pupils pursuant to this section ~~in~~ **DURING** 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~~ **VIRTUAL** course.

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

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

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

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

~~—— (d) Beginning with October 1, 2016, and by October 1 of each 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~~

1 ~~pupil earned 60% or more of the total course points for each online~~
2 ~~course.~~

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

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

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

20 (11) ~~An online~~-**A VIRTUAL** learning pupil shall have the same
21 rights and access to technology in his or her primary district's
22 school facilities as all other pupils enrolled in the pupil's
23 primary district. **THE DEPARTMENT SHALL ESTABLISH STANDARDS FOR**
24 **HARDWARE, SOFTWARE, AND INTERNET ACCESS FOR PUPILS WHO ARE ENROLLED**
25 **IN MORE THAN 2 VIRTUAL COURSES IN AN ACADEMIC TERM, SEMESTER, OR**
26 **TRIMESTER TAKEN AT A LOCATION OTHER THAN A SCHOOL FACILITY.**

27 (12) If a pupil successfully completes ~~an online~~-**A VIRTUAL**

1 course, as determined by the pupil's primary district, the pupil's
 2 primary district shall grant appropriate academic credit for
 3 completion of the course and shall count that credit toward
 4 completion of graduation and subject area requirements. A pupil's
 5 school record and transcript shall identify the ~~online-VIRTUAL~~
 6 course title as it appears in the ~~online-VIRTUAL~~ course syllabus.

7 (13) The enrollment of a pupil in 1 or more ~~online-VIRTUAL~~
 8 courses shall not result in a pupil being counted as more than 1.0
 9 full-time equivalent pupils under this article. **THE MINIMUM**
 10 **REQUIREMENTS TO COUNT THE PUPIL IN MEMBERSHIP ARE THOSE ESTABLISHED**
 11 **BY THE PUPIL ACCOUNTING MANUAL AS IT WAS IN EFFECT FOR THE 2015-**
 12 **2016 SCHOOL YEAR OR AS SUBSEQUENTLY AMENDED BY THE DEPARTMENT IF**
 13 **THE DEPARTMENT NOTIFIES THE LEGISLATURE ABOUT THE PROPOSED**
 14 **AMENDMENT AT LEAST 60 DAYS BEFORE THE AMENDMENT BECOMES EFFECTIVE.**

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

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

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

6 (vii) THE VIRTUAL COURSE LEARNING OUTCOMES AND OBJECTIVES.

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

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

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

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

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

21 (h) "VIRTUAL LEARNING PUPIL" MEANS A PUPIL ENROLLED IN 1 OR
22 MORE VIRTUAL COURSES.

23 SEC. 21G. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
24 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR
25 2016-2017 FOR A GRANT TO A PUBLIC-PRIVATE PARTNERSHIP, LED BY THE
26 MICHIGAN CENTER OF INNOVATION IN EDUCATION, A MICHIGAN-BASED
27 NONPROFIT ORGANIZATION THAT IS EXEMPT FROM FEDERAL TAXES UNDER

1 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501(C)(3),
2 IN PARTNERSHIP WITH THE MICHIGAN ASSOCIATION OF INTERMEDIATE SCHOOL
3 ADMINISTRATORS, AND IN COORDINATION WITH THE DEPARTMENT AND THE
4 CENTER, TO DEVELOP AND PILOT A COMPETENCY-BASED TRANSCRIPT AND
5 MARKETPLACE TO PROVIDE ENHANCED CHOICE TO PUPILS AND PARENTS FOR
6 THE COMPLETION OF THE REQUIREMENTS FOR A HIGH SCHOOL DIPLOMA UNDER
7 THE MICHIGAN MERIT STANDARD UNDER SECTIONS 1278A AND 1278B OF THE
8 REVISED SCHOOL CODE, MCL 380.1278A AND 380.1278B.

9 (2) THE PARTNERSHIP UNDER SUBSECTION (1) SHALL DO ALL OF THE
10 FOLLOWING:

11 (A) ESTABLISH AN ARTICULATION FRAMEWORK FOR MICHIGAN ACADEMIC,
12 TECHNICAL, AND GLOBAL COMPETENCIES OF PREKINDERGARTEN THROUGH HIGH
13 SCHOOL DIPLOMA REQUIREMENTS, INCLUDING PROVIDING FOR CAREER AND
14 TECHNICAL AND DUAL ENROLLMENT OPPORTUNITIES.

15 (B) ESTABLISH ASSESSMENT CRITERIA FOR MEASURING THESE
16 COMPETENCIES AND AWARDED UNIVERSALLY RECOGNIZED CREDENTIALS,
17 MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS FOR DEMONSTRATED
18 COMPETENCIES INDEPENDENT OF STATE-ADMINISTERED ASSESSMENTS.

19 (C) IDENTIFY A MEANS OF ACCREDITING EDUCATION SERVICE
20 PROVIDERS AS COMPETENCY-BASED CREDENTIALING ORGANIZATIONS TO
21 FACILITATE ANY-TIME, ANY-PACE, ANY-WAY, ANY-PLACE LEARNING SUCH
22 THAT CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS CAN
23 BE EARNED INSIDE AND OUTSIDE TRADITIONAL CLASSROOM SETTINGS.

24 (D) DEVELOP AND PILOT A PUPIL-OWNED TRANSCRIPT THAT SATISFIES
25 POSTSECONDARY INSTITUTION REQUIREMENTS FOR ADMISSION AND ALLOWS
26 PUPILS TO ACCUMULATE CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND
27 MICRO-CREDITS REQUIRED FOR HIGH SCHOOL GRADUATION, POSTSECONDARY

1 MATRICULATION, AND EARLY CAREER SUCCESS.

2 (E) ESTABLISH AND PILOT A MARKETPLACE OF ACCREDITED EDUCATION
3 SERVICE PROVIDERS TO PROVIDE ENHANCED CHOICE FOR PUPILS AND PARENTS
4 WHEN SELECTING CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-
5 CREDITS NEEDED TO SATISFY MICHIGAN HIGH SCHOOL DIPLOMA
6 REQUIREMENTS, INCLUDING CAREER AND TECHNICAL AND DUAL ENROLLMENT
7 OPPORTUNITIES.

8 (3) ACCREDITED EDUCATION SERVICE PROVIDERS SHALL INCLUDE, BUT
9 ARE NOT LIMITED TO, THE FOLLOWING:

10 (A) DISTRICTS AND PUBLIC CAREER AND TECHNICAL PROGRAMS.

11 (B) PRESCHOOL, AFTER-SCHOOL, AND OTHER QUALIFYING PROGRAMS.

12 (C) MUSEUMS, HISTORICAL SOCIETIES, SCIENCE CENTERS, AND OTHER
13 COMMUNITY EDUCATION ORGANIZATIONS.

14 (D) BUSINESS AND CIVIC ORGANIZATIONS AND OTHER INSTITUTIONS
15 PROVIDING INTERNSHIP AND APPRENTICESHIP OPPORTUNITIES.

16 (E) COMMUNITY COLLEGES, TRADE SCHOOLS, AND UNIVERSITIES
17 OFFERING DUAL ENROLLMENT OPPORTUNITIES.

18 (4) THE TRANSCRIPT AND MARKETPLACE SHALL DO ALL OF THE
19 FOLLOWING:

20 (A) USE MICHIGAN-SPECIFIC ACADEMIC STANDARDS WHEN DEFINING
21 ACADEMIC COMPETENCIES.

22 (B) USE INDUSTRY STANDARDS FOR THE COMPETENCY ASSESSMENT.

23 (C) USE INDUSTRY STANDARDS FOR ARTICULATING AND TRANSCRIPTING
24 OF CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS.

25 (D) OFFER ITS SERVICES AT NO COST TO PUPILS OR PARENTS.

26 (5) NOT MORE THAN 50% OF THE FUNDS AWARDED TO A GRANTEE UNDER
27 THIS SECTION SHALL BE INITIALLY DISTRIBUTED TO THE GRANTEE. TO

1 RECEIVE THE REMAINING DISTRIBUTION OF FUNDS, THE GRANTEE SHALL
2 PROVIDE TO THE DEPARTMENT A PROGRESS REPORT ON THE DEVELOPMENT AND
3 PILOTING OF THE COMPETENCY-BASED TRANSCRIPT AND MARKETPLACE
4 DESCRIBED IN THIS SECTION, AND THE DEPARTMENT SHALL ONLY RELEASE
5 THE REMAINING FUNDS IF, UPON REVIEW OF THIS PROGRESS REPORT, THE
6 DEPARTMENT DETERMINES THAT SUFFICIENT PROGRESS HAS BEEN MADE BY THE
7 GRANTEE.

8 (6) UPON COMPLETION OF THE PILOT DESCRIBED IN THIS SECTION,
9 THE GRANTEE SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE
10 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID DETAILING THE PROJECT'S
11 EXPENDITURES, PUPILS SERVED, SUCCESSES AND CHALLENGES, AND
12 FEASIBILITY FOR EXPANDING THE PROJECT STATEWIDE.

13 Sec. 22a. (1) From the appropriation in section 11, there is
14 allocated ~~an amount not to exceed \$5,377,000,000.00 for 2014-2015~~
15 ~~and an amount not to exceed \$5,281,700,000.00~~ **\$5,260,000,000.00** for
16 2015-2016 **AND AN AMOUNT NOT TO EXCEED \$5,205,000,000.00 FOR 2016-**
17 **2017** for payments to districts and qualifying public school
18 academies to guarantee each district and qualifying public school
19 academy an amount equal to its 1994-95 total state and local per
20 pupil revenue for school operating purposes under section 11 of
21 article IX of the state constitution of 1963. Pursuant to section
22 11 of article IX of the state constitution of 1963, this guarantee
23 does not apply to a district in a year in which the district levies
24 a millage rate for school district operating purposes less than it
25 levied in 1994. However, subsection (2) applies to calculating the
26 payments under this section. Funds allocated under this section
27 that are not expended in the state fiscal year for which they were

1 allocated, as determined by the department, may be used to
2 supplement the allocations under sections 22b and 51c in order to
3 fully fund those calculated allocations for the same fiscal year.

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

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

1 under section 12 of the revised school code, MCL 380.12, taxable
2 value per membership pupil of all property in the receiving
3 district that is nonexempt property and taxable value per
4 membership pupil of property in the receiving district that is
5 commercial personal property do not include property within the
6 geographic area of the dissolved district; ad valorem property tax
7 revenue of the receiving district captured under tax increment
8 financing acts does not include ad valorem property tax revenue
9 captured within the geographic boundaries of the dissolved district
10 under tax increment financing acts; and certified mills do not
11 include the certified mills of the dissolved district.

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

1 operating taxes are to be levied on behalf of a dissolved district
2 that has been attached in whole or in part to the receiving
3 district to satisfy debt obligations of the dissolved district
4 under section 12 of the revised school code, MCL 380.12, ad valorem
5 property tax revenue captured under tax increment financing acts do
6 not include ad valorem property tax revenue captured within the
7 geographic boundaries of the dissolved district under tax increment
8 financing acts.

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

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

19 (5) Except as otherwise provided in this subsection, for a
20 district that is formed or reconfigured after June 1, 2000 by
21 consolidation of 2 or more districts or by annexation, the
22 resulting district's 1994-95 foundation allowance under this
23 section beginning after the effective date of the consolidation or
24 annexation shall be the average of the 1994-95 foundation
25 allowances of each of the original or affected districts,
26 calculated as provided in this section, weighted as to the
27 percentage of pupils in total membership in the resulting district

1 in the state fiscal year in which the consolidation takes place who
2 reside in the geographic area of each of the original districts. If
3 an affected district's 1994-95 foundation allowance is less than
4 the 1994-95 basic foundation allowance, the amount of that
5 district's 1994-95 foundation allowance shall be considered for the
6 purpose of calculations under this subsection to be equal to the
7 amount of the 1994-95 basic foundation allowance. This subsection
8 does not apply to a receiving district unless there is a subsequent
9 consolidation or annexation that affects the district.

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

11 (7) As used in this section:

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

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

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

21 (d) "Current year hold harmless school operating taxes per
22 pupil" means the per pupil revenue generated by multiplying a
23 district's 1994-95 hold harmless millage by the district's current
24 year taxable value per membership pupil. For a receiving district,
25 if school operating taxes are to be levied on behalf of a dissolved
26 district that has been attached in whole or in part to the
27 receiving district to satisfy debt obligations of the dissolved

1 district under section 12 of the revised school code, MCL 380.12,
2 taxable value per membership pupil does not include the taxable
3 value of property within the geographic area of the dissolved
4 district.

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

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

27 (g) "Homestead", "qualified agricultural property", "qualified

1 forest property", "supportive housing property", "industrial
2 personal property", and "commercial personal property" mean those
3 terms as defined in section 1211 of the revised school code, MCL
4 380.1211.

5 (h) "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 (i) "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 (j) "Qualifying public school academy" means a public school
14 academy that was in operation in the 1994-95 school year and is in
15 operation in the current state fiscal year.

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

19 (l) "School operating taxes" means local ad valorem property
20 taxes levied under section 1211 of the revised school code, MCL
21 380.1211, and retained for school operating purposes as defined in
22 section 20.

23 (m) "Tax increment financing acts" means 1975 PA 197, MCL
24 125.1651 to 125.1681, the tax increment finance authority act, 1980
25 PA 450, MCL 125.1801 to 125.1830, the local development financing
26 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
27 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,

1 or the corridor improvement authority act, 2005 PA 280, MCL
2 125.2871 to 125.2899.

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

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

22 (ii) For the number of mills of school operating taxes that
23 may be levied on all property as provided in section 1211(2) of the
24 revised school code, MCL 380.1211, the taxable value of all
25 property for the calendar year ending in the current state fiscal
26 year. For a receiving district, if school operating taxes are to be
27 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 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.

Sec. 22b. (1) ~~From the appropriation in section 11, FOR DISCRETIONARY NONMANDATED PAYMENTS TO DISTRICTS UNDER THIS SECTION, THERE IS ALLOCATED FROM THE APPROPRIATION IN SECTION 11 AN AMOUNT NOT TO EXCEED \$3,692,000,000.00 FOR 2015-2016, AND there is allocated FOR 2016-2017 an amount not to exceed \$3,440,000,000.00 for 2014-2015 and an amount not to exceed \$3,728,000,000.00 for 2015-2016 for discretionary nonmandated payments to districts under this section. \$3,828,000,000.00 FROM THE STATE SCHOOL AID FUND AND GENERAL FUND APPROPRIATIONS IN SECTION 11 AND AN AMOUNT NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND APPROPRIATION IN SECTION 11.~~ Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

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

(3) In order to receive an allocation under subsection (1),

1 each district shall do all of the following:

2 (a) Comply with section 1280b of the revised school code, MCL
3 380.1280b.

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

6 (c) 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 (d) Comply with section 1230g of the revised school code, MCL
10 380.1230g.

11 (e) Comply with section 21f.

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

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

22 (6) From the allocation in subsection (1), the department
23 shall pay up to \$1,000,000.00 in litigation costs incurred by this
24 state associated with lawsuits filed by 1 or more districts or
25 intermediate districts against this state. If the allocation under
26 this section is insufficient to fully fund all payments required
27 under this section, the payments under this subsection shall be

1 made in full before any proration of remaining payments under this
2 section.

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

18 (8) If the local claims review board or a court of competent
19 jurisdiction makes a final determination that this state is in
20 violation of section 29 of article IX of the state constitution of
21 1963 regarding state payments to districts, the state budget
22 director shall use work project funds under subsection (7) or
23 allocate from the discretionary funds for nonmandated payments
24 under this section the amount as may be necessary to satisfy the
25 amount owed to districts before making any payments to districts
26 under subsection (2).

27 (9) If a claim is made in court that challenges the

1 legislative determination of the adequacy of funding for this
2 state's constitutional obligations or alleges that there exists an
3 unfunded constitutional requirement, any interested party may seek
4 an expedited review of the claim by the local claims review board.
5 If the claim exceeds \$10,000,000.00, this state may remove the
6 action to the court of appeals, and the court of appeals shall have
7 and shall exercise jurisdiction over the claim.

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

15 (11) If a lawsuit challenging payments made to districts
16 related to costs reimbursed by federal title XIX Medicaid funds is
17 filed against this state, then, for the purpose of addressing
18 potential liability under such a lawsuit, the state budget director
19 may place funds allocated under this section in escrow or allocate
20 money from the funds otherwise allocated under this section, up to
21 a maximum of 50% of the amount allocated in subsection (1). If
22 funds are placed in escrow under this subsection, those funds are a
23 work project appropriation and the funds are carried forward into
24 the following fiscal year. The purpose of the work project is to
25 provide for any payments that may be awarded to districts as a
26 result of the litigation. The work project shall be completed upon
27 resolution of the litigation. In addition, this state reserves the

1 right to terminate future federal title XIX Medicaid reimbursement
2 payments to districts if the amount or allocation of reimbursed
3 funds is challenged in the lawsuit. As used in this subsection,
4 "title XIX" means title XIX of the social security act, 42 USC 1396
5 to 1396v.

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

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

10 (2) From the allocation under subsection (1), there is
11 allocated for ~~2015-2016~~**2016-2017** an amount not to exceed
12 \$957,300.00 for payments under this subsection to districts that
13 meet all of the following:

14 (a) Operates grades K to 12.

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

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

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

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

21 (3) The amount of the additional funding to each eligible
22 district under subsection (2) shall be determined under a spending
23 plan developed as provided in this subsection and approved by the
24 superintendent of public instruction. The spending plan shall be
25 developed cooperatively by the intermediate superintendents of each
26 intermediate district in which an eligible district is located. The
27 intermediate superintendents shall review the financial situation

1 of each eligible district, determine the minimum essential
2 financial needs of each eligible district, and develop and agree on
3 a spending plan that distributes the available funding under
4 subsection (2) to the eligible districts based on those financial
5 needs. The intermediate superintendents shall submit the spending
6 plan to the superintendent of public instruction for approval. Upon
7 approval by the superintendent of public instruction, the amounts
8 specified for each eligible district under the spending plan are
9 allocated under subsection (2) and shall be paid to the eligible
10 districts in the same manner as payments under section 22b.

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

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

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

20 Sec. 22g. (1) From the funds appropriated in section 11, there
21 is allocated for ~~2015-2016-2016-2017~~ only an amount not to exceed
22 ~~\$5,000,000.00-\$500,000.00~~ for competitive assistance grants to
23 districts and intermediate districts.

24 (2) Funds received under this section may be used for
25 reimbursement of transition costs associated with the **DISSOLUTION**,
26 consolidation, or annexation of districts or intermediate
27 districts. Grant funding shall be available for **DISSOLUTIONS**,

1 consolidations, or annexations that occur on or after June 1, 2015-
2 2016. Districts may spend funds allocated under this section over 3
3 fiscal years.

4 (3) IN ADDITION TO THE AMOUNT ALLOCATED UNDER SUBSECTION (1),
5 FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR
6 2016-2017 AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR GRANTS TO
7 DISTRICTS OR INTERMEDIATE DISTRICTS THAT RECEIVED A GRANT UNDER
8 THIS SECTION AS IT WAS IN EFFECT FOR 2015-2016 FOR REIMBURSEMENT OF
9 REMAINING TRANSITION COSTS ASSOCIATED WITH A DISSOLUTION,
10 CONSOLIDATION, OR ANNEXATION THAT WAS APPROVED DURING 2015-2016 BY
11 THE SCHOOL ELECTORS OF THE APPLICABLE DISTRICT OR INTERMEDIATE
12 DISTRICT.

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

18 (a) Enrolls only eligible pupils.

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

27 (c) Develops a written learning plan.

1 (d) Monitors the pupil's progress against the written learning
2 plan.

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

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

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

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

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

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

20 (3) As used in this section:

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

26 (b) "Education management organization" means a private
27 provider that operates 1 or more other dropout recovery programs

1 that meet the requirements of this section in partnership with 1 or
2 more districts.

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

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

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

24 **(F)** ~~(e)~~—"Written learning plan" means a written plan developed
25 in conjunction with the advocate that includes the plan start and
26 end dates, courses to be taken, credit to be earned for each
27 course, teacher of record for each course, and advocate name and

1 contact information.

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

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

19 (a) "Added cost" means 100% of the added cost each fiscal year
20 for educating all pupils assigned by a court or the department of
21 health and human services to reside in or to attend a juvenile
22 detention facility or child caring institution licensed by the
23 department of health and human services or the department of
24 licensing and regulatory affairs and approved by the department to
25 provide an on-grounds education program. Added cost shall be
26 computed by deducting all other revenue received under this article
27 for pupils described in this section from total costs, as approved

1 by the department, in whole or in part, for educating those pupils
 2 in the on-grounds education program or in a program approved by the
 3 department that is located on property adjacent to a juvenile
 4 detention facility or child caring institution. Costs reimbursed by
 5 federal funds are not included.

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

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

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

23 Sec. 24a. From the appropriation in section 11, there is
 24 allocated an amount not to exceed ~~\$2,189,800.00~~ **\$1,301,000.00** for
 25 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
 26 **\$1,328,100.00 FOR 2016-2017** for payments to intermediate districts
 27 for pupils who are placed in juvenile justice service facilities

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

17 Sec. 24c. From the appropriation in section 11, there is
18 allocated an amount not to exceed ~~\$1,497,400.00 for 2015-2016~~
19 **\$1,632,400.00 FOR 2016-2017** for payments to districts for pupils
20 who are enrolled in a nationally administered community-based
21 education and youth mentoring program, known as the youth challenge
22 program, that is administered by the department of military and
23 veterans affairs. Both of the following apply to a district
24 receiving payments under this section:

25 (a) The district shall contract with the department of
26 military and veterans affairs to ensure that all funding allocated
27 under this section is utilized by the district and the department

1 of military and veterans affairs for the youth challenge program.

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

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

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~~ **A STRICT**
12 **DISCIPLINE ACADEMY** after the pupil membership count day and before
13 the supplemental count day and, due to the pupil's enrollment and
14 attendance status as of the pupil membership count day, the pupil
15 was not counted in membership in the educating ~~district or~~
16 ~~intermediate district~~, **STRICT DISCIPLINE ACADEMY**, the educating
17 ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** may
18 report the enrollment and attendance information to the center
19 through the pupil transfer process within 30 days after the
20 transfer or within 30 days after the pupil membership count
21 certification date, whichever is later. Pupil transfers may be
22 submitted no earlier than the first day after the certification
23 deadline for the pupil membership count day and before the
24 supplemental count day. Upon receipt of the transfer information
25 under this subsection indicating that a pupil has enrolled and is
26 in attendance in an educating ~~district or intermediate district~~
27 **STRICT DISCIPLINE ACADEMY** as described in this subsection, the

1 pupil transfer process shall do the following:

2 (a) Notify the district in which the pupil was previously
3 enrolled.

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

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

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

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

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

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

26 (4) The changes in calculation of state school aid required
 27 under subsection (3) shall take effect as of the date that the

1 pupil becomes enrolled and in attendance in the educating ~~district~~
 2 ~~or intermediate district~~, **STRICT DISCIPLINE ACADEMY**, and the
 3 department shall base all subsequent payments under this article
 4 for the fiscal year to the affected districts or intermediate
 5 districts on this recalculation of state school aid.

6 (5) If a pupil enrolls in an educating ~~district or~~
 7 ~~intermediate district~~ **STRICT DISCIPLINE ACADEMY** as described in
 8 subsection (2), the district or intermediate district in which the
 9 pupil is counted in membership or another educating ~~district or~~
 10 ~~intermediate district~~ **STRICT DISCIPLINE ACADEMY** that received an
 11 adjustment in its membership calculation under subsection (3), if
 12 any, and the educating ~~district or intermediate district~~ **STRICT**
 13 **DISCIPLINE ACADEMY** shall provide to the center and the department
 14 all information they require to comply with this section.

15 (6) The portion of the full-time equated pupil membership for
 16 which a pupil is enrolled in 1 or more online courses under section
 17 21f shall not be counted or transferred under the pupil transfer
 18 process under this section.

19 (7) ~~The~~ **IT IS THE INTENT OF THE LEGISLATURE THAT THE** center
 20 ~~shall~~ determine the number of pupils who did not reside in this
 21 state as of the ~~2015-2016-2018-2019~~ pupil membership count day but
 22 who newly enrolled in a district or intermediate district after
 23 that pupil membership count day and before the ~~2015-2016-2018-2019~~
 24 supplemental count day. ~~The~~ **IT IS THE INTENT OF THE LEGISLATURE**
 25 **THAT THE** center ~~shall~~ further determine the number of pupils who
 26 were counted in membership for the ~~2015-2016-2018-2019~~ pupil
 27 membership count day but who left this state before the ~~2015-2016~~

1 2018-2019 supplemental count day. ~~The~~ **IN 2019-2020, THE** center
 2 shall provide a report to the senate and house appropriations
 3 subcommittees on state school aid, and to the senate and house
 4 fiscal agencies, detailing the number of pupils transferring in
 5 from another state or transferring out from this state between the
 6 pupil membership count day and supplemental count day as described
 7 in this subsection. The center shall include in the report a
 8 discussion of benefits and obstacles to developing a pupil
 9 enrollment process for pupils who newly enroll in a district or
 10 intermediate district after the pupil membership count day and
 11 before the supplemental count day, and developing a process for
 12 deducting pupils who were counted on the pupil membership count day
 13 and transfer out of this state before the supplemental count day.

14 (8) As used in this section:

15 (a) "Educating ~~district or intermediate district~~" **STRICT**
 16 **DISCIPLINE ACADEMY**" means the ~~district or intermediate district~~
 17 **STRICT DISCIPLINE ACADEMY** in which a pupil enrolls after the pupil
 18 membership count day or after an adjustment was made in another
 19 district's or intermediate district's membership calculation under
 20 this section due to the pupil's enrollment and attendance.

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

24 (C) **"STRICT DISCIPLINE ACADEMY" MEANS A STRICT DISCIPLINE**
 25 **ACADEMY OPERATING UNDER SECTIONS 1311B TO 1311M OF THE REVISED**
 26 **SCHOOL CODE, MCL 380.1311B TO 380.1311M.**

27 Sec. 25f. (1) From the state school aid fund money

1 appropriated in section 11, there is allocated an amount not to
2 exceed ~~\$1,000,000.00 for 2015-2016~~ **\$750,000.00 FOR 2016-2017** for
3 payments to strict discipline academies established under sections
4 1311b to 1311m of the revised school code, MCL 380.1311b to
5 380.1311m, as provided under this section.

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

10 (3) The total amount allocated to a strict discipline academy
11 under this section is an amount equal to the lesser of the strict
12 discipline academy's added cost or the department's approved per-
13 pupil allocation for the strict discipline academy. However, the
14 sum of the amounts received by a strict discipline academy under
15 this section and under section 24 shall not exceed the product of
16 the strict discipline academy's per-pupil allocation calculated
17 under section 20 multiplied by the strict discipline academy's
18 full-time equated membership. The department shall allocate funds
19 to strict discipline academies under this section on a monthly
20 basis. For the purposes of this subsection:

21 (a) "Added cost" means 100% of the added cost each fiscal year
22 for educating all pupils enrolled and in regular daily attendance
23 at a strict discipline academy. Added cost shall be computed by
24 deducting all other revenue received under this article for pupils
25 described in this subsection from total costs, as approved by the
26 department, in whole or in part, for educating those pupils in a
27 strict discipline academy. The department shall include all costs

1 including, but not limited to, educational costs, insurance,
2 management fees, technology costs, legal fees, auditing fees,
3 interest, pupil accounting costs, and any other administrative
4 costs necessary to operate the program or to comply with statutory
5 requirements. Costs reimbursed by federal funds are not included.

6 (b) "Department's approved per-pupil allocation" for a strict
7 discipline academy shall be determined by dividing the total amount
8 allocated under this subsection for a fiscal year by the full-time
9 equated membership total for all pupils approved by the department
10 to be funded under this subsection for that fiscal year for the
11 strict discipline academy.

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

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

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

19 Sec. 25g. (1) From the state school aid fund money
20 appropriated in section 11, there is allocated an amount not to
21 exceed ~~\$1,000,000.00 for 2015-2016~~ **\$750,000.00 FOR 2016-2017** for
22 the purposes of this section. If the operation of the special
23 membership counting provisions under section 6(4)(dd) and the other
24 membership counting provisions under section 6(4) result in a pupil
25 being counted as more than 1.0 FTE in a fiscal year, then the
26 payment made for the pupil under sections 22a and 22b shall not be
27 based on more than 1.0 FTE for that pupil, and that portion of the

1 FTE that exceeds 1.0 shall be paid under this section in an amount
2 equal to that portion multiplied by the educating district's
3 foundation allowance or per-pupil payment calculated under section
4 20.

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

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

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

12 Sec. 26a. From the funds appropriated in section 11, there is
13 allocated an amount not to exceed ~~\$26,300,000.00~~ **\$20,000,000.00** for
14 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
15 **\$20,000,000.00 FOR 2016-2017** to reimburse districts and
16 intermediate districts pursuant to section 12 of the Michigan
17 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
18 in ~~2015-2016~~. The allocations shall be made not later than 60 days
19 after the department of treasury certifies to the department and to
20 the state budget director that the department of treasury has
21 received all necessary information to properly determine the
22 amounts due to each eligible recipient.

23 Sec. 26b. (1) From the appropriation in section 11, there is
24 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
25 ~~\$4,276,800.00~~ **\$4,405,100.00** for payments to districts, intermediate
26 districts, and community college districts for the portion of the
27 payment in lieu of taxes obligation that is attributable to

1 districts, intermediate districts, and community college districts
2 pursuant to section 2154 of the natural resources and environmental
3 protection act, 1994 PA 451, MCL 324.2154.

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

8 Sec. 26c. (1) From the appropriation in section 11, there is
9 allocated an amount not to exceed ~~\$610,000.00~~ **\$278,000.00** for 2015-
10 2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00**
11 **FOR 2016-2017** to the promise zone fund created in subsection (3).

12 (2) Funds allocated to the promise zone fund under this
13 section shall be used solely for payments to eligible districts and
14 intermediate districts that have a promise zone development plan
15 approved by the department of treasury under section 7 of the
16 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

17 (3) The promise zone fund is created as a separate account
18 within the state school aid fund to be used solely for the purposes
19 of the Michigan promise zone authority act, 2008 PA 549, MCL
20 390.1661 to 390.1679. All of the following apply to the promise
21 zone fund:

22 (a) The state treasurer shall direct the investment of the
23 promise zone fund. The state treasurer shall credit to the promise
24 zone fund interest and earnings from fund investments.

25 (b) Money in the promise zone fund at the close of a fiscal
26 year shall remain in the promise zone fund and shall not lapse to
27 the general fund.

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

7 Sec. 31a. (1) From the state school aid fund money
8 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
9 **2017** an amount not to exceed \$389,695,500.00 for payments to
10 eligible districts, eligible public school academies, and the
11 education achievement system for the purposes of ensuring that
12 pupils are proficient in reading by the end of grade 3 and that
13 high school graduates are career and college ready and for the
14 purposes under subsections (7) and (8).

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

24 (3) For a district or public school academy that operates
25 grades K to 3, or the education achievement system, to be eligible
26 to receive funding under this section, other than funding under
27 subsection (7) or (8), the district or public school academy, or

1 the education achievement system, must implement, for at least
2 grades K to 3, a multi-tiered system of supports that is an
3 evidence-based model that uses data-driven problem solving to
4 integrate academic and behavioral instruction and that uses
5 intervention delivered to all pupils in varying intensities based
6 on pupil needs. This multi-tiered system of supports must provide
7 at least all of the following essential elements:

8 (a) Implements effective instruction for all learners.

9 (b) Intervenes early.

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

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

14 (ii) Targeted group interventions.

15 (iii) Intense individual interventions.

16 (d) Monitors pupil progress to inform instruction.

17 (e) Uses data to make instructional decisions.

18 (f) Uses assessments including universal screening,
19 diagnostics, and progress monitoring.

20 (g) Engages families and the community.

21 (h) Implements evidence-based, scientifically validated,
22 instruction and intervention.

23 (i) Implements instruction and intervention practices with
24 fidelity.

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

26 (4) Except as otherwise provided in this subsection, an
27 eligible district or eligible public school academy or the

1 education achievement system shall receive under this section for
2 each membership pupil in the district or public school academy or
3 the education achievement system who met the income eligibility
4 criteria for free breakfast, lunch, or milk, as determined under
5 the Richard B. Russell national school lunch act, 42 USC 1751 to
6 1769, and as reported to the department in the form and manner
7 prescribed by the department not later than the fifth Wednesday
8 after the pupil membership count day of the immediately preceding
9 fiscal year and adjusted not later than December 31 of the
10 immediately preceding fiscal year, an amount per pupil equal to
11 11.5% of the sum of the district's foundation allowance or the
12 public school academy's or the education achievement system's per
13 pupil amount calculated under section 20 **PLUS THE AMOUNT OF THE**
14 **DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**, not to exceed
15 the basic foundation allowance under section 20 for the current
16 state fiscal year, or of the public school academy's or the
17 education achievement system's per membership pupil amount
18 calculated under section 20 for the current state fiscal year.
19 However, a public school academy that began operations as a public
20 school academy, ~~or~~ an achievement school that began operations as
21 an achievement school, **OR A COMMUNITY DISTRICT THAT FIRST ENROLLS**
22 **PUPILS**, after the pupil membership count day of the immediately
23 preceding school year shall receive under this section for each
24 membership pupil in the public school academy, ~~or~~ in the education
25 achievement system, **OR IN THE COMMUNITY DISTRICT** who met the income
26 eligibility criteria for free breakfast, lunch, or milk, as
27 determined under the Richard B. Russell national school lunch act

1 and as reported to the department not later than the fifth
2 Wednesday after the pupil membership count day of the current
3 fiscal year and adjusted not later than December 31 of the current
4 fiscal year, an amount per pupil equal to 11.5% of the public
5 school academy's, ~~or~~ the education achievement system's, **OR THE**
6 **COMMUNITY DISTRICT'S** per membership pupil amount calculated under
7 section 20 for the current state fiscal year.

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

1 (6) A district or public school academy that receives funds
2 under this section and that operates a school breakfast program
3 under section 1272a of the revised school code, MCL 380.1272a, or
4 the education achievement system if it operates a school breakfast
5 program, shall use from the funds received under this section an
6 amount, not to exceed \$10.00 per pupil for whom the district or
7 public school academy or the education achievement system receives
8 funds under this section, necessary to pay for costs associated
9 with the operation of the school breakfast program.

10 (7) From the funds allocated under subsection (1), there is
11 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
12 ~~\$3,557,300.00~~ **\$5,557,300.00** to support child and adolescent health
13 centers. These grants shall be awarded for 5 consecutive years
14 beginning with 2003-2004 in a form and manner approved jointly by
15 the department and the department of health and human services.
16 Each grant recipient shall remain in compliance with the terms of
17 the grant award or shall forfeit the grant award for the duration
18 of the 5-year period after the noncompliance. To continue to
19 receive funding for a child and adolescent health center under this
20 section a grant recipient shall ensure that the child and
21 adolescent health center has an advisory committee and that at
22 least one-third of the members of the advisory committee are
23 parents or legal guardians of school-aged children. A child and
24 adolescent health center program shall recognize the role of a
25 child's parents or legal guardian in the physical and emotional
26 well-being of the child. Funding under this subsection shall be
27 used to support child and adolescent health center services

1 provided to children up to age 21. If any funds allocated under
2 this subsection are not used for the purposes of this subsection
3 for the fiscal year in which they are allocated, those unused funds
4 shall be used that fiscal year to avoid or minimize any proration
5 that would otherwise be required under subsection (12) for that
6 fiscal year. ~~In addition to the funds otherwise allocated under~~
7 ~~this subsection, from the money allocated in subsection (1), there~~
8 ~~is allocated an amount not to exceed \$2,000,000.00 for 2015-2016~~
9 ~~only for child and adolescent health centers to increase access to~~
10 ~~nurses and behavioral health services in schools, using 3 existing~~
11 ~~school clinics as hubs for services and using mobile teams to serve~~
12 ~~satellite school sites.~~

13 (8) From the funds allocated under subsection (1), there is
14 allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed
15 \$5,150,000.00 for the state portion of the hearing and vision
16 screenings as described in section 9301 of the public health code,
17 1978 PA 368, MCL 333.9301. A local public health department shall
18 pay at least 50% of the total cost of the screenings. The frequency
19 of the screenings shall be as required under R 325.13091 to R
20 325.13096 and R 325.3271 to R 325.3276 of the Michigan
21 administrative code. Funds shall be awarded in a form and manner
22 approved jointly by the department and the department of health and
23 human services. Notwithstanding section 17b, payments to eligible
24 entities under this subsection shall be paid on a schedule
25 determined by the department.

26 (9) Each district or public school academy receiving funds
27 under this section and the education achievement system shall

1 submit to the department by July 15 of each fiscal year a report,
2 not to exceed 10 pages, on the usage by the district or public
3 school academy or the education achievement system of funds under
4 this section, which report shall include a brief description of
5 each program conducted or services performed by the district or
6 public school academy or the education achievement system using
7 funds under this section, the amount of funds under this section
8 allocated to each of those programs or services, the total number
9 of at-risk pupils served by each of those programs or services, and
10 the data necessary for the department and the department of health
11 and human services to verify matching funds for the temporary
12 assistance for needy families program. If a district or public
13 school academy or the education achievement system does not comply
14 with this subsection, the department shall withhold an amount equal
15 to the August payment due under this section until the district or
16 public school academy or the education achievement system complies
17 with this subsection. If the district or public school academy or
18 the education achievement system does not comply with this
19 subsection by the end of the state fiscal year, the withheld funds
20 shall be forfeited to the school aid fund.

21 (10) In order to receive funds under this section, a district
22 or public school academy or the education achievement system shall
23 allow access for the department or the department's designee to
24 audit all records related to the program for which it receives
25 those funds. The district or public school academy or the education
26 achievement system shall reimburse the state for all disallowances
27 found in the audit.

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

7 (12) If necessary, and before any proration required under
8 section 296, the department shall prorate payments under this
9 section by reducing the amount of the per pupil payment under this
10 section by a dollar amount calculated by determining the amount by
11 which the amount necessary to fully fund the requirements of this
12 section exceeds the maximum amount allocated under this section and
13 then dividing that amount by the total statewide number of pupils
14 who met the income eligibility criteria for free breakfast, lunch,
15 or milk in the immediately preceding fiscal year, as described in
16 subsection (4).

17 (13) If a district is formed by consolidation after June 1,
18 1995, and if 1 or more of the original districts were not eligible
19 before the consolidation for an additional allowance under this
20 section, the amount of the additional allowance under this section
21 for the consolidated district shall be based on the number of
22 pupils described in subsection (1) enrolled in the consolidated
23 district who reside in the territory of an original district that
24 was eligible before the consolidation for an additional allowance
25 under this section. In addition, if a district is dissolved
26 pursuant to section 12 of the revised school code, MCL 380.12, the
27 intermediate district to which the dissolved school district was

1 constituent shall determine the estimated number of pupils that
2 meet the income eligibility criteria for free breakfast, lunch, or
3 milk, as described under subsection (4), enrolled in each of the
4 other districts within the intermediate district and provide that
5 estimate to the department for the purposes of distributing funds
6 under this section within 60 days after the school district is
7 declared dissolved.

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

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

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

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

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

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

22 (f) The pupil is enrolled in a priority or priority-successor
23 school, as defined in the elementary and secondary education act of
24 2001 flexibility waiver approved by the United States Department of
25 Education.

26 (g) In the absence of state or local assessment data, the
27 pupil meets at least 2 of the following criteria, as documented in

1 a form and manner approved by the department:

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

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

6 (iii) The pupil is homeless.

7 (iv) The pupil is a migrant.

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

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

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

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

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

10 (b) The district, public school academy, or the education
11 achievement system shall determine the proportion of total at-risk
12 pupils that represent the number of pupils in grade 11 that are not
13 career- and college-ready as measured by the student's score on the
14 English language arts, mathematics, and science content area
15 assessments on the grade 11 summative assessment under section
16 1279g(2)(a) of the revised school code, MCL 380.1279g, and the
17 district, public school academy, or the education achievement
18 system shall expend that same proportion multiplied by 1/2 of its
19 total at-risk funds under this section on tutoring and other
20 activities to improve scores on the college entrance examination
21 portion of the Michigan merit examination.

22 (16) As used in subsection (15), "total at-risk pupils" means
23 the sum of the number of pupils in grade 3 that are not ~~reading at~~
24 ~~grade level~~ **PROFICIENT IN ENGLISH LANGUAGE ARTS** by the end of third
25 grade as measured on the state assessment and the number of pupils
26 in grade 11 that are not career- and college-ready as measured by
27 the student's score on the English language arts, mathematics, and

1 science content area assessments on the grade 11 summative
2 assessment under section 1279g(2)(a) of the revised school code,
3 MCL 380.1279g.

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

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

13 SEC. 31B. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS
14 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2016-2017 FOR
15 GRANTS TO AT-RISK DISTRICTS FOR IMPLEMENTING A YEAR-ROUND
16 INSTRUCTIONAL PROGRAM FOR AT LEAST 1 OF ITS SCHOOLS.

17 (2) THE DEPARTMENT SHALL SELECT DISTRICTS FOR GRANTS UNDER
18 THIS SECTION FROM AMONG APPLICANT DISTRICTS THAT MEET BOTH OF THE
19 FOLLOWING:

20 (A) THE DISTRICT MEETS 1 OR BOTH OF THE FOLLOWING:

21 (i) IS ELIGIBLE IN 2016-2017 FOR THE COMMUNITY ELIGIBILITY
22 OPTION FOR FREE AND REDUCED PRICE LUNCH UNDER 42 USC 1759A.

23 (ii) AT LEAST 50% OF THE PUPILS IN MEMBERSHIP IN THE DISTRICT
24 MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR
25 MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED
26 UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751
27 TO 1769I.

1 (B) THE BOARD OF THE DISTRICT HAS ADOPTED A RESOLUTION STATING
2 THAT THE DISTRICT WILL IMPLEMENT FOR THE FIRST TIME A YEAR-ROUND
3 INSTRUCTIONAL CALENDAR THAT WILL BEGIN IN 2017-2018 FOR AT LEAST 1
4 SCHOOL OPERATED BY THE DISTRICT AND COMMITTING TO PROVIDING THE
5 YEAR-ROUND INSTRUCTIONAL CALENDAR IN EACH OF THOSE SCHOOLS FOR AT
6 LEAST 3 SCHOOL YEARS.

7 (3) A DISTRICT SEEKING A GRANT UNDER THIS SECTION SHALL APPLY
8 TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE
9 DEPARTMENT NOT LATER THAN DECEMBER 1, 2016. THE DEPARTMENT SHALL
10 SELECT DISTRICTS FOR GRANTS AND MAKE NOTIFICATION NOT LATER THAN
11 FEBRUARY 1, 2017.

12 (4) THE DEPARTMENT SHALL AWARD GRANTS UNDER THIS SECTION ON A
13 COMPETITIVE BASIS, BUT SHALL GIVE PRIORITY BASED SOLELY ON
14 CONSIDERATION OF THE FOLLOWING CRITERIA:

15 (A) GIVING PRIORITY TO DISTRICTS THAT, AS OF JUNE 30, 2016,
16 HAD LOWER GENERAL FUND BALANCES AS A PERCENTAGE OF REVENUES.

17 (B) GIVING PRIORITY TO DISTRICTS THAT OPERATE AT LEAST 1
18 SCHOOL THAT HAS BEEN IDENTIFIED BY THE DEPARTMENT AS EITHER A
19 PRIORITY SCHOOL OR A FOCUS SCHOOL.

20 (C) ENSURING THAT GRANT FUNDING INCLUDES BOTH RURAL AND URBAN
21 DISTRICTS.

22 (5) THE AMOUNT OF A GRANT UNDER THIS SECTION TO ANY 1 DISTRICT
23 SHALL NOT EXCEED \$750,000.00.

24 (6) A GRANT PAYMENT UNDER THIS SECTION TO A DISTRICT SHALL BE
25 USED FOR NECESSARY MODIFICATIONS TO INSTRUCTIONAL FACILITIES AND
26 OTHER NONRECURRING COSTS OF PREPARING FOR THE OPERATION OF A YEAR-
27 ROUND INSTRUCTIONAL PROGRAM AS APPROVED BY THE DEPARTMENT.

1 (7) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION IS NOT
2 REQUIRED TO PROVIDE MORE THAN THE MINIMUM NUMBER OF DAYS AND HOURS
3 OF PUPIL INSTRUCTION PRESCRIBED UNDER SECTION 101, BUT SHALL SPREAD
4 AT LEAST THOSE MINIMUM AMOUNTS OF PUPIL INSTRUCTION OVER THE ENTIRE
5 YEAR IN EACH OF ITS SCHOOLS IN WHICH A YEAR-ROUND INSTRUCTIONAL
6 CALENDAR IS IMPLEMENTED. THE DISTRICT SHALL COMMIT TO PROVIDING THE
7 YEAR-ROUND INSTRUCTIONAL CALENDAR IN EACH OF THOSE SCHOOLS FOR AT
8 LEAST 3 SCHOOL YEARS.

9 (8) FOR A DISTRICT RECEIVING A GRANT UNDER THIS SECTION,
10 EXCESSIVE HEAT IS CONSIDERED TO BE A CONDITION NOT WITHIN THE
11 CONTROL OF SCHOOL AUTHORITIES FOR THE PURPOSE OF DAYS OR HOURS
12 BEING COUNTED AS DAYS OR HOURS OF PUPIL INSTRUCTION UNDER SECTION
13 101(4) .

14 (9) NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS TO DISTRICTS
15 UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE
16 DEPARTMENT.

17 Sec. 31c. (1) from the funds appropriated in section 11, there
18 is allocated an amount not to exceed ~~\$1,000,000.00 for 2015-2016~~
19 **\$3,000,000.00 FOR 2016-2017** for programs intended to improve public
20 safety, reduce the number of youth involved in gang-related
21 activity, and increase high school graduation rates.

22 (2) The department shall award grants to districts that form
23 partnerships with nonprofit organizations, law enforcement, and
24 other community resources to provide programs that divert young
25 adults from gang-related criminal activity.

26 (3) Grants awarded under this section may include, but are not
27 limited to, grants for any of the following activities:

1 (a) Employment training and placement programs.

2 (b) Counseling services.

3 (c) Assistance to program participants in accessing community
4 resources for continuing education, court advocacy, and health
5 care.

6 (d) Outreach programs to educate participants and their
7 families.

8 (4) Each grant recipient under this section shall partner with
9 a university to collect data necessary to evaluate the
10 effectiveness of programs in reducing violent crime and gang-
11 related activity in the community **AND PROVIDE A REPORT ON THIS**
12 **EVALUATION TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON**
13 **SCHOOL AID NOT LATER THAN DECEMBER 1, 2017.**

14 Sec. 31d. (1) From the appropriations in section 11, there is
15 allocated an amount not to exceed \$22,495,100.00 for ~~2015-2016~~
16 **2016-2017** for the purpose of making payments to districts and other
17 eligible entities under this section.

18 (2) The amounts allocated from state sources under this
19 section shall be used to pay the amount necessary to reimburse
20 districts for 6.0127% of the necessary costs of the state mandated
21 portion of the school lunch programs provided by those districts.
22 The amount due to each district under this section shall be
23 computed by the department using the methods of calculation adopted
24 by the Michigan supreme court in the consolidated cases known as
25 Durant v State of Michigan, Michigan supreme court docket no.
26 104458-104492.

27 (3) The payments made under this section include all state

1 payments made to districts so that each district receives at least
2 6.0127% of the necessary costs of operating the state mandated
3 portion of the school lunch program in a fiscal year.

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

10 (5) From the federal funds appropriated in section 11, there
11 is allocated for ~~2015-2016-2016-2017~~ all available federal funding,
12 estimated at \$510,000,000.00 for the national school lunch program
13 and all available federal funding, estimated at \$3,200,000.00 for
14 the emergency food assistance program.

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

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

22 Sec. 31f. (1) From the appropriations in section 11, there is
23 allocated an amount not to exceed ~~\$5,625,000.00~~ **\$2,500,000.00** for
24 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
25 **\$2,500,000.00 FOR 2016-2017** for the purpose of making payments to
26 districts to reimburse for the cost of providing breakfast.

27 (2) The funds allocated under this section for school

1 breakfast programs shall be made available to all eligible
2 applicant districts that meet all of the following criteria:

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

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

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

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

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

22 Sec. 31h. From the funds appropriated in section 11, there is
23 allocated an amount not to exceed \$300,000.00 for ~~2015-2016-2016-~~
24 **2017** for the purpose of providing funding to a district that
25 educates high school pupils from another district that voluntarily
26 closed its high school program in 2013. The funding under this
27 section is ~~intended to be for the first~~ **SECOND** of 2 years, unless

1 it is determined that the federal elementary and secondary
2 education act allows federal title I funds that previously
3 supported the high school pupils in their resident district to
4 instead be provided to the educating district. Funding under this
5 section shall be used to support the additional costs of educating
6 high school pupils in a manner that is similar to the way title I
7 funds provided additional support to the education of those pupils
8 when they were educated in their resident district high school
9 program before its closure in 2013.

10 SEC. 31J. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN
11 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00
12 FOR 2016-2017 FOR A PILOT PROJECT TO SUPPORT DISTRICTS IN THE
13 PURCHASE OF LOCALLY GROWN FRUITS AND VEGETABLES AS DESCRIBED IN
14 THIS SECTION.

15 (2) THE DEPARTMENT SHALL PROVIDE FUNDING TO PROSPERITY REGIONS
16 2 AND 4 FOR THE PILOT PROJECT DESCRIBED UNDER THIS SECTION. FROM
17 THE FUNDING IDENTIFIED IN SUBSECTION (1), FUNDING RETAINED BY THE
18 PROSPERITY REGIONS FOR ADMINISTRATION OF THE PROJECT SHALL NOT
19 EXCEED 10%, AND FUNDING RETAINED BY THE DEPARTMENT FOR
20 ADMINISTRATION SHALL NOT EXCEED 6%.

21 (3) THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A COMPETITIVE
22 GRANT PROGRAM FOR DISTRICTS WITHIN THE IDENTIFIED PROSPERITY
23 REGIONS TO ASSIST IN PAYING FOR THE COSTS INCURRED BY THE DISTRICT
24 TO PURCHASE OR INCREASE PURCHASES OF WHOLE OR MINIMALLY PROCESSED
25 FRUITS, VEGETABLES, AND LEGUMES GROWN IN THIS STATE. THE MAXIMUM
26 AMOUNT THAT MAY BE DRAWN DOWN ON A GRANT TO A DISTRICT SHALL BE
27 BASED ON THE NUMBER OF MEALS SERVED BY THE SCHOOL DISTRICT DURING

1 THE PREVIOUS SCHOOL YEAR UNDER THE RICHARD B. RUSSELL NATIONAL
2 SCHOOL LUNCH ACT, 42 USC 1751 TO 1769. THE DEPARTMENT SHALL
3 COLLABORATE WITH THE MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL
4 DEVELOPMENT TO PROVIDE TRAINING TO NEWLY PARTICIPATING SCHOOLS AND
5 ELECTRONIC INFORMATION ON MICHIGAN AGRICULTURE.

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

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

14 (A) ARE PURCHASED ON OR AFTER THE DATE THE DISTRICT RECEIVED
15 NOTIFICATION FROM THE DEPARTMENT OF THE AMOUNT TO BE DISTRIBUTED TO
16 THE DISTRICT UNDER THIS SUBSECTION, INCLUDING PURCHASES MADE TO
17 LAUNCH MEALS IN SEPTEMBER 2016 FOR THE 2016-2017 SCHOOL YEAR.

18 (B) ARE GROWN IN THIS STATE AND, IF MINIMALLY PROCESSED, ARE
19 ALSO PROCESSED IN THIS STATE.

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

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

1 (7) A DISTRICT THAT RECEIVES A GRANT FOR REIMBURSEMENT UNDER
2 THIS SECTION SHALL USE THE GRANT TO PURCHASE WHOLE OR MINIMALLY
3 PROCESSED FRUITS, VEGETABLES, AND LEGUMES THAT ARE GROWN IN THIS
4 STATE AND, IF MINIMALLY PROCESSED, ARE ALSO PROCESSED IN THIS
5 STATE.

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

14 (9) THE DEPARTMENT SHALL GIVE PREFERENCE TO DISTRICTS THAT
15 PROPOSE EDUCATIONAL ACTIVITIES THAT MEET 1 OR MORE OF THE
16 FOLLOWING: PROMOTE HEALTHY FOOD ACTIVITIES; HAVE CLEAR EDUCATIONAL
17 OBJECTIVES; INVOLVE PARENTS OR THE COMMUNITY; AND CONNECT TO A
18 SCHOOL'S FARM-TO-SCHOOL PROCUREMENT ACTIVITIES.

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

26 (11) AS A CONDITION OF RECEIVING A GRANT UNDER THIS SECTION, A
27 DISTRICT SHALL PROVIDE OR DIRECT ITS VENDORS TO PROVIDE TO

1 PROSPERITY REGION OFFICES COPIES OF MONTHLY RECEIPTS THAT SHOW THE
2 QUANTITY OF DIFFERENT MICHIGAN-GROWN FRUITS, VEGETABLES, AND
3 LEGUMES PURCHASED, THE AMOUNT OF MONEY SPENT ON EACH OF THESE
4 PRODUCTS, AND THE NAME AND MICHIGAN LOCATION OF THE FARM THAT GREW
5 THE PRODUCTS. THE DISTRICT SHALL ALSO PROVIDE TO THE PROSPERITY
6 REGION MONTHLY LUNCH NUMBERS AND LUNCH PARTICIPATION RATES, AND
7 CALENDARS OR MONTHLY MENUS NOTING WHEN AND HOW MICHIGAN-GROWN
8 PRODUCTS WERE USED IN MEALS. THE DISTRICT AND SCHOOL FOOD SERVICE
9 DIRECTOR OR DIRECTORS ALSO SHALL AGREE TO RESPOND TO BRIEF ONLINE
10 SURVEYS AND TO PROVIDE A REPORT THAT SHOWS THE PERCENTAGE
11 RELATIONSHIP OF MICHIGAN SPENDING COMPARED TO TOTAL FOOD SPENDING.
12 NOT LATER THAN MARCH 1, 2017, EACH PROSPERITY REGION OFFICE SHALL
13 SUBMIT A REPORT TO THE DEPARTMENT ON EXPECTED OUTCOMES AND RELATED
14 MEASUREMENTS FOR ECONOMIC DEVELOPMENT AND CHILDREN'S NUTRITION AND
15 READINESS TO LEARN BASED ON PROGRESS SO FAR. THE REPORT SHALL
16 INCLUDE AT LEAST ALL OF THE FOLLOWING:

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

22 (i) THE DATA USED TO DETERMINE THE AMOUNT OF THIS INCREASE
23 SHALL BE THE TOTAL DOLLAR AMOUNT OF MICHIGAN OR LOCAL FRUITS,
24 VEGETABLES, AND LEGUMES PURCHASED BY SCHOOLS, ALONG WITH THE NUMBER
25 OF DIFFERENT TYPES OF PRODUCTS PURCHASED; SCHOOL FOOD PURCHASING
26 TRENDS IDENTIFIED ALONG WITH PRODUCTS THAT ARE OF NEW AND GROWING
27 INTEREST AMONG FOOD SERVICE DIRECTORS; THE NUMBER OF BUSINESSES

1 IMPACTED; AND THE PERCENTAGE OF TOTAL FOOD BUDGET SPENT ON
2 MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES.

3 (ii) THE PROSPERITY REGION OFFICE SHALL USE PURCHASING DATA
4 COLLECTED FOR THE PROJECT AND SURVEYS OF SCHOOL FOOD SERVICE
5 DIRECTORS ON THE IMPACT AND SUCCESS OF THE PROJECT AS THE SOURCE
6 FOR THE DATA DESCRIBED IN SUBPARAGRAPH (i) .

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

11 (i) THE DATA USED TO DETERMINE WHETHER THIS SUBPARAGRAPH IS
12 MET SHALL BE THE NUMBER OF PUPILS EXPOSED TO MICHIGAN-GROWN FRUITS,
13 VEGETABLES, AND LEGUMES AT SCHOOLS; THE VARIETY OF PRODUCTS SERVED;
14 NEW ITEMS TASTE-TESTED OR PLACED ON MENUS; AND THE INCREASE IN
15 PUPIL WILLINGNESS TO TRY NEW LOCAL, HEALTHY FOODS.

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

20 (12) THE DEPARTMENT SHALL COMPILE THE REPORTS PROVIDED BY
21 PROSPERITY REGION OFFICES UNDER SUBSECTION (11) INTO 1 LEGISLATIVE
22 REPORT. THE DEPARTMENT SHALL PROVIDE THIS REPORT NOT LATER THAN
23 APRIL 1, 2017 TO THE HOUSE AND SENATE SUBCOMMITTEES RESPONSIBLE FOR
24 SCHOOL AID, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
25 BUDGET DIRECTOR.

26 Sec. 32d. (1) From the funds appropriated in section 11, there
27 is allocated to eligible intermediate districts and consortia of

1 intermediate districts for great start readiness programs an amount
2 not to exceed \$243,600,000.00 for ~~2015-2016.~~ **2016-2017.** Funds
3 allocated under this section for great start readiness programs
4 shall be used to provide part-day, school-day, or GSRP/head start
5 blended comprehensive free compensatory classroom programs designed
6 to improve the readiness and subsequent achievement of
7 educationally disadvantaged children who meet the participant
8 eligibility and prioritization guidelines as defined by the
9 department. For a child to be eligible to participate in a program
10 under this section, the child shall be at least 4, but less than 5,
11 years of age as of ~~the date specified for determining a child's~~
12 ~~eligibility to attend school under section 1147 of the revised~~
13 ~~school code, MCL 380.1147.~~ **SEPTEMBER 1 OF THE SCHOOL YEAR IN WHICH**
14 **THE PROGRAM IS OFFERED AND SHALL MEET THOSE ELIGIBILITY AND**
15 **PRIORITIZATION GUIDELINES.**

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

26 (3) In addition to the allocation under subsection (1), from
27 the general fund money appropriated under section 11, there is

1 allocated an amount not to exceed \$300,000.00 for ~~2015-2016~~ **2016-**
2 **2017** for a competitive grant to continue a longitudinal evaluation
3 of children who have participated in great start readiness
4 programs.

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

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

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

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

19 (d) Physical and dental health and developmental screening
20 services for all program participants.

21 (e) Referral services for families of program participants to
22 community social service agencies, including mental health
23 services, as appropriate.

24 (f) Active and continuous involvement of the parents or
25 guardians of the program participants.

26 (g) A plan to conduct and report annual great start readiness
27 program evaluations and continuous improvement plans using criteria

1 approved by the department.

2 (h) Participation in a school readiness advisory committee
3 convened as a workgroup of the great start collaborative that
4 provides for the involvement of classroom teachers, parents or
5 guardians of program participants, and community, volunteer, and
6 social service agencies and organizations, as appropriate. The
7 advisory committee annually shall review and make recommendations
8 regarding the program components listed in this subsection. The
9 advisory committee also shall make recommendations to the great
10 start collaborative regarding other community services designed to
11 improve all children's school readiness.

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

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

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

19 (a) Ensure compliance with all program components described in
20 subsection (4).

21 (b) Except as otherwise provided in this subdivision, ensure
22 that at least 90% of the children participating in an eligible
23 great start readiness program for whom the intermediate district is
24 receiving funds under this section are children who live with
25 families with a household income that is equal to or less than 250%
26 of the federal poverty level. If the intermediate district
27 determines that all eligible children are being served and that

1 there are no children on the waiting list under section 39(1)(d)
2 who live with families with a household income that is equal to or
3 less than 250% of the federal poverty level, the intermediate
4 district may then enroll children who live with families with a
5 household income that is equal to or less than 300% of the federal
6 poverty level. The enrollment process shall consider income and
7 risk factors, such that children determined with higher need are
8 enrolled before children with lesser need. For purposes of this
9 subdivision, all age-eligible children served in foster care or who
10 are experiencing homelessness or who have individualized education
11 plans recommending placement in an inclusive preschool setting
12 shall be considered to live with families with household income
13 equal to or less than 250% of the federal poverty level regardless
14 of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT**
15 **WITHIN THE LOWEST QUINTILE.**

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

18 (i) Teachers possessing proper training. A lead teacher must
19 have a valid teaching certificate with an early childhood (ZA or
20 ZS) endorsement or a bachelor's **OR HIGHER** degree in child
21 development or early ~~child development~~ **CHILDHOOD EDUCATION** with
22 specialization in preschool teaching. However, if an applicant
23 demonstrates to the department that it is unable to fully comply
24 with this subparagraph after making reasonable efforts to comply,
25 teachers who have significant but incomplete training in early
26 childhood education or child development may be used if the
27 applicant provides to the department, and the department approves,

1 a plan for each teacher to come into compliance with the standards
2 in this subparagraph. A teacher's compliance plan must be completed
3 within 2 years of the date of employment. Progress toward
4 completion of the compliance plan shall consist of at least 2
5 courses per calendar year.

6 (ii) Paraprofessionals possessing proper training in early
7 childhood ~~development~~, **EDUCATION**, including an associate's degree
8 in early childhood education or child development or the
9 equivalent, or a child development associate (CDA) credential.

10 However, if an applicant demonstrates to the department that it is
11 unable to fully comply with this subparagraph after making
12 reasonable efforts to comply, the applicant may use
13 paraprofessionals who have completed at least 1 course that earns
14 college credit in early childhood education or child development if
15 the applicant provides to the department, and the department
16 approves, a plan for each paraprofessional to come into compliance
17 with the standards in this subparagraph. A paraprofessional's
18 compliance plan must be completed within 2 years of the date of
19 employment. Progress toward completion of the compliance plan shall
20 consist of at least 2 courses or 60 clock hours of training per
21 calendar year.

22 (d) Include a program budget that contains only those costs
23 that are not reimbursed or reimbursable by federal funding, that
24 are clearly and directly attributable to the great start readiness
25 program, and that would not be incurred if the program were not
26 being offered. Eligible costs include transportation costs. The
27 program budget shall indicate the extent to which these funds will

1 supplement other federal, state, local, or private funds. Funds
2 received under this section shall not be used to supplant any
3 federal funds received by the applicant to serve children eligible
4 for a federally funded preschool program that has the capacity to
5 serve those children.

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

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

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

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

26 ~~—— (a) For the portion of the total grant amount for which~~
27 ~~services are provided directly by an intermediate district or~~

~~consortium of intermediate districts, the intermediate district or consortium of intermediate districts may retain an amount equal to not more than 7% of that portion of the grant amount.~~

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

(9) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS MAY RETAIN FOR ADMINISTRATIVE SERVICES PROVIDED BY THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS AN AMOUNT NOT TO EXCEED 4% OF THE GRANT AMOUNT. EXPENSES INCURRED BY SUBRECIPIENTS ENGAGED BY THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS FOR DIRECTLY RUNNING PORTIONS OF THE PROGRAM SHALL BE CONSIDERED PROGRAM COSTS OR A CONTRACTED PROGRAM FEE FOR SERVICE.

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

(11) Each grant recipient shall enroll children identified under subsection (5)(b) according to how far the child's household income is below 250% of the federal poverty level by ranking each applicant child's household income from lowest to highest and dividing the applicant children into quintiles based on how far the child's household income is below 250% of the federal poverty

1 level, and then enrolling children in the quintile with the lowest
2 household income before enrolling children in the quintile with the
3 next lowest household income until slots are completely filled. If
4 the grant recipient determines that all eligible children are being
5 served and that there are no children on the waiting list under
6 section 39(1)(d) who live with families with a household income
7 that is equal to or less than 250% of the federal poverty level,
8 the grant recipient may then enroll children who live with families
9 with a household income that is equal to or less than 300% of the
10 federal poverty level. The enrollment process shall consider income
11 and risk factors, such that children determined with higher need
12 are enrolled before children with lesser need. For purposes of this
13 subdivision, all age-eligible children served in foster care or who
14 are experiencing homelessness or who have individualized education
15 plans recommending placement in an inclusive preschool setting
16 shall be considered to live with families with household income
17 equal to or less than 250% of the federal poverty level regardless
18 of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT**
19 **WITHIN THE LOWEST QUINTILE.**

20 (12) An intermediate district or consortium of intermediate
21 districts receiving a grant under this section shall allow parents
22 of eligible children who are residents of the intermediate district
23 or within the consortium to choose a program operated by or
24 contracted with another intermediate district or consortium of
25 intermediate districts and shall ~~pay to the educating intermediate~~
26 ~~district or consortium the per child amount attributable to each~~
27 ~~child enrolled pursuant to this sentence, as determined under~~

~~section 39.~~ ENTER INTO A WRITTEN AGREEMENT REGARDING PAYMENT, IN A MANNER PRESCRIBED THE DEPARTMENT.

(13) An intermediate district or consortium of intermediate districts receiving a grant under this section shall conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers that meet all requirements of subsection (4) for at least 30% of its total slot allocation. **FOR THE PURPOSES OF THIS 30% ALLOCATION, AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS MAY COUNT CHILDREN SERVED BY A HEAD START GRANTEE OR DELEGATE IN A BLENDED HEAD START AND GREAT START READINESS SCHOOL-DAY PROGRAM. CHILDREN SERVED IN A PROGRAM FUNDED ONLY THROUGH HEAD START SHALL NOT BE COUNTED TOWARD THIS 30% ALLOCATION.** The intermediate district or consortium shall report to the department, in a manner prescribed by the department, a detailed list of community-based providers by provider type, including private for-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

1 district or consortium shall demonstrate to the department that the
2 intermediate district or consortium increased the percentage of its
3 total slot allocation for which it contracts with a community-based
4 provider and the intermediate district or consortium shall submit
5 evidence satisfactory to the department, and the department must be
6 able to verify this evidence, demonstrating that the intermediate
7 district or consortium took measures to contract for at least 30%
8 of its total slot allocation as required under this subsection,
9 including, but not limited to, at least all of the following
10 measures:

11 (a) The intermediate district or consortium notified each
12 **NONPARTICIPATING** licensed child care center located in the service
13 area of the intermediate district or consortium ~~at least twice~~
14 regarding the center's eligibility to participate, **IN A MANNER**
15 **PRESCRIBED BY THE DEPARTMENT.** ~~One of these notifications may be~~
16 ~~made electronically, but at least 1 of these notifications shall be~~
17 ~~made via hard copy through the United States mail. At least 1 of~~
18 ~~these notifications shall be made within 7 days after the~~
19 ~~intermediate district or consortium receives notice from the~~
20 ~~department of its slot allocations.~~

21 (b) The intermediate district or consortium provided to each
22 **NONPARTICIPATING** licensed child care center located in the service
23 area of the intermediate district or consortium information
24 regarding great start readiness program requirements and a
25 description of the application and selection process for community-
26 based providers.

27 (c) The intermediate district or consortium provided to the

1 public and to participating families a list of community-based
2 great start readiness program subrecipients with a great start to
3 quality rating of at least 3 stars.

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

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

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

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

26 (c) Ensure that all intermediate district, district, community
27 college or university, head start grantee or delegate, private for-

1 profit, and private nonprofit providers are subject to a single
2 great start to quality rating system. The rating system shall
3 ensure that regulators process all prospective providers at the
4 same pace on a first-come, first-served basis and shall not allow 1
5 type of provider to receive a great start to quality rating ahead
6 of any other type of provider.

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

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

1 needy families maintenance of effort purposes.

2 (17) As used in this section:

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

6 (b) "Part-day program" means a program that operates at least
7 4 days per week, 30 weeks per year, for at least 3 hours of
8 teacher-child contact time per day but for fewer hours of teacher-
9 child contact time per day than a school-day program.

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

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

25 (19) From the amount appropriated in subsection (1), there is
26 allocated an amount not to exceed \$10,000,000.00 for reimbursement
27 of transportation costs for children attending great start

1 readiness programs funded under this section. To receive
2 reimbursement under this subsection, not later than November 1,
3 ~~2015,~~**2016**, a program funded under this section that provides
4 transportation shall submit to the intermediate district that is
5 the fiscal agent for the program a projected transportation budget.
6 The amount of the reimbursement for transportation under this
7 subsection shall be no more than the projected transportation
8 budget or \$150.00 multiplied by the number of slots funded for the
9 program under this section. If the amount allocated under this
10 subsection is insufficient to fully reimburse the transportation
11 costs for all programs that provide transportation and submit the
12 required information, the reimbursement shall be prorated in an
13 equal amount per slot funded. Payments shall be made to the
14 intermediate district that is the fiscal agent for each program,
15 and the intermediate district shall then reimburse the program
16 provider for transportation costs as prescribed under this
17 subsection.

18 Sec. 32p. (1) From the school aid fund appropriation in
19 section 11, there is allocated an amount not to exceed
20 \$13,400,000.00 to intermediate districts for ~~2015-2016~~**2016-2017**
21 for the purpose of providing early childhood funding to
22 intermediate school districts to support the activities under
23 subsection (2) and subsection (4), and to provide early childhood
24 programs for children from birth through age 8. The funding
25 provided to each intermediate district under this section shall be
26 determined by the distribution formula established by the
27 department's office of great start to provide equitable funding

1 statewide. In order to receive funding under this section, each
2 intermediate district shall provide an application to the office of
3 great start not later than September 15 of the immediately
4 preceding fiscal year indicating the activities planned to be
5 provided.

6 (2) Each intermediate district or consortium of intermediate
7 districts that receives funding under this section shall convene a
8 local great start collaborative and a parent coalition. The goal of
9 each great start collaborative and parent coalition shall be to
10 ensure the coordination and expansion of local early childhood
11 infrastructure and programs that allow every child in the community
12 to achieve the following outcomes:

13 (a) Children born healthy.

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

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

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

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

25 (a) Physical health.

26 (b) Social-emotional health.

27 (c) Family supports and basic needs.

1 (d) Parent education.

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

4 (4) From the funds allocated in subsection (1), at least
5 \$2,500,000.00 shall be used for the purpose of providing home
6 visits to at-risk children and their families. The home visits
7 shall be conducted as part of a locally coordinated, family-
8 centered, evidence-based, data-driven home visit strategic plan
9 that is approved by the department. The goals of the home visits
10 funded under this subsection shall be to improve school readiness **7**
11 **USING EVIDENCE-BASED METHODS, INCLUDING VOCABULARY DEVELOPMENT, TO**
12 reduce the number of pupils retained in grade level, and **TO** reduce
13 the number of pupils requiring special education services. The
14 department shall coordinate the goals of the home visit strategic
15 plans approved under this subsection with other state agency home
16 visit programs in a way that strengthens Michigan's home visiting
17 infrastructure and maximizes federal funds available for the
18 purposes of at-risk family home visits. **THE COORDINATION AMONG**
19 **DEPARTMENTS AND AGENCIES IS INTENDED TO AVOID DUPLICATION OF STATE**
20 **SERVICES AND SPENDING, AND SHOULD EMPHASIZE EFFICIENT SERVICE**
21 **DELIVERY OF HOME VISITING PROGRAMS.**

22 (5) Not later than December 1 of each year, each intermediate
23 district shall provide a report to the department detailing the
24 activities actually provided during the immediately preceding
25 school year and the families and children actually served. At a
26 minimum, the report shall include an evaluation of the services
27 provided with additional funding under subsection (4) for home

1 visits, using the goals identified in subsection (4) as the basis
2 for the evaluation, including the degree to which school readiness
3 was improved, any change in the number of pupils retained at grade
4 level, and any change in the number of pupils receiving special
5 education services. The department shall compile and summarize
6 these reports and submit its summary to the house and senate
7 appropriations subcommittees on school aid and to the house and
8 senate fiscal agencies not later than February 15 of each year.

9 (6) An intermediate district or consortium of intermediate
10 districts that receives funding under this section may carry over
11 any unexpended funds received under this section into the next
12 fiscal year and may expend those unused funds through June 30 of
13 the next fiscal year. A recipient of a grant shall return any
14 unexpended grant funds to the department in the manner prescribed
15 by the department not later than September 30 of the next fiscal
16 year after the fiscal year in which the funds are received.

17 **SEC. 32Q. FROM THE STATE SCHOOL AID FUND ALLOCATION UNDER**
18 **SECTION 11, THERE IS ALLOCATED TO AN ELIGIBLE INTERMEDIATE DISTRICT**
19 **AN AMOUNT EQUAL TO \$175,000.00 IN 2016-2017 FOR THE PURPOSE OF THIS**
20 **SECTION. AN INTERMEDIATE DISTRICT RECEIVING A GRANT UNDER THIS**
21 **SECTION SHALL PARTNER WITH AN EARLY CHILDHOOD COLLABORATIVE TO**
22 **CONDUCT A PILOT PROGRAM AS PROVIDED UNDER THIS SECTION. IT IS THE**
23 **INTENT OF THE LEGISLATURE THAT THIS IS THE FIRST OF 3 YEARS OF**
24 **FUNDING, AND THAT FUNDING SHALL CONTINUE IN 2017-2018 AND 2018-**
25 **2019. FUNDING ALLOCATED TO AN INTERMEDIATE DISTRICT SHALL BE USED**
26 **IN PARTNERSHIP WITH A COLLABORATIVE TO CONDUCT A PILOT PROGRAM TO**
27 **EVALUATE THE RELATIVE IMPACT ON VULNERABLE CHILDREN OF 1 VERSUS 2**

1 YEARS OF PRESCHOOL EDUCATION. ALL OF THE FOLLOWING APPLY TO THE
2 PILOT PROGRAM FUNDED UNDER THIS SECTION:

3 (A) AN ELIGIBLE INTERMEDIATE DISTRICT IS AN INTERMEDIATE
4 DISTRICT THAT IS LOCATED IN A COUNTY WITH A POPULATION AS OF THE
5 MOST RECENT FEDERAL DECENNIAL CENSUS THAT WAS GREATER THAN 500,000
6 BUT FEWER THAN 800,000 AND THAT HAS AN EARLY LEARNING COLLABORATIVE
7 LOCATED WITHIN ITS BOUNDARIES.

8 (B) THE FUNDS SHALL BE USED FOR RESEARCH, FAMILY COACHING
9 SUPPORT, ADMINISTRATION, INFORMATION SYSTEMS, AND EVALUATION.

10 (C) IN ORDER TO BE ELIGIBLE TO RECEIVE THE ALLOCATED FUNDS,
11 THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE
12 INTERMEDIATE DISTRICT, SHALL PROVIDE THE FUNDING FOR ALL ELIGIBLE
13 CHILDREN INCLUDED IN THE PILOT PROGRAM.

14 (D) THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE
15 INTERMEDIATE DISTRICT, SHALL DEVELOP A 3-YEAR PILOT PROGRAM UNDER
16 THE SUPERVISION OF THE OFFICE OF GREAT START IN THE DEPARTMENT.

17 (E) FOR A CHILD TO BE ELIGIBLE FOR PARTICIPATION IN THE PILOT
18 PROGRAM UNDER THIS SECTION, THE CHILD SHALL BE 3 YEARS OF AGE AS OF
19 THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND
20 SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

21 (F) A CHILD PARTICIPATING IN THE PILOT PROGRAM SHALL MEET THE
22 PARTICIPANT ELIGIBILITY AND PRIORITIZATION GUIDELINES AS DEFINED BY
23 THE DEPARTMENT.

24 (G) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL
25 DISTRIBUTE FUNDS UNDER THIS SECTION NOT LATER THAN NOVEMBER 15 OF
26 THE FISCAL YEAR.

27 (H) THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE

1 INTERMEDIATE DISTRICT, SHALL PROVIDE ANNUAL PROGRESS EVALUATIONS TO
2 THE OFFICE OF GREAT START.

3 (I) BY DECEMBER 1, 2019, THE EARLY LEARNING COLLABORATIVE, IN
4 PARTNERSHIP WITH THE INTERMEDIATE DISTRICT, SHALL PROVIDE A PILOT
5 PROGRAM REPORT AND EVALUATION TO THE OFFICE OF GREAT START. THE
6 OFFICE OF GREAT START SHALL REVIEW THE PILOT PROGRAM REPORT AND
7 EVALUATION AND, BY FEBRUARY 15, 2020, PROVIDE A REPORT TO THE
8 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID
9 AND TO THE SENATE AND HOUSE FISCAL AGENCIES OF ITS EVALUATION OF
10 THE PILOT PROGRAM.

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

20 (2) From the general fund appropriation in section 11, there
21 is allocated to the department an amount not to exceed
22 \$1,000,000.00 for ~~2015-2016~~ **2016-2017** for implementation costs
23 associated with programs funded under section 35a.

24 ~~—— (3) From the amount allocated under subsection (2), there is~~
25 ~~allocated an amount not to exceed \$100,000.00 for the purpose of~~
26 ~~performing an evaluation of the pilot programs under section 35a(2)~~
27 ~~in a manner approved by the department. The evaluation report shall~~

~~include at least all of the following:~~

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

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

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

Sec. 35a. (1) From the appropriations in section 11, there is allocated for 2015-2016 for the purposes of this section an amount not to exceed ~~\$23,900,000.00~~ **\$19,000,000.00** from the state school aid fund appropriation and an amount not to exceed \$1,500,000.00 from the general fund appropriation. **FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED FOR 2016-2017 FOR THE PURPOSES OF THIS SECTION AN AMOUNT NOT TO EXCEED \$22,900,000.00 FROM THE STATE SCHOOL AID FUND AND AN AMOUNT NOT TO EXCEED \$1,000,000.00 FROM THE GENERAL FUND.**

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

~~—— (a) The department shall develop a competitive application process and method of grant distribution consistent with the~~

~~provisions of this subsection. The amount of a grant award to a pilot program shall be an amount equal to the number of children residing in the district or consortium of districts operating the program who are younger than 4 years of age as of the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147, multiplied by \$120.00 per child or \$130,000.00, whichever is less. The department shall ensure that grants are awarded in each prosperity region or subregion.~~

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

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

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

~~—— (iii) An estimate of the number of families residing in the district or consortium of districts that will operate the pilot~~

~~program that have at least 1 child less than 4 years of age as of the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147.~~

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

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

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

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

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

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

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

~~—— (iii) Provide structured learning activities requiring interaction between children and their parents.~~

~~—— (iv) Provide structured learning activities for children that~~

1 ~~promote positive interaction with their peers.~~

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

7 (2) ~~(3)~~ From the allocations under subsection (1), there is
8 allocated an amount not to exceed \$950,000.00 **EACH FISCAL YEAR** for
9 2015-2016 **AND FOR 2016-2017** for professional development purposes
10 under this subsection. ~~This~~ **THE 2016-2017** allocation represents the
11 ~~first~~ **SECOND** of 2 years of funding for the purposes of this
12 subsection. All of the following apply to funding under this
13 subsection:

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

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

27 (c) The funds allocated under this subsection **FOR 2015-2016**

1 are a work project appropriation, and any unexpended funds for
2 2015-2016 are carried forward into 2016-2017. The purpose of the
3 work project is to continue to implement the professional
4 development training described in this subsection. The estimated
5 completion date of the work project is September 30, 2017.

6 (D) THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2016-2017
7 ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR
8 2016-2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE
9 WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL
10 DEVELOPMENT TRAINING DESCRIBED IN THIS SUBSECTION. THE ESTIMATED
11 COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2018.

12 (3) ~~(4)~~—From the allocations under subsection (1), there is
13 allocated an amount not to exceed \$1,450,000.00 **EACH FISCAL YEAR**
14 for 2015-2016 **AND FOR 2016-2017** for grants under this subsection.
15 ~~This~~ **THE 2016-2017** allocation represents the ~~first~~ **SECOND** of 2
16 years of funding. All of the following apply to grants under this
17 subsection:

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

1 department.

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

7 (i) PHONEMIC AWARENESS - SEGMENTATION, BLENDING, AND SOUND
8 MANIPULATION (DELETION AND SUBSTITUTION).

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

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

11 (iv) COMPREHENSION - MAKING MEANING OF TEXT.

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

16 (D) ~~(e)~~—The funds allocated under this subsection **FOR 2015-**
17 **2016** are a work project appropriation, and any unexpended funds for
18 2015-2016 are carried forward into 2016-2017. The purpose of the
19 work project is to continue to implement the professional
20 development training described in this subsection. The estimated
21 completion date of the work project is September 30, 2017.

22 (E) **THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2016-2017**
23 **ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR**
24 **2016-2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE**
25 **WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL**
26 **DEVELOPMENT TRAINING DESCRIBED IN THIS SUBSECTION. THE ESTIMATED**
27 **COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2018.**

1 (4) ~~(5)~~—From the allocations under subsection (1), there is
2 allocated an amount not to exceed \$3,000,000.00 **EACH FISCAL YEAR**
3 **FOR 2015-2016 AND FOR 2016-2017** for the purpose of providing early
4 literacy coaches at intermediate districts to assist teachers in
5 developing and implementing instructional strategies for pupils in
6 grades K to 3 so that pupils are reading at grade level by the end
7 of grade 3. All of the following apply to funding under this
8 subsection:

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

13 (i) Current state literacy standards for pupils in grades K to
14 3.

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

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

24 (b) From the allocation under this subsection, the department
25 shall award grants to intermediate districts for the support of
26 early literacy coaches. An intermediate district must provide
27 matching funds for at least 50% of the cost of the literacy coach.

1 The department shall provide this funding in the following manner:

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

5 (ii) After distribution of the grant funding under
6 subparagraph (i), the department shall distribute the remainder of
7 grant funding for additional early literacy coaches in an amount
8 not to exceed \$37,500.00 per early literacy coach. The number of
9 funded early literacy coaches for each intermediate district shall
10 be based on the percentage of the total statewide number of pupils
11 in grades K to 3 who meet the income eligibility standards for the
12 federal free and reduced-price lunch programs who are enrolled in
13 districts in the intermediate district. For each additional early
14 literacy coach funded under this subparagraph, the department shall
15 not make an award to an intermediate district under this
16 subparagraph in an amount that is less than the amount necessary to
17 pay 1/2 of the total cost of that additional early literacy coach.

18 (c) The funds allocated under this subsection **FOR 2015-2016**
19 are a work project appropriation, and any unexpended funds for
20 2015-2016 are carried forward into 2016-2017. The purpose of the
21 work project is to continue to provide early literacy coaches as
22 described in this subsection. The estimated completion date of the
23 work project is September 30, 2017.

24 **(D) THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2016-2017**
25 **ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR**
26 **2016-2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE**
27 **WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL**

1 DEVELOPMENT TRAINING DESCRIBED IN THIS SUBSECTION. THE ESTIMATED
2 COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2018.

3 (5) ~~(6)~~—From the allocations under subsection (1), there is
4 allocated an amount not to exceed ~~\$17,500,000.00~~ **\$13,600,000.00** for
5 2015-2016 **AND AN AMOUNT NOT TO EXCEED \$17,500,000.00 FOR 2016-2017**
6 to districts that provide additional instructional time to those
7 pupils in grades K to 3 who have been identified by using
8 department-approved screening and diagnostic tools as needing
9 additional supports and interventions in order to be reading at
10 grade level by the end of grade 3. Additional instructional time
11 may be provided before, during, and after regular school hours or
12 as part of a year-round balanced school calendar. All of the
13 following apply to funding under this subsection:

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

17 (i) Implemented a multi-tiered system of support instructional
18 delivery model that is an evidence-based model that uses data-
19 driven problem solving to integrate academic and behavioral
20 instruction and that uses intervention delivered to all pupils in
21 varying intensities based on pupil needs. The multi-tiered system
22 of supports must provide at least all of the following essential
23 elements:

24 (A) Implements effective instruction for all learners.

25 (B) Intervenes early.

26 (C) Provides a multi-tiered model of instruction and
27 intervention that provides the following: a core curriculum and

1 classroom interventions available to all pupils that meet the needs
2 of most pupils; targeted group interventions; and intense
3 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 (ii) Used department-approved research-based diagnostic tools
15 to identify individual pupils in need of additional instructional
16 time.

17 (iii) Used a reading instruction method that focuses on the 5
18 fundamental building blocks of reading: phonics, phonemic
19 awareness, fluency, vocabulary, and comprehension and content
20 knowledge.

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

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

27 (c) If the funds allocated under this subsection are

1 insufficient to fully fund the payments under this subsection,
2 payments under this subsection shall be prorated on an equal per-
3 pupil basis based on grade 1 pupils.

4 (6) ~~(7)~~—From the general fund money allocated in subsection
5 (1), the department shall allocate the amount of \$1,000,000.00 **EACH**
6 **FISCAL YEAR** for 2015-2016 **AND FOR 2016-2017** to the Michigan
7 Education Corps. All of the following apply to funding under this
8 subsection:

9 (a) By August 1 ~~, 2016,~~ **OF THE APPLICABLE FISCAL YEAR,** the
10 Michigan Education Corps shall provide a report concerning its use
11 of the funding to the senate and house appropriations subcommittees
12 on state school aid, the senate and house fiscal agencies, and the
13 senate and house caucus policy offices on outcomes and performance
14 measures of the Michigan Education Corps, including, but not
15 limited to, the degree to which the Michigan Education Corps's
16 replication of the Michigan Reading Corps program is demonstrating
17 sufficient efficacy and impact. The report must include data
18 pertaining to at least all of the following:

19 (i) The current impact of the Michigan Reading Corps on this
20 state in terms of numbers of children and programs receiving
21 support. This portion of the report shall specify the number of
22 children tutored, including dosage and completion, and the
23 demographics of those children.

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

1 (iii) Whether the literacy improvement of children
2 participating in the Michigan Reading Corps is consistent with
3 expectations. This portion of the report shall detail at least all
4 of the following:

5 (A) Growth rate by grade level, in comparison to targeted
6 growth rate.

7 (B) Average linear growth rates.

8 (C) Exit rates.

9 (D) Percentage of children who exit who also meet or exceed
10 spring benchmarks.

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

14 (b) If the department determines that the Michigan Education
15 Corps has misused the funds allocated under this subsection, the
16 Michigan Education Corps shall reimburse this state for the amount
17 of state funding misused.

18 (7) ~~(8)~~—From the general fund money allocated under subsection
19 (1), there is allocated to the department an amount not to exceed
20 \$500,000.00 for 2015-2016 for the adoption of a certification test
21 to ensure that all newly certificated elementary teachers have the
22 skills to deliver evidence-based literacy instruction.

23 Sec. 39. (1) An eligible applicant receiving funds under
24 section 32d shall submit an application, in a form and manner
25 prescribed by the department, by a date specified by the department
26 in the immediately preceding state fiscal year. The application
27 shall include a comprehensive needs assessment using aggregated

1 data from the applicant's entire service area and a community
2 collaboration plan that is endorsed by the local great start
3 collaborative and is part of the community's great start strategic
4 plan that includes, but is not limited to, great start readiness
5 program and head start providers, and shall identify all of the
6 following:

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

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

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

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

24 (2) After notification of funding allocations, an applicant
25 receiving funds under section 32d shall also submit an
26 implementation plan for approval, in a form and manner prescribed
27 by the department, by a date specified by the department, that

1 details how the applicant complies with the program components
 2 established by the department pursuant to section 32d.

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

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

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

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

23 (6) If funds allocated for eligible applicants under section
24 32d remain after the allocations under subsections (4) and (5),
25 remaining funds shall be distributed to each eligible applicant
26 under section 32d in decreasing order of concentration of eligible
27 children as determined by the formula under subsection (3). If the

number of ~~children~~ **SLOTS** the applicant indicates it will be able to
~~serve~~ **FILL** under subsection (1)(c) exceeds the number of ~~children~~
SLOTS for which funds have been received under subsections (4) and
(5), the allocation under this subsection shall be determined by
multiplying the number of ~~children~~ **SLOTS** the applicant indicates it
will be able to ~~serve~~ **FILL** under subsection (1)(c) less the number
of ~~children~~ **SLOTS** for which funds have been received under
subsections (4) and (5) by \$3,625.00 until the funds allocated for
eligible applicants in section 32d are distributed.

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

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

Sec. 39a. (1) From the federal funds appropriated in section
11, there is allocated for ~~2015-2016~~ **2016-2017** to districts,
intermediate districts, and other eligible entities all available

1 federal funding, estimated at ~~\$779,076,400.00~~ **\$821,939,900.00** for
2 the federal programs under the no child left behind act of 2001,
3 Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW**
4 **114-95**. These funds are allocated as follows:

5 (a) An amount estimated at ~~\$5,000,000.00~~ **\$2,000,000.00** to
6 provide students with drug- and violence-prevention programs and to
7 implement strategies to improve school safety, funded from DED-
8 OESE, drug-free schools and communities funds.

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

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

16 (d) An amount estimated at ~~\$10,286,500.00~~ **\$250,000.00** for the
17 Michigan charter school subgrant program, funded from DED-OESE,
18 charter school funds.

19 (e) An amount estimated at \$3,000,000.00 for rural and low
20 income schools, funded from DED-OESE, rural and low income school
21 funds.

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

26 (g) An amount estimated at \$8,878,000.00 for the purpose of
27 identifying and serving migrant children, funded from DED-OESE,

1 title I, migrant education funds.

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

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

10 **(J) AN AMOUNT ESTIMATED AT \$55,900,000.00 TO IMPROVE THE**
11 **ACADEMIC ACHIEVEMENT OF STUDENTS, FUNDED FROM DED-OESE, TITLE IV,**
12 **STUDENT SUPPORT AND ACADEMIC ENRICHMENT GRANTS.**

13 (2) From the federal funds appropriated in section 11, there
14 is allocated for ~~2015-2016~~**2016-2017** to districts, intermediate
15 districts, and other eligible entities all available federal
16 funding, estimated at \$30,800,000.00 for the following programs
17 that are funded by federal grants:

18 (a) An amount estimated at \$200,000.00 for acquired
19 immunodeficiency syndrome education grants, funded from HHS -
20 Centers for Disease Control and Prevention, AIDS funding.

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

24 (c) An amount estimated at \$4,000,000.00 to provide mental
25 health, substance abuse, or violence prevention services to
26 students, funded from HHS-SAMHSA.

27 (d) An amount estimated at \$24,000,000.00 for providing career

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

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

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

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

16 (5) **FOR THE PURPOSES OF FUNDING FEDERAL TITLE I GRANTS UNDER**
17 **THIS ARTICLE, IN ADDITION TO ANY OTHER FEDERAL GRANTS FOR WHICH A**
18 **STRICT DISCIPLINE ACADEMY IS ELIGIBLE, THE DEPARTMENT SHALL**
19 **ALLOCATE TO STRICT DISCIPLINE ACADEMIES OUT OF TITLE I, PART A**
20 **FUNDS EQUAL TO WHAT A STRICT DISCIPLINE ACADEMY WOULD HAVE RECEIVED**
21 **IF INCLUDED AND CALCULATED UNDER TITLE I, PART D, OR WHAT IT WOULD**
22 **RECEIVE UNDER THE FORMULA ALLOCATION UNDER TITLE I, PART A,**
23 **WHICHEVER IS GREATER.**

24 (6) ~~(5)~~—As used in this section:

25 (a) "DED" means the United States Department of Education.

26 (b) "DED-OESE" means the DED Office of Elementary and
27 Secondary Education.

1 (c) "DED-OVAE" means the DED Office of Vocational and Adult
2 Education.

3 (d) "HHS" means the United States Department of Health and
4 Human Services.

5 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental
6 Health Services Administration.

7 Sec. 41. From the appropriation in section 11, there is
8 allocated an amount not to exceed \$1,200,000.00 for ~~2015-2016-2016-~~
9 **2017** to applicant districts and intermediate districts offering
10 programs of instruction for pupils of limited English-speaking
11 ability under section 1153 of the revised school code, MCL
12 380.1153. Reimbursement shall be on a per-pupil basis and shall be
13 based on the number of pupils of limited English-speaking ability
14 in membership on the pupil membership count day. Funds allocated
15 under this section shall be used solely for instruction in
16 speaking, reading, writing, or comprehension of English. A pupil
17 shall not be counted under this section or instructed in a program
18 under this section for more than 3 years.

19 Sec. 51a. (1) From the appropriation in section 11, there is
20 allocated an amount not to exceed ~~\$901,946,100.00~~ **\$945,246,100.00**
21 for ~~2014-2015-2015-2016~~ and an amount not to exceed ~~\$918,546,100.00~~
22 ~~for 2015-2016~~ **\$973,046,100.00 FOR 2016-2017** from state sources and
23 all available federal funding under sections 611 to 619 of part B
24 of the individuals with disabilities education act, 20 USC 1411 to
25 1419, estimated at \$370,000,000.00 each fiscal year ~~for 2014-2015~~
26 ~~and for 2015-2016~~ **, AND FOR 2016-2017**, plus any carryover federal
27 funds from previous year appropriations. The allocations under this

subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals or other entities, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, estimated at ~~\$248,100,000.00 for 2014-2015~~ **\$263,500,000.00 FOR 2015-2016** and estimated at ~~\$251,800,000.00 for 2015-2016,~~ **\$271,600,000.00 FOR 2016-2017**, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total

1 approved costs of special education transportation. Allocations
2 under this subsection shall be made as follows:

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

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

1 paid the amount necessary to achieve the specified percentages for
2 the district or intermediate district.

3 (3) From the funds allocated under subsection (1), there is
4 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
5 \$1,000,000.00 and there is allocated for ~~2015-2016-2016-2017~~ an
6 amount not to exceed ~~\$1,300,000.00-\$1,100,000.00~~ to make payments
7 to districts and intermediate districts under this subsection. If
8 the amount allocated to a district or intermediate district for a
9 fiscal year under subsection (2)(b) is less than the sum of the
10 amounts allocated to the district or intermediate district for
11 1996-97 under sections 52 and 58, there is allocated to the
12 district or intermediate district for the fiscal year an amount
13 equal to that difference, adjusted by applying the same proration
14 factor that was used in the distribution of funds under section 52
15 in 1996-97 as adjusted to the district's or intermediate district's
16 necessary costs of special education used in calculations for the
17 fiscal year. This adjustment is to reflect reductions in special
18 education program operations or services between 1996-97 and
19 subsequent fiscal years. Adjustments for reductions in special
20 education program operations or services shall be made in a manner
21 determined by the department and shall include adjustments for
22 program or service shifts.

23 (4) If the department determines that the sum of the amounts
24 allocated for a fiscal year to a district or intermediate district
25 under subsection (2)(a) and (b) is not sufficient to fulfill the
26 specified percentages in subsection (2), then the shortfall shall
27 be paid to the district or intermediate district during the fiscal

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

15 (5) State funds shall be allocated on a total approved cost
16 basis. Federal funds shall be allocated under applicable federal
17 requirements, except that an amount not to exceed \$3,500,000.00 may
18 be allocated by the department each fiscal year for ~~2014-2015-2015-~~
19 **2016** and for ~~2015-2016-2016-2017~~ to districts, intermediate
20 districts, or other eligible entities on a competitive grant basis
21 for programs, equipment, and services that the department
22 determines to be designed to benefit or improve special education
23 on a statewide scale.

24 (6) From the amount allocated in subsection (1), there is
25 allocated an amount not to exceed \$2,200,000.00 each fiscal year
26 ~~for 2014-2015 and for 2015-2016~~ **AND FOR 2016-2017** to reimburse 100%
27 of the net increase in necessary costs incurred by a district or

1 intermediate district in implementing the revisions in the
2 administrative rules for special education that became effective on
3 July 1, 1987. As used in this subsection, "net increase in
4 necessary costs" means the necessary additional costs incurred
5 solely because of new or revised requirements in the administrative
6 rules minus cost savings permitted in implementing the revised
7 rules. Net increase in necessary costs shall be determined in a
8 manner specified by the department.

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

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

1 services, with the exception of special education programs and
2 services provided to youth placed in child caring institutions or
3 juvenile detention programs approved by the department to provide
4 an on-grounds education program.

5 (b) Beginning with the 2004-2005 fiscal year, a district or
6 intermediate district that employed special education support
7 services staff to provide special education support services in
8 2003-2004 or in a subsequent fiscal year and that in a fiscal year
9 after 2003-2004 receives the same type of support services from
10 another district or intermediate district shall report the cost of
11 those support services for special education reimbursement purposes
12 under this article. This subdivision does not prohibit the transfer
13 of special education classroom teachers and special education
14 classroom aides if the pupils counted in membership associated with
15 those special education classroom teachers and special education
16 classroom aides are transferred and counted in membership in the
17 other district or intermediate district in conjunction with the
18 transfer of those teachers and aides.

19 (c) If the department determines before bookclosing for a
20 fiscal year that the amounts allocated for that fiscal year under
21 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
22 will exceed expenditures for that fiscal year under subsections
23 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
24 district or intermediate district whose reimbursement for that
25 fiscal year would otherwise be affected by subdivision (b),
26 subdivision (b) does not apply to the calculation of the
27 reimbursement for that district or intermediate district and

1 reimbursement for that district or intermediate district shall be
2 calculated in the same manner as it was for 2003-2004. If the
3 amount of the excess allocations under subsections (2), (3), (6),
4 and (11) and sections 53a, 54, and 56 is not sufficient to fully
5 fund the calculation of reimbursement to those districts and
6 intermediate districts under this subdivision, then the
7 calculations and resulting reimbursement under this subdivision
8 shall be prorated on an equal percentage basis. Beginning in 2015-
9 2016, the amount of reimbursement under this subdivision for a
10 fiscal year shall not exceed \$2,000,000.00 for any district or
11 intermediate district.

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

24 (e) Beginning with calculations for 2004-2005, if an
25 intermediate district purchases a special education pupil
26 transportation service from a constituent district that was
27 previously purchased from a private entity; if the purchase from

1 the constituent district is at a lower cost, adjusted for changes
2 in fuel costs; and if the cost shift from the intermediate district
3 to the constituent does not result in any net change in the revenue
4 the constituent district receives from payments under sections 22b
5 and 51c, then upon application by the intermediate district, the
6 department shall direct the intermediate district to continue to
7 report the cost associated with the specific identified special
8 education pupil transportation service and shall adjust the costs
9 reported by the constituent district to remove the cost associated
10 with that specific service.

11 (8) A pupil who is enrolled in a full-time special education
12 program conducted or administered by an intermediate district or a
13 pupil who is enrolled in the Michigan schools for the deaf and
14 blind shall not be included in the membership count of a district,
15 but shall be counted in membership in the intermediate district of
16 residence.

17 (9) Special education personnel transferred from 1 district to
18 another to implement the revised school code shall be entitled to
19 the rights, benefits, and tenure to which the person would
20 otherwise be entitled had that person been employed by the
21 receiving district originally.

22 (10) If a district or intermediate district uses money
23 received under this section for a purpose other than the purpose or
24 purposes for which the money is allocated, the department may
25 require the district or intermediate district to refund the amount
26 of money received. Money that is refunded shall be deposited in the
27 state treasury to the credit of the state school aid fund.

(11) From the funds allocated in subsection (1), there is allocated the amount necessary, estimated at ~~\$3,400,000.00 for 2014-2015~~ **\$3,800,000.00 FOR 2015-2016** and estimated at ~~\$3,300,000.00 for 2015-2016,~~ **\$3,700,000.00 FOR 2016-2017**, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times **SUM OF** the foundation allowance under section 20 of the pupil's district of residence **PLUS THE AMOUNT OF THE DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**, not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy, times an amount equal to the amount per membership pupil under section 20(6) or, for a pupil described in this subsection who is counted in membership in the education achievement system, times an amount equal to the amount per membership pupil under section 20(7). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, **AND THAT DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**. This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district

1 who are not special education pupils and are served by the
2 intermediate district in a juvenile detention or child caring
3 facility.

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

7 (12) If it is determined that funds allocated under subsection
8 (2) or (11) or under section 51c will not be expended, funds up to
9 the amount necessary and available may be used to supplement the
10 allocations under subsection (2) or (11) or under section 51c in
11 order to fully fund those allocations. After payments under
12 subsections (2) and (11) and section 51c, the remaining
13 expenditures from the allocation in subsection (1) shall be made in
14 the following order:

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

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

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

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

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

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

24 (14) If a public school academy enrolls pursuant to this
25 section a pupil who resides outside of the intermediate district in
26 which the public school academy is located and who is eligible for
27 special education programs and services according to statute or

rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has a written agreement with the district or intermediate district in which the pupil resides or the public school academy for the purpose of providing the pupil with a free appropriate public education and the written agreement includes at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

(15) ~~It is the intent of the legislature that, beginning~~
BEGINNING in 2016-2017, a district, public school academy, or intermediate district that fails to comply with subsection (14) or with the requirements of federal regulations regarding the treatment of public school academies and public school academy pupils for the purposes of special education, 34 CFR 300.209, forfeits from its total state aid an amount equal to 10% of its total state aid.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated each fiscal year for ~~2014-2015-2015-2016~~ and for ~~2015-2016-2016-2017~~ the amount necessary, estimated at ~~\$597,300,000.00~~ ~~for 2014-2015~~ **\$624,800,000.00 FOR 2015-2016** and estimated at

1 ~~\$610,000,000.00 for 2015-2016,~~ **\$644,500,000.00 FOR 2016-2017**, for
 2 payments to reimburse districts for 28.6138% of total approved
 3 costs of special education excluding costs reimbursed under section
 4 53a, and 70.4165% of total approved costs of special education
 5 transportation. Funds allocated under this section that are not
 6 expended in the state fiscal year for which they were allocated, as
 7 determined by the department, may be used to supplement the
 8 allocations under sections 22a and 22b in order to fully fund those
 9 calculated allocations for the same fiscal year.

10 Sec. 51d. (1) From the federal funds appropriated in section
 11 11, there is allocated for ~~2015-2016,~~ **2016-2017**, all available
 12 federal funding, estimated at \$71,000,000.00, for special education
 13 programs and services that are funded by federal grants. All
 14 federal funds allocated under this section shall be distributed in
 15 accordance with federal law. Notwithstanding section 17b, payments
 16 of federal funds to districts, intermediate districts, and other
 17 eligible entities under this section shall be paid on a schedule
 18 determined by the department.

19 (2) From the federal funds allocated under subsection (1), the
 20 following amounts are allocated for ~~2015-2016,~~ **2016-2017**:

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

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

27 (c) An amount estimated at \$45,000,000.00 for special

1 education programs funded by DED-OSERS, handicapped program,
2 individuals with disabilities act funds.

3 (3) As used in this section, "DED-OSERS" means the United
4 States Department of Education Office of Special Education and
5 Rehabilitative Services.

6 Sec. 53a. (1) For districts, reimbursement for pupils
7 described in subsection (2) shall be 100% of the total approved
8 costs of operating special education programs and services approved
9 by the department and included in the intermediate district plan
10 adopted pursuant to article 3 of the revised school code, MCL
11 380.1701 to 380.1766, minus the district's foundation allowance
12 calculated under section 20 **AND MINUS THE DISTRICT'S PER-PUPIL**
13 **ALLOCATION UNDER SECTION 20M.** For intermediate districts,
14 reimbursement for pupils described in subsection (2) shall be
15 calculated in the same manner as for a district, using the
16 foundation allowance under section 20 of the pupil's district of
17 residence, not to exceed the basic foundation allowance under
18 section 20 for the current fiscal year, **AND THAT DISTRICT'S PER-**
19 **PUPIL ALLOCATION UNDER SECTION 20M.**

20 (2) Reimbursement under subsection (1) is for the following
21 special education pupils:

22 (a) Pupils assigned to a district or intermediate district
23 through the community placement program of the courts or a state
24 agency, if the pupil was a resident of another intermediate
25 district at the time the pupil came under the jurisdiction of the
26 court or a state agency.

27 (b) Pupils who are residents of institutions operated by the

1 department of health and human services.

2 (c) Pupils who are former residents of department of community
3 health institutions for the developmentally disabled who are placed
4 in community settings other than the pupil's home.

5 (d) Pupils enrolled in a department-approved on-grounds
6 educational program longer than 180 days, but not longer than 233
7 days, at a residential child care institution, if the child care
8 institution offered in 1991-92 an on-grounds educational program
9 longer than 180 days but not longer than 233 days.

10 (e) Pupils placed in a district by a parent for the purpose of
11 seeking a suitable home, if the parent does not reside in the same
12 intermediate district as the district in which the pupil is placed.

13 (3) Only those costs that are clearly and directly
14 attributable to educational programs for pupils described in
15 subsection (2), and that would not have been incurred if the pupils
16 were not being educated in a district or intermediate district, are
17 reimbursable under this section.

18 (4) The costs of transportation shall be funded under this
19 section and shall not be reimbursed under section 58.

20 (5) Not more than \$10,500,000.00 of the allocation for ~~2015-~~
21 ~~2016-2016-2017~~ in section 51a(1) shall be allocated under this
22 section.

23 Sec. 54. Each intermediate district shall receive an amount
24 per-pupil for each pupil in attendance at the Michigan schools for
25 the deaf and blind. The amount shall be proportionate to the total
26 instructional cost at each school. Not more than \$1,688,000.00 of
27 the allocation for ~~2015-2016-2016-2017~~ in section 51a(1) shall be

1 allocated under this section.

2 SEC. 54B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
3 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,125,000.00 FOR
4 2016-2017 TO BEGIN IMPLEMENTATION OF THE RECOMMENDATIONS OF THE
5 SPECIAL EDUCATION REFORM TASK FORCE PUBLISHED IN JANUARY 2016.

6 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
7 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$625,000.00 FOR THE PURPOSE
8 OF PILOTING STATEWIDE IMPLEMENTATION OF THE MICHIGAN INTEGRATED
9 BEHAVIOR AND LEARNING SUPPORT INITIATIVE (MIBLSI), A NATIONALLY
10 RECOGNIZED PROGRAM THAT INCLUDES POSITIVE BEHAVIORAL INTERVENTION
11 AND SUPPORTS AND PROVIDES A STATEWIDE STRUCTURE TO SUPPORT LOCAL
12 INITIATIVES FOR AN INTEGRATED BEHAVIOR AND READING PROGRAM. WITH
13 THE ASSISTANCE OF THE INTERMEDIATE DISTRICTS INVOLVED IN MIBLSI,
14 THE DEPARTMENT SHALL IDENTIFY AT LEAST 3 INTERMEDIATE DISTRICTS TO
15 PARTICIPATE IN THE PILOT TO ENSURE THAT MIBLSI CAN BE IMPLEMENTED
16 STATEWIDE WITH FIDELITY AND SUSTAINABILITY. IN ADDITION, THE
17 DEPARTMENT SHALL IDENTIFY AN INTERMEDIATE DISTRICT TO ACT AS A
18 FISCAL AGENT FOR THESE FUNDS.

19 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
20 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$500,000.00 FOR THE PURPOSE
21 OF PROVIDING TRAINING TO INTERMEDIATE DISTRICTS AND DISTRICTS
22 RELATED TO THE SAFE IMPLEMENTATION OF EMERGENCY RESTRAINTS AND
23 SECLUSION. THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A TRAINING
24 PROGRAM THAT IS BASED ON THE STATE BOARD'S ADOPTED STANDARDS AND ON
25 ANY OTHER LEGISLATION ENACTED BY THE LEGISLATURE REGARDING THE
26 EMERGENCY USE OF SECLUSION AND RESTRAINT.

27 Sec. 55. (1) From the money appropriated in section 11, there

1 is allocated an amount not to exceed \$150,000.00 for ~~2015-2016~~
2 **2016-2017** to Michigan State University, Department of Epidemiology,
3 for a study of the Conductive Learning Center located at Aquinas
4 College. This funding shall be used to develop and implement an
5 evaluation of the effectiveness of conductive education for
6 children with cerebral palsy. The evaluation shall be
7 multidimensional and shall include a control group of children with
8 cerebral palsy not enrolled in conductive education. It should
9 include an assessment of the motor system itself as well as the
10 impact of conductive education on each of the following:

11 (a) The acquisition of skills permitting complex motor
12 functions.

13 (b) The performance of tasks essential to daily living.

14 (c) The attitudes and feelings of both children and parents.

15 (d) The long-term need for special education for children with
16 cerebral palsy.

17 (2) ~~It is the intent of the legislature that this~~ **THIS** funding
18 is for the ~~first~~ **SECOND** of 2 years of funding for this purpose.

19 Sec. 56. (1) For the purposes of this section:

20 (a) "Membership" means for a particular fiscal year the total
21 membership for the immediately preceding fiscal year of the
22 intermediate district and the districts constituent to the
23 intermediate district.

24 (b) "Millage levied" means the millage levied for special
25 education pursuant to part 30 of the revised school code, MCL
26 380.1711 to 380.1743, including a levy for debt service
27 obligations.

1 (c) "Taxable value" means the total taxable value of the
2 districts constituent to an intermediate district, except that if a
3 district has elected not to come under part 30 of the revised
4 school code, MCL 380.1711 to 380.1743, membership and taxable value
5 of the district shall not be included in the membership and taxable
6 value of the intermediate district.

7 (2) From the allocation under section 51a(1), there is
8 allocated an amount not to exceed \$37,758,100.00 **EACH FISCAL YEAR**
9 for 2015-2016 **AND FOR 2016-2017** to reimburse intermediate districts
10 levying millages for special education pursuant to part 30 of the
11 revised school code, MCL 380.1711 to 380.1743. The purpose, use,
12 and expenditure of the reimbursement shall be limited as if the
13 funds were generated by these millages and governed by the
14 intermediate district plan adopted pursuant to article 3 of the
15 revised school code, MCL 380.1701 to 380.1766. As a condition of
16 receiving funds under this section, an intermediate district
17 distributing any portion of special education millage funds to its
18 constituent districts shall submit for departmental approval and
19 implement a distribution plan.

20 (3) Reimbursement for those millages levied in 2014-2015 shall
21 be made in 2015-2016 at an amount per 2014-2015 membership pupil
22 computed by subtracting from ~~\$174,400.00~~ **\$175,300.00** the 2014-2015
23 taxable value behind each membership pupil and multiplying the
24 resulting difference by the 2014-2015 millage levied.

25 **(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2015-2016 SHALL**
26 **BE MADE IN 2016-2017 AT AN AMOUNT PER 2015-2016 MEMBERSHIP PUPIL**
27 **COMPUTED BY SUBTRACTING FROM \$179,600.00 THE 2015-2016 TAXABLE**

1 VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING
2 DIFFERENCE BY THE 2015-2016 MILLAGE LEVIED.

3 (5) ~~(4)~~—The amount paid to a single intermediate district
4 under this section shall not exceed 62.9% of the total amount
5 allocated under subsection (2).

6 (6) ~~(5)~~—The amount paid to a single intermediate district
7 under this section shall not be less than 75% of the amount
8 allocated to the intermediate district under this section for the
9 immediately preceding fiscal year.

10 Sec. 61a. (1) From the appropriation in section 11, there is
11 allocated an amount not to exceed \$36,611,300.00 for ~~2015-2016~~
12 **2016-2017** to reimburse on an added cost basis districts, except for
13 a district that served as the fiscal agent for a vocational
14 education consortium in the 1993-94 school year, and secondary area
15 vocational-technical education centers for secondary-level career
16 and technical education programs according to rules approved by the
17 superintendent. Applications for participation in the programs
18 shall be submitted in the form prescribed by the department. The
19 department shall determine the added cost for each career and
20 technical education program area. The allocation of added cost
21 funds shall be prioritized based on the capital and program
22 expenditures needed to operate the career and technical education
23 programs provided; the number of pupils enrolled; the advancement
24 of pupils through the instructional program; the existence of an
25 articulation agreement with at least 1 postsecondary institution
26 that provides pupils with opportunities to earn postsecondary
27 credit during the pupil's participation in the career and technical

1 education program and transfers those credits to the postsecondary
2 institution upon completion of the career and technical education
3 program; **AND** the program rank in student placement, job openings,
4 and wages, ~~and the length of the training period provided,~~ and
5 shall not exceed 75% of the added cost of any program.

6 Notwithstanding any rule or department determination to the
7 contrary, when determining a district's allocation or the formula
8 for making allocations under this section, the department shall
9 include the participation of pupils in grade 9 in all of those
10 determinations and in all portions of the formula. With the
11 approval of the department, the board of a district maintaining a
12 secondary career and technical education program may offer the
13 program for the period from the close of the school year until
14 September 1. The program shall use existing facilities and shall be
15 operated as prescribed by rules promulgated by the superintendent.

16 (2) Except for a district that served as the fiscal agent for
17 a vocational education consortium in the 1993-94 school year,
18 districts and intermediate districts shall be reimbursed for local
19 career and technical education administration, shared time career
20 and technical education administration, and career education
21 planning district career and technical education administration.
22 The definition of what constitutes administration and reimbursement
23 shall be pursuant to guidelines adopted by the superintendent. Not
24 more than \$800,000.00 of the allocation in subsection (1) shall be
25 distributed under this subsection.

26 (3) A career and technical education program funded under this
27 section may provide an opportunity for participants who are

1 eligible to be funded under section 107 to enroll in the career and
2 technical education program funded under this section if the
3 participation does not occur during regular school hours.

4 (4) IN ADDITION TO THE MONEY ALLOCATED UNDER SUBSECTION (1),
5 FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS
6 ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$79,000.00 TO AN
7 ELIGIBLE MICHIGAN-APPROVED 501(C) (3) ORGANIZATION FOR THE PURPOSES
8 OF TEACHING OR TRAINING RESTAURANT MANAGEMENT AND CULINARY ARTS FOR
9 CAREER AND PROFESSIONAL DEVELOPMENT. THE DEPARTMENT SHALL OVERSEE
10 FUNDS DISTRIBUTED TO AN ELIGIBLE GRANTEE UNDER THIS SECTION. AS
11 USED IN THIS SUBSECTION, "ELIGIBLE MICHIGAN-APPROVED 501(C) (3)
12 ORGANIZATION" MEANS AN ORGANIZATION THAT IS EXEMPT FROM TAXATION
13 UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE OF 1986, 26
14 USC 501, THAT PROVIDES CURRICULUM AND TRAINING TO STATE-APPROVED
15 CAREER AND TECHNOLOGY EDUCATION PROGRAMS WITH CLASSIFICATION OF
16 INSTRUCTIONAL PROGRAMS (CIP) CODES IN THE 12.05XX CATEGORY, AND
17 THAT ADMINISTERS NATIONAL CERTIFICATION FOR THE PURPOSE OF
18 RESTAURANT MANAGEMENT AND CULINARY ARTS FOR CAREER AND PROFESSIONAL
19 DEVELOPMENT.

20 Sec. 61b. (1) From the appropriation in section 11, there is
21 allocated an amount not to exceed ~~\$10,000,000.00~~ \$1,000,000.00 for
22 2015-2016 AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
23 \$9,000,000.00 FOR 2016-2017 for CTE early/middle college AND CTE
24 DUAL ENROLLMENT programs authorized under this section. The purpose
25 of these programs is to increase the number of Michigan residents
26 with high-quality degrees or credentials, and to increase the
27 number of students who are college and career ready upon high

1 school graduation.

2 (2) From the funds allocated under subsection (1), an amount
3 as determined under this subsection shall be allocated to each
4 intermediate district serving as a fiscal agent for state-approved
5 CTE early/middle college **AND CTE DUAL ENROLLMENT** programs in each
6 of the prosperity regions and subregions identified by the
7 department. An intermediate district shall not use more than 5% of
8 the funds allocated under this subsection for administrative costs
9 for serving as the fiscal agent.

10 (3) To be an eligible fiscal agent, an intermediate district
11 must agree to do all of the following in a form and manner
12 determined by the department:

13 (a) Distribute funds to eligible CTE early/middle college **AND**
14 **CTE DUAL ENROLLMENT** programs in a prosperity region or subregion as
15 described in this section.

16 (b) Collaborate with the talent district career council that
17 is located in the prosperity region or subregion to develop a
18 regional strategic plan under subsection (4) that aligns CTE
19 programs and services into an efficient and effective delivery
20 system for high school students.

21 (c) Implement a regional process to rank career clusters in
22 the prosperity region or subregion as described under subsection
23 (4). Regional processes shall be approved by the department before
24 the ranking of career clusters.

25 (d) Report CTE early/middle college **AND CTE DUAL ENROLLMENT**
26 program and student data and information as prescribed by the
27 department.

1 (4) A regional strategic plan must be approved by the talent
2 district career council before submission to the department. A
3 regional strategic plan shall include, but not be limited to, the
4 following:

5 (a) An identification of regional employer need based on a
6 ranking of all career clusters in the prosperity region or
7 subregion ranked by 10-year job openings projections and median
8 wage for each standard occupational code in each career cluster as
9 obtained from the United States Bureau of Labor Statistics.
10 Standard occupational codes within high-ranking clusters also may
11 be further ranked by median wage. The rankings shall be reviewed by
12 the talent district career council located in the prosperity region
13 or subregion and modified if necessary to accurately reflect
14 employer demand for talent in the prosperity region or subregion. **A**
15 **TALENT DISTRICT CAREER COUNCIL SHALL DOCUMENT THAT IT HAS CONDUCTED**
16 **THIS REVIEW AND CERTIFY THAT IT IS ACCURATE.** These career cluster
17 rankings shall be determined and updated once every ~~3~~**4** years.

18 (b) An identification of educational entities in the
19 prosperity region or subregion that will provide eligible CTE
20 early/middle college **AND CTE DUAL ENROLLMENT** programs including
21 districts, intermediate districts, postsecondary institutions, and
22 noncredit occupational training programs leading to an industry-
23 recognized credential.

24 (c) A strategy to inform parents and students of CTE
25 early/middle college **AND CTE DUAL ENROLLMENT** programs in the
26 prosperity region or subregion.

27 (d) Any other requirements as defined by the department.

1 (5) An eligible CTE ~~early/middle college~~ program is a ~~5-year~~
2 ~~high school~~ program that meets all of the following:

3 (a) Has been identified in the highest 5 career cluster
4 rankings in any of the 10 regional strategic plans jointly approved
5 by the Michigan talent investment agency in the department of
6 talent and economic development and the department.

7 (b) Has a coherent sequence of courses that will allow a
8 student to earn a high school diploma and achieve at least 1 of the
9 following in a specific career cluster:

10 (i) An associate degree.

11 (ii) An industry-recognized technical certification approved
12 by the Michigan talent investment agency in the department of
13 talent and economic development.

14 (iii) Up to 60 transferable college credits.

15 (iv) Participation in a registered apprenticeship.

16 (c) Is aligned with the Michigan merit curriculum.

17 (d) Has an articulation agreement with at least 1
18 postsecondary institution that provides students with opportunities
19 to receive postsecondary credits during the student's participation
20 in the CTE early/middle college **OR CTE DUAL ENROLLMENT** program and
21 transfers those credits to the postsecondary institution upon
22 completion of the CTE early/middle college **OR CTE DUAL ENROLLMENT**
23 program.

24 (e) Provides instruction that is supervised, directed, or
25 coordinated by an appropriately certificated CTE teacher or, for
26 concurrent enrollment courses, a postsecondary faculty member.

27 (f) Provides for highly integrated student support services

1 that include at least the following:

2 (i) Teachers as academic advisors.

3 (ii) Supervised course selection.

4 (iii) Monitoring of student progress and completion.

5 (iv) Career planning services provided by a local one-stop
6 service center as described in the Michigan works one-stop service
7 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
8 high school counselor or advisor.

9 (g) Has courses that are taught on a college campus, are
10 college courses offered at the high school and taught by college
11 faculty, or are courses taught in combination with online
12 instruction.

13 (6) Funds to eligible CTE early/middle college **AND CTE DUAL**
14 **ENROLLMENT** programs shall be distributed as follows:

15 (a) The department shall calculate statewide average CTE costs
16 per ~~full-time-equated~~ pupil for each ~~career-cluster~~ **CIP CODE**
17 **PROGRAM** by dividing total prior year statewide costs for each
18 ~~career-cluster~~ **CIP CODE PROGRAM** by prior year ~~full-time-equated~~
19 pupils for each ~~career-cluster~~ **CIP CODE PROGRAM**.

20 (b) Distribution to each eligible CTE early/middle college **OR**
21 **CTE DUAL ENROLLMENT** program shall be the product of 50% of CTE
22 costs per ~~full-time-equated~~ pupil times the current year ~~full-time~~
23 ~~equated~~ pupil enrollment of each ~~career-cluster~~ **in an** eligible CTE
24 early/middle college **OR CTE DUAL ENROLLMENT** program.

25 (7) In order to receive funds under this section, a CTE
26 early/middle college **OR CTE DUAL ENROLLMENT** program shall furnish
27 to the intermediate district that is the fiscal agent identified in

1 subsection (1), in a form and manner determined by the department,
2 all information needed to administer this program and meet federal
3 reporting requirements; shall allow the department or the
4 department's designee to review all records related to the program
5 for which it receives funds; and shall reimburse the state for all
6 disallowances found in the review, as determined by the department.

7 **(8) THERE IS ALLOCATED FROM THE FUNDS UNDER SUBSECTION (1) AN**
8 **AMOUNT NOT TO EXCEED \$500,000.00 EACH FISCAL YEAR FOR 2015-2016 AND**
9 **FOR 2016-2017 FOR GRANTS TO INTERMEDIATE DISTRICTS OR CONSORTIA OF**
10 **INTERMEDIATE DISTRICTS FOR THE PURPOSE OF PLANNING FOR NEW OR**
11 **EXPANDED EARLY MIDDLE COLLEGE PROGRAMS. APPLICATIONS FOR GRANTS**
12 **SHALL BE SUBMITTED IN A FORM AND MANNER DETERMINED BY THE**
13 **DEPARTMENT. THE AMOUNT OF A GRANT UNDER THIS SUBSECTION SHALL NOT**
14 **EXCEED \$50,000.00. TO BE ELIGIBLE FOR A GRANT UNDER THIS**
15 **SUBSECTION, AN INTERMEDIATE DISTRICT OR CONSORTIA OF INTERMEDIATE**
16 **DISTRICTS MUST PROVIDE MATCHING FUNDS EQUAL TO THE GRANT RECEIVED**
17 **UNDER THIS SUBSECTION. NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER**
18 **THIS SUBSECTION MAY BE MADE AS DETERMINED BY THE DEPARTMENT.**

19 **(9) ~~(8)~~—**Funds distributed under this section may be used to
20 fund program expenditures that would otherwise be paid from
21 foundation allowances. **A PROGRAM RECEIVING FUNDING UNDER SECTION**
22 **61A MAY RECEIVE FUNDING UNDER THIS SECTION FOR ALLOWABLE COSTS THAT**
23 **EXCEED THE REIMBURSEMENT THE PROGRAM RECEIVED UNDER SECTION 61A.**
24 **THE COMBINED PAYMENTS RECEIVED BY A PROGRAM UNDER SECTION 61A AND**
25 **THIS SECTION SHALL NOT EXCEED THE TOTAL ALLOWABLE COSTS OF THE**
26 **PROGRAM.** A program provider shall not use more than 5% of the funds
27 allocated under this section to the program for administrative

1 costs.

2 (10) ~~(9)~~—If the allocation under subsection (1) is
3 insufficient to fully fund payments as otherwise calculated under
4 this section, the department shall prorate payments under this
5 section on an equal percentage basis.

6 (11) ~~(10)~~—If pupils enrolled in a career cluster in an
7 eligible CTE early/middle college **OR CTE DUAL ENROLLMENT** program
8 qualify to be reimbursed under this section, those pupils continue
9 to qualify for reimbursement until graduation, even if the career
10 cluster is no longer identified as being in the highest 5 career
11 cluster rankings.

12 (12) **IT IS THE INTENT OF THE LEGISLATURE TO PROVIDE FUNDS IN**
13 **2017-2018 TO REIMBURSE DISTRICTS WITH EARLY/MIDDLE COLLEGE PROGRAMS**
14 **FOR THE ADDED COSTS OF PROVIDING BOTH A HIGH SCHOOL DIPLOMA AND AN**
15 **ASSOCIATE'S DEGREE, INDUSTRY-RECOGNIZED CERTIFICATION, UP TO 60**
16 **TRANSFERABLE COLLEGE CREDITS, OR PARTICIPATION IN A REGISTERED**
17 **APPRENTICESHIP IN LESS THAN 5 YEARS.**

18 (13) ~~(11)~~—As used in this section:

19 (a) "Allowable costs" means those costs directly attributable
20 to the program as jointly determined by the Michigan talent
21 investment agency and the department.

22 (b) **"CIP" MEANS CLASSIFICATION OF INSTRUCTIONAL PROGRAMS.**

23 (c) ~~(b)~~—"CTE" means career and technical education **PROGRAMS.**

24 (d) **"CTE DUAL ENROLLMENT PROGRAM" MEANS A 4-YEAR HIGH SCHOOL**
25 **PROGRAM OF POSTSECONDARY COURSES OFFERED BY ELIGIBLE POSTSECONDARY**
26 **EDUCATIONAL INSTITUTIONS THAT LEADS TO AN INDUSTRY-RECOGNIZED**
27 **CERTIFICATION OR DEGREE.**

1 (E) "EARLY/MIDDLE COLLEGE PROGRAM" MEANS A 5-YEAR HIGH SCHOOL
2 PROGRAM.

3 (F) "ELIGIBLE POSTSECONDARY EDUCATIONAL INSTITUTION" MEANS
4 THAT TERM AS DEFINED IN SECTION 3 OF THE CAREER AND TECHNICAL
5 PREPARATION ACT, 2000 PA 258, MCL 388.1903.

6 (G) ~~(e)~~—"Talent district career council" means an advisory
7 council to the local workforce development boards located in a
8 prosperity region consisting of educational, employer, labor, and
9 parent representatives.

10 SEC. 61C. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
11 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED
12 \$3,000,000.00 TO CAREER EDUCATION PLANNING DISTRICTS FOR THE CTE
13 SKILLED TRADES INITIATIVE UNDER THIS SECTION.

14 (2) TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, EACH
15 CEPD SHALL APPLY IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.
16 FUNDING TO EACH CEPD SHALL BE EQUAL TO THE QUOTIENT OF THE
17 ALLOCATION UNDER SUBSECTION (1) AND THE SUM OF THE NUMBER OF
18 COOPERATING EDUCATIONAL POLICY DISTRICTS APPLYING FOR FUNDING UNDER
19 THIS SECTION.

20 (3) THE FUNDING ALLOCATED TO EACH CEPD SHALL BE USED TO UPDATE
21 EQUIPMENT IN CURRENT CTE PROGRAMS THAT ARE SUPPORTING AND DRIVING
22 ECONOMIC DEVELOPMENT IN THEIR INDIVIDUAL COMMUNITIES, OR FOR NEW
23 AND EMERGING CERTIFIED CTE PROGRAMS TO ALLOW CEPD ADMINISTRATORS TO
24 PROVIDE PROGRAMMING IN COMMUNITIES THAT WILL ENHANCE ECONOMIC
25 DEVELOPMENT. THE FUNDING FOR EQUIPMENT SHOULD BE USED TO SUPPORT
26 AND ENHANCE COMMUNITY AREAS THAT HAVE SUSTAINED JOB GROWTH, AND ACT
27 AS A COMMITMENT TO BUILD A MORE QUALIFIED AND SKILLED WORKFORCE.

1 (4) THE ALLOCATION OF FUNDS AT THE LOCAL LEVEL SHALL BE
2 DETERMINED BY CEPD ADMINISTRATORS USING DATA FROM THE STATE,
3 REGION, AND LOCAL SOURCES TO MAKE WELL-INFORMED DECISIONS ON
4 PROGRAM EQUIPMENT IMPROVEMENTS. GRANTS AWARDED BY CEPD
5 ADMINISTRATORS FOR CAPITAL INFRASTRUCTURE SHALL BE USED TO ENSURE
6 THAT CTE PROGRAMS CAN DELIVER EDUCATIONAL PROGRAMS IN HIGH-WAGE,
7 HIGH-SKILL, AND HIGH-DEMAND OCCUPATIONS. EACH CEPD SHALL CONTINUE
8 TO ENSURE THAT PROGRAM ADVISORY BOARDS MAKE RECOMMENDATIONS ON
9 NEEDED IMPROVEMENTS FOR EQUIPMENT THAT SUPPORT JOB GROWTH AND JOB
10 SKILL DEVELOPMENT AND RETENTION FOR BOTH THE PRESENT AND THE
11 FUTURE.

12 (5) NOT LATER THAN SEPTEMBER 15 OF EACH FISCAL YEAR, EACH CEPD
13 RECEIVING FUNDING UNDER THIS SECTION SHALL ANNUALLY REPORT TO THE
14 DEPARTMENT, THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON
15 STATE SCHOOL AID, AND THE SENATE AND HOUSE FISCAL AGENCIES AND
16 LEGISLATURE ON EQUIPMENT PURCHASED UNDER THIS SECTION. IN ADDITION,
17 THE REPORT SHALL IDENTIFY GROWTH DATA ON PROGRAM INVOLVEMENT,
18 RETENTION, AND DEVELOPMENT OF STUDENT SKILLS.

19 (6) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),
20 FROM THE FUNDS APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED
21 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$200,000.00 TO A DISTRICT TO
22 SUPPORT A MECHATRONICS PROGRAM THAT OPERATED IN 2015-2016 FOR
23 UPDATING MECHATRONICS PROGRAM EQUIPMENT. TO BE ELIGIBLE TO RECEIVE
24 A GRANT UNDER THIS SUBSECTION, A PROGRAM SHALL BE A FLEXIBLE
25 LEARNING PROGRAM THAT OFFERED IN 2015-2016 BOTH CLASSROOM AND
26 HANDS-ON TRAINING IN MECHATRONICS.

27 (7) AS USED IN THIS SECTION, "CEPD" MEANS A CAREER EDUCATION

1 **PLANNING DISTRICT DESCRIBED IN THIS SECTION.**

2 Sec. 62. (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 or the total membership for the immediately
7 preceding fiscal year of the area vocational-technical program.

8 (b) "Millage levied" means the millage levied for area
9 vocational-technical education pursuant to sections 681 to 690 of
10 the revised school code, MCL 380.681 to 380.690, including a levy
11 for debt service obligations incurred as the result of borrowing
12 for capital outlay projects and in meeting capital projects fund
13 requirements of area vocational-technical education.

14 (c) "Taxable value" means the total taxable value of the
15 districts constituent to an intermediate district or area
16 vocational-technical education program, except that if a district
17 has elected not to come under sections 681 to 690 of the revised
18 school code, MCL 380.681 to 380.690, the membership and taxable
19 value of that district shall not be included in the membership and
20 taxable value of the intermediate district. However, the membership
21 and taxable value of a district that has elected not to come under
22 sections 681 to 690 of the revised school code, MCL 380.681 to
23 380.690, shall be included in the membership and taxable value of
24 the intermediate district if the district meets both of the
25 following:

26 (i) The district operates the area vocational-technical
27 education program pursuant to a contract with the intermediate

1 district.

2 (ii) The district contributes an annual amount to the
3 operation of the program that is commensurate with the revenue that
4 would have been raised for operation of the program if millage were
5 levied in the district for the program under sections 681 to 690 of
6 the revised school code, MCL 380.681 to 380.690.

7 (2) From the appropriation in section 11, there is allocated
8 an amount not to exceed \$9,190,000.00 **EACH FISCAL YEAR** for 2015-
9 2016 **AND FOR 2016-2017** to reimburse intermediate districts and area
10 vocational-technical education programs established under section
11 690(3) of the revised school code, MCL 380.690, levying millages
12 for area vocational-technical education pursuant to sections 681 to
13 690 of the revised school code, MCL 380.681 to 380.690. The
14 purpose, use, and expenditure of the reimbursement shall be limited
15 as if the funds were generated by those millages.

16 (3) Reimbursement for the millages levied in 2014-2015 shall
17 be made in 2015-2016 at an amount per 2014-2015 membership pupil
18 computed by subtracting from ~~\$189,400.00~~ **\$192,200.00** the 2014-2015
19 taxable value behind each membership pupil and multiplying the
20 resulting difference by the 2014-2015 millage levied.

21 **(4) REIMBURSEMENT FOR THE MILLAGES LEVIED IN 2015-2016 SHALL**
22 **BE MADE IN 2016-2017 AT AN AMOUNT PER 2015-2016 MEMBERSHIP PUPIL**
23 **COMPUTED BY SUBTRACTING FROM \$196,300.00 THE 2015-2016 TAXABLE**
24 **VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING**
25 **DIFFERENCE BY THE 2015-2016 MILLAGE LEVIED.**

26 (5) ~~(4)~~ The amount paid to a single intermediate district
27 under this section shall not exceed 38.4% of the total amount

1 allocated under subsection (2).

2 (6) ~~(5)~~—The amount paid to a single intermediate district
3 under this section shall not be less than 75% of the amount
4 allocated to the intermediate district under this section for the
5 immediately preceding fiscal year.

6 **SEC. 63. FROM THE APPROPRIATION UNDER SECTION 11, THERE IS**
7 **ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR A**
8 **PAYMENT TO AN INTERMEDIATE DISTRICT THAT IS PARTICIPATING IN A**
9 **JOINT CAPITAL PROJECT WITH A LOCAL HEALTH DEPARTMENT IN WHICH THE**
10 **HEALTH DEPARTMENT IS CONSTRUCTING A NEW BUILDING ON THE**
11 **INTERMEDIATE DISTRICT'S PROPERTY THAT WILL HAVE AN ENCLOSED HALLWAY**
12 **TO CONNECT WITH A CAREER AND TECHNICAL EDUCATION CENTER. THIS**
13 **ALLOCATION IS TO SUPPORT THE COSTS INCURRED BY THE INTERMEDIATE**
14 **DISTRICT DUE TO THIS PROJECT.**

15 Sec. 64b. (1) From the appropriation in section 11, there is
16 allocated an amount not to exceed \$1,750,000.00 **EACH FISCAL YEAR**
17 for 2015-2016 **AND FOR 2016-2017** for supplemental payments to
18 districts that support the attendance of district pupils in grades
19 9 to 12 under the postsecondary enrollment options act, 1996 PA
20 160, MCL 388.511 to 388.524, or under the career and technical
21 preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, consistent
22 with section 21b, or that support the attendance of district pupils
23 in a concurrent enrollment program if the district meets the
24 requirements under subsection (3). Programs funded under this
25 section are intended to increase the number of pupils who are
26 college- and career-ready upon high school graduation.

27 (2) To be eligible for payments under this section for

1 supporting the attendance of district pupils under the
2 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
3 388.524, or under the career and technical preparation act, 2000 PA
4 258, MCL 388.1901 to 388.1913, a district shall do all of the
5 following:

6 (a) Provide information to all high school pupils on
7 postsecondary enrollment options, including enrollment eligibility,
8 the institutions and types of courses that are eligible for
9 participation, the decision-making process for granting academic
10 credit, and an explanation of eligible charges that will be paid by
11 the district.

12 (b) Enter into a written agreement with a postsecondary
13 institution before the enrollment of district pupils.

14 (c) Agree to pay all eligible charges pursuant to section 21b.

15 (d) Award high school credit for the postsecondary course if
16 the pupil successfully completes the course.

17 (3) To be eligible for payments under this section for pupils
18 enrolled in a concurrent enrollment program, a district shall do
19 all of the following:

20 (a) Provide information to all high school pupils on
21 postsecondary enrollment options, including enrollment eligibility,
22 the institutions and types of courses that are eligible for
23 participation, the decision-making process for granting academic
24 credit, and an explanation of eligible charges that will be paid by
25 the district.

26 (b) Enter into a written agreement with a postsecondary
27 institution establishing the concurrent enrollment program before

1 the enrollment of district pupils in a postsecondary course through
2 the postsecondary institution.

3 (c) Ensure that the course is taught by either a high school
4 teacher or postsecondary faculty pursuant to standards established
5 by the postsecondary institution with which the district has
6 entered into a written agreement to operate the concurrent
7 enrollment program.

8 (d) Ensure that the written agreement provides that the
9 postsecondary institution agrees not to charge the pupil for any
10 cost of the program.

11 (e) Ensure that the course is taught in the local district or
12 intermediate district.

13 (f) Ensure that the pupil is awarded both high school and
14 college credit at ~~any~~**A** community college or state public
15 university in this state upon successful completion of the course
16 as outlined in the agreement with the postsecondary institution.

17 (4) Funds shall be awarded to eligible districts under this
18 section in the following manner:

19 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
20 credit-bearing course in which a pupil enrolls during the 2015-2016
21 **OR 2016-2017** school year, **AS APPLICABLE**, as described under either
22 subsection (2) or (3).

23 (b) An additional payment of \$30.00 per-pupil per course
24 identified in subdivision (a), if the pupil successfully completes,
25 and is awarded both high school and postsecondary credit for, the
26 course during the 2015-2016 **OR 2016-2017** school year, **AS**
27 **APPLICABLE**.

1 (5) A district requesting payment under this section shall
2 submit an application to the department in the form and manner
3 prescribed by the department. Notwithstanding section 17b, payments
4 under this section shall be made on a schedule determined by the
5 department.

6 Sec. 65. (1) From the general fund money appropriated under
7 section 11, there is allocated an amount not to exceed \$340,000.00
8 for ~~2015-2016~~**2016-2017** for a pre-college engineering K-12
9 educational program that is focused on the development of a diverse
10 future Michigan workforce, that serves multiple communities within
11 southeast Michigan, that enrolls pupils from multiple districts,
12 and that received funds appropriated for this purpose in the
13 appropriations act that provided the Michigan strategic fund budget
14 for 2014-2015.

15 (2) To be eligible for funding under this section, a program
16 must have the ability to expose pupils to, and motivate and prepare
17 pupils for, science, technology, engineering, and mathematics
18 careers and postsecondary education with special attention given to
19 groups of pupils who are at-risk and underrepresented in technical
20 professions and careers.

21 Sec. 67. (1) From the general fund amount appropriated in
22 section 11, there is allocated an amount not to exceed
23 ~~\$3,600,000.00 for 2015-2016~~**\$3,050,000.00 FOR 2016-2017** for college
24 and career preparation activities. The programs funded under this
25 section are intended to inform students of college and career
26 options and to provide a wide array of tools and resources intended
27 to increase the number of pupils who are adequately prepared with

1 the information needed to make informed decisions on college and
2 career. The funds appropriated under this section are intended to
3 be used to increase the number of Michigan residents with high-
4 quality degrees or credentials. Funds appropriated under this
5 section shall not be used to supplant funding for counselors
6 already funded by districts.

7 (2) From the amount allocated in subsection (1), an amount not
8 to exceed \$3,000,000.00 shall be used for the college access
9 program. The talent investment agency of the department of talent
10 and economic development shall administer these funds in
11 collaboration with the Michigan college access network. These funds
12 may be used for any of the following purposes:

13 (a) Michigan college access network operations, programming,
14 and services to local college access networks.

15 (b) Local college access networks, which are community-based
16 college access/success partnerships committed to increasing the
17 college participation and completion rates within geographically
18 defined communities through a coordinated strategy.

19 (c) The Michigan college advising program, a program intended
20 to place trained, recently graduated college advisors in high
21 schools that serve significant numbers of low-income and first-
22 generation college-going pupils. State funds used for this purpose
23 may not exceed 33% of the total funds available under this
24 subsection.

25 (d) Subgrants of up to \$5,000.00 to districts with
26 comprehensive high schools that establish a college access team and
27 implement specific strategies to create a college-going culture in

1 a high school in a form and manner approved by the Michigan college
2 access network and the Michigan talent investment agency.

3 (e) The Michigan college access portal, an online one-stop
4 portal to help pupils and families plan and apply for college.

5 (f) Public awareness and outreach campaigns to encourage low-
6 income and first-generation college-going pupils to take necessary
7 steps toward college and to assist pupils and families in
8 completing a timely and accurate free application for federal
9 student aid.

10 (g) Subgrants to postsecondary institutions to recruit, hire,
11 and train college student mentors and college advisors to assist
12 high school pupils in navigating the postsecondary planning and
13 enrollment process.

14 (3) From the amount allocated in subsection (1), an amount not
15 to exceed ~~\$600,000.00~~ **\$50,000.00** shall be used for the purposes of
16 ~~this subsection. The talent investment agency of the department of~~
17 ~~talent and economic development shall administer these funds in~~
18 ~~collaboration with the Michigan college access network and the~~
19 ~~Michigan Virtual University to provide all of the following:~~

20 ~~—— (a) A pilot~~ **AN** outreach program to provide information to
21 pupils, parents, and educators on dual enrollment and other
22 opportunities available to high school pupils to earn postsecondary
23 credits, industry-recognized technical certifications, and
24 participation in registered apprenticeships at no cost.

25 ~~—— (b) An online career planning tool that meets all of the~~
26 ~~following:~~

27 ~~—— (i) Helps pupils create educational development plans before~~

1 ~~starting high school.~~

2 ~~—— (ii) Provides information to pupils allowing them to make more~~
 3 ~~informed choices about career and education options.~~

4 ~~—— (iii) Is available to pupils at no cost.~~

5 (4) For the purposes of this section, "college" means any
 6 postsecondary educational opportunity that leads to a career,
 7 including, but not limited to, a postsecondary degree, industry-
 8 recognized technical certification, or registered apprenticeship.

9 Sec. 74. (1) From the amount appropriated in section 11, there
 10 is allocated an amount not to exceed ~~\$3,315,700.00 for 2015-2016~~
 11 **\$3,320,600.00 FOR 2016-2017** for the purposes of this section.

12 (2) From the allocation in subsection (1), there is allocated
 13 for each fiscal year the amount necessary for payments to state
 14 supported colleges or universities and intermediate districts
 15 providing school bus driver safety instruction pursuant to section
 16 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
 17 payments shall be in an amount determined by the department not to
 18 exceed the actual cost of instruction and driver compensation for
 19 each public or nonpublic school bus driver attending a course of
 20 instruction. For the purpose of computing compensation, the hourly
 21 rate allowed each school bus driver shall not exceed the hourly
 22 rate received for driving a school bus. Reimbursement compensating
 23 the driver during the course of instruction shall be made by the
 24 department to the college or university or intermediate district
 25 providing the course of instruction.

26 (3) From the allocation in subsection (1), there is allocated
 27 for ~~2015-2016-2016-2017~~ the amount necessary to pay the reasonable

1 costs of nonspecial education auxiliary services transportation
2 provided pursuant to section 1323 of the revised school code, MCL
3 380.1323. Districts funded under this subsection shall not receive
4 funding under any other section of this article for nonspecial
5 education auxiliary services transportation.

6 (4) From the funds allocated in subsection (1), there is
7 allocated an amount not to exceed ~~\$1,690,700.00 for 2015-2016~~
8 **\$1,695,600.00 FOR 2016-2017** for reimbursement to districts and
9 intermediate districts for costs associated with the inspection of
10 school buses and pupil transportation vehicles by the department of
11 state police as required under section 715a of the Michigan vehicle
12 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
13 transportation act, 1990 PA 187, MCL 257.1839. The department of
14 state police shall prepare a statement of costs attributable to
15 each district for which bus inspections are provided and submit it
16 to the department and to an intermediate district serving as
17 fiduciary in a time and manner determined jointly by the department
18 and the department of state police. Upon review and approval of the
19 statement of cost, the department shall forward to the designated
20 intermediate district serving as fiduciary the amount of the
21 reimbursement on behalf of each district and intermediate district
22 for costs detailed on the statement within 45 days after receipt of
23 the statement. The designated intermediate district shall make
24 payment in the amount specified on the statement to the department
25 of state police within 45 days after receipt of the statement. The
26 total reimbursement of costs under this subsection shall not exceed
27 the amount allocated under this subsection. Notwithstanding section

1 17b, payments to eligible entities under this subsection shall be
2 paid on a schedule prescribed by the department.

3 Sec. 81. (1) From the appropriation in section 11, there is
4 allocated for ~~2015-2016-2016-2017~~ to the intermediate districts the
5 sum necessary, but not to exceed \$67,108,000.00 to provide state
6 aid to intermediate districts under this section.

7 (2) From the allocation in subsection (1), there is allocated
8 for ~~2015-2016-2016-2017~~ an amount not to exceed \$67,108,000.00 for
9 allocations to each intermediate district in an amount equal to
10 ~~103.1%~~ 100% of the amount allocated to the intermediate district
11 under this subsection for ~~2014-2015.-2015-2016~~. Funding provided
12 under this section shall be used to comply with requirements of
13 this article and the revised school code that are applicable to
14 intermediate districts, and for which funding is not provided
15 elsewhere in this article, and to provide technical assistance to
16 districts as authorized by the intermediate school board.

17 (3) Intermediate districts receiving funds under subsection
18 (2) shall collaborate with the department to develop expanded
19 professional development opportunities for teachers to update and
20 expand their knowledge and skills needed to support the Michigan
21 merit curriculum.

22 (4) From the allocation in subsection (1), there is allocated
23 to an intermediate district, formed by the consolidation or
24 annexation of 2 or more intermediate districts or the attachment of
25 a total intermediate district to another intermediate school
26 district or the annexation of all of the constituent K-12 districts
27 of a previously existing intermediate school district which has

1 disorganized, an additional allotment of \$3,500.00 each fiscal year
2 for each intermediate district included in the new intermediate
3 district for 3 years following consolidation, annexation, or
4 attachment.

5 (5) In order to receive funding under subsection (2), an
6 intermediate district shall do all of the following:

7 (a) Demonstrate to the satisfaction of the department that the
8 intermediate district employs at least 1 person who is trained in
9 pupil accounting and auditing procedures, rules, and regulations.

10 (b) Demonstrate to the satisfaction of the department that the
11 intermediate district employs at least 1 person who is trained in
12 rules, regulations, and district reporting procedures for the
13 individual-level student data that serves as the basis for the
14 calculation of the district and high school graduation and dropout
15 rates.

16 (c) Comply with sections 1278a and 1278b of the revised school
17 code, MCL 380.1278a and 380.1278b.

18 (d) Furnish data and other information required by state and
19 federal law to the center and the department in the form and manner
20 specified by the center or the department, as applicable.

21 (e) Comply with section 1230g of the revised school code, MCL
22 380.1230g.

23 (f) Comply with section 761 of the revised school code, MCL
24 380.761.

25 Sec. 94. (1) From the general fund appropriation in section
26 11, there is allocated to the department for ~~2015-2016~~**2016-2017** an
27 amount not to exceed \$250,000.00 for efforts to increase the number

1 of pupils who participate and succeed in advanced placement and
2 international baccalaureate programs.

3 (2) From the funds allocated under this section, the
4 department shall award funds to cover all or part of the costs of
5 advanced placement test fees or international baccalaureate test
6 fees **AND INTERNATIONAL BACCALAUREATE REGISTRATION FEES** for low-
7 income pupils who take an advanced placement or an international
8 baccalaureate test. Payments shall not exceed \$20.00 per test
9 completed **OR \$150.00 PER INTERNATIONAL BACCALAUREATE REGISTRATION**
10 **FEES PER PUPIL REGISTERED.**

11 (3) The department shall only award funds under this section
12 if the department determines that all of the following criteria are
13 met:

14 (a) Each pupil for whom payment is made meets eligibility
15 requirements of the federal advanced placement test fee program
16 under section 1701 of the no child left behind act of 2001, Public
17 Law 107-110, **OR UNDER A CORRESPONDING PROVISION OF THE EVERY**
18 **STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95.**

19 (b) The tests are administered by the college board, the
20 international baccalaureate organization, or another test provider
21 approved by the department.

22 (c) The pupil for whom payment is made pays at least \$5.00
23 toward the cost of each test for which payment is made.

24 (4) The department shall establish procedures for awarding
25 funds under this section.

26 (5) Notwithstanding section 17b, payments under this section
27 shall be made on a schedule determined by the department.

1 Sec. 94a. (1) There is created within the state budget office
2 in the department of technology, management, and budget the center
3 for educational performance and information. The center shall do
4 all of the following:

5 (a) Coordinate the collection of all data required by state
6 and federal law from districts, intermediate districts, and
7 postsecondary institutions.

8 (b) Create, maintain, and enhance this state's P-20
9 longitudinal data system and ensure that it meets the requirements
10 of subsection (4).

11 (c) Collect data in the most efficient manner possible in
12 order to reduce the administrative burden on reporting entities,
13 including, but not limited to, electronic transcript services.

14 (d) Create, maintain, and enhance this state's web-based
15 educational portal to provide information to school leaders,
16 teachers, researchers, and the public in compliance with all
17 federal and state privacy laws. Data shall include, but are not
18 limited to, all of the following:

19 (i) Data sets that link teachers to student information,
20 allowing districts to assess individual teacher impact on student
21 performance and consider student growth factors in teacher and
22 principal evaluation systems.

23 (ii) Data access or, if practical, data sets, provided for
24 regional data warehouses that, in combination with local data, can
25 improve teaching and learning in the classroom.

26 (iii) Research-ready data sets for researchers to perform
27 research that advances this state's educational performance.

1 (e) Provide data in a useful manner to allow state and local
2 policymakers to make informed policy decisions.

3 (f) Provide public reports to the citizens of this state to
4 allow them to assess allocation of resources and the return on
5 their investment in the education system of this state.

6 (g) Other functions as assigned by the state budget director.

7 (2) Each state department, officer, or agency that collects
8 information from districts, intermediate districts, or
9 postsecondary institutions as required under state or federal law
10 shall make arrangements with the center to ensure that the state
11 department, officer, or agency is in compliance with subsection
12 (1). This subsection does not apply to information collected by the
13 department of treasury under the uniform budgeting and accounting
14 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
15 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
16 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
17 388.1939; or section 1351a of the revised school code, MCL
18 380.1351a.

19 (3) The center may enter into any interlocal agreements
20 necessary to fulfill its functions.

21 (4) The center shall ensure that the P-20 longitudinal data
22 system required under subsection (1)(b) meets all of the following:

23 (a) Includes data at the individual student level from
24 preschool through postsecondary education and into the workforce.

25 (b) Supports interoperability by using standard data
26 structures, data formats, and data definitions to ensure linkage
27 and connectivity in a manner that facilitates the exchange of data

1 among agencies and institutions within the state and between
2 states.

3 (c) Enables the matching of individual teacher and student
4 records so that an individual student may be matched with those
5 teachers providing instruction to that student.

6 (d) Enables the matching of individual teachers with
7 information about their certification and the institutions that
8 prepared and recommended those teachers for state certification.

9 (e) Enables data to be easily generated for continuous
10 improvement and decision-making, including timely reporting to
11 parents, teachers, and school leaders on student achievement.

12 (f) Ensures the reasonable quality, validity, and reliability
13 of data contained in the system.

14 (g) Provides this state with the ability to meet federal and
15 state reporting requirements.

16 (h) For data elements related to preschool through grade 12
17 and postsecondary, meets all of the following:

18 (i) Contains a unique statewide student identifier that does
19 not permit a student to be individually identified by users of the
20 system, except as allowed by federal and state law.

21 (ii) Contains student-level enrollment, demographic, and
22 program participation information.

23 (iii) Contains student-level information about the points at
24 which students exit, transfer in, transfer out, drop out, or
25 complete education programs.

26 (iv) Has the capacity to communicate with higher education
27 data systems.

(i) For data elements related to preschool through grade 12 only, meets all of the following:

(i) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.

(ii) Contains student-level transcript information, including information on courses completed and grades earned.

(iii) Contains student-level college readiness test scores.

(j) For data elements related to postsecondary education only:

(i) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:

(A) Enrollment in remedial coursework.

(B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.

(ii) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

(5) From the general fund appropriation in section 11, there is allocated an amount not to exceed ~~\$11,967,000.00 for 2015-2016~~ **\$12,173,200.00 FOR 2016-2017** to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11 there is allocated for ~~2015-2016-2016-2017~~ the amount necessary,

1 estimated at \$193,500.00, to support the operations of the center
2 and to establish a P-20 longitudinal data system necessary for
3 state and federal reporting purposes. The center shall cooperate
4 with the department to ensure that this state is in compliance with
5 federal law and is maximizing opportunities for increased federal
6 funding to improve education in this state.

7 (6) From the funds allocated in subsection (5), the center may
8 use an amount determined by the center for competitive grants for
9 ~~2015-2016-2016-2017~~ to support collaborative efforts on the P-20
10 longitudinal data system. All of the following apply to grants
11 awarded under this subsection:

12 (a) The center shall award competitive grants to eligible
13 intermediate districts or a consortium of intermediate districts
14 based on criteria established by the center.

15 (b) Activities funded under the grant shall support the P-20
16 longitudinal data system portal and may include portal hosting,
17 hardware and software acquisition, maintenance, enhancements, user
18 support and related materials, and professional learning tools and
19 activities aimed at improving the utility of the P-20 longitudinal
20 data system.

21 (c) An applicant that received a grant under this subsection
22 for the immediately preceding fiscal year shall receive priority
23 for funding under this section. However, after 3 fiscal years of
24 continuous funding, an applicant is required to compete openly with
25 new applicants.

26 (7) Funds allocated under this section that are not expended
27 in the fiscal year in which they were allocated may be carried

1 forward to a subsequent fiscal year and are appropriated for the
2 purposes for which the funds were originally allocated.

3 (8) The center may bill departments as necessary in order to
4 fulfill reporting requirements of state and federal law. The center
5 may also enter into agreements to supply custom data, analysis, and
6 reporting to other principal executive departments, state agencies,
7 local units of government, and other individuals and organizations.
8 The center may receive and expend funds in addition to those
9 authorized in subsection (5) to cover the costs associated with
10 salaries, benefits, supplies, materials, and equipment necessary to
11 provide such data, analysis, and reporting services.

12 (9) As used in this section:

13 (a) "DED-OESE" means the United States Department of Education
14 Office of Elementary and Secondary Education.

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

16 Sec. 98. (1) From the general fund money appropriated in
17 section 11, there is allocated an amount not to exceed
18 \$7,387,500.00 for ~~2015-2016~~ **2016-2017** for the purposes described in
19 this section. **THE MICHIGAN VIRTUAL UNIVERSITY SHALL PROVIDE A**
20 **REPORT TO THE LEGISLATURE NOT LATER THAN NOVEMBER 1, 2016 THAT**
21 **INCLUDES ITS MISSION, ITS PLANS, AND PROPOSED BENCHMARKS IT MUST**
22 **MEET, WHICH SHALL INCLUDE A PLAN TO ACHIEVE A 50% INCREASE IN**
23 **DOCUMENTED IMPROVEMENT IN EACH REQUIREMENT OF THE MICHIGAN VIRTUAL**
24 **LEARNING RESEARCH INSTITUTE AND MICHIGAN VIRTUAL SCHOOL, AND ALL**
25 **OTHER ORGANIZATIONAL PRIORITIES IDENTIFIED IN THIS SECTION, IN**
26 **ORDER TO RECEIVE FULL FUNDING FOR 2017-2018. NOT LATER THAN MARCH**
27 **1, 2017, THE MICHIGAN VIRTUAL UNIVERSITY SHALL PROVIDE AN UPDATE TO**

**THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID TO
SHOW THE PROGRESS BEING MADE TO MEET THE BENCHMARKS IDENTIFIED.**

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

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

(i) Test, evaluate, and recommend as appropriate new technology-based instructional tools and resources.

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

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

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

1 ~~2016-2017.~~

2 (v) Before August 31, ~~2016,~~**2017**, provide an extensive
3 professional development program to at least ~~500~~**30,000** educational
4 personnel, including teachers, school administrators, and school
5 board members, that focuses on the effective integration of ~~digital~~
6 **VIRTUAL** learning into curricula and instruction. **THE MICHIGAN**
7 **VIRTUAL LEARNING RESEARCH INSTITUTE IS ENCOURAGED TO WORK WITH THE**
8 **MISTEM ADVISORY COUNCIL CREATED UNDER SECTION 99S TO COORDINATE**
9 **PROFESSIONAL DEVELOPMENT OF TEACHERS IN APPLICABLE FIELDS. IN**
10 **ADDITION, THE DEPARTMENT SHALL COORDINATE WITH THE MICHIGAN VIRTUAL**
11 **LEARNING RESEARCH INSTITUTE AND EXTERNAL STAKEHOLDERS FOR**
12 **PROFESSIONAL DEVELOPMENT IN THIS STATE.** Not later than December 1,
13 ~~2016,~~**2017**, the Michigan Virtual Learning Research Institute shall
14 submit a report to the house and senate appropriations
15 subcommittees on state school aid, the state budget director, the
16 house and senate fiscal agencies, and the department on the number
17 and percentage of teachers, school administrators, and school board
18 members who have received professional development services from
19 the Michigan Virtual University. The report shall also identify
20 barriers and other opportunities to encourage the adoption of
21 ~~digital~~**VIRTUAL** learning in the public education system.

22 (vi) Identify and share best practices for planning,
23 implementing, and evaluating ~~online~~**VIRTUAL** and blended education
24 delivery models with intermediate districts, districts, and public
25 school academies to accelerate the adoption of innovative education
26 delivery models statewide.

27 (b) Provide leadership for this state's system of ~~digital~~

1 **VIRTUAL** learning education by doing the following activities:

2 (i) Develop and report policy recommendations to the governor
3 and the legislature that accelerate the expansion of effective
4 ~~online~~**VIRTUAL** learning in this state's schools.

5 (ii) Provide a clearinghouse for research reports, academic
6 studies, evaluations, and other information related to ~~online~~
7 **VIRTUAL** learning.

8 (iii) Promote and distribute the most current instructional
9 design standards and guidelines for ~~online~~**VIRTUAL** teaching.

10 (iv) In collaboration with the department and interested
11 colleges and universities in this state, support implementation and
12 improvements related to effective ~~digital~~**VIRTUAL** learning
13 instruction.

14 (v) Pursue public/private partnerships that include districts
15 to study and implement competency-based technology-rich ~~online~~
16 **VIRTUAL** learning models.

17 (vi) Create a statewide network of school-based mentors
18 serving as liaisons between pupils, ~~online~~**VIRTUAL** instructors,
19 parents, and school staff, **AS PROVIDED BY THE DEPARTMENT OR THE**
20 **CENTER**, and provide mentors with research-based training and
21 technical assistance designed to help more pupils be successful
22 ~~online~~**VIRTUAL** learners.

23 (vii) Convene focus groups and conduct annual surveys of
24 teachers, administrators, pupils, parents, and others to identify
25 barriers and opportunities related to ~~online~~**VIRTUAL** learning.

26 (viii) Produce an annual consumer awareness report for schools
27 and parents about effective ~~online~~**VIRTUAL** education providers and

1 education delivery models, performance data, cost structures, and
2 research trends.

3 (ix) Research and establish an ~~Internet-based~~ **INTERNET-BASED**
4 platform that educators can use to create student-centric learning
5 tools and resources and facilitate a user network that assists
6 educators in using the platform. As part of this initiative, the
7 Michigan Virtual University shall work collaboratively with
8 districts and intermediate districts to establish a plan to make
9 available ~~online~~ **VIRTUAL** resources that align to Michigan's K-12
10 curriculum standards for use by students, educators, and parents.

11 (x) Create and maintain a public statewide catalog of ~~online~~
12 **VIRTUAL** learning courses being offered by all public schools and
13 community colleges in this state. The Michigan Virtual Learning
14 Research Institute shall identify and develop a list of nationally
15 recognized best practices for ~~online~~ **VIRTUAL** learning and use this
16 list to support reviews of ~~online~~ **VIRTUAL** course vendors, courses,
17 and instructional practices. The Michigan Virtual Learning Research
18 Institute shall also provide a mechanism for intermediate districts
19 to use the identified best practices to review content offered by
20 constituent districts. The Michigan Virtual Learning Research
21 Institute shall review the ~~online~~ **VIRTUAL** course offerings of the
22 Michigan Virtual University, and make the results from these
23 reviews available to the public as part of the statewide catalog.
24 The Michigan Virtual Learning Research Institute shall ensure that
25 the statewide catalog is made available to the public on the
26 Michigan Virtual University website and shall allow the ability to
27 link it to each district's website as provided for in section 21f.

1 The statewide catalog shall also contain all of the following:

2 (A) The number of enrollments in each ~~online~~-**VIRTUAL** course in
3 the immediately preceding school year.

4 (B) The number of enrollments that earned 60% or more of the
5 total course points for each ~~online~~-**VIRTUAL** course in the
6 immediately preceding school year.

7 (C) The completion rate for each ~~online~~-**VIRTUAL** course.

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

11 (xii) Collaborate with key stakeholders to examine district
12 level accountability and teacher effectiveness issues related to
13 ~~online~~-**VIRTUAL** learning under section 21f and make findings and
14 recommendations publicly available.

15 (xiii) **PROVIDE A REPORT ON THE ACTIVITIES OF THE MICHIGAN**
16 **VIRTUAL LEARNING RESEARCH INSTITUTE.**

17 (3) To further enhance its expertise and leadership in ~~digital~~
18 **VIRTUAL** learning, the Michigan Virtual University shall continue to
19 operate the Michigan Virtual School as a statewide laboratory and
20 quality model of instruction by implementing ~~online~~-**VIRTUAL** and
21 blended learning solutions for Michigan schools in accordance with
22 the following parameters:

23 (a) The Michigan Virtual School must maintain its
24 accreditation status from recognized national and international
25 accrediting entities.

26 (b) The Michigan Virtual University shall use no more than
27 \$1,000,000.00 of the amount allocated under this section to

1 subsidize the cost paid by districts for ~~online~~-**VIRTUAL** courses.

2 (c) In providing educators responsible for the teaching of
3 ~~online~~-**VIRTUAL** courses as provided for in this section, the
4 Michigan Virtual School shall follow the requirements to request
5 and assess, and the department of state police shall provide, a
6 criminal history check and criminal records check under sections
7 1230 and 1230a of the revised school code, MCL 380.1230 and
8 380.1230a, in the same manner as if the Michigan Virtual School
9 were a school district under those sections.

10 (4) If the course offerings are included in the statewide
11 catalog of ~~online~~-**VIRTUAL** courses under subsection (2)(b)(ix), the
12 Michigan Virtual School operated by the Michigan Virtual University
13 may offer ~~online~~-**VIRTUAL** course offerings, including, but not
14 limited to, all of the following:

15 (a) Information technology courses.

16 (b) College level equivalent courses, as defined in section
17 1471 of the revised school code, MCL 380.1471.

18 (c) Courses and dual enrollment opportunities.

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

20 (e) High school equivalency test preparation courses for
21 adjudicated youth.

22 (f) Special interest courses.

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

25 (5) If a home-schooled or nonpublic school student is a
26 resident of a district that subscribes to services provided by the
27 Michigan Virtual School, the student may use the services provided

1 by the Michigan Virtual School to the district without charge to
2 the student beyond what is charged to a district pupil using the
3 same services.

4 (6) Not later than December 1 of each fiscal year, the
5 Michigan Virtual University shall provide a report to the house and
6 senate appropriations subcommittees on state school aid, the state
7 budget director, the house and senate fiscal agencies, and the
8 department that includes at least all of the following information
9 related to the Michigan Virtual School for the preceding state
10 fiscal year:

11 (a) A list of the districts served by the Michigan Virtual
12 School.

13 (b) A list of ~~online-VIRTUAL~~ course titles available to
14 districts.

15 (c) The total number of ~~online-VIRTUAL~~ course enrollments and
16 information on registrations and completions by course.

17 (d) The overall course completion rate percentage.

18 (7) **IN ADDITION TO THE INFORMATION LISTED IN SUBSECTION (6),**
19 **THE REPORT UNDER SUBSECTION (6) SHALL ALSO INCLUDE A PLAN TO SERVE**
20 **AT LEAST 600 SCHOOLS WITH COURSES FROM THE MICHIGAN VIRTUAL SCHOOL**
21 **OR WITH CONTENT AVAILABLE THROUGH THE INTERNET-BASED PLATFORM**
22 **IDENTIFIED IN SUBSECTION (2) (B) (ix) .**

23 (8) ~~(7)~~—The governor may appoint an advisory group for the
24 Michigan Virtual Learning Research Institute established under
25 subsection (2). The members of the advisory group shall serve at
26 the pleasure of the governor and shall serve without compensation.
27 The purpose of the advisory group is to make recommendations to the

1 governor, the legislature, and the president and board of the
2 Michigan Virtual University that will accelerate innovation in this
3 state's education system in a manner that will prepare elementary
4 and secondary students to be career and college ready and that will
5 promote the goal of increasing the percentage of citizens of this
6 state with high-quality degrees and credentials to at least 60% by
7 2025.

8 (9) ~~(8)~~ Not later than November 1, ~~2015,~~ **2016**, the Michigan
9 Virtual University shall submit to the house and senate
10 appropriations subcommittees on state school aid, the state budget
11 director, and the house and senate fiscal agencies a detailed
12 budget for the ~~2015-2016~~ **2016-2017** fiscal year that includes a
13 breakdown on its projected costs to deliver ~~online~~ **VIRTUAL**
14 educational services to districts and a summary of the anticipated
15 fees to be paid by districts for those services. Not later than
16 March 1 each year, the Michigan Virtual University shall submit to
17 the house and senate appropriations subcommittees on state school
18 aid, the state budget director, and the house and senate fiscal
19 agencies a breakdown on its actual costs to deliver ~~online~~ **VIRTUAL**
20 educational services to districts and a summary of the actual fees
21 paid by districts for those services based on audited financial
22 statements for the immediately preceding fiscal year.

23 (10) ~~(9)~~ As used in this section:

24 (a) "Blended learning" means a hybrid instructional delivery
25 model where pupils are provided content, instruction, and
26 assessment, in part at a supervised educational facility away from
27 home where the pupil and a teacher with a valid Michigan teaching

1 certificate are in the same physical location and in part through
 2 Internet-connected learning environments with some degree of pupil
 3 control over time, location, and pace of instruction.

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

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

11 (C) ~~(d)~~ ~~"Online~~-**"VIRTUAL** course" means a course of study that
 12 is capable of generating a credit or a grade ~~,~~**AND** that is provided
 13 in an interactive ~~Internet-connected~~ learning environment ~~,~~**IN**
 14 **WHICH THE MAJORITY OF THE CURRICULUM IS DELIVERED USING THE**
 15 **INTERNET AND** in which pupils are separated from their teachers
 16 **INSTRUCTOR OR TEACHER OF RECORD** by time or location, or both. ~~,~~**and**
 17 ~~in which a teacher who holds a valid Michigan teaching certificate~~
 18 ~~is responsible for providing instruction, determining appropriate~~
 19 ~~instructional methods for each pupil, diagnosing learning needs,~~
 20 ~~assessing pupil learning, prescribing intervention strategies,~~
 21 ~~reporting outcomes, and evaluating the effects of instruction and~~
 22 ~~support strategies.~~

23 Sec. 99h. (1) From the appropriation in section 11, there is
 24 allocated an amount not to exceed \$2,000,000.00 ~~—~~**\$2,500,000.00** for
 25 ~~2015-2016-2016-2017~~ for competitive grants to districts that
 26 provide pupils in grades ~~7~~-**K** to 12 with expanded opportunities to
 27 improve mathematics, science, and technology skills by

participating in events hosted by a science and technology development program known as FIRST (for inspiration and recognition of science and technology) robotics, **INCLUDING JR FIRST LEGO LEAGUE, FIRST LEGO LEAGUE, FIRST TECH CHALLENGE, AND FIRST ROBOTICS COMPETITION. PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL GRADUATION.**

(2) A district applying for a ~~FIRST tech challenge or FIRST robotics competition program grant~~ **UNDER THIS SECTION** shall submit an application in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that the district has established a partnership for the purposes of the FIRST program with at least 1 sponsor, business entity, higher education institution, or technical school, shall submit a spending plan, and shall pay at least 25% of the cost of the FIRST robotics program.

(3) The department shall distribute the grant funding under this section for the following purposes:

(a) Grants to districts to pay for stipends of \$1,500.00 for 1 coach per team. ~~, distributed as follows:~~

~~—— (i) Not more than 500 stipends for coaches of high school teams, including existing teams.~~

~~—— (ii) Not more than 100 stipends for coaches of middle school or junior high teams, including existing teams.~~

~~—— (iii) If the requests for stipends exceed the numbers of~~

1 stipends allowed, ~~under subparagraphs (i) and (ii),~~ and if there is
2 funding remaining unspent under subdivisions (b) and (c), the
3 department shall use that remaining unspent funding for grants to
4 districts to pay for additional stipends in a manner that expands
5 the geographical distribution of teams.

6 (b) Grants to districts for event registrations, materials,
7 travel costs, and other expenses associated with the preparation
8 for and attendance at ~~FIRST tech challenge and FIRST robotics~~
9 **EVENTS AND** competitions. Each grant recipient shall provide a local
10 match from other private or local funds for the funds received
11 under this subdivision equal to at least 50% of the costs of
12 participating in an event. The department shall set maximum grant
13 amounts under this subdivision in a manner that maximizes the
14 number of teams that will be able to receive funding.

15 (c) Grants to districts for awards to teams that advance to
16 the state and world championship competitions. The department shall
17 determine an equal amount per team for those teams that advance to
18 the state championship and a second equal award amount to those
19 teams that advance to the world championship.

20 (4) The funds allocated under this section are a work project
21 appropriation, and any unexpended funds for ~~2015-2016-2016-2017~~ are
22 carried forward into ~~2016-2017-2017-2018~~. The purpose of the work
23 project is to continue to implement the projects described under
24 subsection (1). The estimated completion date of the work project
25 is September 30, ~~2018-2019~~.

26 Sec. 99s. (1) From the funds appropriated under section 11,
27 there is allocated for ~~2015-2016-2016-2017~~ an amount not to exceed

~~\$3,250,000.00~~ **\$3,000,000.00** from the state school aid fund
 appropriation and an amount not to exceed ~~\$775,000.00~~ **\$1,300,000.00**
 from the general fund appropriation for Michigan science,
 technology, engineering, and mathematics (MiSTEM) programs. In
 addition, from the federal funds appropriated in section 11, there
 is allocated for ~~2015-2016~~ **2016-2017** an amount estimated at
 \$5,249,300.00 from DED-OESE, title II, mathematics and science
 partnership grants. **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED**
TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN
SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE
THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH
SCHOOL GRADUATION.

(2) From the general fund allocation in subsection (1), there
 is allocated an amount not to exceed \$50,000.00 to the department
 for administrative, **TRAINING**, and travel costs related to the
 MiSTEM advisory council. All of the following apply to the MiSTEM
 advisory council funded under this subsection:

(a) The MiSTEM advisory council is created. The MiSTEM
 advisory council shall provide to the governor, legislature,
 department of talent and economic development, and department
 recommendations designed to improve and promote innovation in STEM
 education and **TO** prepare students for careers in science,
 technology, engineering, and mathematics.

(b) The MiSTEM advisory council created under subdivision (a)
 shall consist of the following members:

(i) The governor shall appoint 11 voting members who are
 representative of business sectors that are important to Michigan's

1 economy and rely on a STEM-educated workforce, nonprofit
2 organizations and associations that promote STEM education, K-12
3 and postsecondary education entities involved in STEM-related
4 career education, or other sectors as considered appropriate by the
5 governor. Each of these members shall serve at the pleasure of the
6 governor and for a term determined by the governor.

7 (ii) The senate majority leader shall appoint 2 members of the
8 senate to serve as nonvoting, ex-officio members of the MiSTEM
9 advisory council, including 1 majority party member and 1 minority
10 party member.

11 (iii) The speaker of the house of representatives shall
12 appoint 2 members of the house of representatives to serve as
13 nonvoting, ex-officio members of the MiSTEM advisory council,
14 including 1 majority party member and 1 minority party member.

15 (c) Each member of the MiSTEM advisory council shall serve
16 without compensation.

17 (d) The MiSTEM advisory council shall recommend **TO THE**
18 **GOVERNOR, THE LEGISLATURE, AND THE DEPARTMENT** a statewide strategy
19 for delivering STEM education-related opportunities to pupils and
20 objective criteria for determining preferred STEM programs. ~~The~~
21 ~~MiSTEM advisory council also shall make funding recommendations to~~
22 ~~the governor, legislature, and department for funding programs~~
23 ~~under this section for 2016-2017 not later than March 1, 2016,~~
24 ~~including, but not limited to, recommendations concerning funding~~
25 ~~for the STEM programs funded under this section for 2015-2016, and~~
26 ~~shall continue to make funding recommendations annually~~
27 ~~thereafter.~~ **THE MISTEM ADVISORY COUNCIL SHALL USE FUNDS RECEIVED**

1 UNDER THIS SUBSECTION TO PURCHASE TRAINING FOR ITS MEMBERS OR THEIR
2 DESIGNEES FROM THE CHANGE THE EQUATION STEMWORKS RATING SYSTEM
3 PROGRAM FOR THE PURPOSE OF RATING STEM PROGRAMS.

4 (E) NOT LATER THAN OCTOBER 15 OF EACH FISCAL YEAR, THE MISTEM
5 ADVISORY COUNCIL SHALL PROVIDE STEM QUALITY RATINGS FOR PROGRAMS
6 RECOMMENDED FOR FUNDING UNDER SUBSECTION (3). THE MISTEM ADVISORY
7 COUNCIL SHALL MAKE SPECIFIC FUNDING RECOMMENDATIONS FOR THE FUNDS
8 ALLOCATED UNDER SUBSECTION (3) BY DECEMBER 15 OF EACH FISCAL YEAR.
9 THE AMOUNT OF EACH GRANT RECOMMENDED SHALL NOT EXCEED \$250,000.00.

10 (F) IF THE MISTEM ADVISORY COUNCIL IS UNABLE TO MAKE SPECIFIC
11 FUNDING RECOMMENDATIONS BY DECEMBER 15 OF A FISCAL YEAR, THE
12 DEPARTMENT SHALL DISTRIBUTE THE FUNDS ALLOCATED UNDER SUBSECTION
13 (3) ON A COMPETITIVE GRANT BASIS THAT AT LEAST FOLLOWS THE QUALITY
14 GUIDELINES AND PRIORITY AREAS RECOMMENDED BY THE MISTEM ADVISORY
15 COUNCIL. EACH GRANT SHALL NOT EXCEED \$250,000.00 AND MUST PROVIDE
16 STEM EDUCATION-RELATED OPPORTUNITIES FOR PUPILS.

17 (G) ~~(e)~~—The MiSTEM advisory council shall work with directors
18 of mathematics and science centers funded under subsection ~~(3)~~—(4)
19 to connect educators with businesses, workforce developers,
20 economic developers, community colleges, and universities.

21 (3) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION
22 (1), THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED
23 \$1,000,000.00 FOR THE PURPOSE OF FUNDING PROGRAMS UNDER THIS
24 SECTION FOR 2016-2017, AS RECOMMENDED BY THE MISTEM ADVISORY
25 COUNCIL.

26 (4) ~~(3)~~—From the state school aid fund allocation under
27 subsection (1), there is allocated for ~~2015-2016~~—2016-2017 an

1 amount not to exceed \$2,750,000.00 to support the activities and
2 programs of mathematics and science centers. In addition, from the
3 federal funds allocated under subsection (1), there is allocated
4 for ~~2015-2016~~ **2016-2017** an amount estimated at \$5,249,300.00 from
5 DED-OESE, title II, mathematics and science partnership grants, for
6 the purposes of this subsection. All of the following apply to the
7 programs and funding under this subsection:

8 (a) Within a service area designated locally, approved by the
9 department, and consistent with the comprehensive master plan for
10 mathematics and science centers developed by the department and
11 approved by the state board, an established mathematics and science
12 center shall provide 2 or more of the following 6 basic services,
13 as described in the master plan, to constituent districts and
14 communities: leadership, pupil services, curriculum support,
15 community involvement, professional development, and resource
16 clearinghouse services.

17 (b) The department shall not award a state grant under this
18 subsection to more than 1 mathematics and science center located in
19 a designated region as prescribed in the 2007 master plan unless
20 each of the grants serves a distinct target population or provides
21 a service that does not duplicate another program in the designated
22 region.

23 (c) As part of the technical assistance process, the
24 department shall provide minimum standard guidelines that may be
25 used by the mathematics and science center for providing fair
26 access for qualified pupils and professional staff as prescribed in
27 this subsection.

1 (d) Allocations under this subsection to support the
2 activities and programs of mathematics and science centers shall be
3 continuing support grants to all 33 established mathematics and
4 science centers. For ~~2015-2016,~~ **2016-2017**, each established
5 mathematics and science center ~~that was funded for 2014-2015 under~~
6 ~~former section 99~~ shall receive state funding in an amount equal to
7 100% of the amount it was allocated under former section 99 for
8 ~~2014-2015.~~ **2015-2016**. If a center declines state funding or a
9 center closes, the remaining money available under this subsection
10 shall be distributed to the remaining centers, as determined by the
11 department.

12 (e) From the funds allocated under this subsection, the
13 department shall distribute for ~~2015-2016-~~ **2016-2017** an amount not
14 to exceed \$750,000.00 in a form and manner determined by the
15 department to those centers able to provide curriculum and
16 professional development support to assist districts in
17 implementing the Michigan merit curriculum components for
18 mathematics and science. Funding under this subdivision is in
19 addition to funding allocated under subdivision (d).

20 (f) In order to receive state or federal funds under this
21 subsection, a grant recipient shall allow access for the department
22 or the department's designee to audit all records related to the
23 program for which it receives those funds. The grant recipient
24 shall reimburse the state for all disallowances found in the audit.

25 (g) Not later than September 30, ~~2018,~~ **2017**, the department
26 shall ~~reevaluate and update~~ **WORK WITH THE MISTEM ADVISORY COUNCIL**
27 **TO REVISE** the comprehensive master plan described in subdivision

1 (a) TO ENSURE THAT THE COMPREHENSIVE MASTER PLAN IS IN COMPLIANCE
2 WITH THE STATEWIDE STRATEGY DEVELOPED BY THE COUNCIL UNDER
3 SUBSECTION (2) (D) . THE COMPREHENSIVE MASTER PLAN SHALL INCLUDE A
4 REVIEW OF THE FEASIBILITY OF CONSOLIDATING AND REDUCING THE NUMBER
5 OF MATHEMATICS AND SCIENCE CENTERS.

6 (h) The department shall give preference in awarding the
7 federal grants allocated under this subsection to eligible existing
8 mathematics and science centers.

9 (i) In order to receive state funds under this subsection, a
10 grant recipient shall provide at least a 10% local match from local
11 public or private resources for the funds received under this
12 subsection.

13 (j) Not later than July 1 of each year, a mathematics and
14 science center that receives funds under this subsection shall
15 report to the department in a form and manner prescribed by the
16 department on the following performance measures:

17 (i) Statistical change in pre- and post-assessment scores for
18 students who enrolled in mathematics and science activities
19 provided to districts by the mathematics and science center.

20 (ii) Statistical change in pre- and post-assessment scores for
21 teachers who enrolled in professional development activities
22 provided by the mathematics and science center.

23 (k) As used in this subsection:

24 (i) "DED" means the United States Department of Education.

25 (ii) "DED-OESE" means the DED Office of Elementary and
26 Secondary Education.

27 ~~———— (4) From the general fund money allocated under subsection~~

~~(1), there is allocated for 2015-2016 an amount not to exceed \$100,000.00 to the Michigan STEM partnership, to be used to administer the grant process under this subsection. From the general fund money allocated in subsection (1), there is allocated for 2015-2016 an amount not to exceed \$375,000.00 to the Michigan STEM partnership to be used for a competitive grant process to award competitive grants to organizations conducting student-focused, project-based programs and competitions, either in the classroom or extracurricular, in science, technology, engineering, and mathematics subjects such as, but not limited to, robotics, coding, and design-build-test projects, from pre-kindergarten through college level. All of the following apply to the grant funding under this subsection:~~

~~—— (a) Funding under this subsection is in addition to funding allocated under subsection (3) and shall be used for connecting mathematics and science centers for science, technology, engineering, and mathematics purposes and to support the goals of the Michigan STEM partnership.~~

~~—— (b) A program receiving funds under section 99h may not receive funds under this subsection.~~

~~—— (c) In order to receive state funds under this subsection, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this subsection.~~

~~—— (5) From the funds allocated under subsection (1), there is allocated an amount not to exceed \$250,000.00 for 2015-2016 only for grants to districts to support professional development for~~

~~teachers in a department approved training program for science, technology, engineering, and mathematics (STEM) instruction. All of the following apply to the grant funding under this subsection:~~

~~—— (a) Any district may apply for funding under this subsection for 2015-2016 by a date determined by the department. In awarding grants, the department shall give priority, in a form and manner determined by the department, to applicant districts with teachers who have not previously received training in programs funded under this subsection or former section 99b.~~

~~—— (b) For a training program to be approved by the department for the purposes of this subsection, the program shall meet all of the following criteria:~~

~~—— (i) Utilize an integrative STEM approach to content organization and delivery. The integrative STEM approach shall include content derived from science, technology, engineering, and mathematics.~~

~~—— (ii) Offer evidence that the program outcomes address 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~~

1 ~~effective with disadvantaged students and those with language~~
 2 ~~barriers.~~

3 ~~—— (c) The department shall award grants to districts in an~~
 4 ~~amount determined by the department, but not to exceed \$3,200.00~~
 5 ~~per participant.~~

6 ~~—— (d) A district receiving funds under this subsection shall use~~
 7 ~~the funds only for department approved training programs under this~~
 8 ~~subsection.~~

9 (5) ~~(6)~~ From the allocations under subsection (1), there is
 10 allocated an amount not to exceed ~~\$250,000.00 for 2015-2016 only~~
 11 **\$250,000.00 FOR 2016-2017** for competitive grants to districts that
 12 provide pupils in grades K to 12 with expanded opportunities in
 13 science education and skills by participating in events and
 14 competitions hosted by Science Olympiad. All of the following apply
 15 to the grant funding under this subsection:

16 (a) A district applying for a grant under this subsection
 17 shall submit an application in the form and manner determined by
 18 the department not later than November 15, ~~2015.~~ **2016.** The
 19 department shall select districts for grants and make notification
 20 not later than December 15, ~~2015.~~ **2016.** To be eligible for a grant,
 21 a district shall pay at least 25% of the cost of participating in
 22 the Science Olympiad program.

23 (b) The department shall distribute the grant funding
 24 allocated under this subsection for the following purposes:

25 (i) Grants to districts of up to \$800.00 ~~for~~ **PER** new
 26 elementary ~~teams.~~ **TEAM.**

27 (ii) Grants to districts of up to \$400.00 ~~for~~ **PER** established

1 elementary ~~teams-TEAM.~~

2 (iii) Grants to districts of up to \$1,600.00 ~~for-PER~~ new
3 secondary ~~teams-TEAM.~~

4 (iv) Grants to districts of up to \$800.00 ~~for-PER~~ established
5 secondary ~~teams-TEAM.~~

6 (6) ~~(7)~~ From the general fund allocation under subsection (1),
7 there is allocated an amount not to exceed \$250,000.00 for ~~2015-~~
8 ~~2016-only-2016-2017~~ for a grant to the Van Andel Education
9 Institute for the purposes of advancing and promoting science
10 education and increasing the number of students who choose to
11 pursue careers in science or science-related fields. Funds
12 allocated under this subsection shall be used to provide
13 professional development for science teachers in using student-
14 driven, inquiry-based instruction.

15 SEC. 99T. (1) FROM THE GENERAL FUND APPROPRIATION UNDER
16 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
17 \$1,500,000.00 FOR 2016-2017 TO PURCHASE STATEWIDE ACCESS TO AN
18 ONLINE ALGEBRA TOOL THAT MEETS ALL OF THE FOLLOWING:

19 (A) PROVIDES STUDENTS STATEWIDE WITH COMPLETE ACCESS TO VIDEOS
20 ALIGNED WITH STATE STANDARDS INCLUDING STUDY GUIDES AND WORKBOOKS
21 THAT ARE ALIGNED WITH THE VIDEOS.

22 (B) PROVIDES STUDENTS STATEWIDE WITH ACCESS TO A PERSONALIZED
23 ONLINE ALGEBRA LEARNING TOOL INCLUDING ADAPTIVE DIAGNOSTICS.

24 (C) PROVIDES STUDENTS STATEWIDE WITH DYNAMIC ALGEBRA PRACTICE
25 ASSESSMENTS THAT EMULATE THE STATE ASSESSMENT WITH IMMEDIATE
26 FEEDBACK AND HELP SOLVING PROBLEMS.

27 (D) PROVIDES STUDENTS STATEWIDE WITH ONLINE ACCESS TO ALGEBRA

1 HELP 24 HOURS A DAY AND 7 DAYS A WEEK FROM STUDY EXPERTS, TEACHERS,
2 AND PEERS ON A MODERATED SOCIAL NETWORKING PLATFORM.

3 (E) PROVIDES AN ONLINE ALGEBRA PROFESSIONAL DEVELOPMENT
4 NETWORK FOR TEACHERS.

5 (F) IS ALREADY PROVIDED UNDER A STATEWIDE CONTRACT IN AT LEAST
6 1 OTHER STATE.

7 (2) THE DEPARTMENT SHALL CHOOSE THE ONLINE ALGEBRA TOOL BY
8 OCTOBER 1, 2016.

9 Sec. 101. (1) To be eligible to receive state aid under this
10 article, not later than the fifth Wednesday after the pupil
11 membership count day and not later than the fifth Wednesday after
12 the supplemental count day, each district superintendent shall
13 submit to the center and the intermediate superintendent, in the
14 form and manner prescribed by the center, the number of pupils
15 enrolled and in regular daily attendance in the district as of the
16 pupil membership count day and as of the supplemental count day, as
17 applicable, for the current school year. In addition, a district
18 maintaining school during the entire year, as provided under
19 section 1561 of the revised school code, MCL 380.1561, shall submit
20 to the center and the intermediate superintendent, in the form and
21 manner prescribed by the center, the number of pupils enrolled and
22 in regular daily attendance in the district for the current school
23 year pursuant to rules promulgated by the superintendent. Not later
24 than the sixth Wednesday after the pupil membership count day and
25 not later than the sixth Wednesday after the supplemental count
26 day, the district shall certify the data in a form and manner
27 prescribed by the center and file the certified data with the

1 intermediate superintendent. If a district fails to submit and
2 certify the attendance data, as required under this subsection, the
3 center shall notify the department and state aid due to be
4 distributed under this article shall be withheld from the
5 defaulting district immediately, beginning with the next payment
6 after the failure and continuing with each payment until the
7 district complies with this subsection. If a district does not
8 comply with this subsection by the end of the fiscal year, the
9 district forfeits the amount withheld. A person who willfully
10 falsifies a figure or statement in the certified and sworn copy of
11 enrollment shall be punished in the manner prescribed by section
12 161.

13 (2) To be eligible to receive state aid under this article,
14 not later than the twenty-fourth Wednesday after the pupil
15 membership count day and not later than the twenty-fourth Wednesday
16 after the supplemental count day, an intermediate district shall
17 submit to the center, in a form and manner prescribed by the
18 center, the audited enrollment and attendance data for the pupils
19 of its constituent districts and of the intermediate district. If
20 an intermediate district fails to submit the audited data as
21 required under this subsection, state aid due to be distributed
22 under this article shall be withheld from the defaulting
23 intermediate district immediately, beginning with the next payment
24 after the failure and continuing with each payment until the
25 intermediate district complies with this subsection. If an
26 intermediate district does not comply with this subsection by the
27 end of the fiscal year, the intermediate district forfeits the

1 amount withheld.

2 (3) Except as otherwise provided in subsections (11) and (12),
3 all of the following apply to the provision of pupil instruction:

4 (a) Except as otherwise provided in this section, each
5 district shall provide at least 1,098 hours and, beginning in 2010-
6 2011, the required minimum number of days of pupil instruction.
7 Beginning in 2014-2015, the required minimum number of days of
8 pupil instruction is 175. However, all of the following apply to
9 these requirements:

10 (i) If a collective bargaining agreement that provides a
11 complete school calendar was in effect for employees of a district
12 as of July 1, 2013, 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. If a district entered into a
16 collective bargaining agreement on or after July 1, 2013 and if
17 that collective bargaining agreement did not provide for at least
18 175 days of pupil instruction beginning in 2014-2015, then the
19 department shall withhold from the district's total state school
20 aid an amount equal to 5% of the funding the district receives in
21 2014-2015 under sections 22a and 22b.

22 (ii) A district may apply for a waiver under subsection (9)
23 from the requirements of this subdivision.

24 (b) Beginning in 2016-2017, the required minimum number of
25 days of pupil instruction is 180. If a collective bargaining
26 agreement that provides a complete school calendar was in effect
27 for employees of a district as of the effective date of the

1 amendatory act that added this subdivision, and if that school
2 calendar is not in compliance with this subdivision, then this
3 subdivision does not apply to that district until after the
4 expiration of that collective bargaining agreement. A district may
5 apply for a waiver under subsection (9) from the requirements of
6 this subdivision.

7 (c) Except as otherwise provided in this article, a district
8 failing to comply with the required minimum hours and days of pupil
9 instruction under this subsection shall forfeit from its total
10 state aid allocation an amount determined by applying a ratio of
11 the number of hours or days the district was in noncompliance in
12 relation to the required minimum number of hours and days under
13 this subsection. Not later than August 1, the board of each
14 district shall **EITHER** certify to the department **THAT THE DISTRICT**
15 **WAS IN FULL COMPLIANCE WITH THIS SECTION REGARDING** the number of
16 hours and days of pupil instruction in the previous school year, **OR**
17 **REPORT TO THE DEPARTMENT, IN A FORM AND MANNER PRESCRIBED BY THE**
18 **CENTER, EACH INSTANCE OF NONCOMPLIANCE.** If the district did not
19 provide at least the required minimum number of hours and days of
20 pupil instruction under this subsection, the deduction of state aid
21 shall be made in the following fiscal year from the first payment
22 of state school aid. A district is not subject to forfeiture of
23 funds under this subsection for a fiscal year in which a forfeiture
24 was already imposed under subsection (6).

25 (d) Hours or days lost because of strikes or teachers'
26 conferences shall not be counted as hours or days of pupil
27 instruction.

1 (e) If a collective bargaining agreement that provides a
2 complete school calendar is in effect for employees of a district
3 as of October 19, 2009, and if that school calendar is not in
4 compliance with this subsection, then this subsection does not
5 apply to that district until after the expiration of that
6 collective bargaining agreement.

7 (f) Except as otherwise provided in subdivisions (g) and (h),
8 a district not having at least 75% of the district's membership in
9 attendance on any day of pupil instruction shall receive state aid
10 in that proportion of 1/180 that the actual percent of attendance
11 bears to the specified percentage.

12 (g) If a district adds 1 or more days of pupil instruction to
13 the end of its instructional calendar for a school year to comply
14 with subdivision (a) because the district otherwise would fail to
15 provide the required minimum number of days of pupil instruction
16 even after the operation of subsection (4) due to conditions not
17 within the control of school authorities, then subdivision (f) does
18 not apply for any day of pupil instruction that is added to the end
19 of the instructional calendar. Instead, for any of those days, if
20 the district does not have at least 60% of the district's
21 membership in attendance on that day, the district shall receive
22 state aid in that proportion of 1/180 that the actual percentage of
23 attendance bears to the specified percentage. For any day of pupil
24 instruction added to the instructional calendar as described in
25 this subdivision, the district shall report to the department the
26 percentage of the district's membership that is in attendance, in
27 the form and manner prescribed by the department.

1 (h) At the request of a district that operates a department-
2 approved alternative education program and that does not provide
3 instruction for pupils in all of grades K to 12, the superintendent
4 shall grant a waiver from the requirements of subdivision (f). The
5 waiver shall indicate that an eligible district is subject to the
6 proration provisions of subdivision (f) only if the district does
7 not have at least 50% of the district's membership in attendance on
8 any day of pupil instruction. In order to be eligible for this
9 waiver, a district must maintain records to substantiate its
10 compliance with the following requirements:

11 (i) The district offers the minimum hours of pupil instruction
12 as required under this section.

13 (ii) For each enrolled pupil, the district uses appropriate
14 academic assessments to develop an individual education plan that
15 leads to a high school diploma.

16 (iii) The district tests each pupil to determine academic
17 progress at regular intervals and records the results of those
18 tests in that pupil's individual education plan.

19 (i) All of the following apply to a waiver granted under
20 subdivision (h):

21 (i) If the waiver is for a blended model of delivery, a waiver
22 that is granted for the 2011-2012 fiscal year or a subsequent
23 fiscal year remains in effect unless it is revoked by the
24 superintendent.

25 (ii) If the waiver is for a 100% online model of delivery and
26 the educational program for which the waiver is granted makes
27 educational services available to pupils for a minimum of at least

1 1,098 hours during a school year and ensures that each pupil
2 participates in the educational program for at least 1,098 hours
3 during a school year, a waiver that is granted for the 2011-2012
4 fiscal year or a subsequent fiscal year remains in effect unless it
5 is revoked by the superintendent.

6 (iii) A waiver that is not a waiver described in subparagraph
7 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
8 to remain in effect.

9 (j) The superintendent shall promulgate rules for the
10 implementation of this subsection.

11 (4) Except as otherwise provided in this subsection, the first
12 6 days or the equivalent number of hours for which pupil
13 instruction is not provided because of conditions not within the
14 control of school authorities, such as severe storms, fires,
15 epidemics, utility power unavailability, water or sewer failure, or
16 health conditions as defined by the city, county, or state health
17 authorities, shall be counted as hours and days of pupil
18 instruction. With the approval of the superintendent of public
19 instruction, the department shall count as hours and days of pupil
20 instruction for a fiscal year not more than 3 additional days or
21 the equivalent number of additional hours for which pupil
22 instruction is not provided in a district due to unusual and
23 extenuating occurrences resulting from conditions not within the
24 control of school authorities such as those conditions described in
25 this subsection. Subsequent such hours or days shall not be counted
26 as hours or days of pupil instruction.

27 (5) A district shall not forfeit part of its state aid

1 appropriation because it adopts or has in existence an alternative
2 scheduling program for pupils in kindergarten if the program
3 provides at least the number of hours required under subsection (3)
4 for a full-time equated membership for a pupil in kindergarten as
5 provided under section 6(4).

6 (6) In addition to any other penalty or forfeiture under this
7 section, if at any time the department determines that 1 or more of
8 the following have occurred in a district, the district shall
9 forfeit in the current fiscal year beginning in the next payment to
10 be calculated by the department a proportion of the funds due to
11 the district under this article that is equal to the proportion
12 below the required minimum number of hours and days of pupil
13 instruction under subsection (3), as specified in the following:

14 (a) The district fails to operate its schools for at least the
15 required minimum number of hours and days of pupil instruction
16 under subsection (3) in a school year, including hours and days
17 counted under subsection (4).

18 (b) The board of the district takes formal action not to
19 operate its schools for at least the required minimum number of
20 hours and days of pupil instruction under subsection (3) in a
21 school year, including hours and days counted under subsection (4).

22 (7) In providing the minimum number of hours and days of pupil
23 instruction required under subsection (3), a district shall use the
24 following guidelines, and a district shall maintain records to
25 substantiate its compliance with the following guidelines:

26 (a) Except as otherwise provided in this subsection, a pupil
27 must be scheduled for at least the required minimum number of hours

1 of instruction, excluding study halls, or at least the sum of 90
2 hours plus the required minimum number of hours of instruction,
3 including up to 2 study halls.

4 (b) The time a pupil is assigned to any tutorial activity in a
5 block schedule may be considered instructional time, unless that
6 time is determined in an audit to be a study hall period.

7 (c) Except as otherwise provided in this subdivision, a pupil
8 in grades 9 to 12 for whom a reduced schedule is determined to be
9 in the individual pupil's best educational interest must be
10 scheduled for a number of hours equal to at least 80% of the
11 required minimum number of hours of pupil instruction to be
12 considered a full-time equivalent pupil. A pupil in grades 9 to 12
13 who is scheduled in a 4-block schedule may receive a reduced
14 schedule under this subsection if the pupil is scheduled for a
15 number of hours equal to at least 75% of the required minimum
16 number of hours of pupil instruction to be considered a full-time
17 equivalent pupil.

18 (d) If a pupil in grades 9 to 12 who is enrolled in a
19 cooperative education program or a special education pupil cannot
20 receive the required minimum number of hours of pupil instruction
21 solely because of travel time between instructional sites during
22 the school day, that travel time, up to a maximum of 3 hours per
23 school week, shall be considered to be pupil instruction time for
24 the purpose of determining whether the pupil is receiving the
25 required minimum number of hours of pupil instruction. However, if
26 a district demonstrates to the satisfaction of the department that
27 the travel time limitation under this subdivision would create

1 undue costs or hardship to the district, the department may
2 consider more travel time to be pupil instruction time for this
3 purpose.

4 (e) In grades 7 through 12, instructional time that is part of
5 a junior reserve officer training corps (JROTC) program shall be
6 considered to be pupil instruction time regardless of whether the
7 instructor is a certificated teacher if all of the following are
8 met:

9 (i) The instructor has met all of the requirements established
10 by the United States Department of Defense and the applicable
11 branch of the armed services for serving as an instructor in the
12 junior reserve officer training corps program.

13 (ii) The board of the district or intermediate district
14 employing or assigning the instructor complies with the
15 requirements of sections 1230 and 1230a of the revised school code,
16 MCL 380.1230 and 380.1230a, with respect to the instructor to the
17 same extent as if employing the instructor as a regular classroom
18 teacher.

19 (8) Except as otherwise provided in subsections (11) and (12),
20 the department shall apply the guidelines under subsection (7) in
21 calculating the full-time equivalency of pupils.

22 (9) Upon application by the district for a particular fiscal
23 year, the superintendent shall waive for a district the minimum
24 number of hours and days of pupil instruction requirement of
25 subsection (3) for a department-approved alternative education
26 program or another innovative program approved by the department,
27 including a 4-day school week. If a district applies for and

1 receives a waiver under this subsection and complies with the terms
2 of the waiver, the district is not subject to forfeiture under this
3 section for the specific program covered by the waiver. If the
4 district does not comply with the terms of the waiver, the amount
5 of the forfeiture shall be calculated based upon a comparison of
6 the number of hours and days of pupil instruction actually provided
7 to the minimum number of hours and days of pupil instruction
8 required under subsection (3). Pupils enrolled in a department-
9 approved alternative education program under this subsection shall
10 be reported to the center in a form and manner determined by the
11 center. All of the following apply to a waiver granted under this
12 subsection:

13 (a) If the waiver is for a blended model of delivery, a waiver
14 that is granted for the 2011-2012 fiscal year or a subsequent
15 fiscal year remains in effect unless it is revoked by the
16 superintendent.

17 (b) If the waiver is for a 100% online model of delivery and
18 the educational program for which the waiver is granted makes
19 educational services available to pupils for a minimum of at least
20 1,098 hours during a school year and ensures that each pupil is on
21 track for course completion at proficiency level, a waiver that is
22 granted for the 2011-2012 fiscal year or a subsequent fiscal year
23 remains in effect unless it is revoked by the superintendent.

24 (c) A waiver that is not a waiver described in subdivision (a)
25 or (b) is valid for 1 fiscal year and must be renewed annually to
26 remain in effect.

27 (10) Until 2014-2015, a district may count up to 38 hours of

1 qualifying professional development for teachers as hours of pupil
2 instruction. However, if a collective bargaining agreement that
3 provides for the counting of up to 38 hours of qualifying
4 professional development for teachers as pupil instruction is in
5 effect for employees of a district as of July 1, 2013, then until
6 the school year that begins after the expiration of that collective
7 bargaining agreement a district may count up to the contractually
8 specified number of hours of qualifying professional development
9 for teachers as hours of pupil instruction. Professional
10 development provided online is allowable and encouraged, as long as
11 the instruction has been approved by the district. The department
12 shall issue a list of approved online professional development
13 providers, which shall include the Michigan Virtual School. As used
14 in this subsection, "qualifying professional development" means
15 professional development that is focused on 1 or more of the
16 following:

17 (a) Achieving or improving adequate yearly progress as defined
18 under the no child left behind act of 2001, Public Law 107-110.

19 (b) Achieving accreditation or improving a school's
20 accreditation status under section 1280 of the revised school code,
21 MCL 380.1280.

22 (c) Achieving highly qualified teacher status as defined under
23 the no child left behind act of 2001, Public Law 107-110.

24 (d) Integrating technology into classroom instruction.

25 (e) Maintaining teacher certification.

26 (11) Subsections (3) and (8) do not apply to a school of
27 excellence that is a cyber school, as defined in section 551 of the

1 revised school code, MCL 380.551, and is in compliance with section
2 553a of the revised school code, MCL 380.553a.

3 (12) Subsections (3) and (8) do not apply to eligible pupils
4 enrolled in a dropout recovery program that meets the requirements
5 of section 23a. As used in this subsection, "eligible pupil" means
6 that term as defined in section 23a.

7 (13) Beginning in 2013, at least every 2 years the
8 superintendent shall review the waiver standards set forth in the
9 pupil accounting and auditing manuals to ensure that the waiver
10 standards and waiver process continue to be appropriate and
11 responsive to changing trends in online learning. The
12 superintendent shall solicit and consider input from stakeholders
13 as part of this review.

14 Sec. 102d. (1) From the funds appropriated in section 11,
15 there is allocated an amount not to exceed \$1,500,000.00 for ~~2015-~~
16 ~~2016-2016-2017~~ for reimbursements to districts **AND INTERMEDIATE**
17 **DISTRICTS** for the licensing of school data analytical tools as
18 described under this section. The reimbursement is for districts
19 **AND INTERMEDIATE DISTRICTS** that choose to use a school data
20 analytical tool to assist the district **OR INTERMEDIATE DISTRICT** and
21 that enter into a licensing agreement for a school data analytical
22 tool with 1 of the vendors approved by the department of
23 technology, management, and budget under subsection (2). **FUNDS**
24 **ALLOCATED UNDER THIS SECTION ARE INTENDED TO PROVIDE DISTRICTS AND**
25 **INTERMEDIATE DISTRICTS WITH FINANCIAL FORECASTING AND TRANSPARENCY**
26 **REPORTING TOOLS TO HELP IMPROVE THE FINANCIAL HEALTH OF DISTRICTS**
27 **AND TO IMPROVE COMMUNICATION WITH THE PUBLIC, RESULTING IN**

1 INCREASED FUND BALANCES FOR DISTRICTS AND INTERMEDIATE DISTRICTS.

2 (2) Not later than October 15, ~~2015, 2016~~, the department of
 3 technology, management, and budget shall review vendors for school
 4 data analytical tools and provide districts **AND INTERMEDIATE**
 5 **DISTRICTS** with a list of ~~at least 2 and up to 4-2~~ approved vendors
 6 that districts **AND INTERMEDIATE DISTRICTS** may use to be eligible
 7 for a reimbursement paid under this section. ~~For a vendor to be~~
 8 ~~approved under this section, the department of technology,~~
 9 ~~management, and budget must determine that the~~ **IN ADDITION, A**
 10 **VENDOR APPROVED UNDER THIS SECTION FOR 2015-2016 IS CONSIDERED TO**
 11 **BE APPROVED FOR USE BY A DISTRICT OR INTERMEDIATE DISTRICT AND FOR**
 12 **REIMBURSEMENT FOR 2016-2017. AN APPROVED** school data analytical
 13 tool supplied by the vendor ~~meets~~ **MUST MEET** at least all of the
 14 following:

- 15 (a) Analyzes financial data.
- 16 (b) Analyzes academic data.
- 17 (c) Provides early warning indicators of financial stress.
- 18 (d) Has the capability to provide peer district comparisons of
- 19 both financial and academic data.
- 20 (e) Has the capability to provide financial projections for at
- 21 least 3 subsequent fiscal years.

22 (3) Funds allocated under this section shall be paid to
 23 districts **AND INTERMEDIATE DISTRICTS** as a reimbursement for already
 24 having a licensing agreement or for entering into a licensing
 25 agreement not later than December 1, ~~2015-2016~~ with a vendor
 26 approved under subsection (2) to implement a school data analytical
 27 tool. **REIMBURSEMENT WILL BE PRORATED FOR THE PORTION OF THE STATE**

1 FISCAL YEAR NOT COVERED BY THE LICENSING AGREEMENT. HOWEVER, A
2 LICENSING AGREEMENT THAT TAKES EFFECT AFTER OCTOBER 1, 2016 AND
3 BEFORE DECEMBER 1, 2016 WILL NOT BE PRORATED IF THE TERM OF THE
4 AGREEMENT IS AT LEAST 1 YEAR. Reimbursement under this section
5 shall be made ~~on an equal per pupil basis~~. AS FOLLOWS:

6 (A) ALL DISTRICTS AND INTERMEDIATE DISTRICTS SEEKING
7 REIMBURSEMENT SHALL SUBMIT REQUESTS NOT LATER THAN DECEMBER 1, 2016
8 INDICATING THE COST PAID FOR THE FINANCIAL DATA ANALYTICAL TOOL.

9 (B) THE DEPARTMENT SHALL DETERMINE THE SUM OF THE FUNDING
10 REQUESTS UNDER SUBDIVISION (A) AND, IF THERE ARE SUFFICIENT FUNDS,
11 SHALL PAY 1/2 OF THE COSTS SUBMITTED UNDER SUBDIVISION (A). IF
12 THERE ARE INSUFFICIENT FUNDS TO PAY 1/2 OF THE COSTS SUBMITTED
13 UNDER (A), THEN REIMBURSEMENT SHALL BE MADE ON AN EQUAL PERCENTAGE
14 BASIS.

15 (C) FUNDS REMAINING AFTER THE CALCULATION AND PAYMENT UNDER
16 SUBDIVISION (B) SHALL BE DISTRIBUTED ON AN EQUAL PER-PUPIL BASIS,
17 WITH AN INTERMEDIATE DISTRICT'S PUPILS CONSIDERED TO BE THE SUM OF
18 THE PUPIL MEMBERSHIPS OF THE CONSTITUENT DISTRICTS FOR WHICH THE
19 INTERMEDIATE DISTRICT IS PURCHASING THE FINANCIAL DATA ANALYTICAL
20 TOOL.

21 (D) THE REIMBURSEMENT TO A DISTRICT OR INTERMEDIATE DISTRICT
22 SHALL NOT BE GREATER THAN THE AMOUNT PAID FOR A DATA ANALYTICS
23 APPLICATION.

24 (E) A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT BE
25 REIMBURSED FOR THE PURCHASE OF MORE THAN 1 SOFTWARE APPLICATION.

26 (4) Notwithstanding section 17b, payments under this section
27 shall be made on a schedule determined by the department.

1 Sec. 104. (1) In order to receive state aid under this
2 article, a district shall comply with sections 1249, 1278a, 1278b,
3 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
4 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
5 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
6 the state school aid fund money appropriated in section 11, there
7 is allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
8 ~~\$43,994,400.00~~ **\$33,894,400.00** for payments on behalf of districts
9 for costs associated with complying with those provisions of law.
10 In addition, from the federal funds appropriated in section 11,
11 there is allocated for ~~2015-2016-2016-2017~~ an amount estimated at
12 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
13 funds, and from DED-OSERS, section 504 of part B of the individuals
14 with disabilities education act, Public Law 94-142, plus any
15 carryover federal funds from previous year appropriations, for the
16 purposes of complying with the federal no child left behind act of
17 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC**
18 **LAW 114-95.**

19 (2) The results of each test administered as part of the
20 Michigan student test of educational progress (M-STEP), including
21 tests administered to high school students, shall include an item
22 analysis that lists all items that are counted for individual pupil
23 scores and the percentage of pupils choosing each possible
24 response. **THE DEPARTMENT SHALL WORK WITH THE CENTER TO IDENTIFY THE**
25 **NUMBER OF STUDENTS ENROLLED AT THE TIME ASSESSMENTS ARE GIVEN BY**
26 **EACH DISTRICT. IN CALCULATING THE PERCENTAGE OF PUPILS ASSESSED FOR**
27 **A DISTRICT'S SCORECARD, THE DEPARTMENT SHALL USE ONLY THE NUMBER OF**

1 PUPILS ENROLLED IN THE DISTRICT AT THE TIME THE DISTRICT
2 ADMINISTERS THE ASSESSMENTS AND SHALL EXCLUDE PUPILS WHO ENROLL IN
3 THE DISTRICT AFTER THE DISTRICT ADMINISTERS THE ASSESSMENTS.

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

8 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
9 AN AMOUNT NOT TO EXCEED \$185,000.00 FOR THE IMPLEMENTATION OF A
10 KINDERGARTEN READINESS ASSESSMENT PILOT PROJECT IN 2016-2017. THE
11 FUNDING WOULD BE ALLOCATED TO AN INTERMEDIATE DISTRICT LOCATED IN A
12 PROSPERITY REGION WITH 2 OR MORE SUBREGIONS TO PARTICIPATE IN THE
13 MARYLAND-OHIO PILOT AND COVER THE COST OF A CONTRACT WITH A
14 UNIVERSITY FOR IMPLEMENTATION OF VERSION 1.75 OF THE KINDERGARTEN
15 READINESS ASSESSMENT TOOL. THE KINDERGARTEN READINESS ASSESSMENT
16 PILOT SHALL ASSESS AN ESTIMATED 4,000 CHILDREN, AND THE DESIGNATED
17 INTERMEDIATE DISTRICT SHALL WORK WITH OTHER INTERMEDIATE DISTRICTS
18 TO IMPLEMENT THE PILOT PROJECT, ENGAGE WITH THE OFFICE OF GREAT
19 START AND THE DEPARTMENT, AND PROVIDE A REPORT TO THE LEGISLATURE
20 ON THE EFFICACY AND USEFULNESS OF A KINDERGARTEN READINESS
21 ASSESSMENT. ALLOWABLE COSTS UNDER THIS PILOT PROGRAM INCLUDE THOSE
22 INCURRED IN AUGUST AND SEPTEMBER 2016.

23 (5) THE DEPARTMENT SHALL CONTINUE TO MAKE THE KINDERGARTEN
24 ENTRY ASSESSMENT DEVELOPED BY THE DEPARTMENT AND FIELD TESTED IN
25 2015-2016 AVAILABLE TO DISTRICTS IN 2016-2017.

26 (6) THE DEPARTMENT MAY RECOMMEND, BUT MAY NOT REQUIRE,
27 DISTRICTS TO ALLOW PUPILS TO USE AN EXTERNAL KEYBOARD WITH TABLET

1 DEVICES FOR ONLINE M-STEP TESTING, INCLUDING, BUT NOT LIMITED TO,
2 OPEN-ENDED TEST ITEMS SUCH AS CONSTRUCTED RESPONSE OR EQUATION
3 BUILDER ITEMS.

4 (7) ~~(4)~~ Notwithstanding section 17b, payments on behalf of
5 districts, intermediate districts, and other eligible entities
6 under this section shall be paid on a schedule determined by the
7 department.

8 ~~— (5) From the allocation in subsection (1), there is allocated~~
9 ~~an amount not to exceed \$8,500,000.00 for the following purposes:~~

10 ~~— (a) Converting existing student assessments to online~~
11 ~~assessments.~~

12 ~~— (b) Providing paper and pencil test versions to districts not~~
13 ~~prepared to implement online assessments.~~

14 ~~— (c) Expanding writing assessments to additional grade levels.~~

15 ~~— (d) Providing an increased number of constructed response test~~
16 ~~questions so that pupils can demonstrate higher order skills such~~
17 ~~as problem solving and communicating reasoning.~~

18 (8) ~~(6)~~ From the allocation in subsection (1), there is
19 allocated an amount not to exceed \$3,200,000.00 for the development
20 or selection of an online reporting tool to provide student-level
21 assessment data in a secure environment to educators, parents, and
22 pupils immediately after assessments are scored. The department and
23 the center shall ensure that any data collected by the online
24 reporting tool do not provide individually identifiable student
25 data to the federal government.

26 (9) ~~(7)~~ From the allocation in subsection (1), there is
27 allocated an amount not to exceed \$5,600,000.00 for the purpose of

1 implementing a summative assessment system pursuant to section
2 104c.

3 (10) ~~(8)~~—As used in this section:

4 (a) "DED" means the United States Department of Education.

5 (b) "DED-OESE" means the DED Office of Elementary and
6 Secondary Education.

7 (c) "DED-OSERS" means the DED Office of Special Education and
8 Rehabilitative Services.

9 Sec. 104b. (1) In order to receive state aid under this
10 article, a district shall comply with this section and shall
11 administer the Michigan merit examination to pupils in grade 11,
12 and to pupils in grade 12 who did not take the complete Michigan
13 merit examination in grade 11, as provided in this section. The
14 Michigan merit examination consists of a college entrance test,
15 work skills test, and the summative assessment known as the
16 Michigan student test of educational progress (M-STEP).

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

22 (a) Assessment instruments that measure English language arts,
23 mathematics, reading, and science, and are used by the majority of
24 colleges and universities in this state for entrance purposes. This
25 may include 1 or more writing components. In selecting assessment
26 instruments to fulfill the requirements of this subdivision, the
27 department may consider the degree to which those assessment

1 instruments are aligned to this state's content standards.

2 (b) One or more tests from 1 or more test developers that
3 assess a pupil's ability to apply at least reading and mathematics
4 skills in a manner that is intended to allow employers to use the
5 results in making employment decisions. The department of
6 technology, management, and budget and the superintendent shall
7 ensure that any test or tests selected under this subdivision have
8 all the components necessary to allow a pupil to be eligible to
9 receive the results of a nationally recognized evaluation of
10 workforce readiness if the pupil's test performance is adequate.

11 (c) A social studies component.

12 (d) Any other component that is necessary to obtain the
13 approval of the United States Department of Education to use the
14 Michigan merit examination for the purposes of the no child left
15 behind act of 2001, Public Law 107-110, **OR THE EVERY STUDENT**
16 **SUCCEEDS ACT, PUBLIC LAW 114-95.**

17 (3) In addition to all other requirements of this section, all
18 of the following apply to the Michigan merit examination:

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

27 (b) The department of technology, management, and budget and

1 the superintendent shall ensure that any contractor used for
2 scoring, developing, or processing the Michigan merit examination
3 meets quality management standards commonly used in the assessment
4 industry, including at least meeting level 2 of the capability
5 maturity model developed by the Software Engineering Institute of
6 Carnegie Mellon University for the first year the Michigan merit
7 examination is offered to all grade 11 pupils and at least meeting
8 level 3 of the capability maturity model for subsequent years.

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

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

19 (i) Is designed to test pupils on this state's content
20 standards in all subjects tested.

21 (ii) Complies with requirements of the no child left behind
22 act of 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT,**
23 **PUBLIC LAW 114-95.**

24 (iii) Is consistent with the code of fair testing practices in
25 education prepared by the Joint Committee on Testing Practices of
26 the American Psychological Association.

27 (iv) Is factually accurate. If the superintendent determines

1 that a question is not factually accurate and should be excluded
2 from scoring, the state board and the superintendent shall ensure
3 that the question is excluded from scoring.

4 (4) A district shall include on each pupil's high school
5 transcript all of the following:

6 (a) For each high school graduate who has completed the
7 Michigan merit examination under this section, the pupil's scaled
8 score on each subject area component of the Michigan merit
9 examination.

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

13 (5) The superintendent shall work with the provider or
14 providers of the Michigan merit examination to produce Michigan
15 merit examination subject area scores for each pupil participating
16 in the Michigan merit examination. To the extent that the
17 department determines that additional test items beyond those
18 included in the college entrance component of the Michigan merit
19 examination are required in a particular subject area, the
20 department shall ensure that all test items in that subject area
21 are scaled and merged for the purposes of producing a Michigan
22 merit examination subject area score. The superintendent shall
23 design and distribute to districts, intermediate districts, and
24 nonpublic schools a simple and concise document that describes the
25 scoring for each subject area and indicates the scaled score ranges
26 for each subject area.

27 (6) The Michigan merit examination shall be administered in

1 each district during the last 12 weeks of the district's school
2 year. The superintendent shall ensure that the Michigan merit
3 examination is scored and the scores are returned to pupils, their
4 parents or legal guardians, and districts not later than the
5 beginning of the pupil's first semester of grade 12. The returned
6 scores shall indicate at least the pupil's scaled score for each
7 subject area component and the range of scaled scores for each
8 subject area. In reporting the scores to pupils, parents, and
9 schools, the superintendent shall provide standards-specific,
10 meaningful, and timely feedback on the pupil's performance on the
11 Michigan merit examination.

12 (7) A district shall administer the complete Michigan merit
13 examination to a pupil only once and shall not administer the
14 complete Michigan merit examination to the same pupil more than
15 once. If a pupil does not take the complete Michigan merit
16 examination in grade 11, the district shall administer the complete
17 Michigan merit examination to the pupil in grade 12. If a pupil
18 chooses to retake the college entrance examination component of the
19 Michigan merit examination, as described in subsection (2)(a), the
20 pupil may do so through the provider of the college entrance
21 examination component and the cost of the retake is the
22 responsibility of the pupil unless all of the following are met:

23 (a) The pupil has taken the complete Michigan merit
24 examination.

25 (b) The pupil meets the income eligibility criteria for free
26 breakfast, lunch, or milk, as determined under the Richard B.
27 Russell national school lunch act, 42 USC 1751 to 1769i.

1 (c) The pupil has applied to the provider of the college
2 entrance examination component for a scholarship or fee waiver to
3 cover the cost of the retake and that application has been denied.

4 (d) After taking the complete Michigan merit examination, the
5 pupil has not already received a free retake of the college
6 entrance examination component paid for either by this state or
7 through a scholarship or fee waiver by the provider.

8 (8) The superintendent shall ensure that the length of the
9 Michigan merit examination and the combined total time necessary to
10 administer all of the components of the Michigan merit examination
11 are the shortest possible that will still maintain the degree of
12 reliability and validity of the Michigan merit examination results
13 determined necessary by the superintendent. The superintendent
14 shall ensure that the maximum total combined length of time that
15 schools are required to set aside for pupils to answer all test
16 questions on the Michigan merit examination does not exceed 8 hours
17 if the superintendent determines that sufficient alignment to
18 applicable Michigan merit curriculum content standards can be
19 achieved within that time limit.

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

1 shall mutually agree upon the accommodations to be provided under
2 this subsection.

3 (10) To the greatest extent possible, the Michigan merit
4 examination shall be based on this state's content standards, as
5 appropriate. Annually, after each administration of the Michigan
6 merit examination, the department shall provide a report of the
7 points per standard so that teachers will know what content will be
8 covered within the Michigan merit examination. The department may
9 augment the college entrance and work skills components of the
10 Michigan merit examination to develop the assessment, depending on
11 the alignment of those components to this state's content
12 standards. If these components do not align to these standards, the
13 department shall produce additional components as required by law,
14 while minimizing the amount of time needed for assessments.

15 (11) A child who is a student in a nonpublic school or home
16 school may take the Michigan merit examination under this section.
17 To take the Michigan merit examination, a child who is a student in
18 a home school shall contact the district in which the child
19 resides, and that district shall administer the Michigan merit
20 examination, or the child may take the Michigan merit examination
21 at a nonpublic school if allowed by the nonpublic school. Upon
22 request from a nonpublic school, the superintendent shall direct
23 the provider or providers to supply the Michigan merit examination
24 to the nonpublic school and the nonpublic school may administer the
25 Michigan merit examination. If a district administers the Michigan
26 merit examination under this subsection to a child who is not
27 enrolled in the district, the scores for that child are not

1 considered for any purpose to be scores of a pupil of the district.

2 (12) In contracting under subsection (2), the department of
3 technology, management, and budget shall consider a contractor that
4 provides electronically-scored essays with the ability to score
5 constructed response feedback in multiple languages and provide
6 ongoing instruction and feedback.

7 (13) The purpose of the Michigan merit examination is to
8 assess pupil performance in mathematics, science, social studies,
9 and English language arts for the purpose of improving academic
10 achievement and establishing a statewide standard of competency.
11 The assessment under this section provides a common measure of data
12 that will contribute to the improvement of Michigan schools'
13 curriculum and instruction by encouraging alignment with Michigan's
14 curriculum framework standards and promotes pupil participation in
15 higher level mathematics, science, social studies, and English
16 language arts courses. These standards are based upon the
17 expectations of what pupils should learn through high school and
18 are aligned with national standards.

19 (14) For a pupil enrolled in a middle college program, other
20 than a middle college operated as a shared educational entity or a
21 specialized shared educational entity, if the pupil receives at
22 least 50% of his or her instruction at the high school while in
23 grade 11, the Michigan merit examination shall be administered to
24 the pupil at the high school at which the pupil receives high
25 school instruction, and the department shall include the pupil's
26 scores on the Michigan merit examination in the scores for that
27 high school for all purposes for which a school's or district's

1 results are reported. The department shall allow the middle college
2 program to use a 5-year graduation rate for determining adequate
3 yearly progress. As used in this subsection, "middle college" means
4 a program consisting of a series of courses and other requirements
5 and conditions, including an early college or other program created
6 under a memorandum of understanding, that allows a pupil to
7 graduate from high school with both a high school diploma and a
8 certificate or degree from a community college or state public
9 university.

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 Sec. 104c. (1) In order to receive state aid under this
15 article, a district shall administer the state assessments
16 described in this section.

17 (2) For the purposes of this section, the department shall
18 develop for use in the spring of 2015-2016 the Michigan student
19 test of educational progress (M-STEP) assessments in English
20 language arts and mathematics. These assessments shall be aligned
21 to state standards.

22 (3) For the purposes of this section, the department shall
23 implement a summative assessment system that is proven to be valid
24 and reliable for administration to pupils as provided under this
25 subsection. The summative assessment system shall meet all of the
26 following requirements:

27 (a) The summative assessment system shall measure student

1 proficiency on the current state standards, shall measure student
2 growth for consecutive grade levels in which students are assessed
3 in the same subject area in both grade levels, and shall be capable
4 of measuring individual student performance.

5 (b) The summative assessments for English language arts and
6 mathematics shall be administered to all public school pupils in
7 grades 3 to 11, including those pupils as required by the federal
8 individuals with disabilities education act, Public Law 108-446,
9 and by title I of the federal elementary and secondary education
10 act.

11 (c) The summative assessments for science shall be
12 administered to all public school pupils in at least grades 4 and
13 7, including those pupils as required by the federal individuals
14 with disabilities education act, Public Law 108-446, and by title I
15 of the federal elementary and secondary education act.

16 (d) The summative assessments for social studies shall be
17 administered to all public school pupils in at least grades 5 and
18 8, including those pupils as required by the federal individuals
19 with disabilities education act, Public Law 108-446, and by title I
20 of the federal elementary and secondary education act.

21 (e) The content of the summative assessments shall be aligned
22 to state standards.

23 (f) The pool of questions for the summative assessments shall
24 be subject to a transparent review process for quality, bias, and
25 sensitive issues involving educator review and comment. The
26 department shall post samples from tests or retired tests featuring
27 questions from this pool for review by the public.

1 (g) The summative assessment system shall ensure that
2 students, parents, and teachers are provided with reports that
3 convey individual student proficiency and growth on the assessment
4 and that convey individual student domain-level performance in each
5 subject area, including representative questions, and individual
6 student performance in meeting state standards.

7 (h) The summative assessment system shall be capable of
8 providing, and the department shall ensure that students, parents,
9 teachers, administrators, and community members are provided with,
10 reports that convey aggregate student proficiency and growth data
11 by teacher, grade, school, and district.

12 (i) The summative assessment system shall ensure the
13 capability of reporting the available data to support educator
14 evaluations.

15 (j) The summative assessment system shall ensure that the
16 reports provided to districts containing individual student data
17 are available within 60 days after completion of the assessments.

18 (k) The summative assessment system shall ensure that access
19 to individually identifiable student data meets all of the
20 following:

21 (i) Is in compliance with 20 USC 1232g, commonly referred to
22 as the family educational rights and privacy act of 1974.

23 (ii) Except as may be provided for in an agreement with a
24 vendor to provide assessment services, as necessary to support
25 educator evaluations pursuant to subdivision (i), or for research
26 or program evaluation purposes, is available only to the student;
27 to the student's parent or legal guardian; and to a school

1 administrator or teacher, to the extent that he or she has a
2 legitimate educational interest.

3 (l) The summative assessment system shall ensure that the
4 assessments are pilot tested before statewide implementation.

5 (m) The summative assessment system shall ensure that
6 assessments are designed so that the maximum total combined length
7 of time that schools are required to set aside for a pupil to
8 answer all test questions on all assessments that are part of the
9 system for the pupil's grade level does not exceed that maximum
10 total combined length of time for the previous statewide assessment
11 system or 9 hours, whichever is less. This subdivision does not
12 limit the amount of time a district may allow a pupil to complete a
13 test.

14 (n) The total cost of executing the summative assessment
15 system statewide each year, including, but not limited to, the cost
16 of contracts for administration, scoring, and reporting, shall not
17 exceed an amount equal to 2 times the cost of executing the
18 previous statewide assessment after adjustment for inflation.

19 (4) Beginning in the 2015-2016 school year, the department
20 shall field test ~~additional components in the assessment system~~
21 ~~under this subsection~~ **ASSESSMENTS IN THE FALL AND SPRING OF EACH**
22 **SCHOOL YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN**
23 **EACH OF GRADES K TO 2** for full implementation in ~~the 2016-2017~~
24 ~~SUBSEQUENT~~ school year. ~~The additional components~~ **YEARS. THESE**
25 **ASSESSMENTS** are necessary to determine a pupil's proficiency level
26 before grade 3. ~~The additional components are as follows:~~

27 ~~— (a) Assessments administered in the fall and spring of each~~

~~year to measure English language arts and mathematics in each of grades 1 and 2.~~

~~— (b) The kindergarten entry assessment (KEA), to be administered in the fall of the kindergarten year. The KEA shall include the same components as under subdivision (a) and also may include observational components that measure cognitive, social-emotional, and physical skills.~~

(5) This section does not prohibit districts from adopting interim assessments.

(6) As used in this section, "English language arts" means that term as defined in section 104b.

Sec. 104d. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2015-2016-2016-~~ **2017** an amount not to exceed \$4,000,000.00 for providing reimbursement to districts that purchase a computer-adaptive test, ~~for each pupil enrolled in the district~~ or that purchase 1 or more diagnostic tools, screening tools, or benchmark assessments for pupils in grades K to 3 that are intended to increase reading proficiency by grade 4.

(2) In order to receive reimbursement under this section for the purchase of a computer-adaptive test, the computer-adaptive test must provide for at least all of the following:

(a) Internet-delivered, standards-based assessment using a computer-adaptive model to target the instructional level of each pupil.

(b) Unlimited testing opportunities throughout the ~~2015-2016~~ **2016-2017** school year.

1 (c) Valid and reliable diagnostic assessment data.

2 (d) Adjustment of testing difficulty based on previous answers
3 to test questions.

4 (e) Immediate feedback to pupils and teachers.

5 (3) In order to receive reimbursement under this section for
6 the purchase of 1 or more diagnostic tools or screening tools for
7 pupils in grades K to 3, each of the tools must meet all of the
8 following:

9 (a) Be reliable.

10 (b) Be valid.

11 (c) Be useful. As used in this subdivision, "useful" means
12 that a tool is easy to administer and requires a short time to
13 complete and that results are linked to intervention.

14 (4) In order to receive funding under this section for the
15 purchase of 1 or more benchmark assessments for pupils in grades K
16 to 3, each of the benchmark assessments must meet all of the
17 following:

18 (a) Be aligned to the state standards of this state.

19 (b) Complement this state's summative assessment system.

20 (c) Be administered at least once a year before the
21 administration of any summative assessment to monitor pupil
22 progress.

23 (d) Provide information on pupil achievement with regard to
24 learning the content required in a given year or grade span.

25 (5) Reimbursement under this section shall be made to eligible
26 districts that purchase a computer-adaptive test or 1 or more
27 diagnostic tools, screening tools, or benchmark assessments

1 described in this section by October 15, ~~2015-2016~~ and shall be
2 made on an equal per-pupil basis according to the available
3 funding, **BASED ON THE NUMBER OF PUPILS FOR WHOM ASSESSMENTS WERE**
4 **PURCHASED.**

5 (6) In order to receive reimbursement under this section, a
6 district shall demonstrate to the satisfaction of the department
7 that each qualifying computer-adaptive test, diagnostic tool,
8 screening tool, or benchmark assessment was purchased by the
9 district by December 1, ~~2015-2016~~.

10 Sec. 107. (1) From the appropriation in section 11, there is
11 allocated an amount not to exceed \$25,000,000.00 for ~~2015-2016~~
12 **2016-2017** for adult education programs authorized under this
13 section. Except as otherwise provided under subsections ~~(16) and~~
14 ~~(18),~~ **(14) AND (15)**, funds allocated under this section are
15 restricted for adult education programs as authorized under this
16 section only. A recipient of funds under this section shall not use
17 those funds for any other purpose.

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

22 (3) To be eligible to be a participant funded under this
23 section, an individual shall be enrolled in an adult basic
24 education program, **AN ADULT SECONDARY EDUCATION PROGRAM**, an adult
25 English as a second language program, a high school equivalency
26 test preparation program, ~~a job or employment related program, or~~
27 a high school completion program, that meets the requirements of

1 this section, and for which instruction is provided, and shall meet
 2 either of the following: ~~, as applicable:~~

3 ~~—— (a) If the individual has achieved a high school equivalency~~
 4 ~~certificate, the individual meets 1 of the following:~~

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

9 ~~—— (ii) Is enrolled in an English as a second language program.~~

10 ~~—— (iii) Is enrolled in a high school completion program.~~

11 ~~—— (iv) Is at least 20 years of age on September 1 of the school~~
 12 ~~year, is enrolled in an adult basic education program, and is~~
 13 ~~determined by a department approved assessment, in a form and~~
 14 ~~manner prescribed by the department, to be below grade 9 level in~~
 15 ~~reading or mathematics, or both.~~

16 ~~—— (b) If the individual has not obtained a high school diploma~~
 17 ~~or high school equivalency certificate, the individual meets 1 of~~
 18 ~~the following:~~

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

21 ~~—— (ii) Is at least 16 years of age on September 1 of the school~~
 22 ~~year, has been permanently expelled from school under section~~
 23 ~~1311(2) or 1311a of the revised school code, MCL 380.1311 and~~
 24 ~~380.1311a, and has no appropriate alternative education program~~
 25 ~~available through his or her district of residence.~~

26 (A) HAS ATTAINED 20 YEARS OF AGE.

27 (B) HAS ATTAINED 18 YEARS OF AGE AND THE INDIVIDUAL'S

1 GRADUATING CLASS HAS GRADUATED.

2 (4) By April 1 of each fiscal year, the intermediate districts
3 within a prosperity region or subregion shall determine which
4 intermediate district will serve as the prosperity region's or
5 subregion's fiscal agent for the next fiscal year and shall notify
6 the department in a form and manner determined by the department.
7 The department shall approve or disapprove of the prosperity
8 region's or subregion's selected fiscal agent. From the funds
9 allocated under subsection (1), an amount as determined under this
10 subsection shall be allocated to each intermediate district serving
11 as a fiscal agent for adult education programs in each of the
12 prosperity regions or subregions identified by the department. An
13 intermediate district shall not use more than 5% of the funds
14 allocated under this subsection for administration costs for
15 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
16 allocation provided to each intermediate district serving as a
17 fiscal agent shall be based on the proportion of total funding
18 formerly received by the adult education providers in that
19 prosperity region or subregion in 2013-2014, and 33% shall be
20 allocated based on the factors in subdivisions (a), (b), and (c).
21 For ~~2016-2017,~~ **2017-2018**, 33% of the allocation provided to each
22 intermediate district serving as a fiscal agent shall be based upon
23 the proportion of total funding formerly received by the adult
24 education providers in that prosperity region in 2013-2014 and 67%
25 of the allocation shall be based upon the factors in subdivisions
26 (a), (b), and (c). Beginning in ~~2017-2018,~~ **2018-2019**, 100% of the
27 allocation provided to each intermediate district serving as a

1 fiscal agent shall be based on the factors in subdivisions (a),
2 (b), and (c). The funding factors for this section are as follows:

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

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

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

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

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

1 (b) Collaborate with the talent district career council, which
2 is an advisory council of the workforce development boards located
3 in the prosperity region or subregion, or its successor, to develop
4 a regional strategy that aligns adult education programs and
5 services into an efficient and effective delivery system for adult
6 education learners, with special consideration for providing
7 contextualized learning and career pathways **AND ADDRESSING BARRIERS**
8 **TO EDUCATION AND EMPLOYMENT.**

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

21 (d) Provide oversight to its adult education providers
22 throughout the program year to ensure compliance with the
23 requirements of this section.

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

26 ~~—— (6) The amount allocated under this section per full time~~
27 ~~equated participant shall not exceed \$2,850.00 for a 450 hour~~

~~program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.~~

(6) ~~(7)~~—An adult basic education program, **AN ADULT SECONDARY EDUCATION PROGRAM**, or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

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

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

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

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

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

(D) A PARTICIPANT IN AN ADULT SECONDARY EDUCATION PROGRAM IS ELIGIBLE FOR REIMBURSEMENT UNTIL 1 OF THE FOLLOWING OCCURS:

(i) THE PARTICIPANT'S READING AND MATHEMATICS PROFICIENCY ARE ASSESSED ABOVE THE TWELFTH GRADE LEVEL.

(ii) THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AFTER HAVING AT LEAST 450 HOURS OF INSTRUCTION.

(E) ~~(d)~~—A funding recipient enrolling a participant in an

1 English as a second language program is eligible for funding
2 according to subsection ~~(11)~~ (9) until the participant meets 1 of
3 the following:

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

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

12 (7) ~~(8)~~—A high school equivalency test preparation program
13 operated on a year-round or school year basis may be funded under
14 this section, subject to all of the following:

15 (a) The program enrolls adults who do not have a high school
16 diploma **OR A HIGH SCHOOL EQUIVALENCY CERTIFICATE.**

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

24 (c) A funding recipient shall receive funding according to
25 subsection ~~(11)~~ (9) for a participant, and a participant may be
26 enrolled in the program until 1 of the following occurs:

27 (i) The participant achieves a high school equivalency

1 certificate.

2 (ii) The participant fails to show progress on 2 successive
3 department-approved assessments used to determine readiness to take
4 a high school equivalency test after having completed at least 450
5 hours of instruction.

6 (8) ~~(9)~~—A high school completion program operated on a year-
7 round or school year basis may be funded under this section,
8 subject to all of the following:

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

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

14 (c) A funding recipient shall receive funding according to
15 subsection ~~(11)~~—(9) for a participant in a course offered under
16 this subsection until 1 of the following occurs:

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

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

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

25 ~~—(a) The program enrolls adults referred by their employer who~~
26 ~~are less than 20 years of age, have a high school diploma, are~~
27 ~~determined to be in need of remedial mathematics or communication~~

~~arts skills, and are not attending an institution of higher education.~~

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

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

~~—— (i) The individual achieves the requisite skills as determined by department approved assessment instruments.~~

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

(9) ~~(11)~~ A funding recipient shall receive payments under this section in accordance with **ALL OF** the following:

(a) ~~Eighty percent for enrollment of eligible participants.~~ **STATEWIDE ALLOCATION CRITERIA, INCLUDING 3-YEAR AVERAGE ENROLLMENTS, CENSUS DATA, AND LOCAL NEEDS.**

(b) ~~Twenty percent for participant~~ **PARTICIPANT** completion of the adult basic education objectives by achieving an educational gain as determined by the national reporting system levels; for achieving basic English proficiency, as determined by the department; for achieving a high school equivalency certificate or passage of 1 or more individual high school equivalency tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; for enrollment in a postsecondary institution, or for entry into or retention of

1 employment, as applicable.

2 (C) PARTICIPANT COMPLETION OF CORE INDICATORS AS IDENTIFIED IN
3 THE INNOVATION AND OPPORTUNITY ACT.

4 (D) ALLOWABLE EXPENDITURES.

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

14 (11) ~~(13)~~—An individual who is an inmate in a state
15 correctional facility shall not be counted as a participant under
16 this section.

17 (12) ~~(14)~~—A funding recipient shall not commingle money
18 received under this section or from another source for adult
19 education purposes with any other funds and shall establish a
20 separate ledger account for funds received under this section. This
21 subsection does not prohibit a district from using general funds of
22 the district to support an adult education or community education
23 program.

24 (13) ~~(15)~~—A funding recipient receiving funds under this
25 section may establish a sliding scale of tuition rates based upon a
26 participant's family income. A funding recipient may charge a
27 participant tuition to receive adult education services under this

1 section from that sliding scale of tuition rates on a uniform
2 basis. The amount of tuition charged per participant shall not
3 exceed the actual operating cost per participant minus any funds
4 received under this section per participant. A funding recipient
5 may not charge a participant tuition under this section if the
6 participant's income is at or below 200% of the federal poverty
7 guidelines published by the United States Department of Health and
8 Human Services.

9 **(14)** ~~(16)~~—In order to receive funds under this section, a
10 funding recipient shall furnish to the department, in a form and
11 manner determined by the department, all information needed to
12 administer this program and meet federal reporting requirements;
13 shall allow the department or the department's designee to review
14 all records related to the program for which it receives funds; and
15 shall reimburse the state for all disallowances found in the
16 review, as determined by the department. In addition, a funding
17 recipient shall agree to pay to a career and technical education
18 program under section 61a the amount of funding received under this
19 section in the proportion of career and technical education
20 coursework used to satisfy adult basic education programming, as
21 billed to the funding recipient by programs operating under section
22 61a.

23 ~~—— (17) All intermediate district participant audits of adult~~
24 ~~education programs shall be performed pursuant to the adult~~
25 ~~education participant auditing and accounting manuals published by~~
26 ~~the department.~~

27 **(15)** ~~(18)~~—From the amount appropriated in subsection (1), an

1 amount not to exceed \$500,000.00 shall be allocated for ~~2015-2016~~
2 **2016-2017** to not more than 1 pilot program that is located in a
3 prosperity region with 2 or more subregions and that connects adult
4 education participants directly with employers by linking adult
5 education, career and technical skills, and workforce development.
6 To be eligible for funding under this subsection, a pilot program
7 shall provide a collaboration linking adult education programs
8 within the county, the area career/technical center, and local
9 employers, and shall meet the additional criteria in subsections
10 ~~(19) and (20).~~ **(16) AND (17)**. Funding under this subsection for
11 ~~2015-2016-2016-2017~~ is for the ~~first~~ **SECOND** of 3 years of funding.

12 **(16)** ~~(19)~~ A pilot program funded under subsection ~~(18)~~ **(15)**
13 shall require adult education staff to work with Michigan works
14 agency to identify a cohort of participants who are most prepared
15 to successfully enter the workforce. Participants identified under
16 this subsection shall be dually enrolled in adult education
17 programming and at least 1 technical course at the area
18 career/technical center.

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

27 **(18)** ~~(21)~~ Not later than December 1, ~~2016,~~ **2017**, the pilot

1 program funded under subsection ~~(18)~~ **(15)** shall provide to the
 2 senate and house appropriations subcommittees on school aid and to
 3 the senate and house fiscal agencies a report detailing number of
 4 participants, graduation rates, and a measure of transitioning to
 5 employment.

6 **(19)** ~~(22)~~—The department shall develop an application process
 7 for a pilot program to be funded under subsection ~~(18)~~ **(15)** and
 8 shall award funding not later than ~~November 1, 2015.~~ **OCTOBER 1,**
 9 **2016.** Funding allocated under subsection ~~(18)~~ **(15)** may be paid on a
 10 schedule other than that specified under section 17b.

11 **(20)** ~~(23)~~—The department shall approve at least ~~1~~ **3** high
 12 school equivalency test ~~test~~ **TESTS** and determine whether a high school
 13 equivalency certificate meets the requisite standards for high
 14 school equivalency in this state.

15 **(21)** ~~(24)~~—As used in this section:

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

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

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

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

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

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

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

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

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

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

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

Sec. 147. (1) The allocation for ~~2015-2016~~ **2016-2017** for the public school employees' retirement system pursuant to the public

1 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
2 to 38.1408, shall be made using the individual projected benefit
3 entry age normal cost method of valuation and risk assumptions
4 adopted by the public school employees retirement board and the
5 department of technology, management, and budget.

6 (2) The annual level percentage of payroll contribution rates
7 for the ~~2015-2016~~ **2016-2017** fiscal year, as determined by the
8 retirement system, are estimated as follows:

9 (a) For public school employees who first worked for a public
10 school reporting unit before July 1, 2010 and who are enrolled in
11 the health premium subsidy, the annual level percentage of payroll
12 contribution rate is estimated at ~~36.31%~~ **36.64%**, with ~~25.78%~~
13 **24.94%** paid directly by the employer.

14 (b) For public school employees who first worked for a public
15 school reporting unit on or after July 1, 2010 and who are enrolled
16 in the health premium subsidy, the annual level percentage of
17 payroll contribution rate is estimated at ~~35.09%~~ **36.01%**, with
18 ~~24.56%~~ **24.31%** paid directly by the employer.

19 (c) For public school employees who first worked for a public
20 school reporting unit on or after July 1, 2010 and who participate
21 in the personal healthcare fund, the annual level percentage of
22 payroll contribution rate is estimated at ~~34.66%~~ **35.79%**, with
23 ~~24.13%~~ **24.09%** paid directly by the employer.

24 (d) For public school employees who first worked for a public
25 school reporting unit on or after September 4, 2012, who elect
26 defined contribution, and who participate in the personal
27 healthcare fund, the annual level percentage of payroll

1 contribution rate is estimated at ~~31.49%, 32.66%~~, with 20.96% paid
2 directly by the employer.

3 (e) For public school employees who first worked for a public
4 school reporting unit before July 1, 2010, who elect defined
5 contribution, and who are enrolled in the health premium subsidy,
6 the annual level percentage of payroll contribution rate is
7 estimated at ~~31.92%, 32.88%~~, with ~~21.39% 21.18%~~ paid directly by
8 the employer.

9 (f) For public school employees who first worked for a public
10 school reporting unit before July 1, 2010, who elect defined
11 contribution, and who participate in the personal healthcare fund,
12 the annual level percentage of payroll contribution rate is
13 estimated at ~~31.49%, 32.66%~~, with 20.96% paid directly by the
14 employer.

15 (g) For public school employees who first worked for a public
16 school reporting unit before July 1, 2010 and who participate in
17 the personal healthcare fund, the annual level percentage of
18 payroll contribution rate is estimated at ~~35.88%, 36.42%~~, with
19 ~~25.35% 24.72%~~ paid directly by the employer.

20 (3) In addition to the employer payments described in
21 subsection (2), the employer shall pay the applicable contributions
22 to the Tier 2 plan, as determined by the public school employees
23 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

24 (4) The contribution rates in subsection (2) reflect an
25 amortization period of ~~23-22~~ years for ~~2015-2016-2016-2017~~. The
26 public school employees' retirement system board shall notify each
27 district and intermediate district by February 28 of each fiscal

1 year of the estimated contribution rate for the next fiscal year.

2 Sec. 147a. From the appropriation in section 11, there is
3 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
4 \$100,000,000.00 for payments to participating districts. A district
5 that receives money under this section shall use that money solely
6 for the purpose of offsetting a portion of the retirement
7 contributions owed by the district for the fiscal year in which it
8 is received. The amount allocated to each participating district
9 under this section shall be based on each participating district's
10 percentage of the total statewide payroll for all participating
11 districts for the immediately preceding fiscal year. As used in
12 this section, "participating district" means a district that is a
13 reporting unit of the Michigan public school employees' retirement
14 system under the public school employees retirement act of 1979,
15 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to
16 the Michigan public school employees' retirement system for the
17 applicable fiscal year.

18 Sec. 147c. (1) From the appropriation in section 11, there is
19 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
20 ~~\$892,900,000.00~~ **\$982,200,000.00** from the state school aid fund for
21 payments to districts and intermediate districts that are
22 participating entities of the Michigan public school employees'
23 retirement system. In addition, from the general fund money
24 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
25 **2017** an amount not to exceed \$600,000.00 for payments to district
26 libraries that are participating entities of the Michigan public
27 school employees' retirement system.

1 (2) For ~~2015-2016~~, **2016-2017**, the amounts allocated under
2 subsection (1) are estimated to provide an average MPSERS rate cap
3 per pupil amount of ~~\$601.00~~ **\$660.00** and are estimated to provide a
4 rate cap per pupil for districts ranging between ~~\$4.00~~ **\$5.00** and
5 ~~\$2,300.00~~ **\$3,100.00**.

6 (3) Payments made under this section ~~for 2015-2016~~ shall be
7 equal to the difference between the unfunded actuarial accrued
8 liability contribution rate as calculated pursuant to section 41 of
9 the public school employees retirement act of 1979, 1980 PA 300,
10 MCL 38.1341, as calculated without taking into account the maximum
11 employer rate of 20.96% included in section 41 of the public school
12 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
13 maximum employer rate of 20.96% included in section 41 of the
14 public school employees retirement act of 1979, 1980 PA 300, MCL
15 38.1341.

16 (4) The amount allocated to each participating entity under
17 this section shall be based on each participating entity's
18 proportion of the total covered payroll for the immediately
19 preceding fiscal year for the same type of participating entities.
20 A participating entity that receives funds under this section shall
21 use the funds solely for the purpose of retirement contributions as
22 specified in subsection (5).

23 (5) Each participating entity receiving funds under this
24 section shall forward an amount equal to the amount allocated under
25 subsection (4) to the retirement system in a form, manner, and time
26 frame determined by the retirement system.

27 (6) Funds allocated under this section should be considered

1 when comparing a district's growth in total state aid funding from
2 1 fiscal year to the next.

3 (7) Not later than December 20, ~~2015~~, **2016**, the department
4 shall publish and post on its website an estimated MPERS rate cap
5 per pupil for each district.

6 (8) As used in this section:

7 (a) "MPERS rate cap per pupil" means an amount equal to the
8 quotient of the district's payment under this section divided by
9 the district's pupils in membership.

10 (b) "Participating entity" means a district, intermediate
11 district, or district library that is a reporting unit of the
12 Michigan public school employees' retirement system under the
13 public school employees retirement act of 1979, 1980 PA 300, MCL
14 38.1301 to 38.1437, and that reports employees to the Michigan
15 public school employees' retirement system for the applicable
16 fiscal year.

17 (c) "Retirement board" means the board that administers the
18 retirement system under the public school employees retirement act
19 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

20 (d) "Retirement system" means the Michigan public school
21 employees' retirement system under the public school employees
22 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

23 Sec. 152a. (1) As required by the court in the consolidated
24 cases known as Adair v State of Michigan, Michigan supreme court
25 docket nos. 137424 and 137453, from the state school aid fund money
26 appropriated in section 11 there is allocated for ~~2015-2016-2016-~~
27 **2017** an amount not to exceed \$38,000,500.00 to be used solely for

1 the purpose of paying necessary costs related to the state-mandated
2 collection, maintenance, and reporting of data to this state.

3 (2) From the allocation in subsection (1), the department
4 shall make payments to districts and intermediate districts in an
5 equal amount per-pupil based on the total number of pupils in
6 membership in each district and intermediate district. The
7 department shall not make any adjustment to these payments after
8 the final installment payment under section 17b is made.

9 SEC. 152B. (1) FROM THE GENERAL FUND MONEY APPROPRIATED UNDER
10 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
11 \$2,500,000.00 FOR 2016-2017 TO REIMBURSE COSTS INCURRED BY
12 NONPUBLIC SCHOOLS AS IDENTIFIED IN THE NONPUBLIC SCHOOL MANDATE
13 REPORT PUBLISHED BY THE DEPARTMENT ON NOVEMBER 25, 2014 AND UNDER
14 SUBSECTION (2).

15 (2) BY JANUARY 1, 2017, THE DEPARTMENT SHALL PUBLISH A FORM
16 CONTAINING THE REQUIREMENTS IDENTIFIED IN THE REPORT UNDER
17 SUBSECTION (1). THE DEPARTMENT SHALL INCLUDE OTHER REQUIREMENTS ON
18 THE FORM THAT WERE ENACTED INTO LAW AFTER PUBLICATION OF THE
19 REPORT. THE FORM SHALL BE POSTED ON THE DEPARTMENT'S WEBSITE IN
20 ELECTRONIC FORM.

21 (3) BY JUNE 15, 2017, A NONPUBLIC SCHOOL SEEKING REIMBURSEMENT
22 UNDER SUBSECTION (1) OF COSTS INCURRED DURING THE 2016-2017 SCHOOL
23 YEAR SHALL SUBMIT THE FORM DESCRIBED IN SUBSECTION (2) TO THE
24 DEPARTMENT. THIS SECTION DOES NOT REQUIRE A NONPUBLIC SCHOOL TO
25 SUBMIT A FORM DESCRIBED IN SUBSECTION (2). A NONPUBLIC SCHOOL IS
26 NOT ELIGIBLE FOR REIMBURSEMENT UNDER THIS SECTION UNLESS THE
27 NONPUBLIC SCHOOL SUBMITS THE FORM DESCRIBED IN SUBSECTION (2) IN A

1 TIMELY MANNER.

2 (4) BY AUGUST 15, 2017, THE DEPARTMENT SHALL DISTRIBUTE FUNDS
3 TO NONPUBLIC SCHOOLS THAT SUBMIT A COMPLETED FORM DESCRIBED UNDER
4 SUBSECTION (2) IN A TIMELY MANNER. THE SUPERINTENDENT SHALL
5 DETERMINE THE AMOUNT OF FUNDS TO BE PAID TO EACH NONPUBLIC SCHOOL
6 IN AN AMOUNT THAT DOES NOT EXCEED THE NONPUBLIC SCHOOL'S ACTUAL
7 COST TO COMPLY WITH REQUIREMENTS UNDER SUBSECTIONS (1) AND (2). THE
8 SUPERINTENDENT SHALL CALCULATE A NONPUBLIC SCHOOL'S ACTUAL COST IN
9 ACCORDANCE WITH THIS SECTION.

10 (5) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
11 TO FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION,
12 THE DEPARTMENT SHALL DISTRIBUTE FUNDS UNDER THIS SECTION ON A
13 PRORATED OR OTHER EQUITABLE BASIS AS DETERMINED BY THE
14 SUPERINTENDENT.

15 (6) THE DEPARTMENT HAS THE AUTHORITY TO REVIEW THE RECORDS OF
16 A NONPUBLIC SCHOOL SUBMITTING A FORM DESCRIBED IN SUBSECTION (2)
17 ONLY FOR THE LIMITED PURPOSE OF VERIFYING THE NONPUBLIC SCHOOL'S
18 COMPLIANCE WITH THIS SECTION. IF A NONPUBLIC SCHOOL DOES NOT ALLOW
19 THE DEPARTMENT TO REVIEW RECORDS UNDER THIS SUBSECTION FOR THIS
20 LIMITED PURPOSE, THE NONPUBLIC SCHOOL IS NOT ELIGIBLE FOR
21 REIMBURSEMENT UNDER THIS SECTION.

22 (7) THE FUNDS APPROPRIATED UNDER THIS SECTION ARE FOR PURPOSES
23 RELATED TO EDUCATION, ARE CONSIDERED TO BE INCIDENTAL TO THE
24 OPERATION OF A NONPUBLIC SCHOOL, ARE NONINSTRUCTIONAL IN CHARACTER,
25 AND ARE INTENDED FOR THE PUBLIC PURPOSE OF ENSURING THE HEALTH,
26 SAFETY, AND WELFARE OF THE CHILDREN IN NONPUBLIC SCHOOLS AND TO
27 REIMBURSE NONPUBLIC SCHOOLS FOR COSTS DESCRIBED IN THIS SECTION.

1 (8) FUNDS ALLOCATED UNDER THIS SECTION ARE NOT INTENDED TO AID
2 OR MAINTAIN ANY NONPUBLIC SCHOOL, SUPPORT THE ATTENDANCE OF ANY
3 STUDENT AT A NONPUBLIC SCHOOL, EMPLOY ANY PERSON AT A NONPUBLIC
4 SCHOOL, SUPPORT THE ATTENDANCE OF ANY STUDENT AT ANY LOCATION WHERE
5 INSTRUCTION IS OFFERED TO A NONPUBLIC SCHOOL STUDENT, OR SUPPORT
6 THE EMPLOYMENT OF ANY PERSON AT ANY LOCATION WHERE INSTRUCTION IS
7 OFFERED TO A NONPUBLIC SCHOOL STUDENT.

8 (9) FOR PURPOSES OF THIS SECTION, "ACTUAL COST" MEANS THE
9 HOURLY WAGE FOR THE EMPLOYEE OR EMPLOYEES PERFORMING THE REPORTED
10 TASK OR TASKS AND IS TO BE CALCULATED IN ACCORDANCE WITH THE FORM
11 PUBLISHED BY THE DEPARTMENT UNDER SUBSECTION (2), WHICH SHALL
12 INCLUDE A DETAILED ITEMIZATION OF COST. THE NONPUBLIC SCHOOL SHALL
13 NOT CHARGE MORE THAN THE HOURLY WAGE OF ITS LOWEST-PAID EMPLOYEE
14 CAPABLE OF PERFORMING THE REPORTED TASK REGARDLESS OF WHETHER THAT
15 INDIVIDUAL IS AVAILABLE AND REGARDLESS OF WHO ACTUALLY PERFORMS THE
16 REPORTED TASK. LABOR COSTS UNDER THIS SUBSECTION SHALL BE ESTIMATED
17 AND CHARGED IN INCREMENTS OF 15 MINUTES OR MORE, WITH ALL PARTIAL
18 TIME INCREMENTS ROUNDED DOWN. WHEN CALCULATING COSTS UNDER
19 SUBSECTION (4), FEE COMPONENTS SHALL BE ITEMIZED IN A MANNER THAT
20 EXPRESSES BOTH THE HOURLY WAGE AND THE NUMBER OF HOURS CHARGED. THE
21 NONPUBLIC SCHOOL MAY NOT CHARGE ANY APPLICABLE LABOR CHARGE AMOUNT
22 TO COVER OR PARTIALLY COVER THE COST OF HEALTH OR FRINGE BENEFITS.
23 A NONPUBLIC SCHOOL SHALL NOT CHARGE ANY OVERTIME WAGES IN THE
24 CALCULATION OF LABOR COSTS.

25 Sec. 166. (1) ~~A district in which a school official, member of~~
26 ~~a board, or other person dispenses or otherwise distributes a~~
27 ~~family planning drug or device in a public school in violation of~~

~~section 1507 of the revised school code, being section 380.1507 of the Michigan Compiled Laws, dispenses prescriptions for any family planning drug, or makes referrals for abortions shall forfeit 5% of its total state aid appropriation.~~ THE GOVERNING BOARD OF A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AND IMPLEMENT A DISCIPLINARY POLICY AS DESCRIBED IN SUBSECTION (2) TO PROVIDE PENALTIES FOR VIOLATIONS OF SECTION 1507 OF THE REVISED SCHOOL CODE, MCL 380.1507, AND PENALTIES FOR A SCHOOL OFFICIAL, MEMBER OF A GOVERNING BOARD, EMPLOYEE OF THE DISTRICT OR INTERMEDIATE DISTRICT, OR OTHER PERSON WHO REFERS A PUPIL FOR AN ABORTION OR ASSISTS A PUPIL IN OBTAINING AN ABORTION. A DISTRICT OR INTERMEDIATE DISTRICT THAT FAILS TO ADOPT A POLICY REQUIRED UNDER THIS SECTION WITHIN 3 YEARS AFTER THE EFFECTIVE DATE OF THE 2016 AMENDMENTS TO THIS SECTION SHALL FORFEIT FROM ITS TOTAL STATE SCHOOL AID AN AMOUNT EQUAL TO \$100,000.00.

(2) A DISCIPLINARY POLICY REQUIRED UNDER SUBSECTION (1) SHALL PROVIDE FOR A FINANCIAL PENALTY TO BE APPLIED AGAINST AN INDIVIDUAL EMPLOYED BY THE DISTRICT OR INTERMEDIATE DISTRICT WHO VIOLATES THE POLICY UNDER SUBSECTION (1) THAT IS EQUIVALENT TO NOT LESS THAN 3% OF THAT INDIVIDUAL'S ANNUAL COMPENSATION.

(3) A DISTRICT OR INTERMEDIATE DISTRICT THAT APPLIES A FINANCIAL PENALTY AGAINST OR COLLECTS A FINE FROM AN INDIVIDUAL AS PROVIDED UNDER SUBSECTION (2) SHALL REFUND TO THE STATE SCHOOL AID FUND AN AMOUNT OF MONEY EQUAL TO THE AMOUNT OF THE PENALTY OR FINE.

Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades kindergarten to 12 in a nonpublic school or who is being home-schooled from also

1 enrolling the minor in a district, public school academy, or
2 intermediate district in any curricular offering that is provided
3 by the district, public school academy, or intermediate district at
4 a public school site and is available to pupils in the minor's
5 grade level or age group, subject to compliance with the same
6 requirements that apply to a full-time pupil's participation in the
7 offering. However, state school aid shall be provided under this
8 act for a minor enrolled as described in this subsection only for
9 curricular offerings that are offered to full-time pupils in the
10 minor's grade level or age group during regularly scheduled school
11 hours.

12 (2) This act does not prohibit a parent or legal guardian of a
13 minor who is enrolled in any of grades kindergarten to 12 in a
14 nonpublic school or who resides within the district and is being
15 home-schooled from also enrolling the minor in the district in a
16 curricular offering being provided by the district at the nonpublic
17 school site. However, state school aid shall be provided under this
18 act for a minor enrolled as described in this subsection only if
19 all of the following apply:

20 (a) Either of the following:

21 (i) The nonpublic school site is located, or the nonpublic
22 students are educated, within the geographic boundaries of the
23 district.

24 (ii) If the nonpublic school has submitted a written request
25 to the district in which the nonpublic school is located for the
26 district to provide certain instruction under this subsection for a
27 school year and the district does not agree to provide some or all

1 of that instruction by May 1 immediately preceding that school year
2 or, if the request is submitted after March 1 immediately preceding
3 that school year, within 60 days after the nonpublic school submits
4 the request, the instruction is instead provided by an eligible
5 other district. This subparagraph does not require a nonpublic
6 school to submit more than 1 request to the district in which the
7 nonpublic school is located for that district to provide
8 instruction under this subsection, and does not require a nonpublic
9 school to submit an additional request to the district in which the
10 nonpublic school is located for that district to provide additional
11 instruction under this subsection beyond the instruction requested
12 in the original request, before having the instruction provided by
13 an eligible other district. A public school academy that is located
14 in the district in which the nonpublic school is located or in an
15 eligible other district also may provide instruction under this
16 subparagraph under the same conditions as an eligible other
17 district. As used in this subparagraph, "eligible other district"
18 means a district that is located in the same intermediate district
19 as the district in which the nonpublic school is located or is
20 located in an intermediate district that is contiguous to that
21 intermediate district.

22 (b) The nonpublic school is registered with the department as
23 a nonpublic school and meets all state reporting requirements for
24 nonpublic schools.

25 (c) The instruction is scheduled to occur during the regular
26 school day.

27 (d) The instruction is provided directly by a certified

1 teacher at the district or public school academy or at an
2 intermediate district.

3 (e) The curricular offering is also available to full-time
4 pupils in the minor's grade level or age group in the district or
5 public school academy during the regular school day at a public
6 school site.

7 (f) The curricular offering is restricted to nonessential
8 elective courses for pupils in grades kindergarten to 12.

9 (3) A minor enrolled as described in this section is a part-
10 time pupil for purposes of state school aid under this act.

11 (4) A district that receives a written request to provide
12 instruction under subsection (2) shall reply to the request in
13 writing by May 1 immediately preceding the applicable school year
14 or, if the request is made after March 1 immediately preceding that
15 school year, within 60 days after the nonpublic school submits the
16 request. The written reply shall specify whether the district
17 agrees to provide or does not agree to provide the instruction for
18 each portion of instruction included in the request.

19 **(5) THE DEPARTMENT SHALL ESTABLISH A WORKGROUP CONSISTING OF**
20 **STAFF FROM THE DEPARTMENT, STAFF FROM THE CENTER, PUPIL ACCOUNTING**
21 **STAFF FROM DISTRICTS AND INTERMEDIATE DISTRICTS, OTHER APPLICABLE**
22 **STAFF FROM DISTRICTS AND INTERMEDIATE DISTRICTS, REPRESENTATIVES**
23 **FROM NONPUBLIC SCHOOLS, AND REPRESENTATIVES FROM HOME SCHOOLS TO**
24 **EXAMINE THE ISSUE OF PROVIDING A UNIFORM DEFINITION OF NONESSENTIAL**
25 **ELECTIVE COURSES, AND ALSO TO PROVIDE A UNIFORM DEFINITION OF A**
26 **PART-TIME PUPIL FOR THE PURPOSES OF THIS SECTION.**

27 **SEC. 167A. A DISTRICT IS ENCOURAGED TO IMPLEMENT A PLAN TO**

1 REDUCE PUPIL EXPULSIONS AND SUSPENSIONS THAT EXCEED 10 DAYS. IT IS
2 THE INTENT OF THE LEGISLATURE THAT A DISTRICT THAT HAS NOT
3 IMPLEMENTED A PLAN TO REDUCE PUPIL EXPULSIONS AND SUSPENSIONS THAT
4 EXCEED 10 DAYS WILL BE SUBJECT TO FORFEITURE OF A PORTION OF ITS
5 TOTAL STATE SCHOOL AID.

6 Enacting section 1. In accordance with section 30 of article
7 IX of the state constitution of 1963, total state spending from
8 state sources on state school aid under article I of the state
9 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
10 amended by 2015 PA 85, 2015 PA 139, and this amendatory act for
11 fiscal year 2015-2016 is estimated at \$11,960,539,300.00 and state
12 appropriations for school aid to be paid to local units of
13 government for fiscal year 2015-2016 are estimated at
14 \$11,919,909,800.00. In accordance with section 30 of article IX of
15 the state constitution of 1963, total state spending on school aid
16 under article I of the state school aid act of 1979, 1979 PA 94,
17 MCL 388.1601 to 388.1772, as amended by this amendatory act, from
18 state sources for fiscal year 2016-2017 is estimated at
19 \$12,343,209,400.00 and state appropriations for school aid to be
20 paid to local units of government for fiscal year 2016-2017 are
21 estimated at \$12,181,929,700.00.

22 Enacting section 2. Sections 22i, 43, and 99c of the state
23 school aid act of 1979, 1979 PA 94, MCL 388.1622i, 388.1643, and
24 388.1699c, are repealed effective October 1, 2016.

25 Enacting section 3. (1) Except as otherwise provided in
26 subsection (2), this amendatory act takes effect October 1, 2016.

27 (2) Sections 11, 11j, 11m, 11r, 20g, 22a, 22b, 24a, 26a, 26c,

1 31f, 35a, 51a, 51c, 56, 61a, 61b, 62, and 64b of the state school
2 aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611j, 388.1611m,
3 388.1611r, 388.1620g, 388.1622a, 388.1622b, 388.1624a, 388.1626a,
4 388.1626c, 388.1631f, 388.1635a, 388.1651a, 388.1651c, 388.1656,
5 388.1661a, 388.1661b, 388.1662, and 388.1664b, as amended by this
6 amendatory act, and section 11o of the state school aid act of
7 1979, 1979 PA 94, MCL 388.1611o, as added by this amendatory act,
8 take effect upon enactment of this amendatory act.