

**SUBSTITUTE FOR
HOUSE BILL NO. 4313**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 11s,
15, 18, 18c, 20, 20d, 20f, 20g, 20m, 21, 22a, 22b, 22d, 22g, 24,
24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 32d,
32p, 32q, 35, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 55,
56, 61a, 61b, 61c, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s,
99t, 102d, 104, 104c, 104d, 107, 147, 147a, 147b, 147c, 152a, 152b,
166b, 201, 201a, 203, 206, 207a, 207b, 207c, 209, 210b, 217, 222,
223, 224, 225, 226, 229, 229a, 230, 236, 236a, 236b, 236c, 237b,
241, 244, 245, 251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267,
268, 269, 270, 274, 274c, 275, 276, 277, 278, 279, 280, 281, 282,
283, and 284 (MCL 388.1603, 388.1604, 388.1606, 388.1608b,
388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611r,

388.1611s, 388.1615, 388.1618, 388.1618c, 388.1620, 388.1620d,
 388.1620f, 388.1620g, 388.1620m, 388.1621, 388.1622a, 388.1622b,
 388.1622d, 388.1622g, 388.1624, 388.1624a, 388.1624c, 388.1625f,
 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b,
 388.1631d, 388.1631f, 388.1631j, 388.1632d, 388.1632p, 388.1632q,
 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a,
 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1655,
 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b,
 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a,
 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1702d, 388.1704,
 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747b,
 388.1747c, 388.1752a, 388.1752b, 388.1766b, 388.1801, 388.1801a,
 388.1803, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809,
 388.1810b, 388.1817, 388.1822, 388.1823, 388.1824, 388.1825,
 388.1826, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a,
 388.1836b, 388.1836c, 388.1837b, 388.1841, 388.1844, 388.1845,
 388.1851, 388.1852, 388.1854, 388.1856, 388.1863, 388.1863a,
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 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, and
 388.1884), sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18,
 20d, 20f, 20g, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a,
 26b, 26c, 31a, 31d, 31f, 32d, 32p, 35, 35a, 39, 39a, 41, 51c, 51d,
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 104, 104d, 107, 147, 147a, 147c, 152a, 166b, 201, 201a, 203, 206,
 207a, 207b, 207c, 209, 210b, 217, 222, 223, 224, 225, 226, 229a,
 230, 236, 236a, 236b, 236c, 237b, 241, 251, 252, 254, 256, 263,

263a, 264, 265, 265a, 267, 268, 269, 270, 274, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 11s, 20m, 21, 31b, 31j, 32q, 54b, and 152b as added by 2016 PA 249, sections 8b, 229, and 244 as amended by 2015 PA 85, section 18c as amended by 2012 PA 201, sections 20, 61a, 61c, 98, 99h, 99t, and 104c as amended by 2016 PA 313, section 51a as amended by 2016 PA 534, section 147b as amended by 2013 PA 60, and section 245 as amended by 2014 PA 196, and by adding sections 21h, 21j, 22m, 22n, 64d, 67a, 95b, 99c, 99k, 99r, 99u, 104e, 147e, 160, 164g, 164h, 236e, 249, 250, 274d, and 275c; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

9 ~~(2) "Achievement school" means a public school within the~~
 10 ~~education achievement system operated, managed, authorized,~~
 11 ~~established, or overseen by the achievement authority.~~

12 **(1)** ~~(3)~~ "Average daily attendance", for the purposes of
 13 complying with federal law, means 92% of the pupils counted in
 14 membership on the pupil membership count day, as defined in section
 15 6(7).

1 (2) ~~(4)~~—"Board" means the governing body of a district or
2 public school academy.

3 (3) ~~(5)~~—"Center" means the center for educational performance
4 and information created in section 94a.

5 (4) ~~(6)~~—"Community district" means a school district organized
6 under part 5b of the revised school code.

7 (5) ~~(7)~~—"Cooperative education program" means a written
8 voluntary agreement between and among districts to provide certain
9 educational programs for pupils in certain groups of districts. The
10 written agreement shall be approved by all affected districts at
11 least annually and shall specify the educational programs to be
12 provided and the estimated number of pupils from each district who
13 will participate in the educational programs.

14 (6) ~~(8)~~—"Department", except in section 107, means the
15 department of education.

16 (7) ~~(9)~~—"District" means a local school district established
17 under the revised school code or, except in sections 6(4), 6(6),
18 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school
19 academy. ~~Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a,~~
20 ~~105, 105c, and 166b, district also includes the education~~
21 ~~achievement system.~~ Except in section 20, district also includes a
22 community district.

23 (8) ~~(10)~~—"District of residence", except as otherwise provided
24 in this subsection, means the district in which a pupil's custodial
25 parent or parents or legal guardian resides. For a pupil described
26 in section 24b, the pupil's district of residence is the district
27 in which the pupil enrolls under that section. For a pupil

described in section 6(4)(d), the pupil's district of residence shall be considered to be the district or intermediate district in which the pupil is counted in membership under that section. For a pupil under court jurisdiction who is placed outside the district in which the pupil's custodial parent or parents or legal guardian resides, the pupil's district of residence shall be considered to be the educating district or educating intermediate district.

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

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

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

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

1 **(3)** ~~(4)~~—"Fiscal year" means the state fiscal year that
2 commences October 1 and continues through September 30.

3 **(4)** ~~(5)~~—"High school equivalency certificate" means a
4 certificate granted for the successful completion of a high school
5 equivalency test.

6 **(5)** ~~(6)~~—"High school equivalency test" means the G.E.D. test
7 developed by the GED Testing Service, the Test Assessing Secondary
8 Completion (TASC) developed by CTS/McGraw-Hill, the HISET test
9 developed by the Education Testing Service (ETS), or another
10 comparable test approved by the department of talent and economic
11 development.

12 **(6)** ~~(7)~~—"High school equivalency test preparation program"
13 means a program that has high school level courses in English
14 language arts, social studies, science, and mathematics and that
15 prepares an individual to successfully complete a high school
16 equivalency test.

17 **(7)** ~~(8)~~—"High school pupil" means a pupil in membership in
18 grades 7 to 12, except in a district not maintaining grades above
19 the eighth grade.

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

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

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

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

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

1 supplemental count day for the immediately preceding school year. A
 2 district's, public school academy's, or intermediate district's
 3 membership shall be adjusted as provided under section 25e for
 4 pupils who enroll after the pupil membership count day in a strict
 5 discipline academy operating under sections 1311b to 1311m of the
 6 revised school code, MCL 380.1311b to 380.1311m. However, for a
 7 district that is a community district, ~~in its first year of~~
 8 ~~operation,~~ "membership" means the sum of the product of .90 times
 9 the number of full-time equated pupils in grades K to 12 actually
 10 enrolled and in regular daily attendance in the community district
 11 on the pupil membership count day for the current school year, plus
 12 the product of .10 times **THE SUM OF** the final audited count from
 13 the supplemental count day of pupils in grades K to 12 actually
 14 enrolled and in regular daily attendance in ~~a qualifying school~~
 15 ~~district as defined in section 5 of the revised school code, MCL~~
 16 ~~380.5,~~ **THE COMMUNITY DISTRICT FOR THE IMMEDIATELY PRECEDING SCHOOL**
 17 **YEAR PLUS THE FINAL AUDITED COUNT FROM THE SUPPLEMENTAL COUNT DAY**
 18 **OF PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY**
 19 **ATTENDANCE IN THE EDUCATION ACHIEVEMENT SYSTEM** for the immediately
 20 preceding school year. All pupil counts used in this subsection are
 21 as determined by the department and calculated by adding the number
 22 of pupils registered for attendance plus pupils received by
 23 transfer and minus pupils lost as defined by rules promulgated by
 24 the superintendent, and as corrected by a subsequent department
 25 audit. ~~For the purposes of this section and section 6a, for a~~
 26 ~~school of excellence that is a cyber school, as defined in section~~
 27 ~~551 of the revised school code, MCL 380.551, and is in compliance~~

1 ~~with section 553a of the revised school code, MCL 380.553a, a~~
2 ~~pupil's participation in the cyber school's educational program is~~
3 ~~considered regular daily attendance; for the education achievement~~
4 ~~system, a pupil's participation in a virtual educational program of~~
5 ~~the education achievement system or of an achievement school is~~
6 ~~considered regular daily attendance; and for a district a pupil's~~
7 ~~participation in a virtual course as defined in section 21f is~~
8 ~~considered regular daily attendance.~~ The amount of the foundation
9 allowance for a pupil in membership is determined under section 20.
10 In making the calculation of membership, all of the following, as
11 applicable, apply to determining the membership of a district, a
12 public school academy, ~~the education achievement system,~~ or an
13 intermediate district:

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

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

1 district.

2 (c) A special education pupil educated by the intermediate
3 district shall be counted in membership in the intermediate
4 district.

5 (d) A pupil placed by a court or state agency in an on-grounds
6 program of a juvenile detention facility, a child caring
7 institution, or a mental health institution, or a pupil funded
8 under section 53a, shall be counted in membership in the district
9 or intermediate district approved by the department to operate the
10 program.

11 (e) A pupil enrolled in the Michigan ~~schools~~ **SCHOOLS** for the
12 ~~deaf and blind~~ **DEAF AND BLIND** shall be counted in membership in the
13 pupil's intermediate district of residence.

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

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

22 ~~(h) A pupil enrolled in an achievement school shall be counted~~
23 ~~in membership in the education achievement system.~~ **FOR THE PURPOSES**
24 **OF THIS SECTION AND SECTION 6A, FOR A CYBER SCHOOL, AS DEFINED IN**
25 **SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, THAT IS IN**
26 **COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL**
27 **380.553A, A PUPIL'S PARTICIPATION IN THE CYBER SCHOOL'S EDUCATIONAL**

1 PROGRAM IS CONSIDERED REGULAR DAILY ATTENDANCE, AND FOR A DISTRICT
2 OR PUBLIC SCHOOL ACADEMY, A PUPIL'S PARTICIPATION IN A VIRTUAL
3 COURSE AS DEFINED IN SECTION 21F IS CONSIDERED REGULAR DAILY
4 ATTENDANCE.

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

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

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

27 (j) If a district is the authorizing body for a public school

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

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

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

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

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

1 (A) Is enrolled in a public school academy or an alternative
2 education high school diploma program, that is primarily focused on
3 educating pupils with extreme barriers to education, such as being
4 homeless as defined under 42 USC 11302.

5 (B) Had dropped out of school.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 pupil's transcript.

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

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

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

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

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

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

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

26 (z) A pupil of a district that begins its school year after
27 Labor Day who is enrolled in an intermediate district program that

1 begins before Labor Day shall not be considered to be less than a
2 full-time pupil solely due to instructional time scheduled but not
3 attended by the pupil before Labor Day.

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

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

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

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

1 membership counting provisions under this subdivision and the
2 operation of the other membership counting provisions under this
3 subsection result in a pupil being counted as more than 1.0 FTE in
4 a fiscal year, the payment made for the pupil under sections 22a
5 and 22b shall not be based on more than 1.0 FTE for that pupil, and
6 any portion of an FTE for that pupil that exceeds 1.0 shall instead
7 be paid under section 25g. The district operating the program shall
8 report to the center the number of pupils who were enrolled in the
9 program and were in full attendance for a month not later than 30
10 days after the end of the month. A district shall not report a
11 pupil as being in full attendance for a month unless both of the
12 following are met:

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

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

24 (ee) A pupil participating in a virtual course under section
25 21f shall be counted in membership in the district enrolling the
26 pupil.

27 (ff) If a public school academy that is not in its first or

1 second year of operation closes at the end of a school year and
 2 does not reopen for the next school year, the department shall
 3 adjust the membership count of the district or ~~the education~~
 4 ~~achievement system~~ **OTHER PUBLIC SCHOOL ACADEMY** in which a former
 5 pupil of the **CLOSED** public school academy enrolls and is in regular
 6 daily attendance for the next school year to ensure that the
 7 district or ~~the education achievement system~~ **OTHER PUBLIC SCHOOL**
 8 **ACADEMY** receives the same amount of membership aid for the pupil as
 9 if the pupil were counted in the district or ~~the education~~
 10 ~~achievement system~~ **OTHER PUBLIC SCHOOL ACADEMY** on the supplemental
 11 count day of the preceding school year.

12 (gg) If a special education pupil is expelled under section
 13 1311 or 1311a of the revised school code, MCL 380.1311 and
 14 380.1311a, and is not in attendance on the pupil membership count
 15 day because of the expulsion, and if the pupil remains enrolled in
 16 the district and resumes regular daily attendance during that
 17 school year, the district's membership shall be adjusted to count
 18 the pupil in membership as if he or she had been in attendance on
 19 the pupil membership count day.

20 (hh) A pupil enrolled in a community district shall be counted
 21 in membership in the community district. ~~For a community district~~
 22 ~~in its first fiscal year of operations only, until the department~~
 23 ~~is able to calculate the community district's membership, the~~
 24 ~~department shall consider the community district's membership to be~~
 25 ~~the same as the membership for the immediately preceding fiscal~~
 26 ~~year for a district with the same boundaries as the community~~
 27 ~~district that had membership for that fiscal year.~~

1 (II) A PART-TIME PUPIL ENROLLED IN A NONPUBLIC SCHOOL IN
2 GRADES K TO 12 IN ACCORDANCE WITH SECTION 166B SHALL NOT BE COUNTED
3 AS MORE THAN 0.75 OF A FULL-TIME EQUATED MEMBERSHIP.

4 (JJ) A DISTRICT THAT BORDERS ANOTHER STATE OR A PUBLIC SCHOOL
5 ACADEMY THAT OPERATES AT LEAST GRADES 9 TO 12 AND IS LOCATED WITHIN
6 20 MILES OF A BORDER WITH ANOTHER STATE MAY COUNT IN MEMBERSHIP A
7 PUPIL WHO IS ENROLLED IN A COURSE AT A COLLEGE OR UNIVERSITY THAT
8 IS LOCATED IN THE BORDERING STATE AND WITHIN 20 MILES OF THE BORDER
9 WITH THIS STATE IF ALL OF THE FOLLOWING ARE MET:

10 (i) THE PUPIL WOULD MEET THE DEFINITION OF AN ELIGIBLE STUDENT
11 UNDER THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL
12 388.511 TO 388.524, IF THE COURSE WERE AN ELIGIBLE COURSE UNDER
13 THAT ACT.

14 (ii) THE COURSE IN WHICH THE PUPIL IS ENROLLED WOULD MEET THE
15 DEFINITION OF AN ELIGIBLE COURSE UNDER THE POSTSECONDARY ENROLLMENT
16 OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, IF THE COURSE
17 WERE PROVIDED BY AN ELIGIBLE POSTSECONDARY INSTITUTION UNDER THAT
18 ACT.

19 (iii) THE DEPARTMENT DETERMINES THAT THE COLLEGE OR UNIVERSITY
20 IS AN INSTITUTION THAT, IN THE OTHER STATE, FULFILLS A FUNCTION
21 COMPARABLE TO A STATE UNIVERSITY OR COMMUNITY COLLEGE, AS THOSE
22 TERMS ARE DEFINED IN SECTION 3 OF THE POSTSECONDARY ENROLLMENT
23 OPTIONS ACT, 1996 PA 160, MCL 388.513, OR IS AN INDEPENDENT
24 NONPROFIT DEGREE-GRANTING COLLEGE OR UNIVERSITY.

25 (iv) THE DISTRICT OR PUBLIC SCHOOL ACADEMY PAYS FOR A PORTION
26 OF THE PUPIL'S TUITION AT THE COLLEGE OR UNIVERSITY IN AN AMOUNT
27 EQUAL TO THE ELIGIBLE CHARGES THAT THE DISTRICT OR PUBLIC SCHOOL

1 ACADEMY WOULD PAY TO AN ELIGIBLE POSTSECONDARY INSTITUTION UNDER
2 THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511
3 TO 388.524, AS IF THE COURSE WERE AN ELIGIBLE COURSE UNDER THAT
4 ACT.

5 (v) THE DISTRICT OR PUBLIC SCHOOL ACADEMY AWARDS HIGH SCHOOL
6 CREDIT TO A PUPIL WHO SUCCESSFULLY COMPLETES A COURSE AS DESCRIBED
7 IN THIS SUBDIVISION.

8 (KK) A PUPIL ENROLLED IN A MIDDLE COLLEGE PROGRAM MAY BE
9 COUNTED FOR MORE THAN A TOTAL OF 1.0 FULL-TIME EQUATED MEMBERSHIP
10 IF THE PUPIL IS ENROLLED IN MORE THAN THE MINIMUM NUMBER OF
11 INSTRUCTIONAL DAYS AND HOURS REQUIRED UNDER SECTION 101 AND THE
12 PUPIL IS EXPECTED TO COMPLETE THE 5-YEAR PROGRAM WITH BOTH A HIGH
13 SCHOOL DIPLOMA AND AT LEAST 60 TRANSFERABLE COLLEGE CREDITS OR IS
14 EXPECTED TO EARN AN ASSOCIATE'S DEGREE IN FEWER THAN 5 YEARS.

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

17 (6) "Pupil" means ~~a person~~ **AN INDIVIDUAL** in membership in a
18 public school. A district must have the approval of the pupil's
19 district of residence to count the pupil in membership, except
20 approval by the pupil's district of residence is not required for
21 any of the following:

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

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

26 (c) A pupil enrolled in a public school academy. ~~or the~~
27 ~~education achievement system.~~

1 (d) A pupil enrolled in a district other than the pupil's
2 district of residence under an intermediate district schools of
3 choice pilot program as described in section 91a or former section
4 91 if the intermediate district and its constituent districts have
5 been exempted from section 105.

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

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

23 (i) "At school" means in a classroom, elsewhere on school
24 premises, on a school bus or other school-related vehicle, or at a
25 school-sponsored activity or event whether or not it is held on
26 school premises.

27 (ii) "Serious assault" means an act that constitutes a felony

1 violation of chapter XI of the Michigan penal code, 1931 PA 328,
2 MCL 750.81 to 750.90h, or that constitutes an assault and
3 infliction of serious or aggravated injury under section 81a of the
4 Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

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

22 (j) A pupil who is the child of a person who works at the
23 district or who is the child of a person who worked at the district
24 as of the time the pupil first enrolled in the district but who no
25 longer works at the district due to a workforce reduction. As used
26 in this subdivision, "child" includes an adopted child, stepchild,
27 or legal ward.

1 (k) An expelled pupil who has been denied reinstatement by the
2 expelling district and is reinstated by another school board under
3 section 1311 or 1311a of the revised school code, MCL 380.1311 and
4 380.1311a.

5 (l) A pupil enrolled in a district other than the pupil's
6 district of residence in a middle college program if the pupil's
7 district of residence and the enrolling district are both
8 constituent districts of the same intermediate district.

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

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

15 (o) A pupil who enrolls in a district other than the pupil's
16 district of residence as a result of the pupil's school not making
17 adequate yearly progress under the no child left behind act of
18 2001, Public Law 107-110, or the every student succeeds act, Public
19 Law 114-95.

20 However, except for pupils enrolled in the youth challenge
21 program at the site at which the youth challenge program operated
22 for 2015-2016, if a district educates pupils who reside in another
23 district and if the primary instructional site for those pupils is
24 established by the educating district after 2009-2010 and is
25 located within the boundaries of that other district, the educating
26 district must have the approval of that other district to count
27 those pupils in membership.

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

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

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

11 (i) Fourth Wednesday in July.

12 (ii) First Wednesday in October.

13 (iii) Second Wednesday in February.

14 (iv) Fourth Wednesday in April.

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

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

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

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

25 (11) "School district of the first class", "first class school
26 district", and "district of the first class" mean, for the purposes
27 of this article only, a district that had at least 40,000 pupils in

1 membership for the immediately preceding fiscal year.

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

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

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

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

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

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

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

27 (19) "Textbook" means a book, electronic book, or other

1 instructional print or electronic resource that is selected and
2 approved by the governing board of a district ~~or, for an~~
3 ~~achievement school, by the chancellor of the achievement authority~~
4 and that contains a presentation of principles of a subject, or
5 that is a literary work relevant to the study of a subject required
6 for the use of classroom pupils, or another type of course material
7 that forms the basis of classroom instruction.

8 (20) "Total state aid" or "total state school aid" means the
9 total combined amount of all funds due to a district, intermediate
10 district, or other entity under ~~all of the provisions of this~~
11 article.

12 Sec. 8b. (1) The department shall assign a district code to
13 each public school academy that is authorized under the revised
14 school code and is eligible to receive funding under this article
15 within 30 days after a contract is submitted to the department by
16 the authorizing body of a public school academy.

17 (2) If the department does not assign a district code to a
18 public school academy within the 30-day period described in
19 subsection (1), the district code the department shall use to make
20 payments under this article to the newly authorized public school
21 academy shall be a number that is equivalent to the sum of the last
22 district code assigned to a public school academy located in the
23 same county as the newly authorized public school academy plus 1.
24 However, if there is not an existing public school academy located
25 in the same county as the newly authorized public school academy,
26 then the district code the department shall use to make payments
27 under this article to the newly authorized public school academy

shall be a 5-digit number that has the county code in which the public school academy is located as its first 2 digits, 9 as its third digit, 0 as its fourth digit, and 1 as its fifth digit. If the number of public school academies in a county grows to exceed 100, the third digit in this 5-digit number shall then be 7 for the public school academies in excess of 100.

(3) For each school of excellence that is a cyber school and is authorized under part 6e of the revised school code, MCL 380.551 to 380.561, by a school district, intermediate school district, community college other than a federal tribally controlled community college, or other authorizing body that is not empowered to authorize a school of excellence to operate statewide and is eligible to receive funding under this article, ~~the~~ **ALL OF THE FOLLOWING APPLY:**

(A) THE department shall assign a district code that includes as the first 2 digits the county code in which the authorizing body is located.

(B) IF THE CYBER SCHOOL DOES NOT PROVIDE INSTRUCTION AT A SPECIFIC LOCATION, THE INTERMEDIATE DISTRICT THAT WOULD NORMALLY PROVIDE PROGRAMS AND SERVICES TO THE SCHOOL DISTRICT IN WHICH THE ADMINISTRATIVE OFFICE OF CYBER SCHOOL IS LOCATED SHALL PROVIDE PROGRAMS AND SERVICES TO THE CYBER SCHOOL. THE INTERMEDIATE SCHOOL DISTRICT REQUIRED TO PROVIDE PROGRAMS AND SERVICES TO A CYBER SCHOOL UNDER THIS SUBDIVISION REMAINS THE SAME FOR AS LONG AS THAT CYBER SCHOOL IS IN OPERATION.

~~Sec. 11. (1) For the fiscal year ending September 30, 2016, there is appropriated for the public schools of this state and~~

~~1 certain other state purposes relating to education the sum of~~
~~2 \$11,905,439,300.00 from the state school aid fund and the sum of~~
~~3 \$55,100,000.00 from the general fund.~~ For the fiscal year ending
 4 September 30, 2017, there is appropriated for the public schools of
 5 this state and certain other state purposes relating to education
 6 the sum of ~~\$12,052,309,300.00~~ **\$12,069,644,300.00** from the state
 7 school aid fund, the sum of ~~\$218,900,000.00~~ **\$179,100,000.00** from
 8 the general fund, an amount not to exceed \$72,000,000.00 from the
 9 community district education trust fund created under section 12 of
 10 the Michigan trust fund act, 2000 PA 489, MCL 12.262, and an amount
 11 not to exceed \$100.00 from the water emergency reserve fund. **FOR**
 12 **THE FISCAL YEAR ENDING SEPTEMBER 30, 2018, THERE IS APPROPRIATED**
 13 **FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE**
 14 **PURPOSES RELATING TO EDUCATION THE SUM OF \$12,543,130,300.00 FROM**
 15 **THE STATE SCHOOL AID FUND, THE SUM OF \$215,000,000.00 FROM THE**
 16 **GENERAL FUND, AN AMOUNT NOT TO EXCEED \$72,000,000.00 FROM THE**
 17 **COMMUNITY DISTRICT EDUCATION TRUST FUND CREATED UNDER SECTION 12 OF**
 18 **THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.262, AN AMOUNT NOT**
 19 **TO EXCEED \$23,100,000.00 FROM THE MPSERS RETIREMENT OBLIGATION**
 20 **REFORM RESERVE FUND, AND AN AMOUNT NOT TO EXCEED \$100.00 FROM THE**
 21 **WATER EMERGENCY RESERVE FUND.** In addition, all ~~other~~ available
 22 federal funds are appropriated each fiscal year for the fiscal
 23 years ending ~~September 30, 2016 and September 30, 2017~~ **AND**
 24 **SEPTEMBER 30, 2018.**

25 (2) The appropriations under this section shall be allocated
 26 as provided in this article. Money appropriated under this section
 27 from the general fund shall be expended to fund the purposes of

1 this article before the expenditure of money appropriated under
2 this section from the state school aid fund.

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

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

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

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

16 (b) Money statutorily dedicated to the school aid
17 stabilization fund.

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

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

24 (4) The state treasurer shall direct the investment of the
25 school aid stabilization fund. The state treasurer shall credit to
26 the school aid stabilization fund interest and earnings from fund
27 investments.

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

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

18 (7) For 2016-2017 **AND FOR 2017-2018**, in addition to the
19 appropriations in section 11, there is appropriated from the school
20 aid stabilization fund to the state school aid fund the amount
21 necessary to fully fund the allocations under this article.

22 Sec. 11j. From the appropriation in section 11, ~~there is~~
23 ~~allocated an amount not to exceed \$10,500,000.00 for 2015-2016 and~~
24 ~~there is allocated an amount not to exceed \$126,500,000.00~~
25 **\$125,500,000.00 for 2016-2017-2017-2018** for payments to the school
26 loan bond redemption fund in the department of treasury on behalf
27 of districts and intermediate districts. Notwithstanding section

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

3 Sec. 11k. For ~~2016-2017,~~ **2017-2018**, there is appropriated from
4 the general fund to the school loan revolving fund an amount equal
5 to the amount of school bond loans assigned to the Michigan finance
6 authority, not to exceed the total amount of school bond loans held
7 in reserve as long-term assets. As used in this section, "school
8 loan revolving fund" means that fund created in section 16c of the
9 shared credit rating act, 1985 PA 227, MCL 141.1066c.

10 Sec. 11m. From the appropriation in section 11, ~~there is~~
11 ~~allocated for 2015-2016 an amount not to exceed \$1,000,000.00 and~~
12 there is allocated for 2016-2017 an amount not to exceed
13 ~~\$3,000,000.00~~ **\$5,500,000.00 AND THERE IS ALLOCATED FOR 2017-2018 AN**
14 **AMOUNT NOT TO EXCEED \$6,500,000.00** for fiscal year cash-flow
15 borrowing costs solely related to the state school aid fund
16 established by section 11 of article IX of the state constitution
17 of 1963.

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

23 (2) The distressed districts emergency grant fund is created
24 as a separate account within the state school aid fund. The state
25 treasurer may receive money or other assets from any source for
26 deposit into the distressed districts emergency grant fund. The
27 state treasurer shall direct the investment of the distressed

1 districts emergency grant fund and shall credit to the distressed
2 districts emergency grant fund interest and earnings from the fund.

3 (3) Subject to subsection (4), a district is eligible to
4 receive a grant from the distressed districts emergency grant fund
5 if either of the following applies:

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

10 (b) The district is a receiving district under section 12 of
11 the revised school code, MCL 380.12, and the district enrolls
12 pupils who were previously enrolled in a district that was
13 dissolved under section 12 of the revised school code, MCL 380.12,
14 in the immediately preceding school year.

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

17 (5) The amount of a grant under this section shall be
18 determined by the state treasurer after consultation with the
19 superintendent of public instruction, but shall not exceed the
20 estimated amount of remaining district costs in excess of available
21 revenues, including, but not limited to, payroll, benefits,
22 retirement system contributions, pupil transportation, food
23 services, special education, building security, and other costs
24 necessary to allow the district to operate schools directly and
25 provide public education services until the end of the current
26 school fiscal year. For a district that meets the eligibility
27 criteria under subsection (3) (b), the amount of the grant shall be

1 determined in the same manner as transition costs under section
2 20g.

3 (6) Before disbursing funds under this section, the state
4 treasurer shall notify the house and senate appropriations
5 subcommittees on school aid and the house and senate fiscal
6 agencies. The notification shall include, but not be limited to,
7 the district receiving funds under this section, the amount of the
8 funds awarded under this section, an explanation of the district
9 conditions that necessitate funding under this section, and the
10 intended use of funds disbursed under this section.

11 (7) Except as otherwise provided in subsection (8), money in
12 the distressed districts emergency grant fund at the close of a
13 fiscal year shall remain in the distressed districts emergency
14 grant fund and shall not lapse to the state school aid fund or to
15 the general fund.

16 (8) For ~~2015-2016-2016-2017~~ only, ~~an amount not to exceed~~
17 ~~\$2,800,000.00~~ **THE REMAINING BALANCE IN THE WORK PROJECT THAT WAS**
18 **ESTABLISHED UNDER THIS SECTION FOR 2014-2015, ESTIMATED AT**
19 **\$1,000,000.00**, shall be lapsed from the distressed districts
20 emergency grant fund to the state school aid fund.

21 Sec. 11s. (1) From the general fund appropriation in section
22 11, there is allocated \$10,142,500.00 for 2016-2017 **AND THERE IS**
23 **ALLOCATED \$8,730,000.00 FOR 2017-2018** for the purpose of providing
24 services and programs to children who reside within the boundaries
25 of a district with the majority of its territory located within the
26 boundaries of a city for which an executive proclamation of
27 emergency is issued in the current or immediately preceding fiscal

~~year~~ **2 FISCAL YEARS** under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. From the funding appropriated in section 11, there is allocated **FOR EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018** \$100.00 from the water emergency reserve fund for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated to a district with the majority of its territory located within the boundaries of a city in which an executive proclamation of emergency is issued in the current or immediately preceding ~~fiscal~~ ~~year~~ **2 FISCAL YEARS** and that has at least ~~5,000~~ **4,500** pupils in membership for the ~~current~~ **2016-2017** fiscal year **OR HAS AT LEAST 4,000 PUPILS IN MEMBERSHIP FOR A FISCAL YEAR AFTER 2016-2017**, an amount not to exceed \$1,292,500.00 **FOR 2016-2017 AND AN AMOUNT NOT TO EXCEED \$2,625,000.00 FOR 2017-2018** for the purpose of employing school nurses and school social workers. The district shall provide a report to the department in a form, manner, and frequency ~~approved~~ **PRESCRIBED** by the department. The department shall provide a copy of that report to the governor, the house and senate school aid subcommittees, the house and senate fiscal agencies, and the state budget director within 5 days after receipt. The report shall provide at least the following information:

(a) How many personnel were hired using the funds allocated under this subsection.

(b) A description of the services provided to pupils by those personnel.

(c) How many pupils received each type of service identified in subdivision (b).

1 (d) Any other information the department considers necessary
2 to ensure that the children described in subsection (1) received
3 appropriate levels and types of services.

4 (3) From the allocation in subsection (1), there is allocated
5 to an intermediate district that has a constituent district
6 described in subsection (2) an amount not to exceed \$1,195,000.00
7 **FOR 2016-2017 AND AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR 2017-**
8 **2018** to augment staff for the purpose of providing additional early
9 childhood services and for nutritional services to children
10 described in subsection (1), regardless of location of school of
11 attendance. ~~The~~**FOR 2016-2017, THE** early childhood services to be
12 provided under this subsection are state early intervention
13 services as described in subsection (4) and early literacy
14 services. **BEGINNING WITH 2017-2018, THE EARLY CHILDHOOD SERVICES TO**
15 **BE PROVIDED UNDER THIS SUBSECTION ARE STATE EARLY INTERVENTION**
16 **SERVICES THAT ARE SIMILAR TO THE SERVICES DESCRIBED IN THE EARLY ON**
17 **MICHIGAN STATE PLAN, INCLUDING ENSURING THAT ALL CHILDREN DESCRIBED**
18 **IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF AGE AS OF SEPTEMBER**
19 **1, 2016 ARE ASSESSED AND EVALUATED AT LEAST TWICE ANNUALLY.** In
20 addition, funds allocated under this subsection may also be
21 expended to provide informational resources to parents, educators,
22 and the community, and to coordinate services with other local
23 agencies. The intermediate district shall provide a report to the
24 department in a form, manner, and frequency approved by the
25 department. The department shall provide a copy of that report to
26 the governor, the house and senate school aid subcommittees, the
27 house and senate fiscal agencies, and the state budget director

1 within 5 days after receipt. The report shall provide at least the
2 following information:

3 (a) How many personnel were hired using the funds appropriated
4 in this subsection.

5 (b) A description of the services provided to children by
6 those personnel.

7 (c) What types of additional nutritional services were
8 provided.

9 (d) How many children received each type of service identified
10 in subdivisions (b) and (c).

11 (e) What types of informational resources and coordination
12 efforts were provided.

13 (f) Any other information the department considers necessary
14 to ensure that the children described in subsection (1) received
15 appropriate levels and types of services.

16 (4) ~~From~~ **FOR 2016-2017 ONLY, FROM** the allocation in subsection
17 (1), there is allocated an amount not to exceed \$6,155,000.00 to
18 intermediate districts described in subsection (3) to provide state
19 early intervention services for children described in subsection
20 (1) who are less than 4 years of age as of September 1, 2016. The
21 intermediate district shall use these funds to provide state early
22 intervention services that are similar to the services described in
23 the early on Michigan state plan, including ensuring that all
24 children described in subsection (1) who are less than 4 years of
25 age as of September 1, 2016 are assessed and evaluated at least
26 twice annually.

27 (5) From the allocation in subsection (1), there is allocated

1 an amount not to exceed \$1,500,000.00 **FOR 2016-2017 AND AN AMOUNT**
2 **NOT TO EXCEED \$3,000,000.00 FOR 2017-2018** to intermediate districts
3 described in subsection (3) to enroll children described in
4 subsection (1) in school-day great start readiness programs,
5 regardless of household income eligibility requirements contained
6 in section 39. The department shall administer this funding
7 consistent with all other provisions of the great start readiness
8 programs contained in section 32d and section 39.

9 **(6) FOR 2017-2018, FROM THE ALLOCATION IN SUBSECTION (1),**
10 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$605,000.00 FOR**
11 **NUTRITIONAL SERVICES TO CHILDREN DESCRIBED IN SUBSECTION (1).**

12 **(7) ~~(6)~~**—In addition to other funding allocated and
13 appropriated in this section, there is appropriated an amount not
14 to exceed \$15,000,000.00 **EACH FISCAL YEAR** for 2016-2017 **AND 2017-**
15 **2018** for state restricted contingency funds. These contingency
16 funds are not available for expenditure until they have been
17 transferred to a section within this article under section 393(2)
18 of the management and budget act, 1984 PA 431, MCL 18.1393.

19 **(8) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**
20 **SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

21 Sec. 15. (1) If a district or intermediate district fails to
22 receive its proper apportionment, the department, upon satisfactory
23 proof that the district or intermediate district was entitled
24 justly, shall apportion the deficiency in the next apportionment.
25 Subject to subsections (2) and (3), if a district or intermediate
26 district has received more than its proper apportionment, the
27 department, upon satisfactory proof, shall deduct the excess in the

1 next apportionment. Notwithstanding any other provision in this
2 article, state aid overpayments to a district, other than
3 overpayments in payments for special education or special education
4 transportation, may be recovered from any payment made under this
5 article other than a special education or special education
6 transportation payment, from the proceeds of a loan to the district
7 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
8 141.942, or from the proceeds of millage levied or pledged under
9 section 1211 of the revised school code, MCL 380.1211. State aid
10 overpayments made in special education or special education
11 transportation payments may be recovered from subsequent special
12 education or special education transportation payments, from the
13 proceeds of a loan to the district under the emergency municipal
14 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
15 of millage levied or pledged under section 1211 of the revised
16 school code, MCL 380.1211.

17 (2) If the result of an audit conducted by or for the
18 department affects the current fiscal year membership, affected
19 payments shall be adjusted in the current fiscal year. A deduction
20 due to an adjustment made as a result of an audit conducted by or
21 for the department, or as a result of information obtained by the
22 department from the district, an intermediate district, the
23 department of treasury, or the office of auditor general, shall be
24 deducted from the district's apportionments when the adjustment is
25 finalized. At the request of the district and upon the district
26 presenting evidence satisfactory to the department of the hardship,
27 the department may grant up to an additional 4—9 years for the

1 adjustment and may advance payments to the district otherwise
2 authorized under this article if the district would otherwise
3 experience a significant hardship in satisfying its financial
4 obligations. **AT THE REQUEST OF A DISTRICT AND UPON THE DISTRICT**
5 **PRESENTING EVIDENCE SATISFACTORY TO THE DEPARTMENT OF THE HARDSHIP,**
6 **THE DEPARTMENT MAY WAIVE ALL OR A PORTION OF THE ADJUSTMENTS UNDER**
7 **THIS SUBSECTION IF THE DEPARTMENT DETERMINES THAT ALL OF THE**
8 **FOLLOWING APPLY:**

9 (A) THE DISTRICT WOULD OTHERWISE EXPERIENCE A SIGNIFICANT
10 HARDSHIP IN SATISFYING ITS FINANCIAL OBLIGATIONS.

11 (B) THE DISTRICT WOULD OTHERWISE EXPERIENCE A SIGNIFICANT
12 HARDSHIP IN SATISFYING ITS RESPONSIBILITY TO PROVIDE INSTRUCTION TO
13 ITS PUPILS.

14 (C) THE DISTRICT HAS TAKEN SUFFICIENT CORRECTIVE ACTION TO
15 ENSURE THAT THE CIRCUMSTANCE OR CIRCUMSTANCES THAT NECESSITATED THE
16 ADJUSTMENT UNDER THIS SUBSECTION DO NOT RECUR.

17 (3) If, based on an audit by the department or the
18 department's designee or because of new or updated information
19 received by the department, the department determines that the
20 amount paid to a district or intermediate district under this
21 article for the current fiscal year or a prior fiscal year was
22 incorrect, the department shall make the appropriate deduction or
23 payment in the district's or intermediate district's allocation in
24 the next apportionment after the adjustment is finalized. The
25 deduction or payment shall be calculated according to the law in
26 effect in the fiscal year in which the incorrect amount was paid.
27 If the district does not receive an allocation for the fiscal year

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

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

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

16 **(6) THE DEPARTMENT SHALL NOT DEDUCT ANY FUNDS FROM A DISTRICT**
17 **DUE TO A PUPIL BEING COUNTED IN MEMBERSHIP BEFORE THE EFFECTIVE**
18 **DATE OF THE AMENDATORY ACT THAT ADDED SECTION 6(4) (JJ) , OR**
19 **OTHERWISE REDUCE AN ALLOCATION UNDER THIS ARTICLE TO A DISTRICT**
20 **RELATIVE TO THE COUNTING OF A PUPIL IN MEMBERSHIP AS PROVIDED UNDER**
21 **SECTION 6(4) (JJ) , IF THE DISTRICT SUBSTANTIALLY COMPLIED WITH THE**
22 **REQUIREMENTS UNDER SECTION 6(4) (JJ) IN A PREVIOUS FISCAL YEAR AS IF**
23 **SECTION 6(4) (JJ) HAD BEEN IN EFFECT IN THE PREVIOUS FISCAL YEAR.**

24 (7) ~~(6)~~—In addition to funds appropriated in section 11 for
25 all programs and services, there is appropriated for ~~2016-2017~~
26 **2017-2018** for obligations in excess of applicable appropriations an
27 amount equal to the collection of overpayments, but not to exceed

1 amounts available from overpayments.

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

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

1 (a) The annual operating budget and subsequent budget
2 revisions.

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

7 (i) A chart of personnel expenditures, broken into the
8 following subcategories:

9 (A) Salaries and wages.

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

13 (C) Retirement benefit costs.

14 (D) All other personnel costs.

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

17 (A) Instruction.

18 (B) Support services.

19 (C) Business and administration.

20 (D) Operations and maintenance.

21 (c) Links to all of the following:

22 (i) The current collective bargaining agreement for each
23 bargaining unit.

24 (ii) Each health care benefits plan, including, but not
25 limited to, medical, dental, vision, disability, long-term care, or
26 any other type of benefits that would constitute health care
27 services, offered to any bargaining unit or employee in the

1 district.

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

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

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

8 (vi) The district's written policy establishing specific
9 categories of reimbursable expenses, as described in section
10 1254(2) of the revised school code, MCL 380.1254.

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

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

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

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

24 (g) Any deficit elimination plan or enhanced deficit
25 elimination plan the district was required to submit under the
26 revised school code.

27 (h) Identification of all credit cards maintained by the

1 district as district credit cards, the identity of all individuals
2 authorized to use each of those credit cards, the credit limit on
3 each credit card, and the dollar limit, if any, for each
4 individual's authorized use of the credit card.

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

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

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

19 (a) The department shall require that each district and
20 intermediate district have an audit of the district's or
21 intermediate district's financial and pupil accounting records
22 conducted at least annually, and at such other times as determined
23 by the department, at the expense of the district or intermediate
24 district, as applicable. The audits must be performed by a
25 certified public accountant or by the intermediate district
26 superintendent, as may be required by the department, or in the
27 case of a district of the first class by a certified public

1 accountant, the intermediate superintendent, or the auditor general
2 of the city. A district or intermediate district shall retain these
3 records for the current fiscal year and from at least the 3
4 immediately preceding fiscal years.

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

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

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

24 (e) All of the following shall be done not later than November
25 1 each year for reporting the prior fiscal year data:

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

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

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

7 (f) The annual financial audit reports and pupil accounting
8 procedures reports shall be available to the public in compliance
9 with the freedom of information act, 1976 PA 442, MCL 15.231 to
10 15.246.

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

18 (5) By November 1 each fiscal year, each district and
19 intermediate district shall submit to the center, in a manner
20 prescribed by the center, annual comprehensive financial data
21 consistent with the district's or intermediate district's audited
22 financial statements and consistent with accounting manuals and
23 charts of accounts approved and published by the department. For an
24 intermediate district, the report shall also contain the website
25 address where the department can access the report required under
26 section 620 of the revised school code, MCL 380.620. The department
27 shall ensure that the prescribed Michigan public school accounting

1 manual chart of accounts includes standard conventions to
2 distinguish expenditures by allowable fund function and object. The
3 functions shall include at minimum categories for instruction,
4 pupil support, instructional staff support, general administration,
5 school administration, business administration, transportation,
6 facilities operation and maintenance, facilities acquisition, and
7 debt service; and shall include object classifications of salary,
8 benefits, including categories for active employee health
9 expenditures, purchased services, supplies, capital outlay, and
10 other. Districts shall report the required level of detail
11 consistent with the manual as part of the comprehensive annual
12 financial report.

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

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

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

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

1 (10) If a district or intermediate district does not comply
2 with subsections (4), (5), (6), and (7), or if the department
3 determines that the financial data required under subsection (5)
4 are not consistent with audited financial statements, the
5 department shall withhold all state school aid due to the district
6 or intermediate district under this article, beginning with the
7 next payment due to the district or intermediate district, until
8 the district or intermediate district complies with subsections
9 (4), (5), (6), and (7). If the district or intermediate district
10 does not comply with subsections (4), (5), (6), and (7) by the end
11 of the fiscal year, the district or intermediate district forfeits
12 the amount withheld.

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

22 (12) ~~Not later than~~ **BY** November 1 ~~, 2016,~~ **OF EACH YEAR,** if a
23 district or intermediate district offers virtual learning under
24 section 21f, the district or intermediate district shall submit to
25 the department a report that details the per-pupil costs of
26 operating the virtual learning by vendor type. The report shall
27 include at least all of the following information concerning the

1 operation of virtual learning for the **IMMEDIATELY PRECEDING** school
2 fiscal year: ~~ending June 30, 2016:~~

3 (a) The name of the district operating the virtual learning
4 and of each district that enrolled students in the virtual
5 learning.

6 (b) The total number of students enrolled in the virtual
7 learning and the total number of membership pupils enrolled in the
8 virtual learning.

9 (c) For each pupil who is enrolled in a district other than
10 the district offering virtual learning, the name of that district.

11 (d) The district in which the pupil was enrolled before
12 enrolling in the district offering virtual learning.

13 (e) The number of participating students who had previously
14 dropped out of school.

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

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

24 (h) The name of each virtual education provider contracted by
25 the district and the state in which each virtual education provider
26 is headquartered.

27 (13) ~~Not later than~~ **BY** March 31 ~~, 2017,~~ **OF EACH YEAR,** the

1 department shall submit to the house and senate appropriations
2 subcommittees on state school aid, the state budget director, and
3 the house and senate fiscal agencies a report summarizing the per-
4 pupil costs by vendor type of virtual courses available under
5 section 21f.

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

8 (a) Virtual courses provided by the Michigan Virtual
9 University.

10 (b) Virtual courses provided by a school of excellence that is
11 a cyber school, as defined in section 551 of the revised school
12 code, MCL 380.551.

13 (c) Virtual courses provided by third party vendors not
14 affiliated with a Michigan public school.

15 (d) Virtual courses created and offered by a district or
16 intermediate district.

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

20 **(16) BEGINNING OCTOBER 1, 2017, AND NOT LESS THAN ONCE EVERY 3**
21 **MONTHS AFTER THAT DATE, THE DEPARTMENT SHALL SUBMIT TO THE SENATE**
22 **AND HOUSE SUBCOMMITTEES ON SCHOOL AID AND TO THE SENATE AND HOUSE**
23 **STANDING COMMITTEES ON EDUCATION AN ITEMIZED LIST OF ALLOCATIONS**
24 **UNDER THIS ARTICLE TO ANY ASSOCIATION OR CONSORTIUM CONSISTING OF**
25 **ASSOCIATIONS. THE REPORT SHALL DETAIL THE RECIPIENT OR RECIPIENTS,**
26 **THE AMOUNT ALLOCATED, AND THE PURPOSE FOR WHICH THE FUNDS WERE**
27 **DISTRIBUTED.**

1 Sec. 18c. Any contract, mortgage, loan, or other instrument of
 2 indebtedness entered into by a public school academy ~~the~~
 3 ~~achievement authority, or an achievement school~~ receiving funds
 4 under this ~~act~~ **ARTICLE** and a third party does not constitute an
 5 obligation, either general, special, or moral, of this state or of
 6 an authorizing body. The full faith and credit or the taxing power
 7 of this state or any agency of this state, or the full faith and
 8 credit of an authorizing body, shall not be pledged for the payment
 9 of any contract, mortgage, loan, or other instrument of
 10 indebtedness entered into by a public school academy ~~the~~
 11 ~~achievement authority, or an achievement school~~.

12 Sec. 20. (1) For ~~2016-2017,~~ **2017-2018**, both of the following
 13 apply:

14 (a) The basic foundation allowance is ~~\$8,229.00.~~ **\$8,289.00.**

15 (b) The minimum foundation allowance is ~~\$7,511.00.~~ **\$7,631.00.**

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

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

23 (a) Except as otherwise provided in this subdivision, for a
 24 district that had a foundation allowance for the immediately
 25 preceding state fiscal year that was at least equal to the minimum
 26 foundation allowance for the immediately preceding state fiscal
 27 year, but less than the basic foundation allowance for the

1 immediately preceding state fiscal year, the district shall receive
2 a foundation allowance in an amount equal to the sum of the
3 district's foundation allowance for the immediately preceding state
4 fiscal year plus the difference between twice the dollar amount of
5 the adjustment from the immediately preceding state fiscal year to
6 the current state fiscal year made in the basic foundation
7 allowance and [(the difference between the basic foundation
8 allowance for the current state fiscal year and basic foundation
9 allowance for the immediately preceding state fiscal year minus
10 \$20.00) times (the difference between the district's foundation
11 allowance for the immediately preceding state fiscal year and the
12 minimum foundation allowance for the immediately preceding state
13 fiscal year) divided by the difference between the basic foundation
14 allowance for the current state fiscal year and the minimum
15 foundation allowance for the immediately preceding state fiscal
16 year.] However, the foundation allowance for a district that had
17 less than the basic foundation allowance for the immediately
18 preceding state fiscal year shall not exceed the basic foundation
19 allowance for the current state fiscal year.

20 (b) Except as otherwise provided in this subsection, for a
21 district that in the immediately preceding state fiscal year had a
22 foundation allowance in an amount equal to the amount of the basic
23 foundation allowance for the immediately preceding state fiscal
24 year, the district shall receive a foundation allowance for ~~2016-~~
25 ~~2017-2017-2018~~ in an amount equal to the basic foundation allowance
26 for ~~2016-2017-2017-2018~~.

27 (c) For a district that had a foundation allowance for the

1 immediately preceding state fiscal year that was greater than the
2 basic foundation allowance for the immediately preceding state
3 fiscal year, the district's foundation allowance is an amount equal
4 to the sum of the district's foundation allowance for the
5 immediately preceding state fiscal year plus the lesser of the
6 increase in the basic foundation allowance for the current state
7 fiscal year, as compared to the immediately preceding state fiscal
8 year, or the product of the district's foundation allowance for the
9 immediately preceding state fiscal year times the percentage
10 increase in the United States consumer price index in the calendar
11 year ending in the immediately preceding fiscal year as reported by
12 the May revenue estimating conference conducted under section 367b
13 of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

17 **(E) FOR A DISTRICT THAT RECEIVED A FOUNDATION ALLOWANCE**
18 **SUPPLEMENTAL PAYMENT CALCULATED UNDER SECTION 20M AND PAID UNDER**
19 **SECTION 22B FOR 2016-2017, THE DISTRICT'S 2016-2017 FOUNDATION**
20 **ALLOWANCE IS CONSIDERED TO HAVE BEEN AN AMOUNT EQUAL TO THE SUM OF**
21 **THE DISTRICT'S ACTUAL 2016-2017 FOUNDATION ALLOWANCE AS OTHERWISE**
22 **CALCULATED UNDER THIS SECTION PLUS THE LESSER OF THE PER PUPIL**
23 **AMOUNT OF THE DISTRICT'S SUPPLEMENTAL PAYMENT FOR 2016-2017 AS**
24 **CALCULATED UNDER SECTION 20M OR THE PRODUCT OF THE DISTRICT'S**
25 **FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL**
26 **YEAR TIMES THE PERCENTAGE INCREASE IN THE UNITED STATES CONSUMER**
27 **PRICE INDEX IN THE CALENDAR YEAR ENDING IN THE IMMEDIATELY**

1 PRECEDING FISCAL YEAR AS REPORTED BY THE MAY REVENUE ESTIMATING
2 CONFERENCE CONDUCTED UNDER SECTION 367B OF THE MANAGEMENT AND
3 BUDGET ACT, 1984 PA 431, MCL 18.1367B.

4 (4) Except as otherwise provided in this subsection, beginning
5 in 2014-2015, the state portion of a district's foundation
6 allowance is an amount equal to the district's foundation allowance
7 or the basic foundation allowance for the current state fiscal
8 year, whichever is less, minus the local portion of the district's
9 foundation allowance. For a district described in subsection
10 (3)(c), beginning in 2014-2015, the state portion of the district's
11 foundation allowance is an amount equal to \$6,962.00 plus the
12 difference between the district's foundation allowance for the
13 current state fiscal year and the district's foundation allowance
14 for 1998-99, minus the local portion of the district's foundation
15 allowance. For a district that has a millage reduction required
16 under section 31 of article IX of the state constitution of 1963,
17 the state portion of the district's foundation allowance shall be
18 calculated as if that reduction did not occur. For a receiving
19 district, if school operating taxes continue to be levied on behalf
20 of a dissolved district that has been attached in whole or in part
21 to the receiving district to satisfy debt obligations of the
22 dissolved district under section 12 of the revised school code, MCL
23 380.12, the taxable value per membership pupil of property in the
24 receiving district used for the purposes of this subsection does
25 not include the taxable value of property within the geographic
26 area of the dissolved district. For a community district, if school
27 operating taxes continue to be levied by a qualifying school

1 district under section 12b of the revised school code, MCL 380.12b,
2 with the same geographic area as the community district, the
3 taxable value per membership pupil of property in the community
4 district to be used for the purposes of this subsection does not
5 include the taxable value of property within the geographic area of
6 the community district.

7 (5) The allocation calculated under this section for a pupil
8 shall be based on the foundation allowance of the pupil's district
9 of residence. For a pupil enrolled pursuant to section 105 or 105c
10 in a district other than the pupil's district of residence, the
11 allocation calculated under this section shall be based on the
12 lesser of the foundation allowance of the pupil's district of
13 residence or the foundation allowance of the educating district.
14 For a pupil in membership in a K-5, K-6, or K-8 district who is
15 enrolled in another district in a grade not offered by the pupil's
16 district of residence, the allocation calculated under this section
17 shall be based on the foundation allowance of the educating
18 district if the educating district's foundation allowance is
19 greater than the foundation allowance of the pupil's district of
20 residence. The calculation under this subsection shall take into
21 account a district's per-pupil allocation under section 20m.

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

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

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

~~(7) (8)~~ Except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a

1 community district, the allocation calculated under this section is
2 an amount per membership pupil other than special education pupils
3 in the community district equal to the foundation allowance of the
4 qualifying school district, as described in section 12b of the
5 revised school code, MCL 380.12b, that is located within the same
6 geographic area as the community district.

7 **(8)** ~~(9)~~—Subject to subsection (4), for a district that is
8 formed or reconfigured after June 1, 2002 by consolidation of 2 or
9 more districts or by annexation, the resulting district's
10 foundation allowance under this section beginning after the
11 effective date of the consolidation or annexation shall be the
12 lesser of the sum of the average of the foundation allowances of
13 each of the original or affected districts, calculated as provided
14 in this section, weighted as to the percentage of pupils in total
15 membership in the resulting district who reside in the geographic
16 area of each of the original or affected districts plus \$100.00 or
17 the highest foundation allowance among the original or affected
18 districts. This subsection does not apply to a receiving district
19 unless there is a subsequent consolidation or annexation that
20 affects the district. The calculation under this subsection shall
21 take into account a district's per-pupil allocation under section
22 20m.

23 **(9)** ~~(10)~~—Each fraction used in making calculations under this
24 section shall be rounded to the fourth decimal place and the dollar
25 amount of an increase in the basic foundation allowance shall be
26 rounded to the nearest whole dollar.

27 **(10)** ~~(11)~~—State payments related to payment of the foundation

1 allowance for a special education pupil are not calculated under
2 this section but are instead calculated under section 51a.

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

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

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

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

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

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

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

26 (14) ~~(15)~~ As used in this section:

27 (a) "Certified mills" means the lesser of 18 mills or the

1 number of mills of school operating taxes levied by the district in
2 1993-94.

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

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

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

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

16 (f) "Immediately preceding state fiscal year" means the state
17 fiscal year immediately preceding the current state fiscal year.

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

1 district's membership excluding special education pupils).

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

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

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

1 preceding state fiscal year) divided by the difference between the
2 basic foundation allowance for the current state fiscal year and
3 the minimum foundation allowance for the immediately preceding
4 state fiscal year.] For the purposes of this subdivision, for ~~2016-~~
5 ~~2017,~~ **2017-2018**, the maximum public school academy allocation is
6 ~~\$7,511.00.~~ **\$7,631.00.**

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

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

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

20 (n) "Receiving district" means a district to which all or part
21 of the territory of a dissolved district is attached under section
22 12 of the revised school code, MCL 380.12.

23 (o) "School operating purposes" means the purposes included in
24 the operation costs of the district as prescribed in sections 7 and
25 18 and purposes authorized under section 1211 of the revised school
26 code, MCL 380.1211.

27 (p) "School operating taxes" means local ad valorem property

1 taxes levied under section 1211 of the revised school code, MCL
2 380.1211, and retained for school operating purposes.

3 (q) "Tax increment financing acts" means 1975 PA 197, MCL
4 125.1651 to 125.1681, the tax increment finance authority act, 1980
5 PA 450, MCL 125.1801 to 125.1830, the local development financing
6 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
7 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
8 or the corridor improvement authority act, 2005 PA 280, MCL
9 125.2871 to 125.2899.

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

16 Sec. 20d. In making the final determination required under
17 former section 20a of a district's combined state and local revenue
18 per membership pupil in 1993-94 and in making calculations under
19 section 20 for ~~2016-2017~~, **2017-2018**, the department and the
20 department of treasury shall comply with all of the following:

21 (a) For a district that had combined state and local revenue
22 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
23 or more and served as a fiscal agent for a state board designated
24 area vocational education center in the 1993-94 school year, total
25 state school aid received by or paid on behalf of the district
26 pursuant to this act in 1993-94 shall exclude payments made under
27 former section 146 and under section 147 on behalf of the

1 district's employees who provided direct services to the area
2 vocational education center. Not later than June 30, 1996, the
3 department shall make an adjustment under this subdivision to the
4 district's combined state and local revenue per membership pupil in
5 the 1994-95 state fiscal year and the department of treasury shall
6 make a final certification of the number of mills that may be
7 levied by the district under section 1211 of the revised school
8 code, MCL 380.1211, as a result of the adjustment under this
9 subdivision.

10 (b) If a district had an adjustment made to its 1993-94 total
11 state school aid that excluded payments made under former section
12 146 and under section 147 on behalf of the district's employees who
13 provided direct services for intermediate district center programs
14 operated by the district under ~~article 5,~~ **SECTIONS 51 TO 56**, if
15 nonresident pupils attending the center programs were included in
16 the district's membership for purposes of calculating the combined
17 state and local revenue per membership pupil for 1993-94, and if
18 there is a signed agreement by all constituent districts of the
19 intermediate district that an adjustment under this subdivision
20 shall be made, the foundation allowances for 1995-96 and 1996-97 of
21 all districts that had pupils attending the intermediate district
22 center program operated by the district that had the adjustment
23 shall be calculated as if their combined state and local revenue
24 per membership pupil for 1993-94 included resident pupils attending
25 the center program and excluded nonresident pupils attending the
26 center program.

27 Sec. 20f. (1) From the funds appropriated in section 11, there

1 is allocated an amount not to exceed \$18,000,000.00 for ~~2016-2017~~
2 **2017-2018** for payments to eligible districts under this section.

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

8 (a) The increase in the district's foundation allowance or
9 per-pupil payment as calculated under section 20 from 2012-2013 to
10 2013-2014.

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

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

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

22 (4) The funding under this subsection is from the allocation
23 under subsection (1). A district is eligible for funding under this
24 subsection ~~for 2016-2017~~ if the sum of the following is less than
25 \$25.00:

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

1 2015-2016.

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

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

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

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

14 (a) The increase in the district's foundation allowance or
15 per-pupil payment as calculated under section 20 from 2014-2015 to
16 2015-2016.

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

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

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

26 (6) If the allocation under subsection (1) is insufficient to
27 fully fund payments under subsections (3) and (5) as otherwise

1 calculated under this section, the department shall prorate
2 payments under this section on an equal per-pupil basis.

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

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

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

25 (4) It is the intent of the legislature that an amount not to
26 exceed \$660,000.00 be lapsed from the \$2,500,000.00 that was
27 available for a qualifying intermediate district under this section

as it was in effect for the 2013-2014 fiscal year. In addition to the money allocated under subsection (1), from the funds appropriated in section 11, there is allocated for 2016-2017 an amount not to exceed \$660,000.00 to a qualifying intermediate district for paying outstanding debt of a dissolved school district. For purposes of this subsection, an intermediate district is a qualifying intermediate district if it is required to perform the functions and satisfy the responsibilities of a dissolved school district under section 12(3) of the revised school code, MCL 380.12, if the authorization for that dissolved school district to levy mills for school operating purposes under section 1211 of the revised school code, MCL 380.1211, was not renewed after the school district was dissolved, and if the intermediate district is located in a county with a population of less than 250,000.

(5) NOTWITHSTANDING SECTION 17B, PAYMENTS MADE UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

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

Sec. 20m. (1) Foundation allowance supplemental payments for ~~2016-2017~~ **2017-2018** to districts that in the 2015-2016 fiscal year had a foundation allowance greater than \$8,169.00 shall be calculated under this section.

(2) The per-pupil allocation to each district under this section shall be the difference between the dollar amount of the adjustment from the ~~immediately preceding~~ **2015-2016** state fiscal year to the current state fiscal year in the basic foundation

1 allowance minus the dollar amount of the adjustment from the
2 ~~immediately preceding 2015-2016~~ fiscal year to the current state
3 fiscal year in a qualifying district's foundation allowance.

4 (3) If a district's local revenue per pupil does not exceed
5 the sum of its foundation allowance under section 20 plus the per-
6 pupil allocation under subsection (2), the total payment to the
7 district calculated under this section shall be the product of the
8 per-pupil allocation under subsection (2) multiplied by the
9 district's membership excluding special education pupils. If a
10 district's local revenue per pupil exceeds the foundation allowance
11 under section 20 but does not exceed the sum of the foundation
12 allowance under section 20 plus the per-pupil allocation under
13 subsection (2), the total payment to the district calculated under
14 this section shall be the product of the difference between the sum
15 of the foundation allowance under section 20 plus the per-pupil
16 allocation under subsection (2) minus the local revenue per pupil
17 multiplied by the district's membership excluding special education
18 pupils. If a district's local revenue per pupil exceeds the sum of
19 the foundation allowance under section 20 plus the per-pupil
20 allocation under subsection (2), there is no payment calculated
21 under this section for the district.

22 (4) Payments to districts shall not be made under this
23 section. Rather, the calculations under this section shall be made
24 and used to determine the amount of state payments under section
25 22b.

26 Sec. 21. (1) From the appropriation in section 11, there is
27 allocated an amount not to exceed ~~\$5,000,000.00~~ **\$0.00** for 2016-2017

1 to make supplemental payments to eligible districts that are
2 identified under section 1280c of the revised school code, MCL
3 380.1280c, as being among the lowest achieving 5% of all public
4 schools in this state.

5 (2) A district is eligible to receive the supplemental
6 payments calculated under this section for 3 consecutive fiscal
7 years if all of the following conditions are met:

8 (a) The state school reform/redesign officer has appointed a
9 chief executive officer to take control of 1 or more public schools
10 in the district, as provided for in section 1280c(7) of the revised
11 school code, MCL 380.1280c, and there is at least 1 high school
12 operated by the district.

13 (b) As determined by the school reform office, an intervention
14 agreement meeting at least the following criteria has been executed
15 by the state school reform/redesign officer and the district. The
16 intervention agreement shall include, but is not limited to:

17 (i) The rights and responsibilities of the chief executive
18 officer. However, the intervention agreement shall not mitigate the
19 authority of the chief executive officer prescribed in applicable
20 statute including financial and employment authority.

21 (ii) The allocation of supplemental payments under this
22 section.

23 (iii) The compensation for the chief executive officer.

24 (iv) The role of the district's board and officers during the
25 intervention term.

26 (v) Termination and renewal rights of the school reform
27 office.

1 (vi) Liability provisions for the chief executive officer.

2 (vii) A dispute resolution process.

3 (viii) The length of the term of the agreement.

4 (ix) Other provisions as determined by the school reform
5 office for successful implementation of the chief executive officer
6 intervention.

7 (c) The district has not entered into and is not currently
8 operating under a local government option under the local financial
9 stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or
10 a successor act.

11 (3) The state school reform/redesign officer, at least
12 annually, shall appear in person before the house and senate
13 appropriations subcommittees responsible for school aid to provide
14 an update on the yearly progress of schools under the control of a
15 chief executive officer. In addition, the state school
16 reform/redesign officer shall provide a quarterly report concerning
17 the chief executive officer's use of funds to increase pupil
18 achievement.

19 (4) The supplemental payment provided to a district under this
20 section shall be calculated by multiplying the district's
21 foundation allowance by 20% of the high school's membership for the
22 prior fiscal year. The same dollar amount shall continue to be
23 available to the district for a maximum of 3 years, subject to the
24 conditions specified in subsection (2).

25 (5) From the allocation in subsection (1), in addition to the
26 supplemental payments calculated under subsection (4), there is
27 allocated an amount sufficient to pay for the appointment of chief

1 executive officers by the state school reform/redesign officer, as
2 provided for in section 1280c(7) of the revised school code, MCL
3 380.1280c.

4 (6) For the purposes of this section, a high school is a
5 school that operates exclusively all of grades 9 to 12.

6 SEC. 21H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
7 ALLOCATED \$6,000,000.00 FOR 2017-2018 FOR ASSISTING DISTRICTS
8 ASSIGNED BY THE SUPERINTENDENT TO PARTICIPATE IN A PARTNERSHIP TO
9 IMPROVE STUDENT ACHIEVEMENT. THE PURPOSE OF THE PARTNERSHIP IS TO
10 IDENTIFY DISTRICT NEEDS, DEVELOP INTERVENTION PLANS, AND PARTNER
11 WITH PUBLIC, PRIVATE, AND NONPROFIT ORGANIZATIONS TO COORDINATE
12 RESOURCES AND IMPROVE STUDENT ACHIEVEMENT. ASSIGNMENT OF A DISTRICT
13 TO A PARTNERSHIP IS AT THE SOLE DISCRETION OF THE SUPERINTENDENT.

14 (2) A DISTRICT ASSIGNED TO A PARTNERSHIP BY THE SUPERINTENDENT
15 IS ELIGIBLE FOR FUNDING UNDER THIS SECTION IF THE DISTRICT INCLUDES
16 AT LEAST 1 SCHOOL THAT HAS BEEN RATED WITH A GRADE OF "F", OR
17 COMPARABLE PERFORMANCE RATING, IN THE MOST RECENT STATE
18 ACCOUNTABILITY SYSTEM RATING, THAT IS NOT UNDER THE SUPERVISION OF
19 THE STATE SCHOOL REFORM/REDESIGN OFFICE, AND THAT DOES ALL OF THE
20 FOLLOWING:

21 (A) COMPLETES A COMPREHENSIVE NEEDS EVALUATION IN
22 COLLABORATION WITH AN INTERMEDIATE SCHOOL DISTRICT, COMMUNITY
23 MEMBERS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS,
24 AS APPLICABLE AND APPROVED BY THE SUPERINTENDENT, WITHIN 90 DAYS OF
25 ASSIGNMENT TO THE PARTNERSHIP DESCRIBED IN THIS SECTION. THE
26 COMPREHENSIVE NEEDS EVALUATION SHALL INCLUDE AT LEAST ALL OF THE
27 FOLLOWING:

1 (i) A REVIEW OF THE DISTRICT'S IMPLEMENTATION AND UTILIZATION
2 OF A MULTI-TIERED SYSTEM OF SUPPORTS TO ENSURE THAT IT IS USED TO
3 APPROPRIATELY INFORM INSTRUCTION.

4 (ii) A REVIEW OF THE DISTRICT AND SCHOOL BUILDING LEADERSHIP
5 AND EDUCATOR CAPACITY TO SUBSTANTIALLY IMPROVE STUDENT OUTCOMES.

6 (iii) A REVIEW OF CLASSROOM, INSTRUCTIONAL, AND OPERATIONAL
7 PRACTICES AND CURRICULUM TO ENSURE ALIGNMENT WITH RESEARCH-BASED
8 INSTRUCTIONAL PRACTICES AND STATE CURRICULUM STANDARDS.

9 (B) DEVELOPS AN INTERVENTION PLAN THAT HAS BEEN APPROVED BY
10 THE SUPERINTENDENT AND THAT ADDRESSES THE NEEDS IDENTIFIED IN THE
11 COMPREHENSIVE NEEDS EVALUATION COMPLETED UNDER SUBDIVISION (A). THE
12 INTERVENTION PLAN SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

13 (i) SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE DISTRICT AND
14 EACH OF ITS PARTNERS TO IMPROVE STUDENT ACHIEVEMENT.

15 (ii) SPECIFIC MEASURABLE BENCHMARKS THAT WILL BE MET WITHIN 18
16 MONTHS TO IMPROVE STUDENT ACHIEVEMENT AND IDENTIFICATION OF
17 EXPECTED STUDENT ACHIEVEMENT OUTCOMES TO BE ATTAINED WITHIN 3 YEARS
18 AFTER ASSIGNMENT TO THE PARTNERSHIP.

19 (3) UPON APPROVAL OF THE INTERVENTION PLAN DEVELOPED UNDER
20 SUBSECTION (2), THE DEPARTMENT SHALL ASSIGN A TEAM OF INDIVIDUALS
21 WITH EXPERTISE IN COMPREHENSIVE SCHOOL AND DISTRICT REFORM TO
22 PARTNER WITH THE DISTRICT, THE INTERMEDIATE DISTRICT, COMMUNITY
23 ORGANIZATIONS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY
24 INSTITUTIONS IDENTIFIED IN THE INTERVENTION PLAN TO REVIEW THE
25 DISTRICT'S USE OF EXISTING FINANCIAL RESOURCES TO ENSURE THAT THOSE
26 RESOURCES ARE BEING USED AS EFFICIENTLY AND EFFECTIVELY AS POSSIBLE
27 TO IMPROVE STUDENT ACADEMIC ACHIEVEMENT.

1 (4) FUNDS ALLOCATED UNDER THIS SECTION MAY BE USED TO PAY FOR
2 DISTRICT EXPENDITURES APPROVED BY THE SUPERINTENDENT TO IMPROVE
3 STUDENT ACHIEVEMENT. FUNDS MAY BE USED FOR PROFESSIONAL DEVELOPMENT
4 FOR TEACHERS OR DISTRICT OR SCHOOL LEADERSHIP, INCREASED
5 INSTRUCTIONAL TIME, TEACHER MENTORS, OR OTHER EXPENDITURES THAT
6 DIRECTLY IMPACT STUDENT ACHIEVEMENT AND CANNOT BE PAID FROM
7 EXISTING DISTRICT FINANCIAL RESOURCES. AN ELIGIBLE DISTRICT SHALL
8 NOT RECEIVE FUNDS UNDER THIS SECTION FOR MORE THAN 3 YEARS.
9 NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE DISTRICTS UNDER
10 THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE
11 DEPARTMENT.

12 (5) THE DEPARTMENT SHALL ANNUALLY REPORT TO THE LEGISLATURE ON
13 THE ACTIVITIES FUNDED UNDER THIS SECTION AND HOW THOSE ACTIVITIES
14 IMPACTED STUDENT ACHIEVEMENT IN ELIGIBLE DISTRICTS THAT RECEIVED
15 FUNDS UNDER THIS SECTION.

16 SEC. 21J. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
17 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR
18 2017-2018 FOR COMPETITIVE GRANTS TO DISTRICTS FOR THE DESIGN AND
19 IMPLEMENTATION OF COMPETENCY-BASED EDUCATION PROGRAMS TO PROVIDE
20 ENHANCED CHOICE TO PUPILS AND PARENTS FOR THE COMPLETION OF THE
21 REQUIREMENTS FOR KINDERGARTEN THROUGH A HIGH SCHOOL DIPLOMA,
22 INCLUDING THE MICHIGAN MERIT STANDARD UNDER SECTIONS 1278A AND
23 1278B OF THE REVISED SCHOOL CODE, MCL 380.1278A AND 380.1278B.

24 (2) A DISTRICT SEEKING A GRANT UNDER THIS SECTION SHALL APPLY
25 IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. APPLICATIONS
26 UNDER THIS SECTION SHALL CONTAIN ALL OF THE FOLLOWING:

27 (A) AN EDUCATIONAL MODEL THAT ALLOWS THE USE OF MULTIPLE AND

1 INNOVATIVE METHODS TO DETERMINE PUPILS' ACHIEVEMENT OF GRADE-LEVEL
2 COMPETENCIES AND CREDIT UNDER THE MICHIGAN MERIT CURRICULUM IN A
3 SUBJECT AREA OR COMBINED SUBJECT AREAS, INCLUDING, AT LEAST, PUBLIC
4 PRESENTATIONS, SUBMISSION OF RESEARCH PAPERS, ATTAINING MARKETABLE
5 WORKFORCE CREDENTIALS, AND MENTORING OTHER STUDENTS. COMPETENCY
6 ASSESSMENTS USED TO DETERMINE MASTERY MUST BE ALIGNED TO MICHIGAN'S
7 ACADEMIC STANDARDS.

8 (B) CURRICULUM THAT ALLOWS FOR A MAJORITY OF INSTRUCTIONAL
9 TIME TO BE SPENT ON STUDENT-DRIVEN PROJECTS, INCLUDING A CAPSTONE
10 PROJECT AS PART OF HIGH SCHOOL GRADUATION REQUIREMENTS, IF
11 APPLICABLE. THESE PROJECTS SHALL INCLUDE MULTIPLE SUBJECT AREAS AND
12 21ST CENTURY SKILLS SUCH AS LEADERSHIP, TEAMWORK, PROBLEM SOLVING,
13 AND COMMUNICATION. INSTRUCTION TIME MAY BE DURING A NONTRADITIONAL
14 SCHOOL CALENDAR.

15 (C) A COMPREHENSIVE FORMATIVE ASSESSMENT SYSTEM TO MONITOR
16 STUDENT ACADEMIC ACHIEVEMENT PACE AND ENSURE THAT STUDENTS RECEIVE
17 TIMELY, DIFFERENTIATED ACADEMIC SUPPORT BASED ON THEIR INDIVIDUAL
18 LEARNING NEEDS IN DIFFERENT SUBJECT AREAS.

19 (D) AN INNOVATIVE PARTNERSHIP WITH EMPLOYERS OR INSTITUTES OF
20 HIGHER EDUCATION, OR BOTH, TO PROVIDE CONTEXTUALIZED LEARNING
21 OPPORTUNITIES THAT EMPHASIZE ATTAINMENT OF COMPETENCIES THAT
22 INCLUDE APPLICATION AND CREATION OF KNOWLEDGE, ALONG WITH THE
23 DEVELOPMENT OF WORK-READY SKILLS.

24 (E) A PLAN FOR THE TRANSITION AWAY FROM A GRADE-LEVEL SYSTEM
25 OF STUDENT PROMOTION TO A COMPETENCY-BASED SYSTEM OF STUDENT
26 PROMOTION. THIS PLAN SHALL INCLUDE MESSAGING TO PARENTS DESCRIBING
27 THE BENEFITS OF, AND STEPS TAKEN TO IMPLEMENT, A COMPETENCY-BASED

1 INSTRUCTIONAL MODEL.

2 (F) A PLAN FOR A SCOPE AND TIMELINE OF PROFESSIONAL
3 DEVELOPMENT FOR SCHOOL INSTRUCTIONAL AND ADMINISTRATIVE STAFF.

4 (G) A COMMITMENT TO MAINTAIN PARTICIPATION IN STATEWIDE
5 ASSESSMENT AND ACCOUNTABILITY SYSTEMS FOR STUDENTS BEING SERVED BY
6 PROGRAMS FUNDED UNDER THIS SECTION.

7 (H) ANY OTHER INFORMATION DETERMINED BY THE DEPARTMENT TO BE
8 NECESSARY TO EVALUATE THE GRANT PROPOSALS.

9 (3) NOT LATER THAN MARCH 31, 2018, THE DEPARTMENT SHALL
10 ANNOUNCE GRANT RECIPIENTS. THE DEPARTMENT SHALL PROVIDE ANY
11 NECESSARY AND APPLICABLE WAIVERS TO GRANT RECIPIENTS FOR THE
12 PURPOSE OF IMPLEMENTING THE PROPOSALS.

13 (4) GRANTS FUNDED UNDER THIS SECTION FOR 2017-2018 ARE
14 INTENDED TO BE THE FIRST OF 3 YEARS OF FUNDING. UPON COMPLETION OF
15 THE PLANNING PHASE DESCRIBED IN THIS SECTION, THE DEPARTMENT SHALL
16 COLLECT INFORMATION NECESSARY FROM GRANT RECIPIENTS TO COMPILE A
17 REPORT. THE REPORT SHALL INCLUDE, AT LEAST, THE FOLLOWING
18 INFORMATION:

19 (A) A DESCRIPTION OF PROGRAM IMPLEMENTATION, INCLUDING WHEN
20 IMPLEMENTATION WILL BEGIN, IDENTIFICATION OF COMPETENCIES TO BE
21 INCLUDED, IDENTIFIED BEST PRACTICES FOR ADOPTION AND
22 IMPLEMENTATION, AND TYPES OF ASSESSMENTS USED TO EVALUATE A
23 STUDENT'S MASTERY OF THOSE COMPETENCIES.

24 (B) THE NUMBER OF STUDENTS PARTICIPATING.

25 (C) IDENTIFICATION OF SPECIFIC BARRIERS FOR STUDENTS AND
26 DISTRICTS IN IMPLEMENTING A COMPETENCY-BASED LEARNING INSTRUCTIONAL
27 MODEL AND WAYS TO ADDRESS THOSE BARRIERS.

1 (D) THE FEASIBILITY OF EXPANDING COMPETENCY-BASED EDUCATION
2 MODELS STATEWIDE, INCLUDING NEEDED POLICY CHANGES.

3 (E) INCREASES IN STUDENT ACHIEVEMENT, POSTSECONDARY
4 ATTAINMENT, EMPLOYMENT, AND 21ST CENTURY SKILLS ACQUISITION AS A
5 RESULT OF THE TRANSITION TO COMPETENCY-BASED LEARNING AND HOW THESE
6 OUTCOMES CAN BE IMPROVED BY OTHER DISTRICTS ADOPTING THE MODEL.

7 (5) THE REPORT REQUIRED UNDER THIS SECTION SHALL BE PROVIDED
8 BY THE DEPARTMENT TO THE HOUSE AND SENATE APPROPRIATIONS
9 SUBCOMMITTEES ON SCHOOL AID AND THE STATE BUDGET DIRECTOR NO LATER
10 THAN DECEMBER 1, 2018.

11 Sec. 22a. (1) From the appropriation in section 11, there is
12 allocated ~~an amount not to exceed \$5,260,000,000.00 for 2015-2016~~
13 ~~and an amount not to exceed \$5,205,000,000.00~~ **\$5,207,000,000.00** for
14 2016-2017 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
15 **\$5,181,800,000.00 FOR 2017-2018** for payments to districts and
16 qualifying public school academies to guarantee each district and
17 qualifying public school academy an amount equal to its 1994-95
18 total state and local per pupil revenue for school operating
19 purposes under section 11 of article IX of the state constitution
20 of 1963. Pursuant to section 11 of article IX of the state
21 constitution of 1963, this guarantee does not apply to a district
22 in a year in which the district levies a millage rate for school
23 district operating purposes less than it levied in 1994. However,
24 subsection (2) applies to calculating the payments under this
25 section. Funds allocated under this section that are not expended
26 in the state fiscal year for which they were allocated, as
27 determined by the department, may be used to supplement the

1 allocations under sections 22b and 51c in order to fully fund those
2 calculated allocations for the same fiscal year.

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

8 (a) Except as otherwise provided in this subsection, the state
9 portion of a district's 1994-95 foundation allowance is an amount
10 equal to the district's 1994-95 foundation allowance or \$6,500.00,
11 whichever is less, minus the difference between the sum of the
12 product of the taxable value per membership pupil of all property
13 in the district that is nonexempt property times the district's
14 certified mills and, for a district with certified mills exceeding
15 12, the product of the taxable value per membership pupil of
16 property in the district that is commercial personal property times
17 the certified mills minus 12 mills and the quotient of the ad
18 valorem property tax revenue of the district captured under tax
19 increment financing acts divided by the district's membership. For
20 a district that has a millage reduction required under section 31
21 of article IX of the state constitution of 1963, the state portion
22 of the district's foundation allowance shall be calculated as if
23 that reduction did not occur. For a receiving district, if school
24 operating taxes are to be levied on behalf of a dissolved district
25 that has been attached in whole or in part to the receiving
26 district to satisfy debt obligations of the dissolved district
27 under section 12 of the revised school code, MCL 380.12, taxable

1 value per membership pupil of all property in the receiving
2 district that is nonexempt property and taxable value per
3 membership pupil of property in the receiving district that is
4 commercial personal property do not include property within the
5 geographic area of the dissolved district; ad valorem property tax
6 revenue of the receiving district captured under tax increment
7 financing acts does not include ad valorem property tax revenue
8 captured within the geographic boundaries of the dissolved district
9 under tax increment financing acts; and certified mills do not
10 include the certified mills of the dissolved district. **FOR A**
11 **COMMUNITY DISTRICT, THE ALLOCATION AS OTHERWISE CALCULATED UNDER**
12 **THIS SECTION SHALL BE REDUCED BY AN AMOUNT EQUAL TO THE AMOUNT OF**
13 **LOCAL SCHOOL OPERATING TAX REVENUE THAT WOULD OTHERWISE BE DUE TO**
14 **THE COMMUNITY DISTRICT IF NOT FOR THE OPERATION OF SECTION 386 OF**
15 **THE REVISED SCHOOL CODE, MCL 380.386, AND THE AMOUNT OF THIS**
16 **REDUCTION SHALL BE OFFSET BY THE INCREASE IN FUNDING UNDER SECTION**
17 **22B(2) .**

18 (b) For a district that had a 1994-95 foundation allowance
19 greater than \$6,500.00, the state payment under this subsection
20 shall be the sum of the amount calculated under subdivision (a)
21 plus the amount calculated under this subdivision. The amount
22 calculated under this subdivision shall be equal to the difference
23 between the district's 1994-95 foundation allowance minus \$6,500.00
24 and the current year hold harmless school operating taxes per
25 pupil. If the result of the calculation under subdivision (a) is
26 negative, the negative amount shall be an offset against any state
27 payment calculated under this subdivision. If the result of a

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

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

21 (4) A district or qualifying public school academy may use
22 funds allocated under this section in conjunction with any federal
23 funds for which the district or qualifying public school academy
24 otherwise would be eligible.

25 (5) Except as otherwise provided in this subsection, for a
26 district that is formed or reconfigured after June 1, 2000 by
27 consolidation of 2 or more districts or by annexation, the

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

16 (6) Payments under this section are subject to section
17 ~~25f.~~ **25G.**

18 (7) As used in this section:

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

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

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

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

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

16 (f) "Hold harmless millage" means, for a district with a 1994-
17 95 foundation allowance greater than \$6,500.00, the number of mills
18 by which the exemption from the levy of school operating taxes on a
19 homestead, qualified agricultural property, qualified forest
20 property, supportive housing property, industrial personal
21 property, commercial personal property, and property occupied by a
22 public school academy could be reduced as provided in section 1211
23 of the revised school code, MCL 380.1211, and the number of mills
24 of school operating taxes that could be levied on all property as
25 provided in section 1211(2) of the revised school code, MCL
26 380.1211, as certified by the department of treasury for the 1994
27 tax year. For a receiving district, if school operating taxes are

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

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

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

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

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

23 (k) "Receiving district" means a district to which all or part
24 of the territory of a dissolved district is attached under section
25 12 of the revised school code, MCL 380.12.

26 (l) "School operating taxes" means local ad valorem property
27 taxes levied under section 1211 of the revised school code, MCL

1 380.1211, and retained for school operating purposes as defined in
2 section 20.

3 (m) "Tax increment financing acts" means 1975 PA 197, MCL
4 125.1651 to 125.1681, the tax increment finance authority act, 1980
5 PA 450, MCL 125.1801 to 125.1830, the local development financing
6 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
7 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
8 or the corridor improvement authority act, 2005 PA 280, MCL
9 125.2871 to 125.2899.

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

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

1 dissolved district.

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

13 Sec. 22b. (1) For discretionary nonmandated payments to
 14 districts under this section, ~~there is allocated from the~~
 15 ~~appropriation in section 11 an amount not to exceed~~
 16 ~~\$3,692,000,000.00 for 2015-2016, and there is allocated for 2016-~~
 17 ~~2017 an amount not to exceed \$3,828,000,000.00~~ **\$3,841,000,000.00**
 18 from the state school aid fund and general fund appropriations in
 19 section 11 and an amount not to exceed \$72,000,000.00 from the
 20 community district education trust fund appropriation in section
 21 11, **AND THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED**
 22 **\$3,965,500,000.00 FROM THE STATE SCHOOL AID FUND AND GENERAL FUND**
 23 **APPROPRIATIONS IN SECTION 11 AND AN AMOUNT NOT TO EXCEED**
 24 **\$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND**
 25 **APPROPRIATION IN SECTION 11.** Except for money allocated from the
 26 community district trust fund, money allocated under this section
 27 that is not expended in the state fiscal year for which it was

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

4 (2) Subject to subsection (3) and section 296, the allocation
5 to a district under this section shall be an amount equal to the
6 sum of the amounts calculated under sections 20, 20m, 51a(2),
7 51a(3), and 51a(11), minus the sum of the allocations to the
8 district under sections 22a and 51c. **FOR A COMMUNITY DISTRICT, THE**
9 **ALLOCATION AS OTHERWISE CALCULATED UNDER THIS SECTION SHALL BE**
10 **INCREASED BY AN AMOUNT EQUAL TO THE AMOUNT OF LOCAL SCHOOL**
11 **OPERATING TAX REVENUE THAT WOULD OTHERWISE BE DUE TO THE COMMUNITY**
12 **DISTRICT IF NOT FOR THE OPERATION OF SECTION 386 OF THE REVISED**
13 **SCHOOL CODE, MCL 380.386, AND THIS INCREASE SHALL BE PAID FROM THE**
14 **COMMUNITY DISTRICT EDUCATION TRUST FUND ALLOCATION IN SUBSECTION**
15 **(1) IN ORDER TO OFFSET THE ABSENCE OF LOCAL SCHOOL OPERATING**
16 **REVENUE IN A COMMUNITY DISTRICT IN THE FUNDING OF THE STATE PORTION**
17 **OF THE FOUNDATION ALLOWANCE UNDER SECTION 20(4).**

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

20 (a) Comply with section 1280b of the revised school code, MCL
21 380.1280b.

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

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

27 (d) Comply with section 1230g of the revised school code, MCL

1 380.1230g.

2 (e) Comply with section 21f.

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

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

13 (6) From the allocation in subsection (1), the department
14 shall pay up to \$1,000,000.00 in litigation costs incurred by this
15 state associated with lawsuits filed by 1 or more districts or
16 intermediate districts against this state. If the allocation under
17 this section is insufficient to fully fund all payments required
18 under this section, the payments under this subsection shall be
19 made in full before any proration of remaining payments under this
20 section.

21 (7) It is the intent of the legislature that all
22 constitutional obligations of this state have been fully funded
23 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
24 an entity receiving funds under this article that challenges the
25 legislative determination of the adequacy of this funding or
26 alleges that there exists an unfunded constitutional requirement,
27 the state budget director may escrow or allocate from the

1 discretionary funds for nonmandated payments under this section the
2 amount as may be necessary to satisfy the claim before making any
3 payments to districts under subsection (2). If funds are escrowed,
4 the escrowed funds are a work project appropriation and the funds
5 are carried forward into the following fiscal year. The purpose of
6 the work project is to provide for any payments that may be awarded
7 to districts as a result of litigation. The work project shall be
8 completed upon resolution of the litigation.

9 (8) If the local claims review board or a court of competent
10 jurisdiction makes a final determination that this state is in
11 violation of section 29 of article IX of the state constitution of
12 1963 regarding state payments to districts, the state budget
13 director shall use work project funds under subsection (7) or
14 allocate from the discretionary funds for nonmandated payments
15 under this section the amount as may be necessary to satisfy the
16 amount owed to districts before making any payments to districts
17 under subsection (2).

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

26 (10) If payments resulting from a final determination by the
27 local claims review board or a court of competent jurisdiction that

1 there has been a violation of section 29 of article IX of the state
2 constitution of 1963 exceed the amount allocated for discretionary
3 nonmandated payments under this section, the legislature shall
4 provide for adequate funding for this state's constitutional
5 obligations at its next legislative session.

6 (11) If a lawsuit challenging payments made to districts
7 related to costs reimbursed by federal title XIX Medicaid funds is
8 filed against this state, then, for the purpose of addressing
9 potential liability under such a lawsuit, the state budget director
10 may place funds allocated under this section in escrow or allocate
11 money from the funds otherwise allocated under this section, up to
12 a maximum of 50% of the amount allocated in subsection (1). If
13 funds are placed in escrow under this subsection, those funds are a
14 work project appropriation and the funds are carried forward into
15 the following fiscal year. The purpose of the work project is to
16 provide for any payments that may be awarded to districts as a
17 result of the litigation. The work project shall be completed upon
18 resolution of the litigation. In addition, this state reserves the
19 right to terminate future federal title XIX Medicaid reimbursement
20 payments to districts if the amount or allocation of reimbursed
21 funds is challenged in the lawsuit. As used in this subsection,
22 "title XIX" means title XIX of the social security act, 42 USC 1396
23 to 1396v.

24 Sec. 22d. (1) From the appropriation in section 11, an amount
25 not to exceed \$5,000,000.00 is allocated for ~~2016-2017~~**2017-2018**
26 for supplemental payments to rural districts under this section.

27 (2) From the allocation under subsection (1), there is

1 allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
2 \$957,300.00 for payments under this subsection to districts that
3 meet all of the following:

4 (a) Operates grades K to 12.

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

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

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

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

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

1 (4) Subject to subsection (6), from the allocation in
2 subsection (1), there is allocated for ~~2016-2017~~**2017-2018** an
3 amount not to exceed \$4,042,700.00 for payments under this
4 subsection to districts that have 7.3 or fewer pupils per square
5 mile as determined by the department.

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

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

10 Sec. 22g. (1) From the funds appropriated in section 11, there
11 is allocated for 2016-2017 only an amount not to exceed \$500,000.00
12 for competitive assistance grants to districts and intermediate
13 districts.

14 (2) Funds received under this section may be used for
15 reimbursement of transition costs associated with the dissolution,
16 consolidation, or annexation of districts or intermediate
17 districts. Grant funding shall be available for dissolutions,
18 consolidations, or annexations that occur on or after June 1, 2016.
19 Districts may spend funds allocated under this section over 3
20 fiscal years.

21 (3) In addition to the amount allocated under subsection (1),
22 from the funds appropriated in section 11, there is allocated for
23 2016-2017 an amount not to exceed \$2,500,000.00 for grants to
24 districts or intermediate districts that received a grant under
25 this section as it was in effect for 2015-2016 for reimbursement of
26 remaining transition costs associated with a dissolution,
27 consolidation, or annexation that was approved during 2015-2016 by

1 the school electors of the applicable district or intermediate
2 district.

3 (4) NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS UNDER THIS
4 SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

5 SEC. 22M. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS
6 ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$2,200,000.00 FOR
7 SUPPORTING THE INTEGRATION OF LOCAL DATA SYSTEMS INTO THE MICHIGAN
8 DATA HUB NETWORK BASED ON COMMON STANDARDS AND APPLICATIONS THAT
9 ARE IN COMPLIANCE WITH SECTION 19(6).

10 (2) AN ENTITY THAT IS THE FISCAL AGENT FOR NO MORE THAN 5
11 CONSORTIA OF INTERMEDIATE DISTRICTS THAT PREVIOUSLY RECEIVED
12 FUNDING FROM THE TECHNOLOGY READINESS INFRASTRUCTURE GRANT UNDER
13 FORMER SECTION 22I FOR THE PURPOSE OF ESTABLISHING REGIONAL DATA
14 HUBS THAT ARE PART OF THE MICHIGAN DATA HUB NETWORK IS ELIGIBLE FOR
15 FUNDING UNDER THIS SECTION.

16 (3) THE CENTER SHALL WORK WITH AN ADVISORY COMMITTEE COMPOSED
17 OF REPRESENTATIVES FROM INTERMEDIATE DISTRICTS WITHIN EACH OF THE
18 DATA HUB REGIONS TO COORDINATE THE ACTIVITIES OF THE MICHIGAN DATA
19 HUB NETWORK.

20 (4) THE CENTER, IN COLLABORATION WITH THE MICHIGAN DATA HUB
21 NETWORK, SHALL DETERMINE THE AMOUNT OF FUNDS DISTRIBUTED UNDER THIS
22 SECTION TO EACH PARTICIPATING REGIONAL DATA HUB WITHIN THE NETWORK,
23 BASED UPON A COMPETITIVE GRANT PROCESS. ENTITIES RECEIVING FUNDING
24 UNDER THIS SECTION SHALL REPRESENT GEOGRAPHICALLY DIVERSE AREAS IN
25 THIS STATE.

26 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
27 SHALL BE MADE ON A SCHEDULE DETERMINED BY THE CENTER.

1 (6) TO RECEIVE FUNDING UNDER THIS SECTION, A REGIONAL DATA HUB
2 MUST HAVE A GOVERNANCE MODEL THAT ENSURES LOCAL CONTROL OF DATA,
3 DATA SECURITY, AND STUDENT PRIVACY ISSUES. THE INTEGRATION OF DATA
4 WITHIN EACH OF THE REGIONAL DATA HUBS SHALL PROVIDE FOR THE
5 ACTIONABLE USE OF DATA BY DISTRICTS AND INTERMEDIATE DISTRICTS
6 THROUGH COMMON REPORTS AND DASHBOARDS AND FOR EFFICIENTLY PROVIDING
7 INFORMATION TO MEET STATE AND FEDERAL REPORTING PURPOSES.

8 (7) PARTICIPATION IN A DATA HUB REGION IN THE MICHIGAN DATA
9 HUB NETWORK UNDER THIS SECTION IS VOLUNTARY AND IS NOT REQUIRED.

10 (8) ENTITIES RECEIVING FUNDING UNDER THIS SECTION SHALL USE
11 THE FUNDS FOR ALL OF THE FOLLOWING:

12 (A) CREATING AN INFRASTRUCTURE THAT EFFECTIVELY MANAGES THE
13 MOVEMENT OF DATA BETWEEN DATA SYSTEMS USED BY INTERMEDIATE
14 DISTRICTS, DISTRICTS, AND OTHER EDUCATIONAL ORGANIZATIONS IN
15 MICHIGAN BASED ON COMMON DATA STANDARDS TO IMPROVE STUDENT
16 ACHIEVEMENT.

17 (B) UTILIZING THE INFRASTRUCTURE TO PUT IN PLACE COMMONLY
18 NEEDED INTEGRATIONS, REDUCING COST AND EFFORT TO DO THAT WORK WHILE
19 INCREASING DATA ACCURACY AND USABILITY.

20 (C) PROMOTING THE USE OF A MORE COMMON SET OF APPLICATIONS BY
21 PROMOTING SYSTEMS THAT INTEGRATE WITH THE MICHIGAN DATA HUB
22 NETWORK.

23 (D) PROMOTING 100% DISTRICT ADOPTION OF THE MICHIGAN DATA HUB
24 NETWORK BY SEPTEMBER 30, 2018.

25 (E) ENSURING LOCAL CONTROL OF DATA, DATA SECURITY, AND STUDENT
26 DATA PRIVACY.

27 (F) UTILIZING THE INFRASTRUCTURE TO PROMOTE THE ACTIONABLE USE

1 OF DATA THROUGH COMMON REPORTS AND DASHBOARDS THAT ARE CONSISTENT
2 STATEWIDE.

3 (G) CREATING A GOVERNANCE MODEL TO FACILITATE SUSTAINABLE
4 OPERATIONS OF THE INFRASTRUCTURE IN THE FUTURE, INCLUDING
5 ADMINISTRATION, LEGAL AGREEMENTS, DOCUMENTATION, STAFFING, HOSTING,
6 AND FUNDING.

7 (H) EVALUATING FUTURE DATA INITIATIVES AT ALL LEVELS TO
8 DETERMINE WHETHER THE INITIATIVES CAN BE ENHANCED BY USING THE
9 STANDARDIZED ENVIRONMENT IN THE MICHIGAN DATA HUB NETWORK.

10 (9) NOT LATER THAN JANUARY 1, 2018, THE CENTER SHALL PREPARE A
11 SUMMARY REPORT OF INFORMATION PROVIDED BY EACH ENTITY THAT RECEIVED
12 FUNDS UNDER THIS SECTION THAT INCLUDES MEASURABLE OUTCOMES BASED ON
13 THE OBJECTIVES DESCRIBED UNDER THIS SECTION. THE REPORT SHALL
14 INCLUDE A SUMMARY OF COMPILED DATA FROM EACH ENTITY TO PROVIDE A
15 MEANS TO EVALUATE THE EFFECTIVENESS OF THE PROJECT. THE CENTER
16 SHALL SUBMIT THE REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
17 SUBCOMMITTEES ON STATE SCHOOL AID AND TO THE HOUSE AND SENATE
18 FISCAL AGENCIES.

19 SEC. 22N. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
20 ALLOCATED AN AMOUNT NOT TO EXCEED \$11,000,000.00 FOR 2017-2018 FOR
21 ADDITIONAL PAYMENTS TO DISTRICTS FOR THE HIGHER INSTRUCTIONAL COSTS
22 OF EDUCATING HIGH SCHOOL PUPILS.

23 (2) A DISTRICT IS ELIGIBLE FOR A PAYMENT UNDER THIS SECTION IF
24 IT EDUCATES PUPILS IN 1 OR MORE OF GRADES 9 TO 12.

25 (3) THE PAYMENT TO EACH ELIGIBLE DISTRICT UNDER THIS SECTION
26 SHALL BE AN AMOUNT EQUAL TO \$25.00 MULTIPLIED BY THE DISTRICT'S
27 TOTAL PUPIL MEMBERSHIP IN GRADES 9 TO 12 AS CALCULATED UNDER

1 SECTION 6 FOR THE CURRENT FISCAL YEAR. IF THE ALLOCATION UNDER
2 SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND PAYMENTS UNDER THIS
3 SUBSECTION, THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS
4 SECTION ON AN EQUAL PER-PUPIL BASIS.

5 Sec. 24. (1) From the appropriation in section 11, there is
6 allocated for ~~2016-2017~~-2017-2018 an amount not to exceed
7 \$8,000,000.00 for payments to the educating district or
8 intermediate district for educating pupils assigned by a court or
9 the department of health and human services to reside in or to
10 attend a juvenile detention facility or child caring institution
11 licensed by the department of health and human services and
12 approved by the department to provide an on-grounds education
13 program. The amount of the payment under this section to a district
14 or intermediate district shall be calculated as prescribed under
15 subsection (2).

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

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

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

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

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

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

26 Sec. 24a. From the appropriation in section 11, ~~there is~~
27 ~~allocated an amount not to exceed \$1,301,000.00 for 2015-2016 and~~

1 there is allocated an amount not to exceed ~~\$1,328,100.00 for 2016-~~
2 ~~2017-~~**\$1,339,000.00 FOR 2017-2018** for payments to intermediate
3 districts for pupils who are placed in juvenile justice service
4 facilities operated by the department of health and human services.
5 Each intermediate district shall receive an amount equal to the
6 state share of those costs that are clearly and directly
7 attributable to the educational programs for pupils placed in
8 facilities described in this section that are located within the
9 intermediate district's boundaries. The intermediate districts
10 receiving payments under this section shall cooperate with the
11 department of health and human services to ensure that all funding
12 allocated under this section is utilized by the intermediate
13 district and department of health and human services for
14 educational programs for pupils described in this section. Pupils
15 described in this section are not eligible to be funded under
16 section 24. However, a program responsibility or other fiscal
17 responsibility associated with these pupils shall not be
18 transferred from the department of health and human services to a
19 district or intermediate district unless the district or
20 intermediate district consents to the transfer.

21 Sec. 24c. From the appropriation in section 11, there is
22 allocated an amount not to exceed ~~\$1,632,400.00 for 2016-2017~~
23 **\$1,528,400.00 FOR 2017-2018** for payments to districts for pupils
24 who are enrolled in a nationally administered community-based
25 education and youth mentoring program, known as the youth challenge
26 program, that is administered by the department of military and
27 veterans affairs. Both of the following apply to a district

1 receiving payments under this section:

2 (a) The district shall contract with the department of
3 military and veterans affairs to ensure that all funding allocated
4 under this section is utilized by the district and the department
5 of military and veterans affairs for the youth challenge program.

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

9 Sec. 25f. (1) From the state school aid fund money
10 appropriated in section 11, there is allocated an amount not to
11 exceed \$750,000.00 for ~~2016-2017~~**2017-2018** for payments to strict
12 discipline academies established under sections 1311b to 1311m of
13 the revised school code, MCL 380.1311b to 380.1311m, as provided
14 under this section.

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

19 (3) The total amount allocated to a strict discipline academy
20 under this section is an amount equal to the lesser of the strict
21 discipline academy's added cost or the department's approved per-
22 pupil allocation for the strict discipline academy. However, the
23 sum of the amounts received by a strict discipline academy under
24 this section and under section 24 shall not exceed the product of
25 the strict discipline academy's per-pupil allocation calculated
26 under section 20 multiplied by the strict discipline academy's
27 full-time equated membership. The department shall allocate funds

1 to strict discipline academies under this section on a monthly
2 basis. For the purposes of this subsection:

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

15 (b) "Department's approved per-pupil allocation" for a strict
16 discipline academy shall be determined by dividing the total amount
17 allocated under this subsection for a fiscal year by the full-time
18 equated membership total for all pupils approved by the department
19 to be funded under this subsection for that fiscal year for the
20 strict discipline academy.

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

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

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

1 Sec. 25g. (1) From the state school aid fund money
 2 appropriated in section 11, there is allocated an amount not to
 3 exceed \$750,000.00 for ~~2016-2017~~**2017-2018** for the purposes of this
 4 section. If the operation of the special membership counting
 5 provisions under section 6(4)(dd) and the other membership counting
 6 provisions under section 6(4) result in a pupil being counted as
 7 more than 1.0 FTE in a fiscal year, then the payment made for the
 8 pupil under sections 22a and 22b shall not be based on more than
 9 1.0 FTE for that pupil, and that portion of the FTE that exceeds
 10 1.0 shall be paid under this section in an amount equal to that
 11 portion multiplied by the educating district's foundation allowance
 12 or per-pupil payment calculated under section 20.

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

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

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

20 Sec. 26a. From the funds appropriated in section 11, ~~there is~~
 21 ~~allocated an amount not to exceed \$20,000,000.00 for 2015-2016 and~~
 22 ~~there is allocated an amount not to exceed \$20,000,000.00~~
 23 **\$17,000,000.00 EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018** to
 24 reimburse districts and intermediate districts pursuant to section
 25 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,
 26 for taxes levied in ~~2015 and 2016 as applicable.~~ **2016 AND 2017 AS**
 27 **APPLICABLE.** The allocations shall be made not later than 60 days

1 after the department of treasury certifies to the department and to
2 the state budget director that the department of treasury has
3 received all necessary information to properly determine the
4 amounts due to each eligible recipient.

5 Sec. 26b. (1) From the appropriation in section 11, there is
6 allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
7 \$4,405,100.00 for payments to districts, intermediate districts,
8 and community college districts for the portion of the payment in
9 lieu of taxes obligation that is attributable to districts,
10 intermediate districts, and community college districts pursuant to
11 section 2154 of the natural resources and environmental protection
12 act, 1994 PA 451, MCL 324.2154.

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

17 Sec. 26c. (1) From the appropriation in section 11, ~~there is~~
18 ~~allocated an amount not to exceed \$278,000.00 for 2015-2016 and~~
19 ~~there is allocated an amount not to exceed \$1,000,000.00 for 2016-~~
20 ~~2017~~**\$1,500,000.00 FOR 2017-2018** to the promise zone fund created
21 in subsection (3). **THE FUNDS ALLOCATED UNDER THIS SECTION REFLECT**
22 **THE AMOUNT OF REVENUE FROM THE COLLECTION OF THE STATE EDUCATION**
23 **TAX CAPTURED UNDER SECTION 17(2) OF THE MICHIGAN PROMISE ZONE**
24 **AUTHORITY ACT, 2008 PA 549, MCL 390.1677.**

25 (2) Funds allocated to the promise zone fund under this
26 section shall be used solely for payments to eligible districts and
27 intermediate districts, **IN ACCORDANCE WITH SECTION 17(3) OF THE**

1 **MICHIGAN PROMISE ZONE AUTHORITY ACT, 2008 PA 549, MCL 390.1677,**
2 that have a promise zone development plan approved by the
3 department of treasury under section 7 of the Michigan promise zone
4 authority act, 2008 PA 549, MCL 390.1667. **ELIGIBLE DISTRICTS AND**
5 **INTERMEDIATE DISTRICTS SHALL USE PAYMENTS MADE UNDER THIS SECTION**
6 **FOR REIMBURSEMENT FOR QUALIFIED EDUCATIONAL EXPENSES AS DEFINED IN**
7 **SECTION 3 OF THE MICHIGAN PROMISE ZONE AUTHORITY ACT, 2008 PA 549,**
8 **MCL 390.1663.**

9 (3) The promise zone fund is created as a separate account
10 within the state school aid fund to be used solely for the purposes
11 of the Michigan promise zone authority act, 2008 PA 549, MCL
12 390.1661 to 390.1679. All of the following apply to the promise
13 zone fund:

14 (a) The state treasurer shall direct the investment of the
15 promise zone fund. The state treasurer shall credit to the promise
16 zone fund interest and earnings from fund investments.

17 (b) Money in the promise zone fund at the close of a fiscal
18 year shall remain in the promise zone fund and shall not lapse to
19 the general fund.

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

26 **(5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**
27 **SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

1 Sec. 31a. (1) From the state school aid fund money
 2 appropriated in section 11, there is allocated for ~~2016-2017-2017-~~
 3 **2018** an amount not to exceed ~~\$389,695,500.00~~ **\$510,207,300.00** for
 4 payments to eligible districts ~~, AND~~ eligible public school
 5 academies ~~, and the education achievement system~~ for the purposes
 6 of ensuring that pupils are proficient in ~~reading~~ **ENGLISH LANGUAGE**
 7 **ARTS** by the end of grade 3, ~~and THAT PUPILS ARE PROFICIENT IN~~
 8 **MATHEMATICS BY THE END OF GRADE 8, THAT PUPILS ARE ATTENDING SCHOOL**
 9 **REGULARLY**, that high school graduates are career and college ready,
 10 and for the purposes under subsections (7) and (8).

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

20 **(2) FOR A DISTRICT THAT HAS COMBINED STATE AND LOCAL REVENUE**
 21 **PER MEMBERSHIP PUPIL UNDER SECTIONS 20 AND 20M THAT IS GREATER THAN**
 22 **THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT**
 23 **FISCAL YEAR, THE ALLOCATION UNDER THIS SECTION SHALL BE AN AMOUNT**
 24 **EQUAL TO 30% OF THE ALLOCATION FOR WHICH IT WOULD OTHERWISE BE**
 25 **ELIGIBLE UNDER THIS SECTION BEFORE ANY PRORATION UNDER SUBSECTION**
 26 **(12).**

27 (3) For a district or public school academy ~~that operates~~

~~grades K to 3, or the education achievement system,~~ to be eligible
 to receive funding under this section, other than funding under
 subsection (7) or (8), the district or public school academy, ~~or~~
~~the education achievement system, must implement,~~ for **GRADES K TO**
3, SHALL COMPLY WITH THE REQUIREMENTS UNDER SECTION 1280F OF THE
REVISED SCHOOL CODE, MCL 380.1280F, AND USE RESOURCES TO ADDRESS
EARLY LITERACY, AND FOR at least grades ~~K to 3,~~ **4 TO 8 OR, IF THE**
DISTRICT OR PUBLIC SCHOOL ACADEMY DOES NOT OPERATE ALL OF GRADES 4
TO 8, FOR ALL OF THE GRADES IT OPERATES, MUST IMPLEMENT a multi-
 tiered system of supports that is an evidence-based model that uses
 data-driven problem solving to integrate academic and behavioral
 instruction and that uses intervention delivered to all pupils in
 varying intensities based on pupil needs. This multi-tiered system
 of supports must provide at least all of the following essential
 elements:

- (a) Implements effective instruction for all learners.
- (b) Intervenes early.
- (c) Provides a multi-tiered model of instruction and
intervention that provides the following:
 - (i) A core curriculum and classroom interventions available to
all pupils that meet the needs of most pupils.
 - (ii) Targeted group interventions.
 - (iii) Intense individual interventions.
- (d) Monitors pupil progress to inform instruction.
- (e) Uses data to make instructional decisions.
- (f) Uses assessments including universal screening,
diagnostics, and progress monitoring.

1 (g) Engages families and the community.

2 (h) Implements evidence-based, scientifically validated,
3 instruction and intervention.

4 (i) Implements instruction and intervention practices with
5 fidelity.

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

7 (4) Except as otherwise provided in this subsection, an
8 eligible district or eligible public school academy ~~or the~~
9 ~~education achievement system shall receive under this section for~~
10 ~~each membership pupil in the district or public school academy or~~
11 ~~the education achievement system who met the income eligibility~~
12 ~~criteria for free breakfast, lunch, or milk, as determined under~~
13 ~~the Richard B. Russell national school lunch act, 42 USC 1751 to~~
14 ~~1769, and~~ **WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED**, as
15 reported to the ~~department~~ **CENTER** in the form and manner prescribed
16 by the ~~department~~ **CENTER** not later than the fifth Wednesday after
17 the pupil membership count day of the immediately preceding fiscal
18 year, ~~and adjusted not later than December 31 of the immediately~~
19 ~~preceding fiscal year,~~ an amount per pupil equal to 11.5% of the
20 ~~sum of the district's~~ **STATEWIDE WEIGHTED AVERAGE** foundation
21 allowance. ~~or the public school academy's or the education~~
22 ~~achievement system's per pupil amount calculated under section 20~~
23 ~~plus the amount of the district's per-pupil allocation under~~
24 ~~section 20m, not to exceed the basic foundation allowance under~~
25 ~~section 20 for the current state fiscal year, or of the public~~
26 ~~school academy's or the education achievement system's per~~
27 ~~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 , an achievement school that~~
~~began operations as an achievement school, or a community district~~
~~that first enrolls pupils, 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 education achievement system, or in the community district who~~
~~met the income eligibility criteria for free breakfast, lunch, or~~
~~milk, as determined under the Richard B. Russell national school~~
~~lunch act and~~ **WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED,**
as reported to the ~~department~~ **CENTER IN THE FORM AND MANNER**
PRESCRIBED BY THE CENTER 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~~
~~education achievement system's, or the community district's per~~
~~membership pupil amount calculated under section 20 for the current~~
~~state fiscal year.~~ **STATEWIDE WEIGHTED AVERAGE FOUNDATION ALLOWANCE.**

(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
services, including, but not limited to, medical, mental health, or
counseling services, for at-risk pupils; for school health clinics;
and for the purposes of subsection (6), (7), **OR** (8). ~~, or (11).~~ In
addition, a district that is a school district of the first class
or a district or public school academy in which at least 50% of the

1 pupils in membership ~~met the income eligibility criteria for free~~
 2 ~~breakfast, lunch, or milk~~ **WERE DETERMINED TO BE ECONOMICALLY**
 3 **DISADVANTAGED** in the immediately preceding state fiscal year, as
 4 determined and reported as described in subsection (4), ~~or the~~
 5 ~~education achievement system if it meets this requirement,~~ may use
 6 not more than 20% of the funds it receives under this section for
 7 school security. A district ~~, the~~ **OR** public school academy ~~, or the~~
 8 ~~education achievement system~~ shall not use any of that money for
 9 administrative costs. The instruction or direct noninstructional
 10 services provided under this section may be conducted before or
 11 after regular school hours or by adding extra school days to the
 12 school year.

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

22 (7) From the funds allocated under subsection (1), there is
 23 allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed
 24 ~~\$5,557,300.00~~ **\$6,057,300.00** to support ~~child and adolescent health~~
 25 ~~centers. These grants shall be awarded for 5 consecutive years~~
 26 ~~beginning with 2003-2004~~ **PRIMARY HEALTH CARE SERVICES PROVIDED TO**
 27 **CHILDREN AND ADOLESCENTS UP TO AGE 21. THESE FUNDS SHALL BE**

1 **EXPENDED** in a form and manner ~~approved~~ **DETERMINED** jointly by the
2 department and the department of health and human services. ~~Each~~
3 ~~grant recipient shall remain in compliance with the terms of the~~
4 ~~grant award or shall forfeit the grant award for the duration of~~
5 ~~the 5-year period after the noncompliance. To continue to receive~~
6 ~~funding for a child and adolescent health center under this section~~
7 ~~a grant recipient shall ensure that the child and adolescent health~~
8 ~~center has an advisory committee and that at least one-third of the~~
9 ~~members of the advisory committee are parents or legal guardians of~~
10 ~~school-aged children. A child and adolescent health center program~~
11 ~~shall recognize the role of a child's parents or legal guardian in~~
12 ~~the physical and emotional well-being of the child. Funding under~~
13 ~~this subsection shall be used to support child and adolescent~~
14 ~~health center services provided to children up to age 21. If any~~
15 funds allocated under this subsection are not used for the purposes
16 of this subsection for the fiscal year in which they are allocated,
17 those unused funds shall be used that fiscal year to avoid or
18 minimize any proration that would otherwise be required under
19 subsection (12) for that fiscal year.

20 (8) From the funds allocated under subsection (1), there is
21 allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed
22 \$5,150,000.00 for the state portion of the hearing and vision
23 screenings as described in section 9301 of the public health code,
24 1978 PA 368, MCL 333.9301. A local public health department shall
25 pay at least 50% of the total cost of the screenings. The frequency
26 of the screenings shall be as required under R 325.13091 to R
27 325.13096 and R 325.3271 to R 325.3276 of the Michigan

~~administrative code.~~ **ADMINISTRATIVE CODE.** Funds shall be awarded in a form and manner approved jointly by the department and the department of health and human services. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(9) Each district or public school academy receiving funds under this section ~~and the education achievement system shall~~ submit to the department by July 15 of each fiscal year a report, ~~not to exceed 10 pages, on the usage by the district or public school academy or the education achievement system of funds under this section, which report shall include~~ **IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, THAT INCLUDES** a brief description of each program conducted or services performed by the district or public school academy ~~or the education achievement system~~ using funds under this section, the amount of funds under this section allocated to each of those programs or services, the total number of at-risk pupils served by each of those programs or services, and the data necessary for the department and the department of health and human services to verify matching funds for the temporary assistance for needy families program. **IN PRESCRIBING THE FORM AND MANNER OF THE REPORT, THE DEPARTMENT SHALL ENSURE THAT DISTRICTS ARE ALLOWED TO EXPEND FUNDS RECEIVED UNDER THIS SECTION ON ANY ACTIVITIES THAT ARE PERMISSIBLE UNDER THIS SECTION.** If a district or public school academy ~~or the education achievement system~~ does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy ~~or the education achievement~~

1 ~~system~~ complies with this subsection. If the district or public
2 school academy ~~or the education achievement system~~ does not comply
3 with this subsection by the end of the state fiscal year, the
4 withheld funds shall be forfeited to the school aid fund.

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

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

18 (11) A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT RECEIVES FUNDS
19 UNDER THIS SECTION MAY USE UP TO 3% OF THOSE FUNDS TO PROVIDE
20 RESEARCH-BASED PROFESSIONAL DEVELOPMENT TO DISTRICT AND SCHOOL
21 LEADERSHIP AND TEACHERS THAT IS ALIGNED TO PROFESSIONAL LEARNING
22 STANDARDS; IS INTEGRATED INTO DISTRICT, SCHOOL BUILDING, AND
23 CLASSROOM PRACTICES; AND IS SOLELY RELATED TO THE FOLLOWING:

24 (A) IMPLEMENTING THE MULTI-TIERED SYSTEM OF SUPPORTS REQUIRED
25 IN SUBSECTION (3) WITH FIDELITY AND UTILIZING THE DATA FROM THAT
26 SYSTEM TO INFORM CURRICULUM AND INSTRUCTION.

27 (B) IMPLEMENTING SECTION 1280F OF THE REVISED SCHOOL CODE, MCL

1 **380.1280F, AS REQUIRED UNDER SUBSECTION (3), WITH FIDELITY.**

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

12 **SECTION BY AN EQUAL PERCENTAGE PER DISTRICT.**

13 (13) ~~If a district is formed by consolidation after June 1,~~
14 ~~1995, and if 1 or more of the original districts were not eligible~~
15 ~~before the consolidation for an additional allowance under this~~
16 ~~section, the amount of the additional allowance under this section~~
17 ~~for the consolidated district shall be based on the number of~~
18 ~~pupils described in subsection (1) enrolled in the consolidated~~
19 ~~district who reside in the territory of an original district that~~
20 ~~was eligible before the consolidation for an additional allowance~~
21 ~~under this section. In addition, if~~ **IF** ~~a district is dissolved~~
22 ~~pursuant to section 12 of the revised school code, MCL 380.12, the~~
23 ~~intermediate district to which the dissolved school district was~~
24 ~~constituent shall determine the estimated number of pupils that~~
25 ~~meet the income eligibility criteria for free breakfast, lunch, or~~
26 ~~milk, as described under subsection (4),~~ **ARE ECONOMICALLY**
27 **DISADVANTAGED AND THAT ARE** enrolled in each of the other districts

1 within the intermediate district and provide that estimate to the
2 department for the purposes of distributing funds under this
3 section within 60 days after the school district is declared
4 dissolved.

5 ~~—— (14) As used in this section, "at-risk pupil" means a pupil~~
6 ~~for whom the district has documentation that the pupil meets any of~~
7 ~~the following criteria:~~

8 ~~—— (a) Is a victim of child abuse or neglect.~~

9 ~~—— (b) Is a pregnant teenager or teenage parent.~~

10 ~~—— (c) Has a family history of school failure, incarceration, or~~
11 ~~substance abuse.~~

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

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

19 ~~—— (f) The pupil is enrolled in a priority or priority-successor~~
20 ~~school, as defined in the elementary and secondary education act of~~
21 ~~2001 flexibility waiver approved by the United States Department of~~
22 ~~Education.~~

23 ~~—— (g) In the absence of state or local assessment data, the~~
24 ~~pupil meets at least 2 of the following criteria, as documented in~~
25 ~~a form and manner approved by the department:~~

26 ~~—— (i) The pupil is eligible for free or reduced price breakfast,~~
27 ~~lunch, or milk.~~

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

~~(iii) The pupil is homeless.~~

~~(iv) The pupil is a migrant.~~

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

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

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

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

(a) The district ~~, OR~~ public school academy ~~, or the education achievement system~~ shall determine the proportion of total at-risk pupils that represents the number of pupils in grade 3 that are not

1 proficient in English language arts by the end of grade 3, and the
 2 district ~~, OR public school academy, or the education achievement~~
 3 ~~system~~ shall expend that same proportion multiplied by 1/2 of its
 4 total at-risk funds under this section on tutoring and other
 5 methods of improving grade 3 English language arts proficiency.

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

18 **(15)** ~~(16)~~ As used in subsection ~~(15)~~, **(14)**, "total at-risk
 19 pupils" means the sum of the number of pupils in grade 3 that are
 20 not proficient in English language arts by the end of third grade
 21 as measured on the state assessment and the number of pupils in
 22 grade 11 that are not career- and college-ready as measured by the
 23 student's score on the English language arts, mathematics, and
 24 science content area assessments on the grade 11 summative
 25 assessment under section 1279g(2)(a) of the revised school code,
 26 MCL 380.1279g.

27 **(16)** ~~(17)~~ A district or public school academy that receives

1 funds under this section ~~or the education achievement system~~ may
2 use funds received under this section to provide an anti-bullying
3 or crisis intervention program.

4 **(17) ~~(18)~~** The department shall collaborate with the department
5 of health and human services to prioritize assigning Pathways to
6 Potential Success coaches to elementary schools that have a high
7 percentage of pupils in grades K to 3 who are not ~~reading at grade~~
8 ~~level~~. **PROFICIENT IN ENGLISH LANGUAGE ARTS, BASED UPON STATE**
9 **ASSESSMENTS FOR PUPILS IN THOSE GRADES.**

10 **(18)** FOR THE PURPOSE OF DETERMINING THE NUMBER OF ECONOMICALLY
11 DISADVANTAGED PUPILS ENROLLED IN A COMMUNITY DISTRICT FOR 2017-
12 2018, DISADVANTAGED PUPILS WHO WERE ENROLLED IN THE EDUCATION
13 ACHIEVEMENT SYSTEM FOR 2016-2017 SHALL BE CONSIDERED TO HAVE BEEN
14 ENROLLED IN THE COMMUNITY DISTRICT FOR 2016-2017.

15 **(19)** AS USED IN THIS SECTION:

16 **(A)** "AT-RISK PUPIL" MEANS A PUPIL WHO IS ECONOMICALLY
17 DISADVANTAGED OR AN ENGLISH LANGUAGE LEARNER FOR WHOM THE DISTRICT
18 HAS DOCUMENTATION THAT THE PUPIL MEETS ANY OF THE FOLLOWING
19 CRITERIA:

20 **(i)** THE PUPIL DID NOT ACHIEVE PROFICIENCY ON THE ENGLISH
21 LANGUAGE ARTS STATE ASSESSMENT FOR GRADE 3 OR IS AT RISK OF NOT
22 ACHIEVING PROFICIENCY, AS DETERMINED BY THE DISTRICT OR PUBLIC
23 SCHOOL ACADEMY USING DATA PROVIDED AS PART OF THE MULTI-TIERED
24 SYSTEM OF SUPPORTS DESCRIBED IN SUBSECTION (3).

25 **(ii)** THE PUPIL DID NOT ACHIEVE PROFICIENCY ON THE MATHEMATICS
26 STATE ASSESSMENT FOR GRADE 8 OR IS AT RISK OF NOT ACHIEVING
27 PROFICIENCY, AS DETERMINED BY THE DISTRICT OR PUBLIC SCHOOL ACADEMY

1 USING DATA PROVIDED AS PART OF THE MULTI-TIERED SYSTEM OF SUPPORTS
2 DESCRIBED IN SUBSECTION (3) .

3 (iii) THE PUPIL IS CHRONICALLY ABSENT AS DEFINED BY AND
4 REPORTED TO THE CENTER.

5 (B) "ECONOMICALLY DISADVANTAGED" MEANS A PUPIL WHO HAS BEEN
6 DETERMINED ELIGIBLE FOR FREE OR REDUCED-PRICE MEALS AS DETERMINED
7 UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751
8 TO 1769; WHO IS IN A HOUSEHOLD RECEIVING SUPPLEMENTAL NUTRITION
9 ASSISTANCE PROGRAM OR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
10 ASSISTANCE; OR WHO IS HOMELESS, MIGRANT, OR IN FOSTER CARE, AS
11 REPORTED TO THE CENTER.

12 (C) "ENGLISH LANGUAGE LEARNER" MEANS LIMITED ENGLISH
13 PROFICIENT PUPILS WHO SPEAK A LANGUAGE OTHER THAN ENGLISH AS THEIR
14 PRIMARY LANGUAGE AND HAVE DIFFICULTY SPEAKING, READING, WRITING, OR
15 UNDERSTANDING ENGLISH AS REPORTED TO THE CENTER.

16 (D) "STATEWIDE WEIGHTED AVERAGE FOUNDATION ALLOWANCE" MEANS
17 THE NUMBER THAT IS CALCULATED BY ADDING TOGETHER THE RESULT OF EACH
18 DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S FOUNDATION ALLOWANCE OR PER
19 PUPIL PAYMENT CALCULATED UNDER SECTION 20 MULTIPLIED BY THE NUMBER
20 OF PUPILS IN MEMBERSHIP IN THAT DISTRICT OR PUBLIC SCHOOL ACADEMY,
21 AND THEN DIVIDING THAT TOTAL BY THE STATEWIDE NUMBER OF PUPILS IN
22 MEMBERSHIP. FOR THE PURPOSES OF THIS CALCULATION, A DISTRICT'S
23 FOUNDATION ALLOWANCE SHALL NOT EXCEED THE BASIC FOUNDATION
24 ALLOWANCE UNDER SECTION 20 FOR THE CURRENT STATE FISCAL YEAR.

25 Sec. 31b. (1) From the appropriations in section 11, there is
26 allocated an amount not to exceed \$1,500,000.00 ~~for 2016-2017~~ **FOR**
27 **2017-2018** for grants to at-risk districts for implementing a ~~year-~~

1 ~~round~~**BALANCED CALENDAR** instructional program for at least 1 of its
2 schools.

3 (2) The department shall select districts for grants under
4 this section from among applicant districts that meet both of the
5 following:

6 (a) The district meets 1 or both of the following:

7 (i) Is eligible in ~~2016-2017~~**2017-2018** for the community
8 eligibility option for free and reduced price lunch under 42 USC
9 1759a.

10 (ii) At least 50% of the pupils in membership in the district
11 met the income eligibility criteria for free breakfast, lunch, or
12 milk in the immediately preceding state fiscal year, as determined
13 under the Richard B. Russell national school lunch act, 42 USC 1751
14 to ~~1769i~~**1769j**.

15 (b) The board of the district has adopted a resolution stating
16 that the district will implement for the first time a ~~year-round~~
17 **BALANCED CALENDAR** instructional ~~calendar~~**PROGRAM** that will begin in
18 ~~2017-2018~~**2018-2019** for at least 1 school operated by the district
19 and committing to providing the ~~year-round~~**BALANCED CALENDAR**
20 instructional ~~calendar~~**PROGRAM** in each of those schools for at
21 least 3 school years.

22 (3) A district seeking a grant under this section shall apply
23 to the department in the form and manner prescribed by the
24 department not later than December 1, ~~2016~~**2017**. The department
25 shall select districts for grants and make notification not later
26 than February 1, ~~2017~~**2018**.

27 (4) The department shall award grants under this section on a

1 competitive basis, but shall give priority based solely on
2 consideration of the following criteria:

3 (a) Giving priority to districts that, ~~as of June 30, 2016,~~ **IN**
4 **THE IMMEDIATELY PRECEDING FISCAL YEAR,** had lower general fund
5 balances as a percentage of revenues.

6 (b) Giving priority to districts that operate at least 1
7 school that has been identified by the department as either a
8 priority school or a focus school.

9 (c) Ensuring that grant funding includes both rural and urban
10 districts.

11 (5) The amount of a grant under this section to any 1 district
12 shall not exceed \$750,000.00.

13 (6) A grant payment under this section to a district shall be
14 used for necessary modifications to instructional facilities and
15 other nonrecurring costs of preparing for the operation of a ~~year-~~
16 ~~round-~~ **BALANCED CALENDAR** instructional program as approved by the
17 department.

18 (7) A district receiving a grant under this section is not
19 required to provide more than the minimum number of days and hours
20 of pupil instruction prescribed under section 101, but shall spread
21 at least those minimum amounts of pupil instruction over the entire
22 year in each of its schools in which a ~~year-round-~~ **BALANCED CALENDAR**
23 instructional calendar is implemented. The district shall commit to
24 providing the ~~year-round-~~ **BALANCED CALENDAR** instructional calendar
25 in each of those schools for at least 3 school years.

26 (8) For a district receiving a grant under this section,
27 excessive heat is considered to be a condition not within the

1 control of school authorities for the purpose of days or hours
2 being counted as days or hours of pupil instruction under section
3 101(4).

4 (9) Notwithstanding section 17b, grant payments to districts
5 under this section shall be paid on a schedule determined by the
6 department.

7 Sec. 31d. (1) From the appropriations in section 11, there is
8 allocated an amount not to exceed \$22,495,100.00 for ~~2016-2017~~
9 **2017-2018** for the purpose of making payments to districts and other
10 eligible entities under this section.

11 (2) The amounts allocated from state sources under this
12 section shall be used to pay the amount necessary to reimburse
13 districts for 6.0127% of the necessary costs of the state mandated
14 portion of the school lunch programs provided by those districts.
15 The amount due to each district under this section shall be
16 computed by the department using the methods of calculation adopted
17 by the Michigan supreme court in the consolidated cases known as
18 Durant v State of Michigan, ~~Michigan supreme court docket no.~~
19 ~~104458-104492-456~~ **MICH 175 (1997)**.

20 (3) The payments made under this section include all state
21 payments made to districts so that each district receives at least
22 6.0127% of the necessary costs of operating the state mandated
23 portion of the school lunch program in a fiscal year.

24 (4) The payments made under this section to districts and
25 other eligible entities that are not required under section 1272a
26 of the revised school code, MCL 380.1272a, to provide a school
27 lunch program shall be in an amount not to exceed \$10.00 per

1 eligible pupil plus 5 cents for each free lunch and 2 cents for
 2 each reduced price lunch provided, as determined by the department.

3 (5) From the federal funds appropriated in section 11, there
 4 is allocated for ~~2016-2017~~**2017-2018** all available federal funding,
 5 estimated at ~~\$510,000,000.00~~**\$520,000,000.00** for the national
 6 school lunch program and all available federal funding, estimated
 7 at \$3,200,000.00 for the emergency food assistance program.

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

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

15 Sec. 31f. (1) From the appropriations in section 11, ~~there is~~
 16 ~~allocated an amount not to exceed \$2,500,000.00 for 2015-2016 and~~
 17 ~~there is allocated an amount not to exceed \$2,500,000.00 for 2016-~~
 18 ~~2017~~**\$4,500,000.00 EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018**
 19 for the purpose of making payments to districts to reimburse for
 20 the cost of providing breakfast.

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

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

27 (b) Each breakfast eligible for payment meets the federal

standards described in subdivision (a).

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

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

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

Sec. 31j. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed ~~\$250,000.00~~ **\$375,000.00** for ~~2016-2017~~ **2017-2018** for a pilot project to support districts in the purchase of locally grown fruits and vegetables as described in this section.

(2) The department shall provide funding to prosperity regions 2, ~~and 4~~, **AND 9** for the pilot project described under this section. From the funding identified in subsection (1), funding retained by the prosperity regions for administration of the project shall not exceed 10%, and funding retained by the department for administration shall not exceed 6%.

(3) The department shall develop and implement a competitive

1 grant program for districts within the identified prosperity
2 regions to assist in paying for the costs incurred by the district
3 to purchase or increase purchases of whole or minimally processed
4 fruits, vegetables, and legumes grown in this state. The maximum
5 amount that may be drawn down on a grant to a district shall be
6 based on the number of meals served by the school district during
7 the previous school year under the Richard B. Russell national
8 school lunch act, 42 USC 1751 to ~~1769~~. **1769J**. The department shall
9 collaborate with the Michigan department of agriculture and rural
10 development to provide training to newly participating schools and
11 electronic information on Michigan agriculture.

12 (4) The goals of the pilot project include improving daily
13 nutrition and eating habits for children through the school
14 settings while investing in Michigan's agricultural and related
15 food business economy.

16 (5) A district that receives a grant under this section shall
17 use those funds for the costs incurred by the school district to
18 purchase whole or minimally processed fruits, vegetables, and
19 legumes that meet all of the following:

20 (a) Are purchased on or after the date the district received
21 notification from the department of the amount to be distributed to
22 the district under this subsection, including purchases made to
23 launch meals in September ~~2016-2017~~ for the ~~2016-2017-2017-2018~~
24 school year.

25 (b) Are grown in this state and, if minimally processed, are
26 also processed in this state.

27 (c) Are used for meals that are served as part of the United

1 States Department of Agriculture's child nutrition programs.

2 (6) For Michigan-grown fruits, vegetables, and legumes that
3 satisfy the requirements of subsection (5), matching reimbursements
4 shall be made in an amount not to exceed 10 cents for every school
5 meal that is served as part of the United States Department of
6 Agriculture's child nutrition programs and that uses Michigan-grown
7 fruits, vegetables, and legumes.

8 (7) A district that receives a grant for reimbursement under
9 this section shall use the grant to purchase whole or minimally
10 processed fruits, vegetables, and legumes that are grown in this
11 state and, if minimally processed, are also processed in this
12 state.

13 (8) In awarding grants under this section, the department
14 shall work in conjunction with prosperity region offices, in
15 consultation with Michigan-based farm to school resource
16 organizations, to develop scoring criteria that assess an
17 applicant's ability to procure Michigan-grown products, prepare and
18 menu Michigan-grown products, promote and market Michigan-grown
19 products, and submit letters of intent from districts on plans for
20 educational activities that promote the goals of the program.

21 (9) The department shall give preference to districts that
22 propose educational activities that meet 1 or more of the
23 following: promote healthy food activities; have clear educational
24 objectives; involve parents or the community; and connect to a
25 school's farm-to-school procurement activities.

26 (10) In awarding grants, the department shall also consider
27 all of the following: the percentage of children who qualify for

1 free or reduced price school meals under the Richard B. Russell
2 national school lunch act, 42 USC 1751 to ~~1769~~, **1769J**; the variety
3 of school sizes and geographic locations within the identified
4 prosperity regions; and existing or future collaboration
5 opportunities between more than 1 district in a prosperity region.

6 (11) As a condition of receiving a grant under this section, a
7 district shall provide or direct its vendors to provide to
8 prosperity region offices copies of monthly receipts that show the
9 quantity of different Michigan-grown fruits, vegetables, and
10 legumes purchased, the amount of money spent on each of these
11 products, and the name and Michigan location of the farm that grew
12 the products. The district shall also provide to the prosperity
13 region monthly lunch numbers and lunch participation rates, and
14 calendars or monthly menus noting when and how Michigan-grown
15 products were used in meals. The district and school food service
16 director or directors also shall agree to respond to brief online
17 surveys and to provide a report that shows the percentage
18 relationship of Michigan spending compared to total food spending.
19 Not later than March 1, ~~2017~~, **2018**, each prosperity region office
20 shall submit a report to the department on expected outcomes and
21 related measurements for economic development and children's
22 nutrition and readiness to learn based on progress so far. The
23 report shall include at least all of the following:

24 (a) The extent to which farmers and related businesses,
25 including distributors and processors, see an increase in market
26 opportunities and income generation through sales of Michigan or
27 local products to districts. All of the following apply for

1 purposes of this subdivision:

2 (i) The data used to determine the amount of this increase
3 shall be the total dollar amount of Michigan or local fruits,
4 vegetables, and legumes purchased by schools, along with the number
5 of different types of products purchased; school food purchasing
6 trends identified along with products that are of new and growing
7 interest among food service directors; the number of businesses
8 impacted; and the percentage of total food budget spent on
9 Michigan-grown fruits, vegetables, and legumes.

10 (ii) The prosperity region office shall use purchasing data
11 collected for the project and surveys of school food service
12 directors on the impact and success of the project as the source
13 for the data described in subparagraph (i).

14 (b) The ability to which pupils can access a variety of
15 healthy Michigan-grown foods through schools and increase their
16 consumption of those foods. All of the following apply for purposes
17 of this subdivision:

18 (i) The data used to determine whether this subparagraph is
19 met shall be the number of pupils exposed to Michigan-grown fruits,
20 vegetables, and legumes at schools; the variety of products served;
21 new items taste-tested or placed on menus; and the increase in
22 pupil willingness to try new local, healthy foods.

23 (ii) The prosperity region office shall use purchasing data
24 collected for the project, meal count and enrollment numbers,
25 school menu calendars, and surveys of school food service directors
26 as the source for the data described in subparagraph (i).

27 (12) The department shall compile the reports provided by

1 prosperity region offices under subsection (11) into 1 legislative
2 report. The department shall provide this report not later than
3 April 1, ~~2017-2018~~ to the house and senate subcommittees
4 responsible for school aid, the house and senate fiscal agencies,
5 and the state budget director.

6 Sec. 32d. (1) From the funds appropriated in section 11, there
7 is allocated to eligible intermediate districts and consortia of
8 intermediate districts for great start readiness programs an amount
9 not to exceed \$243,600,000.00 for ~~2016-2017.~~ **2017-2018**. Funds
10 allocated under this section for great start readiness programs
11 shall be used to provide part-day, school-day, or ~~GSRP/head start~~
12 **GSRP/HEAD START** blended comprehensive free compensatory classroom
13 programs designed to improve the readiness and subsequent
14 achievement of educationally disadvantaged children who meet the
15 participant eligibility and prioritization guidelines as defined by
16 the department. For a child to be eligible to participate in a
17 program under this section, the child shall be at least 4, but less
18 than 5, years of age as of September 1 of the school year in which
19 the program is offered and shall meet those eligibility and
20 prioritization guidelines.

21 (2) Funds allocated under subsection (1) shall be allocated to
22 intermediate districts or consortia of intermediate districts based
23 on the formula in section 39. An intermediate district or
24 consortium of intermediate districts receiving funding under this
25 section shall act as the fiduciary for the great start readiness
26 programs. In order to be eligible to receive funds allocated under
27 this subsection from an intermediate district or consortium of

1 intermediate districts, a district, a consortium of districts, or a
2 public or private for-profit or nonprofit legal entity or agency
3 shall comply with this section and section 39.

4 (3) In addition to the allocation under subsection (1), from
5 the general fund money appropriated under section 11, there is
6 allocated an amount not to exceed \$300,000.00 for ~~2016-2017~~**2017-**
7 **2018** for a competitive grant to continue a longitudinal evaluation
8 of children who have participated in great start readiness
9 programs.

10 (4) To be eligible for funding under this section, a program
11 shall prepare children for success in school through comprehensive
12 part-day, school-day, or ~~GSRP/head start~~**GSRP/HEAD START** blended
13 programs that contain all of the following program components, as
14 determined by the department:

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

19 (b) An age-appropriate educational curriculum that is in
20 compliance with the early childhood standards of quality for
21 prekindergarten children adopted by the state board, **INCLUDING, AT**
22 **LEAST, THE CONNECT4LEARNING CURRICULUM.**

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

25 (d) Physical and dental health and developmental screening
26 services for all program participants.

27 (e) Referral services for families of program participants to

1 community social service agencies, including mental health
2 services, as appropriate.

3 (f) Active and continuous involvement of the parents or
4 guardians of the program participants.

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

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

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

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

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

25 (a) Ensure compliance with all program components described in
26 subsection (4).

27 (b) Except as otherwise provided in this subdivision, ensure

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

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

24 (i) Teachers possessing proper training. A lead teacher must
25 have a valid teaching certificate with an early childhood (ZA or
26 ZS) endorsement or a bachelor's or higher degree in child
27 development or early childhood education with specialization in

1 preschool teaching. However, if an applicant demonstrates to the
2 department that it is unable to fully comply with this subparagraph
3 after making reasonable efforts to comply, teachers who have
4 significant but incomplete training in early childhood education or
5 child development may be used if the applicant provides to the
6 department, and the department approves, a plan for each teacher to
7 come into compliance with the standards in this subparagraph. A
8 teacher's compliance plan must be completed within 2 years of the
9 date of employment. Progress toward completion of the compliance
10 plan shall consist of at least 2 courses per calendar year.

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

26 (d) Include a program budget that contains only those costs
27 that are not reimbursed or reimbursable by federal funding, that

1 are clearly and directly attributable to the great start readiness
2 program, and that would not be incurred if the program were not
3 being offered. Eligible costs include transportation costs. The
4 program budget shall indicate the extent to which these funds will
5 supplement other federal, state, local, or private funds. Funds
6 received under this section shall not be used to supplant any
7 federal funds received by the applicant to serve children eligible
8 for a federally funded preschool program that has the capacity to
9 serve those children.

10 (6) For a grant recipient that enrolls pupils in a school-day
11 program funded under this section, each child enrolled in the
12 school-day program shall be counted as described in section 39 for
13 purposes of determining the amount of the grant award.

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

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

26 (9) An intermediate district or consortium of intermediate
27 districts may retain for administrative services provided by the

1 intermediate district or consortium of intermediate districts an
2 amount not to exceed 4% of the grant amount. Expenses incurred by
3 subrecipients engaged by the intermediate district or consortium of
4 intermediate districts for directly running portions of the program
5 shall be considered program costs or a contracted program fee for
6 service.

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

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

1 subdivision, all age-eligible children served in foster care or who
2 are experiencing homelessness or who have individualized education
3 plans recommending placement in an inclusive preschool setting
4 shall be considered to live with families with household income
5 equal to or less than 250% of the federal poverty level regardless
6 of actual family income and shall be prioritized for enrollment
7 within the lowest quintile.

8 (12) An intermediate district or consortium of intermediate
9 districts receiving a grant under this section shall allow parents
10 of eligible children who are residents of the intermediate district
11 or within the consortium to choose a program operated by or
12 contracted with another intermediate district or consortium of
13 intermediate districts and shall enter into a written agreement
14 regarding payment, in a manner prescribed by the department.

15 (13) An intermediate district or consortium of intermediate
16 districts receiving a grant under this section shall conduct a
17 local process to contract with interested and eligible public and
18 private for-profit and nonprofit community-based providers that
19 meet all requirements of subsection (4) for at least 30% of its
20 total ~~slot~~-allocation. For the purposes of this 30% allocation, an
21 intermediate district or consortium of intermediate districts may
22 count children served by a ~~head start~~ **HEAD START** grantee or
23 delegate in a blended ~~head start~~ **HEAD START** and great start
24 readiness school-day program. Children served in a program funded
25 only through ~~head start~~ **HEAD START** shall not be counted toward this
26 30% allocation. The intermediate district or consortium shall
27 report to the department, in a manner prescribed by the department,

1 a detailed list of community-based providers by provider type,
2 including private for-profit, private nonprofit, community college
3 or university, ~~head-start~~ **HEAD START** grantee or delegate, and
4 district or intermediate district, and the number and proportion of
5 its total ~~slot~~-allocation allocated to each provider as
6 subrecipient. If the intermediate district or consortium is not
7 able to contract for at least 30% of its total ~~slot~~-allocation, the
8 grant recipient shall notify the department and, if the department
9 verifies that the intermediate district or consortium attempted to
10 contract for at least 30% of its total ~~slot~~-allocation and was not
11 able to do so, then the intermediate district or consortium may
12 retain and use all of its ~~allocated slots~~ **ALLOCATION** as provided
13 under this section. To be able to use this exemption, the
14 intermediate district or consortium shall demonstrate to the
15 department that the intermediate district or consortium increased
16 the percentage of its total ~~slot~~-allocation for which it contracts
17 with a community-based provider and the intermediate district or
18 consortium shall submit evidence satisfactory to the department,
19 and the department must be able to verify this evidence,
20 demonstrating that the intermediate district or consortium took
21 measures to contract for at least 30% of its total ~~slot~~-allocation
22 as required under this subsection, including, but not limited to,
23 at least all of the following measures:

24 (a) The intermediate district or consortium notified each
25 nonparticipating licensed child care center located in the service
26 area of the intermediate district or consortium regarding the
27 center's eligibility to participate, in a manner prescribed by the

1 department.

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

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

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

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

26 (a) Ensure that a great start resource center or the
27 department provides each intermediate district or consortium

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

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

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

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

25 (16) A recipient of funds under this section shall report to
26 the department in a form and manner prescribed by the department
27 the number of children participating in the program who meet the

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

11 (17) As used in this section:

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

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

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

24 (18) An intermediate district or consortium of intermediate
25 districts receiving funds under this section shall establish **AND**
26 **CHARGE TUITION ACCORDING TO** a sliding scale of tuition rates based
27 upon household income for children participating in an eligible

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

8 (19) From the amount appropriated in subsection (1), there is
9 allocated an amount not to exceed \$10,000,000.00 for reimbursement
10 of transportation costs for children attending great start
11 readiness programs funded under this section. To receive
12 reimbursement under this subsection, not later than November 1,
13 ~~2016,~~ **2017**, a program funded under this section that provides
14 transportation shall submit to the intermediate district that is
15 the fiscal agent for the program a projected transportation budget.
16 The amount of the reimbursement for transportation under this
17 subsection shall be no more than the projected transportation
18 budget or ~~\$150.00~~ **\$300.00** multiplied by the number of ~~slots~~
19 **CHILDREN** funded for the program under this section. If the amount
20 allocated under this subsection is insufficient to fully reimburse
21 the transportation costs for all programs that provide
22 transportation and submit the required information, the
23 reimbursement shall be prorated in an equal amount per ~~slot~~ **CHILD**
24 funded. Payments shall be made to the intermediate district that is
25 the fiscal agent for each program, and the intermediate district
26 shall then reimburse the program provider for transportation costs
27 as prescribed under this subsection.

1 (20) THE DEPARTMENT SHALL IMPLEMENT A PROCESS TO REVIEW AND
2 APPROVE AGE-APPROPRIATE COMPREHENSIVE CLASSROOM LEVEL QUALITY
3 ASSESSMENTS FOR GSRP GRANTEES THAT SUPPORT THE EARLY CHILDHOOD
4 STANDARDS OF QUALITY FOR PREKINDERGARTEN CHILDREN ADOPTED BY THE
5 STATE BOARD. THE DEPARTMENT SHALL COMPLETE THE APPROVAL PROCESS AND
6 MAKE AVAILABLE TO INTERMEDIATE DISTRICTS AT LEAST 2 APPROVED
7 CLASSROOM LEVEL QUALITY ASSESSMENTS NO LATER THAN APRIL 1, 2018.

8 (21) AN INTERMEDIATE DISTRICT THAT IS A GSRP GRANTEE MAY
9 APPROVE THE USE OF A SUPPLEMENTAL CURRICULUM THAT ALIGNS WITH AND
10 ENHANCES THE AGE-APPROPRIATE EDUCATIONAL CURRICULUM IN THE
11 CLASSROOM. IF THE DEPARTMENT OBJECTS TO THE USE OF A SUPPLEMENTAL
12 CURRICULUM APPROVED BY AN INTERMEDIATE DISTRICT, THE SUPERINTENDENT
13 OF PUBLIC INSTRUCTION SHALL ESTABLISH A REVIEW COMMITTEE
14 INDEPENDENT OF THE DEPARTMENT. THE REVIEW COMMITTEE SHALL MEET
15 WITHIN 60 DAYS OF THE DEPARTMENT REGISTERING ITS OBJECTION IN
16 WRITING AND PROVIDE A FINAL DETERMINATION ON THE VALIDITY OF THE
17 OBJECTION WITHIN 60 DAYS OF THE REVIEW COMMITTEE'S FIRST MEETING.

18 Sec. 32p. (1) From the ~~school aid fund~~ appropriation in
19 section 11, there is allocated an amount not to exceed
20 \$13,400,000.00 to intermediate districts for ~~2016-2017~~ **2017-2018**
21 for the purpose of providing early childhood funding to
22 intermediate school districts to support the activities under
23 subsection (2) and subsection (4), and to provide early childhood
24 programs for children from birth through age 8. The funding
25 provided to each intermediate district under this section shall be
26 determined by the distribution formula established by the
27 department's office of great start to provide equitable funding

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

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

13 (a) Children born healthy.

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

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

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

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

25 (a) Physical health.

26 (b) Social-emotional health.

27 (c) Family supports and basic needs.

1 (d) Parent education.

2 (e) Early education, including the child's ~~vocabulary~~
3 development **OF SKILLS LINKED TO SUCCESS IN FOUNDATIONAL LITERACY,**
4 and care.

5 (4) From the funds allocated in subsection (1), at least
6 \$2,500,000.00 shall be used for the purpose of providing home
7 visits to at-risk children and their families. The home visits
8 shall be conducted as part of a locally coordinated, family-
9 centered, evidence-based, data-driven home visit strategic plan
10 that is approved by the department. The goals of the home visits
11 funded under this subsection shall be to improve school readiness
12 using evidence-based methods, including ~~vocabulary development, A~~
13 **FOCUS ON DEVELOPMENTALLY APPROPRIATE OUTCOMES FOR EARLY LITERACY,**
14 to reduce the number of pupils retained in grade level, and to
15 reduce the number of pupils requiring special education services.
16 The department shall coordinate the goals of the home visit
17 strategic plans approved under this subsection with other state
18 agency home visit programs in a way that strengthens Michigan's
19 home visiting infrastructure and maximizes federal funds available
20 for the purposes of at-risk family home visits. The coordination
21 among departments and agencies is intended to avoid duplication of
22 state services and spending, and should emphasize efficient service
23 delivery of home visiting programs.

24 (5) Not later than December 1 of each year, each intermediate
25 district shall provide a report to the department detailing the
26 activities actually provided during the immediately preceding
27 school year and the families and children actually served. At a

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

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

19 Sec. 32q. From the state school aid fund allocation under
20 section 11, there is allocated to an eligible intermediate district
21 an amount equal to \$175,000.00 in ~~2016-2017~~**2017-2018** for the
22 purpose of this section. An intermediate district receiving a grant
23 under this section shall partner with an early childhood
24 collaborative to conduct a pilot program as provided under this
25 section. It is the intent of the legislature that this is the ~~first~~
26 **SECOND** of 3 years of funding, and that funding shall continue in
27 ~~2017-2018 and 2018-2019~~. Funding allocated to an intermediate

1 district shall be used in partnership with a collaborative to
2 conduct a pilot program to evaluate the relative impact on
3 vulnerable children of 1 versus 2 years of preschool education. All
4 of the following apply to the pilot program funded under this
5 section:

6 (a) An eligible intermediate district is an intermediate
7 district that is located in a county with a population as of the
8 most recent federal decennial census that was greater than 500,000
9 but fewer than 800,000 and that has an early learning collaborative
10 located within its boundaries.

11 (b) The funds shall be used for research, family coaching
12 support, administration, information systems, and evaluation.

13 (c) In order to be eligible to receive the allocated funds,
14 the early learning collaborative, in partnership with the
15 intermediate district, shall provide the funding for all eligible
16 children included in the pilot program.

17 (d) The early learning collaborative, in partnership with the
18 intermediate district, shall develop a 3-year pilot program under
19 the supervision of the office of great start in the department.

20 (e) For a child to be eligible for participation in the pilot
21 program under this section, the child shall be 3 years of age as of
22 the date specified for determining a child's eligibility to attend
23 school under section 1147 of the revised school code, MCL 380.1147.

24 (f) A child participating in the pilot program shall meet the
25 participant eligibility and prioritization guidelines as defined by
26 the department.

27 (g) Notwithstanding section 17b, the department shall

1 distribute funds under this section not later than November 15 of
2 the fiscal year.

3 (h) The early learning collaborative, in partnership with the
4 intermediate district, shall provide annual progress evaluations to
5 the office of great start.

6 (i) By December 1, 2019, the early learning collaborative, in
7 partnership with the intermediate district, shall provide a pilot
8 program report and evaluation to the office of great start. The
9 office of great start shall review the pilot program report and
10 evaluation and, by February 15, 2020, provide a report to the
11 senate and house appropriations subcommittees on state school aid
12 and to the senate and house fiscal agencies of its evaluation of
13 the pilot program.

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

23 (2) From the general fund appropriation in section 11, there
24 is allocated to the department an amount not to exceed
25 \$1,000,000.00 for ~~2016-2017~~**2017-2018** for implementation costs
26 associated with programs funded under section 35a.

27 Sec. 35a. (1) ~~From the appropriations in section 11, there is~~

1 ~~allocated for 2015-2016 for the purposes of this section an amount~~
 2 ~~not to exceed \$19,000,000.00 from the state school aid fund~~
 3 ~~appropriation and an amount not to exceed \$1,500,000.00 from the~~
 4 ~~general fund appropriation.~~ From the appropriations in section 11,
 5 there is allocated for ~~2016-2017~~ **2017-2018** for the purposes of this
 6 section an amount not to exceed ~~\$22,900,000.00~~ **\$26,900,000.00** from
 7 the state school aid fund and an amount not to exceed ~~\$1,000,000.00~~
 8 **\$2,500,000.00** from the general fund.

9 (2) ~~From the allocations~~ **A DISTRICT THAT RECEIVES FUNDS** under
 10 subsection (1), ~~there is allocated an amount not to exceed~~
 11 ~~\$950,000.00 each fiscal year for 2015-2016 and for 2016-2017 for~~
 12 ~~professional development purposes under this subsection. The 2016-~~
 13 ~~2017 allocation represents the second of 2 years of funding for the~~
 14 ~~purposes of this subsection. All of the following apply to funding~~
 15 ~~under this subsection:~~

16 ~~—— (a) The department shall award grants to districts to support~~
 17 **(5) MAY SPEND UP TO 5% OF THOSE FUNDS FOR** professional development
 18 for educators in a department-approved research-based training
 19 program related to current state literacy standards for pupils in
 20 grades K to 3. The professional development shall also include
 21 training in the use of screening and diagnostic tools, progress
 22 monitoring, and intervention methods used to address barriers to
 23 learning and delays in learning that are diagnosed through the use
 24 of these tools. ~~The department shall determine the amount of the~~
 25 ~~grant awards.~~

26 ~~—— (b) In addition to other methods of professional development~~
 27 ~~delivery, the department shall collaborate with the Michigan~~

~~Virtual University to provide this training online to all educators of pupils in grades K to 3.~~

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

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

~~—— (3) From the allocations under subsection (1), there is allocated an amount not to exceed \$1,450,000.00 each fiscal year for 2015-2016 and for 2016-2017 for grants under this subsection. The 2016-2017 allocation represents the second of 2 years of funding. All of the following apply to grants under this subsection:~~

~~(3) (a) The department shall award grants to districts **A**~~
DISTRICT THAT RECEIVES FUNDS UNDER SUBSECTION (5) MAY USE UP TO 5%
OF THOSE FUNDS to administer department-approved screening and diagnostic tools to monitor the development of early literacy and early reading skills of pupils in grades K to 3 and to support research-based professional development for educators in administering screening and diagnostic tools and in data

1 interpretation of the results obtained through the use of those
2 tools for the purpose of implementing a multi-tiered system of
3 support to improve reading proficiency among pupils in grades K to

4 ~~3. The department shall award grants to eligible districts in an~~
5 ~~amount determined by the department.~~

6 ~~—— (b) A department-approved screening and diagnostic tool~~
7 ~~administered by a district using funding under this section must~~
8 ~~include all of the following components: phonemic awareness,~~
9 ~~phonics, fluency, and comprehension. Further, all of the following~~
10 ~~sub-skills must be assessed within each of these components:~~

11 ~~(A) (i) Phonemic awareness - segmentation, blending, and sound~~
12 ~~manipulation (deletion and substitution).~~

13 ~~(B) (ii) Phonics - decoding (reading) and encoding (spelling).~~

14 ~~(C) (iii) Fluency - reading rate, accuracy, and expression.~~

15 ~~(D) (iv) Comprehension - making meaning of text.~~

16 ~~—— (c) In addition to other methods of professional development~~
17 ~~delivery, the department shall collaborate with the Michigan~~
18 ~~Virtual University to provide this training online to all educators~~
19 ~~of pupils in grades K to 3.~~

20 ~~—— (d) The funds allocated under this subsection for 2015-2016~~
21 ~~are a work project appropriation, and any unexpended funds for~~
22 ~~2015-2016 are carried forward into 2016-2017. The purpose of the~~
23 ~~work project is to continue to implement the professional~~
24 ~~development training described in this subsection. The estimated~~
25 ~~completion date of the work project is September 30, 2017.~~

26 ~~—— (e) The funds allocated under this subsection for 2016-2017~~
27 ~~are a work project appropriation, and any unexpended funds for~~

~~2016-2017 are carried forward into 2017-2018. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2018.~~

(4) From the allocations under subsection (1), there is allocated an amount not to exceed ~~\$3,000,000.00 each fiscal year for 2015-2016 and for 2016-2017~~ **\$6,000,000.00 FOR 2017-2018** for the purpose of providing early literacy coaches at intermediate districts to assist teachers in developing and implementing instructional strategies for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3. All of the following apply to funding under this subsection:

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

(i) Current state literacy standards for pupils in grades K to 3.

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

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

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

6 (i) Each intermediate district shall be awarded grant funding
7 to support the cost of 1 early literacy coach in an equal amount
8 per early literacy coach, not to exceed ~~\$37,500.00~~ **\$75,000.00**.

9 (ii) After distribution of the grant funding under
10 subparagraph (i), the department shall distribute the remainder of
11 grant funding for additional early literacy coaches in an amount
12 not to exceed ~~\$37,500.00~~ **\$75,000.00** per early literacy coach. The
13 number of funded early literacy coaches for each intermediate
14 district shall be based on the percentage of the total statewide
15 number of pupils in grades K to 3 who meet the income eligibility
16 standards for the federal free and reduced-price lunch programs who
17 are enrolled in districts in the intermediate district. For each
18 additional early literacy coach funded under this subparagraph, the
19 department shall not make an award to an intermediate district
20 under this subparagraph in an amount that is less than the amount
21 necessary to pay 1/2 of the total cost of that additional early
22 literacy coach.

23 ~~—— (c) The funds allocated under this subsection for 2015-2016~~
24 ~~are a work project appropriation, and any unexpended funds for~~
25 ~~2015-2016 are carried forward into 2016-2017. The purpose of the~~
26 ~~work project is to continue to provide early literacy coaches as~~
27 ~~described in this subsection. The estimated completion date of the~~

1 ~~work project is September 30, 2017.~~

2 ~~—— (d) The funds allocated under this subsection for 2016-2017~~
3 ~~are a work project appropriation, and any unexpended funds for~~
4 ~~2016-2017 are carried forward into 2017-2018. The purpose of the~~
5 ~~work project is to continue to implement the professional~~
6 ~~development training described in this subsection. The estimated~~
7 ~~completion date of the work project is September 30, 2018.~~

8 (5) From the allocations under subsection (1), there is
9 allocated an amount not to exceed \$13,600,000.00 for 2015-2016 and
10 ~~an amount not to exceed \$17,500,000.00~~ **\$20,900,000.00** for 2016-2017
11 **2017-2018** to districts that provide additional instructional time
12 to those pupils in grades K to 3 who have been identified by using
13 department-approved screening and diagnostic tools as needing
14 additional supports and interventions in order to be reading at
15 grade level by the end of grade 3. Additional instructional time
16 may be provided before, during, and after regular school hours or
17 as part of a year-round balanced school calendar. All of the
18 following apply to funding under this subsection:

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

22 (i) Implemented a multi-tiered system of support instructional
23 delivery model that is an evidence-based model that uses data-
24 driven problem solving to integrate academic and behavioral
25 instruction and that uses intervention delivered to all pupils in
26 varying intensities based on pupil needs. The multi-tiered system
27 of supports must provide at least all of the following essential

1 elements:

2 (A) Implements effective instruction for all learners.

3 (B) Intervenes early.

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

9 (D) Monitors pupil progress to inform instruction.

10 (E) Uses data to make instructional decisions.

11 (F) Uses assessments including universal screening,
12 diagnostics, and progress monitoring.

13 (G) Engages families and the community.

14 (H) Implements evidence-based, scientifically validated,
15 instruction and intervention.

16 (I) Implements instruction and intervention practices with
17 fidelity.

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

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

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

26 (iv) Provided teachers of pupils in grades K to 3 with
27 research-based professional development in diagnostic data

1 interpretation.

2 (v) COMPLIED WITH THE REQUIREMENTS UNDER SECTION 1280F OF THE
3 REVISED SCHOOL CODE, MCL 380.1280F.

4 (b) Funding allocated under this subsection shall be
5 distributed to eligible districts by multiplying the number of
6 full-time-equivalent pupils in grade 1 in the district by
7 ~~\$165.00~~-\$210.00.

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

12 (6) From the general fund money allocated in subsection (1),
13 the department shall allocate the amount of ~~\$1,000,000.00 each~~
14 ~~fiscal year for 2015-2016 and for 2016-2017~~ \$2,500,000.00 FOR 2017-
15 2018 to the Michigan Education Corps. All of the following apply to
16 funding under this subsection:

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

27 (i) The current impact of the Michigan Reading Corps on this

1 state in terms of numbers of children and programs receiving
2 support. This portion of the report shall specify the number of
3 children tutored, including dosage and completion, and the
4 demographics of those children.

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

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

13 (A) Growth rate by grade level, in comparison to targeted
14 growth rate.

15 (B) Average linear growth rates.

16 (C) Exit rates.

17 (D) Percentage of children who exit who also meet or exceed
18 spring benchmarks.

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

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

26 **(C) THE DEPARTMENT MAY NOT RESERVE ANY PORTION OF THE**
27 **ALLOCATION PROVIDED UNDER THIS SUBSECTION FOR AN EVALUATION OF THE**

1 MICHIGAN EDUCATION CORPS, THE MICHIGAN EDUCATION CORPS' FUNDING, OR
 2 THE MICHIGAN EDUCATION CORPS' PROGRAMMING. THE DEPARTMENT SHALL
 3 AWARD THE ENTIRE \$2,500,000.00 ALLOCATED UNDER THIS SUBSECTION TO
 4 THE MICHIGAN EDUCATION CORPS AND SHALL NOT CONDITION THE AWARDED
 5 OF THIS FUNDING ON THE IMPLEMENTATION OF AN INDEPENDENT EVALUATION.-

6 ~~(7) From the general fund money allocated under subsection (1),~~
 7 ~~there is allocated to the department an amount not to exceed~~
 8 ~~\$500,000.00 for 2015-2016 for the adoption of a certification test~~
 9 ~~to ensure that all newly certificated elementary teachers have the~~
 10 ~~skills to deliver evidence-based literacy instruction.~~

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

22 (a) ~~The~~ **FOR 2017-2018 CALCULATIONS, THE** estimated total number
 23 of children in the community who meet the criteria of section 32d,
 24 ~~and how that calculation was made.~~ **AS PROVIDED TO THE APPLICANT BY**
 25 **THE DEPARTMENT UTILIZING THE MOST RECENT POPULATION DATA AVAILABLE**
 26 **FROM THE AMERICAN COMMUNITY SURVEY CONDUCTED BY THE UNITED STATES**
 27 **CENSUS BUREAU. BEGINNING IN 2018-2019, THE DEPARTMENT SHALL ENSURE**

1 **THAT IT PROVIDES UPDATED AMERICAN COMMUNITY SURVEY POPULATION DATA**
2 **AT LEAST ONCE EVERY 3 YEARS.**

3 (b) The estimated number of children in the community who meet
4 the criteria of section 32d and are being served ~~by other early~~
5 ~~childhood development programs operating in the community, and how~~
6 ~~that calculation was made.~~**EXCLUSIVELY BY HEAD START PROGRAMS**
7 **OPERATING IN THE COMMUNITY.**

8 (c) The number of ~~slots~~**CHILDREN WHOM** the applicant ~~will be~~
9 ~~able to fill with children~~**HAS THE CAPACITY TO SERVE** who meet the
10 criteria of section 32d including a verification of physical
11 facility and staff resources capacity.

12 ~~—— (d) The estimated number of slots that will remain unfilled~~
13 ~~and children who meet the criteria of section 32d who will remain~~
14 ~~unserved after the applicant and community early childhood programs~~
15 ~~have met their funded enrollments. The applicant shall maintain a~~
16 ~~waiting list of identified unserved eligible children who would be~~
17 ~~served when openings are available.~~

18 (2) After notification of funding allocations, an applicant
19 receiving funds under section 32d shall also submit an
20 implementation plan for approval, in a form and manner prescribed
21 by the department, by a date specified by the department, that
22 details how the applicant complies with the program components
23 established by the department pursuant to section 32d.

24 ~~—— (3) The number of prekindergarten children construed to be in~~
25 ~~need of special readiness assistance under section 32d shall be~~
26 ~~calculated for each applicant in the following manner: 1/2 of the~~
27 ~~percentage of the applicant's pupils in grades 1 to 5 in all~~

~~districts served by the applicant who are eligible for free lunch, as determined using the district's pupil membership count as of the pupil membership count day in the school year prior to the fiscal year for which the calculation is made, under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, shall be multiplied by the average kindergarten enrollment of the districts served by the applicant on the pupil membership count day of the 2 immediately preceding fiscal years. Each child construed to be in need constitutes 1 slot.~~

~~(3) (4) The initial allocation for each fiscal year to each eligible applicant under section 32d shall be determined by multiplying the number of slots determined by the formula under subsection (3) or the number of slots the applicant indicates it will be able to fill under subsection (1)(c), whichever is less, by \$3,625.00 and shall be distributed among applicants in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of slots an applicant indicates it will be able to fill under subsection (1)(c) includes children able to be served in a school-day program, then the number of slots for a school-day program shall be doubled for the purposes of making this calculation. A district may contract with a head start agency to serve children enrolled in head start with a school-day program by blending head start funds with a part-day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.~~**THE LESSER OF THE FOLLOWING:**

(A) THE SUM OF THE NUMBER OF CHILDREN SERVED IN A SCHOOL-DAY

1 PROGRAM IN THE PRECEDING SCHOOL YEAR MULTIPLIED BY \$7,250.00 AND
2 THE NUMBER OF CHILDREN SERVED IN A GSRP/HEAD START BLENDED PROGRAM
3 OR A PART-DAY PROGRAM IN THE PRECEDING SCHOOL YEAR MULTIPLIED BY
4 \$3,625.00.

5 (B) THE SUM OF THE NUMBER OF CHILDREN THE APPLICANT HAS THE
6 CAPACITY TO SERVE IN 2017-2018 IN A SCHOOL-DAY PROGRAM MULTIPLIED
7 BY \$7,250.00 AND THE NUMBER OF CHILDREN SERVED IN A GSRP/HEAD START
8 BLENDED PROGRAM OR A PART-DAY PROGRAM THE APPLICANT HAS THE
9 CAPACITY TO SERVE IN 2017-2018 MULTIPLIED BY \$3,625.00.

10 ~~—— (5) If funds allocated for eligible applicants under section~~
11 ~~32d remain after the initial allocation under subsection (4), the~~
12 ~~allocation under this subsection shall be distributed to each~~
13 ~~eligible applicant under section 32d in decreasing order of~~
14 ~~concentration of eligible children as determined by the formula~~
15 ~~under subsection (3). The allocation shall be determined by~~
16 ~~multiplying the number of slots in each district within the~~
17 ~~applicant's service area filled in the immediately preceding fiscal~~
18 ~~year or the number of slots the applicant indicates it will be able~~
19 ~~to fill under subsection (1)(c), whichever is less, minus the~~
20 ~~number of slots for which the applicant received funding in~~
21 ~~subsection (4) by \$3,625.00.~~

22 (4) ~~(6) If funds allocated for eligible applicants under~~
23 ~~section 32d remain after the allocations under subsections (4) and~~
24 ~~(5), remaining funds shall be distributed to each eligible~~
25 ~~applicant under section 32d in decreasing order of concentration of~~
26 ~~eligible children as determined by the formula under subsection~~
27 ~~(3). If the number of slots the applicant indicates it will be able~~

~~to fill under subsection (1)(c) exceeds the number of slots for which funds have been received under subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of slots the applicant indicates it will be able to fill under subsection (1)(c) less the number of slots for which funds have been received under subsections (4) and (5) by \$3,625.00 until the funds allocated for eligible applicants in section 32d are~~

SUBSECTION (3), THE DEPARTMENT SHALL DISTRIBUTE THE REMAINING FUNDS TO EACH INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS THAT SERVES LESS THAN THE STATE PERCENTAGE BENCHMARK DETERMINED UNDER SUBSECTION (5). THESE REMAINING FUNDS SHALL BE DISTRIBUTED TO EACH ELIGIBLE APPLICANT BASED UPON EACH APPLICANT'S PROPORTIONATE SHARE OF THE REMAINING UNSERVED CHILDREN NECESSARY TO MEET THE STATEWIDE PERCENTAGE BENCHMARK IN INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS SERVING LESS THAN THE STATE PERCENTAGE BENCHMARK. WHEN ALL APPLICANTS HAVE BEEN GIVEN THE OPPORTUNITY TO REACH THE STATEWIDE PERCENTAGE BENCHMARK, THE STATEWIDE PERCENTAGE BENCHMARK MAY BE RESET, AS DETERMINED BY THE DEPARTMENT, UNTIL GREATER EQUITY OF OPPORTUNITY TO SERVE ELIGIBLE CHILDREN ACROSS ALL INTERMEDIATE SCHOOL DISTRICTS HAS BEEN ACHIEVED.

(5) FOR THE PURPOSES OF SUBSECTION (4), FOR THE 2017-2018 PROGRAM YEAR, THE DEPARTMENT SHALL CALCULATE A PERCENTAGE OF CHILDREN SERVED BY EACH INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS BY DIVIDING THE NUMBER OF CHILDREN SERVED IN THE IMMEDIATELY PRECEDING YEAR BY THAT INTERMEDIATE DISTRICT OR CONSORTIUM BY THE TOTAL NUMBER OF CHILDREN WITHIN THE INTERMEDIATE

1 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS WHO MEET THE
2 CRITERIA OF SECTION 32D AS DETERMINED BY THE DEPARTMENT UTILIZING
3 THE MOST RECENT POPULATION DATA AVAILABLE FROM THE AMERICAN
4 COMMUNITY SURVEY CONDUCTED BY THE UNITED STATES CENSUS BUREAU. THE
5 DEPARTMENT SHALL COMPARE THE RESULTING PERCENTAGE OF ELIGIBLE
6 CHILDREN SERVED TO A STATEWIDE PERCENTAGE BENCHMARK TO DETERMINE IF
7 THE INTERMEDIATE DISTRICT OR CONSORTIUM IS ELIGIBLE FOR ADDITIONAL
8 FUNDS UNDER SUBSECTION (4). FOR 2017-2018, THE STATEWIDE PERCENTAGE
9 BENCHMARK IS 60%.

10 (6) ~~(7)~~—If, taking into account the total amount to be
11 allocated to the applicant as calculated under this section, an
12 applicant determines that it is able to include additional eligible
13 children in the great start readiness program without additional
14 funds under section 32d, the applicant may include additional
15 eligible children but shall not receive additional funding under
16 section 32d for those children.

17 (7) THE DEPARTMENT SHALL REVIEW THE PROGRAM COMPONENTS UNDER
18 SECTION 32D AND UNDER THIS SECTION AT LEAST BIENNIALLY. THE
19 DEPARTMENT ALSO SHALL CONVENE A COMMITTEE OF INTERNAL AND EXTERNAL
20 STAKEHOLDERS AT LEAST ONCE EVERY 5 YEARS TO ENSURE THAT THE FUNDING
21 STRUCTURE UNDER THIS SECTION REFLECTS CURRENT SYSTEM NEEDS UNDER
22 SECTION 32D.

23 (8) AS USED IN THIS SECTION, "SCHOOL-DAY PROGRAM", "GSRP/HEAD
24 START BLENDED PROGRAM", AND "PART-DAY PROGRAM" MEAN THOSE TERMS AS
25 DEFINED IN SECTION 32D.

26 Sec. 39a. (1) From the federal funds appropriated in section
27 11, there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-**

2018 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$821,939,900.00~~ **\$744,039,900.00 FOR 2016-2017 AND \$731,600,000.00 FOR 2017-2018** for the federal programs under the no child left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-95. These funds are allocated as follows:

(a) An amount estimated at ~~\$2,000,000.00~~ **\$1,200,000.00 EACH FISCAL YEAR** to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, funded from DED-OESE, drug-free schools and communities funds.

(b) An amount estimated at \$111,111,900.00 **FOR 2016-2017 AND \$100,000,000.00 FOR 2017-2018** for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(c) An amount estimated at \$12,200,000.00 **FOR 2016-2017 AND \$11,000,000.00 FOR 2017-2018** for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(d) An amount estimated at \$250,000.00 **FOR 2016-2017 ONLY** for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(e) An amount estimated at \$3,000,000.00 **FOR 2016-2017 AND \$2,800,000.00 FOR 2017-2018** for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(f) An amount estimated at ~~\$565,000,000.00~~ **\$535,000,000.00 EACH FISCAL YEAR** to provide supplemental programs to enable

1 educationally disadvantaged children to meet challenging academic
2 standards, funded from DED-OESE, title I, disadvantaged children
3 funds.

4 (g) An amount estimated at \$8,878,000.00 **FOR 2016-2017 AND**
5 **\$9,200,000.00 FOR 2017-2018** for the purpose of identifying and
6 serving migrant children, funded from DED-OESE, title I, migrant
7 education funds.

8 (h) An amount estimated at \$39,000,000.00 **EACH FISCAL YEAR** for
9 the purpose of providing high-quality extended learning
10 opportunities, after school and during the summer, for children in
11 low-performing schools, funded from DED-OESE, twenty-first century
12 community learning center funds.

13 (i) An amount estimated at ~~\$24,600,000.00~~ **\$18,000,000.00 EACH**
14 **FISCAL YEAR** to help support local school improvement efforts,
15 funded from DED-OESE, title I, local school improvement grants.

16 (j) An amount estimated at ~~\$55,900,000.00~~ **\$15,400,000.00 EACH**
17 **FISCAL YEAR** to improve the academic achievement of students, funded
18 from DED-OESE, title IV, student support and academic enrichment
19 grants.

20 (2) From the federal funds appropriated in section 11, there
21 is allocated for 2016-2017 **AND FOR 2017-2018** to districts,
22 intermediate districts, and other eligible entities all available
23 federal funding, estimated at \$30,800,000.00 **FOR 2016-2017 AND**
24 **\$30,000,000.00 FOR 2017-2018** for the following programs that are
25 funded by federal grants:

26 (a) An amount estimated at \$200,000.00 **FOR 2016-2017 AND**
27 **\$100,000.00 FOR 2017-2018** for acquired immunodeficiency syndrome

1 education grants, funded from HHS - Centers for Disease Control and
2 Prevention, AIDS funding.

3 (b) An amount estimated at \$2,600,000.00 **FOR 2016-2017 AND**
4 **\$1,900,000.00 FOR 2017-2018** to provide services to homeless
5 children and youth, funded from DED-OVAE, homeless children and
6 youth funds.

7 (c) An amount estimated at \$4,000,000.00 **EACH FISCAL YEAR** to
8 provide mental health, substance abuse, or violence prevention
9 services to students, funded from HHS-SAMHSA.

10 (d) An amount estimated at \$24,000,000.00 **EACH FISCAL YEAR** for
11 providing career and technical education services to pupils, funded
12 from DED-OVAE, basic grants to states.

13 (3) All federal funds allocated under this section shall be
14 distributed in accordance with federal law and with flexibility
15 provisions outlined in Public Law 107-116, and in the education
16 flexibility partnership act of 1999, Public Law 106-25.
17 Notwithstanding section 17b, payments of federal funds to
18 districts, intermediate districts, and other eligible entities
19 under this section shall be paid on a schedule determined by the
20 department.

21 (4) For the purposes of applying for federal grants
22 appropriated under this article, the department shall allow an
23 intermediate district to submit a consortium application on behalf
24 of 2 or more districts with the agreement of those districts as
25 appropriate according to federal rules and guidelines.

26 (5) For the purposes of funding federal title I grants under
27 this article, in addition to any other federal grants for which a

1 strict discipline academy is eligible, the department shall
2 allocate to strict discipline academies out of title I, part A
3 funds equal to what a strict discipline academy would have received
4 if included and calculated under title I, part D, or what it would
5 receive under the formula allocation under title I, part A,
6 whichever is greater.

7 (6) As used in this section:

8 (a) "DED" means the United States Department of Education.

9 (b) "DED-OESE" means the DED Office of Elementary and
10 Secondary Education.

11 (c) "DED-OVAE" means the DED Office of Vocational and Adult
12 Education.

13 (d) "HHS" means the United States Department of Health and
14 Human Services.

15 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental
16 Health Services Administration.

17 Sec. 41. ~~(1) From the appropriation in section 11, there is~~
18 ~~allocated an amount not to exceed \$1,200,000.00 for 2016-2017 to~~
19 ~~applicant districts and intermediate districts offering programs of~~
20 ~~instruction for pupils of limited English-speaking ability under~~
21 ~~section 1153 of the revised school code, MCL 380.1153.~~

22 ~~Reimbursement shall be on a per-pupil basis and shall be based on~~
23 ~~the number of pupils of limited English-speaking ability in~~
24 ~~membership on the pupil membership count day. Funds allocated under~~
25 ~~this section shall be used solely for instruction in speaking,~~
26 ~~reading, writing, or comprehension of English. A pupil shall not be~~
27 ~~counted under this section or instructed in a program under this~~

~~section for more than 3 years.~~ FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, THE DISTRICT OR PUBLIC SCHOOL ACADEMY MUST ADMINISTER TO ENGLISH LANGUAGE LEARNERS THE ENGLISH LANGUAGE PROFICIENCY ASSESSMENT KNOWN AS THE "WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS" OR THE "WIDA ALTERNATE ACCESS". FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$6,000,000.00 FOR 2017-2018 FOR PAYMENTS TO ELIGIBLE DISTRICTS AND ELIGIBLE PUBLIC SCHOOL ACADEMIES FOR SERVICES FOR ENGLISH LANGUAGE LEARNERS WHO HAVE BEEN ADMINISTERED THE WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS.

(2) FUNDING ALLOCATED UNDER THIS SECTION SHALL BE DISTRIBUTED TO ELIGIBLE DISTRICTS AND ELIGIBLE PUBLIC SCHOOL ACADEMIES BASED ON THE NUMBER OF FULL-TIME EQUIVALENT ENGLISH LANGUAGE LEARNERS AS FOLLOWS:

(A) \$620.00 PER FULL-TIME EQUIVALENT ENGLISH LANGUAGE LEARNER WHO HAS BEEN ASSESSED UNDER THE WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS OR THE WIDA ALTERNATE ACCESS WITH A WIDA ACCESS OR WIDA ALTERNATE ACCESS COMPOSITE SCORE BETWEEN 1.0 AND 1.9, OR LESS, AS APPLICABLE TO EACH ASSESSMENT.

(B) \$410.00 PER FULL-TIME EQUIVALENT ENGLISH LANGUAGE LEARNER WHO HAS BEEN ASSESSED UNDER THE WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS OR THE WIDA ALTERNATE ACCESS WITH A WIDA ACCESS OR WIDA ALTERNATE ACCESS COMPOSITE SCORE BETWEEN 2.0 AND 2.9, OR LESS, AS APPLICABLE TO EACH ASSESSMENT.

(3) IF FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT TO FULLY FUND THE PAYMENTS AS PRESCRIBED UNDER SUBSECTION (2), PAYMENTS SHALL BE PRORATED ON AN EQUAL PERCENTAGE BASIS, WITH THE

1 SAME PERCENTAGE PRORATION APPLIED TO BOTH FUNDING CATEGORIES.

2 (4) EACH DISTRICT OR PUBLIC SCHOOL ACADEMY RECEIVING FUNDS
3 UNDER THIS SECTION SHALL SUBMIT TO THE DEPARTMENT BY JULY 15 OF
4 EACH FISCAL YEAR A REPORT, NOT TO EXCEED 10 PAGES, ON THE USAGE BY
5 THE DISTRICT OR PUBLIC SCHOOL ACADEMY OF FUNDS UNDER THIS SECTION,
6 IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, WHICH SHALL
7 INCLUDE A BRIEF DESCRIPTION OF EACH PROGRAM CONDUCTED OR SERVICES
8 PERFORMED BY THE DISTRICT OR PUBLIC SCHOOL ACADEMY USING FUNDS
9 UNDER THIS SECTION AND THE AMOUNT OF FUNDS UNDER THIS SECTION
10 ALLOCATED TO EACH OF THOSE PROGRAMS OR SERVICES. IF A DISTRICT OR
11 PUBLIC SCHOOL ACADEMY DOES NOT COMPLY WITH THIS SECTION, THE
12 DEPARTMENT SHALL WITHHOLD AN AMOUNT EQUAL TO THE AUGUST PAYMENT DUE
13 UNDER THIS SECTION UNTIL THE DISTRICT OR PUBLIC SCHOOL ACADEMY
14 COMPLIES WITH THIS SUBSECTION. IF THE DISTRICT OR PUBLIC SCHOOL
15 ACADEMY DOES NOT COMPLY WITH THIS SECTION BY THE END OF THE STATE
16 FISCAL YEAR, THE WITHHELD FUNDS SHALL BE FORFEITED TO THE SCHOOL
17 AID FUND.

18 (5) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A DISTRICT
19 OR PUBLIC SCHOOL ACADEMY SHALL ALLOW ACCESS FOR THE DEPARTMENT OR
20 THE DEPARTMENT'S DESIGNEE TO AUDIT ALL RECORDS RELATED TO THE
21 PROGRAM FOR WHICH IT RECEIVES THOSE FUNDS. THE DISTRICT OR PUBLIC
22 SCHOOL ACADEMY SHALL REIMBURSE THIS STATE FOR ALL DISALLOWANCES
23 FOUND IN THE AUDIT.

24 (6) BEGINNING JULY 1, 2020, AND EVERY 3 YEARS THEREAFTER, THE
25 DEPARTMENT SHALL REVIEW THE PER-PUPIL DISTRIBUTION UNDER SUBSECTION
26 (2), TO ENSURE THAT FUNDING LEVELS ARE APPROPRIATE AND MAKE
27 RECOMMENDATIONS FOR ADJUSTMENTS TO THE MEMBERS OF THE SENATE AND

1 **HOUSE SUBCOMMITTEES ON K-12 SCHOOL AID APPROPRIATIONS.**

2 Sec. 51a. (1) From the appropriation in section 11, there is
3 ~~allocated an amount not to exceed \$945,246,100.00 for 2015-2016 and~~
4 ~~an amount not to exceed \$973,046,100.00~~ **\$941,946,100.00** for 2016-
5 2017 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$956,246,100.00**
6 **FOR 2017-2018** from state sources and all available federal funding
7 under sections 611 to 619 of part B of the individuals with
8 disabilities education act, 20 USC 1411 to 1419, estimated at
9 \$370,000,000.00 each fiscal year for ~~2015-2016 and for 2016-2017~~
10 **AND FOR 2017-2018**, plus any carryover federal funds from previous
11 year appropriations. **IN ADDITION, FROM THE GENERAL FUND**
12 **APPROPRIATION IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT**
13 **AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2017-2018 FOR THE PURPOSE**
14 **OF SUBSECTION (16).** The allocations under this subsection are for
15 the purpose of reimbursing districts and intermediate districts for
16 special education programs, services, and special education
17 personnel as prescribed in article 3 of the revised school code,
18 MCL 380.1701 to 380.1766; net tuition payments made by intermediate
19 districts to the Michigan ~~schools for the deaf and blind;~~ **SCHOOLS**
20 **FOR THE DEAF AND BLIND;** and special education programs and services
21 for pupils who are eligible for special education programs and
22 services according to statute or rule. For meeting the costs of
23 special education programs and services not reimbursed under this
24 article, a district or intermediate district may use money in
25 general funds or special education funds, not otherwise restricted,
26 or contributions from districts to intermediate districts, tuition
27 payments, gifts and contributions from individuals or other

1 entities, or federal funds that may be available for this purpose,
 2 as determined by the intermediate district plan prepared pursuant
 3 to article 3 of the revised school code, MCL 380.1701 to 380.1766.
 4 Notwithstanding section 17b, payments of federal funds to
 5 districts, intermediate districts, and other eligible entities
 6 under this section shall be paid on a schedule determined by the
 7 department.

8 (2) From the funds allocated under subsection (1), there is
 9 allocated the amount necessary, ~~estimated at \$263,500,000.00 for~~
 10 ~~2015-2016~~ and estimated at ~~\$271,600,000.00~~ **\$260,700,000.00** for
 11 2016-2017 **AND ESTIMATED AT \$264,200,000.00 FOR 2017-2018**, for
 12 payments toward reimbursing districts and intermediate districts
 13 for 28.6138% of total approved costs of special education,
 14 excluding costs reimbursed under section 53a, and 70.4165% of total
 15 approved costs of special education transportation. Allocations
 16 under this subsection shall be made as follows:

17 (a) The initial amount allocated to a district under this
 18 subsection toward fulfilling the specified percentages shall be
 19 calculated by multiplying the district's special education pupil
 20 membership, excluding pupils described in subsection (11), times
 21 the foundation allowance under section 20 of the pupil's district
 22 of residence plus the amount of the district's per-pupil allocation
 23 under section 20m, not to exceed the basic foundation allowance
 24 under section 20 for the current fiscal year, or, for a special
 25 education pupil in membership in a district that is a public school
 26 academy, times an amount equal to the amount per membership pupil
 27 calculated under section 20(6). ~~or, for a pupil described in this~~

1 ~~subsection who is counted in membership in the education~~
 2 ~~achievement system, times an amount equal to the amount per~~
 3 ~~membership pupil under section 20(7).~~ For an intermediate district,
 4 the amount allocated under this subdivision toward fulfilling the
 5 specified percentages shall be an amount per special education
 6 membership pupil, excluding pupils described in subsection (11),
 7 and shall be calculated in the same manner as for a district, using
 8 the foundation allowance under section 20 of the pupil's district
 9 of residence, not to exceed the basic foundation allowance under
 10 section 20 for the current fiscal year, and that district's per-
 11 pupil allocation under section 20m.

12 (b) After the allocations under subdivision (a), districts and
 13 intermediate districts for which the payments calculated under
 14 subdivision (a) do not fulfill the specified percentages shall be
 15 paid the amount necessary to achieve the specified percentages for
 16 the district or intermediate district.

17 (3) From the funds allocated under subsection (1), ~~there is~~
 18 ~~allocated for 2015-2016 an amount not to exceed \$1,000,000.00 and~~
 19 there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018**
 20 an amount not to exceed ~~\$1,100,000.00~~ **\$1,000,000.00** to make
 21 payments to districts and intermediate districts under this
 22 subsection. If the amount allocated to a district or intermediate
 23 district for a fiscal year under subsection (2)(b) is less than the
 24 sum of the amounts allocated to the district or intermediate
 25 district for 1996-97 under sections 52 and 58, there is allocated
 26 to the district or intermediate district for the fiscal year an
 27 amount equal to that difference, adjusted by applying the same

1 proration factor that was used in the distribution of funds under
2 section 52 in 1996-97 as adjusted to the district's or intermediate
3 district's necessary costs of special education used in
4 calculations for the fiscal year. This adjustment is to reflect
5 reductions in special education program operations or services
6 between 1996-97 and subsequent fiscal years. Adjustments for
7 reductions in special education program operations or services
8 shall be made in a manner determined by the department and shall
9 include adjustments for program or service shifts.

10 (4) If the department determines that the sum of the amounts
11 allocated for a fiscal year to a district or intermediate district
12 under subsection (2)(a) and (b) is not sufficient to fulfill the
13 specified percentages in subsection (2), then the shortfall shall
14 be paid to the district or intermediate district during the fiscal
15 year beginning on the October 1 following the determination and
16 payments under subsection (3) shall be adjusted as necessary. If
17 the department determines that the sum of the amounts allocated for
18 a fiscal year to a district or intermediate district under
19 subsection (2)(a) and (b) exceeds the sum of the amount necessary
20 to fulfill the specified percentages in subsection (2), then the
21 department shall deduct the amount of the excess from the
22 district's or intermediate district's payments under this article
23 for the fiscal year beginning on the October 1 following the
24 determination and payments under subsection (3) shall be adjusted
25 as necessary. However, if the amount allocated under subsection
26 (2)(a) in itself exceeds the amount necessary to fulfill the
27 specified percentages in subsection (2), there shall be no

1 deduction under this subsection.

2 (5) State funds shall be allocated on a total approved cost
3 basis. Federal funds shall be allocated under applicable federal
4 requirements, except that an amount not to exceed \$3,500,000.00 may
5 be allocated by the department each fiscal year ~~for 2015-2016 and~~
6 for 2016-2017 **AND FOR 2017-2018** to districts, intermediate
7 districts, or other eligible entities on a competitive grant basis
8 for programs, equipment, and services that the department
9 determines to be designed to benefit or improve special education
10 on a statewide scale.

11 (6) From the amount allocated in subsection (1), there is
12 allocated an amount not to exceed \$2,200,000.00 each fiscal year
13 ~~for 2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse 100%
14 of the net increase in necessary costs incurred by a district or
15 intermediate district in implementing the revisions in the
16 administrative rules for special education that became effective on
17 July 1, 1987. As used in this subsection, "net increase in
18 necessary costs" means the necessary additional costs incurred
19 solely because of new or revised requirements in the administrative
20 rules minus cost savings permitted in implementing the revised
21 rules. Net increase in necessary costs shall be determined in a
22 manner specified by the department.

23 (7) For purposes of sections 51a to 58, all of the following
24 apply:

25 (a) "Total approved costs of special education" shall be
26 determined in a manner specified by the department and may include
27 indirect costs, but shall not exceed 115% of approved direct costs

1 for section 52 and section 53a programs. The total approved costs
2 include salary and other compensation for all approved special
3 education personnel for the program, including payments for social
4 security and Medicare and public school employee retirement system
5 contributions. The total approved costs do not include salaries or
6 other compensation paid to administrative personnel who are not
7 special education personnel as defined in section 6 of the revised
8 school code, MCL 380.6. Costs reimbursed by federal funds, other
9 than those federal funds included in the allocation made under this
10 article, are not included. Special education approved personnel not
11 utilized full time in the evaluation of students or in the delivery
12 of special education programs, ancillary, and other related
13 services shall be reimbursed under this section only for that
14 portion of time actually spent providing these programs and
15 services, with the exception of special education programs and
16 services provided to youth placed in child caring institutions or
17 juvenile detention programs approved by the department to provide
18 an on-grounds education program.

19 (b) Beginning with the 2004-2005 fiscal year, a district or
20 intermediate district that employed special education support
21 services staff to provide special education support services in
22 2003-2004 or in a subsequent fiscal year and that in a fiscal year
23 after 2003-2004 receives the same type of support services from
24 another district or intermediate district shall report the cost of
25 those support services for special education reimbursement purposes
26 under this article. This subdivision does not prohibit the transfer
27 of special education classroom teachers and special education

1 classroom aides if the pupils counted in membership associated with
2 those special education classroom teachers and special education
3 classroom aides are transferred and counted in membership in the
4 other district or intermediate district in conjunction with the
5 transfer of those teachers and aides.

6 (c) If the department determines before bookclosing for a
7 fiscal year that the amounts allocated for that fiscal year under
8 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
9 will exceed expenditures for that fiscal year under subsections
10 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
11 district or intermediate district whose reimbursement for that
12 fiscal year would otherwise be affected by subdivision (b),
13 subdivision (b) does not apply to the calculation of the
14 reimbursement for that district or intermediate district and
15 reimbursement for that district or intermediate district shall be
16 calculated in the same manner as it was for 2003-2004. If the
17 amount of the excess allocations under subsections (2), (3), (6),
18 and (11) and sections 53a, 54, and 56 is not sufficient to fully
19 fund the calculation of reimbursement to those districts and
20 intermediate districts under this subdivision, then the
21 calculations and resulting reimbursement under this subdivision
22 shall be prorated on an equal percentage basis. Beginning in 2015-
23 2016, the amount of reimbursement under this subdivision for a
24 fiscal year shall not exceed \$2,000,000.00 for any district or
25 intermediate district.

26 (d) Reimbursement for ancillary and other related services, as
27 defined by R 340.1701c of the Michigan Administrative Code, shall

1 not be provided when those services are covered by and available
2 through private group health insurance carriers or federal
3 reimbursed program sources unless the department and district or
4 intermediate district agree otherwise and that agreement is
5 approved by the state budget director. Expenses, other than the
6 incidental expense of filing, shall not be borne by the parent. In
7 addition, the filing of claims shall not delay the education of a
8 pupil. A district or intermediate district shall be responsible for
9 payment of a deductible amount and for an advance payment required
10 until the time a claim is paid.

11 (e) Beginning with calculations for 2004-2005, if an
12 intermediate district purchases a special education pupil
13 transportation service from a constituent district that was
14 previously purchased from a private entity; if the purchase from
15 the constituent district is at a lower cost, adjusted for changes
16 in fuel costs; and if the cost shift from the intermediate district
17 to the constituent does not result in any net change in the revenue
18 the constituent district receives from payments under sections 22b
19 and 51c, then upon application by the intermediate district, the
20 department shall direct the intermediate district to continue to
21 report the cost associated with the specific identified special
22 education pupil transportation service and shall adjust the costs
23 reported by the constituent district to remove the cost associated
24 with that specific service.

25 (8) A pupil who is enrolled in a full-time special education
26 program conducted or administered by an intermediate district or a
27 pupil who is enrolled in the Michigan schools for the deaf and

1 blind shall not be included in the membership count of a district,
2 but shall be counted in membership in the intermediate district of
3 residence.

4 (9) Special education personnel transferred from 1 district to
5 another to implement the revised school code shall be entitled to
6 the rights, benefits, and tenure to which the person would
7 otherwise be entitled had that person been employed by the
8 receiving district originally.

9 (10) If a district or intermediate district uses money
10 received under this section for a purpose other than the purpose or
11 purposes for which the money is allocated, the department may
12 require the district or intermediate district to refund the amount
13 of money received. Money that is refunded shall be deposited in the
14 state treasury to the credit of the state school aid fund.

15 (11) From the funds allocated in subsection (1), there is
16 allocated the amount necessary, estimated at ~~\$3,800,000.00 for~~
17 ~~2015-2016 and estimated at \$3,700,000.00~~ **\$3,500,000.00** for 2016-
18 2017, **AND ESTIMATED AT \$3,600,000.00 FOR 2017-2018**, to pay the
19 foundation allowances for pupils described in this subsection. The
20 allocation to a district under this subsection shall be calculated
21 by multiplying the number of pupils described in this subsection
22 who are counted in membership in the district times the sum of the
23 foundation allowance under section 20 of the pupil's district of
24 residence plus the amount of the district's per-pupil allocation
25 under section 20m, not to exceed the basic foundation allowance
26 under section 20 for the current fiscal year, or, for a pupil
27 described in this subsection who is counted in membership in a

1 district that is a public school academy, times an amount equal to
2 the amount per membership pupil under section 20(6) or, for a pupil
3 described in this subsection who is counted in membership in the
4 education achievement system, times an amount equal to the amount
5 per membership pupil under section 20(7). The allocation to an
6 intermediate district under this subsection shall be calculated in
7 the same manner as for a district, using the foundation allowance
8 under section 20 of the pupil's district of residence, not to
9 exceed the basic foundation allowance under section 20 for the
10 current fiscal year, and that district's per-pupil allocation under
11 section 20m. This subsection applies to all of the following
12 pupils:

13 (a) Pupils described in section 53a.

14 (b) Pupils counted in membership in an intermediate district
15 who are not special education pupils and are served by the
16 intermediate district in a juvenile detention or child caring
17 facility.

18 (c) Pupils with an emotional impairment counted in membership
19 by an intermediate district and provided educational services by
20 the department of health and human services.

21 (12) If it is determined that funds allocated under subsection
22 (2) or (11) or under section 51c will not be expended, funds up to
23 the amount necessary and available may be used to supplement the
24 allocations under subsection (2) or (11) or under section 51c in
25 order to fully fund those allocations. After payments under
26 subsections (2) and (11) and section 51c, the remaining
27 expenditures from the allocation in subsection (1) shall be made in

1 the following order:

2 (a) 100% of the reimbursement required under section 53a.

3 (b) 100% of the reimbursement required under subsection (6).

4 (c) 100% of the payment required under section 54.

5 (d) 100% of the payment required under subsection (3).

6 (e) 100% of the payments under section 56.

7 (13) The allocations under subsections (2), (3), and (11)
8 shall be allocations to intermediate districts only and shall not
9 be allocations to districts, but instead shall be calculations used
10 only to determine the state payments under section 22b.

11 (14) If a public school academy **THAT IS NOT A CYBER SCHOOL, AS**
12 **DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551,**
13 enrolls ~~pursuant to~~ **UNDER** this section a pupil who resides outside
14 of the intermediate district in which the public school academy is
15 located and who is eligible for special education programs and
16 services according to statute or rule, or who is a child with
17 disabilities, as defined under the individuals with disabilities
18 education act, Public Law 108-446, the ~~provision of special~~
19 ~~education programs and services and the payment of the added costs~~
20 ~~of special education programs and services for the pupil are the~~
21 ~~responsibility of the district and intermediate district in which~~
22 ~~the pupil resides unless the enrolling district or intermediate~~
23 ~~district has~~ **INTERMEDIATE DISTRICT IN WHICH THE PUBLIC SCHOOL**
24 **ACADEMY IS LOCATED AND THE PUBLIC SCHOOL ACADEMY SHALL ENTER INTO** a
25 written agreement with the ~~district or intermediate district in~~
26 which the pupil resides ~~or the public school academy for the~~
27 purpose of providing the pupil with a free appropriate public

1 education, and the written agreement ~~includes~~ **SHALL INCLUDE** at
2 least an agreement on the responsibility for the payment of the
3 added costs of special education programs and services for the
4 pupil. **IF THE PUBLIC SCHOOL ACADEMY THAT ENROLLS THE PUPIL DOES NOT**
5 **ENTER INTO AN AGREEMENT UNDER THIS SUBSECTION, THE PUBLIC SCHOOL**
6 **ACADEMY SHALL NOT CHARGE THE PUPIL'S RESIDENT INTERMEDIATE DISTRICT**
7 **OR THE INTERMEDIATE DISTRICT IN WHICH THE PUBLIC SCHOOL ACADEMY IS**
8 **LOCATED THE ADDED COSTS OF SPECIAL EDUCATION PROGRAMS AND SERVICES**
9 **FOR THE PUPIL, AND THE PUBLIC SCHOOL ACADEMY IS NOT ELIGIBLE FOR**
10 **ANY PAYOUTS BASED ON THE FUNDING FORMULA OUTLINED IN THE RESIDENT**
11 **OR NONRESIDENT INTERMEDIATE DISTRICT'S PLAN. IF A PUPIL IS NOT**
12 **ENROLLED IN A PUBLIC SCHOOL ACADEMY UNDER THIS SUBSECTION, THE**
13 **PROVISION OF SPECIAL EDUCATION PROGRAMS AND SERVICES AND THE**
14 **PAYMENT OF THE ADDED COSTS OF SPECIAL EDUCATION PROGRAMS AND**
15 **SERVICES FOR A PUPIL DESCRIBED IN THIS SUBSECTION ARE THE**
16 **RESPONSIBILITY OF THE DISTRICT AND INTERMEDIATE DISTRICT IN WHICH**
17 **THE PUPIL RESIDES.**

18 ~~—— (15) Beginning in 2016-2017, a district, public school~~
19 ~~academy, or intermediate district that fails to comply with~~
20 ~~subsection (14) or with the requirements of federal regulations~~
21 ~~regarding the treatment of public school academies and public~~
22 ~~school academy pupils for the purposes of special education, 34 CFR~~
23 ~~300.209, forfeits from its total state aid an amount equal to 10%~~
24 ~~of its total state aid.~~

25 **(15) FOR THE PURPOSE OF RECEIVING ITS FEDERAL ALLOCATION UNDER**
26 **PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC**
27 **LAW 108-446, A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL, AS**

1 DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, AND
2 IS IN COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL
3 380.553A, SHALL DIRECTLY RECEIVE THE FEDERAL ALLOCATION UNDER PART
4 B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW
5 108-446, FROM THE INTERMEDIATE DISTRICT IN WHICH THE CYBER SCHOOL
6 IS LOCATED, AS THE SUBRECIPIENT. IF THE INTERMEDIATE DISTRICT DOES
7 NOT DISTRIBUTE THE FUNDS DESCRIBED IN THIS SUBSECTION TO THE CYBER
8 SCHOOL BY THE PART B APPLICATION DUE DATE OF JULY 1, THE DEPARTMENT
9 MAY DISTRIBUTE THE FUNDS DESCRIBED IN THIS SUBSECTION DIRECTLY TO
10 THE CYBER SCHOOL ACCORDING TO THE FORMULA PRESCRIBED IN 34 CFR
11 300.705 AND 34 CFR 300.816.

12 (16) FOR A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL, AS
13 DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, AND
14 IS IN COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL
15 380.553A, THAT ENROLLS A PUPIL UNDER THIS SECTION, THE INTERMEDIATE
16 DISTRICT IN WHICH THE CYBER SCHOOL IS LOCATED SHALL ENSURE THAT THE
17 CYBER SCHOOL COMPLIES WITH SECTIONS 1701A, 1703, 1704, 1751, 1752,
18 1756, AND 1757 OF THE REVISED SCHOOL CODE, MCL 380.1701A, 380.1703,
19 380.1704, 380.1751, 380.1752, 380.1756, AND 380.1757; APPLICABLE
20 RULES; AND THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC
21 LAW 108-446. FROM THE GENERAL FUND APPROPRIATION UNDER SUBSECTION
22 (1), THE DEPARTMENT SHALL PROVIDE APPROPRIATE ADMINISTRATIVE
23 FUNDING TO THE INTERMEDIATE DISTRICT IN WHICH THAT CYBER SCHOOL IS
24 LOCATED FOR THE PURPOSE OF ENSURING THAT COMPLIANCE.

25 (17) ~~(16)~~ For the purposes of this section, the department or
26 the center shall only require a district or intermediate district
27 to report information that is not already available from the

1 financial information database maintained by the center.

2 Sec. 51c. As required by the court in the consolidated cases
 3 known as Durant v State of Michigan, ~~Michigan supreme court docket~~
 4 ~~no. 104458-104492, 456 MICH 175 (1997)~~, from the allocation under
 5 section 51a(1), there is allocated each fiscal year for ~~2015-2016~~
 6 ~~and for 2016-2017~~ **AND FOR 2017-2018** the amount necessary, estimated
 7 at ~~\$624,800,000.00 for 2015-2016 and estimated at \$644,500,000.00~~
 8 **\$624,600,000.00 for 2016-2017 AND \$635,300,000.00 FOR 2017-2018**,
 9 for payments to reimburse districts for 28.6138% of total approved
 10 costs of special education excluding costs reimbursed under section
 11 53a, and 70.4165% of total approved costs of special education
 12 transportation. Funds allocated under this section that are not
 13 expended in the state fiscal year for which they were allocated, as
 14 determined by the department, may be used to supplement the
 15 allocations under sections 22a and 22b in order to fully fund those
 16 calculated allocations for the same fiscal year.

17 Sec. 51d. (1) From the federal funds appropriated in section
 18 11, there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-**
 19 **2018**, all available federal funding, estimated at ~~\$71,000,000.00,~~
 20 **\$61,000,000.00 EACH FISCAL YEAR**, for special education programs and
 21 services that are funded by federal grants. All federal funds
 22 allocated under this section shall be distributed in accordance
 23 with federal law. Notwithstanding section 17b, payments of federal
 24 funds to districts, intermediate districts, and other eligible
 25 entities under this section shall be paid on a schedule determined
 26 by the department.

27 (2) From the federal funds allocated under subsection (1), the

1 following amounts are allocated **EACH FISCAL YEAR** for 2016-2017 **AND**
2 **FOR 2017-2018:**

3 (a) An amount estimated at \$14,000,000.00 **EACH FISCAL YEAR** for
4 handicapped infants and toddlers, funded from DED-OSERS,
5 handicapped infants and toddlers funds.

6 (b) An amount estimated at \$12,000,000.00 **EACH FISCAL YEAR** for
7 preschool grants (Public Law 94-142), funded from DED-OSERS,
8 handicapped preschool incentive funds.

9 (c) An amount estimated at ~~\$45,000,000.00~~ **\$35,000,000.00 EACH**
10 **FISCAL YEAR** for special education programs funded by DED-OSERS,
11 handicapped program, individuals with disabilities act funds.

12 (3) As used in this section, "DED-OSERS" means the United
13 States Department of Education Office of Special Education and
14 Rehabilitative Services.

15 Sec. 53a. (1) For districts, reimbursement for pupils
16 described in subsection (2) shall be 100% of the total approved
17 costs of operating special education programs and services approved
18 by the department and included in the intermediate district plan
19 adopted pursuant to article 3 of the revised school code, MCL
20 380.1701 to 380.1766, minus the district's foundation allowance
21 calculated under section 20 and minus the district's per-pupil
22 allocation under section 20m. For intermediate districts,
23 reimbursement for pupils described in subsection (2) shall be
24 calculated in the same manner as for a district, using the
25 foundation allowance under section 20 of the pupil's district of
26 residence, not to exceed the basic foundation allowance under
27 section 20 for the current fiscal year, and that district's per-

1 pupil allocation under section 20m.

2 (2) Reimbursement under subsection (1) is for the following
3 special education pupils:

4 (a) Pupils assigned to a district or intermediate district
5 through the community placement program of the courts or a state
6 agency, if the pupil was a resident of another intermediate
7 district at the time the pupil came under the jurisdiction of the
8 court or a state agency.

9 (b) Pupils who are residents of institutions operated by the
10 department of health and human services.

11 (c) Pupils who are former residents of department of community
12 health institutions for the developmentally disabled who are placed
13 in community settings other than the pupil's home.

14 (d) Pupils enrolled in a department-approved on-grounds
15 educational program longer than 180 days, but not longer than 233
16 days, at a residential child care institution, if the child care
17 institution offered in 1991-92 an on-grounds educational program
18 longer than 180 days but not longer than 233 days.

19 (e) Pupils placed in a district by a parent for the purpose of
20 seeking a suitable home, if the parent does not reside in the same
21 intermediate district as the district in which the pupil is placed.

22 (3) Only those costs that are clearly and directly
23 attributable to educational programs for pupils described in
24 subsection (2), and that would not have been incurred if the pupils
25 were not being educated in a district or intermediate district, are
26 reimbursable under this section.

27 (4) The costs of transportation shall be funded under this

1 section and shall not be reimbursed under section 58.

2 (5) Not more than \$10,500,000.00 of the allocation for ~~2016-~~
3 ~~2017-2017-2018~~ in section 51a(1) shall be allocated under this
4 section.

5 Sec. 54. Each intermediate district shall receive an amount
6 per-pupil for each pupil in attendance at the Michigan schools for
7 the deaf and blind. The amount shall be proportionate to the total
8 instructional cost at each school. Not more than \$1,688,000.00 of
9 the allocation for ~~2016-2017-2017-2018~~ in section 51a(1) shall be
10 allocated under this section.

11 Sec. 54b. (1) From the general fund appropriation in section
12 11, there is allocated an amount not to exceed ~~\$1,125,000.00 for~~
13 ~~2016-2017 to begin~~ **\$1,600,000.00 FOR 2017-2018 TO CONTINUE THE**
14 implementation of the recommendations of the special education
15 reform task force published in January 2016.

16 (2) ~~From the allocation in subsection (1), there is allocated~~
17 ~~for 2016-2017 an amount not to exceed \$625,000.00~~ **EXCEPT AS**
18 **PROVIDED IN SUBSECTION (3), THE DEPARTMENT SHALL USE FUNDS**
19 **ALLOCATED UNDER THIS SECTION** for the purpose of piloting statewide
20 implementation of the Michigan Integrated Behavior and Learning
21 Support Initiative (MiBLSI), a nationally recognized program that
22 includes positive behavioral intervention and supports and provides
23 a statewide structure to support local initiatives for an
24 integrated behavior and reading program. With the assistance of the
25 intermediate districts involved in MiBLSI, the department shall
26 identify ~~at least 3~~ **A NUMBER OF** intermediate districts to
27 participate in the pilot **THAT IS SUFFICIENT** to ensure that MiBLSI

1 can be implemented statewide with fidelity and sustainability. In
2 addition, the department shall identify an intermediate district to
3 act as a fiscal agent for these funds.

4 (3) ~~From the allocation in subsection (1), there is allocated~~
5 ~~for 2016-2017 an amount not to exceed \$500,000.00~~ **IN ADDITION TO**
6 **THE PURPOSE UNDER SUBSECTION (2), THE DEPARTMENT SHALL USE FUNDS**
7 **ALLOCATED UNDER THIS SECTION** for the purpose of providing training
8 to intermediate districts and districts related to the safe
9 implementation of emergency restraints and seclusion. The
10 department shall develop and implement a training program that is
11 based on the state board's adopted standards and on any other
12 legislation enacted by the legislature regarding the emergency use
13 of seclusion and restraint.

14 Sec. 55. (1) From the money appropriated in section 11, there
15 is allocated an amount not to exceed \$150,000.00 for ~~2016-2017~~
16 **2017-2018** to Michigan State University, Department of Epidemiology,
17 for a study of the Conductive Learning Center located at Aquinas
18 College. This funding shall be used to develop and implement an
19 evaluation of the effectiveness of conductive education for
20 children with cerebral palsy. The evaluation shall be
21 multidimensional and shall include a control group of children with
22 cerebral palsy not enrolled in conductive education. It should
23 include an assessment of the motor system itself as well as the
24 impact of conductive education on each of the following:

25 (a) The acquisition of skills permitting complex motor
26 functions.

27 (b) The performance of tasks essential to daily living.

1 (c) The attitudes and feelings of both children and parents.

2 (d) The long-term need for special education for children with
3 cerebral palsy.

4 (2) This funding is for the ~~second of 2~~ **THIRD OF 3** years of
5 funding for this purpose.

6 Sec. 56. (1) For the purposes of this section:

7 (a) "Membership" means for a particular fiscal year the total
8 membership for the immediately preceding fiscal year of the
9 intermediate district and the districts constituent to the
10 intermediate district.

11 (b) "Millage levied" means the millage levied for special
12 education pursuant to part 30 of the revised school code, MCL
13 380.1711 to 380.1743, including a levy for debt service
14 obligations.

15 (c) "Taxable value" means the total taxable value of the
16 districts constituent to an intermediate district, except that if a
17 district has elected not to come under part 30 of the revised
18 school code, MCL 380.1711 to 380.1743, membership and taxable value
19 of the district shall not be included in the membership and taxable
20 value of the intermediate district.

21 (2) From the allocation under section 51a(1), there is
22 allocated an amount not to exceed \$37,758,100.00 each fiscal year
23 ~~for 2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse
24 intermediate districts levying millages for special education
25 pursuant to part 30 of the revised school code, MCL 380.1711 to
26 380.1743. The purpose, use, and expenditure of the reimbursement
27 shall be limited as if the funds were generated by these millages

1 and governed by the intermediate district plan adopted pursuant to
2 article 3 of the revised school code, MCL 380.1701 to 380.1766. As
3 a condition of receiving funds under this section, an intermediate
4 district distributing any portion of special education millage
5 funds to its constituent districts shall submit for departmental
6 approval and implement a distribution plan.

7 ~~—— (3) Reimbursement for those millages levied in 2014-2015 shall~~
8 ~~be made in 2015-2016 at an amount per 2014-2015 membership pupil~~
9 ~~computed by subtracting from \$175,300.00 the 2014-2015 taxable~~
10 ~~value behind each membership pupil and multiplying the resulting~~
11 ~~difference by the 2014-2015 millage levied.~~

12 (3) ~~(4)~~ Reimbursement for those millages levied in 2015-2016
13 shall be made in 2016-2017 at an amount per 2015-2016 membership
14 pupil computed by subtracting from ~~\$179,600.00~~ **\$180,900.00** the
15 2015-2016 taxable value behind each membership pupil and
16 multiplying the resulting difference by the 2015-2016 millage
17 levied.

18 (4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2016-2017 SHALL
19 BE MADE IN 2017-2018 AT AN AMOUNT PER 2016-2017 MEMBERSHIP PUPIL
20 COMPUTED BY SUBTRACTING FROM \$183,200.00 THE 2016-2017 TAXABLE
21 VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING
22 DIFFERENCE BY THE 2016-2017 MILLAGE LEVIED, AND THEN SUBTRACTING
23 FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY STABILIZATION SHARE
24 REVENUE FOR SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL
25 FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE
26 LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL
27 123.1341 TO 123.1362.

1 (5) The amount paid to a single intermediate district under
2 this section shall not exceed 62.9% of the total amount allocated
3 under subsection (2).

4 (6) The amount paid to a single intermediate district under
5 this section shall not be less than 75% of the amount allocated to
6 the intermediate district under this section for the immediately
7 preceding fiscal year.

8 Sec. 61a. (1) From the appropriation in section 11, there is
9 allocated an amount not to exceed \$36,611,300.00 for ~~2016-2017~~
10 **2017-2018** to reimburse on an added cost basis districts, except for
11 a district that served as the fiscal agent for a vocational
12 education consortium in the 1993-94 school year and that has a
13 foundation allowance as calculated under section 20 greater than
14 the minimum foundation allowance under that section, and secondary
15 area vocational-technical education centers for secondary-level
16 career and technical education programs according to rules approved
17 by the superintendent. Applications for participation in the
18 programs shall be submitted in the form prescribed by the
19 department. The department shall determine the added cost for each
20 career and technical education program area. The allocation of
21 added cost funds shall be prioritized based on the capital and
22 program expenditures needed to operate the career and technical
23 education programs provided; the number of pupils enrolled; the
24 advancement of pupils through the instructional program; the
25 existence of an articulation agreement with at least 1
26 postsecondary institution that provides pupils with opportunities
27 to earn postsecondary credit during the pupil's participation in

1 the career and technical education program and transfers those
2 credits to the postsecondary institution upon completion of the
3 career and technical education program; and the program rank in
4 student placement, job openings, and wages, and shall not exceed
5 75% of the added cost of any program. Notwithstanding any rule or
6 department determination to the contrary, when determining a
7 district's allocation or the formula for making allocations under
8 this section, the department shall include the participation of
9 pupils in grade 9 in all of those determinations and in all
10 portions of the formula. With the approval of the department, the
11 board of a district maintaining a secondary career and technical
12 education program may offer the program for the period from the
13 close of the school year until September 1. The program shall use
14 existing facilities and shall be operated as prescribed by rules
15 promulgated by the superintendent.

16 (2) Except for a district that served as the fiscal agent for
17 a vocational education consortium in the 1993-94 school year,
18 districts and intermediate districts shall be reimbursed for local
19 career and technical education administration, shared time career
20 and technical education administration, and career education
21 planning district career and technical education administration.
22 The definition of what constitutes administration and reimbursement
23 shall be pursuant to guidelines adopted by the superintendent. Not
24 more than \$800,000.00 of the allocation in subsection (1) shall be
25 distributed under this subsection.

26 (3) A career and technical education program funded under this
27 section may provide an opportunity for participants who are

1 eligible to be funded under section 107 to enroll in the career and
2 technical education program funded under this section if the
3 participation does not occur during regular school hours.

4 (4) In addition to the money allocated under ~~subsection (1),~~
5 **SUBSECTIONS (1), (5), AND (6),** from the general fund money
6 appropriated in section 11, there is allocated for ~~2016-2017-2017-~~
7 **2018** an amount not to exceed \$79,000.00 to an eligible Michigan-
8 approved 501(c)(3) organization for the purposes of teaching or
9 training restaurant management and culinary arts for career and
10 professional development. The department shall oversee funds
11 distributed to an eligible grantee under this section. As used in
12 this subsection, "eligible Michigan-approved 501(c)(3)
13 organization" means an organization that is exempt from taxation
14 under section 501(c)(3) of the internal revenue code of 1986, 26
15 USC 501, that provides the ProStart curriculum and training to
16 state-approved career and technical education programs with
17 classification of instructional programs (CIP) codes in the 12.05xx
18 category, and that administers national certification for the
19 purpose of restaurant management and culinary arts for career and
20 professional development.

21 **(5) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTIONS (1),**
22 **(4), AND (6), FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS**
23 **ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR**
24 **COMPETITIVE GRANTS TO INTERMEDIATE DISTRICTS TO HIRE CAREER AND**
25 **TECHNICAL EDUCATION COUNSELORS. ALL OF THE FOLLOWING APPLY TO THIS**
26 **FUNDING:**

27 **(A) AN INTERMEDIATE DISTRICT SEEKING A GRANT UNDER THIS**

1 SUBSECTION SHALL APPLY TO THE DEPARTMENT IN A FORM AND MANNER
2 SPECIFIED BY THE DEPARTMENT.

3 (B) THE DEPARTMENT SHALL AWARD GRANTS UNDER THIS SUBSECTION ON
4 A COMPETITIVE BASIS TO NO MORE THAN 3 INTERMEDIATE DISTRICTS BUT
5 SHALL GIVE PRIORITY TO THE INTERMEDIATE DISTRICT THAT HAS THE
6 GREATEST NUMBER OF PUPILS ENROLLED IN ITS CONSTITUENT DISTRICTS AND
7 SHALL ENSURE THAT GRANTS ARE EQUITABLY DISTRIBUTED TO THE VARIOUS
8 GEOGRAPHIC AREAS OF THIS STATE AND TO URBAN AND RURAL AREAS.

9 (C) TO BE ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, AN
10 INTERMEDIATE DISTRICT SHALL DO ALL OF THE FOLLOWING:

11 (i) CATALOG ALL AVAILABLE K-12 AND OTHER WORKFORCE DEVELOPMENT
12 PROGRAMS AND SERVICES, INCLUDING JOB SEARCH, JOB TRAINING, PRE-
13 EMPLOYMENT CERTIFICATIONS, CAREER AWARENESS PROGRAMS, CAREER AND
14 TECHNICAL EDUCATION PROGRAMS, AND OTHER RELATED PROGRAMS AND
15 SERVICES OFFERED BY DISTRICTS OR INTERMEDIATE DISTRICTS,
16 POSTSECONDARY INSTITUTIONS, AND OTHER PRIVATE OR PUBLIC SERVICE
17 ORGANIZATIONS.

18 (ii) DEVELOP AN OUTREACH PROGRAM THAT EDUCATES STUDENTS ABOUT
19 CAREER AND TECHNICAL EDUCATION OPTIONS AND CONNECTS STUDENTS TO THE
20 SERVICES CATALOGED UNDER SUBPARAGRAPH (i) .

21 (iii) TRACK STUDENT PLACEMENT AND REPORT ON STUDENT PLACEMENT
22 TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID
23 NO LATER THAN JUNE 30, 2018 IN THE FORM AND MANNER PRESCRIBED BY
24 THE DEPARTMENT.

25 (6) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTIONS (1) ,
26 (4) , AND (5) , THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
27 \$160,000.00 FOR 2017-2018 TO ELIGIBLE DISTRICTS UNDER THIS

1 SUBSECTION FOR THE PURPOSE OF CAREER AND TECHNICAL EDUCATION
2 COUNSELORS. TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS
3 SUBSECTION, AN ELIGIBLE DISTRICT MUST BE A CONSTITUENT DISTRICT OF
4 AN INTERMEDIATE DISTRICT THAT IS LOCATED IN PROSPERITY REGION 6 AND
5 BORDERS PROSPERITY REGIONS 5, 7, AND 9, AND MUST HAVE AT LEAST
6 1,600 PUPILS IN MEMBERSHIP IN 2017-2018. A GRANT TO AN ELIGIBLE
7 DISTRICT UNDER THIS SUBSECTION SHALL BE \$80,000.00.

8 Sec. 61b. (1) From the appropriation in section 11, there is
9 ~~allocated an amount not to exceed \$1,000,000.00 for 2015-2016 and~~
10 ~~there is allocated an amount not to exceed \$9,000,000.00~~
11 **\$8,000,000.00 EACH FISCAL YEAR** for 2016-2017 **AND 2017-2018** for CTE
12 early/middle college and CTE dual enrollment programs authorized
13 under this section **AND FOR PLANNING GRANTS FOR THE DEVELOPMENT OR**
14 **EXPANSION OF CTE EARLY/MIDDLE COLLEGE PROGRAMS.** The purpose of
15 these programs is to increase the number of Michigan residents with
16 high-quality degrees or credentials, and to increase the number of
17 students who are college and career ready upon high school
18 graduation.

19 (2) From the funds allocated under subsection (1), an amount
20 as determined under this subsection shall be allocated to each
21 intermediate district serving as a fiscal agent for state-approved
22 CTE early/middle college and CTE dual enrollment programs in each
23 of the prosperity regions and subregions identified by the
24 department. An intermediate district shall not use more than 5% of
25 the funds allocated under this subsection for administrative costs
26 for serving as the fiscal agent.

27 (3) To be an eligible fiscal agent, an intermediate district

1 must agree to do all of the following in a form and manner
2 determined by the department:

3 (a) Distribute funds to eligible CTE early/middle college and
4 CTE dual enrollment programs in a prosperity region or subregion as
5 described in this section.

6 (b) Collaborate with the talent district career council that
7 is located in the prosperity region or subregion to develop a
8 regional strategic plan under subsection (4) that aligns CTE
9 programs and services into an efficient and effective delivery
10 system for high school students.

11 (c) Implement a regional process to rank career clusters in
12 the prosperity region or subregion as described under subsection
13 (4). Regional processes shall be approved by the department before
14 the ranking of career clusters.

15 (d) Report CTE early/middle college and CTE dual enrollment
16 program and student data and information as prescribed by the
17 department.

18 (4) A regional strategic plan must be approved by the talent
19 district career council before submission to the department. A
20 regional strategic plan shall include, but not be limited to, the
21 following:

22 (a) An identification of regional employer need based on a
23 ranking of all career clusters in the prosperity region or
24 subregion ranked by 10-year job openings projections and median
25 wage for each standard occupational code in each career cluster as
26 obtained from the United States Bureau of Labor Statistics.
27 Standard occupational codes within high-ranking clusters also may

1 be further ranked by median wage. The rankings shall be reviewed by
2 the talent district career council located in the prosperity region
3 or subregion and modified if necessary to accurately reflect
4 employer demand for talent in the prosperity region or subregion. A
5 talent district career council shall document that it has conducted
6 this review and certify that it is accurate. These career cluster
7 rankings shall be determined and updated once every 4 years.

8 (b) An identification of educational entities in the
9 prosperity region or subregion that will provide eligible CTE
10 early/middle college and CTE dual enrollment programs including
11 districts, intermediate districts, postsecondary institutions, and
12 noncredit occupational training programs leading to an industry-
13 recognized credential.

14 (c) A strategy to inform parents and students of CTE
15 early/middle college and CTE dual enrollment programs in the
16 prosperity region or subregion.

17 (d) Any other requirements as defined by the department.

18 (5) An eligible CTE program is a program that meets all of the
19 following:

20 (a) Has been identified in the highest 5 career cluster
21 rankings in any of the 10 regional strategic plans jointly approved
22 by the Michigan talent investment agency in the department of
23 talent and economic development and the department.

24 (b) Has a coherent sequence of courses that will allow a
25 student to earn a high school diploma and achieve at least 1 of the
26 following in a specific career cluster:

27 (i) An associate degree.

1 (ii) An industry-recognized technical certification approved
2 by the Michigan talent investment agency in the department of
3 talent and economic development.

4 (iii) Up to 60 transferable college credits.

5 (iv) Participation in a registered apprenticeship.

6 (c) Is aligned with the Michigan merit curriculum.

7 (d) Has an articulation agreement with at least 1
8 postsecondary institution that provides students with opportunities
9 to receive postsecondary credits during the student's participation
10 in the CTE early/middle college or CTE dual enrollment program and
11 transfers those credits to the postsecondary institution upon
12 completion of the CTE early/middle college or CTE dual enrollment
13 program.

14 (e) Provides instruction that is supervised, directed, or
15 coordinated by an appropriately certificated CTE teacher or, for
16 concurrent enrollment courses, a postsecondary faculty member.

17 (f) Provides for highly integrated student support services
18 that include at least the following:

19 (i) Teachers as academic advisors.

20 (ii) Supervised course selection.

21 (iii) Monitoring of student progress and completion.

22 (iv) Career planning services provided by a local one-stop
23 service center as described in the Michigan works one-stop service
24 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
25 high school counselor or advisor.

26 (g) Has courses that are taught on a college campus, are
27 college courses offered at the high school and taught by college

1 faculty, or are courses taught in combination with online
2 instruction.

3 (6) Funds to eligible CTE early/middle college and CTE dual
4 enrollment programs shall be distributed as follows:

5 (a) The department shall ~~calculate~~**DETERMINE** statewide average
6 CTE costs per pupil for each CIP code program by ~~dividing total~~
7 ~~prior year~~**CALCULATING** statewide **AVERAGE** costs for each CIP code
8 program by ~~prior year pupils for each CIP code program~~**FOR THE 3**
9 **MOST RECENT FISCAL YEARS.**

10 (b) Distribution to each eligible CTE early/middle college or
11 CTE dual enrollment program shall be the product of 50% of CTE
12 costs per pupil times the current year pupil enrollment of each
13 eligible CTE early/middle college or CTE dual enrollment program.

14 (7) In order to receive funds under this section, a CTE
15 early/middle college or CTE dual enrollment program shall furnish
16 to the intermediate district that is the fiscal agent identified in
17 subsection (1), in a form and manner determined by the department,
18 all information needed to administer this program and meet federal
19 reporting requirements; shall allow the department or the
20 department's designee to review all records related to the program
21 for which it receives funds; and shall reimburse the state for all
22 disallowances found in the review, as determined by the department.

23 (8) There is allocated from the funds under subsection (1) an
24 amount not to exceed \$500,000.00 ~~each fiscal year for 2015-2016 and~~
25 ~~for 2016-2017~~**FOR 2017-2018** for grants to intermediate districts or
26 consortia of intermediate districts for the purpose of planning for
27 new or expanded early middle college programs. Applications for

1 grants shall be submitted in a form and manner determined by the
2 department. The amount of a grant under this subsection shall not
3 exceed \$50,000.00. To be eligible for a grant under this
4 subsection, an intermediate district or consortia of intermediate
5 districts must provide matching funds equal to the grant received
6 under this subsection. Notwithstanding section 17b, payments under
7 this subsection may be made as determined by the department.

8 (9) Funds distributed under this section may be used to fund
9 program expenditures that would otherwise be paid from foundation
10 allowances. A program receiving funding under section 61a may
11 receive funding under this section for allowable costs that exceed
12 the reimbursement the program received under section 61a. The
13 combined payments received by a program under section 61a and this
14 section shall not exceed the total allowable costs of the program.
15 A program provider shall not use more than 5% of the funds
16 allocated under this section to the program for administrative
17 costs.

18 (10) If the allocation under subsection (1) is insufficient to
19 fully fund payments as otherwise calculated under this section, the
20 department shall prorate payments under this section on an equal
21 percentage basis.

22 (11) If pupils enrolled in a career cluster in an eligible CTE
23 early/middle college or CTE dual enrollment program qualify to be
24 reimbursed under this section, those pupils continue to qualify for
25 reimbursement until graduation, even if the career cluster is no
26 longer identified as being in the highest 5 career cluster
27 rankings.

~~(12) It is the intent of the legislature to provide funds in 2017-2018 to reimburse districts with early/middle college programs for the added costs of providing both a high school diploma and an associate's degree, industry-recognized certification, up to 60 transferable college credits, or participation in a registered apprenticeship in less than 5 years.~~

(12) ~~(13)~~ As used in this section:

(a) "Allowable costs" means those costs directly attributable to the program as jointly determined by the Michigan talent investment agency and the department.

(b) "CIP" means classification of instructional programs.

(c) "CTE" means career and technical education programs.

(d) "CTE dual enrollment program" means a 4-year high school program of postsecondary courses offered by eligible postsecondary educational institutions that leads to an industry-recognized certification or degree.

(e) "Early/middle college program" means a 5-year high school program.

(f) "Eligible postsecondary educational institution" means that term as defined in section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903.

(g) "Talent district career council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.

Sec. 61c. (1) From the general fund appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to

1 exceed ~~\$3,000,000.00~~ **\$9,600,000.00** to career education planning
2 districts for the CTE skilled trades initiative under this section.

3 (2) To be eligible to receive funding under this section, each
4 CEPD shall apply in a form and manner determined by the department.
5 Funding to each CEPD shall be equal to the quotient of the
6 allocation under subsection (1) and the sum of the number of career
7 education planning districts applying for funding under this
8 section.

9 (3) The funding allocated to each CEPD shall be used to update
10 equipment in current CTE programs that ~~are supporting and driving~~
11 ~~economic development in their individual communities, or~~ **HAVE BEEN**
12 **IDENTIFIED IN THE HIGHEST 5 CAREER CLUSTER RANKINGS IN ANY OF THE**
13 **10 REGIONAL STRATEGIC PLANS JOINTLY APPROVED BY THE MICHIGAN TALENT**
14 **INVESTMENT AGENCY IN THE DEPARTMENT OF TALENT AND ECONOMIC**
15 **DEVELOPMENT AND THE DEPARTMENT, FOR TRAINING ON NEW EQUIPMENT, FOR**
16 **PROFESSIONAL DEVELOPMENT RELATING TO COMPUTER SCIENCE OR CODING, OR**
17 for new and emerging certified CTE programs to allow CEPD
18 administrators to provide programming in communities that will
19 enhance economic development. The funding for equipment should be
20 used to support and enhance community areas that have sustained job
21 growth, and act as a commitment to build a more qualified and
22 skilled workforce. **IN ADDITION, EACH CEPD IS ENCOURAGED TO EXPLORE**
23 **THE OPTION OF LEASING EQUIPMENT FROM LOCAL PRIVATE INDUSTRY TO**
24 **ENCOURAGE THE USE OF THE MOST ADVANCED EQUIPMENT.**

25 (4) The allocation of funds at the local level shall be
26 determined by CEPD administrators using data from the state,
27 region, and local sources to make well-informed decisions on

1 program equipment improvements. Grants awarded by CEPD
 2 administrators for capital infrastructure shall be used to ensure
 3 that CTE programs can deliver educational programs in high-wage,
 4 high-skill, and high-demand occupations. Each CEPD shall continue
 5 to ensure that program advisory boards make recommendations on
 6 needed improvements for equipment that support job growth and job
 7 skill development and retention for both the present and the
 8 future.

9 (5) Not later than September 15 of each fiscal year, each CEPD
 10 receiving funding under this section shall annually report to the
 11 department, the senate and house appropriations subcommittees on
 12 state school aid, and the senate and house fiscal agencies and
 13 legislature on equipment purchased under this section. In addition,
 14 the report shall identify growth data on program involvement,
 15 retention, and development of student skills.

16 (6) ~~In addition to the funds allocated~~ **FROM THE ALLOCATION**
 17 under subsection (1), ~~from the funds appropriated under section 11,~~
 18 there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed
 19 ~~\$200,000.00~~ **\$300,000.00** to a district with fewer than 1,200 pupils
 20 ~~in membership to support a~~ **DISTRICTS FOR A COMPETITIVE GRANT TO**
 21 ~~mechatronics program~~ **PROGRAMS** that operated in ~~2015-2016~~ **2016-2017**
 22 for updating mechatronics program equipment. ~~To be eligible to~~
 23 ~~receive a grant under this subsection, a program shall be a~~
 24 ~~flexible learning program that offered in 2015-2016 both classroom~~
 25 ~~and hands-on training in mechatronics in at least 2 sites.~~

26 (7) As used in this section, "CEPD" means a career education
 27 planning district described in this section.

1 Sec. 62. (1) For the purposes of this section:

2 (a) "Membership" means for a particular fiscal year the total
3 membership for the immediately preceding fiscal year of the
4 intermediate district and the districts constituent to the
5 intermediate district or the total membership for the immediately
6 preceding fiscal year of the area vocational-technical program.

7 (b) "Millage levied" means the millage levied for area
8 vocational-technical education pursuant to sections 681 to 690 of
9 the revised school code, MCL 380.681 to 380.690, including a levy
10 for debt service obligations incurred as the result of borrowing
11 for capital outlay projects and in meeting capital projects fund
12 requirements of area vocational-technical education.

13 (c) "Taxable value" means the total taxable value of the
14 districts constituent to an intermediate district or area
15 vocational-technical education program, except that if a district
16 has elected not to come under sections 681 to 690 of the revised
17 school code, MCL 380.681 to 380.690, the membership and taxable
18 value of that district shall not be included in the membership and
19 taxable value of the intermediate district. However, the membership
20 and taxable value of a district that has elected not to come under
21 sections 681 to 690 of the revised school code, MCL 380.681 to
22 380.690, shall be included in the membership and taxable value of
23 the intermediate district if the district meets both of the
24 following:

25 (i) The district operates the area vocational-technical
26 education program pursuant to a contract with the intermediate
27 district.

(ii) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$9,190,000.00 each fiscal year for ~~2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

~~———— (3) Reimbursement for the millages levied in 2014-2015 shall be made in 2015-2016 at an amount per 2014-2015 membership pupil computed by subtracting from \$192,200.00 the 2014-2015 taxable value behind each membership pupil and multiplying the resulting difference by the 2014-2015 millage levied.~~

(3) ~~(4)~~ Reimbursement for the millages levied in 2015-2016 shall be made in 2016-2017 at an amount per 2015-2016 membership pupil computed by subtracting from ~~\$196,300.00~~ **\$198,100.00** the 2015-2016 taxable value behind each membership pupil and multiplying the resulting difference by the 2015-2016 millage levied.

(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2016-2017 SHALL

BE MADE IN 2017-2018 AT AN AMOUNT PER 2016-2017 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$199,000.00 THE 2016-2017 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2016-2017 MILLAGE LEVIED, AND THEN SUBTRACTING FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR AREA VOCATIONAL TECHNICAL EDUCATION BEHIND EACH MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO 123.1362.

(5) The amount paid to a single intermediate district under this section shall not exceed 38.4% of the total amount allocated under subsection (2).

(6) The amount paid to a single intermediate district under this section shall not be less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

Sec. 64b. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$1,750,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **FOR 2017-2018** for supplemental payments to districts that support the attendance of district pupils in grades 9 to 12 under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that support the attendance of district pupils in a concurrent enrollment program if the district meets the requirements under subsection (3). Programs funded under this section are intended to increase the number of pupils who are

1 college- and career-ready upon high school graduation.

2 (2) To be eligible for payments under this section for
3 supporting the attendance of district pupils under the
4 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
5 388.524, or under the career and technical preparation act, 2000 PA
6 258, MCL 388.1901 to 388.1913, a district shall do all of the
7 following:

8 (a) Provide information to all high school pupils on
9 postsecondary enrollment options, including enrollment eligibility,
10 the institutions and types of courses that are eligible for
11 participation, the decision-making process for granting academic
12 credit, and an explanation of eligible charges that will be paid by
13 the district.

14 (b) Enter into a written agreement with a postsecondary
15 institution before the enrollment of district pupils.

16 (c) Agree to pay all eligible charges pursuant to section 21b.

17 (d) Award high school credit for the postsecondary course if
18 the pupil successfully completes the course.

19 (3) To be eligible for payments under this section for pupils
20 enrolled in a concurrent enrollment program, a district shall do
21 all of the following:

22 (a) Provide information to all high school pupils on
23 postsecondary enrollment options, including enrollment eligibility,
24 the institutions and types of courses that are eligible for
25 participation, the decision-making process for granting academic
26 credit, and an explanation of eligible charges that will be paid by
27 the district.

1 (b) Enter into a written agreement with a postsecondary
2 institution establishing the concurrent enrollment program before
3 the enrollment of district pupils in a postsecondary course through
4 the postsecondary institution.

5 (c) Ensure that the course is taught by either a high school
6 teacher or postsecondary faculty pursuant to standards established
7 by the postsecondary institution with which the district has
8 entered into a written agreement to operate the concurrent
9 enrollment program.

10 (d) Ensure that the written agreement provides that the
11 postsecondary institution agrees not to charge the pupil for any
12 cost of the program.

13 (e) Ensure that the course is taught in the local district or
14 intermediate district.

15 (f) Ensure that the pupil is awarded both high school and
16 college credit at a community college or state public university in
17 this state upon successful completion of the course as outlined in
18 the agreement with the postsecondary institution.

19 (4) Funds shall be awarded to eligible districts under this
20 section in the following manner:

21 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
22 credit-bearing course in which a pupil enrolls during the ~~2015-2016~~
23 ~~or 2016-2017~~ **CURRENT** school year, ~~as applicable,~~ as described under
24 either subsection (2) or (3).

25 (b) An additional payment of \$30.00 per-pupil per course
26 identified in subdivision (a), if the pupil successfully completes,
27 and is awarded both high school and postsecondary credit for, the

1 course during the ~~2015-2016 or 2016-2017~~ **CURRENT** school year. ~~as~~
2 ~~applicable.~~

3 (5) A district requesting payment under this section shall
4 submit an application to the department in the form and manner
5 prescribed by the department. Notwithstanding section 17b, payments
6 under this section shall be made on a schedule determined by the
7 department.

8 **SEC. 64D. (1) FROM THE GENERAL FUND APPROPRIATION UNDER**
9 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
10 **\$1,000,000.00 FOR 2017-2018 FOR A COMPETITIVE GRANT TO PROVIDE**
11 **INFORMATION TECHNOLOGY EDUCATION OPPORTUNITIES TO STUDENTS**
12 **ATTENDING SCHOOLS OPERATING GRADES K-12, CAREER AND TECHNICAL**
13 **CENTERS AND CAREER ACADEMIES, AND COMMUNITY COLLEGES AND**
14 **UNIVERSITIES. IT IS THE INTENT OF THE LEGISLATURE THAT 2017-2018 IS**
15 **THE FIRST OF 3 YEARS OF FUNDING FOR THE COMPETITIVE GRANT PROGRAM.**
16 **FUNDS ALLOCATED UNDER THIS SECTION SHALL BE USED FOR INSTRUCTION IN**
17 **INFORMATION TECHNOLOGY SKILLS AND COMPETENCIES THAT ARE ESSENTIAL**
18 **FOR THE WORKPLACE AND REQUESTED BY EMPLOYERS AND SHALL ALLOW**
19 **PARTICIPATING STUDENTS AND FACULTIES TO SECURE BROAD-BASED**
20 **INFORMATION TECHNOLOGY CERTIFICATIONS AND, IF APPLICABLE, COLLEGE**
21 **CREDIT.**

22 (2) THE DEPARTMENT SHALL SELECT A PROVIDER USING A COMPETITIVE
23 REQUEST FOR PROPOSALS PROCESS. PROPOSALS SUBMITTED UNDER THIS
24 SUBSECTION SHALL INCLUDE AT LEAST THE FOLLOWING COMPONENTS:

25 (A) RESEARCH- AND SKILL-DEVELOPMENT-BASED AND INFORMATION
26 TECHNOLOGY CURRICULUM.

27 (B) ONLINE ACCESS TO THE CURRICULUM.

1 (C) INSTRUCTIONAL SOFTWARE FOR CLASSROOM AND STUDENT USE.

2 (D) A PROGRAM THAT INCLUDES CODING CURRICULUM AND MATERIAL
3 THAT ARE ALIGNED TO THE CS AP EXAM AND GRANTS A CERTIFICATE UPON
4 COMPLETION OF THE PROGRAM.

5 (E) COMPONENTS FOR ALL GRADE LEVELS ON COMPUTATIONAL THINKING
6 SKILLS DEVELOPMENT USING THE LATEST GAMING SOFTWARE.

7 (F) A PROCESS FOR STUDENTS TO OBTAIN CERTIFICATIONS OF SKILLS
8 AND COMPETENCIES IN A BROAD BASE OF INFORMATION TECHNOLOGY-RELATED
9 SKILL AREAS.

10 (G) PROFESSIONAL DEVELOPMENT FOR FACULTY.

11 (H) IMPLEMENTATION AND PROGRAM SUPPORT, INCLUDING, BUT NOT
12 LIMITED TO, INTEGRATION WITH CURRENT CURRICULUM STANDARDS.

13 (I) METHODS FOR STUDENTS TO EARN COLLEGE CREDIT.

14 (3) THE DEPARTMENT SHALL GIVE PRIORITY TO PROPOSALS BY
15 PROVIDERS THAT HAVE PREVIOUSLY DEMONSTRATED SUCCESS IN THIS STATE
16 IN PROVIDING HIGH-QUALITY INFORMATION TECHNOLOGY EDUCATION
17 OPPORTUNITIES TO STUDENTS.

18 (4) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2017-2018 ARE A
19 WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2017-2018
20 ARE TO BE CARRIED FORWARD INTO 2018-2019. THE PURPOSE OF THE WORK
21 PROJECT IS TO CONTINUE TO PROVIDE INFORMATION TECHNOLOGY EDUCATION
22 OPPORTUNITIES DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION
23 DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2020.

24 Sec. 65. (1) From the general fund money appropriated under
25 section 11, there is allocated an amount not to exceed \$340,000.00
26 for ~~2016-2017~~ **2017-2018** for a pre-college engineering K-12
27 educational program that is focused on the development of a diverse

1 future Michigan workforce, that serves multiple communities within
2 southeast Michigan, that enrolls pupils from multiple districts,
3 and that received funds appropriated for this purpose in the
4 appropriations act that provided the Michigan strategic fund budget
5 for 2014-2015.

6 (2) To be eligible for funding under this section, a program
7 must have the ability to expose pupils to, and motivate and prepare
8 pupils for, science, technology, engineering, and mathematics
9 careers and postsecondary education with special attention given to
10 groups of pupils who are at-risk and underrepresented in technical
11 professions and careers.

12 Sec. 67. (1) From the general fund amount appropriated in
13 section 11, there is allocated an amount not to exceed
14 ~~\$3,050,000.00 for 2016-2017~~ **\$3,000,000.00 FOR 2017-2018** for college
15 ~~and career preparation activities.~~ **ACCESS PROGRAMS.** The programs
16 funded under this section are intended to inform students of
17 college and career options and to provide ~~a wide array of tools and~~
18 resources intended to increase the number of pupils who are
19 adequately prepared with the information needed to make informed
20 decisions on college and career. The funds appropriated under this
21 section are intended to be used to increase the number of Michigan
22 residents with high-quality degrees or credentials. Funds
23 appropriated under this section shall not be used to supplant
24 funding for counselors already funded by districts.

25 (2) ~~From the amount allocated in subsection (1), an amount not~~
26 ~~to exceed \$3,000,000.00 shall be used for the college access~~
27 ~~program.~~ The talent investment agency of the department of talent

1 and economic development shall administer ~~these~~ funds **ALLOCATED**
2 **UNDER THIS SECTION** in collaboration with the Michigan college
3 access network. These funds may be used for any of the following
4 purposes:

5 (a) Michigan college access network operations, programming,
6 and services to local college access networks.

7 (b) Local college access networks, which are community-based
8 college access/success partnerships committed to increasing the
9 college participation and completion rates within geographically
10 defined communities through a coordinated strategy.

11 (c) The Michigan college advising program, a program intended
12 to place trained, recently graduated college advisors in high
13 schools that serve significant numbers of low-income and first-
14 generation college-going pupils. State funds used for this purpose
15 may not exceed 33% of the total funds available under this
16 subsection.

17 (d) Subgrants of up to \$5,000.00 to districts with
18 comprehensive high schools that establish a college access team and
19 implement specific strategies to create a college-going culture in
20 a high school in a form and manner approved by the Michigan college
21 access network and the Michigan talent investment agency.

22 (e) The Michigan college access portal, an online one-stop
23 portal to help pupils and families plan and apply for college.

24 (f) Public awareness and outreach campaigns to encourage low-
25 income and first-generation college-going pupils to take necessary
26 steps toward college and to assist pupils and families in
27 completing a timely and accurate free application for federal

1 student aid.

2 (g) Subgrants to postsecondary institutions to recruit, hire,
3 and train college student mentors and college advisors to assist
4 high school pupils in navigating the postsecondary planning and
5 enrollment process.

6 ~~—— (3) From the amount allocated in subsection (1), an amount not~~
7 ~~to exceed \$50,000.00 shall be used for an outreach program to~~
8 ~~provide information to pupils, parents, and educators on dual~~
9 ~~enrollment and other opportunities available to high school pupils~~
10 ~~to earn postsecondary credits, industry-recognized technical~~
11 ~~certifications, and participation in registered apprenticeships at~~
12 ~~no cost.~~

13 (3) ~~(4)~~ For the purposes of this section, "college" means any
14 postsecondary educational opportunity that leads to a career,
15 including, but not limited to, a postsecondary degree, industry-
16 recognized technical certification, or registered apprenticeship.

17 **SEC. 67A. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN**
18 **SECTION 11, THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO**
19 **EXCEED \$1,000,000.00 TO EXPAND AN ELIGIBLE WEB-BASED CAREER**
20 **PREPARATION AND READINESS PLATFORM TO PROSPERITY REGIONS BEYOND**
21 **WHERE THE PLATFORM IS CURRENTLY BEING UTILIZED.**

22 (2) IN ORDER TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, A
23 CAREER PREPARATION AND READINESS PLATFORM SHALL MEET ALL OF THE
24 FOLLOWING:

25 (A) HAS A PARTNERSHIP WITH INTERMEDIATE DISTRICTS, COMMUNITY
26 COLLEGES, WORKFORCE DEVELOPMENT AGENCIES, AND COMMUNITY EMPLOYERS.

27 (B) ASSESSES STUDENT SKILLS, ABILITIES, AND PREFERENCES TO

1 MATCH THEM WITH CAREERS OF INTEREST.

2 (C) ALLOWS STUDENTS TO EXPLORE CAREERS WITH ACCESS TO MORE
3 THAN 600 CAREER PROFILES, INCLUDING, BUT NOT LIMITED TO, CAREER
4 DESCRIPTIONS, EDUCATION AND TRAINING REQUIREMENTS, AND EARNING
5 INFORMATION.

6 (D) CONNECTS WITH LOCAL COMPANIES THROUGH COMPANY PROFILES
7 THAT INCLUDE, BUT ARE NOT LIMITED TO, DESCRIPTION, LOCATION, CAREER
8 OPPORTUNITIES, AND WORK-BASED LEARNING ACTIVITIES.

9 (E) ALLOWS STUDENTS TO EXPERIENCE CAREERS FIRSTHAND BY
10 SEARCHING FOR JOB SHADOWING, MOCK INTERVIEWS, COMPANY TOURS,
11 COMPANY EVENTS, AND INTERNSHIP OPPORTUNITIES OFFERED BY EMPLOYERS
12 IN A STUDENT'S AREA.

13 (F) PROVIDES STUDENTS WITH STEP-BY-STEP HELP TO DEVELOP A JOB
14 SEARCH PLAN, WRITE A RESUME AND COVER LETTER, AND PREPARE FOR JOB
15 INTERVIEWS.

16 (G) PROVIDES STUDENTS WITH AN UNDERSTANDING OF THE EDUCATION
17 AND TRAINING REQUIRED FOR A PARTICULAR CAREER, A COMPARISON OF
18 SCHOOL DATA AND PROFILES, AND ACCESS TO COLLEGE PREPARATION,
19 SCHOLARSHIP, AND FINANCIAL AID INFORMATION.

20 (3) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
21 SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

22 Sec. 74. (1) From the amount appropriated in section 11, there
23 is allocated an amount not to exceed ~~\$3,320,600.00 for 2016-2017~~
24 **\$3,730,300.00 FOR 2017-2018** for the purposes of this section.

25 (2) From the allocation in subsection (1), there is allocated
26 for each fiscal year the amount necessary for payments to state
27 supported colleges or universities and intermediate districts

1 providing school bus driver safety instruction pursuant to section
2 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
3 payments shall be in an amount determined by the department not to
4 exceed the actual cost of instruction and driver compensation for
5 each public or nonpublic school bus driver attending a course of
6 instruction. For the purpose of computing compensation, the hourly
7 rate allowed each school bus driver shall not exceed the hourly
8 rate received for driving a school bus. Reimbursement compensating
9 the driver during the course of instruction shall be made by the
10 department to the college or university or intermediate district
11 providing the course of instruction.

12 (3) From the allocation in subsection (1), there is allocated
13 for ~~2016-2017~~ **2017-2018** the amount necessary to pay the reasonable
14 costs of nonspecial education auxiliary services transportation
15 provided pursuant to section 1323 of the revised school code, MCL
16 380.1323. Districts funded under this subsection shall not receive
17 funding under any other section of this article for nonspecial
18 education auxiliary services transportation.

19 (4) From the funds allocated in subsection (1), there is
20 allocated an amount not to exceed ~~\$1,695,600.00 for 2016-2017~~
21 **\$1,705,300.00 FOR 2017-2018** for reimbursement to districts and
22 intermediate districts for costs associated with the inspection of
23 school buses and pupil transportation vehicles by the department of
24 state police as required under section 715a of the Michigan vehicle
25 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
26 transportation act, 1990 PA 187, MCL 257.1839. The department of
27 state police shall prepare a statement of costs attributable to

each district for which bus inspections are provided and submit it to the department and to an intermediate district serving as fiduciary in a time and manner determined jointly by the department and the department of state police. Upon review and approval of the statement of cost, the department shall forward to the designated intermediate district serving as fiduciary the amount of the reimbursement on behalf of each district and intermediate district for costs detailed on the statement within 45 days after receipt of the statement. The designated intermediate district shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.

Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** to the intermediate districts the sum necessary, but not to exceed \$67,108,000.00 to provide state aid to intermediate districts under this section.

~~(2) From the allocation in subsection (1), there is allocated for 2016-2017 an amount not to exceed \$67,108,000.00 for allocations~~ **THE AMOUNT ALLOCATED UNDER THIS SECTION** to each intermediate district ~~in~~ **IS** an amount equal to 100% of the amount allocated to the intermediate district under this ~~subsection for 2015-2016.~~ **SECTION FOR 2016-2017.** Funding provided under this section shall be used to comply with requirements of this article and the revised school code that are applicable to intermediate

1 districts, and for which funding is not provided elsewhere in this
2 article, and to provide technical assistance to districts as
3 authorized by the intermediate school board.

4 (3) Intermediate districts receiving funds under ~~subsection~~
5 ~~(2)~~ **THIS SECTION**, shall collaborate with the department to develop
6 expanded professional development opportunities for teachers to
7 update and expand their knowledge and skills needed to support the
8 Michigan merit curriculum.

9 (4) From the allocation in subsection (1), there is allocated
10 to an intermediate district, formed by the consolidation or
11 annexation of 2 or more intermediate districts or the attachment of
12 a total intermediate district to another intermediate school
13 district or the annexation of all of the constituent K-12 districts
14 of a previously existing intermediate school district which has
15 disorganized, an additional allotment of \$3,500.00 each fiscal year
16 for each intermediate district included in the new intermediate
17 district for 3 years following consolidation, annexation, or
18 attachment.

19 (5) In order to receive funding under ~~subsection (2)~~, **THIS**
20 **SECTION**, an intermediate district shall do all of the following:

21 (a) Demonstrate to the satisfaction of the department that the
22 intermediate district employs at least 1 person who is trained in
23 pupil accounting and auditing procedures, rules, and regulations.

24 (b) Demonstrate to the satisfaction of the department that the
25 intermediate district employs at least 1 person who is trained in
26 rules, regulations, and district reporting procedures for the
27 individual-level student data that serves as the basis for the

1 calculation of the district and high school graduation and dropout
2 rates.

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

5 (d) Furnish data and other information required by state and
6 federal law to the center and the department in the form and manner
7 specified by the center or the department, as applicable.

8 (e) Comply with section 1230g of the revised school code, MCL
9 380.1230g.

10 (f) Comply with section 761 of the revised school code, MCL
11 380.761.

12 Sec. 94. (1) From the general fund appropriation in section
13 11, there is allocated to the department for ~~2016-2017~~**2017-2018** an
14 amount not to exceed ~~\$250,000.00~~**\$750,000.00** for efforts to
15 increase the number of pupils who participate and succeed in
16 advanced placement and international baccalaureate programs.

17 (2) From the funds allocated under this section, the
18 department shall award funds to cover all or part of the costs of
19 advanced placement test fees or international baccalaureate test
20 fees and international baccalaureate registration fees for low-
21 income pupils who take an advanced placement or an international
22 baccalaureate test. Payments shall not exceed \$20.00 per test
23 completed or \$150.00 per international baccalaureate registration
24 fees per pupil registered.

25 (3) The department shall only award funds under this section
26 if the department determines that all of the following criteria are
27 met:

1 (a) Each pupil for whom payment is made meets eligibility
2 requirements of the federal advanced placement test fee program
3 under section 1701 of the no child left behind act of 2001, Public
4 Law 107-110, or under a corresponding provision of the every
5 student succeeds act, Public Law 114-95.

6 (b) The tests are administered by the college board, the
7 international baccalaureate organization, or another test provider
8 approved by the department.

9 (c) The pupil for whom payment is made pays at least \$5.00
10 toward the cost of each test for which payment is made.

11 (4) The department shall establish procedures for awarding
12 funds under this section.

13 (5) Notwithstanding section 17b, payments under this section
14 shall be made on a schedule determined by the department.

15 Sec. 94a. (1) There is created within the state budget office
16 in the department of technology, management, and budget the center
17 for educational performance and information. The center shall do
18 all of the following:

19 (a) Coordinate the collection of all data required by state
20 and federal law from districts, intermediate districts, and
21 postsecondary institutions.

22 (b) Create, maintain, and enhance this state's P-20
23 longitudinal data system and ensure that it meets the requirements
24 of subsection (4).

25 (c) Collect data in the most efficient manner possible in
26 order to reduce the administrative burden on reporting entities,
27 including, but not limited to, electronic transcript services.

1 (d) Create, maintain, and enhance this state's web-based
2 educational portal to provide information to school leaders,
3 teachers, researchers, and the public in compliance with all
4 federal and state privacy laws. Data shall include, but are not
5 limited to, all of the following:

6 (i) Data sets that link teachers to student information,
7 allowing districts to assess individual teacher impact on student
8 performance and consider student growth factors in teacher and
9 principal evaluation systems.

10 (ii) Data access or, if practical, data sets, provided for
11 regional data ~~warehouses~~**HUBS** that, in combination with local data,
12 can improve teaching and learning in the classroom.

13 (iii) Research-ready data sets for researchers to perform
14 research that advances this state's educational performance.

15 (e) Provide data in a useful manner to allow state and local
16 policymakers to make informed policy decisions.

17 (f) Provide public reports to the citizens of this state to
18 allow them to assess allocation of resources and the return on
19 their investment in the education system of this state.

20 (g) Other functions as assigned by the state budget director.

21 (2) Each state department, officer, or agency that collects
22 information from districts, intermediate districts, or
23 postsecondary institutions as required under state or federal law
24 shall make arrangements with the center to ensure that the state
25 department, officer, or agency is in compliance with subsection
26 (1). This subsection does not apply to information collected by the
27 department of treasury under the uniform budgeting and accounting

1 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
2 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
3 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
4 388.1939; or section 1351a of the revised school code, MCL
5 380.1351a.

6 (3) The center may enter into any interlocal agreements
7 necessary to fulfill its functions.

8 (4) The center shall ensure that the P-20 longitudinal data
9 system required under subsection (1)(b) meets all of the following:

10 (a) Includes data at the individual student level from
11 preschool through postsecondary education and into the workforce.

12 (b) Supports interoperability by using standard data
13 structures, data formats, and data definitions to ensure linkage
14 and connectivity in a manner that facilitates the exchange of data
15 among agencies and institutions within the state and between
16 states.

17 (c) Enables the matching of individual teacher and student
18 records so that an individual student may be matched with those
19 teachers providing instruction to that student.

20 (d) Enables the matching of individual teachers with
21 information about their certification and the institutions that
22 prepared and recommended those teachers for state certification.

23 (e) Enables data to be easily generated for continuous
24 improvement and decision-making, including timely reporting to
25 parents, teachers, and school leaders on student achievement.

26 (f) Ensures the reasonable quality, validity, and reliability
27 of data contained in the system.

1 (g) Provides this state with the ability to meet federal and
2 state reporting requirements.

3 (h) For data elements related to preschool through grade 12
4 and postsecondary, meets all of the following:

5 (i) Contains a unique statewide student identifier that does
6 not permit a student to be individually identified by users of the
7 system, except as allowed by federal and state law.

8 (ii) Contains student-level enrollment, demographic, and
9 program participation information.

10 (iii) Contains student-level information about the points at
11 which students exit, transfer in, transfer out, drop out, or
12 complete education programs.

13 (iv) Has the capacity to communicate with higher education
14 data systems.

15 (i) For data elements related to preschool through grade 12
16 only, meets all of the following:

17 (i) Contains yearly test records of individual students for
18 assessments approved by DED-OESE for accountability purposes under
19 section 1111(b) of the elementary and secondary education act of
20 1965, 20 USC 6311, including information on individual students not
21 tested, by grade and subject.

22 (ii) Contains student-level transcript information, including
23 information on courses completed and grades earned.

24 (iii) Contains student-level college readiness test scores.

25 (j) For data elements related to postsecondary education only:

26 (i) Contains data that provide information regarding the
27 extent to which individual students transition successfully from

1 secondary school to postsecondary education, including, but not
2 limited to, all of the following:

3 (A) Enrollment in remedial coursework.

4 (B) Completion of 1 year's worth of college credit applicable
5 to a degree within 2 years of enrollment.

6 (ii) Contains data that provide other information determined
7 necessary to address alignment and adequate preparation for success
8 in postsecondary education.

9 (5) From the general fund appropriation in section 11, there
10 is allocated an amount not to exceed ~~\$12,173,200.00 for 2016-2017~~
11 **\$10,173,200.00 FOR 2016-2017 AND AN AMOUNT NOT TO EXCEED**
12 **\$16,216,000.00 FOR 2017-2018** to the department of technology,
13 management, and budget to support the operations of the center. In
14 addition, from the federal funds appropriated in section 11 there
15 is allocated for **EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018**
16 the amount necessary, estimated at \$193,500.00, to support the
17 operations of the center and to establish a P-20 longitudinal data
18 system necessary for state and federal reporting purposes. The
19 center shall cooperate with the department to ensure that this
20 state is in compliance with federal law and is maximizing
21 opportunities for increased federal funding to improve education in
22 this state.

23 (6) From the funds allocated in subsection (5), the center may
24 use an amount determined by the center for competitive grants for
25 ~~2016-2017-2017-2018~~ to support collaborative efforts on the P-20
26 longitudinal data system. All of the following apply to grants
27 awarded under this subsection:

1 (a) The center shall award competitive grants to eligible
2 intermediate districts or a consortium of intermediate districts
3 based on criteria established by the center.

4 (b) Activities funded under the grant shall support the P-20
5 longitudinal data system portal and may include portal hosting,
6 hardware and software acquisition, maintenance, enhancements, user
7 support and related materials, and professional learning tools and
8 activities aimed at improving the utility of the P-20 longitudinal
9 data system.

10 (c) An applicant that received a grant under this subsection
11 for the immediately preceding fiscal year shall receive priority
12 for funding under this section. However, after 3 fiscal years of
13 continuous funding, an applicant is required to compete openly with
14 new applicants.

15 (7) Funds allocated under this section that are not expended
16 in the fiscal year in which they were allocated may be carried
17 forward to a subsequent fiscal year and are appropriated for the
18 purposes for which the funds were originally allocated.

19 (8) The center may bill departments as necessary in order to
20 fulfill reporting requirements of state and federal law. The center
21 may also enter into agreements to supply custom data, analysis, and
22 reporting to other principal executive departments, state agencies,
23 local units of government, and other individuals and organizations.
24 The center may receive and expend funds in addition to those
25 authorized in subsection (5) to cover the costs associated with
26 salaries, benefits, supplies, materials, and equipment necessary to
27 provide such data, analysis, and reporting services.

(9) As used in this section:

(a) "DED-OESE" means the United States Department of Education Office of Elementary and Secondary Education.

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

SEC. 95B. (1) FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR 2017-2018 FOR THE DEPARTMENT TO ADOPT A MODEL VALUE-ADDED GROWTH AND PROJECTION ANALYTICS SYSTEM AND TO INCORPORATE THAT MODEL INTO ITS REPORTING REQUIREMENTS UNDER THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95. THE ADOPTED MODEL SHALL DO AT LEAST ALL OF THE FOLLOWING:

(A) UTILIZE EXISTING ASSESSMENTS AND ANY FUTURE ASSESSMENTS THAT ARE SUITABLE FOR MEASURING STUDENT GROWTH.

(B) REPORT STUDENT GROWTH MEASURES AT THE DISTRICT, SCHOOL, TEACHER, AND SUBGROUP LEVELS.

(C) RECOGNIZE THE GROWTH OF TESTED STUDENTS, INCLUDING THOSE WHO MAY HAVE MISSING ASSESSMENT DATA.

(D) INCLUDE ALL AVAILABLE PRIOR STANDARDIZED ASSESSMENT DATA THAT MEET INCLUSION CRITERIA ACROSS GRADES, SUBJECTS, AND STATE AND LOCAL ASSESSMENTS.

(E) ALLOW STUDENT GROWTH RESULTS TO BE DISAGGREGATED.

(F) PROVIDE INDIVIDUAL STUDENT PROJECTIONS SHOWING THE PROBABILITY OF A STUDENT REACHING SPECIFIC PERFORMANCE LEVELS ON FUTURE ASSESSMENTS.

(G) DEMONSTRATE ANY PRIOR SUCCESS WITH THIS STATE'S ASSESSMENTS THROUGH THE MICHIGAN COUNCIL OF EDUCATOR EFFECTIVENESS TEACHER EVALUATION PILOT.

1 (2) THE DEPARTMENT SHALL PROVIDE INTERNET-BASED ELECTRONIC
2 STUDENT GROWTH AND PROJECTION REPORTING BASED ON THE MODEL ADOPTED
3 UNDER SUBSECTION (1) TO EDUCATORS AT THE SCHOOL, DISTRICT, AND
4 STATE LEVELS. THE MODEL SHALL INCLUDE ROLE-BASED PERMISSIONS THAT
5 ALLOW EDUCATORS TO ACCESS INFORMATION ABOUT THE PERFORMANCE OF THE
6 STUDENTS WITHIN THEIR IMMEDIATE RESPONSIBILITY IN ACCORDANCE WITH
7 APPLICABLE PRIVACY LAWS.

8 (3) THE MODEL ADOPTED UNDER SUBSECTION (1) MUST NOT BE A
9 MANDATORY PART OF TEACHER EVALUATION OR EDUCATOR PAY-FOR-
10 PERFORMANCE SYSTEMS.

11 Sec. 98. (1) From the general fund money appropriated in
12 section 11, there is allocated an amount not to exceed
13 \$7,387,500.00 for ~~2016-2017~~**2017-2018** for the purposes described in
14 this section. The Michigan Virtual University shall provide a
15 report to the legislature not later than November 1, ~~2016~~**2017** that
16 includes its mission, its plans, and proposed benchmarks it must
17 meet, which shall include a plan to achieve a 50% increase in
18 documented improvement in each requirement of the Michigan Virtual
19 Learning Research Institute and Michigan Virtual School, and all
20 other organizational priorities identified in this section, in
21 order to receive full funding for ~~2017-2018~~**2018-2019**. Not later
22 than March 1, ~~2017~~**2018**, the Michigan Virtual University shall
23 provide an update to the house and senate appropriations
24 subcommittees on school aid to show the progress being made to meet
25 the benchmarks identified.

26 (2) The Michigan Virtual University shall operate the Michigan
27 Virtual Learning Research Institute. The Michigan Virtual Learning

1 Research Institute shall do all of the following:

2 (a) Support and accelerate innovation in education through the
3 following activities:

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

6 (ii) Research, design, and recommend virtual education
7 delivery models for use by pupils and teachers that include age-
8 appropriate multimedia instructional content.

9 (iii) Research, develop, and recommend annually to the
10 department criteria by which cyber schools and virtual course
11 providers should be monitored and evaluated to ensure a quality
12 education for their pupils.

13 (iv) Based on pupil completion and performance data reported
14 to the department or the center for educational performance and
15 information from cyber schools and other virtual course providers
16 operating in this state, analyze the effectiveness of virtual
17 learning delivery models in preparing pupils to be college- and
18 career-ready and publish a report that highlights enrollment
19 totals, completion rates, and the overall impact on pupils. The
20 report shall be submitted to the house and senate appropriations
21 subcommittees on state school aid, the state budget director, the
22 house and senate fiscal agencies, the department, districts, and
23 intermediate districts not later than March 31, ~~2017~~.**2018**.

24 (v) ~~Before August 31, 2017, provide~~ **PROVIDE** an extensive
25 professional development program to at least 30,000 educational
26 personnel, including teachers, school administrators, and school
27 board members, that focuses on the effective integration of virtual

1 learning into curricula and instruction. The Michigan Virtual
2 Learning Research Institute is encouraged to work with the MiSTEM
3 advisory council created under section 99s to coordinate
4 professional development of teachers in applicable fields. In
5 addition, the Michigan Virtual Learning Research Institute and
6 external stakeholders are encouraged to coordinate with the
7 department for professional development in this state. Not later
8 than December 1, ~~2017~~, **2018**, the Michigan Virtual Learning Research
9 Institute shall submit a report to the house and senate
10 appropriations subcommittees on state school aid, the state budget
11 director, the house and senate fiscal agencies, and the department
12 on the number and percentage of teachers, school administrators,
13 and school board members who have received professional development
14 services from the Michigan Virtual University. The report shall
15 also identify barriers and other opportunities to encourage the
16 adoption of virtual learning in the public education system.

17 (vi) Identify and share best practices for planning,
18 implementing, and evaluating virtual 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 virtual
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 virtual learning in this state's schools.

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

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

3 (iii) Promote and distribute the most current instructional
4 design standards and guidelines for virtual 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 virtual learning instruction.

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

11 (vi) Create a statewide network of school-based mentors
12 serving as liaisons between pupils, virtual instructors, parents,
13 and school staff, as provided by the department or the center, and
14 provide mentors with research-based training and technical
15 assistance designed to help more pupils be successful virtual
16 learners.

17 (vii) Convene focus groups and conduct annual surveys of
18 teachers, administrators, pupils, parents, and others to identify
19 barriers and opportunities related to virtual learning.

20 (viii) Produce an annual consumer awareness report for schools
21 and parents about effective virtual education providers and
22 education delivery models, performance data, cost structures, and
23 research trends.

24 (ix) Research and establish an internet-based platform that
25 educators can use to create student-centric learning tools and
26 resources and facilitate a user network that assists educators in
27 using the platform. As part of this initiative, the Michigan

1 Virtual University shall work collaboratively with districts and
2 intermediate districts to establish a plan to make available
3 virtual resources that align to Michigan's K-12 curriculum
4 standards for use by students, educators, and parents.

5 (x) Create and maintain a public statewide catalog of virtual
6 learning courses being offered by all public schools and community
7 colleges in this state. The Michigan Virtual Learning Research
8 Institute shall identify and develop a list of nationally
9 recognized best practices for virtual learning and use this list to
10 support reviews of virtual course vendors, courses, and
11 instructional practices. The Michigan Virtual Learning Research
12 Institute shall also provide a mechanism for intermediate districts
13 to use the identified best practices to review content offered by
14 constituent districts. The Michigan Virtual Learning Research
15 Institute shall review the virtual course offerings of the Michigan
16 Virtual University, and make the results from these reviews
17 available to the public as part of the statewide catalog. The
18 Michigan Virtual Learning Research Institute shall ensure that the
19 statewide catalog is made available to the public on the Michigan
20 Virtual University website and shall allow the ability to link it
21 to each district's website as provided for in section 21f. The
22 statewide catalog shall also contain all of the following:

23 (A) The number of enrollments in each virtual course in the
24 immediately preceding school year.

25 (B) The number of enrollments that earned 60% or more of the
26 total course points for each virtual course in the immediately
27 preceding school year.

1 (C) The completion rate for each virtual course.

2 (xi) Develop prototype and pilot registration, payment
3 services, and transcript functionality to the statewide catalog and
4 train key stakeholders on how to use new features.

5 (xii) Collaborate with key stakeholders to examine district
6 level accountability and teacher effectiveness issues related to
7 virtual learning under section 21f and make findings and
8 recommendations publicly available.

9 (xiii) Provide a report on the activities of the Michigan
10 Virtual Learning Research Institute.

11 (3) To further enhance its expertise and leadership in virtual
12 learning, the Michigan Virtual University shall continue to operate
13 the Michigan Virtual School as a statewide laboratory and quality
14 model of instruction by implementing virtual and blended learning
15 solutions for Michigan schools in accordance with the following
16 parameters:

17 (a) The Michigan Virtual School must maintain its
18 accreditation status from recognized national and international
19 accrediting entities.

20 (b) The Michigan Virtual University shall use no more than
21 \$1,000,000.00 of the amount allocated under this section to
22 subsidize the cost paid by districts for virtual courses.

23 (c) In providing educators responsible for the teaching of
24 virtual courses as provided for in this section, the Michigan
25 Virtual School shall follow the requirements to request and assess,
26 and the department of state police shall provide, a criminal
27 history check and criminal records check under sections 1230 and

1 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
2 the same manner as if the Michigan Virtual School were a school
3 district under those sections.

4 **(4) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE**
5 **MICHIGAN VIRTUAL UNIVERSITY SHALL ALLOCATE UP TO \$500,000.00 TO**
6 **SUPPORT THE EXPANSION OF NEW ONLINE AND BLENDED EDUCATOR**
7 **PROFESSIONAL DEVELOPMENT PROGRAMS.**

8 **(5) ~~(4)~~**—If the course offerings are included in the statewide
9 catalog of virtual courses under subsection ~~(2) (b) (ix)~~, **(2) (B) (x)** ,
10 the Michigan Virtual School operated by the Michigan Virtual
11 University may offer virtual course offerings, including, but not
12 limited to, all of the following:

13 (a) Information technology courses.

14 (b) College level equivalent courses, as defined in section
15 1471 of the revised school code, MCL 380.1471.

16 (c) Courses and dual enrollment opportunities.

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

18 (e) High school equivalency test preparation courses for
19 adjudicated youth.

20 (f) Special interest courses.

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

23 **(6) ~~(5)~~**—If a home-schooled or nonpublic school student is a
24 resident of a district that subscribes to services provided by the
25 Michigan Virtual School, the student may use the services provided
26 by the Michigan Virtual School to the district without charge to
27 the student beyond what is charged to a district pupil using the

1 same services.

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

9 (a) A list of the districts served by the Michigan Virtual
10 School.

11 (b) A list of virtual course titles available to districts.

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

14 (d) The overall course completion rate percentage.

15 (8) ~~(7)~~—In addition to the information listed in subsection
16 ~~(6)~~, ~~(7)~~, the report under subsection ~~(6)~~ ~~(7)~~ shall also include a
17 plan to serve at least 600 schools with courses from the Michigan
18 Virtual School or with content available through the internet-based
19 platform identified in subsection (2) (b) (ix).

20 (9) ~~(8)~~—The governor may appoint an advisory group for the
21 Michigan Virtual Learning Research Institute established under
22 subsection (2). The members of the advisory group shall serve at
23 the pleasure of the governor and shall serve without compensation.
24 The purpose of the advisory group is to make recommendations to the
25 governor, the legislature, and the president and board of the
26 Michigan Virtual University that will accelerate innovation in this
27 state's education system in a manner that will prepare elementary

1 and secondary students to be career and college ready and that will
2 promote the goal of increasing the percentage of citizens of this
3 state with high-quality degrees and credentials to at least 60% by
4 2025.

5 **(10)** ~~(9)~~ Not later than November 1, ~~2016,~~**2017**, the Michigan
6 Virtual University shall submit to the house and senate
7 appropriations subcommittees on state school aid, the state budget
8 director, and the house and senate fiscal agencies a detailed
9 budget for the ~~2016-2017~~**2017-2018** fiscal year that includes a
10 breakdown on its projected costs to deliver virtual educational
11 services to districts and a summary of the anticipated fees to be
12 paid by districts for those services. Not later than March 1 each
13 year, the Michigan Virtual University shall submit to the house and
14 senate appropriations subcommittees on state school aid, the state
15 budget director, and the house and senate fiscal agencies a
16 breakdown on its actual costs to deliver virtual educational
17 services to districts and a summary of the actual fees paid by
18 districts for those services based on audited financial statements
19 for the immediately preceding fiscal year.

20 **(11)** ~~(10)~~ As used in this section:

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

1 (b) "Cyber school" means a full-time instructional program of
2 virtual courses for pupils that may or may not require attendance
3 at a physical school location.

4 (c) "Virtual course" means a course of study that is capable
5 of generating a credit or a grade and that is provided in an
6 interactive learning environment in which the majority of the
7 curriculum is delivered using the internet and in which pupils are
8 separated from their instructor or teacher of record by time or
9 location, or both.

10 **SEC. 99C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
11 **ALLOCATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED \$60,000.00**
12 **EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018 FOR THE PURPOSE OF**
13 **CIVIC EDUCATION AS DESCRIBED IN THIS SECTION. THE DEPARTMENT SHALL**
14 **AWARD FUNDING TO A PROVIDER THAT RECEIVED A GRANT UNDER THIS**
15 **SECTION AS IT WAS IN EFFECT FOR 2015-2016 FOR THE DELIVERY OF**
16 **PROGRAMS THAT EXEMPLIFY BEST PRACTICES IN CIVIC EDUCATION. THE**
17 **PROGRAMS SHALL TEACH UPPER ELEMENTARY, MIDDLE, AND HIGH SCHOOL**
18 **PUPILS HOW TO PARTICIPATE RESPONSIBLY IN LOCAL AND STATE**
19 **GOVERNMENT, AND SHALL PROVIDE UPPER ELEMENTARY, MIDDLE, AND HIGH**
20 **SCHOOL PUPILS WITH AN INNOVATIVE COURSE OF INSTRUCTION ON THE**
21 **HISTORY AND PRINCIPLES OF UNITED STATES CONSTITUTIONAL DEMOCRACY.**
22 **THE PROVIDER ALSO SHALL PROVIDE SUPPORT TO ALL SCHOOLS IN THIS**
23 **STATE BEYOND THOSE TARGETED FOR INTENSIVE PROGRAMMING FUNDED UNDER**
24 **THIS SECTION THROUGH ITS WEBSITE, CONDUCT PRESENTATIONS AT**
25 **STATEWIDE CONFERENCES, AND CONDUCT PRESENTATIONS AT DISTRICTS AND**
26 **INTERMEDIATE DISTRICTS.**

27 Sec. 99h. (1) From the **STATE SCHOOL AID FUND** appropriation in

1 section 11, there is allocated an amount not to exceed
2 \$2,500,000.00 for ~~2016-2017~~**2017-2018** for competitive grants to
3 districts, **AND FROM THE GENERAL FUND APPROPRIATION IN SECTION 11,**
4 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR 2017-**
5 **2018 FOR COMPETITIVE GRANTS TO NONPUBLIC SCHOOLS,** that provide
6 pupils in grades K to 12 with expanded opportunities to improve
7 mathematics, science, and technology skills by participating in
8 events hosted by a science and technology development program known
9 as FIRST (for inspiration and recognition of science and
10 technology) Robotics, including JR FIRST Lego League, FIRST Lego
11 League, FIRST tech challenge, and FIRST Robotics competition.
12 Programs funded under this section are intended to increase the
13 number of pupils demonstrating proficiency in science and
14 mathematics on the state assessments and to increase the number of
15 pupils who are college- and career-ready upon high school
16 graduation. Notwithstanding section 17b, grant payments to
17 districts **AND NONPUBLIC SCHOOLS** under this section shall be paid on
18 a schedule determined by the department. The department shall set
19 maximum grant awards for each different level of competition in a
20 manner that both maximizes the number of teams that will be able to
21 receive funds and expands the geographical distribution of teams.

22 (2) A district **OR NONPUBLIC SCHOOL** applying for a grant under
23 this section shall submit an application in a form and manner
24 determined by the department. To be eligible for a grant, a
25 district **OR NONPUBLIC SCHOOL** shall demonstrate in its application
26 that the district **OR NONPUBLIC SCHOOL** has established a partnership
27 for the purposes of the FIRST Robotics program with at least 1

1 sponsor, business entity, higher education institution, or
2 technical school, shall submit a spending plan, and shall pay at
3 least 25% of the cost of the FIRST Robotics program.

4 (3) The department shall distribute the grant funding under
5 this section for the following purposes:

6 (a) Grants to districts **OR NONPUBLIC SCHOOLS** to pay for
7 stipends not to exceed \$1,500.00 for 1 coach per team.

8 (b) Grants to districts **OR NONPUBLIC SCHOOLS** for event
9 registrations, materials, travel costs, and other expenses
10 associated with the preparation for and attendance at FIRST
11 Robotics events and competitions. Each grant recipient shall
12 provide a local match from other private or local funds for the
13 funds received under this subdivision equal to at least 50% of the
14 costs of participating in an event.

15 (c) Grants to districts **OR NONPUBLIC SCHOOLS** for awards to
16 teams that advance to the state and world championship
17 competitions. The department shall determine an equal amount per
18 team for those teams that advance to the state championship and a
19 second equal award amount to those teams that advance to the world
20 championship.

21 ~~—— (4) The funds allocated under this section are a work project~~
22 ~~appropriation, and any unexpended funds for 2016-2017 are carried~~
23 ~~forward into 2017-2018. The purpose of the work project is to~~
24 ~~continue to implement the projects described under subsection (1).~~
25 ~~The estimated completion date of the work project is September 30,~~
26 ~~2019.~~

27 **(4) A NONPUBLIC SCHOOL THAT RECEIVES A GRANT UNDER THIS**

1 SECTION MAY USE THE FUNDS FOR EITHER FIRST ROBOTICS OR SCIENCE
2 OLYMPIAD PROGRAMS.

3 SEC. 99K. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
4 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2017-2018 FOR
5 COMPETITIVE GRANTS TO DISTRICTS THAT PROVIDE PUPILS IN GRADES 6 TO
6 12 WITH EXPANDED OPPORTUNITIES TO IMPROVE COMPUTER SCIENCE SKILLS
7 BY PARTICIPATING IN CYBERSECURITY COMPETITIVE EVENTS HOSTED BY
8 MERIT NETWORK, INCORPORATED, KNOWN AS MICHIGAN HIGH SCHOOL CYBER
9 CHALLENGE, OR HOSTED BY THE AIR FORCE ASSOCIATION, KNOWN AS
10 CYBERPATRIOT. PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO
11 INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE
12 AND MATHEMATICS ON STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF
13 PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL
14 GRADUATION. NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS TO
15 DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED
16 BY THE DEPARTMENT. THE DEPARTMENT SHALL SET MAXIMUM GRANT AWARDS
17 FOR EACH COMPETITION IN A MANNER THAT BOTH MAXIMIZES THE NUMBER OF
18 TEAMS THAT WILL BE ABLE TO RECEIVE FUNDS AND THE GEOGRAPHICAL
19 DISTRIBUTION OF TEAMS.

20 (2) A DISTRICT APPLYING FOR A GRANT UNDER THIS SECTION SHALL
21 SUBMIT AN APPLICATION IN A FORM AND MANNER DETERMINED BY THE
22 DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL
23 DEMONSTRATE IN ITS APPLICATION THAT THE DISTRICT HAS ESTABLISHED A
24 PARTNERSHIP WITH AT LEAST 1 SPONSOR, BUSINESS ENTITY, HIGHER
25 EDUCATION INSTITUTION, OR TECHNICAL SCHOOL, SHALL SUBMIT A SPENDING
26 PLAN, AND SHALL PAY AT LEAST 25% OF THE COST OF THE SELECTED
27 CYBERSECURITY PROGRAM.

1 (3) THE DEPARTMENT SHALL DISTRIBUTE THE GRANT FUNDING UNDER
2 THIS SECTION FOR THE FOLLOWING PURPOSES:

3 (A) GRANTS TO DISTRICTS TO PAY FOR STIPENDS NOT TO EXCEED
4 \$1,500.00 FOR 1 COACH OR MENTOR PER TEAM.

5 (B) GRANTS TO DISTRICTS FOR EVENT REGISTRATIONS, MATERIALS,
6 TRAVEL COSTS, AND OTHER EXPENSES ASSOCIATED WITH THE PREPARATION
7 FOR AND ATTENDANCE AT EVENTS AND COMPETITIONS. EACH GRANT RECIPIENT
8 SHALL PROVIDE A LOCAL MATCH FROM OTHER PRIVATE OR LOCAL FUNDS FOR
9 THE FUNDS RECEIVED UNDER THIS SUBDIVISION EQUAL TO AT LEAST 50% OF
10 THE COSTS OF PARTICIPATING IN AN EVENT.

11 (C) GRANTS TO DISTRICTS FOR AWARDS TO TEAMS THAT ADVANCE TO
12 STATE AND WORLD CHAMPIONSHIP COMPETITIONS. THE DEPARTMENT SHALL
13 DETERMINE AN EQUAL AMOUNT PER TEAM FOR THOSE TEAMS THAT ADVANCE TO
14 THE STATE CHAMPIONSHIP AND A SECOND EQUAL AWARD AMOUNT TO THOSE
15 TEAMS THAT ADVANCE TO THE WORLD CHAMPIONSHIP FOR THE SELECTED
16 CYBERSECURITY PROGRAM.

17 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT
18 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2017-2018 ARE CARRIED
19 FORWARD INTO 2018-2019. THE PURPOSE OF THE WORK PROJECT IS TO
20 CONTINUE TO IMPLEMENT THE PROJECTS DESCRIBED UNDER SUBSECTION (1).
21 THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,
22 2020.

23 SEC. 99R. (1) FROM THE GENERAL FUND APPROPRIATION UNDER
24 SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO
25 EXCEED \$75,000.00, AND THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT
26 NOT TO EXCEED \$250,000.00, TO SUPPORT THE CREATION OF THE MISTEM
27 NETWORK.

1 (2) FROM THE GENERAL FUND ALLOCATION UNDER THIS SECTION, THERE
2 IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$75,000.00 TO
3 THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET TO SUPPORT THE
4 FUNCTIONS OF A TRANSITIONAL EXECUTIVE DIRECTOR AND EXECUTIVE
5 ASSISTANT FOR THE MISTEM NETWORK. THE DEPARTMENT OF TECHNOLOGY,
6 MANAGEMENT, AND BUDGET SHALL WORK WITH THE MICHIGAN MATHEMATICS AND
7 SCIENCE CENTERS NETWORK AND THE MISTEM COUNCIL TO HIRE THE
8 TRANSITIONAL EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT. THE
9 TRANSITIONAL EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT SHALL WORK
10 WITH THE PRESIDENT AND EXECUTIVE DIRECTOR OF THE MICHIGAN
11 MATHEMATICS AND SCIENCE CENTERS NETWORK AND THE CHAIRPERSON AND
12 VICE-CHAIRPERSON OF THE MISTEM COUNCIL. THE TRANSITIONAL EXECUTIVE
13 DIRECTOR AND EXECUTIVE ASSISTANT SHALL DO ALL OF THE FOLLOWING:

14 (A) DEVELOP A PLAN FOR THE CREATION OF MISTEM NETWORK REGIONS
15 THAT DOES ALL OF THE FOLLOWING:

16 (i) CREATES A STRUCTURED RELATIONSHIP BETWEEN THE MISTEM
17 COUNCIL, MISTEM NETWORK EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT,
18 AND MISTEM NETWORK REGION STAFF THAT ENSURES SERVICES TO ALL
19 REGIONS AND LOCAL COMMUNITIES IN EACH REGION.

20 (ii) EMPOWERS THE MISTEM NETWORK REGIONS IN A MANNER THAT
21 CREATES A ROBUST STATEWIDE STEM CULTURE, EMPOWERS STEM TEACHERS,
22 INTEGRATES BUSINESS AND EDUCATION INTO THE MISTEM NETWORK, AND
23 ENSURES HIGH-QUALITY AND EQUITABLE DISTRIBUTION OF STEM EXPERIENCES
24 FOR PUPILS.

25 (iii) IDENTIFIES REGION BOUNDARIES THROUGHOUT THE STATE AND
26 IDENTIFIES FISCAL AGENTS WITHIN THOSE REGIONS.

27 (iv) IDENTIFIES MISTEM STATE AND REGIONAL GOALS AND OBJECTIVES

1 AND PROCESSES BY WHICH GOALS AND OBJECTIVES SHALL BE MEASURED.

2 (v) INCLUDES PROCESSES BY WHICH THE MISTEM NETWORK REGIONS
3 APPLY FOR MISTEM GRANTS, PROVIDE FEEDBACK ON GRANT-FUNDED
4 PROGRAMMING, SHARE BEST PRACTICES, AND CREATE REGIONAL MASTER
5 PLANS.

6 (vi) CREATES A MARKETING CAMPAIGN, INCLUDING, AT LEAST, AN
7 ONLINE PRESENCE WHICH INCLUDES DASHBOARDS OF OUTCOMES FOR THE
8 MISTEM NETWORK.

9 (B) FORM A COMMITTEE FOR THE PURPOSE OF IDENTIFYING EACH
10 MISTEM NETWORK REGION AND SELECTING A FISCAL AGENT AND DETERMINING
11 STAFFING FOR THAT REGION. FISCAL AGENTS SHALL BE AN INTERMEDIATE
12 DISTRICT WITHIN THE REGION, A UNIVERSITY WITHIN THE REGION, OR
13 ANOTHER ORGANIZATION THAT SERVED AS FISCAL AGENT WITHIN THE
14 MICHIGAN MATHEMATICS AND SCIENCE CENTERS NETWORK. AGENCIES
15 INTERESTED IN SERVING AS THE REGION'S FISCAL AGENT SHALL BE
16 INCLUDED ON THIS COMMITTEE. THE COMMITTEE SHALL ALSO INCLUDE
17 REPRESENTATIVES OF THE GENERAL EDUCATION LEADERSHIP NETWORK AND THE
18 GOVERNOR'S TALENT INVESTMENT BOARD, IN ADDITION TO THE MATH AND
19 SCIENCE CENTERS AND MISTEM COUNCIL. THE COMMITTEE SHALL IDENTIFY
20 NECESSARY STAFFING LEVELS AND LOCATIONS OF STAFF AND DETERMINE
21 PROCESSES BY WHICH THE ENTIRE REGION WILL RECEIVE AND SHARE
22 SERVICES. ALL FISCAL AGENTS FOR THE MICHIGAN MATHEMATICS AND
23 SCIENCE CENTERS NETWORK ARE REQUIRED TO MAINTAIN CURRENT LEVELS OF
24 EFFORT FOR THE MISTEM NETWORK AS FOR THE MICHIGAN MATHEMATICS AND
25 SCIENCE CENTERS NETWORK.

26 (C) DISTRIBUTE AND MONITOR MISTEM GRANTS DURING THE CREATION
27 OF THE MISTEM NETWORK. THE MONITORING OF THE GRANTS SHALL INCLUDE

1 CONDUCTING REVIEWS OF RECIPIENTS AND THE EXPERIENCES AND FEEDBACK
2 OF PUPILS.

3 (D) REPORT TO THE GOVERNOR AND THE LEGISLATURE ON THE
4 DEVELOPMENT OF THE MISTEM NETWORK.

5 (E) SUBMIT THE PLAN DEVELOPED UNDER SUBDIVISION (A) TO THE
6 GOVERNOR AND THE LEGISLATURE ON OR BEFORE DECEMBER 1, 2017.

7 (F) HIRE ALL MISTEM NETWORK STAFF BETWEEN JANUARY 1, 2018 AND
8 APRIL 1, 2018. HOWEVER, IF A MISTEM NETWORK WILL EMPLOY MICHIGAN
9 MATHEMATICS AND SCIENCE CENTERS NETWORK STAFF, THOSE STAFF MAY BE
10 HIRED AFTER APRIL 1, 2018.

11 (3) FROM THE GENERAL FUND ALLOCATION UNDER THIS SECTION, THERE
12 IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$250,000.00 TO
13 SUPPORT A PERMANENT EXECUTIVE DIRECTOR AND AN EXECUTIVE ASSISTANT
14 FOR THE MISTEM NETWORK. AFTER THE CREATION OF THE MISTEM NETWORK
15 REGION, THE TRANSITIONAL EXECUTIVE DIRECTOR FUNDED UNDER SUBSECTION
16 (2) MAY BE APPOINTED AS THE PERMANENT EXECUTIVE DIRECTOR, OR A NEW
17 PERMANENT EXECUTIVE DIRECTOR MAY BE HIRED. THE PERMANENT EXECUTIVE
18 DIRECTOR AND EXECUTIVE ASSISTANT SHALL DO ALL OF THE FOLLOWING:

19 (A) SERVE AS A LIAISON AMONG AND BETWEEN THE DEPARTMENT, THE
20 DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET, THE MISTEM
21 ADVISORY COUNCIL, AND THE REGIONAL MISTEM CENTERS IN A MANNER THAT
22 CREATES A ROBUST STATEWIDE STEM CULTURE, THAT EMPOWERS STEM
23 TEACHERS, THAT INTEGRATES BUSINESS AND EDUCATION INTO THE STEM
24 NETWORK, AND THAT ENSURES HIGH-QUALITY STEM EXPERIENCES FOR PUPILS.

25 (B) COORDINATE THE IMPLEMENTATION OF A MARKETING CAMPAIGN,
26 INCLUDING, BUT NOT LIMITED TO, A WEBSITE THAT INCLUDES DASHBOARDS
27 OF OUTCOMES, TO BUILD STEM AWARENESS AND COMMUNICATE STEM NEEDS AND

1 OPPORTUNITIES TO PUPILS, PARENTS, EDUCATORS, AND THE BUSINESS
2 COMMUNITY.

3 (C) AWARD AND MONITOR MISTEM STATE AND FEDERAL GRANTS TO THE
4 MISTEM NETWORK REGIONS AND CONDUCT REVIEWS OF GRANT RECIPIENTS,
5 INCLUDING, BUT NOT LIMITED TO, PUPIL EXPERIENCE AND FEEDBACK.

6 (D) REPORT TO THE GOVERNOR, THE LEGISLATURE, AND THE MISTEM
7 ADVISORY COUNCIL ANNUALLY ON THE ACTIVITIES AND PERFORMANCE OF THE
8 MISTEM NETWORK REGIONS.

9 (E) COORDINATE RECURRING DISCUSSIONS AND WORK WITH REGIONAL
10 STAFF TO ENSURE THAT A NETWORK OR LOOP OF FEEDBACK AND BEST
11 PRACTICES ARE SHARED, INCLUDING FUNDING, PROGRAMMING, PROFESSIONAL
12 LEARNING OPPORTUNITIES, DISCUSSION OF MISTEM STRATEGIC VISION, AND
13 REGIONAL OBJECTIVES.

14 (F) COORDINATE MAJOR GRANT APPLICATION EFFORTS WITH THE MISTEM
15 ADVISORY COUNCIL TO ASSIST REGIONAL STAFF WITH GRANT APPLICATIONS
16 ON A LOCAL LEVEL. THE MISTEM ADVISORY COUNCIL SHALL LEVERAGE
17 PRIVATE AND NONPROFIT RELATIONSHIPS TO COORDINATE AND ALIGN PRIVATE
18 FUNDS IN ADDITION TO FUNDS APPROPRIATED UNDER THIS SECTION.

19 (G) TRAIN STATE AND REGIONAL STAFF IN THE STEMWORKS RATING
20 SYSTEM.

21 Sec. 99s. (1) From the funds appropriated under section 11,
22 there is allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
23 ~~\$3,000,000.00~~**\$6,234,300.00** from the state school aid fund
24 appropriation and an amount not to exceed ~~\$1,300,000.00~~
25 **\$1,600,000.00** from the general fund appropriation for Michigan
26 science, technology, engineering, and mathematics (MiSTEM)
27 programs. In addition, from the federal funds appropriated in

1 section 11, there is allocated for ~~2016-2017~~**2017-2018** an amount
2 estimated at ~~\$5,249,300.00~~**\$4,700,000.00** from DED-OESE, title II,
3 mathematics and science partnership grants. Programs funded under
4 this section are intended to increase the number of pupils
5 demonstrating proficiency in science and mathematics on the state
6 assessments and to increase the number of pupils who are college-
7 and career-ready upon high school graduation. **NOTWITHSTANDING**
8 **SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE PAID ON A**
9 **SCHEDULE DETERMINED BY THE DEPARTMENT.**

10 (2) From the general fund allocation in subsection (1), there
11 is allocated an amount not to exceed \$50,000.00 to the department
12 for administrative, training, and travel costs related to the
13 MiSTEM advisory council. All of the following apply to the MiSTEM
14 advisory council funded under this subsection:

15 (a) The MiSTEM advisory council is created. The MiSTEM
16 advisory council shall provide to the governor, legislature,
17 department of talent and economic development, and department
18 recommendations designed to improve and promote innovation in STEM
19 education and to prepare students for careers in science,
20 technology, engineering, and mathematics.

21 (b) The MiSTEM advisory council created under subdivision (a)
22 shall consist of the following members:

23 (i) The governor shall appoint 11 voting members who are
24 representative of business sectors that are important to Michigan's
25 economy and rely on a STEM-educated workforce, nonprofit
26 organizations and associations that promote STEM education, K-12
27 and postsecondary education entities involved in STEM-related

1 career education, or other sectors as considered appropriate by the
 2 governor. Each of these members shall serve at the pleasure of the
 3 governor and for a term determined by the governor.

4 (ii) The senate majority leader shall appoint 2 members of the
 5 senate to serve as nonvoting, ex-officio members of the MiSTEM
 6 advisory council, including 1 majority party member and 1 minority
 7 party member.

8 (iii) The speaker of the house of representatives shall
 9 appoint 2 members of the house of representatives to serve as
 10 nonvoting, ex-officio members of the MiSTEM advisory council,
 11 including 1 majority party member and 1 minority party member.

12 (c) Each member of the MiSTEM advisory council shall serve
 13 without compensation.

14 (d) The MiSTEM advisory council **ANNUALLY** shall ~~recommend~~
 15 **REVIEW AND MAKE RECOMMENDATIONS** to the governor, the legislature,
 16 and the department ~~a~~ **CONCERNING CHANGES TO THE** statewide strategy
 17 **ADOPTED BY THE COUNCIL** for delivering STEM education-related
 18 opportunities to pupils. ~~and objective criteria for determining~~
 19 ~~preferred STEM programs.~~ The MiSTEM advisory council shall use
 20 funds received under this subsection to ~~purchase training for~~
 21 **ENSURE THAT** its members or their designees ~~from~~ **ARE TRAINED IN** the
 22 Change the Equation STEMworks rating system program for the purpose
 23 of rating STEM programs.

24 (e) ~~Not later than October 15 of each fiscal year, the MiSTEM~~
 25 ~~advisory council shall provide STEM quality ratings for programs~~
 26 ~~recommended for funding under subsection (3).~~ The MiSTEM advisory
 27 council shall make specific funding recommendations for the funds

1 allocated under subsection (3) by December 15 of each fiscal year.

2 The amount of each grant recommended shall not exceed ~~\$250,000.00.~~

3 \$100,000.00. EACH SPECIFIC FUNDING RECOMMENDATION SHALL BE FOR A

4 PROGRAM APPROVED BY THE MISTEM ADVISORY COUNCIL. TO BE ELIGIBLE FOR

5 MISTEM ADVISORY COUNCIL APPROVAL, A PROGRAM MUST SATISFY ALL OF THE

6 FOLLOWING:

7 (i) ALIGN WITH THIS STATE'S ACADEMIC STANDARDS.

8 (ii) HAVE STEMWORKS CERTIFICATION.

9 (iii) PROVIDE PROJECT-BASED EXPERIENTIAL LEARNING, STUDENT
10 PROGRAMMING, OR EDUCATOR PROFESSIONAL LEARNING EXPERIENCES.

11 (iv) FOCUS PREDOMINANTLY ON CLASSROOM-BASED STEM EXPERIENCES
12 OR PROFESSIONAL LEARNING EXPERIENCES.

13 (F) THE MISTEM ADVISORY COUNCIL SHALL APPROVE PROGRAMS THAT
14 INCLUDE A DIVERSE ARRAY OF OPTIONS FOR STUDENTS AND EDUCATORS AND
15 AT LEAST 1 PROGRAM IN EACH OF THE FOLLOWING AREAS:

16 (i) ROBOTICS.

17 (ii) COMPUTER SCIENCE OR CODING.

18 (iii) ENGINEERING OR BIOSCIENCE.

19 (G) THE MISTEM ADVISORY COUNCIL IS ENCOURAGED TO WORK WITH THE
20 MISTEM NETWORK REGIONS TO DEVELOP LOCALLY AND REGIONALLY DEVELOPED
21 PROGRAMS AND PROFESSIONAL DEVELOPMENT EXPERIENCES FOR THE PROGRAMS
22 ON THE LIST OF APPROVED PROGRAMS.

23 (H) ~~(f)~~—If the MiSTEM advisory council is unable to make
24 specific funding recommendations by December 15 of a fiscal year,
25 the department **OF TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL AWARD**
26 **AND THE DEPARTMENT** shall distribute the funds allocated under
27 subsection (3) on a competitive grant basis that at least follows

1 the ~~quality guidelines and priority areas~~ **STATEWIDE STEM STRATEGY**
 2 **PLAN AND RATING SYSTEM** recommended by the MiSTEM advisory council.
 3 Each grant shall not exceed ~~\$250,000.00~~ **\$100,000.00** and must
 4 provide STEM education-related opportunities for pupils.

5 (I) ~~(g)~~ The MiSTEM advisory council shall work with ~~directors~~
 6 ~~of mathematics and science centers~~ **THE EXECUTIVE DIRECTOR OF THE**
 7 **MISTEM NETWORK** funded under ~~subsection (4)~~ **SECTION 99R** to connect
 8 ~~educators with businesses, workforce developers, economic~~
 9 ~~developers, community colleges, and universities.~~ **IMPLEMENT THE**
 10 **STATEWIDE STEM STRATEGY ADOPTED BY THE MISTEM ADVISORY COUNCIL.**

11 (3) From the ~~general~~ **STATE SCHOOL AID** fund money allocated
 12 under subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an
 13 amount not to exceed ~~\$1,000,000.00~~ **\$2,850,000.00** for the purpose of
 14 funding programs under this section for ~~2016-2017,~~ **2017-2018**, as
 15 recommended by the MiSTEM advisory council.

16 (4) From the state school aid fund allocation under subsection
 17 (1), there is allocated for ~~2016-2017~~ **2017-2018** an amount not to
 18 exceed ~~\$2,750,000.00~~ **\$3,299,300.00** to support the activities and
 19 programs of mathematics and science centers. In addition, from the
 20 federal funds allocated under subsection (1), there is allocated
 21 for ~~2016-2017~~ **2017-2018** an amount estimated at ~~\$5,249,300.00~~
 22 **\$4,700,000.00** from DED-OESE, title II, mathematics and science
 23 partnership grants, for the purposes of this subsection. All of the
 24 following apply to the programs and funding under this subsection:

25 (a) Within a service area designated locally, approved by the
 26 department, and consistent with the comprehensive master plan for
 27 mathematics and science centers developed by the department and

1 approved by the state board, an established mathematics and science
2 center shall provide 2 or more of the following 6 basic services,
3 as described in the master plan, to constituent districts and
4 communities: leadership, pupil services, curriculum support,
5 community involvement, professional development, and resource
6 clearinghouse services.

7 (b) The department shall not award a state grant under this
8 subsection to more than 1 mathematics and science center located in
9 a designated region as prescribed in the 2007 master plan unless
10 each of the grants serves a distinct target population or provides
11 a service that does not duplicate another program in the designated
12 region.

13 (c) As part of the technical assistance process, the
14 department shall provide minimum standard guidelines that may be
15 used by the mathematics and science center for providing fair
16 access for qualified pupils and professional staff as prescribed in
17 this subsection.

18 (d) Allocations under this subsection to support the
19 activities and programs of mathematics and science centers shall be
20 continuing support grants to all 33 established mathematics and
21 science centers. For ~~2016-2017,~~ **2017-2018**, each established
22 mathematics and science center shall receive state funding in an
23 amount equal to 100% of the amount it was allocated under former
24 section 99 for 2014-2015. If a center declines state funding or a
25 center closes, the remaining money available under this subsection
26 shall be distributed to the remaining centers, as determined by the
27 department.

1 (e) From the funds allocated under this subsection, the
2 department shall distribute for ~~2016-2017~~ **2017-2018** an amount not
3 to exceed \$750,000.00 in a form and manner determined by the
4 department to those centers able to provide curriculum and
5 professional development support to assist districts in
6 implementing the Michigan merit curriculum components for
7 mathematics and science. Funding under this subdivision is in
8 addition to funding allocated under subdivision (d).

9 (F) IT IS THE INTENT OF THE LEGISLATURE THAT THE FUNDING
10 ALLOCATED UNDER THIS SUBSECTION REPRESENTS THE FINAL YEAR OF
11 FUNDING FOR MATHEMATICS AND SCIENCE CENTERS AND THAT MATHEMATICS
12 AND SCIENCE CENTERS SHALL NOT BE FUNDED IN 2018-2019.

13 (5) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS
14 ALLOCATED AN AMOUNT NOT TO EXCEED \$85,000.00 TO THE MICHIGAN
15 MATHEMATICS AND SCIENCE CENTERS NETWORK TO REIMBURSE INTERMEDIATE
16 SCHOOL DISTRICTS FOR TRANSITION COSTS INCURRED AS THE CENTERS
17 TRANSITION TO MISTEM NETWORK REGIONS.

18 (6) FROM THE GENERAL FUND ALLOCATION UNDER SUBSECTION (1),
19 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,400,000.00 TO THE
20 MISTEM NETWORK REGIONS. FOR 2017-2018, EACH ESTABLISHED MISTEM
21 NETWORK REGION SHALL RECEIVE FUNDING UNDER THIS SUBSECTION IN AN
22 AMOUNT EQUAL TO 50% OF THE STATE FUNDING AMOUNT ALLOCATED FOR 2017-
23 2018 TO THE MATHEMATICS AND SCIENCE CENTERS LOCATED WITHIN THAT
24 REGION TO ALLOW THE MISTEM NETWORK REGION TO BEGIN OPERATING BY
25 APRIL 1, 2018. FOR FORMER MATHEMATICS AND SCIENCE CENTERS WITH
26 TERRITORY IN MORE THAN 1 MISTEM NETWORK REGION, THE AMOUNT
27 ALLOCATED SHALL BE DIVIDED PROPORTIONALLY.

1 (7) A MISTEM NETWORK REGION SHALL DO ALL OF THE FOLLOWING:

2 (A) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT
3 IS LOCATED IN THE PROSPERITY REGION TO DEVELOP A REGIONAL STRATEGIC
4 PLAN FOR STEM EDUCATION THAT CREATES A ROBUST REGIONAL STEM
5 CULTURE, THAT EMPOWERS STEM TEACHERS, THAT INTEGRATES BUSINESS AND
6 EDUCATION INTO THE STEM NETWORK, AND THAT ENSURES HIGH-QUALITY STEM
7 EXPERIENCES FOR PUPILS. AT A MINIMUM, A REGIONAL STEM STRATEGIC
8 PLAN SHOULD DO ALL OF THE FOLLOWING:

9 (i) IDENTIFY REGIONAL EMPLOYER NEED FOR STEM.

10 (ii) IDENTIFY PROCESSES FOR REGIONAL EMPLOYERS AND EDUCATORS
11 TO CREATE GUIDED PATHWAYS FOR STEM CAREERS THAT INCLUDE INTERNSHIPS
12 OR EXTERNSHIPS, APPRENTICESHIPS, AND OTHER EXPERIENTIAL ENGAGEMENTS
13 FOR PUPILS.

14 (iii) IDENTIFY EDUCATOR PROFESSIONAL DEVELOPMENT
15 OPPORTUNITIES, INCLUDING INTERNSHIPS OR EXTERNSHIPS AND
16 APPRENTICESHIPS, THAT INTEGRATE THIS STATE'S SCIENCE CONTENT
17 STANDARDS INTO HIGH-QUALITY STEM EXPERIENCES THAT ENGAGE PUPILS.

18 (B) FACILITATE REGIONAL STEM EVENTS SUCH AS EDUCATOR AND
19 EMPLOYER NETWORKING AND STEM CAREER FAIRS TO RAISE STEM AWARENESS.

20 (C) CONTRIBUTE TO THE MISTEM WEBSITE AND ENGAGE IN OTHER
21 MISTEM NETWORK FUNCTIONS TO FURTHER THE MISSION OF STEM IN THIS
22 STATE IN COORDINATION WITH THE MISTEM ADVISORY COUNCIL AND ITS
23 EXECUTIVE DIRECTOR.

24 (D) FACILITATE APPLICATION AND IMPLEMENTATION OF STATE AND
25 FEDERAL FUNDS UNDER THIS SUBSECTION AND ANY OTHER GRANTS OR FUNDS
26 FOR THE MISTEM NETWORK REGION.

27 (E) WORK WITH DISTRICTS TO PROVIDE STEM PROGRAMMING AND

1 **PROFESSIONAL DEVELOPMENT.**

2 **(F) COORDINATE RECURRING DISCUSSIONS AND WORK WITH THE TALENT**
3 **DISTRICT CAREER COUNCIL TO ENSURE THAT FEEDBACK AND BEST PRACTICES**
4 **ARE BEING SHARED, INCLUDING FUNDING, PROGRAM, PROFESSIONAL LEARNING**
5 **OPPORTUNITIES, AND REGIONAL STRATEGIC PLANS.**

6 **(8)** ~~(f)~~—In order to receive state or federal funds under ~~this~~
7 subsection **(4) OR (6)**, a grant recipient shall allow access for the
8 department or the department's designee to audit all records
9 related to the program for which it receives those funds. The grant
10 recipient shall reimburse the state for all disallowances found in
11 the audit.

12 ~~—— (g) Not later than September 30, 2017, the department shall~~
13 ~~work with the MiSTEM advisory council to revise the comprehensive~~
14 ~~master plan described in subdivision (a) to ensure that the~~
15 ~~comprehensive master plan is in compliance with the statewide~~
16 ~~strategy developed by the council under subsection (2) (d). The~~
17 ~~comprehensive master plan shall include a review of the feasibility~~
18 ~~of consolidating and reducing the number of mathematics and science~~
19 ~~centers.~~

20 ~~—— (h) The department shall give preference in awarding the~~
21 ~~federal grants allocated under this subsection to eligible existing~~
22 ~~mathematics and science centers.~~

23 **(9)** ~~(i)~~—In order to receive state funds under ~~this~~ subsection
24 **(4) OR (6)**, a grant recipient shall provide at least a 10% local
25 match from local public or private resources for the funds received
26 under this subsection.

27 **(10)** ~~(j)~~—Not later than **JULY 1, 2019 AND** July 1 of each year

1 ~~THEREAFTER, a mathematics and science center~~ **MISTEM NETWORK REGION**
 2 that receives funds under ~~this subsection~~ **(6)** shall report to the
 3 ~~department~~ **EXECUTIVE DIRECTOR OF THE MISTEM NETWORK** in a form and
 4 manner prescribed by the ~~department on the following performance~~
 5 ~~measures:~~

6 ~~—— (i) Statistical change in pre- and post-assessment scores for~~
 7 ~~students who enrolled in mathematics and science activities~~
 8 ~~provided to districts by the mathematics and science center.~~

9 ~~—— (ii) Statistical change in pre- and post-assessment scores for~~
 10 ~~teachers who enrolled in professional development activities~~
 11 ~~provided by the mathematics and science center.~~ **EXECUTIVE DIRECTOR**

12 **ON PERFORMANCE MEASURES DEVELOPED BY THE MISTEM NETWORK REGIONS AND**
 13 **APPROVED BY THE EXECUTIVE DIRECTOR. THE PERFORMANCE MEASURES SHALL**
 14 **BE DESIGNED TO ENSURE THAT THE ACTIVITIES OF THE MISTEM NETWORK ARE**
 15 **IMPROVING STUDENT ACADEMIC OUTCOMES.**

16 **(11) NOT MORE THAN 5% OF A MISTEM NETWORK REGION GRANT UNDER**
 17 **SUBSECTION (6) MAY BE RETAINED BY A FISCAL AGENT FOR SERVING AS THE**
 18 **FISCAL AGENT OF A MISTEM NETWORK REGION.**

19 **(12) ~~(k)~~As used in this subsection:** **SECTION:**

20 **(A) ~~(i)~~"DED"** means the United States Department of Education.

21 **(B) ~~(ii)~~"DED-OESE"** means the DED Office of Elementary and
 22 Secondary Education.

23 **(C) "STEM" MEANS SCIENCE, TECHNOLOGY, ENGINEERING, AND**
 24 **MATHEMATICS DELIVERED IN AN INTEGRATED FASHION USING CROSS-**
 25 **DISCIPLINARY LEARNING EXPERIENCES THAT CAN INCLUDE LANGUAGE ARTS,**
 26 **PERFORMING AND FINE ARTS, AND CAREER AND TECHNICAL EDUCATION.**

27 **(D) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL**

**TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY
REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT
REPRESENTATIVES.**

~~———— (5) From the allocations under subsection (1), there is
allocated an amount not to exceed \$250,000.00 for 2016-2017 for
competitive grants to districts that provide pupils in grades K to
12 with expanded opportunities in science education and skills by
participating in events and competitions hosted by Science
Olympiad. All of the following apply to the grant funding under
this subsection:~~

~~———— (a) A district applying for a grant under this subsection
shall submit an application in the form and manner determined by
the department not later than November 15, 2016. The department
shall select districts for grants and make notification not later
than December 15, 2016. To be eligible for a grant, a district
shall pay at least 25% of the cost of participating in the Science
Olympiad program.~~

~~———— (b) The department shall distribute the grant funding
allocated under this subsection for the following purposes:~~

~~———— (i) Grants to districts of up to \$800.00 per new elementary
team.~~

~~———— (ii) Grants to districts of up to \$400.00 per established
elementary team.~~

~~———— (iii) Grants to districts of up to \$1,600.00 per new secondary
team.~~

~~———— (iv) Grants to districts of up to \$800.00 per established
secondary team.~~

1 **(13)** ~~(6)~~ From the general fund allocation under subsection
 2 (1), there is allocated an amount not to exceed ~~\$250,000.00~~
 3 **\$150,000.00** for ~~2016-2017~~ **2017-2018** for a grant to the Van Andel
 4 Education Institute for the purposes of advancing and promoting
 5 science education and increasing the number of students who choose
 6 to pursue careers in science or science-related fields. Funds
 7 allocated under this subsection shall be used to provide
 8 professional development for science teachers in using student-
 9 driven, inquiry-based instruction.

10 **(14) NOT LATER THAN JANUARY 1, 2019, THE EXECUTIVE DIRECTOR OF**
 11 **THE MISTEM CENTERS NETWORK SHALL REPORT TO THE HOUSE AND SENATE**
 12 **APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE AND SENATE**
 13 **FISCAL AGENCIES ON THE NUMBER OF MALE AND FEMALE MISTEM CENTER**
 14 **PROGRAM PARTICIPANTS AND THE STEPS, IF ANY, THAT THE MISTEM CENTERS**
 15 **ARE TAKING TO REDUCE ANY DISPARITY BETWEEN THE NUMBER OF MALE AND**
 16 **FEMALE PARTICIPANTS.**

17 Sec. 99t. (1) From the general fund appropriation under
 18 section 11, there is allocated an amount not to exceed
 19 ~~\$1,500,000.00 for 2016-2017~~ **\$1,100,000.00 FOR 2017-2018** to purchase
 20 statewide access to an online algebra tool that meets all of the
 21 following:

22 (a) Provides students statewide with complete access to videos
 23 aligned with state standards including study guides and workbooks
 24 that are aligned with the videos.

25 (b) Provides students statewide with access to a personalized
 26 online algebra learning tool including adaptive diagnostics.

27 (c) Provides students statewide with dynamic algebra practice

1 assessments that emulate the state assessment with immediate
2 feedback and help solving problems.

3 (d) Provides students statewide with online access to algebra
4 help 24 hours a day and 7 days a week from study experts, teachers,
5 and peers on a moderated social networking platform.

6 (e) Provides an online algebra professional development
7 network for teachers.

8 (f) Is already provided under a statewide contract in at least
9 1 other state that has a population of at least 18,000,000 but not
10 more than 19,000,000 according to the most recent decennial census
11 and is offered in that state in partnership with a public
12 university.

13 (2) The department shall ~~choose~~ **PURCHASE** the online algebra
14 tool ~~by October 1, 2016.~~ **THAT WAS CHOSEN UNDER THIS SECTION IN 2016-**
15 **2017.**

16 **SEC. 99U. FROM THE GENERAL FUND APPROPRIATION UNDER SECTION**
17 **11, THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED**
18 **\$1,000,000.00 TO PURCHASE STATEWIDE ACCESS TO AN ONLINE MATHEMATICS**
19 **TOOL THAT MEETS ALL OF THE FOLLOWING:**

20 **(A) PROVIDES STUDENTS STATEWIDE WITH COMPLETE ACCESS TO**
21 **MATHEMATICS SUPPORT ALIGNED WITH STATE STANDARDS THROUGH A PROGRAM**
22 **THAT HAS ALL OF THE FOLLOWING ELEMENTS:**

23 **(i) STUDENT MOTIVATION.**

24 **(ii) VALID AND RELIABLE ASSESSMENTS.**

25 **(iii) PERSONALIZED LEARNING PATHWAYS.**

26 **(iv) HIGHLY QUALIFIED, LIVE TEACHERS AVAILABLE ALL DAY AND ALL**
27 **YEAR.**

1 (v) **TWENTY-FOUR-HOUR REPORTING.**

2 (vi) **CONTENT BUILT FOR RIGOROUS MATHEMATICS.**

3 **(B) HAS A RECORD OF IMPROVING STUDENT MATHEMATICS SCORES IN AT**
4 **LEAST 5 OTHER STATES.**

5 Sec. 102d. (1) From the funds appropriated in section 11,
6 there is allocated an amount not to exceed \$1,500,000.00 for ~~2016-~~
7 ~~2017-2017-2018~~ for reimbursements to districts and intermediate
8 districts for the licensing of school data analytical tools as
9 described under this section. The reimbursement is for districts
10 and intermediate districts that choose to use a school data
11 analytical tool to assist the district or intermediate district and
12 that enter into a licensing agreement for a school data analytical
13 tool with 1 of the vendors approved by the department of
14 technology, management, and budget under subsection (2). Funds
15 allocated under this section are intended to provide districts and
16 intermediate districts with financial forecasting and transparency
17 reporting tools to help improve the financial health of districts
18 and to improve communication with the public, resulting in
19 increased fund balances for districts and intermediate districts.

20 (2) Not later than October 15, ~~2016-~~**2017**, the department of
21 technology, management, and budget shall review vendors for school
22 data analytical tools and provide districts and intermediate
23 districts with a list of up to 2 approved vendors that districts
24 and intermediate districts may use to be eligible for a
25 reimbursement paid under this section. In addition, a vendor
26 approved under this section for ~~2015-2016-~~**2016-2017** is considered
27 to be approved for use by a district or intermediate district and

1 for reimbursement for ~~2016-2017.~~ **2017-2018**. An approved school data
2 analytical tool supplied by the vendor must meet at least all of
3 the following:

4 (a) Analyzes financial data.

5 (b) Analyzes academic data.

6 (c) Provides early warning indicators of financial stress.

7 (d) Has the capability to provide peer district comparisons of
8 both financial and academic data.

9 (e) Has the capability to provide financial projections for at
10 least 3 subsequent fiscal years.

11 (3) Funds allocated under this section shall be paid to
12 districts and intermediate districts as a reimbursement for already
13 having a licensing agreement or for entering into a licensing
14 agreement not later than December 1, ~~2016-2017~~ with a vendor
15 approved under subsection (2) to implement a school data analytical
16 tool. Reimbursement will be prorated for the portion of the state
17 fiscal year not covered by the licensing agreement. However, a
18 licensing agreement that takes effect after October 1, ~~2016-2017~~
19 and before December 1, ~~2016-2017~~ will not be prorated if the term
20 of the agreement is at least 1 year. Reimbursement under this
21 section shall be made as follows:

22 (a) All districts and intermediate districts seeking
23 reimbursement shall submit requests not later than December 1, ~~2016~~
24 **2017** indicating the cost paid for the financial data analytical
25 tool.

26 (b) The department shall determine the sum of the funding
27 requests under subdivision (a) and, if there are sufficient funds,

1 shall pay 1/2 of the costs submitted under subdivision (a). If
2 there are insufficient funds to pay 1/2 of the costs submitted
3 under (a), then reimbursement shall be made on an equal percentage
4 basis.

5 (c) Funds remaining after the calculation and payment under
6 subdivision (b) shall be distributed on an equal per-pupil basis,
7 with an intermediate district's pupils considered to be the sum of
8 the pupil memberships of the constituent districts for which the
9 intermediate district is purchasing the financial data analytical
10 tool.

11 (d) The reimbursement to a district or intermediate district
12 shall not be greater than the amount paid for a data analytics
13 application.

14 (e) A district or intermediate district shall not be
15 reimbursed for the purchase of more than 1 software application.

16 **(4) IF AN INTERMEDIATE DISTRICT PURCHASES BOTH A SCHOOL DATA**
17 **ANALYTICAL TOOL SPECIFICALLY FOR INTERMEDIATE DISTRICT FINANCES AND**
18 **A SCHOOL DATA ANALYTICAL TOOL FOR THOSE CONSTITUENT DISTRICTS THAT**
19 **OPT IN, THE INTERMEDIATE DISTRICT SHALL BE REIMBURSED FOR BOTH**
20 **PURCHASES UNDER THIS SECTION.**

21 **(5) IF AN INTERMEDIATE DISTRICT MAKES AVAILABLE TO 1 OR MORE**
22 **OF ITS CONSTITUENT DISTRICTS A SCHOOL DATA ANALYTICAL TOOL FUNDED**
23 **UNDER THIS SECTION, THAT CONSTITUENT DISTRICT SHALL NOT BE**
24 **REIMBURSED UNDER THIS SECTION FOR THE PURCHASE OF THAT SCHOOL DATA**
25 **ANALYTICAL TOOL IF THE CONSTITUENT DISTRICT HAS OPTED IN FOR THAT**
26 **TOOL.**

27 **(6) ~~(4)~~—Notwithstanding section 17b, payments under this**

1 section shall be made on a schedule determined by the department.

2 Sec. 104. (1) In order to receive state aid under this
3 article, a district shall comply with sections 1249, 1278a, 1278b,
4 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
5 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
6 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
7 the state school aid fund money appropriated in section 11, there
8 is allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
9 ~~\$33,894,400.00~~**\$34,709,400.00** for payments on behalf of districts
10 for costs associated with complying with those provisions of law.
11 In addition, from the federal funds appropriated in section 11,
12 there is allocated for ~~2016-2017~~**2017-2018** an amount estimated at
13 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
14 funds, and from DED-OSERS, section 504 of part B of the individuals
15 with disabilities education act, Public Law 94-142, plus any
16 carryover federal funds from previous year appropriations, for the
17 purposes of complying with the federal no child left behind act of
18 2001, Public Law 107-110, or the every student succeeds act, Public
19 Law 114-95.

20 (2) The results of each test administered as part of the
21 Michigan student test of educational progress (M-STEP), including
22 tests administered to high school students, shall include an item
23 analysis that lists all items that are counted for individual pupil
24 scores and the percentage of pupils choosing each possible
25 response. The department shall work with the center to identify the
26 number of students enrolled at the time assessments are given by
27 each district. In calculating the percentage of pupils assessed for

1 a district's scorecard, the department shall use only the number of
2 pupils enrolled in the district at the time the district
3 administers the assessments and shall exclude pupils who enroll in
4 the district after the district administers the assessments.

5 (3) All federal funds allocated under this section shall be
6 distributed in accordance with federal law and with flexibility
7 provisions outlined in Public Law 107-116, and in the education
8 flexibility partnership act of 1999, Public Law 106-25.

9 ~~—— (4) From the allocation in subsection (1), there is allocated~~
10 ~~an amount not to exceed \$185,000.00 for the implementation of a~~
11 ~~kindergarten readiness assessment pilot project in 2016-2017. The~~
12 ~~funding would be allocated to an intermediate district located in a~~
13 ~~prosperity region with 2 or more subregions to participate in the~~
14 ~~Maryland-Ohio pilot and cover the cost of a contract with a~~
15 ~~university for implementation of version 1.75 of the kindergarten~~
16 ~~readiness assessment tool. The kindergarten readiness assessment~~
17 ~~pilot shall assess an estimated 4,000 children, and the designated~~
18 ~~intermediate district shall work with other intermediate districts~~
19 ~~to implement the pilot project, engage with the office of great~~
20 ~~start and the department, and provide a report to the legislature~~
21 ~~on the efficacy and usefulness of a kindergarten readiness~~
22 ~~assessment. Allowable costs under this pilot program include those~~
23 ~~incurred in August and September 2016.~~

24 (4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS
25 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2017-2018 TO AN
26 INTERMEDIATE DISTRICT DESCRIBED IN THIS SUBSECTION TO IMPLEMENT A
27 MICHIGAN KINDERGARTEN ENTRY OBSERVATION TOOL IN 2017-2018. THE

1 FUNDING UNDER THIS SUBSECTION IS ALLOCATED TO AN INTERMEDIATE
2 DISTRICT IN PROSPERITY REGION 9 WITH AT LEAST 3,000 KINDERGARTEN
3 PUPILS ENROLLED IN ITS CONSTITUENT DISTRICTS TO CONTINUE
4 PARTICIPATION IN THE MARYLAND-OHIO PILOT AND COVER THE COSTS OF
5 IMPLEMENTING THE PILOT OBSERVATION TOOL, INCLUDING A CONTRACT WITH
6 A UNIVERSITY FOR IMPLEMENTATION OF THE PILOT OBSERVATION TOOL. THE
7 INTERMEDIATE DISTRICT SHALL CONTINUE IMPLEMENTATION OF THE 2016-
8 2017 PILOT STUDY WITH EXISTING PARTICIPATING INTERMEDIATE DISTRICTS
9 DURING THE 2017-2018 SCHOOL YEAR. THE MICHIGAN KINDERGARTEN ENTRY
10 OBSERVATION SHALL BE CONDUCTED IN ALL KINDERGARTEN CLASSROOMS IN
11 DISTRICTS LOCATED IN PROSPERITY REGIONS 4, 5, AND 9 BEGINNING IN
12 AUGUST 2018. A CONSTITUENT DISTRICT OF AN INTERMEDIATE DISTRICT
13 LOCATED WITHIN PROSPERITY REGION 4, 5, OR 9 SHALL ADMINISTER THE
14 MARYLAND-OHIO TOOL WITHIN EACH KINDERGARTEN CLASSROOM TO EITHER THE
15 FULL CENSUS OF KINDERGARTEN PUPILS OR A REPRESENTATIVE SAMPLE OF
16 NOT LESS THAN 35% OF THE ENROLLED KINDERGARTEN PUPILS IN EACH
17 CLASSROOM. THE INTERMEDIATE DISTRICT RECEIVING THE FUNDING
18 ALLOCATED UNDER THIS SUBSECTION SHALL WORK WITH OTHER INTERMEDIATE
19 DISTRICTS TO IMPLEMENT THE MICHIGAN KINDERGARTEN ENTRY OBSERVATION,
20 ENGAGE WITH THE OFFICE OF GREAT START AND THE DEPARTMENT, AND
21 PROVIDE A REPORT TO THE LEGISLATURE ON THE DEMONSTRATED READINESS
22 OF KINDERGARTEN PUPILS WITHIN THE PARTICIPATING INTERMEDIATE
23 DISTRICTS. THAT INTERMEDIATE DISTRICT MAY SHARE THIS FUNDING WITH
24 THE OTHER AFFECTED INTERMEDIATE DISTRICTS AND DISTRICTS. ALLOWABLE
25 COSTS UNDER THIS SUBSECTION INCLUDE THOSE INCURRED IN JULY, AUGUST,
26 AND SEPTEMBER 2017 AS WELL AS THOSE INCURRED IN 2017-2018. AS USED
27 IN THIS SUBSECTION, "KINDERGARTEN" MAY INCLUDE A CLASSROOM FOR

1 YOUNG 5-YEAR-OLDS, COMMONLY REFERRED TO AS "YOUNG 5S" OR
2 "DEVELOPMENTAL KINDERGARTEN". THE DEPARTMENT SHALL APPROVE THE
3 LANGUAGE AND LITERACY DOMAIN WITHIN THE MARYLAND-OHIO TOOL, ALSO
4 REFERRED TO AS THE "KINDERGARTEN READINESS ASSESSMENT", FOR USE BY
5 DISTRICTS AS AN INITIAL ASSESSMENT THAT MAY BE DELIVERED TO ALL
6 KINDERGARTEN STUDENTS TO ASSIST WITH IDENTIFYING ANY POSSIBLE AREA
7 OF CONCERN FOR A STUDENT IN ENGLISH LANGUAGE ARTS.

8 (5) The department shall continue to make the kindergarten
9 entry assessment developed by the department and field tested in
10 2015-2016 available to districts in ~~2016-2017~~.**2017-2018**.

11 (6) The department may recommend, but may not require,
12 districts to allow pupils to use an external keyboard with tablet
13 devices for online M-STEP testing, including, but not limited to,
14 open-ended test items such as constructed response or equation
15 builder items.

16 (7) Notwithstanding section 17b, payments on behalf of
17 districts, intermediate districts, and other eligible entities
18 under this section shall be paid on a schedule determined by the
19 department.

20 (8) From the allocation in subsection (1), there is allocated
21 an amount not to exceed \$3,200,000.00 for the development or
22 selection of an online reporting tool to provide student-level
23 assessment data in a secure environment to educators, parents, and
24 pupils immediately after assessments are scored. The department and
25 the center shall ensure that any data collected by the online
26 reporting tool do not provide individually identifiable student
27 data to the federal government.

~~(9) From the allocation in subsection (1), there is allocated an amount not to exceed \$5,600,000.00 for the purpose of implementing a summative assessment system pursuant to section 104c.~~

(9) ~~(10)~~ As used in this section:

(a) "DED" means the United States Department of Education.

(b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

(c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative Services.

Sec. 104c. (1) In order to receive state aid under this article, a district shall administer the state assessments described in this section.

(2) For the purposes of this section, the department shall develop for use in the spring of 2015-2016 the Michigan student test of educational progress (M-STEP) assessments in English language arts and mathematics. These assessments shall be aligned to state standards.

(3) For the purposes of this section, the department shall implement a summative assessment system that is proven to be valid and reliable for administration to pupils as provided under this subsection. The summative assessment system shall meet all of the following requirements:

(a) The summative assessment system shall measure student proficiency on the current state standards, shall measure student growth for consecutive grade levels in which students are assessed in the same subject area in both grade levels, and shall be capable

1 of measuring individual student performance.

2 (b) The summative assessments for English language arts and
3 mathematics shall be administered to all public school pupils in
4 grades 3 to 11, including those pupils as required by the federal
5 individuals with disabilities education act, Public Law 108-446,
6 and by title I of the federal ~~elementary and secondary education~~
7 ~~act~~. **EVERY STUDENT SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

8 (c) The summative assessments for science shall be
9 administered to all public school pupils in at least grades 4 and
10 7, including those pupils as required by the federal individuals
11 with disabilities education act, Public Law 108-446, and by title I
12 of the federal ~~elementary and secondary education act~~. **EVERY STUDENT**
13 **SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

14 (d) The summative assessments for social studies shall be
15 administered to all public school pupils in at least grades 5 and
16 8, including those pupils as required by the federal individuals
17 with disabilities education act, Public Law 108-446, and by title I
18 of the federal ~~elementary and secondary education act~~. **EVERY STUDENT**
19 **SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

20 (e) The content of the summative assessments shall be aligned
21 to state standards.

22 (f) The pool of questions for the summative assessments shall
23 be subject to a transparent review process for quality, bias, and
24 sensitive issues involving educator review and comment. The
25 department shall post samples from tests or retired tests featuring
26 questions from this pool for review by the public.

27 (g) The summative assessment system shall ensure that

1 students, parents, and teachers are provided with reports that
2 convey individual student proficiency and growth on the assessment
3 and that convey individual student domain-level performance in each
4 subject area, including representative questions, and individual
5 student performance in meeting state standards.

6 (h) The summative assessment system shall be capable of
7 providing, and the department shall ensure that students, parents,
8 teachers, administrators, and community members are provided with,
9 reports that convey aggregate student proficiency and growth data
10 by teacher, grade, school, and district.

11 (i) The summative assessment system shall ensure the
12 capability of reporting the available data to support educator
13 evaluations.

14 (j) The summative assessment system shall ensure that the
15 reports provided to districts containing individual student data
16 are available within 60 days after completion of the assessments.

17 (k) The summative assessment system shall ensure that access
18 to individually identifiable student data meets all of the
19 following:

20 (i) Is in compliance with 20 USC 1232g, commonly referred to
21 as the family educational rights and privacy act of 1974.

22 (ii) Except as may be provided for in an agreement with a
23 vendor to provide assessment services, as necessary to support
24 educator evaluations pursuant to subdivision (i), or for research
25 or program evaluation purposes, is available only to the student;
26 to the student's parent or legal guardian; and to a school
27 administrator or teacher, to the extent that he or she has a

1 legitimate educational interest.

2 (l) The summative assessment system shall ensure that the
3 assessments are pilot tested before statewide implementation.

4 (m) The summative assessment system shall ensure that
5 assessments are designed so that the maximum total combined length
6 of time that schools are required to set aside for a pupil to
7 answer all test questions on all assessments that are part of the
8 system for the pupil's grade level does not exceed that maximum
9 total combined length of time for the previous statewide assessment
10 system or 9 hours, whichever is less. This subdivision does not
11 limit the amount of time a district may allow a pupil to complete a
12 test.

13 (n) The total cost of executing the summative assessment
14 system statewide each year, including, but not limited to, the cost
15 of contracts for administration, scoring, and reporting, shall not
16 exceed an amount equal to 2 times the cost of executing the
17 previous statewide assessment after adjustment for inflation.

18 **(4) IN AN EFFORT TO DEVELOP A COHESIVE STATE ASSESSMENT**
19 **SYSTEM, THE DEPARTMENT SHALL IMPLEMENT A REQUEST FOR INFORMATION**
20 **PROCESS FOR A COMMON FORMATIVE ASSESSMENT SYSTEM THAT IS FULLY**
21 **ALIGNED TO THIS STATE'S CONTENT STANDARDS FOR ENGLISH LANGUAGE ARTS**
22 **AND MATHEMATICS. THE DEPARTMENT MAY USE INFORMATION COMPILED FROM A**
23 **REQUEST FOR PROPOSAL IN 2016-2017 TO SATISFY THIS REQUEST.**

24 **(5)** ~~(4)~~—Beginning in the 2015-2016 school year, the department
25 shall field test assessments in the fall and spring of each school
26 year to measure English language arts and mathematics in each of
27 grades K to 2 for full implementation when the assessments have

1 been successfully field tested. This full implementation shall
2 occur not later than the 2018-2019 school year. These assessments
3 are necessary to determine a pupil's proficiency level before grade
4 3.

5 (6) NOT LATER THAN OCTOBER 1, 2017, THE DEPARTMENT SHALL ISSUE
6 A REQUEST FOR PROPOSALS FOR A STATEWIDE SUMMATIVE ASSESSMENT. THE
7 STATEWIDE SUMMATIVE ASSESSMENT SHALL MEET ALL OF THE FOLLOWING:

8 (A) ASSESSES ALL OF GRADES 3 THROUGH 7 IN MATH AND ENGLISH
9 LANGUAGE ARTS.

10 (B) IS ALIGNED WITH THIS STATE'S CONTENT STANDARDS.

11 (C) GENERATES A SCALED SCORE USING THE FEWEST NUMBER OF
12 TESTING ITEMS NECESSARY TO SUFFICIENTLY MEASURE BUILDING LEVEL
13 ACHIEVEMENT BASED ON THIS STATE'S CONTENT STANDARDS.

14 (D) IS PROVEN TO BE A VALID AND RELIABLE MEASUREMENT OF
15 BUILDING LEVEL ACHIEVEMENT.

16 (E) DOES NOT EXCEED 3 HOURS IN DURATION ON AVERAGE FOR AN
17 INDIVIDUAL PUPIL TO COMPLETE THE COMBINED ADMINISTRATION OF THE
18 MATH AND ENGLISH LANGUAGE ARTS PORTIONS OF THE TEST FOR ANY 1 GRADE
19 LEVEL.

20 (7) NOT LATER THAN JANUARY 1, 2018, THE DEPARTMENT SHALL
21 APPROVE 1 STATEWIDE SUMMATIVE ASSESSMENT THAT WAS INCLUDED IN A
22 RESPONSE TO THE REQUEST FOR PROPOSALS UNDER SUBSECTION (6) OR
23 DEVELOP THE DEPARTMENT'S OWN ASSESSMENT THAT MEETS THE REQUIREMENTS
24 UNDER SUBSECTION (6).

25 (8) NOT LATER THAN OCTOBER 1, 2017, THE DEPARTMENT SHALL ISSUE
26 A REQUEST FOR PROPOSALS FOR NOT LESS THAN 3 BENCHMARK ASSESSMENTS
27 THAT EACH MEET ALL OF THE FOLLOWING:

1 (A) ASSESSES ALL OF GRADES 3 THROUGH 7 IN MATH AND ENGLISH
2 LANGUAGE ARTS.

3 (B) IS ALIGNED WITH THIS STATE'S CONTENT STANDARDS SUCH THAT
4 ITEMS WERE WRITTEN FOR THIS STATE'S CONTENT STANDARDS.

5 (C) IS COMPUTER ADAPTIVE ABOVE AND BELOW GRADE LEVEL.

6 (D) PRODUCES A PUPIL'S RESULTS IN NOT MORE THAN 48 HOURS FROM
7 THE TIME THE BENCHMARK ASSESSMENT IS ADMINISTERED.

8 (E) IS SELF-SCORING.

9 (F) ALIGNS TO THIS STATE'S CONTENT STANDARDS.

10 (G) MEASURES THE ACADEMIC GROWTH OF PUPILS AND PROVIDES AN
11 ESTIMATE FOR ADEQUATE YEARLY GROWTH.

12 (H) DEMONSTRATES VALIDITY AND RELIABILITY AS APPROPRIATE FOR A
13 COMPUTER ADAPTIVE ASSESSMENT.

14 (9) NOT LATER THAN JANUARY 1, 2018 AND IN CONSULTATION WITH
15 EXPERTS IN THE FIELD OF EDUCATION AND EDUCATIONAL ASSESSMENT
16 MEASUREMENT, THE DEPARTMENT SHALL APPROVE AT LEAST 2 BENCHMARK
17 ASSESSMENTS THAT WERE INCLUDED IN A RESPONSE TO THE REQUEST FOR
18 PROPOSALS UNDER SUBSECTION (8) AND MEET THE REQUIREMENTS DESCRIBED
19 IN SUBSECTION (8).

20 (10) THE DEPARTMENT IS NOT PRECLUDED FROM APPROVING A
21 STATEWIDE SUMMATIVE ASSESSMENT UNDER SUBSECTION (7) AND A BENCHMARK
22 ASSESSMENT UNDER SUBSECTION (9) THAT ARE PROVIDED BY THE SAME
23 VENDOR. THE SUMMATIVE ASSESSMENT SHALL NOT BE A BENCHMARK
24 ASSESSMENT.

25 (11) ~~(5)~~ This section does not prohibit districts from
26 adopting interim assessments.

27 (12) ~~(6)~~ As used in this section, "English language arts"

1 means that term as defined in section 104b.

2 Sec. 104d. (1) From the state school aid fund money
3 appropriated in section 11, there is allocated for ~~2016-2017~~**2017-**
4 **2018** an amount not to exceed \$4,000,000.00 for providing
5 reimbursement to districts that purchase a computer-adaptive test,
6 or that purchase 1 or more diagnostic tools, screening tools, or
7 benchmark assessments for pupils in grades K to 3 that are intended
8 to increase reading proficiency by grade 4.

9 (2) In order to receive reimbursement under this section for
10 the purchase of a computer-adaptive test, the computer-adaptive
11 test must provide for at least all of the following:

12 (a) Internet-delivered, standards-based assessment using a
13 computer-adaptive model to target the instructional level of each
14 pupil.

15 (b) Unlimited testing opportunities throughout the ~~2016-2017~~
16 **2017-2018** school year.

17 (c) Valid and reliable diagnostic assessment data.

18 (d) Adjustment of testing difficulty based on previous answers
19 to test questions.

20 (e) Immediate feedback to pupils and teachers.

21 (3) In order to receive reimbursement under this section for
22 the purchase of 1 or more diagnostic tools or screening tools for
23 pupils in grades K to 3, each of the tools must meet all of the
24 following:

25 (a) Be reliable.

26 (b) Be valid.

27 (c) Be useful. As used in this subdivision, "useful" means

1 that a tool is easy to administer and requires a short time to
2 complete and that results are linked to intervention.

3 (4) In order to receive funding under this section for the
4 purchase of 1 or more benchmark assessments for pupils in grades K
5 to 3, each of the benchmark assessments must meet all of the
6 following:

7 (a) Be aligned to the state standards of this state.

8 (b) Complement this state's summative assessment system.

9 (c) Be administered at least once a year before the
10 administration of any summative assessment to monitor pupil
11 progress.

12 (d) Provide information on pupil achievement with regard to
13 learning the content required in a given year or grade span.

14 (5) Reimbursement under this section shall be made to eligible
15 districts that purchase a computer-adaptive test or 1 or more
16 diagnostic tools, screening tools, or benchmark assessments
17 described in this section by October 15, ~~2016~~2017 and shall be
18 made on an equal per-pupil basis according to the available
19 funding, based on the number of pupils for whom assessments were
20 purchased.

21 (6) In order to receive reimbursement under this section, a
22 district shall demonstrate to the satisfaction of the department
23 that each qualifying computer-adaptive test, diagnostic tool,
24 screening tool, or benchmark assessment was purchased by the
25 district by December 1, ~~2016~~2017.

26 **SEC. 104E. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION**
27 **11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR THE**

1 IMPLEMENTATION OF AN ASSESSMENT DIGITAL LITERACY PREPARATION PILOT
2 PROJECT FOR PUPILS ENROLLED IN GRADES K TO 8. THE DEPARTMENT SHALL
3 ENSURE THAT A PILOT PROJECT FUNDED UNDER THIS SUBSECTION SATISFIES
4 ALL OF THE FOLLOWING:

5 (A) IS AVAILABLE TO DISTRICTS IN THE 2017-2018 SCHOOL YEAR.

6 (B) FOCUSES ON ENSURING PUPILS HAVE THE NECESSARY SKILLS
7 REQUIRED FOR STATE ONLINE ASSESSMENTS BY ASSESSING PUPIL DIGITAL
8 LITERACY SKILL LEVELS AND PROVIDING TEACHERS WITH A DIGITAL
9 CURRICULUM TARGETED AT AREAS OF DETERMINED WEAKNESS.

10 (C) ALLOWS PUPILS TO ENGAGE WITH THE DIGITAL CURRICULUM IN AN
11 INDEPENDENT OR TEACHER-FACILITATED MODALITY.

12 (D) INCLUDES TRAINING AND PROFESSIONAL DEVELOPMENT FOR
13 TEACHERS.

14 (E) IS IMPLEMENTED IN AT LEAST 220 DISTRICTS THAT OPERATE
15 GRADES K TO 8 AND THAT REPRESENT A DIVERSE GEOGRAPHY AND SOCIO-
16 ECONOMIC DEMOGRAPHIC.

17 (2) FUNDING UNDER SUBSECTION (1) SHALL BE ALLOCATED TO A
18 DISTRICT THAT OPERATES AT LEAST GRADES K TO 8 AND HAS A PARTNERSHIP
19 WITH A THIRD PARTY THAT IS EXPERIENCED IN THE ASSESSMENT OF DIGITAL
20 LITERACY AND THE PREPARATION OF DIGITAL LITERACY SKILLS AND HAS
21 DEMONSTRABLE EXPERIENCE SERVING DISTRICTS IN THIS STATE AND LOCAL
22 EDUCATION AGENCIES IN OTHER STATES. THE DISTRICT, ALONG WITH ITS
23 THIRD-PARTY PARTNER, SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE
24 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE AND SENATE
25 FISCAL AGENCIES ON THE EFFICACY AND USEFULNESS OF THE ASSESSMENT
26 DIGITAL LITERACY PREPARATION PILOT PROJECT NO LATER THAN SEPTEMBER
27 30, 2018.

(3) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER SUBSECTION (1) SHALL BE MADE IN A MANNER DETERMINED BY THE DEPARTMENT.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$25,000,000.00~~ **\$27,000,000.00** for ~~2016-2017~~ **2017-2018** for adult education programs authorized under this section. Except as otherwise provided under subsections ~~(14)~~ and ~~(15)~~, **(14), (15), AND (19)**, funds allocated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, an eligible adult education provider shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, an individual shall be enrolled in an adult basic education program, an adult secondary education program, an adult English as a second language program, a high school equivalency test preparation program, or a high school completion program, that meets the requirements of this section, and for which instruction is provided, and shall meet either of the following:

(a) Has attained 20 years of age.

(b) Has attained 18 years of age and the individual's graduating class has graduated.

(4) By April 1 of each fiscal year, the intermediate districts within a prosperity region or subregion shall determine which intermediate district will serve as the prosperity region's or

1 subregion's fiscal agent for the next fiscal year and shall notify
2 the department in a form and manner determined by the department.
3 The department shall approve or disapprove of the prosperity
4 region's or subregion's selected fiscal agent. From the funds
5 allocated under subsection (1), an amount as determined under this
6 subsection shall be allocated to each intermediate district serving
7 as a fiscal agent for adult education programs in each of the
8 prosperity regions or subregions identified by the department. An
9 intermediate district shall not use more than 5% of the funds
10 allocated under this subsection for administration costs for
11 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
12 allocation provided to each intermediate district serving as a
13 fiscal agent shall be based on the proportion of total funding
14 formerly received by the adult education providers in that
15 prosperity region or subregion in 2013-2014, and 33% shall be
16 allocated based on the factors in subdivisions (a), (b), and (c).
17 For ~~2017-2018, 2018-2019~~, 33% of the allocation provided to each
18 intermediate district serving as a fiscal agent shall be based upon
19 the proportion of total funding formerly received by the adult
20 education providers in that prosperity region in 2013-2014 and 67%
21 of the allocation shall be based upon the factors in subdivisions
22 (a), (b), and (c). Beginning in ~~2018-2019, 2019-2020~~, 100% of the
23 allocation provided to each intermediate district serving as a
24 fiscal agent shall be based on the factors in subdivisions (a),
25 (b), and (c). The funding factors for this section are as follows:
26 (a) Sixty percent of this portion of the funding shall be
27 distributed based upon the proportion of the state population of

1 individuals between the ages of 18 and 24 that are not high school
2 graduates that resides in each of the prosperity regions or
3 subregions, as reported by the most recent 5-year estimates from
4 the American community survey (ACS) from the United States Census
5 Bureau.

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

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

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

22 (a) Distribute funds to adult education programs in a
23 prosperity region or subregion as described in this section.

24 (b) Collaborate with the talent district career council, which
25 is an advisory council of the workforce development boards located
26 in the prosperity region or subregion, or its successor, to develop
27 a regional strategy that aligns adult education programs and

1 services into an efficient and effective delivery system for adult
2 education learners, with special consideration for providing
3 contextualized learning and career pathways and addressing barriers
4 to education and employment.

5 (c) Collaborate with the talent district career council, which
6 is an advisory council of the workforce development boards located
7 in the prosperity region or subregion, or its successor, to create
8 a local process and criteria that will identify eligible adult
9 education providers to receive funds allocated under this section
10 based on location, demand for services, past performance, quality
11 indicators as identified by the department, and cost to provide
12 instructional services. The fiscal agent shall determine all local
13 processes, criteria, and provider determinations. However, the
14 local processes, criteria, and provider services must be approved
15 by the department before funds may be distributed to the fiscal
16 agent.

17 (d) Provide oversight to its adult education providers
18 throughout the program year to ensure compliance with the
19 requirements of this section.

20 (e) Report adult education program and participant data and
21 information as prescribed by the department.

22 (6) An adult basic education program, an adult secondary
23 education program, or an adult English as a second language program
24 operated on a year-round or school year basis may be funded under
25 this section, subject to all of the following:

26 (a) The program enrolls adults who are determined by a
27 department-approved assessment, in a form and manner prescribed by

1 the department, to be below twelfth grade level in reading or
2 mathematics, or both, or to lack basic English proficiency.

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

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

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

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

13 (d) A participant in an adult secondary education program is
14 eligible for reimbursement until 1 of the following occurs:

15 (i) The participant's reading and mathematics proficiency are
16 assessed above the twelfth grade level.

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

19 (e) A funding recipient enrolling a participant in an English
20 as a second language program is eligible for funding according to
21 subsection (9) until the participant meets 1 of the following:

22 (i) The participant is assessed as having attained basic
23 English proficiency as determined by a department-approved
24 assessment.

25 (ii) The participant fails to show progress on 2 successive
26 department-approved assessments after having completed at least 450
27 hours of instruction. The department shall provide information to a

1 funding recipient regarding appropriate assessment instruments for
2 this program.

3 (7) A high school equivalency test preparation program
4 operated on a year-round or school year basis may be funded under
5 this section, subject to all of the following:

6 (a) The program enrolls adults who do not have a high school
7 diploma or a high school equivalency certificate.

8 (b) The program shall administer a pre-test approved by the
9 department before enrolling an individual to determine the
10 individual's literacy levels, shall administer a high school
11 equivalency practice test to determine the individual's potential
12 for success on the high school equivalency test, and shall
13 administer a post-test upon completion of the program in compliance
14 with the state-approved assessment policy.

15 (c) A funding recipient shall receive funding according to
16 subsection (9) for a participant, and a participant may be enrolled
17 in the program until 1 of the following occurs:

18 (i) The participant achieves a high school equivalency
19 certificate.

20 (ii) The participant fails to show progress on 2 successive
21 department-approved assessments used to determine readiness to take
22 a high school equivalency test after having completed at least 450
23 hours of instruction.

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

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

1 diploma.

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

5 (c) A funding recipient shall receive funding according to
6 subsection (9) for a participant in a course offered under this
7 subsection until 1 of the following occurs:

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

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

13 (9) A funding recipient shall receive payments under this
14 section in accordance with all of the following:

15 (a) Statewide allocation criteria, including 3-year average
16 enrollments, census data, and local needs.

17 (b) Participant completion of the adult basic education
18 objectives by achieving an educational gain as determined by the
19 national reporting system levels; for achieving basic English
20 proficiency, as determined by the department; for achieving a high
21 school equivalency certificate or passage of 1 or more individual
22 high school equivalency tests; for attainment of a high school
23 diploma or passage of a course required for a participant to attain
24 a high school diploma; for enrollment in a postsecondary
25 institution, or for entry into or retention of employment, as
26 applicable.

27 (c) Participant completion of core indicators as identified in

1 the innovation and opportunity act.

2 (d) Allowable expenditures.

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

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

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

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

1 participant's income is at or below 200% of the federal poverty
2 guidelines published by the United States Department of Health and
3 Human Services.

4 (14) In order to receive funds under this section, a funding
5 recipient shall furnish to the department, in a form and manner
6 determined by the department, all information needed to administer
7 this program and meet federal reporting requirements; shall allow
8 the department or the department's designee to review all records
9 related to the program for which it receives funds; and shall
10 reimburse the state for all disallowances found in the review, as
11 determined by the department. In addition, a funding recipient
12 shall agree to pay to a career and technical education program
13 under section 61a the amount of funding received under this section
14 in the proportion of career and technical education coursework used
15 to satisfy adult basic education programming, as billed to the
16 funding recipient by programs operating under section 61a.

17 (15) From the amount appropriated in subsection (1), an amount
18 not to exceed \$500,000.00 shall be allocated for ~~2016-2017~~**2017-**
19 **2018** to not more than 1 pilot program that is located in a
20 prosperity region with 2 or more subregions and that connects adult
21 education participants directly with employers by linking adult
22 education, career and technical skills, and workforce development.
23 To be eligible for funding under this subsection, a pilot program
24 shall provide a collaboration linking adult education programs
25 within the county, the area career/technical center, and local
26 employers, and shall meet the additional criteria in subsections
27 (16) and (17). Funding under this subsection for ~~2016-2017~~**2017-**

1 **2018** is for the ~~second~~ **THIRD** of 3 years of funding.

2 (16) A pilot program funded under subsection (15) shall
3 require adult education staff to work with Michigan works! agency
4 to identify a cohort of participants who are most prepared to
5 successfully enter the workforce. Participants identified under
6 this subsection shall be dually enrolled in adult education
7 programming and at least 1 technical course at the area
8 career/technical center.

9 (17) A pilot program funded under subsection (15) shall have
10 on staff an adult education navigator who will serve as a
11 caseworker for each participant identified under subsection (16).
12 The navigator shall work with adult education staff and potential
13 employers to design an educational program best suited to the
14 personal and employment needs of the participant, and shall work
15 with human service agencies or other entities to address any
16 barrier in the way of participant access.

17 (18) Not later than December 1, ~~2017,~~ **2018**, the pilot program
18 funded under subsection (15) shall provide to the senate and house
19 appropriations subcommittees on school aid, ~~and to the senate and~~
20 house fiscal agencies, **AND TO THE STATE BUDGET DIRECTOR** a report
21 detailing number of participants, graduation rates, and a measure
22 of transitioning to employment.

23 ~~—— (19) The department shall develop an application process for a~~
24 ~~pilot program to be funded under subsection (15) and shall award~~
25 ~~funding not later than October 1, 2016. Funding allocated under~~
26 ~~subsection (15) may be paid on a schedule other than that specified~~
27 ~~under section 17b.~~

1 (19) FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), AN AMOUNT
2 NOT TO EXCEED \$2,000,000.00 SHALL BE ALLOCATED FOR 2017-2018 FOR
3 GRANTS TO NOT MORE THAN 5 PILOT PROGRAMS THAT ARE ADDITIONAL TO THE
4 PILOT PROGRAM FUNDED UNDER SUBSECTION (15) TO CONNECT ADULT
5 EDUCATION PARTICIPANTS WITH EMPLOYERS AS PROVIDED UNDER THIS
6 SUBSECTION. THE GRANT TO EACH ELIGIBLE PILOT PROGRAM SHALL BE
7 \$400,000.00. TO RECEIVE FUNDING UNDER THIS SUBSECTION, AN ELIGIBLE
8 PILOT PROGRAM SHALL SATISFY ALL OF THE FOLLOWING:

9 (A) MEETS 1 OF THE FOLLOWING:

10 (i) IS LOCATED IN PROSPERITY REGION 1C.

11 (ii) IS LOCATED IN PROSPERITY REGION 2 AND BORDERS PROSPERITY
12 REGION 4.

13 (iii) IS LOCATED IN PROSPERITY REGION 4A AND BORDERS
14 PROSPERITY REGION 5.

15 (iv) IS LOCATED IN PROSPERITY REGION 5 AND BORDERS LAKE HURON.

16 (v) IS LOCATED IN PROSPERITY REGION 9 AND BORDERS A
17 NEIGHBORING STATE.

18 (B) BEGINS OPERATIONS AT THE START OF THE 2017-2018 SCHOOL
19 YEAR.

20 (C) REPLICATES THE PILOT PROGRAM FUNDED UNDER SUBSECTION (15).

21 (D) MEETS THE REQUIREMENTS UNDER SUBSECTIONS (15), (16), AND
22 (17) FOR A PILOT PROGRAM FUNDED UNDER SUBSECTION (15).

23 (20) NOT LATER THAN DECEMBER 1, 2018, A PILOT PROGRAM FUNDED
24 UNDER SUBSECTION (19) SHALL PROVIDE A REPORT TO THE SENATE AND
25 HOUSE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID, TO THE SENATE AND
26 HOUSE FISCAL AGENCIES, AND TO THE STATE BUDGET DIRECTOR IDENTIFYING
27 THE NUMBER OF PARTICIPANTS, GRADUATION RATES, AND A MEASURE OF

1 **TRANSITION TO EMPLOYMENT.**

2 (21) ~~(20)~~—The department shall approve at least 3 high school
3 equivalency tests and determine whether a high school equivalency
4 certificate meets the requisite standards for high school
5 equivalency in this state.

6 (22) ~~(21)~~—As used in this section:

7 (a) "Career pathway" means a combination of rigorous and high-
8 quality education, training, and other services that comply with
9 all of the following:

10 (i) Aligns with the skill needs of industries in the economy
11 of this state or in the regional economy involved.

12 (ii) Prepares an individual to be successful in any of a full
13 range of secondary or postsecondary education options, including
14 apprenticeships registered under the act of August 16, 1937
15 (commonly known as the "national apprenticeship act"), 29 USC 50 et
16 seq.

17 (iii) Includes counseling to support an individual in
18 achieving the individual's education and career goals.

19 (iv) Includes, as appropriate, education offered concurrently
20 with and in the same context as workforce preparation activities
21 and training for a specific occupation or occupational cluster.

22 (v) Organizes education, training, and other services to meet
23 the particular needs of an individual in a manner that accelerates
24 the educational and career advancement of the individual to the
25 extent practicable.

26 (vi) Enables an individual to attain a secondary school
27 diploma or its recognized equivalent, and at least 1 recognized

1 postsecondary credential.

2 (vii) Helps an individual enter or advance within a specific
3 occupation or occupational cluster.

4 (b) "Department" means the department of talent and economic
5 development.

6 (c) "Eligible adult education provider" means a district,
7 intermediate district, a consortium of districts, a consortium of
8 intermediate districts, or a consortium of districts and
9 intermediate districts that is identified as part of the local
10 process described in subsection (5)(c) and approved by the
11 department.

12 Sec. 147. (1) The allocation for ~~2016-2017~~**2017-2018** for the
13 public school employees' retirement system pursuant to the public
14 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
15 to ~~38.1408~~, **38.1437**, shall be made using the individual projected
16 benefit entry age normal cost method of valuation and risk
17 assumptions adopted by the public school employees retirement board
18 and the department of technology, management, and budget.

19 (2) The annual level percentage of payroll contribution rates
20 for the ~~2016-2017~~**2017-2018** fiscal year, as determined by the
21 retirement system, are estimated as follows:

22 (a) For public school employees who first worked for a public
23 school reporting unit before July 1, 2010 and who are enrolled in
24 the health premium subsidy, the annual level percentage of payroll
25 contribution rate is estimated at ~~36.64%~~, **36.88%**, with ~~24.94%~~
26 **25.56%** paid directly by the employer.

27 (b) For public school employees who first worked for a public

1 school reporting unit on or after July 1, 2010 and who are enrolled
2 in the health premium subsidy, the annual level percentage of
3 payroll contribution rate is estimated at ~~36.01%~~, **35.60%**, with
4 ~~24.31%~~ **24.28%** paid directly by the employer.

5 (c) For public school employees who first worked for a public
6 school reporting unit on or after July 1, 2010 and who participate
7 in the personal healthcare fund, the annual level percentage of
8 payroll contribution rate is estimated at ~~35.79%~~, **35.35%**, with
9 ~~24.09%~~ **24.03%** paid directly by the employer.

10 (d) For public school employees who first worked for a public
11 school reporting unit on or after September 4, 2012, who elect
12 defined contribution, and who participate in the personal
13 healthcare fund, the annual level percentage of payroll
14 contribution rate is estimated at ~~32.66%~~, **32.28%**, with 20.96% paid
15 directly by the employer.

16 (e) For public school employees who first worked for a public
17 school reporting unit before July 1, 2010, who elect defined
18 contribution, and who are enrolled in the health premium subsidy,
19 the annual level percentage of payroll contribution rate is
20 estimated at ~~32.88%~~, **32.53%**, with ~~21.18%~~ **21.21%** paid directly by
21 the employer.

22 (f) For public school employees who first worked for a public
23 school reporting unit before July 1, 2010, who elect defined
24 contribution, and who participate in the personal healthcare fund,
25 the annual level percentage of payroll contribution rate is
26 estimated at ~~32.66%~~, **32.28%**, with 20.96% paid directly by the
27 employer.

(g) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at ~~36.42%~~, **36.63%**, with ~~24.72%~~ **25.31%** paid directly by the employer.

(3) In addition to the employer payments described in subsection (2), the employer shall pay the applicable contributions to the Tier 2 plan, as determined by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to ~~38.1408~~ **38.1437**.

(4) The contribution rates in subsection (2) reflect an amortization period of ~~22~~ **21** years for ~~2016-2017~~ **2017-2018**. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

Sec. 147a. **(1)** From the appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed \$100,000,000.00 for payments to participating districts. A **PARTICIPATING** district that receives money under this ~~section~~ **SUBSECTION** shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this ~~section~~ **SUBSECTION** shall be based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this ~~section~~, **SUBSECTION**, "participating district" means a district

1 that is a reporting unit of the Michigan public school employees'
2 retirement system under the public school employees retirement act
3 of 1979, 1980 PA 300, MCL 38.1301 to ~~38.1408~~, **38.1437**, and that
4 reports employees to the Michigan public school employees'
5 retirement system for the applicable fiscal year.

6 (2) IN ADDITION TO THE ALLOCATION UNDER SUBSECTION (1), FROM
7 THE STATE SCHOOL AID FUND MONEY APPROPRIATED UNDER SECTION 11,
8 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$48,940,000.00 FOR 2017-
9 2018 FOR PAYMENTS TO PARTICIPATING ENTITIES AND FROM THE GENERAL
10 FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN
11 AMOUNT NOT TO EXCEED \$29,000.00 FOR 2017-2018 FOR PAYMENTS TO
12 PARTICIPATING DISTRICT LIBRARIES. THE AMOUNT ALLOCATED TO EACH
13 PARTICIPATING ENTITY UNDER THIS SUBSECTION SHALL BE BASED ON EACH
14 PARTICIPATING ENTITY'S PERCENTAGE OF THE TOTAL STATEWIDE PAYROLL
15 FOR THAT TYPE OF PARTICIPATING ENTITY FOR THE IMMEDIATELY PRECEDING
16 FISCAL YEAR. A PARTICIPATING ENTITY THAT RECEIVES MONEY UNDER THIS
17 SUBSECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF
18 OFFSETTING A PORTION OF THE NORMAL COST CONTRIBUTION RATE. AS USED
19 IN THIS SUBSECTION:

20 (A) "DISTRICT LIBRARY" MEANS A DISTRICT LIBRARY ESTABLISHED
21 UNDER THE DISTRICT LIBRARY ESTABLISHMENT ACT, 1989 PA 24, MCL
22 397.171 TO 397.196.

23 (B) "PARTICIPATING ENTITY" MEANS A DISTRICT, INTERMEDIATE
24 DISTRICT, OR DISTRICT LIBRARY THAT IS A REPORTING UNIT OF THE
25 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE
26 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
27 38.1301 TO 38.1437, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN

1 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE
2 FISCAL YEAR.

3 Sec. 147b. (1) The MPSERS retirement obligation reform reserve
4 fund is created as a separate account within the state school aid
5 fund.

6 (2) The state treasurer may receive money or other assets from
7 any source for deposit into the MPSERS retirement obligation reform
8 reserve fund. The state treasurer shall direct the investment of
9 the MPSERS retirement obligation reform reserve fund. The state
10 treasurer shall credit to the MPSERS retirement obligation reform
11 reserve fund interest and earnings from the MPSERS retirement
12 obligation reform reserve fund.

13 (3) Money available in the MPSERS retirement obligation reform
14 reserve fund shall not be expended without a specific
15 appropriation.

16 (4) Money in the MPSERS retirement obligation reform reserve
17 fund at the close of the fiscal year shall remain in the MPSERS
18 retirement obligation reform reserve fund and shall not lapse to
19 the state school aid fund or to the general fund. The department of
20 treasury shall be the administrator of the MPSERS retirement
21 obligation reform reserve fund for auditing purposes.

22 (5) If the contributions described in section 43e of the
23 public school employees retirement act of 1979, 1980 PA 300, MCL
24 38.1343e, as that section was added by 2010 PA 75, are determined
25 by a final order of a court of competent jurisdiction for which all
26 rights of appeal have been exhausted to be constitutional and if
27 the order for preliminary injunction in case no. 10-45-MM issued on

July 13, 2010 is lifted, the money placed in a separate interest bearing account as a result of implementing the preliminary injunction shall be deposited into the MPSERS retirement obligation reform reserve fund created in this section to be used solely for health care unfunded accrued liabilities.

(6) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018, \$55,000,000.00 FROM THE STATE SCHOOL AID FUND SHALL BE DEPOSITED INTO THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND TO BE USED FOR THE PURPOSES UNDER SECTION 147E.

Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$982,200,000.00~~ **\$960,130,000.00** from the state school aid fund for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system. In addition, from the general fund money appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$600,000.00~~ **\$654,000.00** for payments to district libraries that are participating entities of the Michigan public school employees' retirement system. **ALL OF THE FOLLOWING APPLY TO FUNDING UNDER THIS SUBSECTION:**

(A) ~~(2)~~ For ~~2016-2017~~, **2017-2018**, the amounts allocated under **THIS** subsection ~~(1)~~ are estimated to provide an average MPSERS rate cap per pupil amount of ~~\$660.00~~ **\$640.00** and are estimated to provide a rate cap per pupil for districts ranging between ~~\$5.00~~ and ~~\$3,100.00~~. **\$4.00 AND \$3,020.00.**

(B) ~~(3)~~ Payments made under this ~~section~~ **SUBSECTION** shall be equal to the difference between the unfunded actuarial accrued

1 liability contribution rate as calculated pursuant to section 41 of
2 the public school employees retirement act of 1979, 1980 PA 300,
3 MCL 38.1341, as calculated without taking into account the maximum
4 employer rate of 20.96% included in section 41 of the public school
5 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
6 maximum employer rate of 20.96% included in section 41 of the
7 public school employees retirement act of 1979, 1980 PA 300, MCL
8 38.1341.

9 **(C)** ~~(4)~~—The amount allocated to each participating entity
10 under this ~~section~~ **SUBSECTION** shall be based on each participating
11 entity's proportion of the total covered payroll for the
12 immediately preceding fiscal year for the same type of
13 participating entities. A participating entity that receives funds
14 under this ~~section~~ **SUBSECTION** shall use the funds solely for the
15 purpose of retirement contributions as specified in ~~subsection~~
16 ~~(5)~~ **SUBDIVISION (D)**.

17 **(D)** ~~(5)~~—Each participating entity receiving funds under this
18 ~~section~~ **SUBSECTION** shall forward an amount equal to the amount
19 allocated under ~~subsection (4)~~ **SUBDIVISION (C)** to the retirement
20 system in a form, manner, and time frame determined by the
21 retirement system.

22 **(E)** ~~(6)~~—Funds allocated under this ~~section~~ **SUBSECTION** should
23 be considered when comparing a district's growth in total state aid
24 funding from 1 fiscal year to the next.

25 **(F)** ~~(7)~~—Not later than December 20, ~~2016~~, **2017**, the department
26 shall publish and post on its website an estimated MPSEERS rate cap
27 per pupil for each district.

(G) IT IS THE INTENT OF THE LEGISLATURE THAT ANY FUNDS ALLOCATED UNDER THIS SUBSECTION ARE FIRST APPLIED TO PENSION CONTRIBUTIONS, AND IF ANY FUNDS REMAIN AFTER THAT PAYMENT, THOSE REMAINING FUNDS SHALL BE APPLIED TO OTHER POSTEMPLOYMENT BENEFIT CONTRIBUTIONS.

(H) ~~(8)~~—As used in this section: **SUBSECTION:**

(i) "DISTRICT LIBRARY" MEANS A DISTRICT LIBRARY ESTABLISHED UNDER THE DISTRICT LIBRARY ESTABLISHMENT ACT, 1989 PA 24, MCL 397.171 TO 397.196.

(ii) ~~(a)~~—"MPERS rate cap per pupil" means an amount equal to the quotient of the district's payment under this ~~section~~ **SUBSECTION** divided by the district's pupils in membership.

(iii) ~~(b)~~—"Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(iv) ~~(c)~~—"Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(v) ~~(d)~~—"Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(2) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1), FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2017-

1 2018 ONLY AN AMOUNT NOT TO EXCEED \$200,000,000.00 FOR PAYMENTS TO
2 PARTICIPATING ENTITIES. NOTWITHSTANDING SECTION 17B, PAYMENTS TO
3 ELIGIBLE PARTICIPATING ENTITIES UNDER THIS SUBSECTION SHALL BE PAID
4 IN 1 INSTALLMENT NO LATER THAN OCTOBER 20, 2017. PAYMENTS UNDER
5 THIS SUBSECTION SHALL BE MADE AS FOLLOWS:

6 (A) THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER
7 THIS SUBSECTION SHALL BE BASED ON EACH PARTICIPATING ENTITY'S
8 PROPORTION OF THE TOTAL COVERED PAYROLL FOR THE FISCAL YEAR ENDING
9 SEPTEMBER 30, 2016. A PARTICIPATING ENTITY THAT RECEIVES FUNDS
10 UNDER THIS SUBSECTION SHALL USE THE FUNDS SOLELY FOR PURPOSES OF
11 THIS SUBSECTION.

12 (B) EACH PARTICIPATING ENTITY RECEIVING FUNDS UNDER THIS
13 SUBSECTION SHALL FORWARD AN AMOUNT EQUAL TO THE SUM OF THE AMOUNT
14 ALLOCATED UNDER THIS SUBSECTION AND THE AMOUNT ALLOCATED UNDER
15 SUBSECTION (1) TO THE RETIREMENT SYSTEM IN A FORM, MANNER, AND TIME
16 FRAME PRESCRIBED BY THE RETIREMENT SYSTEM.

17 (C) PAYMENTS UNDER THIS SUBSECTION SHALL BE USED BY THE
18 RETIREMENT SYSTEM SPECIFICALLY FOR THE PAYMENT OR PREPAYMENT OF THE
19 FINAL YEARS OR PARTIAL YEARS OF ANY ADDITIONAL COSTS TO THE
20 RETIREMENT SYSTEM DUE TO THE OPERATION OF SECTION 81B OF THE PUBLIC
21 SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1381B,
22 WITHOUT REGARD TO THE AMORTIZATION OF THOSE COSTS UNDER SECTION
23 81B(5) OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980
24 PA 300, MCL 38.1381B, AND IN A MANNER AND FORM AS DETERMINED BY THE
25 OFFICE OF RETIREMENT SERVICES.

26 (D) AS USED IN THIS SUBSECTION:

27 (i) "PARTICIPATING ENTITY" MEANS A DISTRICT, INTERMEDIATE

1 DISTRICT, COMMUNITY COLLEGE, OR DISTRICT LIBRARY THAT IS A
2 REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
3 SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979,
4 1980 PA 300, MCL 38.1301 TO 38.1437, AND THAT REPORTS EMPLOYEES TO
5 THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE
6 APPLICABLE FISCAL YEAR.

7 (ii) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL
8 EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
9 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

10 SEC. 147E. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
11 ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$23,100,000.00 FROM
12 THE MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND FOR PAYMENTS
13 TO PARTICIPATING ENTITIES.

14 (2) THE PAYMENT TO EACH PARTICIPATING ENTITY UNDER THIS
15 SECTION SHALL BE THE SUM OF THE AMOUNTS UNDER THIS SUBSECTION AS
16 FOLLOWS:

17 (A) AN AMOUNT EQUAL TO THE CONTRIBUTIONS MADE BY A
18 PARTICIPATING ENTITY FOR THE ADDITIONAL CONTRIBUTION MADE TO A
19 QUALIFIED PARTICIPANT'S TIER 2 ACCOUNT IN AN AMOUNT EQUAL TO THE
20 CONTRIBUTION MADE BY THE QUALIFIED PARTICIPANT NOT TO EXCEED 3% OF
21 THE QUALIFIED PARTICIPANT'S COMPENSATION AS PROVIDED FOR UNDER
22 SECTION 131(6) OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF
23 1979, 1980 PA 300, MCL 38.1431, IF THAT ACT IS AMENDED BY EITHER
24 SENATE BILL NO. 401 OR HOUSE BILL NO. 4647 OF THE 99TH LEGISLATURE.

25 (B) BEGINNING OCTOBER 1, 2017, AN AMOUNT EQUAL TO THE
26 CONTRIBUTIONS MADE BY A PARTICIPATING ENTITY FOR A QUALIFIED
27 PARTICIPANT WHO IS ONLY A TIER 2 QUALIFIED PARTICIPANT UNDER

1 SECTION 81D OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979,
2 1980 PA 300, MCL 38.1381D, NOT TO EXCEED 4%, AND, BEGINNING
3 FEBRUARY 1, 2018, NOT TO EXCEED 1%, OF THE QUALIFIED PARTICIPANT'S
4 COMPENSATION, IF THAT ACT IS AMENDED BY EITHER SENATE BILL NO. 401
5 OR HOUSE BILL NO. 4647 OF THE 99TH LEGISLATURE.

6 (C) AN AMOUNT EQUAL TO THE INCREASE IN EMPLOYER NORMAL COST
7 CONTRIBUTIONS UNDER SECTION 41B(2) OF THE PUBLIC SCHOOL EMPLOYEES
8 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341B, FOR A MEMBER
9 THAT WAS HIRED AFTER FEBRUARY 1, 2018 AND CHOSE TO PARTICIPATE IN
10 TIER 1, COMPARED TO THE EMPLOYER NORMAL COST CONTRIBUTION FOR A
11 MEMBER UNDER SECTION 41B(1) OF THE PUBLIC SCHOOL EMPLOYEES
12 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341B, IF SECTION 41B
13 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300,
14 MCL 38.1341B, IS AMENDED BY EITHER SENATE BILL NO. 401 OR HOUSE
15 BILL NO. 4647 OF THE 99TH LEGISLATURE.

16 (3) AS USED IN THIS SECTION:

17 (A) "MEMBER" MEANS THAT TERM AS DEFINED UNDER THE PUBLIC
18 SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301
19 TO 38.1437.

20 (B) "PARTICIPATING ENTITY" MEANS A DISTRICT, INTERMEDIATE
21 DISTRICT, OR COMMUNITY COLLEGE THAT IS A REPORTING UNIT OF THE
22 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE
23 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
24 38.1301 TO 38.1437, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN
25 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE
26 FISCAL YEAR.

27 (C) "QUALIFIED PARTICIPANT" MEANS THAT TERM AS DEFINED UNDER

1 **SECTION 124 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979,**
 2 **1980 PA 300, MCL 38.1424.**

3 Sec. 152a. (1) As required by the court in the consolidated
 4 cases known as Adair v State of Michigan, ~~Michigan supreme court~~
 5 ~~docket nos. 137424 and 137453,~~ **486 MICH 468 (2010)**, from the state
 6 school aid fund money appropriated in section 11 there is allocated
 7 for ~~2016-2017~~ **2017-2018** an amount not to exceed \$38,000,500.00 to
 8 be used solely for the purpose of paying necessary costs related to
 9 the state-mandated collection, maintenance, and reporting of data
 10 to this state.

11 (2) From the allocation in subsection (1), the department
 12 shall make payments to districts and intermediate districts in an
 13 equal amount per-pupil based on the total number of pupils in
 14 membership in each district and intermediate district. The
 15 department shall not make any adjustment to these payments after
 16 the final installment payment under section 17b is made.

17 Sec. 152b. (1) From the general fund money appropriated under
 18 section 11, there is allocated an amount not to exceed
 19 \$2,500,000.00 for **EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018**
 20 to reimburse **ACTUAL** costs incurred by nonpublic schools ~~as~~
 21 ~~identified in the nonpublic school mandate report published by the~~
 22 ~~department on November 25, 2014 and under subsection (2).~~ **IN**
 23 **COMPLYING WITH A HEALTH, SAFETY, OR WELFARE REQUIREMENT MANDATED BY**
 24 **A LAW OR ADMINISTRATIVE RULE OF THIS STATE.**

25 (2) By January 1 ~~, 2017,~~ **OF EACH APPLICABLE FISCAL YEAR**, the
 26 department shall publish a form **FOR REPORTING ACTUAL COSTS INCURRED**
 27 **BY A NONPUBLIC SCHOOL IN COMPLYING WITH A HEALTH, SAFETY, OR**

1 **WELFARE REQUIREMENT MANDATED UNDER STATE LAW** containing the
 2 ~~requirements identified in the report under subsection (1).~~ The
 3 ~~department shall include other requirements on the form that were~~
 4 ~~enacted into law after publication of the report.~~ **EACH HEALTH,**
 5 **SAFETY, OR WELFARE REQUIREMENT MANDATED BY A LAW OR ADMINISTRATIVE**
 6 **RULE OF THIS STATE APPLICABLE TO A NONPUBLIC SCHOOL AND WITH A**
 7 **REFERENCE TO EACH RELEVANT PROVISION OF LAW OR ADMINISTRATIVE RULE**
 8 **FOR THE REQUIREMENT.** The form shall be posted on the department's
 9 website in electronic form.

10 (3) By June 15, ~~2017,~~ **30 OF EACH APPLICABLE FISCAL YEAR,** a
 11 nonpublic school seeking reimbursement ~~under subsection (1) of~~ **FOR**
 12 **ACTUAL** costs incurred **IN COMPLYING WITH A HEALTH, SAFETY, OR**
 13 **WELFARE REQUIREMENT UNDER A LAW OR ADMINISTRATIVE RULE OF THIS**
 14 **STATE** during ~~the 2016-2017~~ **EACH APPLICABLE** school year shall submit
 15 ~~the~~ **A COMPLETED** form described in subsection (2) to the department.
 16 This section does not require a nonpublic school to submit a form
 17 described in subsection (2). A nonpublic school is not eligible for
 18 reimbursement under this section ~~unless~~ **IF** the nonpublic school
 19 ~~submits~~ **DOES NOT SUBMIT** the form described in subsection (2) in a
 20 timely manner.

21 (4) By August 15, ~~2017,~~ **OF EACH APPLICABLE FISCAL YEAR,** the
 22 department shall distribute funds to **EACH** nonpublic ~~schools~~ **SCHOOL**
 23 that ~~submit~~ **SUBMITS** a completed form described under subsection (2)
 24 in a timely manner. The superintendent shall determine the amount
 25 of funds to be paid to each nonpublic school in an amount that does
 26 not exceed the nonpublic school's actual ~~cost to comply with~~
 27 ~~requirements under subsections (1) and (2).~~ **COSTS IN COMPLYING WITH**

1 A HEALTH, SAFETY, OR WELFARE REQUIREMENT UNDER A LAW OR

2 ADMINISTRATIVE RULE OF THIS STATE. The superintendent shall

3 calculate a nonpublic school's actual cost in accordance with this
4 section.

5 (5) If the funds allocated under this section are insufficient
6 to fully fund payments as otherwise calculated under this section,
7 the department shall distribute funds under this section on a
8 prorated or other equitable basis as determined by the
9 superintendent.

10 (6) The department ~~has the authority to~~ **MAY** review the records
11 of a nonpublic school submitting a form described in subsection (2)
12 only for the limited purpose of verifying the nonpublic school's
13 compliance with this section. If a nonpublic school does not allow
14 the department to review records under this subsection, ~~for this~~
15 ~~limited purpose,~~ the nonpublic school is not eligible for
16 reimbursement under this section.

17 (7) The funds appropriated under this section are for purposes
18 related to education, are considered to be incidental to the
19 operation of a nonpublic school, are noninstructional in character,
20 and are intended for the public purpose of ensuring the health,
21 safety, and welfare of the children in nonpublic schools and to
22 reimburse nonpublic schools for costs described in this section.

23 (8) Funds allocated under this section are not intended to aid
24 or maintain any nonpublic school, support the attendance of any
25 student at a nonpublic school, employ any person at a nonpublic
26 school, support the attendance of any student at any location where
27 instruction is offered to a nonpublic school student, or support

1 the employment of any person at any location where instruction is
2 offered to a nonpublic school student.

3 (9) For purposes of this section, "actual cost" means the
4 hourly wage for the employee or employees performing ~~the reported~~ **A**
5 task or tasks **REQUIRED TO COMPLY WITH A HEALTH, SAFETY, OR WELFARE**
6 **REQUIREMENT UNDER A LAW OR ADMINISTRATIVE RULE OF THIS STATE**
7 **IDENTIFIED BY THE DEPARTMENT UNDER SUBSECTION (2)** and is to be
8 calculated in accordance with the form published by the department
9 under subsection (2), which shall include a detailed itemization of
10 ~~cost.~~ **COSTS**. The nonpublic school shall not charge more than the
11 hourly wage of its lowest-paid employee capable of performing ~~the~~
12 ~~reported~~ **A SPECIFIC** task regardless of whether that individual is
13 available and regardless of who actually performs ~~the reported~~ **A**
14 **SPECIFIC** task. Labor costs under this subsection shall be estimated
15 and charged in increments of 15 minutes or more, with all partial
16 time increments rounded down. When calculating costs under
17 subsection (4), fee components shall be itemized in a manner that
18 expresses both the hourly wage and the number of hours charged. The
19 nonpublic school may not charge any applicable labor charge amount
20 to cover or partially cover the cost of health or fringe benefits.
21 A nonpublic school shall not charge any overtime wages in the
22 calculation of labor costs.

23 (10) **FOR THE PURPOSES OF THIS SECTION, THE ACTUAL COST**
24 **INCURRED BY A NONPUBLIC SCHOOL FOR TAKING DAILY STUDENT ATTENDANCE**
25 **SHALL BE CONSIDERED AN ACTUAL COST IN COMPLYING WITH A HEALTH,**
26 **SAFETY, OR WELFARE REQUIREMENT UNDER A LAW OR ADMINISTRATIVE RULE**
27 **OF THIS STATE. TRAINING FEES, INSPECTION FEES, AND CRIMINAL**

1 BACKGROUND CHECK FEES ARE CONSIDERED ACTUAL COSTS IN COMPLYING WITH
2 A HEALTH, SAFETY, OR WELFARE REQUIREMENT UNDER A LAW OR
3 ADMINISTRATIVE RULE OF THIS STATE.

4 (11) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2016-2017 ARE
5 A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2016-
6 2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE WORK
7 PROJECT IS TO CONTINUE TO REIMBURSE NONPUBLIC SCHOOLS FOR ACTUAL
8 COSTS INCURRED IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE
9 REQUIREMENT MANDATED BY A LAW OR ADMINISTRATIVE RULE OF THIS STATE.
10 THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,
11 2019.

12 SEC. 160. IF A DISTRICT OR INTERMEDIATE DISTRICT REQUESTS THE
13 SUPERINTENDENT TO GRANT A WAIVER FOR THE DISTRICT OR INTERMEDIATE
14 DISTRICT FROM THE REQUIREMENTS OF SECTION 1284B OF THE REVISED
15 SCHOOL CODE, MCL 380.1284B, THAT DISTRICT OR INTERMEDIATE DISTRICT
16 SHALL USE A PORTION OF ITS FUNDING UNDER THIS ARTICLE TO CONDUCT A
17 JOINT PUBLIC HEARING WITH THE DEPARTMENT TO BE HELD BEFORE THE
18 WAIVER IS GRANTED AT A LOCATION WITHIN THE DISTRICT OR INTERMEDIATE
19 DISTRICT.

20 SEC. 164G. A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT USE
21 FUNDS APPROPRIATED UNDER THIS ARTICLE TO PAY AN EXPENSE INCURRED
22 RELATING TO ANY LEGAL ACTION INITIATED BY THE DISTRICT OR
23 INTERMEDIATE DISTRICT AGAINST THIS STATE. IF A DISTRICT OR
24 INTERMEDIATE DISTRICT VIOLATES THIS SECTION IN A FISCAL YEAR, THE
25 DISTRICT OR INTERMEDIATE DISTRICT FORFEITS FROM ITS FUNDS DUE UNDER
26 THIS ARTICLE FOR THAT FISCAL YEAR AN AMOUNT EQUAL TO THE EXPENSES
27 PAID IN VIOLATION OF THIS SECTION.

1 SEC. 164H. (1) BEGINNING OCTOBER 1, 2017, A DISTRICT OR
2 INTERMEDIATE DISTRICT SHALL NOT ENTER INTO A COLLECTIVE BARGAINING
3 AGREEMENT THAT DOES ANY OF THE FOLLOWING:

4 (A) ESTABLISHES RACIAL OR RELIGIOUS PREFERENCES FOR EMPLOYEES.

5 (B) AUTOMATICALLY DEDUCTS UNION DUES FROM EMPLOYEE
6 COMPENSATION.

7 (C) IS IN CONFLICT WITH ANY STATE OR FEDERAL LAW REGARDING
8 DISTRICT OR INTERMEDIATE DISTRICT TRANSPARENCY.

9 (D) INCLUDES A METHOD OF COMPENSATION THAT DOES NOT COMPLY
10 WITH SECTION 1250 OF THE REVISED SCHOOL CODE, MCL 380.1250.

11 (2) A DISTRICT OR INTERMEDIATE DISTRICT THAT ENTERS INTO A
12 COLLECTIVE BARGAINING AGREEMENT IN VIOLATION OF SUBSECTION (1)
13 SHALL FORFEIT AN AMOUNT EQUAL TO 5% OF THE FUNDS DUE TO THE
14 DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE.

15 Sec. 166b. (1) This act does not prohibit a parent or legal
16 guardian of a minor who is enrolled in any of grades kindergarten
17 to 12 in a nonpublic school or who is being home-schooled from also
18 enrolling the minor in a district, public school academy, or
19 intermediate district in any curricular offering that is provided
20 by the district, public school academy, or intermediate district at
21 a public school site and is available to pupils in the minor's
22 grade level or age group, subject to compliance with the same
23 requirements that apply to a full-time pupil's participation in the
24 offering. However, state school aid shall be provided under this
25 act for a minor enrolled as described in this subsection only for
26 curricular offerings that are ~~offered~~ **AVAILABLE** to full-time pupils
27 in the minor's grade level or age group. ~~during regularly scheduled~~

1 ~~school hours.~~

2 (2) This act does not prohibit a parent or legal guardian of a
3 minor who is enrolled in any of grades kindergarten to 12 in a
4 nonpublic school or who resides within the district and is being
5 home-schooled from also enrolling the minor in the district in a
6 curricular offering being provided by the district at the nonpublic
7 school site. However, state school aid shall be provided under this
8 act for a minor enrolled as described in this subsection only if
9 all of the following apply:

10 (a) Either of the following:

11 (i) The nonpublic school site is located, or the nonpublic
12 students are educated, within the geographic boundaries of the
13 district.

14 (ii) If the nonpublic school has submitted a written request
15 to the district in which the nonpublic school is located for the
16 district to provide certain instruction under this subsection for a
17 school year and the district does not agree to provide some or all
18 of that instruction by May 1 immediately preceding that school year
19 or, if the request is submitted after March 1 immediately preceding
20 that school year, within 60 days after the nonpublic school submits
21 the request, the instruction is instead provided by an eligible
22 other district. This subparagraph does not require a nonpublic
23 school to submit more than 1 request to the district in which the
24 nonpublic school is located for that district to provide
25 instruction under this subsection, and does not require a nonpublic
26 school to submit an additional request to the district in which the
27 nonpublic school is located for that district to provide additional

1 instruction under this subsection beyond the instruction requested
2 in the original request, before having the instruction provided by
3 an eligible other district. A public school academy that is located
4 in the district in which the nonpublic school is located or in an
5 eligible other district also may provide instruction under this
6 subparagraph under the same conditions as an eligible other
7 district. As used in this subparagraph, "eligible other district"
8 means a district that is located in the same intermediate district
9 as the district in which the nonpublic school is located or is
10 located in an intermediate district that is contiguous to that
11 intermediate district.

12 (b) The nonpublic school is registered with the department as
13 a nonpublic school and meets all state reporting requirements for
14 nonpublic schools.

15 ~~— (c) The instruction is scheduled to occur during the regular~~
16 ~~school day.~~

17 (C) ~~(d)~~ The instruction is provided directly by a certified
18 teacher at the district or public school academy or at an
19 intermediate district.

20 (D) ~~(e)~~ The curricular offering is also available to full-time
21 pupils in the minor's grade level or age group in the district or
22 public school academy ~~during the regular school day~~ at a public
23 school site.

24 (E) ~~(f)~~ The curricular offering is restricted to nonessential
25 elective courses for pupils in grades kindergarten to 12.

26 (3) A NONESSENTIAL COURSE IN GRADES KINDERGARTEN TO 8 IS A
27 COURSE OTHER THAN MATHEMATICS, SCIENCE, SOCIAL STUDIES, AND ENGLISH

1 LANGUAGE ARTS. NONESSENTIAL COURSES IN GRADES 9 TO 12 ARE THOSE
2 OTHER THAN ALGEBRA 1, ALGEBRA 2, ENGLISH 9-12, GEOMETRY, BIOLOGY,
3 CHEMISTRY, PHYSICS, ECONOMICS, GEOGRAPHY, AMERICAN HISTORY, WORLD
4 HISTORY, THE CONSTITUTION, GOVERNMENT, AND CIVICS, OR COURSES THAT
5 FULFILL THE SAME CREDIT REQUIREMENT AS THESE COURSES. NONESSENTIAL
6 ELECTIVE COURSES INCLUDE COURSES OFFERED BY THE LOCAL DISTRICT FOR
7 HIGH SCHOOL CREDIT THAT ARE ALSO CAPABLE OF GENERATING
8 POSTSECONDARY CREDIT, INCLUDING, AT LEAST, ADVANCED PLACEMENT AND
9 INTERNATIONAL BACCALAUREATE COURSES. COLLEGE LEVEL COURSES TAKEN BY
10 HIGH SCHOOL STUDENTS FOR COLLEGE CREDIT ARE NONESSENTIAL COURSES.
11 REMEDIAL COURSES FOR ANY GRADE IN THE ABOVE-LISTED ESSENTIAL
12 COURSES ARE CONSIDERED ESSENTIAL.

13 (4) ~~(3)~~ A SUBJECT TO SECTION 6(4)(II), A minor enrolled as
14 described in this section is a part-time pupil for purposes of
15 state school aid under this act.

16 (5) ~~(4)~~ A district that receives a written request to provide
17 instruction under subsection (2) shall reply to the request in
18 writing by May 1 immediately preceding the applicable school year
19 or, if the request is made after March 1 immediately preceding that
20 school year, within 60 days after the nonpublic school submits the
21 request. The written reply shall specify whether the district
22 agrees to provide or does not agree to provide the instruction for
23 each portion of instruction included in the request.

24 ~~— (5) The department shall establish a workgroup consisting of~~
25 ~~staff from the department, staff from the center, pupil accounting~~
26 ~~staff from districts and intermediate districts, other applicable~~
27 ~~staff from districts and intermediate districts, representatives~~

~~from nonpublic schools, and representatives from home schools to
examine the issue of providing a uniform definition of nonessential
elective courses, and also to provide a uniform definition of a
part-time pupil for the purposes of this section.~~

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, ~~2017,~~ **2018**, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$395,925,600.00.~~ **\$399,326,500.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$395,925,600.00.~~ **\$399,326,500.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$0.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues,
~~\$260,414,800.00.~~ **\$398,301,500.00.**

(v) State general fund/general purpose money,
~~\$135,510,800.00.~~ **\$1,025,000.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~\$315,892,000.00,~~ **\$319,050,900.00,** allocated as follows:

(a) The appropriation for Alpena Community College is ~~\$5,544,700.00,~~ ~~\$5,464,400.00 for operations and \$80,300.00 for~~

1 ~~performance funding.~~**\$5,627,500.00, \$5,596,200.00 FOR OPERATIONS AND**
2 **\$31,300.00 FOR PERFORMANCE FUNDING.**

3 (b) The appropriation for Bay de Noc Community College is
4 ~~\$5,560,900.00, \$5,490,200.00 for operations and \$70,700.00 for~~
5 ~~performance funding.~~**\$5,589,000.00, \$5,560,900.00 FOR OPERATIONS AND**
6 **\$28,100.00 FOR PERFORMANCE FUNDING.**

7 (c) The appropriation for Delta College is ~~\$14,907,700.00,~~
8 ~~\$14,704,000.00 for operations and \$203,700.00 for performance~~
9 ~~funding.~~**\$14,990,700.00, \$14,907,700.00 FOR OPERATIONS AND**
10 **\$83,000.00 FOR PERFORMANCE FUNDING.**

11 (d) The appropriation for Glen Oaks Community College is
12 ~~\$2,586,900.00, \$2,551,100.00 for operations and \$35,800.00 for~~
13 ~~performance funding.~~**\$2,601,400.00, \$2,586,900.00 FOR OPERATIONS AND**
14 **\$14,500.00 FOR PERFORMANCE FUNDING.**

15 (e) The appropriation for Gogebic Community College is
16 ~~\$4,577,800.00, \$4,509,900.00 for operations and \$67,900.00 for~~
17 ~~performance funding.~~**\$4,715,400.00, \$4,692,200.00 FOR OPERATIONS AND**
18 **\$23,200.00 FOR PERFORMANCE FUNDING.**

19 (f) The appropriation for Grand Rapids Community College is
20 ~~\$18,450,500.00, \$18,187,300.00 for operations and \$263,200.00 for~~
21 ~~performance funding.~~**\$18,556,800.00, \$18,450,500.00 FOR OPERATIONS**
22 **AND \$106,300.00 FOR PERFORMANCE FUNDING.**

23 (g) The appropriation for Henry Ford College is
24 ~~\$22,176,000.00, \$21,893,300.00 for operations and \$282,700.00 for~~
25 ~~performance funding.~~**\$22,299,200.00, \$22,176,000.00 FOR OPERATIONS**
26 **AND \$123,200.00 FOR PERFORMANCE FUNDING.**

27 (h) The appropriation for Jackson College is ~~\$12,397,600.00,~~

1 ~~\$12,245,300.00 for operations and \$152,300.00 for performance~~
2 ~~funding.~~ **\$12,590,100.00, \$12,527,400.00 FOR OPERATIONS AND**
3 **\$62,700.00 FOR PERFORMANCE FUNDING.**

4 (i) The appropriation for Kalamazoo Valley Community College
5 is ~~\$12,873,900.00, \$12,689,400.00 for operations and \$184,500.00~~
6 ~~for performance funding.~~ **\$12,948,700.00, \$12,873,900.00 FOR**
7 **OPERATIONS AND \$74,800.00 FOR PERFORMANCE FUNDING.**

8 (j) The appropriation for Kellogg Community College is
9 ~~\$10,087,500.00, \$9,950,100.00 for operations and \$137,400.00 for~~
10 ~~performance funding.~~ **\$10,143,600.00, \$10,087,500.00 FOR OPERATIONS**
11 **AND \$56,100.00 FOR PERFORMANCE FUNDING.**

12 (k) The appropriation for Kirtland Community College is
13 ~~\$3,270,000.00, \$3,221,500.00 for operations and \$48,500.00 for~~
14 ~~performance funding.~~ **\$3,289,400.00, \$3,270,000.00 FOR OPERATIONS AND**
15 **\$19,400.00 FOR PERFORMANCE FUNDING.**

16 (l) The appropriation for Lake Michigan College is
17 ~~\$5,492,800.00, \$5,417,700.00 for operations and \$75,100.00 for~~
18 ~~performance funding.~~ **\$5,523,600.00, \$5,492,800.00 FOR OPERATIONS AND**
19 **\$30,800.00 FOR PERFORMANCE FUNDING.**

20 (m) The appropriation for Lansing Community College is
21 ~~\$31,677,300.00, \$31,288,200.00 for operations and \$389,100.00 for~~
22 ~~performance funding.~~ **\$32,324,200.00, \$32,165,600.00 FOR OPERATIONS**
23 **AND \$158,600.00 FOR PERFORMANCE FUNDING.**

24 (n) The appropriation for Macomb Community College is
25 ~~\$33,681,800.00, \$33,239,500.00 for operations and \$442,300.00 for~~
26 ~~performance funding.~~ **\$33,863,600.00, \$33,681,800.00 FOR OPERATIONS**
27 **AND \$181,800.00 FOR PERFORMANCE FUNDING.**

1 (o) The appropriation for Mid Michigan Community College is
2 ~~\$4,834,100.00, \$4,757,700.00 for operations and \$76,400.00 for~~
3 ~~performance funding.~~**\$4,968,900.00, \$4,937,400.00 FOR OPERATIONS AND**
4 **\$31,500.00 FOR PERFORMANCE FUNDING.**

5 (p) The appropriation for Monroe County Community College is
6 ~~\$4,636,700.00, \$4,565,600.00 for operations and \$71,100.00 for~~
7 ~~performance funding.~~**\$4,665,500.00, \$4,636,700.00 FOR OPERATIONS AND**
8 **\$28,800.00 FOR PERFORMANCE FUNDING.**

9 (q) The appropriation for Montcalm Community College is
10 ~~\$3,343,100.00, \$3,280,600.00 for operations and \$62,500.00 for~~
11 ~~performance funding.~~**\$3,446,300.00, \$3,426,700.00 FOR OPERATIONS AND**
12 **\$19,600.00 FOR PERFORMANCE FUNDING.**

13 (r) The appropriation for C.S. Mott Community College is
14 ~~\$16,115,500.00, \$15,901,700.00 for operations and \$213,800.00 for~~
15 ~~performance funding.~~**\$16,258,100.00, \$16,167,200.00 FOR OPERATIONS**
16 **AND \$90,900.00 FOR PERFORMANCE FUNDING.**

17 (s) The appropriation for Muskegon Community College is
18 ~~\$9,150,600.00, \$9,020,700.00 for operations and \$129,900.00 for~~
19 ~~performance funding.~~**\$9,203,000.00, \$9,150,600.00 FOR OPERATIONS AND**
20 **\$52,400.00 FOR PERFORMANCE FUNDING.**

21 (t) The appropriation for North Central Michigan College is
22 ~~\$3,290,400.00, \$3,224,800.00 for operations and \$65,600.00 for~~
23 ~~performance funding.~~**\$3,353,200.00, \$3,330,200.00 FOR OPERATIONS AND**
24 **\$23,000.00 FOR PERFORMANCE FUNDING.**

25 (u) The appropriation for Northwestern Michigan College is
26 ~~\$9,318,000.00, \$9,200,500.00 for operations and \$117,500.00 for~~
27 ~~performance funding.~~**\$9,508,900.00, \$9,459,800.00 FOR OPERATIONS AND**

1 **\$49,100.00 FOR PERFORMANCE FUNDING.**

2 (v) The appropriation for Oakland Community College is
3 ~~\$21,770,900.00, \$21,429,400.00 for operations and \$341,500.00 for~~
4 ~~performance funding.~~**\$21,905,700.00, \$21,770,900.00 FOR OPERATIONS**
5 **AND \$134,800.00 FOR PERFORMANCE FUNDING.**

6 (w) The appropriation for Schoolcraft College is
7 ~~\$12,909,300.00, \$12,706,400.00 for operations and \$202,900.00 for~~
8 ~~performance funding.~~**\$12,991,300.00, \$12,909,300.00 FOR OPERATIONS**
9 **AND \$82,000.00 FOR PERFORMANCE FUNDING.**

10 (x) The appropriation for Southwestern Michigan College is
11 ~~\$6,732,500.00, \$6,657,600.00 for operations and \$74,900.00 for~~
12 ~~performance funding.~~**\$6,860,700.00, \$6,827,000.00 FOR OPERATIONS AND**
13 **\$33,700.00 FOR PERFORMANCE FUNDING.**

14 (y) The appropriation for St. Clair County Community College
15 is ~~\$7,259,300.00, \$7,158,000.00 for operations and \$101,300.00 for~~
16 ~~performance funding.~~**\$7,300,100.00, \$7,259,300.00 FOR OPERATIONS AND**
17 **\$40,800.00 FOR PERFORMANCE FUNDING.**

18 (z) The appropriation for Washtenaw Community College is
19 ~~\$13,534,000.00, \$13,301,100.00 for operations and \$232,900.00 for~~
20 ~~performance funding.~~**\$13,631,400.00, \$13,534,000.00 FOR OPERATIONS**
21 **AND \$97,400.00 FOR PERFORMANCE FUNDING.**

22 (aa) The appropriation for Wayne County Community College is
23 ~~\$17,234,200.00, \$16,989,800.00 for operations and \$244,400.00 for~~
24 ~~performance funding.~~**\$17,338,300.00, \$17,234,200.00 FOR OPERATIONS**
25 **AND \$104,100.00 FOR PERFORMANCE FUNDING.**

26 (bb) The appropriation for West Shore Community College is
27 ~~\$2,478,000.00, \$2,446,200.00 for operations and \$31,800.00 for~~

1 ~~performance funding.~~ **\$2,556,300.00, \$2,540,000.00 FOR OPERATIONS AND**
 2 **\$16,300.00 FOR PERFORMANCE FUNDING.**

3 (3) The amount appropriated in subsection (2) for community
 4 college operations is **\$319,050,900.00 AND IS** appropriated from the
 5 ~~following:~~

6 ~~—— (a) State~~ **STATE** school aid fund. ~~, \$185,481,200.00.~~

7 ~~—— (b) State general fund/general purpose money, \$130,410,800.00.~~

8 (4) From the appropriations described in subsection (1),
 9 ~~subject~~ **BOTH OF THE FOLLOWING APPLY:**

10 **(A) SUBJECT** to section 207a, the amount appropriated for
 11 fiscal year ~~2016-2017~~ **2017-2018** to offset certain fiscal year ~~2016-~~
 12 ~~2017-2017-2018~~ retirement contributions is \$1,733,600.00,
 13 appropriated from the state school aid fund.

14 **(B) FOR FISCAL YEAR 2017-2018 ONLY, THERE IS ALLOCATED AN**
 15 **AMOUNT NOT TO EXCEED \$3,612,000.00 FOR PAYMENTS TO PARTICIPATING**
 16 **COMMUNITY COLLEGES, APPROPRIATED FROM THE STATE SCHOOL AID FUND. A**
 17 **COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER THIS SUBDIVISION SHALL**
 18 **USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING THE NORMAL COST**
 19 **CONTRIBUTION RATE.**

20 (5) From the appropriations described in subsection (1),
 21 subject to section 207b, the amount appropriated for payments to
 22 community colleges that are participating entities of the
 23 retirement system is ~~\$73,200,000.00,~~ **\$70,805,000.00**, appropriated
 24 from the state school aid fund.

25 (6) From the appropriations described in subsection (1),
 26 subject to section 207c, the amount appropriated for renaissance
 27 zone tax reimbursements is ~~\$5,100,000.00,~~ **\$3,100,000.00**,

1 appropriated from ~~general fund/general purpose money~~. **THE STATE**
2 **SCHOOL AID FUND.**

3 (7) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE
4 IS APPROPRIATED \$1,025,000.00 FROM GENERAL FUND/GENERAL PURPOSE
5 MONEY, FOR FISCAL YEAR 2017-2018 ONLY, TO THE MICHIGAN COMMUNITY
6 COLLEGE ASSOCIATION, FOR THE PURPOSE OF ENHANCING THE MICHIGAN
7 TRANSFER NETWORK WEBSITE TO IMPROVE THE TRANSFER OF COLLEGE CREDIT
8 AMONG MICHIGAN'S POSTSECONDARY INSTITUTIONS. THE MICHIGAN COMMUNITY
9 COLLEGE ASSOCIATION SHALL PROVIDE INFORMATION ON REQUEST TO THE
10 HOUSE AND SENATE SUBCOMMITTEES ON COMMUNITY COLLEGES, THE HOUSE AND
11 SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON THE USE OF
12 THESE FUNDS UNTIL THE PROJECT IS COMPLETED.

13 Sec. 201a. It is the intent of the legislature to provide
14 appropriations for the fiscal year ending on September 30, ~~2018~~
15 **2019** for the items listed in section 201. The fiscal year ~~2017-2018~~
16 **2018-2019** appropriations are anticipated to be the same as those
17 for fiscal year ~~2016-2017, 2017-2018~~, except that the amounts will
18 be adjusted for changes in retirement costs, caseload and related
19 costs, federal fund match rates, economic factors, and available
20 revenue. These adjustments will be determined after the January
21 ~~2017-2018~~ consensus revenue estimating conference.

22 Sec. 203. Unless otherwise specified, a community college that
23 receives appropriations in section 201, the workforce development
24 agency, and the center shall use the ~~Internet~~ **INTERNET** to fulfill
25 the reporting requirements of this article. This requirement may
26 include transmission of reports via electronic mail to the
27 recipients identified for each reporting requirement or it may

1 include placement of reports on an ~~Internet~~ **INTERNET** or ~~Intranet~~
 2 **INTRANET** site.

3 Sec. 206. **(1)** The funds appropriated in section 201 are
 4 appropriated for community colleges with fiscal years ending June
 5 30, ~~2017-2018~~ and shall be paid out of the state treasury and
 6 distributed by the state treasurer to the respective community
 7 colleges in 11 monthly installments on the sixteenth of each month,
 8 or the next succeeding business day, beginning with October 16,
 9 ~~2016-2017~~. Each community college shall accrue its July and August
 10 ~~2017-2018~~ payments to its institutional fiscal year ending June 30,
 11 ~~2017. However, if 2018.~~

12 **(2) IF** the state budget director determines that a community
 13 college failed to submit ~~all verified Michigan community colleges~~
 14 ~~activities classification structure data for school year 2015-2016~~
 15 ~~to the center by November 1, 2016, or failed to submit its~~
 16 ~~longitudinal data system data set for school year 2015-2016 to the~~
 17 ~~center under section 219,~~ **ANY OF THE INFORMATION DESCRIBED IN**
 18 **SUBDIVISIONS (A) TO (F) IN THE FORM AND MANNER SPECIFIED BY THE**
 19 **CENTER,** the state treasurer shall, **SUBJECT TO SUBDIVISION (G),**
 20 withhold the monthly installments from that community college until
 21 those data are submitted: -

22 **(A) ALL VERIFIED MICHIGAN COMMUNITY COLLEGES ACTIVITIES**
 23 **CLASSIFICATION STRUCTURE DATA FOR THE PRECEDING ACADEMIC YEAR TO**
 24 **THE CENTER BY NOVEMBER 1 OF EACH YEAR AS SPECIFIED IN SECTION 217.**

25 **(B) THE COLLEGE CREDIT OPPORTUNITY DATA SET AS SPECIFIED IN**
 26 **SECTION 209.**

27 **(C) THE LONGITUDINAL DATA SET FOR THE PRECEDING ACADEMIC YEAR**

1 TO THE CENTER AS SPECIFIED IN SECTION 219.

2 (D) THE ANNUAL INDEPENDENT AUDIT AS SPECIFIED IN SECTION 222.

3 (E) TUITION AND MANDATORY FEES INFORMATION FOR THE CURRENT
4 ACADEMIC YEAR AS SPECIFIED IN SECTION 225.

5 (F) THE NUMBER AND TYPE OF ASSOCIATE DEGREES AND OTHER
6 CERTIFICATES AWARDED DURING THE PREVIOUS ACADEMIC YEAR AS SPECIFIED
7 IN SECTION 226.

8 (G) The state budget director shall notify the chairs of the
9 house and senate appropriations subcommittees on community colleges
10 at least 10 days before withholding funds from any community
11 college.

12 Sec. 207a. All of the following apply to the allocation of the
13 fiscal year ~~2016-2017~~**2017-2018** appropriations described in section
14 201(4):

15 (a) A community college that receives money under section
16 201(4) shall use that money solely for the purpose of offsetting a
17 portion of the retirement contributions owed by the college for
18 that fiscal year.

19 (b) The amount allocated to each participating community
20 college under section 201(4) shall be based on each college's
21 percentage of the total covered payroll for all community colleges
22 that are participating colleges in the immediately preceding fiscal
23 year.

24 Sec. 207b. All of the following apply to the allocation of the
25 fiscal year ~~2016-2017~~**2017-2018** appropriations described in section
26 201(5) for payments to community colleges that are participating
27 entities of the retirement system:

1 (a) The amount of a payment under section 201(5) shall be the
2 difference between the unfunded actuarial accrued liability
3 contribution rate as calculated under section 41 of the public
4 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
5 **AS CALCULATED WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE**
6 **OF 20.96% INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES**
7 **RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341,** and the maximum
8 employer rate of 20.96% under section 41 of the public school
9 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

10 (b) The amount allocated to each community college under
11 section 201(5) shall be based on each community college's
12 percentage of the total covered payroll for all community colleges
13 that are participating colleges in the immediately preceding fiscal
14 year. A community college that receives funds under this
15 subdivision shall use the funds solely for the purpose of
16 retirement contributions under section 201(5).

17 (c) Each participating college that receives funds under
18 section 201(5) shall forward an amount equal to the amount
19 allocated under subdivision (b) to the retirement system in a form
20 and manner determined by the retirement system.

21 Sec. 207c. All of the following apply to the allocation of the
22 appropriations described in section 201(6) to community colleges
23 described in section 12(3) of the Michigan renaissance zone act,
24 1996 PA 376, MCL 125.2692:

25 (a) The amount allocated to each community college under
26 section 201(6) for fiscal year ~~2016-2017~~ **2017-2018** shall be based
27 on that community college's proportion of total revenue lost by

1 community colleges as a result of the exemption of property taxes
2 levied in ~~2016~~**2017** under the Michigan renaissance zone act, 1996
3 PA 376, MCL 125.2681 to 125.2696.

4 (b) The appropriations described in section 201(6) shall be
5 made to each eligible community college within 60 days after the
6 department of treasury certifies to the state budget director that
7 it has received all necessary information to properly determine the
8 amounts payable to each eligible community college under section 12
9 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

10 Sec. 209. (1) Within 30 days after the board of a community
11 college adopts its annual operating budget for the following fiscal
12 year, or after the board adopts a subsequent revision to that
13 budget, the community college shall make all of the following
14 available through a link on its website homepage:

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

17 (b) A link to the most recent "Activities Classification
18 Structure Data Book and Companion".

19 (c) General fund revenue and expenditure projections for **THE**
20 **CURRENT** fiscal year ~~2016-2017~~ and **THE NEXT** fiscal year. ~~2017-2018.~~

21 (d) A listing of all debt service obligations, detailed by
22 project, anticipated fiscal year ~~2016-2017~~ payment of each project,
23 and total outstanding debt **FOR THE CURRENT FISCAL YEAR.**

24 ~~—— (e) The estimated cost to the community college resulting from~~
25 ~~the patient protection and affordable care act, Public Law 111-148,~~
26 ~~as amended by the health care and education reconciliation act of~~
27 ~~2010, Public Law 111-152.~~

1 **(E)** ~~(F)~~ Links to all of the following for the community
2 college:

3 (i) The current collective bargaining agreement for each
4 bargaining unit.

5 (ii) Each health care benefits plan, including, but not
6 limited to, medical, dental, vision, disability, long-term care, or
7 any other type of benefits that would constitute health care
8 services, offered to any bargaining unit or employee of the
9 community college.

10 (iii) Audits and financial reports for the most recent fiscal
11 year for which they are available.

12 (iv) A copy of the board of trustees resolution regarding
13 compliance with best practices for the local strategic value
14 component described in section 230(2).

15 (2) For statewide consistency and public visibility, community
16 colleges must use the icon badge provided by the department of
17 technology, management, and budget consistent with the icon badge
18 developed by the department of education for K-12 school districts.
19 It must appear on the front of each community college's homepage.
20 The size of the icon may be reduced to 150 x 150 pixels.

21 (3) The state budget director shall determine whether a
22 community college has complied with this section. The state budget
23 director may withhold a community college's monthly installments
24 described in section 206 until the community college complies with
25 this section. The state budget director shall notify the chairs of
26 the house and senate appropriations subcommittee on community
27 colleges at least 10 days before withholding funds from any

1 community college.

2 (4) Each community college shall report the following
3 information to the senate and house appropriations subcommittees on
4 community colleges, the senate and house fiscal agencies, and the
5 state budget office by November 15 of each fiscal year and post
6 that information on its website as required under subsection (1):

7 (a) Budgeted **CURRENT** fiscal year ~~2016-2017~~ general fund
8 revenue from tuition and fees.

9 (b) Budgeted **CURRENT** fiscal year ~~2016-2017~~ general fund
10 revenue from state appropriations.

11 (c) Budgeted **CURRENT** fiscal year ~~2016-2017~~ general fund
12 revenue from property taxes.

13 (d) Budgeted **CURRENT** fiscal year ~~2016-2017~~ total general fund
14 revenue.

15 (e) Budgeted **CURRENT** fiscal year ~~2016-2017~~total general fund
16 expenditures.

17 (5) By November 15 of each year, a community college shall
18 report the following information to the center and post the
19 information on its website under the budget transparency icon
20 badge:

21 (a) Opportunities for earning college credit through the
22 following programs:

23 (i) State approved career and technical education or a tech
24 prep articulated program of study.

25 (ii) Direct college credit or concurrent enrollment.

26 (iii) Dual enrollment.

27 (iv) An early college/middle college program.

1 (b) For each program described in subdivision (a) that the
2 community college offers, all of the following information:

3 (i) The number of high school students participating in the
4 program.

5 (ii) The number of school districts that participate in the
6 program with the community college.

7 (iii) Whether a college professor, qualified local school
8 district employee, or other individual teaches the course or
9 courses in the program.

10 (iv) The total cost to the community college to operate the
11 program.

12 (v) The cost per credit hour for the course or courses in the
13 program.

14 (vi) The location where the course or courses in the program
15 are held.

16 (vii) Instructional resources offered to the program
17 instructors.

18 (viii) Resources offered to the student in the program.

19 (ix) Transportation services provided to students in the
20 program.

21 Sec. 210b. By March 1, 2017, ~~2018~~, the Michigan Community
22 College Association and the Michigan Association of State
23 Universities shall submit a report to the senate and house
24 appropriations subcommittees on community colleges, the senate and
25 house fiscal agencies, and the state budget director ~~that includes~~
26 **ON THE ACTIVITIES AND PROGRAMS OF THE TRANSFER STEERING COMMITTEE**
27 **SINCE THE MARCH 1, 2017 REPORT REQUIRED UNDER THIS SECTION,**

1 **INCLUDING** all of the following:

2 ~~—— (a) A progress report on the implementation of the Michigan~~
 3 ~~transfer agreement developed by the study committee created under~~
 4 ~~former section 210a, including an update on progress made on~~
 5 ~~outstanding concerns identified in the March 1, 2016 implementation~~
 6 ~~update.~~

7 ~~—— (b) A report on improvements to articulation and credit~~
 8 ~~transfer policies among and between all sectors of postsecondary~~
 9 ~~education in this state. The report shall identify areas of~~
 10 ~~progress since the March 1, 2016 report required by former section~~
 11 ~~210e, including all of the following:~~

12 ~~—— (i) Identifying effective policies and practices developed by~~
 13 ~~other states.~~

14 ~~—— (ii) Developing specific pathways, where advisable, that meet~~
 15 ~~program requirements for both associate's and bachelor's degree~~
 16 ~~programs.~~

17 **(A) THE ALIGNMENT OF LEARNING OUTCOMES IN GATEWAY MATHEMATICS**
 18 **COURSES IN THE QUANTITATIVE REASONING, COLLEGE ALGEBRA, AND**
 19 **STATISTICS PATHWAYS AND THE TRANSFERABILITY OF MATHEMATICS GATEWAY**
 20 **COURSES BETWEEN AND AMONG COMMUNITY COLLEGES AND UNIVERSITIES.**

21 **(B) THE DEVELOPMENT OF PROGRAM-SPECIFIC, STATEWIDE TRANSFER**
 22 **PATHWAYS THAT MEET PROGRAM REQUIREMENTS FOR BOTH ASSOCIATE AND**
 23 **BACHELOR'S DEGREE PROGRAMS.**

24 **(C) ~~(iii) Creating~~ THE DEVELOPMENT OF** an enhanced online
 25 communication tool to share information about postsecondary options
 26 in Michigan, ~~particularly clearly articulating~~ **COURSE**
 27 **EQUIVALENCIES, AND transfer pathways THAT ARE CLEARLY ARTICULATED.**

1 (D) ~~(iv) Establishing~~ **THE ESTABLISHMENT OF** clear timelines for
2 ~~finalizing~~ **DEVELOPING AND IMPLEMENTING** transfer pathways.

3 **(E) A PROGRESS REPORT ON THE IMPLEMENTATION OF THE MICHIGAN**
4 **TRANSFER AGREEMENT.**

5 Sec. 217. (1) The center shall do all of the following:

6 (a) Establish, maintain, and coordinate the state community
7 college database commonly known as the "activities classification
8 structure" or "ACS" database.

9 (b) Collect data concerning community colleges and community
10 college programs in this state, including data required by law.

11 (c) Establish procedures to ensure the validity and
12 reliability of the data and the collection process.

13 (d) Develop model data collection policies, including, but not
14 limited to, policies that ensure the privacy of any individual
15 student data. Privacy policies shall ensure that student social
16 security numbers are not released to the public for any purpose.

17 (e) Provide data in a useful manner to allow state
18 policymakers and community college officials to make informed
19 policy decisions.

20 ~~—— (f) Assist community colleges in complying with audits under~~
21 ~~this section or federal law.~~

22 (2) There is created within the center the activities
23 classification structure advisory committee. The committee shall
24 provide advice to the director of the center regarding the
25 management of the state community college database, including, but
26 not limited to:

27 (a) Determining what data are necessary to collect and

1 maintain to enable state and community college officials to make
2 informed policy decisions.

3 (b) Defining the roles of all stakeholders in the data
4 collection system.

5 (c) Recommending timelines for the implementation and ongoing
6 collection of data.

7 (d) Establishing and maintaining data definitions, data
8 transmission protocols, and system specifications and procedures
9 for the efficient and accurate transmission and collection of data.

10 (e) Establishing and maintaining a process for ensuring the
11 accuracy of the data.

12 (f) Establishing and maintaining policies related to data
13 collection, including, but not limited to, privacy policies related
14 to individual student data.

15 (g) Ensuring that the data are made available to state
16 policymakers and citizens of this state in the most useful format
17 possible.

18 (h) Addressing other matters as determined by the director of
19 the center or as required by law.

20 (3) The activities classification structure advisory committee
21 created in subsection (2) shall consist of the following members:

22 (a) One representative from the house fiscal agency, appointed
23 by the director of the house fiscal agency.

24 (b) One representative from the senate fiscal agency,
25 appointed by the director of the senate fiscal agency.

26 (c) One representative from the workforce development agency,
27 appointed by the director of the workforce development agency.

1 (d) One representative from the center appointed by the
2 director of the center.

3 (e) One representative from the state budget office, appointed
4 by the state budget director.

5 (f) One representative from the governor's policy office,
6 appointed by that office.

7 (g) Four representatives of the Michigan Community College
8 Association, appointed by the president of the association. From
9 the groupings of community colleges given in table 17 of the
10 activities classification structure database described in
11 subsection (1), the association shall appoint 1 representative each
12 from group 1, group 2, and group 3, and 1 representative from
13 either group 3 or 4.

14 Sec. 222. Each community college shall have an annual audit of
15 all income and expenditures performed by an independent auditor and
16 shall furnish the independent auditor's management letter and an
17 annual audited accounting of all general and current funds income
18 and expenditures including audits of college foundations to the
19 **CENTER BEFORE NOVEMBER 15 OF EACH YEAR. THE CENTER SHALL PROVIDE**
20 **THIS INFORMATION TO** members of the senate and house appropriations
21 subcommittees on community colleges, the senate and house fiscal
22 agencies, the auditor general, the workforce development agency,
23 ~~the center, and the state budget director. before November 15 of~~
24 ~~each year.~~ If a community college fails to furnish the audit
25 materials, the monthly state aid installments shall be withheld
26 from that college until the information is submitted. All reporting
27 shall conform to the requirements set forth in the "2001 Manual for

1 Uniform Financial Reporting, Michigan Public Community Colleges". A
2 community college shall make the information the community college
3 is required to provide under this section available to the public
4 on its website.

5 Sec. 223. (1) By February 15 of each year, the department of
6 civil rights shall annually submit to the state budget director,
7 the house and senate appropriations subcommittees on community
8 colleges, and the house and senate fiscal agencies a report on
9 North American Indian tuition waivers for the preceding ~~fiscal~~
10 **ACADEMIC** year that includes, but is not limited to, all of the
11 following information:

12 (a) The number of waiver applications received and the number
13 of waiver applications approved.

14 (b) For each community college submitting information under
15 subsection (2), all of the following:

16 (i) The number of North American Indian students enrolled each
17 term for the previous ~~fiscal~~**ACADEMIC** year.

18 (ii) The number of North American Indian waivers granted each
19 term, **INCLUDING CONTINUING EDUCATION STUDENTS**, and the monetary
20 value of the waivers for the previous ~~fiscal~~**ACADEMIC** year.

21 (iii) The number of students attending under a North American
22 Indian tuition waiver who withdrew from the college **EACH TERM**
23 during the previous ~~fiscal~~**ACADEMIC** year. **FOR PURPOSES OF THIS**
24 **SUBPARAGRAPH, A WITHDRAWAL OCCURS WHEN A STUDENT WHO HAS BEEN**
25 **AWARDED THE WAIVER WITHDRAWS FROM THE INSTITUTION AT ANY POINT**
26 **DURING THE TERM, REGARDLESS OF ENROLLMENT IN SUBSEQUENT TERMS.**

27 (iv) The number of students attending under a North American

1 Indian tuition waiver who successfully complete a degree or
 2 certificate program, separated by degree or certificate level, and
 3 the graduation rate for students attending under a North American
 4 Indian tuition waiver who complete a degree **OR CERTIFICATE** within
 5 150% of the normal time to complete, separated by the level of the
 6 degree **OR CERTIFICATE**.

7 (2) A community college that receives funds under section 201
 8 shall provide to the department of civil rights any information
 9 necessary for preparing the report described in subsection (1),
 10 using guidelines and procedures developed by the department of
 11 civil rights.

12 (3) The department of civil rights may consolidate the report
 13 required under this section with the report required under section
 14 268, but a consolidated report must separately identify data for
 15 universities and data for community colleges.

16 Sec. 224. ~~A community college~~ **USING THE DATA PROVIDED BY THE**
 17 **COMMUNITY COLLEGES AS REQUIRED UNDER SECTION 219 OF THIS ACT, THE**
 18 **CENTER** shall use the P-20 longitudinal data system to inform
 19 interested Michigan high schools and the public of the aggregate
 20 academic status of its students for the previous academic year. ~~τ~~
 21 ~~in a manner prescribed by~~ **THE CENTER SHALL WORK WITH** the Michigan
 22 Community College Association and in cooperation with the Michigan
 23 Association of Secondary School Principals. Community colleges
 24 shall cooperate with the center to maintain a systematic approach
 25 for accomplishing this work.

26 Sec. 225. Each community college shall report to ~~the house and~~
 27 ~~senate fiscal agencies, the state budget director, and the center~~

1 by August 31 ~~, 2016,~~ **OF EACH YEAR** the tuition and mandatory fees
 2 paid by a full-time in-district student and a full-time out-of-
 3 district student as established by the college governing board for
 4 the ~~2016-2017~~ **CURRENT** academic year. This report should also
 5 include the annual cost of attendance based on a full-time course
 6 load of 30 credits. Each community college shall also report any
 7 revisions to the reported ~~2016-2017~~ **CURRENT** academic year tuition
 8 and mandatory fees adopted by the college governing board to ~~the~~
 9 ~~house and senate fiscal agencies, the state budget director, and~~
 10 the center within 15 days of being adopted. **THE CENTER SHALL**
 11 **PROVIDE THIS INFORMATION AND ANY REVISIONS TO THE HOUSE AND SENATE**
 12 **FISCAL AGENCIES AND THE STATE BUDGET DIRECTOR.**

13 Sec. 226. Each community college shall report to the center
 14 the numbers and type of associate degrees and other certificates
 15 awarded **BY THE COMMUNITY COLLEGE** during the previous fiscal year.
 16 The report shall be made not later than November 15 of each year.
 17 Community colleges shall work with the center to develop a
 18 systematic approach for meeting this requirement **USING THE P-20**
 19 **LONGITUDINAL DATA SYSTEM.**

20 Sec. 229. (1) Each community college that receives an
 21 appropriation in section 201 is expected to include in its
 22 admission application process a specific question as to whether an
 23 applicant for admission has ever served or is currently serving in
 24 the United States ~~armed forces~~ **ARMED FORCES** or is the spouse or
 25 dependent of an individual who has served or is currently serving
 26 in the United States ~~armed forces,~~ **ARMED FORCES,** in order to more
 27 quickly identify potential educational assistance available to that

1 applicant.

2 (2) It is expected that each public community college that
3 receives an appropriation in section 201 shall work with the house
4 and senate community college subcommittees, the Michigan Community
5 College Association, and veterans groups to review the issue of in-
6 district tuition for veterans of this state when determining
7 tuition rates and fees.

8 (3) As used in this section, "veteran" means an honorably
9 discharged veteran entitled to educational assistance under the
10 provisions of section 5003 of the post-911 veterans educational
11 assistance act of 2008, 38 USC 3301 to 3325.

12 Sec. 229a. Included in the fiscal year ~~2016-2017~~**2017-2018**
13 appropriations for the department of technology, management, and
14 budget are appropriations totaling ~~\$30,879,600.00~~**\$30,879,600.00** to
15 provide funding for the state share of costs for previously
16 constructed capital projects for community colleges. Those
17 appropriations for state building authority rent represent
18 additional state general fund support for community colleges, and
19 the following is an estimate of the amount of that support to each
20 community college:

- 21 (a) Alpena Community College, ~~\$632,500.00~~**\$630,000.00.**
- 22 (b) Bay de Noc Community College, ~~\$685,100.00~~**\$682,400.00.**
- 23 (c) Delta College, ~~\$3,360,600.00~~**\$3,347,300.00.**
- 24 (d) Glen Oaks Community College, ~~\$124,500.00~~**\$124,000.00.**
- 25 (e) Gogebic Community College, ~~\$56,700.00~~**\$56,400.00.**
- 26 (f) Grand Rapids Community College,
27 ~~\$2,083,500.00~~**\$2,075,300.00.**

1 (g) Henry Ford College, ~~\$1,040,300.00~~ **\$1,036,200.00.**
 2 (h) Jackson College, ~~\$2,273,800.00~~ **\$2,264,800.00.**
 3 (i) Kalamazoo Valley Community College,
 4 ~~\$2,030,900.00~~ **\$1,957,400.00.**
 5 (j) Kellogg Community College, ~~\$526,200.00~~ **\$524,100.00.**
 6 (k) Kirtland Community College, ~~\$367,300.00~~ **\$365,900.00.**
 7 (l) Lake Michigan College, ~~\$344,100.00~~ **\$342,700.00.**
 8 (m) Lansing Community College, ~~\$1,154,600.00~~ **\$1,150,000.00.**
 9 (n) Macomb Community College, ~~\$1,715,700.00~~ **\$1,662,100.00.**
 10 (o) Mid Michigan Community College,
 11 ~~\$1,634,300.00~~ **\$1,627,800.00.**
 12 (p) Monroe County Community College,
 13 ~~\$1,278,100.00~~ **\$1,273,000.00.**
 14 (q) Montcalm Community College, ~~\$982,600.00~~ **\$978,700.00.**
 15 (r) C.S. Mott Community College, ~~\$1,497,600.00~~ **\$1,817,300.00.**
 16 (s) Muskegon Community College, ~~\$623,500.00~~ **\$570,500.00.**
 17 (t) North Central Michigan College, ~~\$417,900.00~~ **\$416,300.00.**
 18 (u) Northwestern Michigan College,
 19 ~~\$1,320,600.00~~ **\$1,315,400.00.**
 20 (v) Oakland Community College, ~~\$470,500.00~~ **\$468,700.00.**
 21 (w) Schoolcraft College, ~~\$1,564,400.00~~ **\$1,558,300.00.**
 22 (x) Southwestern Michigan College, ~~\$574,800.00~~ **\$531,700.00.**
 23 (y) St. Clair County Community College,
 24 ~~\$360,200.00~~ **\$358,800.00.**
 25 (z) Washtenaw Community College, ~~\$1,696,000.00~~ **\$1,689,300.00.**
 26 (aa) Wayne County Community College,
 27 ~~\$1,479,400.00~~ **\$1,473,600.00.**

(bb) West Shore Community College, ~~\$583,900.00~~ **\$581,600.00**.

Sec. 230. (1) Money included in the appropriations for community college operations under section 201(2) in fiscal year ~~2016-2017~~ **2017-2018** for performance funding is distributed based on the following formula:

(a) Allocated proportionate to fiscal year ~~2015-2016~~ **2016-2017** base appropriations, 30%.

(b) Based on a weighted student contact hour formula as provided for in the 2016 recommendations of the performance indicators task force, 30%.

(c) Based on the performance improvement as provided for in the 2016 recommendations of the performance indicators task force, 10%.

(d) Based on the performance completion number as provided for in the 2016 recommendations of the performance indicators task force, 10%.

(e) Based on the performance completion rate as provided for in the 2016 recommendations of the performance indicators task force, 10%.

(f) Based on administrative costs, 5%.

(g) Based on the local strategic value component, as developed in cooperation with the Michigan Community College Association and described in subsection (2), 5%.

(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or

1 before October 15, ~~2016~~, **2017**, that the college has met 4 out of 5
2 best practices listed in each category described in subsection (3).
3 The resolution shall provide specifics as to how the community
4 college meets each best practice measure within each category. One-
5 third of funding available under the strategic value component
6 shall be allocated to each category described in subsection (3).
7 Amounts distributed under local strategic value shall be on a
8 proportionate basis to each college's fiscal year ~~2015-2016~~ **2016-**
9 **2017** operations funding. Payments to community colleges that
10 qualify for local strategic value funding shall be distributed with
11 the November installment payment described in section 206.

12 (3) For purposes of subsection (2), the following categories
13 of best practices reflect functional activities of community
14 colleges that have strategic value to the local communities and
15 regional economies:

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

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

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

22 (iii) The community college supports entrepreneurship through
23 a small business assistance center or other training or consulting
24 activities targeted toward small businesses.

25 (iv) The community college supports technological advancement
26 through industry partnerships, incubation activities, or operation
27 of a Michigan technical education center or other advanced

1 technology center.

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

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

5 (i) The community college has active partnerships with
6 regional high schools, intermediate school districts, and career-
7 tech centers to provide instruction through dual enrollment,
8 concurrent enrollment, direct credit, middle college, or academy
9 programs.

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

13 (iii) The community college provides, supports, or
14 participates in programming to promote successful transitions to
15 college for traditional age students, including grant programs such
16 as talent search, upward bound, or other activities to promote
17 college readiness in area high schools and community centers.

18 (iv) The community college provides, supports, or participates
19 in programming to promote successful transitions to college for new
20 or reentering adult students, such as adult basic education, a high
21 school equivalency test preparation program and testing, or
22 recruiting, advising, or orientation activities specific to adults.
23 As used in this subparagraph, "high school equivalency test
24 preparation program" means that term as defined in section 4.

25 (v) The community college has active partnerships with
26 regional 4-year colleges and universities to promote successful
27 transfer, such as articulation, 2+2, or reverse transfer agreements

1 or operation of a university center.

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

3 (i) The community college provides continuing education
4 programming for leisure, wellness, personal enrichment, or
5 professional development.

6 (ii) The community college operates or sponsors opportunities
7 for community members to engage in activities that promote leisure,
8 wellness, cultural or personal enrichment such as community sports
9 teams, theater or musical ensembles, or artist guilds.

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

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

18 (v) The community college promotes, sponsors, or hosts
19 community service activities for students, staff, or community
20 members.

21 (4) Payments for performance funding under section 201(2)
22 shall be made to a community college only if that community college
23 actively participates in the Michigan Transfer Network sponsored by
24 the Michigan Association of Collegiate Registrars and Admissions
25 Officers and submits timely updates, including updated course
26 equivalencies at least every 6 months, to the Michigan transfer
27 network. The state budget director shall determine if a community

college has not satisfied this requirement. The state budget director may withhold payments for performance funding until a community college is in compliance with this section.

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, ~~2017,~~ **2018**, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,582,640,400.00.~~ **\$1,629,224,400.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,582,640,400.00.~~ **\$1,629,224,400.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, ~~\$101,526,400.00.~~ **\$111,526,400.00.**

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$237,209,500.00.~~ **\$238,443,500.00.**

(v) State general fund/general purpose money, ~~\$1,243,904,500.00.~~ **\$1,279,254,500.00.**

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is ~~\$83,925,500.00, \$81,127,100.00 for operations and \$2,798,400.00 for performance funding.~~ **\$85,654,400.00, \$83,925,500.00 FOR OPERATIONS**

1 **AND \$1,728,900.00 FOR PERFORMANCE FUNDING.**

2 (b) The appropriation for Eastern Michigan University is
3 ~~\$73,593,800.00, \$71,782,500.00 for operations and \$1,811,300.00 for~~
4 ~~performance funding.~~**\$75,169,900.00, \$73,593,800.00 FOR OPERATIONS**
5 **AND \$1,576,100.00 FOR PERFORMANCE FUNDING.**

6 (c) The appropriation for Ferris State University is
7 ~~\$52,259,900.00, \$50,369,800.00 for operations and \$1,890,100.00 for~~
8 ~~performance funding.~~**\$53,595,500.00, \$52,259,900.00 FOR OPERATIONS**
9 **AND \$1,335,600.00 FOR PERFORMANCE FUNDING.**

10 (d) The appropriation for Grand Valley State University is
11 ~~\$68,227,900.00, \$65,275,700.00 for operations and \$2,952,200.00 for~~
12 ~~performance funding.~~**\$70,100,100.00, \$68,227,900.00 FOR OPERATIONS**
13 **AND \$1,872,200.00 FOR PERFORMANCE FUNDING.**

14 (e) The appropriation for Lake Superior State University is
15 ~~\$13,567,400.00, \$13,207,400.00 for operations and \$360,000.00 for~~
16 ~~performance funding.~~**13,775,000.00, \$13,567,400.00 FOR OPERATIONS**
17 **AND \$207,600.00 FOR PERFORMANCE FUNDING.**

18 (f) The appropriation for Michigan State University is
19 ~~\$337,777,800.00, \$268,770,700.00 for operations, \$7,091,400.00 for~~
20 ~~performance funding, \$33,243,100.00 for MSU AgBioResearch, and~~
21 ~~\$28,672,600.00 for MSU Extension.~~**\$344,404,800.00, \$275,862,100.00**
22 **FOR OPERATIONS, \$5,377,000.00 FOR PERFORMANCE FUNDING,**
23 **\$33,913,100.00 FOR MSU AGBIORESEARCH, AND \$29,252,600.00 FOR MSU**
24 **EXTENSION.**

25 (g) The appropriation for Michigan Technological University is
26 ~~\$48,097,500.00, \$46,754,700.00 for operations and \$1,342,800.00 for~~
27 ~~performance funding.~~**\$49,052,200.00, \$48,097,500.00 FOR OPERATIONS**

1 **AND \$954,700.00 FOR PERFORMANCE FUNDING.**

2 (h) The appropriation for Northern Michigan University is
3 ~~\$46,279,200.00, \$45,107,700.00 for operations and \$1,171,500.00 for~~
4 ~~performance funding.~~**\$47,137,400.00, \$46,279,200.00 FOR OPERATIONS**
5 **AND \$858,200.00 FOR PERFORMANCE FUNDING.**

6 (i) The appropriation for Oakland University is
7 ~~\$49,920,700.00, \$48,371,900.00 for operations and \$1,548,800.00 for~~
8 ~~performance funding.~~**\$51,235,900.00, \$49,920,700.00 FOR OPERATIONS**
9 **AND \$1,315,200.00 FOR PERFORMANCE FUNDING.**

10 (j) The appropriation for Saginaw Valley State University is
11 ~~\$29,114,000.00, \$28,181,200.00 for operations and \$932,800.00 for~~
12 ~~performance funding.~~**\$29,766,100.00, \$29,114,000.00 FOR OPERATIONS**
13 **AND \$652,100.00 FOR PERFORMANCE FUNDING.**

14 (k) The appropriation for University of Michigan - Ann Arbor
15 is ~~\$308,639,000.00, \$299,975,000.00 for operations and~~
16 ~~\$8,664,000.00 for performance funding.~~**\$314,589,100.00,**
17 **\$308,639,000.00 FOR OPERATIONS AND \$5,950,100.00 FOR PERFORMANCE**
18 **FUNDING.**

19 (l) The appropriation for University of Michigan - Dearborn is
20 ~~\$24,803,300.00, \$24,033,100.00 for operations and \$770,200.00 for~~
21 ~~performance funding.~~**\$25,421,900.00, \$24,803,300.00 FOR OPERATIONS**
22 **AND \$618,600.00 FOR PERFORMANCE FUNDING.**

23 (m) The appropriation for University of Michigan - Flint is
24 ~~\$22,549,300.00, \$21,815,400.00 for operations and \$733,900.00 for~~
25 ~~performance funding.~~**\$23,061,800.00, \$22,549,300.00 FOR OPERATIONS**
26 **AND \$512,500.00 FOR PERFORMANCE FUNDING.**

27 (n) The appropriation for Wayne State University is

1 ~~\$196,064,500.00, \$191,451,300.00 for operations and \$4,613,200.00~~
 2 ~~for performance funding.~~ **\$199,169,800.00, \$196,064,500.00 FOR**
 3 **OPERATIONS AND \$3,105,300.00 FOR PERFORMANCE FUNDING.**

4 (o) The appropriation for Western Michigan University is
 5 ~~\$107,440,900.00, \$104,334,100.00 for operations and \$3,106,800.00~~
 6 ~~for performance funding.~~ **\$109,376,800.00, \$107,440,900.00 FOR**
 7 **OPERATIONS AND \$1,935,900.00 FOR PERFORMANCE FUNDING.**

8 (3) The amount appropriated in subsection (2) for public
 9 universities is appropriated from the following:

10 (a) State school aid fund, \$231,219,500.00.

11 (b) State general fund/general purpose money,
 12 ~~\$1,231,041,200.00.~~ **\$1,260,291,200.00.**

13 (4) The amount appropriated for Michigan public school
 14 employees' retirement system reimbursement is ~~\$5,890,000.00,~~
 15 **\$6,705,000.00,** appropriated from the state school aid fund.

16 (5) The amount appropriated for state and regional programs is
 17 \$315,000.00, appropriated from general fund/general purpose money
 18 and allocated as follows:

19 (a) Higher education database modernization and conversion,
 20 \$200,000.00.

21 (b) Midwestern Higher Education Compact, \$115,000.00.

22 (6) The amount appropriated for the Martin Luther King, Jr. -
 23 Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated
 24 from general fund/general purpose money and allocated as follows:

25 (a) Select student support services, \$1,956,100.00.

26 (b) Michigan college/university partnership program,
 27 \$586,800.00.

(c) Morris Hood, Jr. educator development program,
\$148,600.00.

(7) Subject to subsection (8), the amount appropriated for
grants and financial aid is ~~\$110,983,200.00,~~ **\$127,583,200.00,**
allocated as follows:

(a) State competitive scholarships,
~~\$18,361,700.00.~~ **\$26,361,700.00.**

(b) Tuition grants, ~~\$35,021,500.00.~~ **\$38,021,500.00.**

(c) Tuition incentive program, ~~\$53,000,000.00.~~ **\$58,300,000.00.**

(d) Children of veterans and officer's survivor tuition grant
programs, \$1,400,000.00.

(e) Project GEAR-UP, \$3,200,000.00.

(F) NORTH AMERICAN INDIAN TUITION WAIVER, \$300,000.00.

(8) The money appropriated in subsection (7) for grants and
financial aid is appropriated from the following:

(a) Federal revenues under the United States Department of
Education, Office of Elementary and Secondary Education, GEAR-UP
program, \$3,200,000.00.

(b) Federal revenues under the social security act, temporary
assistance for needy families, ~~\$98,326,400.00.~~ **\$108,326,400.00.**

(c) Contributions to children of veterans tuition grant
program, \$100,000.00.

(d) State general fund/general purpose money,
~~\$9,356,800.00.~~ **\$15,956,800.00.**

~~(9) For fiscal year 2016-2017 only, \$500,000.00 is
appropriated for the Michigan State University Diagnostic Center
for Population and Animal Health, appropriated from state general~~

1 ~~fund/general purpose money.~~

2 **(9) FOR FISCAL YEAR 2017-2018 ONLY, IN ADDITION TO THE**
 3 **ALLOCATION UNDER SUBSECTION (4), FROM THE APPROPRIATIONS DESCRIBED**
 4 **IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
 5 **\$419,000.00 FOR PAYMENTS TO PARTICIPATING PUBLIC UNIVERSITIES,**
 6 **APPROPRIATED FROM THE STATE SCHOOL AID FUND. A UNIVERSITY THAT**
 7 **RECEIVES MONEY UNDER THIS SUBSECTION SHALL USE THAT MONEY SOLELY**
 8 **FOR THE PURPOSE OF OFFSETTING THE NORMAL COST CONTRIBUTION RATE. AS**
 9 **USED IN THIS SUBSECTION, "PARTICIPATING PUBLIC UNIVERSITIES" MEANS**
 10 **PUBLIC UNIVERSITIES THAT ARE A REPORTING UNIT OF THE MICHIGAN**
 11 **PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL**
 12 **EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO**
 13 **38.1437, AND THAT PAY CONTRIBUTIONS TO THE MICHIGAN PUBLIC SCHOOL**
 14 **EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.**

15 Sec. 236a. It is the intent of the legislature to provide
 16 appropriations for the fiscal year ending on September 30, ~~2018~~
 17 ~~2019~~ for the items listed in section 236. The fiscal year ~~2017-2018~~
 18 ~~2018-2019~~ appropriations are anticipated to be the same as those
 19 for fiscal year ~~2016-2017, 2017-2018~~, except that the amounts will
 20 be adjusted for changes in caseload and related costs, federal fund
 21 match rates, economic factors, and available revenue. These
 22 adjustments will be determined after the January ~~2017-2018~~
 23 consensus revenue estimating conference.

24 Sec. 236b. In addition to the funds appropriated in section
 25 236, there is appropriated for grants and financial aid in fiscal
 26 year ~~2016-2017-2017-2018~~ an amount not to exceed \$6,000,000.00 for
 27 federal contingency funds. These funds are not available for

expenditure until they have been transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

Sec. 236c. In addition to the funds appropriated for fiscal year ~~2016-2017~~**2017-2018** in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year ~~2016-2017~~**2017-2018** for state building authority rent, totaling an estimated \$144,995,300.00, provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each university:

(a) Central Michigan University,
~~\$11,819,500.00.~~**\$12,570,900.00.**

(b) Eastern Michigan University, ~~\$4,868,000.00.~~**\$5,177,500.00.**

(c) Ferris State University, ~~\$6,260,300.00.~~**\$6,658,300.00.**

(d) Grand Valley State University,
~~\$6,635,900.00.~~**\$7,057,800.00.**

(e) Lake Superior State University,
~~\$1,722,800.00.~~**\$1,832,400.00.**

(f) Michigan State University, ~~\$18,827,000.00.~~**\$15,500,500.00.**

(g) Michigan Technological University,
~~\$6,793,200.00.~~**\$7,225,100.00.**

(h) Northern Michigan University, ~~\$9,447,600.00.~~**\$7,786,500.00.**

(i) Oakland University, ~~\$12,685,900.00.~~**\$13,492,400.00.**

(j) Saginaw Valley State University,
~~\$10,331,000.00.~~ **\$10,918,500.00.**

(k) University of Michigan - Ann Arbor,
~~\$11,875,600.00.~~ **\$10,586,200.00.**

(l) University of Michigan - Dearborn,
~~\$9,008,800.00.~~ **\$9,581,500.00.**

(m) University of Michigan - Flint,
~~\$4,357,600.00.~~ **\$4,315,600.00.**

(n) Wayne State University, ~~\$15,399,400.00.~~ **\$16,378,300.00.**

(o) Western Michigan University,
~~\$14,962,700.00.~~ **\$15,913,800.00.**

SEC. 236E. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ARTICLE AND IN ADDITION TO THE AMOUNTS APPROPRIATED IN SECTION 236, THERE IS APPROPRIATED \$5,000,000.00 FOR HIGHER EDUCATION TO INCREASE THE ALLOCATION FOR THE TUITION INCENTIVE PROGRAM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017. THE SUMMARY OF APPROPRIATIONS IN SECTION 236(1) (A) AND (B) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017 IS ACCORDINGLY REVISED AS FOLLOWS:

(A) THE GROSS APPROPRIATION IS \$1,587,640,400.00. AFTER DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED GROSS APPROPRIATION IS \$1,587,640,400.00.

(B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED IN SUBDIVISION (A) ARE AS FOLLOWS:

(i) TOTAL FEDERAL REVENUES, \$106,526,400.00.

(ii) TOTAL LOCAL REVENUES, \$0.00.

(iii) TOTAL PRIVATE REVENUES, \$0.00.

(iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$237,209,500.00.

(v) STATE GENERAL FUND/GENERAL PURPOSE MONEY,

\$1,243,904,500.00.

(2) AS A RESULT OF THE APPROPRIATION IN SUBSECTION (1), THE AMOUNT APPROPRIATED FOR GRANTS AND FINANCIAL AID FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017 IN SECTION 236(7) IS INCREASED TO \$115,983,200.00, AND THE ALLOCATION FOR THE TUITION INCENTIVE PROGRAM IN SECTION 236(7) (C) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017 IS INCREASED TO \$58,000,000.00.

(3) THE MONEY APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017 IN SECTION 236(7) FOR GRANTS AND FINANCIAL AID, AS REVISED IN SUBSECTION (2), IS APPROPRIATED BY INCREASING THE APPROPRIATION FROM FEDERAL REVENUES UNDER THE SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, TO \$103,326,400.00.

Sec. 237b. As used in this article: ~~the term "workforce~~

(A) "CENTER" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION CREATED IN SECTION 94A.

(B) "WORKFORCE development agency" means the workforce development agency within the department of talent and economic development--talent investment agency.

Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in section 236 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2016~~—2017. Except for Wayne State University, each institution shall accrue its July and August 2017

1 **2018** payments to its institutional fiscal year ending June 30,
2 ~~2017.2018.~~

3 (2) All public universities shall submit higher education
4 institutional data inventory (HEIDI) data and associated financial
5 and program information requested by and in a manner prescribed by
6 the state budget director. For public universities with fiscal
7 years ending June 30, ~~2016,2017,~~ these data shall be submitted to
8 the state budget director by October 15, ~~2016.2017.~~ Public
9 universities with a fiscal year ending September 30, ~~20162017~~
10 shall submit preliminary HEIDI data by November 15, ~~20162017~~ and
11 final data by December 15, ~~2016.2017.~~ If a public university fails
12 to submit HEIDI data and associated financial aid program
13 information in accordance with this reporting schedule, the state
14 treasurer may withhold the monthly installments under subsection
15 (1) to the public university until those data are submitted.

16 Sec. 244. ~~A BY OCTOBER 15 OF EACH YEAR, A~~ public university
17 receiving funds in section 236 shall ~~cooperate with all measures~~
18 ~~taken by the state to develop, operate, and maintain~~ **PROVIDE ITS**
19 **LONGITUDINAL DATA SYSTEM DATA SET FOR THE PRECEDING ACADEMIC YEAR**
20 **TO THE CENTER FOR INCLUSION IN** the statewide P-20 longitudinal data
21 system described in section 94a. If the state budget director finds
22 that a university has not complied with this section, the state
23 budget director is authorized to withhold the monthly installments
24 provided to that university under section 241 until he or she finds
25 the university has complied with this section.

26 Sec. 245. (1) A public university shall maintain a public
27 transparency website available through a link on its website

1 homepage. The public university shall update this website within 30
2 days after the university's governing board adopts its annual
3 operating budget for the next academic year, or after the governing
4 board adopts a subsequent revision to that budget.

5 (2) The website required under subsection (1) shall include
6 all of the following concerning the public university:

7 (a) The annual operating budget and subsequent budget
8 revisions.

9 (b) A summary of current expenditures for the most recent
10 fiscal year for which they are available, expressed as pie charts
11 in the following 2 categories:

12 (i) A chart of personnel expenditures, broken into the
13 following subcategories:

14 (A) Earnings and wages.

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

18 (C) Retirement benefit costs.

19 (D) All other personnel costs.

20 (ii) A chart of all current expenditures the public university
21 reported as part of its higher education institutional data
22 inventory data under section 241(2), broken into the same
23 subcategories in which it reported those data.

24 (c) Links to all of the following for the public university:

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

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

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

5 (iii) Audits and financial reports for the most recent fiscal
6 year for which they are available.

7 (iv) Campus security policies and crime statistics pursuant to
8 the student right-to-know and campus security act, Public Law 101-
9 542, 104 Stat.—**STAT** 2381. Information shall include all material
10 prepared pursuant to the public information reporting requirements
11 under the crime awareness and campus security act of 1990, title II
12 of the student right-to-know and campus security act, Public Law
13 101-542, 104 Stat.—**STAT** 2381.

14 (d) A list of all positions funded partially or wholly through
15 institutional general fund revenue that includes the position title
16 and annual salary or wage amount for each position.

17 (e) General fund revenue and expenditure projections for the
18 current fiscal year and the next fiscal year.

19 (f) A listing of all debt service obligations, detailed by
20 project, anticipated fiscal year payment for each project, and
21 total outstanding debt for the current fiscal year.

22 (g) The institution's policy regarding the transferability of
23 core college courses between community colleges and the university.

24 (h) A listing of all community colleges that have entered into
25 reverse transfer agreements with the university.

26 (3) On the website required under subsection (1), a public
27 university shall provide a dashboard or report card demonstrating

1 the university's performance in several "best practice" measures.
2 The dashboard or report card shall include at least all of the
3 following for the 3 most recent academic years for which the data
4 are available:

5 (a) Enrollment.

6 (b) Student retention rate.

7 (c) Six-year graduation rates.

8 (d) Number of Pell grant recipients and graduating Pell grant
9 recipients.

10 (e) Geographic origination of students, categorized as in-
11 state, out-of-state, and international.

12 (f) Faculty to student ratios and total university employee to
13 student ratios.

14 (g) Teaching load by faculty classification.

15 (h) Graduation outcome rates, including employment and
16 continuing education.

17 (4) For statewide consistency and public visibility, public
18 universities must use the icon badge provided by the department of
19 technology, management, and budget consistent with the icon badge
20 developed by the department of education for K-12 school districts.
21 It must appear on the front of each public university's homepage.
22 The size of the icon may be reduced to 150 x 150 pixels. The font
23 size and style for this reporting must be consistent with other
24 documents on each university's website.

25 (5) The state budget director shall determine whether a public
26 university has complied with this section. The state budget
27 director may withhold a public university's monthly installments

1 described in section 241 until the public university complies with
2 this section.

3 (6) By November 15 of each year, a public university shall
4 report the following information to the center ~~for educational~~
5 ~~performance and information~~ and post the information on its website
6 under the budget transparency icon badge:

7 (a) Opportunities for earning college credit through the
8 following programs:

9 (i) State approved career and technical education or a tech
10 prep articulated program of study.

11 (ii) Direct college credit or concurrent enrollment.

12 (iii) Dual enrollment.

13 (iv) An early college/middle college program.

14 (b) For each program described in subdivision (a) that the
15 public university offers, all of the following information:

16 (i) The number of high school students participating in the
17 program.

18 (ii) The number of school districts that participate in the
19 program with the public university.

20 (iii) Whether a university professor, qualified local school
21 district employee, or other individual teaches the course or
22 courses in the program.

23 (iv) The total cost to the public university to operate the
24 program.

25 (v) The cost per credit hour for the course or courses in the
26 program.

27 (vi) The location where the course or courses in the program

1 are held.

2 (vii) Instructional resources offered to the program
3 instructors.

4 (viii) Resources offered to the student in the program.

5 (ix) Transportation services provided to students in the
6 program.

7 SEC. 249. (1) THE FUNDS APPROPRIATED IN SECTION 236 FOR THE
8 CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT PROGRAMS
9 SHALL BE SUPPORTED WITH REVENUE FROM THE RESTRICTED ACCOUNT CREATED
10 IN SECTION 5 OF THE CHILDREN OF VETERANS TUITION GRANT ACT, 2005 PA
11 248, MCL 390.1345. AS PROVIDED IN SECTION 5 OF THE CHILDREN OF
12 VETERANS TUITION GRANT ACT, 2005 PA 248, MCL 390.1345, UNEXPENDED
13 FUNDS REMAINING IN THE RESTRICTED ACCOUNT AT THE END OF THE FISCAL
14 YEAR SHALL NOT LAPSE TO THE GENERAL FUND.

15 (2) THE GENERAL FUND/GENERAL PURPOSE FUNDS APPROPRIATED IN
16 SECTION 236 FOR THE CHILDREN OF VETERANS AND OFFICER'S SURVIVOR
17 TUITION GRANT PROGRAMS SHALL BE DEPOSITED INTO THE RESTRICTED
18 ACCOUNT DESCRIBED IN SUBSECTION (1), AS REQUIRED IN SECTION 5 OF
19 THE CHILDREN OF VETERANS TUITION GRANT ACT, 2005 PA 248, MCL
20 390.1345.

21 (3) FUNDS DEPOSITED INTO THE RESTRICTED ACCOUNT UNDER
22 SUBSECTION (2) FOR THE CHILDREN OF VETERANS AND OFFICER'S SURVIVOR
23 TUITION GRANT PROGRAMS ARE APPROPRIATED AND AVAILABLE FOR
24 ALLOCATION AS REQUIRED IN THE CHILDREN OF VETERANS TUITION GRANT
25 ACT, 2005 PA 248, MCL 390.1341 TO 390.1346.

26 SEC. 250. TO BE CONSIDERED ELIGIBLE FOR ANY SCHOLARSHIP OR
27 GRANT FINANCIAL AID PROGRAM ADMINISTERED BY THE DEPARTMENT OF

1 TREASURY, THE STUDENT MUST FILE THE FREE APPLICATION FOR FEDERAL
2 STUDENT AID (FAFSA) ANNUALLY.

3Sec. 251. (1) Payments of the amounts included in section 236
4 for the state competitive scholarship program shall be distributed
5 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

6(2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the
7 department of treasury shall determine an actual maximum state
8 competitive scholarship award per student, which shall be not less
9 than ~~\$575.00~~, **\$1,000.00**, that ensures that the aggregate payments
10 for the state competitive scholarship program do not exceed the
11 appropriation contained in section 236 for the state competitive
12 scholarship program. If the department determines that insufficient
13 funds are available to establish a maximum award amount equal to at
14 least ~~\$575.00~~, **\$1,000.00**, the department shall immediately report
15 to the house and senate appropriations subcommittees on higher
16 education, the house and senate fiscal agencies, and the state
17 budget director regarding the estimated amount of additional funds
18 necessary to establish a ~~\$575.00~~ **\$1,000.00** maximum award amount.

19(3) The department of treasury shall implement a proportional
20 competitive scholarship maximum award level for recipients enrolled
21 less than full-time in a given semester or term.

22(4) If a student who receives an award under this section has
23 his or her tuition and fees paid under the Michigan educational
24 trust program, pursuant to the Michigan education trust act, 1986
25 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
26 funds awarded under this section may be used for educational
27 expenses other than tuition and fees.

1 (5) If the department of treasury increases the maximum award
2 per eligible student from that provided in the previous fiscal
3 year, it shall not have the effect of reducing the number of
4 eligible students receiving awards in relation to the total number
5 of eligible applicants. Any increase in the maximum grant shall be
6 proportional for all eligible students receiving awards.

7 (6) Veterans Administration benefits shall not be considered
8 in determining eligibility for the award of scholarships under 1964
9 PA 208, MCL 390.971 to 390.981.

10 **(7) ANY UNEXPENDED AND UNENCUMBERED FUNDS REMAINING ON**
11 **SEPTEMBER 30, 2018 FROM THE AMOUNTS APPROPRIATED IN SECTION 236 FOR**
12 **THE STATE COMPETITIVE SCHOLARSHIP PROGRAM FOR FISCAL YEAR 2017-2018**
13 **DO NOT LAPSE ON SEPTEMBER 30, 2018, BUT CONTINUE TO BE AVAILABLE**
14 **FOR THE EXPENDITURE FOR STATE COMPETITIVE SCHOLARSHIPS PROVIDED IN**
15 **THE 2018-2019 FISCAL YEAR UNDER A WORK PROJECT ACCOUNT. THE USE OF**
16 **THESE UNEXPENDED FISCAL YEAR 2017-2018 FUNDS TERMINATES AT THE END**
17 **OF THE 2018-2019 FISCAL YEAR.**

18 Sec. 252. (1) The amounts appropriated in section 236 for the
19 state tuition grant program shall be distributed pursuant to 1966
20 PA 313, MCL 390.991 to 390.997a.

21 (2) Tuition grant awards shall be made to all eligible
22 Michigan residents enrolled in undergraduate degree programs who
23 are qualified and who apply before July 1, ~~of each year for the~~
24 ~~next academic year.~~ **2017 FOR THE 2017-2018 ACADEMIC YEAR. BEGINNING**
25 **WITH THE 2018-2019 ACADEMIC YEAR, TUITION GRANT AWARDS SHALL BE**
26 **MADE TO ALL ELIGIBLE MICHIGAN RESIDENTS ENROLLED IN UNDERGRADUATE**
27 **DEGREE PROGRAMS WHO ARE QUALIFIED AND WHO APPLY BEFORE MARCH 1 OF**

1 EACH YEAR FOR THE NEXT ACADEMIC YEAR.

2 (3) BEGINNING WITH THE 2018-2019 ACADEMIC YEAR, A TUITION
3 GRANT MAY BE RENEWED FOR NOT MORE THAN 10 SEMESTERS OR ITS
4 EQUIVALENT IN TRIMESTERS OR QUARTERS OF UNDERGRADUATE EDUCATION, OR
5 IF AN ELIGIBLE APPLICANT HAS NOT COMPLETED USING THE GRANT WITHIN
6 10 YEARS AFTER HIS OR HER ELIGIBILITY IS DETERMINED, WHICHEVER
7 OCCURS FIRST. THE DEPARTMENT SHALL DETERMINE AN EQUIVALENT TO 10
8 SEMESTERS OR ITS EQUIVALENT IN TRIMESTERS OR QUARTERS OF
9 UNDERGRADUATE EDUCATION FOR LESS THAN FULL-TIME BUT MORE THAN HALF-
10 TIME STUDENTS.

11 (4) ~~(3)~~ Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
12 subject to subsections ~~(7)~~ (8) and ~~(8)~~, (9), the department of
13 treasury shall determine an actual maximum tuition grant award per
14 student, which shall be no less than ~~\$1,512.00~~, \$2,000.00, that
15 ensures that the aggregate payments for the tuition grant program
16 do not exceed the appropriation contained in section 236 for the
17 state tuition grant program. If the department determines that
18 insufficient funds are available to establish a maximum award
19 amount equal to at least ~~\$1,512.00~~, \$2,000.00, the department shall
20 immediately report to the house and senate appropriations
21 subcommittees on higher education, the house and senate fiscal
22 agencies, and the state budget director regarding the estimated
23 amount of additional funds necessary to establish a ~~\$1,512.00~~
24 \$2,000.00 maximum award amount. If the department determines that
25 sufficient funds are available to establish a maximum award amount
26 equal to at least ~~\$1,512.00~~, \$2,000.00, the department shall
27 immediately report to the house and senate appropriations

1 subcommittees on higher education, the house and senate fiscal
2 agencies, and the state budget director regarding the maximum award
3 amount established and the projected amount of any projected year-
4 end appropriation balance based on that maximum award amount. By
5 February 18 of each fiscal year, the department shall analyze the
6 status of award commitments, shall make any necessary adjustments,
7 and shall confirm that those award commitments will not exceed the
8 appropriation contained in section 236 for the tuition grant
9 program. The determination and actions shall be reported to the
10 state budget director and the house and senate fiscal agencies no
11 later than the final day of February of each year. If award
12 adjustments are necessary, the students shall be notified of the
13 adjustment by March 4 of each year.

14 (5) ~~(4)~~ Any unexpended and unencumbered funds remaining on
15 September 30, ~~2017-2018~~ from the amounts appropriated in section
16 236 for the tuition grant program for fiscal year ~~2016-2017~~ shall
17 ~~2017-2018~~ DO not lapse on September 30, ~~2017,~~ **2018**, but shall
18 continue to be available for expenditure for tuition grants
19 provided in the ~~2017-2018-2018-2019~~ fiscal year under a work
20 project account. The use of these unexpended fiscal year ~~2016-2017~~
21 ~~2017-2018~~ funds shall ~~terminate~~ **TERMINATES** at the end of the ~~2017-~~
22 ~~2018-2018-2019~~ fiscal year.

23 (6) ~~(5)~~ The department of treasury shall continue a
24 proportional tuition grant maximum award level for recipients
25 enrolled less than full-time in a given semester or term.

26 (7) ~~(6)~~ If the department of treasury increases the maximum
27 award per eligible student from that provided in the previous

1 fiscal year, it shall not have the effect of reducing the number of
2 eligible students receiving awards in relation to the total number
3 of eligible applicants. Any increase in the maximum grant shall be
4 proportional for all eligible students receiving awards for that
5 fiscal year.

6 **(8)** ~~(7)~~—Except as provided in subsection ~~(4)~~, **(5)**, the
7 department of treasury shall not award more than ~~\$3,200,000.00~~
8 **\$3,500,000.00** in tuition grants to eligible students enrolled in
9 the same independent nonprofit college or university in this state.
10 Any decrease in the maximum grant shall be proportional for all
11 eligible students enrolled in that college or university, as
12 determined by the department.

13 **(9)** ~~(8)~~—The department of treasury shall not award tuition
14 grants to otherwise eligible students enrolled in an independent
15 college or university that does not report, in a form and manner
16 directed by and satisfactory to the department of treasury, by
17 ~~September 30~~ **OCTOBER 31** of each year, all of the following:

18 (a) The number of students in the most recently completed
19 academic year who in any academic year received a state tuition
20 grant at the reporting institution and successfully completed a
21 program or graduated.

22 (b) The number of students in the most recently completed
23 academic year who in any academic year received a state tuition
24 grant at the reporting institution and took a remedial education
25 class.

26 (c) The number of students in the most recently completed
27 academic year who in any academic year received a Pell grant at the

1 reporting institution and successfully completed a program or
2 graduated.

3 **(10)** ~~(9)~~ By February 1, 2017, **2018**, each independent college
4 and university participating in the tuition grant program shall
5 report to the senate and house appropriations subcommittees on
6 higher education, the senate and house fiscal agencies, and the
7 state budget director on its efforts to develop and implement
8 sexual assault response training for the institution's title IX
9 coordinator, campus law enforcement personnel, campus public safety
10 personnel, and any other campus personnel charged with responding
11 to on-campus incidents, including information on sexual assault
12 response training materials and the status of implementing sexual
13 assault response training for institutional personnel.

14 Sec. 254. The sums appropriated in section 236 for the state
15 competitive scholarship, tuition incentive, and tuition grant
16 programs shall be paid out of the state treasury and shall be
17 distributed to the respective institutions under a quarterly
18 payment system as follows:

19 (a) For the state competitive scholarship and tuition grant
20 programs, 50% shall be paid at the beginning of the state's first
21 fiscal quarter, 30% during the state's second fiscal quarter, 10%
22 during the state's third fiscal quarter, and 10% during the state's
23 fourth fiscal quarter.

24 (b) For the tuition incentive program, ~~55%~~ **65%** shall be paid
25 at the beginning of the state's first fiscal quarter, ~~40%~~ **AND 35%**
26 during the state's second fiscal quarter. ~~7, and 5% during the~~
27 ~~state's third fiscal quarter.~~

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

5 (2) As used in this section:

6 (a) "Phase I" means the first part of the tuition incentive
7 ~~assistance~~ program defined as the academic period of 80 semester or
8 120 term credits, or less, leading to an associate degree or
9 certificate. **STUDENTS MUST BE ENROLLED IN A CERTIFICATE OR**

10 **ASSOCIATE DEGREE PROGRAM AND TAKING CLASSES WITHIN THE PROGRAM OF**
11 **STUDY FOR A CERTIFICATE OR ASSOCIATE DEGREE. TUITION WILL NOT BE**
12 **COVERED FOR COURSES OUTSIDE OF A CERTIFICATE OR ASSOCIATE DEGREE**
13 **PROGRAM.**

14 (b) "Phase II" means the second part of the tuition incentive
15 ~~assistance~~ program which provides assistance in the third and
16 fourth year of 4-year degree programs.

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

18 (d) "High school equivalency certificate" means that term as
19 defined in section 4.

20 (3) An individual shall meet the following basic criteria and
21 financial thresholds to be eligible for tuition incentive program
22 benefits:

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

25 (i) Apply for certification to the department any time after
26 he or she begins the sixth grade but before August 31 of the school
27 year in which he or she graduates from high school or before

1 achieving a high school equivalency certificate.

2 (ii) Be less than 20 years of age at the time he or she
3 graduates from high school with a diploma or certificate of
4 completion or achieves a high school equivalency certificate **OR,**
5 **FOR STUDENTS ATTENDING A 5-YEAR MIDDLE COLLEGE APPROVED BY THE**
6 **MICHIGAN DEPARTMENT OF EDUCATION, BE LESS THAN 21 YEARS OF AGE WHEN**
7 **HE OR SHE GRADUATES FROM HIGH SCHOOL.**

8 (iii) Be a United States citizen and a resident of ~~Michigan~~
9 **THIS STATE** according to institutional criteria.

10 (iv) Be at least a half-time student, earning less than 80
11 semester or 120 term credits at a participating educational
12 institution within 4 years of high school graduation or achievement
13 of a high school equivalency certificate. **ALL PROGRAM ELIGIBILITY**
14 **EXPIRES 6 YEARS FROM HIGH SCHOOL GRADUATION OR ACHIEVEMENT OF A**
15 **HIGH SCHOOL EQUIVALENCY CERTIFICATE.**

16 ~~—— (v) Request information on filing a FAFSA.~~

17 (v) ~~(vi)~~ Meet the satisfactory academic progress policy of the
18 educational institution he or she attends.

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

22 (i) Complete at least 56 transferable semester or 84
23 transferable term credits.

24 (ii) Obtain an associate degree or certificate at a
25 participating institution.

26 (c) To be eligible for phase I or phase II, an individual must
27 not be incarcerated and must be financially eligible as determined

1 by the department. An individual is financially eligible for the
2 tuition incentive program if he or she was eligible for Medicaid
3 from ~~the~~ **THIS** state ~~of Michigan~~ for 24 months within the 36
4 consecutive months before application. The department shall accept
5 certification of Medicaid eligibility only from the department of
6 health and human services for the purposes of verifying if a person
7 is Medicaid eligible for 24 months within the 36 consecutive months
8 before application. Certification of eligibility may begin in the
9 sixth grade. As used in this subdivision, "incarcerated" does not
10 include detention of a juvenile in a state-operated or privately
11 operated juvenile detention facility.

12 (4) Beginning in fiscal year 2017-2018, the department shall
13 not award more than \$8,500,000.00 annually in tuition incentive
14 program funds to eligible students enrolled in the same college or
15 university in this state.

16 (5) For phase I, the department shall provide payment on
17 behalf of a person eligible under subsection (3). The department
18 shall **ONLY ACCEPT STANDARD PER-CREDIT HOUR TUITION BILLINGS AND**
19 **SHALL** reject billings that are excessive or outside the guidelines
20 for the type of educational institution.

21 (6) For phase I, all of the following apply:

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

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

1 community college district, the out-of-district tuition rate may be
2 authorized.

3 (c) For **FISCAL YEAR 2017-2018, FOR** persons enrolled at a
4 Michigan public university, the department shall pay lower division
5 resident tuition and mandatory fees for the current year. **BEGINNING**
6 **IN FISCAL YEAR 2018-2019, FOR PERSONS ENROLLED AT A MICHIGAN PUBLIC**
7 **UNIVERSITY, THE DEPARTMENT SHALL PAY MANDATORY FEES FOR THE CURRENT**
8 **YEAR AND A PER-CREDIT PAYMENT THAT DOES NOT EXCEED 3 TIMES THE**
9 **AVERAGE COMMUNITY COLLEGE IN-DISTRICT PER-CREDIT TUITION RATE AS**
10 **REPORTED ON AUGUST 1 FOR THE IMMEDIATELY PRECEDING ACADEMIC YEAR.**

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

18 (7) A person participating in phase II may be eligible for
19 additional funds not to exceed \$500.00 per semester or \$400.00 per
20 term up to a maximum of \$2,000.00 subject to the following
21 conditions:

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

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

26 (8) The department shall work closely with participating
27 institutions to develop an application and eligibility

1 determination process that will provide the highest level of
2 participation and ensure that all requirements of the program are
3 met.

4 (9) Applications for the tuition incentive program may be
5 approved at any time after the student begins the sixth grade. If a
6 determination of financial eligibility is made, that determination
7 is valid as long as the student meets all other program
8 requirements and conditions.

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

13 (11) The department shall ensure that the tuition incentive
14 program is well publicized and that eligible Medicaid clients are
15 provided information on the program. The department shall provide
16 the necessary funding and staff to fully operate the program.

17 **(12) ANY UNEXPENDED AND UNENCUMBERED FUNDS REMAINING ON**
18 **SEPTEMBER 30, 2018 FROM THE AMOUNTS APPROPRIATED IN SECTION 236 FOR**
19 **THE TUITION INCENTIVE PROGRAM FOR FISCAL YEAR 2017-2018 DO NOT**
20 **LAPSE ON SEPTEMBER 30, 2018, BUT CONTINUE TO BE AVAILABLE FOR**
21 **EXPENDITURE FOR TUITION INCENTIVE PROGRAM FUNDS PROVIDED IN THE**
22 **2018-2019 FISCAL YEAR UNDER A WORK PROJECT ACCOUNT. THE USE OF**
23 **THESE UNEXPENDED FISCAL YEAR 2017-2018 FUNDS TERMINATES AT THE END**
24 **OF THE 2018-2019 FISCAL YEAR.**

25 **(13) THE DEPARTMENT OF TREASURY SHALL COLLABORATE WITH THE**
26 **CENTER TO USE THE P-20 LONGITUDINAL DATA SYSTEM TO REPORT THE**
27 **FOLLOWING INFORMATION FOR EACH QUALIFIED POSTSECONDARY INSTITUTION:**

1 (A) THE NUMBER OF PHASE I STUDENTS IN THE MOST RECENTLY
2 COMPLETED ACADEMIC YEAR WHO IN ANY ACADEMIC YEAR RECEIVED A TUITION
3 INCENTIVE PROGRAM AWARD AND WHO SUCCESSFULLY COMPLETED A DEGREE OR
4 CERTIFICATE PROGRAM. COHORT GRADUATION RATES FOR PHASE I STUDENTS
5 SHALL BE CALCULATED USING THE ESTABLISHED SUCCESS RATE METHODOLOGY
6 DEVELOPED BY THE CENTER IN COLLABORATION WITH THE POSTSECONDARY
7 INSTITUTIONS.

8 (B) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED
9 ACADEMIC YEAR WHO IN ANY ACADEMIC YEAR RECEIVED A PELL GRANT AT THE
10 REPORTING INSTITUTION AND WHO SUCCESSFULLY COMPLETED A DEGREE OR
11 CERTIFICATE PROGRAM. COHORT GRADUATION RATES FOR STUDENTS WHO
12 RECEIVED PELL GRANTS SHALL BE CALCULATED USING THE ESTABLISHED
13 SUCCESS RATE METHODOLOGY DEVELOPED BY THE CENTER IN COLLABORATION
14 WITH THE POSTSECONDARY INSTITUTIONS.

15 (14) IF A QUALIFIED POSTSECONDARY INSTITUTION DOES NOT REPORT
16 THE DATA NECESSARY TO COMPLY WITH SUBSECTION (13) TO THE P-20
17 LONGITUDINAL DATA SYSTEM, THE INSTITUTION SHALL REPORT, IN A FORM
18 AND MANNER SATISFACTORY TO THE DEPARTMENT OF TREASURY AND THE
19 CENTER, ALL OF THE INFORMATION NEEDED TO COMPLY WITH SUBSECTION
20 (13) BY DECEMBER 1, 2017.

21 (15) BEGINNING IN FISCAL YEAR 2018-2019, IF A QUALIFIED
22 POSTSECONDARY INSTITUTION DOES NOT REPORT THE DATA NECESSARY TO
23 COMPLETE THE REPORTING IN SUBSECTION (13) TO THE P-20 LONGITUDINAL
24 DATA SYSTEM BY OCTOBER 15 FOR THE PRIOR ACADEMIC YEAR, THE
25 DEPARTMENT OF TREASURY SHALL NOT AWARD PHASE I TUITION INCENTIVE
26 PROGRAM FUNDING TO OTHERWISE ELIGIBLE STUDENTS ENROLLED IN THAT
27 INSTITUTION UNTIL THE DATA ARE SUBMITTED.

1 Sec. 263. (1) Included in the appropriation in section 236 for
2 fiscal year ~~2016-2017~~**2017-2018** for MSU AgBioResearch is
3 \$2,982,900.00 and included in the appropriation in section 236 for
4 MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN
5 is intended to address critical regulatory, food safety, economic,
6 and environmental problems faced by this state's plant-based
7 agriculture, forestry, and processing industries. "GREEN" is an
8 acronym for Generating Research and Extension to Meet Environmental
9 and Economic Needs.

10 (2) The department of agriculture and rural development and
11 Michigan State University, in consultation with agricultural
12 commodity groups and other interested parties, shall develop
13 Project GREEN and its program priorities.

14 Sec. 263a. (1) Not later than September 30 of each year,
15 Michigan State University shall submit a report on MSU
16 AgBioResearch and MSU Extension to the house and senate
17 appropriations subcommittees on agriculture and on higher
18 education, the house and senate standing committees on agriculture,
19 the house and senate fiscal agencies, and the state budget director
20 for the preceding academic fiscal year.

21 (2) The report required under subsection (1) shall include all
22 of the following:

23 (a) Total funds expended by MSU AgBioResearch and by MSU
24 Extension identified by state, local, private, federal, and
25 university fund sources.

26 (b) The metric goals that were used to evaluate the impacts of
27 programs operated by MSU Extension and MSU AgBioResearch. The

1 following metric goals will be used to evaluate the impacts of
2 those programs:

3 (i) Increasing the number of agriculture and food-related
4 firms collaborating with and using services of research and
5 extension faculty and staff by 3% per year.

6 (ii) Increasing the number of individuals utilizing MSU
7 Extension's educational services by 5% per year.

8 (iii) Increasing external funds generated in support of
9 research and extension, beyond state appropriations, by 10% over
10 the amounts generated in the past 3 state fiscal years.

11 (iv) Increasing the sector's total economic impact to at least
12 ~~\$100,000,000,000.00.~~ **\$125,000,000,000.00.**

13 (v) Increasing Michigan's agricultural exports to at least
14 ~~\$3,500,000,000.00.~~ **\$4,250,000,000.00.**

15 ~~—— (vi) Increasing jobs in the food and agriculture sector by~~
16 ~~10%.~~

17 ~~(vi) (vii)~~ Improving access by Michigan consumers to healthy
18 foods by 20%.

19 (c) A review of major programs within both MSU AgBioResearch
20 and MSU Extension with specific reference to accomplishments,
21 impacts, and the metrics described in subdivision (b), including a
22 specific accounting of Project GREEN expenditures and the impact
23 of those expenditures.

24 Sec. 264. Included in the appropriation in section 236 for
25 fiscal year ~~2016-2017~~ **2017-2018** for Michigan State University is
26 \$80,000.00 for the Michigan Future Farmers of America Association.
27 This \$80,000.00 allocation shall not supplant any existing support

1 that Michigan State University provides to the Michigan Future
2 Farmers of America Association.

3 Sec. 265. (1) Payments under section 265a for performance
4 funding shall only be made to a public university that certifies to
5 the state budget director by August 31, ~~2016~~**2017** that its board
6 did not adopt an increase in tuition and fee rates for resident
7 undergraduate students after September 1, ~~2015~~**2016** for the ~~2015-~~
8 ~~2016-2016-2017~~ academic year and that its board will not adopt an
9 increase in tuition and fee rates for resident undergraduate
10 students for the ~~2016-2017~~**2017-2018** academic year that is greater
11 than ~~4.2%.~~**3.8% OR \$475.00, WHICHEVER IS GREATER.** As used in this
12 subsection:

13 (a) "Fee" means any board-authorized fee that will be paid by
14 more than 1/2 of all resident undergraduate students at least once
15 during their enrollment at a public university, as described in the
16 higher education institutional data inventory (HEIDI) user manual.
17 A university increasing a fee that applies to a specific subset of
18 students or courses shall provide sufficient information to prove
19 that the increase applied to that subset will not cause the
20 increase in the average amount of board-authorized total tuition
21 and fees paid by resident undergraduate students in the ~~2016-2017~~
22 **2017-2018** academic year to exceed the limit established in this
23 subsection.

24 (b) "Tuition and fee rate" means the average of full-time
25 rates paid by a majority of students in each undergraduate class,
26 based on an unweighted average of the rates authorized by the
27 university board and actually charged to students, deducting any

1 uniformly rebated or refunded amounts, for the 2 semesters with the
2 highest levels of full-time equated resident undergraduate
3 enrollment during the academic year, as described in the higher
4 education institutional data inventory (HEIDI) user manual.

5 (c) For purposes of subdivision (a), for a public university
6 that compels resident undergraduate students to be covered by
7 health insurance as a condition to enroll at the university, "fee"
8 includes the annual amount a student is charged for coverage by the
9 university-affiliated group health insurance policy if he or she
10 does not provide proof that he or she is otherwise covered by
11 health insurance. This subdivision does not apply to limited
12 subsets of resident undergraduate students to be covered by health
13 insurance for specific reasons other than general enrollment at the
14 university.

15 (2) The state budget director shall implement uniform
16 reporting requirements to ensure that a public university receiving
17 a payment under section 265a for performance funding has satisfied
18 the tuition restraint requirements of this section. The state
19 budget director shall have the sole authority to determine if a
20 public university has met the requirements of this section.
21 Information reported by a public university to the state budget
22 director under this subsection shall also be reported to the house
23 and senate appropriations subcommittees on higher education and the
24 house and senate fiscal agencies.

25 (3) Universities that exceed the tuition and fee rate cap
26 described in subsection (1) shall not receive a planning or
27 construction authorization for a state-funded capital outlay

1 project in fiscal year ~~2017-2018~~**2018-2019** or fiscal year ~~2018-~~
2 ~~2019.~~**2019-2020.**

3 (4) Notwithstanding any other provision of this act, the
4 legislature may at any time adjust appropriations for a university
5 that adopts an increase in tuition and fee rates for resident
6 undergraduate students that exceeds the rate cap established in
7 subsection (1).

8 Sec. 265a. (1) Appropriations to public universities in
9 section 236 for fiscal year ~~2016-2017~~**2017-2018** for performance
10 funding shall be paid only to a public university that complies
11 with section 265 and certifies to the state budget director, the
12 house and senate appropriations subcommittees on higher education,
13 and the house and senate fiscal agencies by August 31, ~~2016~~**2017**
14 that it complies with all of the following requirements:

15 (a) The university participates in reverse transfer agreements
16 described in section 286 with at least 3 Michigan community
17 colleges.

18 (b) The university does not and will not consider whether dual
19 enrollment credits earned by an incoming student were utilized
20 towards his or her high school graduation requirements when making
21 a determination as to whether those credits may be used by the
22 student toward completion of a university degree or certificate
23 program.

24 (c) The university actively participates in and submits timely
25 updates to the Michigan Transfer Network created as part of the
26 Michigan Association of Collegiate Registrars and Admissions
27 Officers transfer agreement.

(2) Any performance funding amounts under section 236 that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) are unappropriated and reappropriated for performance funding to those public universities that meet the requirements under subsection (1), distributed in proportion to their performance funding appropriation amounts under section 236.

(3) The state budget director shall report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies by September 30, ~~2016~~, **2017**, regarding any performance funding amounts that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) and any reappropriation of funds under subsection (2).

(4) Performance funding amounts described in section 236 are distributed based on the following formula:

(a) Proportional to each university's share of total operations funding appropriated in fiscal year 2010-2011, 50%.

(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.

(c) Based on research and development expenditures, for universities classified in Carnegie classifications as ~~doctoral/research universities, research universities (high research activity), or research universities (very high research activity)~~ **DOCTORAL UNIVERSITIES: MODERATE RESEARCH ACTIVITY, DOCTORAL UNIVERSITIES: HIGHER RESEARCH ACTIVITY, OR DOCTORAL UNIVERSITIES: HIGHEST RESEARCH ACTIVITY** only, 5.6%.

1 (d) Based on 6-year graduation rate, total degree completions,
2 and institutional support as a percentage of core expenditures, and
3 the percentage of students receiving Pell grants, scored against
4 national Carnegie classification peers and weighted by total
5 undergraduate fiscal year equated students, 33.3%.

6 (5) For purposes of determining the score of a university
7 under subsection (4)(d), each university is assigned 1 of the
8 following scores:

9 (a) A university classified as in the top 20%, a score of 3.

10 (b) A university classified as above national median, a score
11 of 2.

12 (c) A university classified as improving, a score of 2. It is
13 the intent of the legislature that, beginning in the ~~2017-2018~~
14 **2018-2019** state fiscal year, a university classified as improving
15 is assigned a score of 1.

16 (d) A university that is not included in subdivision (a), (b),
17 or (c), a score of 0.

18 (6) As used in this section, "Carnegie classification" means
19 the basic classification of the university according to the most
20 recent version ~~prior to February 1, 2016~~ of the Carnegie
21 classification of institutions of higher education, published by
22 the Carnegie Foundation for the Advancement of Teaching.

23 **(7) IT IS THE INTENT OF THE LEGISLATURE TO ALLOCATE MORE**
24 **FUNDING BASED ON PERFORMANCE METRICS IN FUTURE YEARS.**

25 Sec. 267. All public universities shall submit the amount of
26 tuition and fees actually charged to a full-time resident
27 undergraduate student for academic year ~~2016-2017~~ **2017-2018** as part

1 of their higher education institutional data inventory (HEIDI) data
 2 by August 31 of each year. A public university shall report any
 3 revisions for any semester of the reported academic year ~~2016-2017~~
 4 **2017-2018** tuition and fee charges to HEIDI within 15 days of being
 5 adopted.

6 Sec. 268. (1) For the fiscal year ending September 30, ~~2017,~~
 7 **2018**, it is the intent of the legislature that funds be allocated
 8 for unfunded North American Indian tuition waiver costs incurred by
 9 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
 10 from the general fund.

11 **(2) APPROPRIATIONS IN SECTION 236(7)(F) FOR NORTH AMERICAN**
 12 **INDIAN TUITION WAIVERS SHALL BE PAID TO UNIVERSITIES UNDER SECTION**
 13 **2A OF 1976 PA 174, MCL 390.1252A. ALLOCATIONS SHALL BE ADJUSTED FOR**
 14 **AMOUNTS INCLUDED IN UNIVERSITY OPERATIONS APPROPRIATIONS. IF FUNDS**
 15 **ARE INSUFFICIENT TO SUPPORT THE ENTIRE COST OF WAIVERS, AMOUNTS**
 16 **SHALL BE PRORATED PROPORTIONATE TO EACH INSTITUTION'S SHORTFALL AS**
 17 **A PERCENTAGE OF ITS FISCAL YEAR 2017-2018 STATE APPROPRIATION FOR**
 18 **OPERATIONS.**

19 **(3)** ~~(2)~~ By February 15 of each year, the department of civil
 20 rights shall annually submit to the state budget director, the
 21 house and senate appropriations subcommittees on higher education,
 22 and the house and senate fiscal agencies a report on North American
 23 Indian tuition waivers for the preceding ~~fiscal~~ **ACADEMIC** year that
 24 includes, but is not limited to, all of the following information:

25 (a) The number of waiver applications received and the number
 26 of waiver applications approved.

27 (b) For each university submitting information under

subsection ~~(3)~~, **(4)**, all of the following:

(i) The number of graduate and undergraduate North American Indian students enrolled each term for the previous ~~fiscal~~-**ACADEMIC** year.

(ii) The number of North American Indian waivers granted each term, **INCLUDING TO CONTINUING EDUCATION STUDENTS**, and the monetary value of the waivers for the previous ~~fiscal~~-**ACADEMIC** year.

(iii) The number of graduate and undergraduate students attending under a North American Indian tuition waiver who withdrew from the university **EACH TERM** during the previous ~~fiscal~~-**ACADEMIC** year. **FOR PURPOSES OF THIS SUBPARAGRAPH, A WITHDRAWAL OCCURS WHEN A STUDENT WHO HAS BEEN AWARDED THE WAIVER WITHDRAWS FROM THE INSTITUTION AT ANY POINT DURING THE TERM, REGARDLESS OF ENROLLMENT IN SUBSEQUENT TERMS.**

(iv) The number of graduate and undergraduate students attending under a North American Indian tuition waiver who successfully complete a degree or certificate program, separated by degree or certificate level, and the graduation rate for graduate and undergraduate students attending under a North American Indian tuition waiver who complete a degree **OR CERTIFICATE** within 150% of the normal time to complete, separated by the level of the degree **OR CERTIFICATE.**

(4) ~~(3)~~-A public university that receives funds under section 236 shall provide to the department of civil rights any information necessary for preparing the report detailed in subsection ~~(2)~~, **(3)**, using guidelines and procedures developed by the department of civil rights.

1 **(5)** ~~(4)~~—The department of civil rights may consolidate the
2 report required under this section with the report required under
3 section 223, but a consolidated report must separately identify
4 data for universities and data for community colleges.

5 Sec. 269. For fiscal year ~~2016-2017,~~ **2017-2018**, from the
6 amount appropriated in section 236 to Central Michigan University
7 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
8 College for the costs of waiving tuition for North American Indians
9 under 1976 PA 174, MCL 390.1251 to 390.1253.

10 Sec. 270. For fiscal year ~~2016-2017,~~ **2017-2018**, from the
11 amount appropriated in section 236 to Lake Superior State
12 University for operations, \$100,000.00 shall be paid to Bay Mills
13 Community College for the costs of waiving tuition for North
14 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

15 Sec. 274. It is the intent of the legislature that public and
16 private organizations that conduct human embryonic stem cell
17 derivation subject to section 27 of article I of the state
18 constitution of 1963 will provide information to the director of
19 the department of health and human services by December 1, ~~2016~~
20 **2017** that includes all of the following:

21 (a) Documentation that the organization conducting human
22 embryonic stem cell derivation is conducting its activities in
23 compliance with the requirements of section 27 of article I of the
24 state constitution of 1963 and all relevant National Institutes of
25 Health guidelines pertaining to embryonic stem cell derivation.

26 (b) A list of all human embryonic stem cell lines submitted by
27 the organization to the National Institutes of Health for inclusion

1 in the Human Embryonic Stem Cell Registry before and during fiscal
2 year ~~2015-2016~~, **2016-2017**, and the status of each submission as
3 approved, pending approval, or review completed but not yet
4 accepted.

5 (c) Number of human embryonic stem cell lines derived and not
6 submitted for inclusion in the Human Embryonic Stem Cell Registry,
7 before and during fiscal year ~~2015-2016~~.**2016-2017**.

8 Sec. 274c. By February 1, ~~2017~~, **2018**, each university
9 receiving funds under section 236 shall report to the senate and
10 house appropriations subcommittees on higher education, the senate
11 and house fiscal agencies, and the state budget director on its
12 efforts to develop and implement sexual assault response training
13 for the university's title IX coordinator, campus law enforcement
14 personnel, campus public safety personnel, and any other campus
15 personnel charged with responding to on-campus incidents, including
16 information on sexual assault response training materials and the
17 status of implementing sexual assault response training for campus
18 personnel.

19 **SEC. 274D. BY OCTOBER 31, EACH UNIVERSITY RECEIVING FUNDS**
20 **UNDER SECTION 236 SHALL REPORT TO THE SENATE AND HOUSE**
21 **APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE SENATE AND**
22 **HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ITS ANNUAL**
23 **TITLE IX REPORT, ALSO KNOWN AS THE STUDENT SEXUAL MISCONDUCT**
24 **REPORT, ISSUED BY THE TITLE IX COORDINATOR, AS REQUIRED UNDER THE**
25 **FEDERAL CAMPUS SAVE ACT OF 2013, PUBLIC LAW 113-4, SECTION 304,**
26 **127, STAT 54, 89-92 (2013).**

27 Sec. 275. (1) ~~It is the intent of the legislature that each~~

1 **EACH** public university that receives an appropriation in section
2 236 **SHALL** do all of the following:

3 (a) Meet the provisions of section 5003 of the post-911
4 veterans educational assistance act of 2008, 38 USC 3301 to ~~3325,~~
5 **3327**, including voluntary participation in the Yellow Ribbon GI
6 Education Enhancement Program established in that act in 38 USC
7 3317. By October 1 of each year, each public university shall
8 report to the house and senate appropriations subcommittees on
9 higher education, the house and senate fiscal agencies, and the
10 Michigan Association of State Universities on whether or not it has
11 chosen to participate in the Yellow Ribbon GI Education Enhancement
12 Program. If at any time during the fiscal year a university
13 participating in the Yellow Ribbon Program chooses to leave the
14 Yellow Ribbon Program, it shall notify the house and senate
15 appropriations subcommittees on higher education, the house and
16 senate fiscal agencies, and the Michigan Association of State
17 Universities.

18 (b) Establish an on-campus veterans' liaison to provide
19 information and assistance to all student veterans.

20 (c) Provide flexible enrollment application deadlines for all
21 veterans.

22 (d) Include in its admission application process a specific
23 question as to whether an applicant for admission is a veteran, an
24 active member of the military, a member of the National Guard or
25 military reserves, or the spouse or dependent of a veteran, active
26 member of the military, or member of the National Guard or military
27 reserves, in order to more quickly identify potential educational

1 assistance available to that applicant.

2 (e) Consider all veterans residents of this state for
3 determining their tuition rates and fees.

4 (f) Waive enrollment fees for all veterans.

5 (2) By October 1 of each year, each public university shall
6 report to the house and senate appropriations subcommittees on
7 higher education, the house and senate fiscal agencies, and the
8 department of military and veterans affairs regarding services
9 provided specifically to veterans and active military duty
10 personnel, including, but not limited to, the services described in
11 subsection (1).

12 (3) As used in this section, "veteran" means an honorably
13 discharged veteran entitled to educational assistance under the
14 provisions of section 5003 of the post-911 veterans educational
15 assistance act of 2008, 38 USC 3301 to ~~3325~~.3327.

16 **SEC. 275C. EACH UNIVERSITY RECEIVING FUNDS UNDER SECTION 236**
17 **SHALL PROVIDE STUDENTS WITH MATERIALS CONTAINING INFORMATION ABOUT**
18 **MENINGOCOCCAL MENINGITIS AND THE VACCINE FOR MENINGOCOCCAL**
19 **MENINGITIS, AS PROVIDED BY THE DEPARTMENT OF HEALTH AND HUMAN**
20 **SERVICES PURSUANT TO SECTION 9205A OF THE PUBLIC HEALTH CODE, 1978**
21 **PA 368, MCL 333.9205A. THE MATERIALS SHALL CONTAIN INFORMATION**
22 **ABOUT, AT A MINIMUM, THE CAUSES AND SYMPTOMS OF MENINGOCOCCAL**
23 **MENINGITIS, HOW IT IS SPREAD, AND SOURCES WHERE STUDENTS MAY OBTAIN**
24 **ADDITIONAL INFORMATION ABOUT MENINGOCOCCAL MENINGITIS AND WHERE**
25 **THEY MAY OBTAIN VACCINATION AGAINST MENINGOCOCCAL MENINGITIS.**

26 Sec. 276. (1) Included in the appropriation for fiscal year
27 ~~2016-2017-2017-2018~~ for each public university in section 236 is

1 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
2 future faculty program that is intended to increase the pool of
3 academically or economically disadvantaged candidates pursuing
4 faculty teaching careers in postsecondary education. Preference may
5 not be given to applicants on the basis of race, color, ethnicity,
6 gender, or national origin. Institutions should encourage
7 applications from applicants who would otherwise not adequately be
8 represented in the graduate student and faculty populations. Each
9 public university shall apply the percentage change applicable to
10 every public university in the calculation of appropriations in
11 section 236 to the amount of funds allocated to the future faculty
12 program.

13 (2) The program shall be administered by each public
14 university in a manner prescribed by the workforce development
15 agency. The workforce development agency shall use a good faith
16 effort standard to evaluate whether a fellowship is in default.

17 Sec. 277. (1) Included in the appropriation for fiscal year
18 ~~2016-2017~~**2017-2018** for each public university in section 236 is
19 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
20 college day program that is intended to introduce academically or
21 economically disadvantaged schoolchildren to the potential of a
22 college education. Preference may not be given to participants on
23 the basis of race, color, ethnicity, gender, or national origin.
24 Public universities should encourage participation from those who
25 would otherwise not adequately be represented in the student
26 population.

27 (2) Individual program plans of each public university shall

1 include a budget of equal contributions from this program, the
2 participating public university, the participating school district,
3 and the participating independent degree-granting college. College
4 day funds shall not be expended to cover indirect costs. Not more
5 than 20% of the university match shall be attributable to indirect
6 costs. Each public university shall apply the percentage change
7 applicable to every public university in the calculation of
8 appropriations in section 236 to the amount of funds allocated to
9 the college day program.

10 (3) The program described in this section shall be
11 administered by each public university in a manner prescribed by
12 the workforce development agency.

13 Sec. 278. (1) Included in section 236 for fiscal year ~~2016-~~
14 ~~2017-~~**2017-2018** is funding for the Martin Luther King, Jr. - Cesar
15 Chavez - Rosa Parks select student support services program for
16 developing academically or economically disadvantaged student
17 retention programs for 4-year public and independent educational
18 institutions in this state. Preference may not be given to
19 participants on the basis of race, color, ethnicity, gender, or
20 national origin. Institutions should encourage participation from
21 those who would otherwise not adequately be represented in the
22 student population.

23 (2) An award made under this program to any 1 institution
24 shall not be greater than \$150,000.00, and the amount awarded shall
25 be matched on a 70% state, 30% college or university basis.

26 (3) The program described in this section shall be
27 administered by the workforce development agency.

1 Sec. 279. (1) Included in section 236 for fiscal year ~~2016-~~
2 ~~2017-2017-2018~~ is funding for the Martin Luther King, Jr. - Cesar
3 Chavez - Rosa Parks college/university partnership program between
4 4-year public and independent colleges and universities and public
5 community colleges, which is intended to increase the number of
6 academically or economically disadvantaged students who transfer
7 from community colleges into baccalaureate programs. Preference may
8 not be given to participants on the basis of race, color,
9 ethnicity, gender, or national origin. Institutions should
10 encourage participation from those who would otherwise not
11 adequately be represented in the transfer student population.

12 (2) The grants shall be made under the program described in
13 this section to Michigan public and independent colleges and
14 universities. An award to any 1 institution shall not be greater
15 than \$150,000.00, and the amount awarded shall be matched on a 70%
16 state, 30% college or university basis.

17 (3) The program described in this section shall be
18 administered by the workforce development agency.

19 Sec. 280. (1) Included in the appropriation for fiscal year
20 ~~2016-2017-2017-2018~~ for each public university in section 236 is
21 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
22 visiting professors program which is intended to increase the
23 number of instructors in the classroom to provide role models for
24 academically or economically disadvantaged students. Preference may
25 not be given to participants on the basis of race, color,
26 ethnicity, gender, or national origin. Public universities should
27 encourage participation from those who would otherwise not

1 adequately be represented in the student population.

2 (2) The program described in this section shall be
3 administered by the workforce development agency.

4 Sec. 281. (1) Included in the appropriation for fiscal year
5 ~~2016-2017-2017-2018~~ in section 236 is funding under the Martin
6 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
7 Morris Hood, Jr. educator development program which is intended to
8 increase the number of academically or economically disadvantaged
9 students who enroll in and complete K-12 teacher education programs
10 at the baccalaureate level. Preference may not be given to
11 participants on the basis of race, color, ethnicity, gender, or
12 national origin. Institutions should encourage participation from
13 those who would otherwise not adequately be represented in the
14 teacher education student population.

15 (2) The program described in this section shall be
16 administered by each state-approved teacher education institution
17 in a manner prescribed by the workforce development agency.

18 (3) Approved teacher education institutions may and are
19 encouraged to use student support services funding in coordination
20 with the Morris Hood, Jr. funding to achieve the goals of the
21 program described in this section.

22 Sec. 282. Each institution receiving funds for fiscal year
23 ~~2016-2017-2017-2018~~ under section 278, 279, or 281 shall ~~notify~~
24 **PROVIDE TO** the workforce development agency by April 15, ~~2017 as to~~
25 ~~whether it will expend by the end of its fiscal year the funds~~
26 ~~received under section 278, 279, or 281.~~ **2018 THE UNOBLIGATED AND**
27 **UNEXPENDED FUNDS AS OF MARCH 31, 2018 AND A PLAN TO EXPEND THE**

1 **REMAINING FUNDS BY THE END OF THE FISCAL YEAR.** Notwithstanding the
2 award limitations in sections 278 and 279, the amount of funding
3 reported as not being expended will be reallocated to the
4 institutions that intend to expend all funding received under
5 section 278, 279, or 281.

6 Sec. 283. (1) ~~From the amount appropriated in section 236, the~~
7 ~~public universities shall systematically~~ **USING THE DATA PROVIDED TO**
8 **THE CENTER AS REQUIRED BY SECTION 244 OF THIS ACT, THE CENTER SHALL**
9 **USE THE P-20 LONGITUDINAL DATA SYSTEM TO** inform **INTERESTED** Michigan
10 high schools **AND THE PUBLIC** regarding the **AGGREGATE** academic status
11 of **ITS** students. ~~from each high school in a manner prescribed by~~
12 **THE CENTER SHALL WORK WITH THE UNIVERSITIES AND** the Michigan
13 Association of State Universities **AND** in cooperation with the
14 Michigan Association of Secondary School Principals. ~~Public~~
15 ~~universities shall also work with the center for educational~~
16 ~~performance and information to maintain a systematic approach for~~
17 ~~accomplishing this task.~~

18 (2) Michigan high schools shall systematically inform the
19 public universities about the use of information received under
20 this section in a manner prescribed by the Michigan Association of
21 Secondary School Principals in cooperation with the Michigan
22 Association of State Universities.

23 Sec. 284. ~~From the amount appropriated in section 236, the~~
24 ~~public universities~~ **USING DATA PROVIDED TO THE CENTER AS REQUIRED**
25 **BY SECTION 244 OF THIS ACT, THE CENTER** shall **USE THE P-20**
26 **LONGITUDINAL DATA SYSTEM TO** inform Michigan community colleges
27 regarding the academic status of community college transfer

1 students. ~~in a manner prescribed by~~ **THE CENTER SHALL WORK WITH THE**
2 **UNIVERSITIES AND** the Michigan Association of State Universities in
3 cooperation with the Michigan Community College Association. ~~Public~~
4 ~~universities shall also work with the center for educational~~
5 ~~performance and information to maintain a systematic approach for~~
6 ~~accomplishing this task.~~

7 Enacting section 1. (1) In accordance with section 30 of
8 article IX of the state constitution of 1963, total state spending
9 from state sources on state school aid under article I of the state
10 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
11 amended by 2016 PA 249 and this amendatory act, for fiscal year
12 2016-2017 is estimated at \$12,320,744,400.00, and state
13 appropriations for school aid to be paid to local units of
14 government for fiscal year 2016-2017 are estimated at
15 \$12,158,829,600.00. In accordance with section 30 of article IX of
16 the state constitution of 1963, total state spending from state
17 sources on school aid under article I of the state school aid act
18 of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this
19 amendatory act, for fiscal year 2017-2018 is estimated at
20 \$12,853,230,400.00, and state appropriations for school aid to be
21 paid to local units of government for fiscal year 2017-2018 are
22 estimated at \$12,677,072,800.00.

23 (2) In accordance with section 30 of article IX of the state
24 constitution of 1963, total state spending from state sources for
25 community colleges for fiscal year 2017-2018 under article II of
26 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to
27 388.1830, is estimated at \$399,326,500.00 and the amount of that

1 state spending from state sources to be paid to local units of
2 government for fiscal year 2017-2018 is estimated at
3 \$399,326,500.00.

4 (3) In accordance with section 30 of article IX of the state
5 constitution of 1963, total state spending from state sources for
6 higher education for fiscal year 2017-2018 under article III of the
7 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891,
8 is estimated at \$1,517,698,000.00 and the amount of that state
9 spending from state sources to be paid to local units of government
10 for fiscal year 2017-2018 is estimated at \$0.00.

11 Enacting section 2. Sections 11o, 11r, 20g, 21, 21g, 31c, 31h,
12 63, 210e, 236e, and 286a of the state school aid act of 1979, 1979
13 PA 94, MCL 388.1611o, 388.1611r, 388.1620g, 388.1621, 388.1621g,
14 388.1631c, 388.1631h, 388.1663, 388.1810e, 388.1836e, and
15 388.1886a, are repealed effective October 1, 2017.

16 Enacting section 3. (1) Except as otherwise provided in
17 subsection (2), this amendatory act takes effect October 1, 2017.

18 (2) Sections 11, 11m, 11r, 11s, 15, 20g, 21, 22a, 22b, 22g,
19 26a, 31f, 39a, 51a, 51c, 51d, 56, 61b, 62, 94a, and 152b of the
20 state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611m,
21 388.1611r, 388.1611s, 388.1615, 388.1620g, 388.1621, 388.1622a,
22 388.1622b, 388.1622g, 388.1626a, 388.1631f, 388.1639a, 388.1651a,
23 388.1651c, 388.1651d, 388.1656, 388.1661b, 388.1662, 388.1694a, and
24 388.1752b, as amended by this amendatory act, and sections 99c,
25 99r, and 236e of the state school aid act of 1979, 1979 PA 94, MCL
26 388.1699c, 388.1699r, and 388.1836e, as added by this amendatory
27 act, take effect upon enactment of this amendatory act.