

**SUBSTITUTE FOR
SENATE BILL NO. 819**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 6, 18, 20, 31a, and 166e (MCL 388.1603,
388.1606, 388.1618, 388.1620, 388.1631a, and 388.1766e), section 3
as amended by 2012 PA 201, section 6 as amended by 2015 PA 223,
section 18 as amended by 2015 PA 114, section 20 as amended by 2015
PA 85, section 31a as amended by 2015 PA 139, and section 166e as
amended by 2008 PA 268.

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

1 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
2 124.512, by an interlocal agreement effective August 11, 2011,
3 between the school district of the city of Detroit and the board of
4 regents of ~~eastern Michigan university~~, **EASTERN MICHIGAN**
5 **UNIVERSITY**, a state public university.

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

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

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

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

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

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

25 (8) ~~(7)~~—"Department", except in section 107, means the
26 department of education.

27 (9) ~~(8)~~—"District" means a local school district established

1 under the revised school code or, except in sections 6(4), 6(6),
2 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school
3 academy. Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a,
4 105, 105c, and 166b, district also includes the education
5 achievement system. **EXCEPT IN SECTION 20, DISTRICT ALSO INCLUDES A**
6 **COMMUNITY DISTRICT.**

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

19 (11) ~~(10)~~—"District superintendent" means the superintendent
20 of a district, the chief administrator of a public school academy,
21 or the chancellor of the achievement authority.

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

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

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

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

23 (4) "Membership", except as otherwise provided in this
24 article, means for a district, a public school academy, the
25 education achievement system, or an intermediate district the sum
26 of the product of .90 times the number of full-time equated pupils
27 in grades K to 12 actually enrolled and in regular daily attendance

1 on the pupil membership count day for the current school year, plus
2 the product of .10 times the final audited count from the
3 supplemental count day for the immediately preceding school year. A
4 district's, public school academy's, or intermediate district's
5 membership shall be adjusted as provided under section 25e for
6 pupils who enroll in the district, public school academy, or
7 intermediate district after the pupil membership count day. All
8 pupil counts used in this subsection are as determined by the
9 department and calculated by adding the number of pupils registered
10 for attendance plus pupils received by transfer and minus pupils
11 lost as defined by rules promulgated by the superintendent, and as
12 corrected by a subsequent department audit. For the purposes of
13 this section and section 6a, for a school of excellence that is a
14 cyber school, as defined in section 551 of the revised school code,
15 MCL 380.551, and is in compliance with section 553a of the revised
16 school code, MCL 380.553a, a pupil's participation in the cyber
17 school's educational program is considered regular daily
18 attendance; for the education achievement system, a pupil's
19 participation in an online educational program of the education
20 achievement system or of an achievement school is considered
21 regular daily attendance; and for a district a pupil's
22 participation in an online course as defined in section 21f is
23 considered regular daily attendance. The amount of the foundation
24 allowance for a pupil in membership is determined under section 20.
25 In making the calculation of membership, all of the following, as
26 applicable, apply to determining the membership of a district, a
27 public school academy, the education achievement system, or an

1 intermediate district:

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

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

17 (c) A special education pupil educated by the intermediate
18 district shall be counted in membership in the intermediate
19 district.

20 (d) A pupil placed by a court or state agency in an on-grounds
21 program of a juvenile detention facility, a child caring
22 institution, or a mental health institution, or a pupil funded
23 under section 53a, shall be counted in membership in the district
24 or intermediate district approved by the department to operate the
25 program.

26 (e) A pupil enrolled in the Michigan schools for the deaf and
27 blind shall be counted in membership in the pupil's intermediate

1 district of residence.

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

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

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

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

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

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

7 (j) If a district is the authorizing body for a public school
8 academy, then, in the first school year in which pupils are counted
9 in membership on the pupil membership count day in the public
10 school academy, the determination of the district's membership
11 shall exclude from the district's pupil count for the immediately
12 preceding supplemental count day any pupils who are counted in the
13 public school academy on that first pupil membership count day who
14 were also counted in the district on the immediately preceding
15 supplemental count day.

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

21 (l) To be counted in membership, a pupil shall meet the
22 minimum age requirement to be eligible to attend school under
23 section 1147 of the revised school code, MCL 380.1147, or shall be
24 enrolled under subsection (3) of that section, and shall be less
25 than 20 years of age on September 1 of the school year except as
26 follows:

27 (i) A special education pupil who is enrolled and receiving

1 instruction in a special education program or service approved by
2 the department, who does not have a high school diploma, and who is
3 less than 26 years of age as of September 1 of the current school
4 year shall be counted in membership.

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

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

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

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

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

16 (iii) If a child does not meet the minimum age requirement to
17 be eligible to attend school for that school year under section
18 1147 of the revised school code, MCL 380.1147, but will be 5 years
19 of age not later than December 1 of that school year, the district
20 may count the child in membership for that school year if the
21 parent or legal guardian has notified the district in writing that
22 he or she intends to enroll the child in kindergarten for that
23 school year.

24 (m) An individual who has obtained a high school diploma shall
25 not be counted in membership. An individual who has obtained a
26 general educational development (G.E.D.) certificate shall not be
27 counted in membership unless the individual is a student with a

1 disability as defined in R 340.1702 of the Michigan administrative
2 code. An individual participating in a job training program funded
3 under former section 107a or a jobs program funded under former
4 section 107b, administered by the Michigan strategic fund, or
5 participating in any successor of either of those 2 programs, shall
6 not be counted in membership.

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

21 (i) If the public school academy or the education achievement
22 system provides instruction for at least 1/2 of the class hours
23 required under section 101, the public school academy or the
24 education achievement system shall receive as its prorated share of
25 the full-time equated membership for each of those pupils an amount
26 equal to 1 times the product of the hours of instruction the public
27 school academy or the education achievement system provides divided

1 by the number of hours required under section 101 for full-time
2 equivalency, and the remainder of the full-time membership for each
3 of those pupils shall be allocated to the district or intermediate
4 district providing the remainder of the hours of instruction.

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

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

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

23 (q) The number of class hours used to calculate full-time
24 equated memberships shall be consistent with section 101. In
25 determining full-time equated memberships for pupils who are
26 enrolled in a postsecondary institution, a pupil shall not be
27 considered to be less than a full-time equated pupil solely because

1 of the effect of his or her postsecondary enrollment, including
2 necessary travel time, on the number of class hours provided by the
3 district to the pupil.

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

19 (s) For a district, a public school academy, or the education
20 achievement system that has pupils enrolled in a grade level that
21 was not offered by the district, the public school academy, or the
22 education achievement system in the immediately preceding school
23 year, the number of pupils enrolled in that grade level to be
24 counted in membership is the average of the number of those pupils
25 enrolled and in regular daily attendance on the pupil membership
26 count day and the supplemental count day of the current school
27 year, as determined by the department. Membership shall be

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

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

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

26 (i) The district provides at least 2 nonconsecutive hours of
27 instruction per week to the pupil at the pupil's home or otherwise

1 apart from the general school population under the supervision of a
2 certificated teacher.

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

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

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

10 (v) If a pupil was enrolled in a public school academy on the
11 pupil membership count day, if the public school academy's contract
12 with its authorizing body is revoked or the public school academy
13 otherwise ceases to operate, and if the pupil enrolls in a district
14 or the education achievement system within 45 days after the pupil
15 membership count day, the department shall adjust the district's or
16 the education achievement system's pupil count for the pupil
17 membership count day to include the pupil in the count.

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

1 (x) If a district's membership for a particular fiscal year,
2 as otherwise calculated under this subsection, would be less than
3 1,550 pupils and the district has 4.5 or fewer pupils per square
4 mile, as determined by the department, and if the district does not
5 receive funding under section 22d(2), the district's membership
6 shall be considered to be the membership figure calculated under
7 this subdivision. If a district educates and counts in its
8 membership pupils in grades 9 to 12 who reside in a contiguous
9 district that does not operate grades 9 to 12 and if 1 or both of
10 the affected districts request the department to use the
11 determination allowed under this sentence, the department shall
12 include the square mileage of both districts in determining the
13 number of pupils per square mile for each of the districts for the
14 purposes of this subdivision. The membership figure calculated
15 under this subdivision is the greater of the following:

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

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

23 (y) Full-time equated memberships for special education pupils
24 who are not enrolled in kindergarten but are enrolled in a
25 classroom program under R 340.1754 of the Michigan administrative
26 code shall be determined by dividing the number of class hours
27 scheduled and provided per year by 450. Full-time equated

1 memberships for special education pupils who are not enrolled in
2 kindergarten but are receiving early childhood special education
3 services under R 340.1755 or R 340.1862 of the Michigan
4 administrative code shall be determined by dividing the number of
5 hours of service scheduled and provided per year per-pupil by 180.

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

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

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

25 (cc) A pupil enrolled in a district other than the pupil's
26 district of residence pursuant to section 1148(2) of the revised
27 school code, MCL 380.1148, shall be counted in the educating

1 district or the education achievement system.

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

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

22 (ii) The pupil meets the district's definition under section
23 23a of satisfactory monthly progress for that month or, if the
24 pupil does not meet that definition of satisfactory monthly
25 progress for that month, the pupil did meet that definition of
26 satisfactory monthly progress in the immediately preceding month
27 and appropriate interventions are implemented within 10 school days

1 after it is determined that the pupil does not meet that definition
2 of satisfactory monthly progress.

3 (ee) A pupil participating in an online course under section
4 21f shall be counted in membership in the district enrolling the
5 pupil.

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

17 **(GG) 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.

23 However, if a district educates pupils who reside in another
24 district and if the primary instructional site for those pupils is
25 established by the educating district after 2009-2010 and is
26 located within the boundaries of that other district, the educating
27 district must have the approval of that other district to count

1 those pupils in membership.

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

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

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

12 (i) Fourth Wednesday in July.

13 (ii) First Wednesday in October.

14 (iii) Second Wednesday in February.

15 (iv) Fourth Wednesday in April.

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

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

21 (9) "Rule" means a rule promulgated pursuant to the
22 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
23 24.328.

24 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
25 380.1852.

26 (11) "School district of the first class", "first class school
27 district", and "district of the first class" mean, for the purposes

1 of this article only **AND ONLY UNTIL THE END OF THE 2015-2016 FISCAL**
2 **YEAR**, a district that had at least 40,000 pupils in membership for
3 the immediately preceding fiscal year. **BEGINNING WITH THE 2016-2017**
4 **FISCAL YEAR, THOSE TERMS MEAN A FIRST CLASS SCHOOL DISTRICT AS**
5 **DESCRIBED IN SECTION 402 OF THE REVISED SCHOOL CODE, MCL 380.402.**

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. 18. (1) Except as provided in another section of this
17 article, each district or other entity shall apply the money
18 received by the district or entity under this article to salaries
19 and other compensation of teachers and other employees, tuition,
20 transportation, lighting, heating, ventilation, water service, the
21 purchase of textbooks, other supplies, and any other school
22 operating expenditures defined in section 7. However, not more than
23 20% of the total amount received by a district under sections 22a
24 and 22b or received by an intermediate district under section 81
25 may be transferred by the board to either the capital projects fund
26 or to the debt retirement fund for debt service. The money shall
27 not be applied or taken for a purpose other than as provided in

1 this section. The department shall determine the reasonableness of
2 expenditures and may withhold from a recipient of funds under this
3 article the apportionment otherwise due upon a violation by the
4 recipient.

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

15 (a) The annual operating budget and subsequent budget
16 revisions.

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

21 (i) A chart of personnel expenditures, broken into the
22 following subcategories:

23 (A) Salaries and wages.

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

27 (C) Retirement benefit costs.

1 (D) All other personnel costs.

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

4 (A) Instruction.

5 (B) Support services.

6 (C) Business and administration.

7 (D) Operations and maintenance.

8 (c) Links to all of the following:

9 (i) The current collective bargaining agreement for each
10 bargaining unit.

11 (ii) Each health care benefits plan, including, but not
12 limited to, medical, dental, vision, disability, long-term care, or
13 any other type of benefits that would constitute health care
14 services, offered to any bargaining unit or employee in the
15 district.

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

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

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

22 (vi) The district's written policy establishing specific
23 categories of reimbursable expenses, as described in section
24 1254(2) of the revised school code, MCL 380.1254.

25 (vii) Either the district's accounts payable check register
26 for the most recent school fiscal year or a statement of the total
27 amount of expenses incurred by board members or employees of the

1 district that were reimbursed by the district for the most recent
2 school fiscal year.

3 (d) The total salary and a description and cost of each fringe
4 benefit included in the compensation package for the superintendent
5 of the district and for each employee of the district whose salary
6 exceeds \$100,000.00.

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

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

11 (g) Any deficit elimination plan or enhanced deficit
12 elimination plan the district was required to submit under the
13 revised school code.

14 (h) Identification of all credit cards maintained by the
15 district as district credit cards, the identity of all individuals
16 authorized to use each of those credit cards, the credit limit on
17 each credit card, and the dollar limit, if any, for each
18 individual's authorized use of the credit card.

19 (i) Costs incurred for each instance of out-of-state travel by
20 the school administrator of the district that is fully or partially
21 paid for by the district and the details of each of those instances
22 of out-of-state travel, including at least identification of each
23 individual on the trip, destination, and purpose.

24 (3) For the information required under subsection (2)(a),
25 (2)(b)(i), and (2)(c), an intermediate district shall provide the
26 same information in the same manner as required for a district
27 under subsection (2).

1 (4) For the purposes of determining the reasonableness of
2 expenditures, whether a district or intermediate district has
3 received the proper amount of funds under this article, and whether
4 a violation of this article has occurred, all of the following
5 apply:

6 (a) The department shall require that each district and
7 intermediate district have an audit of the district's or
8 intermediate district's financial and pupil accounting records
9 conducted at least annually, and at such other times as determined
10 by the department, at the expense of the district or intermediate
11 district, as applicable. The audits must be performed by a
12 certified public accountant or by the intermediate district
13 superintendent, as may be required by the department, or in the
14 case of a district of the first class **OR A COMMUNITY DISTRICT**, by a
15 certified public accountant, the intermediate superintendent, or
16 the auditor general of the city **IN WHICH IT IS LOCATED**. A district
17 or intermediate district shall retain these records for the current
18 fiscal year and from at least the 3 immediately preceding fiscal
19 years.

20 (b) If a district operates in a single building with fewer
21 than 700 full-time equated pupils, if the district has stable
22 membership, and if the error rate of the immediately preceding 2
23 pupil accounting field audits of the district is less than 2%, the
24 district may have a pupil accounting field audit conducted
25 biennially but must continue to have desk audits for each pupil
26 count. The auditor must document compliance with the audit cycle in
27 the pupil auditing manual. As used in this subdivision, "stable

1 membership" means that the district's membership for the current
2 fiscal year varies from the district's membership for the
3 immediately preceding fiscal year by less than 5%.

4 (c) A district's or intermediate district's annual financial
5 audit shall include an analysis of the financial and pupil
6 accounting data used as the basis for distribution of state school
7 aid.

8 (d) The pupil and financial accounting records and reports,
9 audits, and management letters are subject to requirements
10 established in the auditing and accounting manuals approved and
11 published by the department.

12 (e) All of the following shall be done not later than November
13 1 each year for reporting the prior fiscal year data:

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

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

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

22 (f) The annual financial audit reports and pupil accounting
23 procedures reports shall be available to the public in compliance
24 with the freedom of information act, 1976 PA 442, MCL 15.231 to
25 15.246.

26 (g) Not later than January 31 of each year, the department
27 shall notify the state budget director and the legislative

1 appropriations subcommittees responsible for review of the school
2 aid budget of districts and intermediate districts that have not
3 filed an annual financial audit and pupil accounting procedures
4 report required under this section for the school year ending in
5 the immediately preceding fiscal year.

6 (5) By November 1 each fiscal year, each district and
7 intermediate district shall submit to the center, in a manner
8 prescribed by the center, annual comprehensive financial data
9 consistent with accounting manuals and charts of accounts approved
10 and published by the department. For an intermediate district, the
11 report shall also contain the website address where the department
12 can access the report required under section 620 of the revised
13 school code, MCL 380.620. The department shall ensure that the
14 prescribed Michigan public school accounting manual chart of
15 accounts includes standard conventions to distinguish expenditures
16 by allowable fund function and object. The functions shall include
17 at minimum categories for instruction, pupil support, instructional
18 staff support, general administration, school administration,
19 business administration, transportation, facilities operation and
20 maintenance, facilities acquisition, and debt service; and shall
21 include object classifications of salary, benefits, including
22 categories for active employee health expenditures, purchased
23 services, supplies, capital outlay, and other. Districts shall
24 report the required level of detail consistent with the manual as
25 part of the comprehensive annual financial report.

26 (6) By September 30 of each year, each district and
27 intermediate district shall file with the department the special

1 education actual cost report, known as "SE-4096", on a form and in
2 the manner prescribed by the department.

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

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

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

14 (10) If a district or intermediate district does not comply
15 with subsections (4), (5), (6), and (7), the department shall
16 withhold all state school aid due to the district or intermediate
17 district under this article, beginning with the next payment due to
18 the district or intermediate district, until the district or
19 intermediate district complies with subsections (4), (5), (6), and
20 (7). If the district or intermediate district does not comply with
21 subsections (4), (5), (6), and (7) by the end of the fiscal year,
22 the district or intermediate district forfeits the amount withheld.

23 (11) If a district or intermediate district does not comply
24 with subsection (2), the department may withhold up to 10% of the
25 total state school aid due to the district or intermediate district
26 under this article, beginning with the next payment due to the
27 district or intermediate district, until the district or

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

5 (12) Not later than November 1, 2015, if a district or
6 intermediate district offers online learning under section 21f, the
7 district or intermediate district shall submit to the department a
8 report that details the per-pupil costs of operating the online
9 learning by vendor type. The report shall include at least all of
10 the following information concerning the operation of online
11 learning for the school fiscal year ending June 30, 2015:

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

14 (b) The total number of students enrolled in the online
15 learning and the total number of membership pupils enrolled in the
16 online learning.

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

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

21 (e) The number of participating students who had previously
22 dropped out of school.

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

25 (g) The total cost to enroll a student in the program. This
26 cost shall be reported on a per-pupil, per-course, per-semester or
27 trimester basis by vendor type. The total shall include costs

1 broken down by cost for content development, content licensing,
2 training, online instruction and instructional support, personnel,
3 hardware and software, payment to each online learning provider,
4 and other costs associated with operating online learning.

5 (h) The name of each online education provider contracted by
6 the district and the state in which each online education provider
7 is headquartered.

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

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

15 (a) Online courses provided by the Michigan Virtual
16 University.

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

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

22 (d) Online courses created and offered by a district or
23 intermediate district.

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

27 Sec. 20. (1) For 2015-2016, both of the following apply:

1 (a) The basic foundation allowance is \$8,169.00.

2 (b) The minimum foundation allowance is \$7,391.00.

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

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

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

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

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

17 (c) For a district that had a foundation allowance for the
18 immediately preceding state fiscal year that was greater than the
19 basic foundation allowance for the immediately preceding state
20 fiscal year, the district's foundation allowance is an amount equal
21 to the sum of the district's foundation allowance for the
22 immediately preceding state fiscal year plus the lesser of the
23 increase in the basic foundation allowance for the current state
24 fiscal year, as compared to the immediately preceding state fiscal
25 year, or the product of the district's foundation allowance for the
26 immediately preceding state fiscal year times the percentage
27 increase in the United States consumer price index in the calendar

1 year ending in the immediately preceding fiscal year as reported by
2 the May revenue estimating conference conducted under section 367b
3 of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

7 (e) For a district that received a payment under section 22c
8 as that section was in effect for 2014-2015, the district's 2014-
9 2015 foundation allowance shall be considered to have been an
10 amount equal to the sum of the district's actual 2014-2015
11 foundation allowance as otherwise calculated under this section
12 plus the per-pupil amount of the district's equity payment for
13 2014-2015 under section 22c as that section was in effect for 2014-
14 2015.

15 (4) Except as otherwise provided in this subsection, the state
16 portion of a district's foundation allowance is an amount equal to
17 the district's foundation allowance or the basic foundation
18 allowance for the current state fiscal year, whichever is less,
19 minus the local portion of the district's foundation allowance
20 divided by the district's membership excluding special education
21 pupils. For a district described in subsection (3)(c), the state
22 portion of the district's foundation allowance is an amount equal
23 to \$6,962.00 plus the difference between the district's foundation
24 allowance for the current state fiscal year and the district's
25 foundation allowance for 1998-99, minus the local portion of the
26 district's foundation allowance divided by the district's
27 membership excluding special education pupils. For a district that

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

19 (5) The allocation calculated under this section for a pupil
20 shall be based on the foundation allowance of the pupil's district
21 of residence. For a pupil enrolled pursuant to section 105 or 105c
22 in a district other than the pupil's district of residence, the
23 allocation calculated under this section shall be based on the
24 lesser of the foundation allowance of the pupil's district of
25 residence or the foundation allowance of the educating district.
26 For a pupil in membership in a K-5, K-6, or K-8 district who is
27 enrolled in another district in a grade not offered by the pupil's

1 district of residence, the allocation calculated under this section
2 shall be based on the foundation allowance of the educating
3 district if the educating district's foundation allowance is
4 greater than the foundation allowance of the pupil's district of
5 residence.

6 (6) Except as otherwise provided in this subsection, for
7 pupils in membership, other than special education pupils, in a
8 public school academy, the allocation calculated under this section
9 is an amount per membership pupil other than special education
10 pupils in the public school academy equal to the foundation
11 allowance of the district in which the public school academy is
12 located or the state maximum public school academy allocation,
13 whichever is less. For pupils in membership, other than special
14 education pupils, in a public school academy that is a cyber school
15 and is authorized by a school district, the allocation calculated
16 under this section is an amount per membership pupil other than
17 special education pupils in the public school academy equal to the
18 foundation allowance of the district that authorized the public
19 school academy or the state maximum public school academy
20 allocation, whichever is less. However, a public school academy
21 that had an allocation under this subsection before 2009-2010 that
22 was equal to the sum of the local school operating revenue per
23 membership pupil other than special education pupils for the
24 district in which the public school academy is located and the
25 state portion of that district's foundation allowance shall not
26 have that allocation reduced as a result of the 2010 amendment to
27 this subsection. Notwithstanding section 101, for a public school

1 academy that begins operations after the pupil membership count
2 day, the amount per membership pupil calculated under this
3 subsection shall be adjusted by multiplying that amount per
4 membership pupil by the number of hours of pupil instruction
5 provided by the public school academy after it begins operations,
6 as determined by the department, divided by the minimum number of
7 hours of pupil instruction required under section 101(3). The
8 result of this calculation shall not exceed the amount per
9 membership pupil otherwise calculated under this subsection.

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

1 district or the achievement authority under section 1280c of the
2 revised school code, MCL 380.1280c, that public school is
3 considered to be an achievement school within the education
4 achievement system and not a school that is part of a district, and
5 a pupil attending that public school is considered to be in
6 membership in the education achievement system and not in
7 membership in the district that operated the school before the
8 transfer.

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

17 **(9) ~~(8)~~**—Subject to subsection (4), for a district that is
18 formed or reconfigured after June 1, 2002 by consolidation of 2 or
19 more districts or by annexation, the resulting district's
20 foundation allowance under this section beginning after the
21 effective date of the consolidation or annexation shall be the
22 lesser of the sum of the average of the foundation allowances of
23 each of the original or affected districts, calculated as provided
24 in this section, weighted as to the percentage of pupils in total
25 membership in the resulting district who reside in the geographic
26 area of each of the original or affected districts plus \$100.00 or
27 the highest foundation allowance among the original or affected

1 districts. This subsection does not apply to a receiving district
2 unless there is a subsequent consolidation or annexation that
3 affects the district.

4 (10) ~~(9)~~—Each fraction used in making calculations under this
5 section shall be rounded to the fourth decimal place and the dollar
6 amount of an increase in the basic foundation allowance shall be
7 rounded to the nearest whole dollar.

8 (11) ~~(10)~~—State payments related to payment of the foundation
9 allowance for a special education pupil are not calculated under
10 this section but are instead calculated under section 51a.

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

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

27 (b) The revenue adjustment factor shall be computed by

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

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

25 (13) ~~(12)~~ Payments to districts, public school academies, or
26 the education achievement system shall not be made under this
27 section. Rather, the calculations under this section shall be used

1 to determine the amount of state payments under section 22b.

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

7 (15) ~~(14)~~—As used in this section:

8 (a) "Certified mills" means the lesser of 18 mills or the
9 number of mills of school operating taxes levied by the district in
10 1993-94.

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

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

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

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

24 (f) "Immediately preceding state fiscal year" means the state
25 fiscal year immediately preceding the current state fiscal year.

26 (g) "Local portion of the district's foundation allowance"
27 means an amount that is equal to the difference between (the sum of

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

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

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

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

1 current state fiscal year and the basic foundation allowance for
2 the immediately preceding state fiscal year and [(the amount of the
3 difference between the basic foundation allowance for the current
4 state fiscal year and the basic foundation allowance for the
5 immediately preceding state fiscal year minus \$23.00) times (the
6 difference between the highest per-pupil allocation among all
7 public school academies for the immediately preceding state fiscal
8 year and the minimum foundation allowance for the immediately
9 preceding state fiscal year) divided by the difference between the
10 basic foundation allowance for the current state fiscal year and
11 the minimum foundation allowance for the immediately preceding
12 state fiscal year]. For the purposes of this subdivision, for 2015-
13 2016, the maximum public school academy allocation is \$7,391.00.

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

17 (l) "Nonexempt property" means property that is not a
18 principal residence, qualified agricultural property, qualified
19 forest property, supportive housing property, industrial personal
20 property, commercial personal property, or property occupied by a
21 public school academy.

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

27 (n) "Receiving district" means a district to which all or part

1 of the territory of a dissolved district is attached under section
2 12 of the revised school code, MCL 380.12.

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

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

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

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

23 Sec. 31a. (1) From the state school aid fund money
24 appropriated in section 11, there is allocated for 2015-2016 an
25 amount not to exceed \$389,695,500.00 for payments to eligible
26 districts, eligible public school academies, and the education
27 achievement system for the purposes of ensuring that pupils are

1 proficient in reading by the end of grade 3 and that high school
2 graduates are career and college ready and for the purposes under
3 subsections (7) and (8).

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

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

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

3 (ii) Targeted group interventions.

4 (iii) Intense individual interventions.

5 (d) Monitors pupil progress to inform instruction.

6 (e) Uses data to make instructional decisions.

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

9 (g) Engages families and the community.

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

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

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

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

public school academy's or the education achievement system's per pupil amount calculated under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year. However, a public school academy that began operations as a public school academy, **A DISTRICT THAT IS A COMMUNITY DISTRICT AND THAT FIRST ENROLLED PUPILS**, or an achievement school that began operations as an achievement school, after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy, **IN THE DISTRICT THAT IS A COMMUNITY DISTRICT**, or in the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department not later than the fifth Wednesday after the pupil membership count day of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's, **THE DISTRICT THAT IS A COMMUNITY DISTRICT'S**, or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year.

(5) Except as otherwise provided in this section, a district or public school academy, or the education achievement system, receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional

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

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

26 (7) From the funds allocated under subsection (1), there is
27 allocated for 2015-2016 an amount not to exceed \$3,557,300.00 to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (iii) The pupil is homeless.

22 (iv) The pupil is a migrant.

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

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

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

1 graduation and dropout report.

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

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

23 (b) The district, public school academy, or the education
24 achievement system shall determine the proportion of total at-risk
25 pupils that represent the number of pupils in grade 11 that are not
26 career- and college-ready as measured by the student's score on the
27 English language arts, mathematics, and science content area

1 assessments on the grade 11 summative assessment under section
2 1279g(2)(a) of the revised school code, MCL 380.1279g, and the
3 district, public school academy, or the education achievement
4 system shall expend that same proportion multiplied by 1/2 of its
5 total at-risk funds under this section on tutoring and other
6 activities to improve scores on the college entrance examination
7 portion of the Michigan merit examination.

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

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

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

25 Sec. 166e. Before entering into a contract in an amount in
26 excess of \$15,000.00 for any materials, supplies, or equipment or a
27 contract in an amount in excess of \$15,000.00 for construction of a

1 new building, or addition to or repair or renovation of an existing
2 building, the board of a district of the first class **OR COMMUNITY**
3 **DISTRICT**, or any other purchasing authority within a district of
4 the first class **OR COMMUNITY DISTRICT**, shall obtain sealed
5 competitive bids, and the district shall award such a contract
6 using this competitive bid process. This section does not prohibit
7 a district from making a public request for proposals before
8 requesting bids and does not prohibit a district from awarding a
9 contract based on a combination of price, quality, and service
10 factors. A school official or member of a school board or other
11 person who neglects or refuses to do or perform an act required by
12 this section, or who violates or knowingly permits or consents to a
13 violation of this section, is guilty of a misdemeanor punishable by
14 a fine of not more than \$500.00, or imprisonment for not more than
15 3 months, or both.

16 Enacting section 1. This amendatory act does not take effect
17 unless Senate Bill No. 710 of the 98th Legislature is enacted into
18 law.