

# SENATE BILL No. 216

March 18, 2015, Introduced by Senator ROBERTSON and referred to the Committee on Education.

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 4, 6, 98, 107, 230, and 256 (MCL 388.1604,  
388.1606, 388.1698, 388.1707, 388.1830, and 388.1856), section 4 as  
amended by 2012 PA 201 and sections 6, 98, 107, 230, and 256 as  
amended by 2014 PA 196.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

1 facilities.

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

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

12 (5) **"HIGH SCHOOL EQUIVALENCY CERTIFICATE" MEANS A CERTIFICATE**  
13 **GRANTED FOR THE SUCCESSFUL COMPLETION OF A HIGH SCHOOL EQUIVALENCY**  
14 **TEST.**

15 (6) ~~(5) "General educational development testing"~~ **"HIGH SCHOOL**  
16 **EQUIVALENCY TEST** preparation program" means a program that has high  
17 school level courses in English language arts, social studies,  
18 science, and mathematics and that prepares ~~a person~~ **AN INDIVIDUAL**  
19 to successfully complete ~~the general educational development (GED)~~  
20 ~~test.~~ **A HIGH SCHOOL EQUIVALENCY TEST.**

21 (7) **"HIGH SCHOOL EQUIVALENCY TEST" MEANS THE GED TEST**  
22 **DEVELOPED BY THE GED TESTING SERVICE, THE TEST ASSESSING SECONDARY**  
23 **COMPLETION (TASC) DEVELOPED BY CTB/MCGRAW-HILL, THE HISET TEST**  
24 **DEVELOPED BY THE EDUCATION TESTING SERVICE (ETS), OR ANOTHER**  
25 **COMPARABLE TEST APPROVED BY THE DEPARTMENT.**

26 (8) ~~(6)~~ "High school pupil" means a pupil in membership in  
27 grades 7 to 12, except in a district not maintaining grades above

1 the eighth grade.

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

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

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

1 or high school, who leave high school with a diploma or other  
2 credential of equal status.

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

1 a district a pupil's participation in an online course as defined  
2 in section 21f is considered regular daily attendance. The amount  
3 of the foundation allowance for a pupil in membership is determined  
4 under section 20. In making the calculation of membership, all of  
5 the following, as applicable, apply to determining the membership  
6 of a district, a public school academy, the education achievement  
7 system, or an intermediate district:

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

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

23 (c) A special education pupil educated by the intermediate  
24 district shall be counted in membership in the intermediate  
25 district.

26 (d) A pupil placed by a court or state agency in an on-grounds  
27 program of a juvenile detention facility, a child caring

1 institution, or a mental health institution, or a pupil funded  
2 under section 53a, shall be counted in membership in the district  
3 or intermediate district approved by the department to operate the  
4 program.

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

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

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

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

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

22 (i) If operations begin before the pupil membership count day  
23 for the fiscal year, membership is the average number of full-time  
24 equated pupils in grades K to 12 actually enrolled and in regular  
25 daily attendance on the pupil membership count day for the current  
26 school year and on the supplemental count day for the current  
27 school year, as determined by the department and calculated by

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

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

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

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

27 (l) To be counted in membership, a pupil shall meet the minimum

1 age requirement to be eligible to attend school under section 1147  
2 of the revised school code, MCL 380.1147, or shall be enrolled  
3 under subsection (3) of that section, and shall be less than 20  
4 years of age on September 1 of the school year except as follows:

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

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

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

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

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

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

26 (m) An individual who has obtained a high school diploma shall  
27 not be counted in membership. An individual who has ~~obtained a~~



1 ~~general educational development (G.E.D.)~~ **ACHIEVED A HIGH SCHOOL**  
2 **EQUIVALENCY** certificate shall not be counted in membership unless  
3 the individual is a pupil with a disability as defined in R  
4 340.1702 of the Michigan administrative code. An individual  
5 participating in a job training program funded under former section  
6 107a or a jobs program funded under former section 107b,  
7 administered by the Michigan strategic fund, or participating in  
8 any successor of either of those 2 programs, shall not be counted  
9 in membership.

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

24 (i) If the public school academy or the education achievement  
25 system provides instruction for at least 1/2 of the class hours  
26 specified in subdivision (q), the public school academy or the  
27 education achievement system shall receive as its prorated share of

1 the full-time equated membership for each of those pupils an amount  
2 equal to 1 times the product of the hours of instruction the public  
3 school academy or the education achievement system provides divided  
4 by the number of hours specified in subdivision (q) for full-time  
5 equivalency, and the remainder of the full-time membership for each  
6 of those pupils shall be allocated to the district or intermediate  
7 district providing the remainder of the hours of instruction.

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

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

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

26 (q) The number of class hours used to calculate full-time  
27 equated memberships shall be consistent with section 101(3). In

1 determining full-time equated memberships for pupils who are  
2 enrolled in a postsecondary institution, a pupil shall not be  
3 considered to be less than a full-time equated pupil solely because  
4 of the effect of his or her postsecondary enrollment, including  
5 necessary travel time, on the number of class hours provided by the  
6 district to the pupil.

7 (r) Beginning in 2012-2013, full-time equated memberships for  
8 pupils in kindergarten shall be determined by dividing the number  
9 of instructional hours scheduled and provided per year per  
10 kindergarten pupil by the same number used for determining full-  
11 time equated memberships for pupils in grades 1 to 12. However, to  
12 the extent allowable under federal law, for a district or public  
13 school academy that provides evidence satisfactory to the  
14 department that it used federal title I money in the 2 immediately  
15 preceding school fiscal years to fund full-time kindergarten, full-  
16 time equated memberships for pupils in kindergarten shall be  
17 determined by dividing the number of class hours scheduled and  
18 provided per year per kindergarten pupil by a number equal to 1/2  
19 the number used for determining full-time equated memberships for  
20 pupils in grades 1 to 12. The change in the counting of full-time  
21 equated memberships for pupils in kindergarten that took effect for  
22 2012-2013 is not a mandate.

23 (s) For a district, a public school academy, or the education  
24 achievement system that has pupils enrolled in a grade level that  
25 was not offered by the district, the public school academy, or the  
26 education achievement system in the immediately preceding school  
27 year, the number of pupils enrolled in that grade level to be

1 counted in membership is the average of the number of those pupils  
2 enrolled and in regular daily attendance on the pupil membership  
3 count day and the supplemental count day of the current school  
4 year, as determined by the department. Membership shall be  
5 calculated by adding the number of pupils registered for attendance  
6 in that grade level on the pupil membership count day plus pupils  
7 received by transfer and minus pupils lost as defined by rules  
8 promulgated by the superintendent, and as corrected by subsequent  
9 department audit, plus the final audited count from the  
10 supplemental count day for the current school year, and dividing  
11 that sum by 2.

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

15 (u) If, as a result of a disciplinary action, a district  
16 determines through the district's alternative or disciplinary  
17 education program that the best instructional placement for a pupil  
18 is in the pupil's home or otherwise apart from the general school  
19 population, if that placement is authorized in writing by the  
20 district superintendent and district alternative or disciplinary  
21 education supervisor, and if the district provides appropriate  
22 instruction as described in this subdivision to the pupil at the  
23 pupil's home or otherwise apart from the general school population,  
24 the district may count the pupil in membership on a pro rata basis,  
25 with the proration based on the number of hours of instruction the  
26 district actually provides to the pupil divided by the number of  
27 hours specified in subdivision (q) for full-time equivalency. For

1 the purposes of this subdivision, a district shall be considered to  
2 be providing appropriate instruction if all of the following are  
3 met:

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

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

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

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

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

23 (w) For a public school academy that has been in operation for  
24 at least 2 years and that suspended operations for at least 1  
25 semester and is resuming operations, membership is the sum of the  
26 product of .90 times the number of full-time equated pupils in  
27 grades K to 12 actually enrolled and in regular daily attendance on

1 the first pupil membership count day or supplemental count day,  
2 whichever is first, occurring after operations resume, plus the  
3 product of .10 times the final audited count from the most recent  
4 pupil membership count day or supplemental count day that occurred  
5 before suspending operations, as determined by the superintendent.

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

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

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

1 (y) Full-time equated memberships for special education pupils  
2 who are not enrolled in kindergarten but are enrolled in a  
3 classroom program under R 340.1754 of the Michigan administrative  
4 code shall be determined by dividing the number of class hours  
5 scheduled and provided per year by 450. Full-time equated  
6 memberships for special education pupils who are not enrolled in  
7 kindergarten but are receiving early childhood special education  
8 services under R 340.1755 or 340.1862 of the Michigan  
9 administrative code shall be determined by dividing the number of  
10 hours of service scheduled and provided per year per pupil by 180.

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

16 (aa) For the first year in which a pupil is counted in  
17 membership on the pupil membership count day in a middle college  
18 program, the membership is the average of the full-time equated  
19 membership on the pupil membership count day and on the  
20 supplemental count day for the current school year, as determined  
21 by the department.

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

26 (cc) A pupil enrolled in a district other than the pupil's  
27 district of residence pursuant to section 1148(2) of the revised

1 school code, MCL 380.1148, shall be counted in the educating  
2 district or the education achievement system.

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

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

23 (ii) The pupil meets the district's definition under section  
24 23a of satisfactory monthly progress for that month or, if the  
25 pupil does not meet that definition of satisfactory monthly  
26 progress for that month, the pupil did meet that definition of  
27 satisfactory monthly progress in the immediately preceding month



1 and appropriate interventions are implemented within 10 school days  
2 after it is determined that the pupil does not meet that definition  
3 of satisfactory monthly progress.

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

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

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

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

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

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

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

25 (f) A pupil who has made an official written complaint or  
26 whose parent or legal guardian has made an official written  
27 complaint to law enforcement officials and to school officials of

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

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

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

21 (g) A pupil whose district of residence changed after the  
22 pupil membership count day and before the supplemental count day  
23 and who continues to be enrolled on the supplemental count day as a  
24 nonresident in the district in which he or she was enrolled as a  
25 resident on the pupil membership count day of the same school year.

26 (h) A pupil enrolled in an alternative education program  
27 operated by a district other than his or her district of residence

1 who meets 1 or more of the following:

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

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

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

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

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

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

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

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

25 (m) A pupil enrolled in a district other than the pupil's  
26 district of residence who attends a United States Olympic education  
27 center.

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

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

8 (p) An online learning pupil enrolled in a district other than  
9 the pupil's district of residence as an eligible pupil under  
10 section 21f.

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

17 (7) "Pupil membership count day" of a district or intermediate  
18 district means:

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

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

27 (i) Fourth Wednesday in July.

1           (ii) First Wednesday in October.

2           (iii) Second Wednesday in February.

3           (iv) Fourth Wednesday in April.

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

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

9 (9) "Rule" means a rule promulgated pursuant to the  
10 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
11 24.328.

12 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to  
13 380.1852.

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

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

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

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

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

27 (16) "Tuition pupil" means a pupil of school age attending

1 school in a district other than the pupil's district of residence  
2 for whom tuition may be charged to the district of residence.

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

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

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

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

24 (20) "Total state aid" or "total state school aid" means the  
25 total combined amount of all funds due to a district, intermediate  
26 district, or other entity under all of the provisions of this  
27 article.

1       Sec. 98. (1) From the general fund money appropriated in  
2 section 11, there is allocated an amount not to exceed  
3 \$7,387,500.00 for 2014-2015 for the purposes described in this  
4 section.

5       (2) The Michigan virtual university shall operate the Michigan  
6 virtual learning research institute. The Michigan virtual learning  
7 research institute shall do all of the following:

8       (a) Support and accelerate innovation in education through the  
9 following activities:

10       (i) Test, evaluate, and recommend as appropriate new  
11 technology-based instructional tools and resources.

12       (ii) Research, design, and recommend digital education delivery  
13 models for use by pupils and teachers that include age-appropriate  
14 multimedia instructional content.

15       (iii) Research, develop, and recommend annually to the  
16 department criteria by which cyber schools and online course  
17 providers should be monitored and evaluated to ensure a quality  
18 education for their pupils.

19       (iv) Based on pupil completion and performance data reported to  
20 the department or the center for educational performance and  
21 information from cyber schools and other online course providers  
22 operating in this state, analyze the effectiveness of online  
23 learning delivery models in preparing pupils to be college- and  
24 career-ready and publish a report that highlights enrollment  
25 totals, completion rates, and the overall impact on pupils. The  
26 report shall be submitted to the house and senate appropriations  
27 subcommittees on state school aid, the state budget director, the



1 house and senate fiscal agencies, and the department not later than  
2 December 1, 2015.

3 (v) Before August 31, 2015, provide an extensive professional  
4 development program to at least 500 educational personnel,  
5 including teachers, school administrators, and school board  
6 members, that focuses on the effective integration of digital  
7 learning into curricula and instruction. Not later than December 1,  
8 2015, the Michigan virtual learning research institute shall submit  
9 a report to the house and senate appropriations subcommittees on  
10 state school aid, the state budget director, the house and senate  
11 fiscal agencies, and the department on the number and percentage of  
12 teachers, school administrators, and school board members who have  
13 received professional development services from the Michigan  
14 virtual university. The report shall also identify barriers and  
15 other opportunities to encourage the adoption of digital learning  
16 in the public education system.

17 (vi) Identify and share best practices for planning,  
18 implementing, and evaluating online and blended education delivery  
19 models with intermediate districts, districts, and public school  
20 academies to accelerate the adoption of innovative education  
21 delivery models statewide.

22 (b) Provide leadership for this state's system of digital  
23 learning education by doing the following activities:

24 (i) Develop and report policy recommendations to the governor  
25 and the legislature that accelerate the expansion of effective  
26 online learning in this state's schools.

27 (ii) Provide a clearinghouse for research reports, academic

1 studies, evaluations, and other information related to online  
2 learning.

3 (iii) Promote and distribute the most current instructional  
4 design standards and guidelines for online teaching.

5 (iv) In collaboration with the department and interested  
6 colleges and universities in this state, support implementation and  
7 improvements related to effective digital learning instruction.

8 (v) Pursue public/private partnerships that include districts  
9 to study and implement competency-based technology-rich online  
10 learning models.

11 (vi) Convene focus groups and conduct annual surveys of  
12 teachers, administrators, pupils, parents, and others to identify  
13 barriers and opportunities related to online learning.

14 (vii) Produce an annual consumer awareness report for schools  
15 and parents about effective online education providers and  
16 education delivery models, performance data, cost structures, and  
17 research trends.

18 (viii) Research and establish an internet-based platform that  
19 educators can use to create student-centric learning tools and  
20 resources and facilitate a user network that assists educators in  
21 using the platform. As part of this initiative, the Michigan  
22 virtual university shall work collaboratively with districts and  
23 intermediate districts to establish a plan to make available online  
24 resources that align to Michigan's K-12 curriculum standards for  
25 use by students, educators, and parents.

26 (ix) Create and maintain a public statewide catalog of online  
27 learning courses being offered by all public schools in this state.

1 The Michigan virtual learning research institute shall identify and  
2 develop a list of nationally recognized best practices for online  
3 learning and use this list to support reviews of online course  
4 vendors, courses, and instructional practices. The Michigan virtual  
5 learning research institute shall also provide a mechanism for  
6 intermediate districts to use the identified best practices to  
7 review content offered by constituent districts. The Michigan  
8 virtual learning research institute shall review the online course  
9 offerings of the Michigan virtual university, and make the results  
10 from these reviews available to the public as part of the statewide  
11 catalog. The Michigan virtual learning research institute shall  
12 ensure that the statewide catalog is made available to the public  
13 on the Michigan virtual university website and shall allow the  
14 ability to link it to each district's website as provided for in  
15 section 21f. Beginning in 2014-2015, the statewide catalog shall  
16 also contain all of the following:

17 (A) The number of enrollments in each online course in the  
18 immediately preceding school year.

19 (B) The number of enrollments that earned 60% or more of the  
20 total course points for each online course in the immediately  
21 preceding school year.

22 (C) The completion rate for each online course.

23 (x) Collaborate with key stakeholders to examine the need and  
24 process for incorporating registration, payment services, and  
25 transcript functionality to the statewide catalog.

26 (xi) Collaborate with key stakeholders to examine district  
27 level accountability and teacher effectiveness issues related to

1 online learning under section 21f and make findings and  
2 recommendations publicly available.

3 (3) In order for the Michigan virtual university to receive  
4 any funds allocated under this section, the Michigan virtual school  
5 must maintain its accreditation status from recognized national and  
6 international accrediting entities.

7 (4) If the course offerings are included in the statewide  
8 catalog of online courses under subsection (2)(b)(ix), the Michigan  
9 virtual school operated by the Michigan virtual university may  
10 offer online course offerings, including, but not limited to, all  
11 of the following:

12 (a) Information technology courses.

13 (b) College level equivalent courses, as defined in section  
14 1471 of the revised school code, MCL 380.1471.

15 (c) Courses and dual enrollment opportunities.

16 (d) Programs and services for at-risk pupils.

17 (e) ~~General education development~~ **HIGH SCHOOL EQUIVALENCY** test  
18 preparation courses for adjudicated youth.

19 (f) Special interest courses.

20 (g) Professional development programs for teachers, school  
21 administrators, other school employees, and school board members.

22 (5) If a home-schooled or nonpublic school student is a  
23 resident of a district that subscribes to services provided by the  
24 Michigan virtual school, the student may use the services provided  
25 by the Michigan virtual school to the district without charge to  
26 the student beyond what is charged to a district pupil using the  
27 same services.

1           (6) Not later than December 1 of each fiscal year, the  
2 Michigan virtual university shall provide a report to the house and  
3 senate appropriations subcommittees on state school aid, the state  
4 budget director, the house and senate fiscal agencies, and the  
5 department that includes at least all of the following information  
6 related to the Michigan virtual school for the preceding state  
7 fiscal year:

8           (a) A list of the districts served by the Michigan virtual  
9 school.

10          (b) A list of online course titles available to districts.

11          (c) The total number of online course enrollments and  
12 information on registrations and completions by course.

13          (d) The overall course completion rate percentage.

14          (7) The governor may appoint an advisory group for the  
15 Michigan virtual learning research institute established under  
16 subsection (2). The members of the advisory group shall serve at  
17 the pleasure of the governor and shall serve without compensation.  
18 The purpose of the advisory group is to make recommendations to the  
19 governor, the legislature, and the president and board of the  
20 Michigan virtual university that will accelerate innovation in this  
21 state's education system in a manner that will prepare elementary  
22 and secondary students to be career and college ready and that will  
23 promote the goal of increasing the percentage of citizens of this  
24 state with high-quality degrees and credentials to at least 60% by  
25 2025.

26          (8) Not later than November 1, 2014, the Michigan virtual  
27 university shall submit to the house and senate appropriations

1 subcommittees on state school aid, the state budget director, and  
2 the house and senate fiscal agencies a detailed budget for the  
3 2014-2015 fiscal year that includes a breakdown on its projected  
4 costs to deliver online educational services to districts and a  
5 summary of the anticipated fees to be paid by districts for those  
6 services. Beginning in 2013-2014, not later than February 1, the  
7 Michigan virtual university shall submit to the house and senate  
8 appropriations subcommittees on state school aid, the state budget  
9 director, and the house and senate fiscal agencies a breakdown on  
10 its actual costs to deliver online educational services to  
11 districts and a summary of the actual fees paid by districts for  
12 those services based on audited financial statements for the  
13 immediately preceding fiscal year.

14 (9) As used in this section:

15 (a) "Blended learning" means a hybrid instructional delivery  
16 model where pupils are provided content, instruction, and  
17 assessment, in part at a supervised educational facility away from  
18 home where the pupil and a teacher with a valid Michigan teaching  
19 certificate are in the same physical location and in part through  
20 internet-connected learning environments with some degree of pupil  
21 control over time, location, and pace of instruction.

22 (b) "Cyber school" means a full-time instructional program of  
23 online courses for pupils that may or may not require attendance at  
24 a physical school location.

25 (c) "Digital learning" means instruction delivered via a web-  
26 based educational delivery system that uses various information  
27 technologies to provide a structured learning environment,

1 including online and blended learning instructional methods.

2 (d) "Online course" means a course of study that is capable of  
3 generating a credit or a grade, that is provided in an interactive  
4 internet-connected learning environment, in which pupils are  
5 separated from their teachers by time or location, or both, and in  
6 which a teacher who holds a valid Michigan teaching certificate is  
7 responsible for determining appropriate instructional methods for  
8 each pupil, diagnosing learning needs, assessing pupil learning,  
9 prescribing intervention strategies, reporting outcomes, and  
10 evaluating the effects of instruction and support strategies.

11 Sec. 107. (1) From the appropriation in section 11, there is  
12 allocated an amount not to exceed \$22,000,000.00 for 2014-2015 for  
13 adult education programs authorized under this section. Funds  
14 allocated under this section are restricted for adult education  
15 programs as authorized under this section only. A recipient of  
16 funds under this section shall not use those funds for any other  
17 purpose.

18 (2) To be eligible for funding under this section, a program  
19 shall employ certificated teachers and qualified administrative  
20 staff and shall offer continuing education opportunities for  
21 teachers to allow them to maintain certification.

22 (3) To be eligible to be a participant funded under this  
23 section, a person shall be enrolled in an adult basic education  
24 program, an adult English as a second language program, a ~~general~~  
25 ~~educational development (G.E.D.)~~ **HIGH SCHOOL EQUIVALENCY** test  
26 preparation program, a job- or employment-related program, or a  
27 high school completion program, that meets the requirements of this

1 section, and for which instruction is provided, and shall meet  
2 either of the following, as applicable:

3 (a) If the individual has obtained a high school diploma or a  
4 ~~general educational development (G.E.D.)~~ **ACHIEVED A HIGH SCHOOL**  
5 **EQUIVALENCY** certificate, the individual meets 1 of the following:

6 (i) Is less than 20 years of age on September 1 of the school  
7 year and is enrolled in the Michigan career and technical  
8 institute.

9 (ii) Is less than 20 years of age on September 1 of the school  
10 year, is not attending an institution of higher education, and is  
11 enrolled in a job- or employment-related program through a referral  
12 by an employer or by a Michigan workforce agency.

13 (iii) Is enrolled in an English as a second language program.

14 (iv) Is enrolled in a high school completion program.

15 (b) If the individual has not obtained a high school diploma  
16 or ~~G.E.D.~~ **ACHIEVED A HIGH SCHOOL EQUIVALENCY** certificate, the  
17 individual meets 1 of the following:

18 (i) Is at least 20 years of age on September 1 of the school  
19 year.

20 (ii) Is at least 16 years of age on September 1 of the school  
21 year, has been permanently expelled from school under section  
22 1311(2) or 1311a of the revised school code, MCL 380.1311 and  
23 380.1311a, and has no appropriate alternative education program  
24 available through his or her district of residence.

25 (4) From the funds allocated under subsection (1), an amount  
26 as determined under this subsection shall be allocated to each  
27 intermediate district serving as a fiscal agent for adult education



1 programs in each of the 10 prosperity regions identified by the  
2 department. An intermediate district shall not use more than 5% of  
3 the funds allocated under this subsection for administration costs  
4 for serving as the fiscal agent. The department shall ensure that  
5 the funds allocated under this subsection for 2014-2015 will  
6 provide services in 2014-2015 to at least the same number of  
7 individuals as the number of individuals who were enrolled in  
8 programs funded under this section in 2013-2014. For 2014-2015, 67%  
9 of the allocation provided to each intermediate district serving as  
10 a fiscal agent shall be based on the proportion of total funding  
11 formerly received by the adult education providers in that  
12 prosperity region in 2013-2014, and 33% shall be allocated based on  
13 the factors in subdivisions (a), (b), and (c). For 2015-2016, 33%  
14 of the allocation provided to each intermediate district serving as  
15 a fiscal agent shall be based upon the proportion of total funding  
16 formerly received by the adult education providers in that  
17 prosperity region in 2013-2014 and 67% of the allocation shall be  
18 based upon the factors in subdivisions (a), (b), and (c). For 2016-  
19 2017, 100% of the allocation provided to each intermediate district  
20 serving as a fiscal agent shall be based on the factors in  
21 subdivisions (a), (b), and (c). The funding factors for this  
22 section are as follows:

23 (a) Sixty percent of this portion of the funding shall be  
24 distributed based upon the proportion of the state population of  
25 individuals between the ages of 18 and 24 that are not high school  
26 graduates that resides in each of the prosperity regions, as  
27 reported by the most recent 5-year estimates from the American

1 community survey (ACS) from the United States ~~census bureau.~~**CENSUS**  
2 **BUREAU.**

3 (b) Thirty-five percent of this portion of the funding shall  
4 be distributed based upon the proportion of the state population of  
5 individuals age 25 or older who are not high school graduates that  
6 resides in each of the prosperity regions, as reported by the most  
7 recent 5-year estimates from the American community survey (ACS)  
8 from the United States ~~census bureau.~~**CENSUS BUREAU.**

9 (c) Five percent of this portion of the funding shall be  
10 distributed based upon the proportion of the state population of  
11 individuals age 18 or older who lack basic English language  
12 proficiency that resides in each of the prosperity regions, as  
13 reported by the most recent 5-year estimates from the American  
14 community survey (ACS) from the United States ~~census bureau.~~**CENSUS**  
15 **BUREAU.**

16 (5) To be an eligible fiscal agent, an intermediate district  
17 must agree to do the following in a form and manner determined by  
18 the department:

19 (a) Distribute funds to adult education programs in a  
20 prosperity region as described in this section.

21 (b) Collaborate with education advisory groups of the  
22 workforce development boards located in the prosperity region to  
23 develop a regional strategy that aligns adult education programs  
24 and services into an efficient and effective delivery system for  
25 adult education learners.

26 (c) Collaborate with education advisory groups of the  
27 workforce development boards located in the prosperity region to

1 create a local process and criteria that will identify eligible  
2 adult education providers to receive funds allocated under this  
3 section based on location, demand for services, and cost to provide  
4 instructional services. All local processes, criteria, and provider  
5 determinations must be approved by the department before funds may  
6 be distributed to the fiscal agent.

7 (d) Report adult education program and participant data and  
8 information as prescribed by the department.

9 (6) The amount allocated under this section per full-time  
10 equated participant shall not exceed \$2,850.00 for a 450-hour  
11 program. The amount shall be proportionately reduced for a program  
12 offering less than 450 hours of instruction.

13 (7) An adult basic education program or an adult English as a  
14 second language program operated on a year-round or school year  
15 basis may be funded under this section, subject to all of the  
16 following:

17 (a) The program enrolls adults who are determined by a  
18 department-approved assessment, in a form and manner prescribed by  
19 the department, to be below ninth grade level in reading or  
20 mathematics, or both, or to lack basic English proficiency.

21 (b) The program tests individuals for eligibility under  
22 subdivision (a) before enrollment and upon completion of the  
23 program in compliance with the state-approved assessment policy.

24 (c) A participant in an adult basic education program is  
25 eligible for reimbursement until 1 of the following occurs:

26 (i) The participant's reading and mathematics proficiency are  
27 assessed at or above the ninth grade level.

1           (ii) The participant fails to show progress on 2 successive  
2 assessments after having completed at least 450 hours of  
3 instruction.

4           (d) A funding recipient enrolling a participant in an English  
5 as a second language program is eligible for funding according to  
6 subsection (11) until the participant meets 1 of the following:

7           (i) The participant is assessed as having attained basic  
8 English proficiency as determined by a department-approved  
9 assessment.

10          (ii) The participant fails to show progress on 2 successive  
11 department-approved assessments after having completed at least 450  
12 hours of instruction. The department shall provide information to a  
13 funding recipient regarding appropriate assessment instruments for  
14 this program.

15          (8) A ~~general educational development (G.E.D.)~~ **HIGH SCHOOL**  
16 **EQUIVALENCY** test preparation program operated on a year-round or  
17 school year basis may be funded under this section, subject to all  
18 of the following:

19          (a) The program enrolls adults who do not have a high school  
20 diploma.

21          (b) The program shall administer a pre-test approved by the  
22 department before enrolling an individual to determine the  
23 individual's literacy levels, shall administer a ~~G.E.D.-practice~~  
24 **HIGH SCHOOL EQUIVALENCY** test to determine the individual's  
25 potential for success on ~~the G.E.D.~~ **A HIGH SCHOOL EQUIVALENCY** test,  
26 and shall administer a post-test upon completion of the program in  
27 compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (11) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant ~~obtains the G.E.D.~~ **ACHIEVES A HIGH SCHOOL EQUIVALENCY CERTIFICATE.**

(ii) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take ~~the G.E.D.~~ **A HIGH SCHOOL EQUIVALENCY** test after having completed at least 450 hours of instruction.

(9) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (11) for a participant in a course offered under this subsection until 1 of the following occurs:

(i) The participant passes the course and earns a high school diploma.

(ii) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(10) A job- or employment-related adult education program operated on a year-round or school year basis may be funded under

1 this section, subject to all of the following:

2 (a) The program enrolls adults referred by their employer who  
3 are less than 20 years of age, have a high school diploma, are  
4 determined to be in need of remedial mathematics or communication  
5 arts skills and are not attending an institution of higher  
6 education.

7 (b) The program tests participants described in subdivision  
8 (a) before enrollment and upon completion of the program in  
9 compliance with the department-approved assessment policy.

10 (c) An individual may be enrolled in this program and the  
11 grant recipient shall receive funding according to subsection (11)  
12 until 1 of the following occurs:

13 (i) The individual achieves the requisite skills as determined  
14 by department-approved assessment instruments.

15 (ii) The individual fails to show progress on 2 successive  
16 assessments after having completed at least 450 hours of  
17 instruction.

18 (11) A funding recipient shall receive payments under this  
19 section in accordance with the following:

20 (a) Seventy-five percent for enrollment of eligible  
21 participants.

22 (b) Twenty-five percent for participant completion of the  
23 adult basic education objectives by achieving an educational gain  
24 as determined by the national reporting system levels; for  
25 achieving basic English proficiency; for ~~obtaining a G.E.D.~~  
26 **ACHIEVING A HIGH SCHOOL EQUIVALENCY CERTIFICATE** or passage of 1 or  
27 more individual ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY** tests; for

1 attainment of a high school diploma or passage of a course required  
2 for a participant to attain a high school diploma; for enrollment  
3 in a postsecondary institution, or for entry into or retention of  
4 employment, as applicable.

5 (12) A person who is not eligible to be a participant funded  
6 under this section may receive adult education services upon the  
7 payment of tuition. In addition, a person who is not eligible to be  
8 served in a program under this section due to the program  
9 limitations specified in subsection (7), (8), (9), or (10) may  
10 continue to receive adult education services in that program upon  
11 the payment of tuition. The tuition level shall be determined by  
12 the local or intermediate district conducting the program.

13 (13) An individual who is an inmate in a state correctional  
14 facility shall not be counted as a participant under this section.

15 (14) A funding recipient shall not commingle money received  
16 under this section or from another source for adult education  
17 purposes with any other funds and shall establish a separate ledger  
18 account for funds received under this section. This subsection does  
19 not prohibit a district from using general funds of the district to  
20 support an adult education or community education program.

21 (15) A funding recipient receiving funds under this section  
22 may establish a sliding scale of tuition rates based upon a  
23 participant's family income. A funding recipient may charge a  
24 participant tuition to receive adult education services under this  
25 section from that sliding scale of tuition rates on a uniform  
26 basis. The amount of tuition charged per participant shall not  
27 exceed the actual operating cost per participant minus any funds

1 received under this section per participant. A funding recipient  
2 may not charge a participant tuition under this section if the  
3 participant's income is at or below 200% of the federal poverty  
4 guidelines published by the United States ~~department of health and~~  
5 ~~human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

6 (16) In order to receive funds under this section, a funding  
7 recipient shall furnish to the department, in a form and manner  
8 determined by the department, all information needed to administer  
9 this program and meet federal reporting requirements; shall allow  
10 the department or the department's designee to review all records  
11 related to the program for which it receives funds; and shall  
12 reimburse the state for all disallowances found in the review, as  
13 determined by the department.

14 (17) All intermediate district participant audits of adult  
15 education programs shall be performed pursuant to the adult  
16 education participant auditing and accounting manuals published by  
17 the department.

18 (18) As used in this section:

19 (a) "Department" means the Michigan strategic fund.

20 (b) "Eligible adult education provider" means a district,  
21 intermediate district, a consortium of districts, a consortium of  
22 intermediate districts, or a consortium of districts and  
23 intermediate districts that is identified as part of the local  
24 process described in subsection (5)(c) and approved by the  
25 department.

26 (c) "Participant" means the sum of the number of full-time  
27 equated individuals enrolled in and attending a department-approved



1 adult education program under this section, using quarterly  
2 participant count days on the schedule described in section  
3 6(7)(b).

4 Sec. 230. (1) Money included in the appropriations for  
5 community college operations under section 201(2) in fiscal year  
6 2014-2015 for performance funding is distributed based on the  
7 following formula:

8 (a) Allocated proportionate to fiscal year 2013-2014 base  
9 appropriations, 50%.

10 (b) Based on contact hour equated students, 10%.

11 (c) Based on administrative costs, 7.5%.

12 (d) Based on a weighted degree formula as provided for in the  
13 2006 recommendations of the performance indicators task force,  
14 17.5%.

15 (e) Based on the local strategic value component, as developed  
16 in cooperation with the Michigan ~~community college association~~  
17 **COMMUNITY COLLEGE ASSOCIATION** and described in subsection (2), 15%.

18 (2) Money included in the appropriations for community college  
19 operations under section 201(2) for local strategic value shall be  
20 allocated to each community college that certifies to the state  
21 budget director, through a board of trustees resolution on or  
22 before October 15, 2014, that the college has met 4 out of 5 best  
23 practices listed in each category described in subsection (3). The  
24 resolution shall provide specifics as to how the community college  
25 meets each best practice measure within each category. One-third of  
26 funding available under the strategic value component shall be  
27 allocated to each category described in subsection (3). Amounts

1 distributed under local strategic value shall be on a proportionate  
2 basis to each college's fiscal year 2013-2014 operations funding.  
3 Payments to community colleges that qualify for local strategic  
4 value funding shall be distributed with the November installment  
5 payment described in section 206.

6 (3) For purposes of subsection (2), the following categories  
7 of best practices reflect functional activities of community  
8 colleges that have strategic value to the local communities and  
9 regional economies:

10 (a) For Category A, economic development and business or  
11 industry partnerships, the following:

12 (i) The community college has active partnerships with local  
13 employers including hospitals and health care providers.

14 (ii) The community college provides customized on-site training  
15 for area companies, employees, or both.

16 (iii) The community college supports entrepreneurship through a  
17 small business assistance center or other training or consulting  
18 activities targeted toward small businesses.

19 (iv) The community college supports technological advancement  
20 through industry partnerships, incubation activities, or operation  
21 of a Michigan technical education center or other advanced  
22 technology center.

23 (v) The community college has active partnerships with local  
24 or regional workforce and economic development agencies.

25 (b) For Category B, educational partnerships, the following:

26 (i) The community college has active partnerships with regional  
27 high schools, intermediate school districts, and career-tech

1 centers to provide instruction through dual enrollment, concurrent  
2 enrollment, direct credit, middle college, or academy programs.

3 (ii) The community college hosts, sponsors, or participates in  
4 enrichment programs for area K-12 students, such as college days,  
5 summer or after-school programming, or science Olympiad.

6 (iii) The community college provides, supports, or participates  
7 in programming to promote successful transitions to college for  
8 traditional age students, including grant programs such as talent  
9 search, upward bound, or other activities to promote college  
10 readiness in area high schools and community centers.

11 (iv) The community college provides, supports, or participates  
12 in programming to promote successful transitions to college for new  
13 or reentering adult students, such as adult basic education,  
14 ~~general education development certificate~~ **HIGH SCHOOL EQUIVALENCY**  
15 **TEST** preparation and testing, or recruiting, advising, or  
16 orientation activities specific to adults.

17 (v) The community college has active partnerships with  
18 regional 4-year colleges and universities to promote successful  
19 transfer, such as articulation, 2+2, or reverse transfer agreements  
20 or operation of a university center.

21 (c) For Category C, community services, the following:

22 (i) The community college provides continuing education  
23 programming for leisure, wellness, personal enrichment, or  
24 professional development.

25 (ii) The community college operates or sponsors opportunities  
26 for community members to engage in activities that promote leisure,  
27 wellness, cultural or personal enrichment such as community sports

1 teams, theater or musical ensembles, or artist guilds.

2 (iii) The community college operates public facilities to  
3 promote cultural, educational, or personal enrichment for community  
4 members, such as libraries, computer labs, performing arts centers,  
5 museums, art galleries, or television or radio stations.

6 (iv) The community college operates public facilities to  
7 promote leisure or wellness activities for community members,  
8 including gymnasiums, athletic fields, tennis courts, fitness  
9 centers, hiking or biking trails, or natural areas.

10 (v) The community college promotes, sponsors, or hosts  
11 community service activities for students, staff, or community  
12 members.

13 Sec. 256. (1) The funds appropriated in section 236 for the  
14 tuition incentive program shall be distributed as provided in this  
15 section and pursuant to the administrative procedures for the  
16 tuition incentive program of the department of treasury.

17 (2) As used in this section:

18 (a) "Phase I" means the first part of the tuition incentive  
19 assistance program defined as the academic period of 80 semester or  
20 120 term credits, or less, leading to an associate degree or  
21 certificate.

22 (b) "Phase II" means the second part of the tuition incentive  
23 assistance program which provides assistance in the third and  
24 fourth year of 4-year degree programs.

25 (c) "Department" means the department of treasury.

26 (3) An individual shall meet the following basic criteria and  
27 financial thresholds to be eligible for tuition incentive benefits:

1 (a) To be eligible for phase I, an individual shall meet all  
2 of the following criteria:

3 (i) Apply for certification to the department any time after he  
4 or she begins the sixth grade but before August 31 of the school  
5 year in which he or she graduates from high school or before  
6 ~~completing a general education development~~ **ACHIEVING A HIGH SCHOOL**  
7 **EQUIVALENCY** certificate.

8 (ii) Be less than 20 years of age at the time he or she  
9 graduates from high school with a diploma or certificate of  
10 completion or ~~completes a general education development~~ **ACHIEVES A**  
11 **HIGH SCHOOL EQUIVALENCY** certificate.

12 (iii) Be a United States citizen and a resident of Michigan  
13 according to institutional criteria.

14 (iv) Be at least a half-time student, earning less than 80  
15 semester or 120 term credits at a participating educational  
16 institution within 4 years of high school graduation or ~~completion~~  
17 ~~of a general education development~~ **ACHIEVEMENT OF A HIGH SCHOOL**  
18 **EQUIVALENCY** certificate.

19 (v) Request information on filing a FAFSA.

20 (vi) Must meet the satisfactory academic progress policy of the  
21 educational institution he or she attends.

22 (b) To be eligible for phase II, an individual shall meet  
23 either of the following criteria in addition to the criteria in  
24 subdivision (a):

25 (i) Complete at least 56 transferable semester or 84  
26 transferable term credits.

27 (ii) Obtain an associate degree or certificate at a

1 participating institution.

2 (c) To be eligible for phase I or phase II, an individual must  
3 not be incarcerated and must be financially eligible as determined  
4 by the department. An individual is financially eligible for the  
5 tuition incentive program if he or she was eligible for Medicaid  
6 from the state of Michigan for 24 months within the 36 months  
7 before application. The department shall accept certification of  
8 Medicaid eligibility only from the department of human services for  
9 the purposes of verifying if a person is Medicaid eligible for 24  
10 months within the 36 months before application. Certification of  
11 eligibility may begin in the sixth grade. As used in this  
12 subdivision, "incarcerated" does not include detention of a  
13 juvenile in a state-operated or privately operated juvenile  
14 detention facility.

15 (4) For phase I, the department shall provide payment on  
16 behalf of a person eligible under subsection (3). The department  
17 shall reject billings that are excessive or outside the guidelines  
18 for the type of educational institution.

19 (5) For phase I, all of the following apply:

20 (a) Payments for associate degree or certificate programs  
21 shall not be made for more than 80 semester or 120 term credits for  
22 any individual student at any participating institution.

23 (b) For persons enrolled at a Michigan community college, the  
24 department shall pay the current in-district tuition and mandatory  
25 fees. For persons residing in an area that is not included in any  
26 community college district, the out-of-district tuition rate may be  
27 authorized.

1 (c) For persons enrolled at a Michigan public university, the  
2 department shall pay lower division resident tuition and mandatory  
3 fees for the current year.

4 (d) For persons enrolled at a Michigan independent, nonprofit  
5 degree-granting college or university, or a Michigan federal  
6 tribally controlled community college, or Focus: HOPE, the  
7 department shall pay mandatory fees for the current year and a per-  
8 credit payment that does not exceed the average community college  
9 in-district per-credit tuition rate as reported on August 1, for  
10 the immediately preceding academic year.

11 (6) A person participating in phase II may be eligible for  
12 additional funds not to exceed \$500.00 per semester or \$400.00 per  
13 term up to a maximum of \$2,000.00 subject to the following  
14 conditions:

15 (a) Credits are earned in a 4-year program at a Michigan  
16 degree-granting 4-year college or university.

17 (b) The tuition reimbursement is for coursework completed  
18 within 30 months of completion of the phase I requirements.

19 (7) The department shall work closely with participating  
20 institutions to develop an application and eligibility  
21 determination process that will provide the highest level of  
22 participation and ensure that all requirements of the program are  
23 met.

24 (8) Applications for the tuition incentive program may be  
25 approved at any time after the student begins the sixth grade. If a  
26 determination of financial eligibility is made, that determination  
27 is valid as long as the student meets all other program

1 requirements and conditions.

2 (9) Each institution shall ensure that all known available  
3 restricted grants for tuition and fees are used prior to billing  
4 the tuition incentive program for any portion of a student's  
5 tuition and fees.

6 (10) The department shall ensure that the tuition incentive  
7 program is well publicized and that eligible Medicaid clients are  
8 provided information on the program. The department shall provide  
9 the necessary funding and staff to fully operate the program.

10 Enacting section 1. This amendatory act takes effect 90 days  
11 after the date it is enacted into law.