

**SUBSTITUTE FOR
HOUSE BILL NO. 4242**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11s, 15, 18,
20, 20d, 20f, 21h, 22a, 22b, 22d, 22m, 22p, 24, 24a, 25e, 25f, 25g,
26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 31n, 32d, 32p, 35a, 35b,
39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 54d, 55, 56, 61a, 61b,
61c, 61d, 61f, 62, 64d, 65, 67, 74, 74a, 81, 94, 94a, 95a, 95b, 98,
99h, 99s, 99t, 99u, 99v, 99w, 99x, 101, 102d, 104, 104c, 104d, 107,
147, 147a, 147c, 147e, 152a, 152b, 160, 166, and 166a (MCL
388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j,
388.1611k, 388.1611m, 388.1611s, 388.1615, 388.1618, 388.1620,



388.1620d, 388.1620f, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622m, 388.1622p, 388.1624, 388.1624a, 388.1625e, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1631j, 388.1631n, 388.1632d, 388.1632p, 388.1635a, 388.1635b, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1661d, 388.1661f, 388.1662, 388.1664d, 388.1665, 388.1667, 388.1674, 388.1674a, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1695b, 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1699u, 388.1699v, 388.1699w, 388.1699x, 388.1701, 388.1702d, 388.1704, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1752a, 388.1752b, 388.1760, 388.1766, and 388.1766a), sections 4 and 8b as amended and section 160 as added by 2017 PA 108, sections 6, 11, 18, 31a, 31j, 32d, 35a, 35b, 39a, 99h, and 99u as amended and sections 31n, 61f, 74a, 99w, and 99x as added by 2018 PA 586, sections 11a, 11j, 11k, 11m, 11s, 15, 20, 20d, 20f, 21h, 22a, 22b, 22d, 22m, 24, 24a, 25e, 25f, 25g, 26a, 26b, 26c, 31b, 31d, 31f, 32p, 39, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a, 61b, 61c, 62, 64d, 65, 67, 74, 81, 94, 94a, 95b, 98, 99s, 99t, 102d, 104, 104c, 104d, 107, 147, 147a, 147c, 147e, 152a, and 152b as amended and sections 22p, 54d, 61d, and 99v as added by 2018 PA 265, section 95a as amended by 2015 PA 85, section 101 as amended by 2019 PA 11, section 166 as amended by 2016 PA 249, and section 166a as amended by 2004 PA 166, and by adding sections 28, 35c, 35d, 51f, 54e, 67a, 67b, 97, 97a, 99z, and 99bb; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) "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 **or a child enrolled and in regular attendance in a publicly funded prekindergarten setting.** ~~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) "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~~**must** 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.

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

(4) "High school equivalency certificate" means a certificate granted for the successful completion of a high school equivalency test.

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

(6) "High school equivalency test preparation program" means a program that has high school level courses in English language arts, social studies, science, and mathematics and that prepares an



1 individual to successfully complete a high school equivalency test.

2 (7) "High school pupil" means a pupil in membership in grades
3 7 to 12, except in a district not maintaining grades above the
4 eighth grade.

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

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

27 (3) "District and high school graduation report" means a
28 report of the number of pupils, excluding adult education
29 participants, in the district for the immediately preceding school



1 year, adjusted for those pupils who have transferred into or out of
 2 the district or high school, who leave high school with a diploma
 3 or other credential of equal status.

4 (4) "Membership", except as otherwise provided in this
 5 article, means for a district, a public school academy, or an
 6 intermediate district the sum of the product of .90 times the
 7 number of full-time equated pupils in grades K to 12 actually
 8 enrolled and in regular daily attendance on the pupil membership
 9 count day for the current school year, plus the product of .10
 10 times the final audited count from the supplemental count day for
 11 the immediately preceding school year. A district's, public school
 12 academy's, or intermediate district's membership ~~shall be~~ **is**
 13 adjusted as provided under section 25e for pupils who enroll after
 14 the pupil membership count day in a strict discipline academy
 15 operating under sections 1311b to 1311m of the revised school code,
 16 MCL 380.1311b to 380.1311m. However, for a district that is a
 17 community district, "membership" means the sum of the product of
 18 .90 times the number of full-time equated pupils in grades K to 12
 19 actually enrolled and in regular daily attendance in the community
 20 district on the pupil membership count day for the current school
 21 year, plus the product of .10 times the sum of the final audited
 22 count from the supplemental count day of pupils in grades K to 12
 23 actually enrolled and in regular daily attendance in the community
 24 district for the immediately preceding school year. ~~plus the final~~
 25 ~~audited count from the supplemental count day of pupils in grades K~~
 26 ~~to 12 actually enrolled and in regular daily attendance in the~~
 27 ~~education achievement system for the immediately preceding school~~
 28 ~~year.~~ All pupil counts used in this subsection are as determined by
 29 the department and calculated by adding the number of pupils



1 registered for attendance plus pupils received by transfer and
 2 minus pupils lost as defined by rules promulgated by the
 3 superintendent, and as corrected by a subsequent department audit.
 4 The amount of the foundation allowance for a pupil in membership is
 5 determined under section 20. In making the calculation of
 6 membership, all of the following, as applicable, apply to
 7 determining the membership of a district, a public school academy,
 8 or an intermediate district:

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

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

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

27 (d) A pupil placed by a court or state agency in an on-grounds
 28 program of a juvenile detention facility, a child caring
 29 institution, or a mental health institution, or a pupil funded



1 under section 53a, ~~shall be~~**is** counted in membership in the
2 district or intermediate district approved by the department to
3 operate the program.

4 (e) A pupil enrolled in the Michigan Schools for the Deaf and
5 Blind ~~shall be~~**is** counted in membership in the pupil's intermediate
6 district of residence.

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

13 (g) A pupil enrolled in a public school academy ~~shall be~~**is**
14 counted in membership in the public school academy.

15 (h) For the purposes of this section and section 6a, for a
16 cyber school, as defined in section 551 of the revised school code,
17 MCL 380.551, that is in compliance with section 553a of the revised
18 school code, MCL 380.553a, a pupil's participation in the cyber
19 school's educational program is considered regular daily
20 attendance, and for a district or public school academy, a pupil's
21 participation in a virtual course as defined in section 21f is
22 considered regular daily attendance. For the purposes of this
23 subdivision, for a pupil enrolled in a cyber school and utilizing
24 sequential learning, participation means that term as defined in
25 the pupil accounting manual, section 5-o-d: requirements for
26 counting pupils in membership-subsection 10.

27 (i) For a new district or public school academy beginning its
28 operation after December 31, 1994, membership for the first 2 full
29 or partial fiscal years of operation ~~shall be~~**is** determined as



1 follows:

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

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

20 (j) If a district is the authorizing body for a public school
21 academy, then, in the first school year in which pupils are counted
22 in membership on the pupil membership count day in the public
23 school academy, the determination of the district's membership
24 ~~shall exclude~~ **excludes** from the district's pupil count for the
25 immediately preceding supplemental count day any pupils who are
26 counted in the public school academy on that first pupil membership
27 count day who were also counted in the district on the immediately
28 preceding supplemental count day.

29 (k) For an extended school year program approved by the



1 superintendent, a pupil enrolled, but not scheduled to be in
 2 regular daily attendance, on a pupil membership count day, ~~shall be~~
 3 **is** counted in membership.

4 (l) To be counted in membership, a pupil ~~shall~~**must** meet the
 5 minimum age requirement to be eligible to attend school under
 6 section 1147 of the revised school code, MCL 380.1147, or ~~shall~~
 7 **must** be enrolled under subsection (3) of that section, and ~~shall~~
 8 **must** be less than 20 years of age on September 1 of the school year
 9 except as follows:

10 (i) A special education pupil who is enrolled and receiving
 11 instruction in a special education program or service approved by
 12 the department, who does not have a high school diploma, and who is
 13 less than 26 years of age as of September 1 of the current school
 14 year ~~shall be~~**is** counted in membership.

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

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

21 (B) Had dropped out of school.

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

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



intends to enroll the child in kindergarten for that school year.

(m) An individual who has achieved a high school diploma ~~shall not be~~ **is not** counted in membership. An individual who has achieved a high school equivalency certificate ~~shall not be~~ **is not** counted in membership unless the individual is a student with a disability as defined in R 340.1702 of the Michigan Administrative Code. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the department of ~~talent and economic development,~~ **labor and economic opportunity**, or participating in any successor of either of those 2 programs, ~~shall not be~~ **is not** counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil ~~shall be~~ **is** counted in membership only in the public school academy unless a written agreement signed by all parties designates the party or parties in which the pupil ~~shall be~~ **is** counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district ~~shall be~~ **is** included in the full-time equated membership determination under subdivision (q) and section 101. However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(i) If the public school academy provides instruction for at least 1/2 of the class hours required under section 101, the public school academy ~~shall receive~~ **receives** as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public



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

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

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

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

23 (q) The number of class hours used to calculate full-time
 24 equated memberships ~~shall~~ **must** be consistent with section 101. In
 25 determining full-time equated memberships for pupils who are
 26 enrolled in a postsecondary institution or for pupils engaged in an
 27 internship or work experience under section 1279h of the revised
 28 school code, MCL 380.1279h, a pupil ~~shall not be~~ **is not** considered
 29 to be less than a full-time equated pupil solely because of the



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

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

19 (s) For a district or a public school academy that has pupils
 20 enrolled in a grade level that was not offered by the district or
 21 public school academy in the immediately preceding school year, the
 22 number of pupils enrolled in that grade level to be counted in
 23 membership is the average of the number of those pupils enrolled
 24 and in regular daily attendance on the pupil membership count day
 25 and the supplemental count day of the current school year, as
 26 determined by the department. Membership ~~shall be~~**is** calculated by
 27 adding the number of pupils registered for attendance in that grade
 28 level on the pupil membership count day plus pupils received by
 29 transfer and minus pupils lost as defined by rules promulgated by



1 the superintendent, and as corrected by subsequent department
2 audit, plus the final audited count from the supplemental count day
3 for the current school year, and dividing that sum by 2.

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

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

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

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



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

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

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

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

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



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

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

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

(y) Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan Administrative Code ~~shall be~~ **are** determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are receiving early childhood special education services under R 340.1755 or R 340.1862 of the Michigan Administrative Code ~~shall be~~ **are** determined by dividing the number of hours of service scheduled and provided per year per-pupil by 180.

(z) A pupil of a district that begins its school year after Labor Day who is enrolled in an intermediate district program that begins before Labor Day ~~shall not be~~ **is not** considered to be less than a full-time pupil solely due to instructional time scheduled



1 but not attended by the pupil before Labor Day.

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

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

16 (cc) A pupil enrolled in a district other than the pupil's
17 district of residence ~~pursuant to~~ **under** section 1148(2) of the
18 revised school code, MCL 380.1148, ~~shall be~~ **is** counted in the
19 educating district.

20 (dd) For a pupil enrolled in a dropout recovery program that
21 meets the requirements of section 23a, the pupil ~~shall be~~ **is**
22 counted as 1/12 of a full-time equated membership for each month
23 that the district operating the program reports that the pupil was
24 enrolled in the program and was in full attendance. However, if the
25 special membership counting provisions under this subdivision and
26 the operation of the other membership counting provisions under
27 this subsection result in a pupil being counted as more than 1.0
28 FTE in a fiscal year, the payment made for the pupil under sections
29 22a and 22b ~~shall~~ **must** not be based on more than 1.0 FTE for that



pupil, and any portion of an FTE for that pupil that exceeds 1.0 ~~shall~~~~is~~ instead ~~be~~ paid under section 25g. The district operating the program shall report to the center the number of pupils who were enrolled in the program and were in full attendance for a month not later than 30 days after the end of the month. A district shall not report a pupil as being in full attendance for a month unless both of the following are met:

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

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

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

(ff) If a public school academy that is not in its first or second year of operation closes at the end of a school year and does not reopen for the next school year, the department shall adjust the membership count of the district or other public school academy in which a former pupil of the closed public school academy enrolls and is in regular daily attendance for the next school year to ensure that the district or other public school academy receives the same amount of membership aid for the pupil as if the pupil



were counted in the district or other public school academy on the supplemental count day of the preceding school year.

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

(hh) A pupil enrolled in a community district ~~shall be~~ **is** counted in membership in the community district.

(ii) A part-time pupil enrolled in a nonpublic school in grades K to 12 in accordance with section 166b shall not be counted as more than 0.75 of a full-time equated membership.

(jj) A district that borders another state or a public school academy that operates at least grades 9 to 12 and is located within 20 miles of a border with another state may count in membership a pupil who is enrolled in a course at a college or university that is located in the bordering state and within 20 miles of the border with this state if all of the following are met:

(i) The pupil would meet the definition of an eligible student under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, if the course were an eligible course under that act.

(ii) The course in which the pupil is enrolled would meet the definition of an eligible course under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, if the course were provided by an eligible postsecondary institution under that



1 act.

2 (iii) The department determines that the college or university
3 is an institution that, in the other state, fulfills a function
4 comparable to a state university or community college, as those
5 terms are defined in section 3 of the postsecondary enrollment
6 options act, 1996 PA 160, MCL 388.513, or is an independent
7 nonprofit degree-granting college or university.

8 (iv) The district or public school academy pays for a portion
9 of the pupil's tuition at the college or university in an amount
10 equal to the eligible charges that the district or public school
11 academy would pay to an eligible postsecondary institution under
12 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511
13 to 388.524, as if the course were an eligible course under that
14 act.

15 (v) The district or public school academy awards high school
16 credit to a pupil who successfully completes a course as described
17 in this subdivision.

18 (kk) A pupil enrolled in a middle college program may be
19 counted for more than a total of 1.0 full-time equated membership
20 if the pupil is enrolled in more than the minimum number of
21 instructional days and hours required under section 101 and the
22 pupil is expected to complete the 5-year program with both a high
23 school diploma and at least 60 transferable college credits or is
24 expected to earn an associate's degree in fewer than 5 years.

25 (ll) If a district's or public school academy's membership for
26 a particular fiscal year, as otherwise calculated under this
27 subsection, includes pupils counted in membership who are enrolled
28 under section 166b, all of the following apply for the purposes of
29 this subdivision:



(i) If the district's or public school academy's membership for pupils counted under section 166b equals or exceeds 5% of the district's or public school academy's membership for pupils not counted in membership under section 166b in the immediately preceding fiscal year, then the growth in the district's or public school academy's membership for pupils counted under section 166b must not exceed 10%.

(ii) If the district's or public school academy's membership for pupils counted under section 166b is less than 5% of the district's or public school academy's membership for pupils not counted in membership under section 166b in the immediately preceding fiscal year, then the district's or public school academy's membership for pupils counted under section 166b must not exceed the greater of the following:

(A) 5% of the district's or public school academy's membership for pupils not counted in membership under section 166b.

(B) 10% more than the district's or public school academy's membership for pupils counted under section 166b in the immediately preceding fiscal year.

(iii) If 1 or more districts consolidate or are parties to an annexation, then the calculations under subdivisions (i) and (ii) must be applied to the combined total membership for pupils counted in those districts for the fiscal year immediately preceding the consolidation or annexation.

~~(mm) Beginning with the 2019-2020 school year, if a district, intermediate district, or public school academy charges tuition for a pupil that resided out of state in the immediately preceding school year, the pupil shall not be counted in membership in the district, intermediate district, or public school academy.~~



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

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

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

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

12 (c) A pupil enrolled in a public school academy.

13 (d) A pupil enrolled in a district other than the pupil's
14 district of residence under an intermediate district schools of
15 choice pilot program as described in section 91a or former section
16 91 if the intermediate district and its constituent districts have
17 been exempted from section 105.

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

21 (f) A pupil who has made an official written complaint or
22 whose parent or legal guardian has made an official written
23 complaint to law enforcement officials and to school officials of
24 the pupil's district of residence that the pupil has been the
25 victim of a criminal sexual assault or other serious assault, if
26 the official complaint either indicates that the assault occurred
27 at school or that the assault was committed by 1 or more other
28 pupils enrolled in the school the pupil would otherwise attend in
29 the district of residence or by an employee of the district of



1 residence. A person who intentionally makes a false report of a
2 crime to law enforcement officials for the purposes of this
3 subdivision is subject to section 411a of the Michigan penal code,
4 1931 PA 328, MCL 750.411a, which provides criminal penalties for
5 that conduct. As used in this subdivision:

6 (i) "At school" means in a classroom, elsewhere on school
7 premises, on a school bus or other school-related vehicle, or at a
8 school-sponsored activity or event whether or not it is held on
9 school premises.

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

15 (g) A pupil whose district of residence changed after the
16 pupil membership count day and before the supplemental count day
17 and who continues to be enrolled on the supplemental count day as a
18 nonresident in the district in which he or she was enrolled as a
19 resident on the pupil membership count day of the same school year.

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

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

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

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

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



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

3 (j) A pupil who is the child of a person who works at the
4 district or who is the child of a person who worked at the district
5 as of the time the pupil first enrolled in the district but who no
6 longer works at the district due to a workforce reduction. As used
7 in this subdivision, "child" includes an adopted child, stepchild,
8 or legal ward.

9 (k) An expelled pupil who has been denied reinstatement by the
10 expelling district and is reinstated by another school board under
11 section 1311 or 1311a of the revised school code, MCL 380.1311 and
12 380.1311a.

13 (l) A pupil enrolled in a district other than the pupil's
14 district of residence in a middle college program if the pupil's
15 district of residence and the enrolling district are both
16 constituent districts of the same intermediate district.

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

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

23 (o) A pupil who enrolls in a district other than the pupil's
24 district of residence as a result of the pupil's school not making
25 adequate yearly progress under the no child left behind act of
26 2001, Public Law 107-110, or the every student succeeds act, Public
27 Law 114-95.

28 However, ~~except for pupils enrolled in the youth challenge~~
29 ~~program at the site at which the youth challenge program operated~~



1 ~~for 2015-2016,~~ if a district educates pupils who reside in another
 2 district and if the primary instructional site for those pupils is
 3 established by the educating district after 2009-2010 and is
 4 located within the boundaries of that other district, the educating
 5 district must have the approval of that other district to count
 6 those pupils in membership.

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

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

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

- 17 (i) Fourth Wednesday in July.
- 18 (ii) First Wednesday in October.
- 19 (iii) Second Wednesday in February.
- 20 (iv) Fourth Wednesday in April.

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



count day or supplemental count day, except for a pupil who has been excused by the district, ~~shall not be~~ **is not** counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day ~~shall not be~~ **is not** counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day ~~shall~~ **is** only ~~be~~ counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. ~~Pupils~~ **A pupil** not counted as 1.0 full-time equated membership due to an absence from a class ~~shall be~~ **is** counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher, a teacher engaged to teach under section 1233b of the revised school code, MCL 380.1233b, or an individual working under a valid substitute permit, authorization, or approval issued by the department, are together and instruction is taking place.

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

(10) "The revised school code" means the revised school code,



1 1976 PA 451, MCL 380.1 to 380.1852.

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

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

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

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

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

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

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

28 (18) "Taxable value" means the taxable value of property as
29 determined under section 27a of the general property tax act, 1893



1 PA 206, MCL 211.27a.

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

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

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

18 (2) If the department **or the center** does not assign a district
 19 code to a public school academy within the 30-day period described
 20 in subsection (1), the district code **to be used by** the department
 21 ~~shall use~~ to make payments under this article to the newly
 22 authorized public school academy ~~shall be~~ **is** a number that is
 23 equivalent to the sum of the last district code assigned to a
 24 public school academy located in the same county as the newly
 25 authorized public school academy plus 1. However, if there is not
 26 an existing public school academy located in the same county as the
 27 newly authorized public school academy, then the district code **to**
 28 **be used by** the department ~~shall use~~ to make payments under this
 29 article to the newly authorized public school academy ~~shall be~~ **is** 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~~ **is** 7 for the public school academies in excess of 100. **If the number of public school academies in a county grows to exceed 200, then the third digit in this 5-digit number is 5 for the public school academies in excess of 200.**

(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~~ **that** is eligible to receive funding under this article, 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~~ **all of the following apply:**

(i) If the cyber school is authorized by an intermediate district board, the cyber school is assigned to the jurisdiction of that intermediate district.

(ii) If the cyber school is authorized by a district board, the cyber school is assigned to the jurisdiction of the intermediate



1 district in which the district is located.

2 (iii) If the cyber school is authorized by the board of a
3 community college or governing board of a state public university,
4 the cyber school is assigned to the jurisdiction of the
5 intermediate district in which the administrative office of the
6 cyber school is located. ~~shall provide programs and services to the~~
7 ~~cyber school.~~

8 (c) The intermediate ~~school district required to provide~~
9 ~~programs and services to~~ **district's jurisdiction to which** a cyber
10 school **is assigned** under this ~~subdivision~~ **subsection** remains the
11 same for as long as that cyber school is in operation **unless the**
12 **cyber school experiences a change in its authorizing body. If a**
13 **change in the authorizing body of a cyber school described under**
14 **subdivision (b) occurs, subdivision (b) must be applied to account**
15 **for the change and the cyber school must be reassigned to the**
16 **jurisdiction of the applicable intermediate district, as required**
17 **under subdivision (b) .**

18 Sec. 11. (1) ~~For the fiscal year ending September 30, 2018,~~
19 ~~there is appropriated for the public schools of this state and~~
20 ~~certain other state purposes relating to education the sum of~~
21 ~~\$12,682,127,200.00 from the state school aid fund, the sum of~~
22 ~~\$78,500,000.00 from the general fund, an amount not to exceed~~
23 ~~\$72,000,000.00 from the community district education trust fund~~
24 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
25 ~~489, MCL 12.262, an amount not to exceed \$23,100,000.00 from the~~
26 ~~MPSERS retirement obligation reform reserve fund, and an amount not~~
27 ~~to exceed \$100.00 from the water emergency reserve fund. For the~~
28 ~~fiscal year ending September 30, 2019, there is appropriated for~~
29 ~~the public schools of this state and certain other state purposes~~



relating to education the sum of ~~\$12,876,825,200.00~~
\$12,845,140,200.00 from the state school aid fund, the sum of
 \$87,920,000.00 from the general fund, an amount not to exceed
~~\$72,000,000.00~~ **\$72,200,000.00** from the community district education
 trust fund created under section 12 of the Michigan trust fund act,
 2000 PA 489, MCL 12.262, an amount not to exceed ~~\$31,900,000.00~~
\$30,000,000.00 from the MPSERS retirement obligation reform reserve
 fund, an amount not to exceed \$30,000,000.00 from the school mental
 health and support services fund created under section 31m, and an
 amount not to exceed \$100.00 from the water emergency reserve fund.
For the fiscal year ending September 30, 2020, there is
appropriated for the public schools of this state and certain other
state purposes relating to education the sum of \$13,293,465,000.00
from the state school aid fund, the sum of \$75,000,000.00 from the
general fund, an amount not to exceed \$75,400,000.00 from the
community district education trust fund created under section 12 of
the Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not
to exceed \$1,900,000.00 from the MPSERS retirement obligation
reform reserve fund, an amount not to exceed \$40,000,000.00 from
the talent investment fund created under section 8a of the higher
education loan authority act, 1975 PA 222, MCL 390.1158a, and an
amount not to exceed \$100.00 from the water emergency reserve fund.
 In addition, all available federal funds are appropriated each
 fiscal year for the fiscal years ending September 30, ~~2018-2019~~ and
 September 30, ~~2019-2020~~.

(2) The appropriations under this section ~~shall be~~ **are**
 allocated as provided in this article. Money appropriated under
 this section from the general fund ~~shall~~ **must** be expended to fund
 the purposes of this article before the expenditure of money



1 appropriated under this section from the state school aid fund.

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

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

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

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

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

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

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

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

27 (5) Money in the school aid stabilization fund at the close of
28 a fiscal year ~~shall remain~~**remains** in the school aid stabilization
29 fund and ~~shall~~**does** not lapse to the unreserved school aid fund



1 balance or the general fund.

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

15 (7) For ~~2018-2019~~, **2019-2020**, in addition to the
 16 appropriations in section 11, there is appropriated from the school
 17 aid stabilization fund to the state school aid fund the amount
 18 necessary to fully fund the allocations under this article.

19 Sec. 11j. From the appropriation in section 11, there is
 20 allocated an amount not to exceed ~~\$125,500,000.00~~ **\$111,000,000.00**
 21 for ~~2018-2019~~ **2019-2020** for payments to the school loan bond
 22 redemption fund in the department of treasury on behalf of
 23 districts and intermediate districts. Notwithstanding section 296
 24 or any other provision of this act, funds allocated under this
 25 section are not subject to proration and ~~shall~~**must** be paid in
 26 full.

27 Sec. 11k. For ~~2018-2019~~, **2019-2020**, there is appropriated from
 28 the general fund to the school loan revolving fund an amount equal
 29 to the amount of school bond loans assigned to the Michigan finance



1 authority, not to exceed the total amount of school bond loans held
 2 in reserve as long-term assets. As used in this section, "school
 3 loan revolving fund" means that fund created in section 16c of the
 4 shared credit rating act, 1985 PA 227, MCL 141.1066c.

5 Sec. 11m. From the appropriation in section 11, there is
 6 allocated for ~~2017-2018~~**2018-2019** an amount not to exceed
 7 ~~\$18,000,000.00~~**\$57,000,000.00** and there is allocated for ~~2018-2019~~
 8 **2019-2020** an amount not to exceed ~~\$24,000,000.00~~**\$66,000,000.00** for
 9 fiscal year cash-flow borrowing costs solely related to the state
 10 school aid fund established by section 11 of article IX of the
 11 state constitution of 1963.

12 Sec. 11s. (1) From the ~~general fund appropriation~~**state school**
 13 **aid fund money appropriated** in section 11, there is allocated
 14 ~~\$3,230,000.00 for 2018-2019~~**\$8,075,000.00 for 2019-2020** for the
 15 purpose of providing services and programs to children who reside
 16 within the boundaries of a district with the majority of its
 17 territory located within the boundaries of a city for which an
 18 executive proclamation of emergency is issued in the current or
 19 immediately preceding 3 fiscal years under the emergency management
 20 act, 1976 PA 390, MCL 30.401 to 30.421. From the funding
 21 appropriated in section 11, there is allocated for ~~fiscal year~~
 22 ~~2018-2019~~**2019-2020** \$100.00 from the water emergency reserve fund
 23 for the purposes of this section.

24 (2) From the allocation in subsection (1), there is allocated
 25 to a district with the majority of its territory located within the
 26 boundaries of a city in which an executive proclamation of
 27 emergency is issued in the current or immediately preceding ~~3-4~~
 28 fiscal years and that has at least 4,500 pupils in membership for
 29 the 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 ~~\$2,625,000.00 for 2018-2019~~ **\$2,425,000.00 for 2019-2020** for the purpose of employing school nurses, classroom aides, and school social workers. The district shall provide a report to the department in a form, manner, and frequency 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~~ **must** 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).

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

(3) For ~~2018-2019~~ **2019-2020** only, from the allocation in subsection (1), there is allocated an amount not to exceed ~~\$0.00~~ **\$4,000,000.00** to an intermediate district that has a constituent district described in subsection (2) to provide state early intervention services for children described in subsection (1) who are ~~less than 4 years of age as of September 1, 2016.~~ **between age 3 and age 5**. The intermediate district shall use these funds to provide state early intervention services that are similar to the services described in the early on Michigan state plan, including ensuring that all children described in subsection (1) who are less



1 than 4 years of age as of September 1, 2016 are assessed and
2 evaluated at least twice annually.

3 (4) From the allocation in subsection (1), there is allocated
4 an amount not to exceed \$1,000,000.00 for 2019-2020 to the
5 intermediate district described in subsection (3) to enroll
6 children described in subsection (1) in school-day great start
7 readiness programs, regardless of household income eligibility
8 requirements contained in section 32d. The department shall
9 administer this funding consistent with all other provisions that
10 apply to great start readiness programs under sections 32d and 39.

11 (5) ~~(4)~~ For ~~2018-2019~~, **2019-2020**, from the allocation in
12 subsection (1), there is allocated an amount not to exceed
13 ~~\$605,000.00~~ **\$650,000.00** for nutritional services to children
14 described in subsection (1).

15 (6) ~~(5)~~ In addition to other funding allocated and
16 appropriated in this section, there is appropriated an amount not
17 to exceed ~~\$15,000,000.00~~ **\$5,000,000.00** for ~~fiscal year 2018-2019~~
18 **2019-2020** for state restricted contingency funds. These contingency
19 funds are not available for expenditure until they have been
20 transferred to a section within this article under section 393(2)
21 of the management and budget act, 1984 PA 431, MCL 18.1393.

22 (7) ~~(6)~~ Notwithstanding section 17b, **the department shall make**
23 payments under this section ~~shall be paid on~~ a schedule determined
24 by the department.

25 Sec. 15. (1) If a district or intermediate district fails to
26 receive its proper apportionment, the department, upon satisfactory
27 proof that the district or intermediate district was entitled
28 justly, shall apportion the deficiency in the next apportionment.
29 Subject to subsections (2) and (3), if a district or intermediate



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

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



1 an additional ~~9-4~~ years for the adjustment and may advance payments
 2 to the district otherwise authorized under this article if the
 3 district would otherwise experience a significant hardship in
 4 satisfying its financial obligations. **However, a district that has**
 5 **presented satisfactory evidence of hardship and is undergoing an**
 6 **extended adjustment during 2018-2019 may continue to use the period**
 7 **of extended adjustment as originally granted by the department.**

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

26 (4) **If the department makes an adjustment under this section**
 27 **based in whole or in part on a membership audit finding that a**
 28 **district or intermediate district employed an educator in violation**
 29 **of certification requirements under the revised school code and**



1 rules promulgated by the department, the department shall prorate
 2 the adjustment according to the period of noncompliance with the
 3 certification requirements.

4 (5) ~~(4)~~—The department may conduct audits, or may direct
 5 audits by designee of the department, for the current fiscal year
 6 and the immediately preceding fiscal year of all records related to
 7 a program for which a district or intermediate district has
 8 received funds under this article.

9 (6) ~~(5)~~—Expenditures made by the department under this article
 10 that are caused by the write-off of prior year accruals may be
 11 funded by revenue from the write-off of prior year accruals.

12 (7) ~~(6)~~—In addition to funds appropriated in section 11 for
 13 all programs and services, there is appropriated for ~~2018-2019~~
 14 **2019-2020** for obligations in excess of applicable appropriations an
 15 amount equal to the collection of overpayments, but not to exceed
 16 amounts available from overpayments.

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



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

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

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

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

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

23 (A) Salaries and wages.

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

27 (C) Retirement benefit costs.

28 (D) All other personnel costs.

29 (ii) A chart of all district expenditures, broken into the



1 following subcategories:

2 (A) Instruction.

3 (B) Support services.

4 (C) Business and administration.

5 (D) Operations and maintenance.

6 (c) Links to all of the following:

7 (i) The current collective bargaining agreement for each
8 bargaining unit.

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

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

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

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

19 (vi) The district's written policy establishing specific
20 categories of reimbursable expenses, as described in section
21 1254(2) of the revised school code, MCL 380.1254.

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

27 (d) The total salary and a description and cost of each fringe
28 benefit included in the compensation package for the superintendent
29 of the district and for each employee of the district whose salary



1 exceeds \$100,000.00.

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

3 (f) The annual amount spent on lobbying or lobbying services.

4 As used in this subdivision, "lobbying" means that term as defined
5 in section 5 of 1978 PA 472, MCL 4.415.

6 (g) Any deficit elimination plan or enhanced deficit
7 elimination plan the district was required to submit under the
8 revised school code.

9 (h) Identification of all credit cards maintained by the
10 district as district credit cards, the identity of all individuals
11 authorized to use each of those credit cards, the credit limit on
12 each credit card, and the dollar limit, if any, for each
13 individual's authorized use of the credit card.

14 (i) Costs incurred for each instance of out-of-state travel by
15 the school administrator of the district that is fully or partially
16 paid for by the district and the details of each of those instances
17 of out-of-state travel, including at least identification of each
18 individual on the trip, destination, and purpose.

19 (3) For the information required under subsection (2) (a),
20 (2) (b) (i), and (2) (c), an intermediate district shall provide the
21 same information in the same manner as required for a district
22 under subsection (2).

23 (4) For the purposes of determining the reasonableness of
24 expenditures, whether a district or intermediate district has
25 received the proper amount of funds under this article, and whether
26 a violation of this article has occurred, all of the following
27 apply:

28 (a) The department shall require that each district and
29 intermediate district have an audit of the district's or



1 intermediate district's financial and pupil accounting records
2 conducted at least annually, and at such other times as determined
3 by the department, at the expense of the district or intermediate
4 district, as applicable. The audits must be performed by a
5 certified public accountant or by the intermediate district
6 superintendent, as may be required by the department, or in the
7 case of a district of the first class by a certified public
8 accountant, the intermediate superintendent, or the auditor general
9 of the city. A district or intermediate district shall retain these
10 records for the current fiscal year and from at least the 3
11 immediately preceding fiscal years.

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

23 (c) A district's or intermediate district's annual financial
24 audit ~~shall~~**must** include an analysis of the financial and pupil
25 accounting data used as the basis for distribution of state school
26 aid.

27 (d) The pupil and financial accounting records and reports,
28 audits, and management letters are subject to requirements
29 established in the auditing and accounting manuals approved and



1 published by the department.

2 (e) All of the following shall be done not later than November
3 1 each year for reporting the prior fiscal year data:

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

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

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

12 (f) The annual financial audit reports and pupil accounting
13 procedures reports ~~shall~~**must** be available to the public in
14 compliance with the freedom of information act, 1976 PA 442, MCL
15 15.231 to 15.246.

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

23 (5) By November 1 each fiscal year, each district and
24 intermediate district shall submit to the center, in a manner
25 prescribed by the center, annual comprehensive financial data
26 consistent with the district's or intermediate district's audited
27 financial statements and consistent with accounting manuals and
28 charts of accounts approved and published by the department. For an
29 intermediate district, the report ~~shall~~**must** also contain the



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

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

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

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

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



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

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

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

25 (12) By November 1 of each year, if a district or intermediate
26 district offers virtual learning under section 21f, or for a school
27 of excellence that is a cyber school, as defined in section 551 of
28 the revised school code, MCL 380.551, the district or intermediate
29 district shall submit to the department a report that details the



1 per-pupil costs of operating the virtual learning by vendor type
2 and virtual learning model. The report ~~shall~~**must** include
3 information concerning the operation of virtual learning for the
4 immediately preceding school fiscal year, including information
5 concerning summer programming. Information must be collected in a
6 form and manner determined by the department and must be collected
7 in the most efficient manner possible to reduce the administrative
8 burden on reporting entities.

9 (13) By March 31 of each year, the department shall submit to
10 the house and senate appropriations subcommittees on state school
11 aid, the state budget director, and the house and senate fiscal
12 agencies a report summarizing the per-pupil costs by vendor type of
13 virtual courses available under section 21f and virtual courses
14 provided by a school of excellence that is a cyber school, as
15 defined in section 551 of the revised school code, MCL 380.551.

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

18 (a) Virtual courses provided by the Michigan Virtual
19 University.

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

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

25 (d) Virtual courses created and offered by a district or
26 intermediate district.

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



~~(16) Beginning October 1, 2018, and annually thereafter, the department shall submit to the senate and house subcommittees on school aid and to the senate and house standing committees on education an itemized list of allocations under this article to any association or consortium consisting of associations in the immediately preceding fiscal year. The report shall detail the recipient or recipients, the amount allocated, and the purpose for which the funds were distributed.~~

Sec. 20. (1) For ~~2018-2019~~, **2019-2020**, both of the following apply:

(a) The ~~basic-target~~ foundation allowance, **formerly known as the basic foundation allowance**, is ~~\$8,409.00~~. **\$8,529.00.**

(b) The minimum foundation allowance is ~~\$7,871.00~~. **\$8,111.00.**

(2) The **department shall calculate the** amount of each district's foundation allowance ~~shall be calculated as provided in this section, using a basic-target foundation allowance in the amount specified in subsection (1).~~ **For the purpose of these calculations, a reference to the target foundation allowance for a preceding fiscal year is equivalent to a reference to the "basic" foundation allowance for that fiscal year.**

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

(a) Except as otherwise provided in this subdivision, for a district that had a foundation allowance for the immediately preceding ~~state~~-fiscal year that was at least equal to the minimum foundation allowance for the immediately preceding ~~state~~-fiscal



1 year, but less than the ~~basic~~-**target** foundation allowance for the
 2 immediately preceding ~~state~~-fiscal year, the district ~~shall receive~~
 3 **receives** a foundation allowance in an amount equal to the sum of
 4 the district's foundation allowance for the immediately preceding
 5 ~~state~~-fiscal year plus the difference between twice the dollar
 6 amount of the adjustment from the immediately preceding ~~state~~
 7 fiscal year to the current ~~state~~-fiscal year made in the ~~basic~~
 8 **target** foundation allowance and [(the difference between the ~~basic~~
 9 **target** foundation allowance for the current ~~state~~-fiscal year and
 10 ~~basic~~-**target** foundation allowance for the immediately preceding
 11 ~~state~~-fiscal year minus \$40.00) times (the difference between the
 12 district's foundation allowance for the immediately preceding ~~state~~
 13 fiscal year and the minimum foundation allowance for the
 14 immediately preceding ~~state~~-fiscal year) divided by the difference
 15 between the ~~basic~~-**target** foundation allowance for the current ~~state~~
 16 fiscal year and the minimum foundation allowance for the
 17 immediately preceding ~~state~~-fiscal year.] However, the foundation
 18 allowance for a district that had less than the ~~basic~~-**target**
 19 foundation allowance for the immediately preceding ~~state~~-fiscal
 20 year ~~shall~~-**must** not exceed the ~~basic~~-**target** foundation allowance
 21 for the current ~~state~~-fiscal year.

22 (b) Except as otherwise provided in this subsection, for a
 23 district that in the immediately preceding ~~state~~-fiscal year had a
 24 foundation allowance in an amount equal to the amount of the ~~basic~~
 25 **target** foundation allowance for the immediately preceding ~~state~~
 26 fiscal year, the district ~~shall receive~~-**receives** a foundation
 27 allowance for ~~2018-2019~~-**2019-2020** in an amount equal to the ~~basic~~
 28 **target** foundation allowance for ~~2018-2019~~-**2019-2020**.

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



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

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

19 ~~(c) For a district that received a foundation allowance~~
 20 ~~supplemental payment calculated under section 20m and paid under~~
 21 ~~section 22b for 2017-2018, the district's 2017-2018 foundation~~
 22 ~~allowance is considered to have been an amount equal to the sum of~~
 23 ~~the district's actual 2017-2018 foundation allowance as otherwise~~
 24 ~~calculated under this section plus the lesser of the per pupil~~
 25 ~~amount of the district's supplemental payment for 2017-2018 as~~
 26 ~~calculated under section 20m or the product of the district's~~
 27 ~~foundation allowance for the immediately preceding state fiscal~~
 28 ~~year times the percentage increase in the United States consumer~~
 29 ~~price index in the calendar year ending in the immediately~~



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

(4) Except as otherwise provided in this subsection, beginning in 2014-2015, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the ~~basic~~ **target** foundation allowance for the current ~~state~~ fiscal year, whichever is less, minus the local portion of the district's foundation allowance. For a district described in subsection (3)(c), beginning in 2014-2015, the state portion of the district's foundation allowance is an amount equal to \$6,962.00 plus the difference between the district's foundation allowance for the current ~~state~~ fiscal year and the district's foundation allowance for 1998-99, minus the local portion of the district's foundation allowance. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the **department shall calculate the** state portion of the district's foundation allowance ~~shall be calculated~~ as if that reduction did not occur. For a receiving district, if school operating taxes continue to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, the taxable value per membership pupil of property in the receiving district used for the purposes of this subsection does not include the taxable value of property within the geographic area of the dissolved district. For a community district, if school operating taxes continue to be levied by a qualifying school district under section 12b of the revised school code, MCL 380.12b, with the same



1 geographic area as the community district, the taxable value per
 2 membership pupil of property in the community district to be used
 3 for the purposes of this subsection does not include the taxable
 4 value of property within the geographic area of the community
 5 district.

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

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



1 public school academy that is a cyber school and is authorized by a
 2 school district, the allocation calculated under this section is an
 3 amount per membership pupil other than special education pupils in
 4 the public school academy equal to the foundation allowance of the
 5 district that authorized the public school academy or the state
 6 maximum public school academy allocation, whichever is less.

7 However, **for** a public school academy that had an allocation under
 8 this subsection before 2009-2010 that was equal to the sum of the
 9 local school operating revenue per membership pupil other than
 10 special education pupils for the district in which the public
 11 school academy is located and the state portion of that district's
 12 foundation allowance, ~~shall not have~~ that allocation **is not** reduced
 13 as a result of the 2010 amendment to this subsection.

14 Notwithstanding section 101, for a public school academy that
 15 begins operations after the pupil membership count day, the amount
 16 per membership pupil calculated under this subsection ~~shall~~**must** be
 17 adjusted by multiplying that amount per membership pupil by the
 18 number of hours of pupil instruction provided by the public school
 19 academy after it begins operations, as determined by the
 20 department, divided by the minimum number of hours of pupil
 21 instruction required under section 101(3). The result of this
 22 calculation ~~shall~~**must** not exceed the amount per membership pupil
 23 otherwise calculated under this subsection.

24 (7) Except as otherwise provided in this subsection, for
 25 pupils in membership, other than special education pupils, in a
 26 community district, the allocation calculated under this section is
 27 an amount per membership pupil other than special education pupils
 28 in the community district equal to the foundation allowance of the
 29 qualifying school district, as described in section 12b of the



1 revised school code, MCL 380.12b, that is located within the same
2 geographic area as the community district.

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

18 (9) ~~Each~~ **The department shall round each** fraction used in
19 making calculations under this section ~~shall be rounded to the~~
20 fourth decimal place and **shall round** the dollar amount of an
21 increase in the ~~basic~~ **target** foundation allowance ~~shall be rounded~~
22 to the nearest whole dollar.

23 (10) State payments related to payment of the foundation
24 allowance for a special education pupil are not calculated under
25 this section but are instead calculated under section 51a.

26 (11) To assist the legislature in determining the ~~basic~~ **target**
27 foundation allowance for the subsequent ~~state~~ fiscal year, each
28 revenue estimating conference conducted under section 367b of the
29 management and budget act, 1984 PA 431, MCL 18.1367b, ~~shall~~ **must**



1 calculate a pupil membership factor, a revenue adjustment factor,
2 and an index as follows:

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

14 (b) The revenue adjustment factor ~~shall be~~ **is** computed by
15 dividing the sum of the estimated total state school aid fund
16 revenue for the subsequent ~~state~~-fiscal year plus the estimated
17 total state school aid fund revenue for the current ~~state~~-fiscal
18 year, adjusted for any change in the rate or base of a tax the
19 proceeds of which are deposited in that fund and excluding money
20 transferred into that fund from the countercyclical budget and
21 economic stabilization fund under the management and budget act,
22 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
23 total school aid fund revenue for the current ~~state~~-fiscal year
24 plus the estimated total state school aid fund revenue for the
25 immediately preceding ~~state~~-fiscal year, adjusted for any change in
26 the rate or base of a tax the proceeds of which are deposited in
27 that fund. If a consensus revenue factor is not determined at the
28 revenue estimating conference, the principals of the revenue
29 estimating conference shall report their estimates to the house and



senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

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

(12) Payments to districts and public school academies ~~shall not be~~**are not** made under this section. Rather, the calculations under this section ~~shall be~~**are** used to determine the amount of state payments under section 22b.

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

(14) For the purposes of section 1211 of the revised school code, MCL 380.1211, the basic foundation allowance under this section is considered to be the target foundation allowance under this section.

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

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

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



1 operating revenue.

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

5 (d) "Current ~~state~~-fiscal year" means the ~~state~~-fiscal year
6 for which a particular calculation is made.

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

11 (f) "Immediately preceding ~~state~~-fiscal year" means the ~~state~~
12 fiscal year immediately preceding the current ~~state~~-fiscal year.

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

24 (h) "Local school operating revenue" means school operating
25 taxes levied under section 1211 of the revised school code, MCL
26 380.1211. For a receiving district, if school operating taxes are
27 to be levied on behalf of a dissolved district that has been
28 attached in whole or in part to the receiving district to satisfy
29 debt obligations of the dissolved district under section 12 of the



1 revised school code, MCL 380.12, local school operating revenue
 2 does not include school operating taxes levied within the
 3 geographic area of the dissolved district.

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

7 (j) "Maximum public school academy allocation", except as
 8 otherwise provided in this subdivision, means the maximum per-pupil
 9 allocation as calculated by adding the highest per-pupil allocation
 10 among all public school academies for the immediately preceding
 11 ~~state~~-fiscal year plus the difference between twice the amount of
 12 the difference between the ~~basic-target~~ foundation allowance for
 13 the current ~~state~~-fiscal year and the ~~basic-target~~ foundation
 14 allowance for the immediately preceding ~~state~~-fiscal year and [(the
 15 amount of the difference between the ~~basic-target~~ foundation
 16 allowance for the current ~~state~~-fiscal year and the ~~basic-target~~
 17 foundation allowance for the immediately preceding ~~state~~-fiscal
 18 year minus \$40.00) times (the difference between the highest per-
 19 pupil allocation among all public school academies for the
 20 immediately preceding ~~state~~-fiscal year and the minimum foundation
 21 allowance for the immediately preceding ~~state~~-fiscal year) divided
 22 by the difference between the ~~basic-target~~ foundation allowance for
 23 the current ~~state~~-fiscal year and the minimum foundation allowance
 24 for the immediately preceding ~~state~~-fiscal year.] For the purposes
 25 of this subdivision, for ~~2018-2019~~, **2019-2020**, the maximum public
 26 school academy allocation is ~~\$7,871.00~~. **\$8,111.00**.

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



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

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

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

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

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

(q) "Target foundation allowance for the immediately preceding fiscal year" means, for 2019-2020 only, the basic foundation allowance in effect for the 2018-2019 fiscal year.

(r) ~~(q)~~ "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, or the corridor improvement authority act, 2005 PA 280, MCL



1 125.2871 to 125.2899.

2 (s) ~~(r)~~ "Taxable value per membership pupil" means taxable
3 value, as certified by the county treasurer and reported to the
4 department, for the calendar year ending in the current state
5 fiscal year divided by the district's membership excluding special
6 education pupils for the school year ending in the current state
7 fiscal year.

8 Sec. 20d. In making the final determination required under
9 former section 20a of a district's combined state and local revenue
10 per membership pupil in 1993-94 and in making calculations under
11 section 20 for ~~2018-2019~~, **2019-2020**, the department and the
12 department of treasury shall comply with all of the following:

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

29 (b) If a district had an adjustment made to its 1993-94 total



1 state school aid that excluded payments made under former section
 2 146 and under section 147 on behalf of the district's employees who
 3 provided direct services for intermediate district center programs
 4 operated by the district under sections 51 to 56, if nonresident
 5 pupils attending the center programs were included in the
 6 district's membership for purposes of calculating the combined
 7 state and local revenue per membership pupil for 1993-94, and if
 8 there is a signed agreement by all constituent districts of the
 9 intermediate district ~~that~~ **agreeing to** an adjustment under this
 10 subdivision, ~~shall be made,~~ **the department shall calculate** the
 11 foundation allowances for 1995-96 and 1996-97 of all districts that
 12 had pupils attending the intermediate district center program
 13 operated by the district that had the adjustment ~~shall be~~
 14 ~~calculated~~ as if their combined state and local revenue per
 15 membership pupil for 1993-94 included resident pupils attending the
 16 center program and excluded nonresident pupils attending the center
 17 program.

18 Sec. 20f. (1) From the funds appropriated in section 11, there
 19 is allocated an amount not to exceed \$18,000,000.00 for ~~2018-2019~~
 20 **2019-2020** for payments to eligible districts under this section.

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

26 (a) The increase in the district's foundation allowance or
 27 per-pupil payment as calculated under section 20 from 2012-2013 to
 28 2013-2014.

29 (b) The district's equity payment per membership pupil under



1 former section 22c for 2013-2014.

2 (c) The quotient of the district's allocation under section
3 147a for 2012-2013 divided by the district's membership pupils for
4 2012-2013 minus the quotient of the district's allocation under
5 section 147a for 2013-2014 divided by the district's membership
6 pupils for 2013-2014.

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

11 (4) The funding under this subsection is from the allocation
12 under subsection (1). A district is eligible for funding under this
13 subsection if the sum of the following is less than \$25.00:

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

29 (a) The increase in the district's foundation allowance or



per-pupil payment as calculated under section 20 from 2014-2015 to 2015-2016.

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

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

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

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

Sec. 21h. (1) From the appropriation in section 11, there is allocated ~~\$7,000,000.00~~ **\$6,000,000.00** for ~~2018-2019~~ **2019-2020** for assisting districts assigned by the superintendent to participate in a partnership to improve student achievement. The purpose of the partnership is to identify district needs, develop intervention plans, and partner with public, private, and nonprofit organizations to coordinate resources and improve student achievement. Assignment of a district to a partnership is at the sole discretion of the superintendent.

(2) A district assigned to a partnership by the superintendent is eligible for funding under this section if the district includes at least 1 school that has been rated with a grade of "F", or comparable performance rating, in the most recent state accountability system rating ~~, that is not under the supervision of~~



1 ~~the state school reform/redesign office,~~ and that does all of the
2 following:

3 (a) Completes a comprehensive needs evaluation in
4 collaboration with an intermediate school district, community
5 members, education organizations, and postsecondary institutions,
6 as applicable and approved by the superintendent, within 90 days of
7 assignment to the partnership described in this section. The
8 comprehensive needs evaluation ~~shall~~**must** include at least all of
9 the following:

10 (i) A review of the district's implementation and utilization
11 of a multi-tiered system of supports to ensure that it is used to
12 appropriately inform instruction.

13 (ii) A review of the district and school building leadership
14 and educator capacity to substantially improve student outcomes.

15 (iii) A review of classroom, instructional, and operational
16 practices and curriculum to ensure alignment with research-based
17 instructional practices and state curriculum standards.

18 (b) Develops an intervention plan that has been approved by
19 the superintendent and that addresses the needs identified in the
20 comprehensive needs evaluation completed under subdivision (a). The
21 intervention plan ~~shall~~**must** include at least all of the following:

22 (i) Specific actions that will be taken by the district and
23 each of its partners to improve student achievement.

24 (ii) Specific measurable benchmarks that will be met within 18
25 months to improve student achievement and identification of
26 expected student achievement outcomes to be attained within 3 years
27 after assignment to the partnership.

28 (c) Crafts academic goals that put pupils on track to meet or
29 exceed grade level proficiency.



(3) Upon approval of the intervention plan developed under subsection (2), the department shall assign a team of individuals with expertise in comprehensive school and district reform to partner with the district, the intermediate district, community organizations, education organizations, and postsecondary institutions identified in the intervention plan to review the district's use of existing financial resources to ensure that those resources are being used as efficiently and effectively as possible to improve student academic achievement. The superintendent of public instruction may waive burdensome administrative rules for a partnership district for the duration of the partnership agreement.

(4) Funds allocated under this section may be used to pay for district expenditures approved by the superintendent to improve student achievement. Funds may be used for professional development for teachers or district or school leadership, increased instructional time, teacher mentors, or other expenditures that directly impact student achievement and cannot be paid from existing district financial resources. An eligible district shall not receive funds under this section for more than 3 years. Notwithstanding section 17b, **the department shall make** payments to eligible districts under this section ~~shall be paid~~ on a schedule determined by the department.

(5) The department shall annually report in person to the legislature on the activities funded under this section and how those activities impacted student achievement in eligible districts that received funds under this section. To the extent possible, participating districts receiving funding under this section shall participate in the report.

Sec. 22a. (1) From the appropriation in section 11, there is



1 allocated an amount not to exceed ~~\$5,176,000,000.00 for 2017-2018~~
 2 **\$5,057,000,000.00 for 2018-2019** and there is allocated an amount
 3 not to exceed ~~\$5,107,000,000.00 for 2018-2019~~ **\$4,943,000,000.00 for**
 4 **2019-2020** for payments to districts and qualifying public school
 5 academies to guarantee each district and qualifying public school
 6 academy an amount equal to its 1994-95 total state and local per
 7 pupil revenue for school operating purposes under section 11 of
 8 article IX of the state constitution of 1963. Pursuant to section
 9 11 of article IX of the state constitution of 1963, this guarantee
 10 does not apply to a district in a year in which the district levies
 11 a millage rate for school district operating purposes less than it
 12 levied in 1994. However, subsection (2) applies to calculating the
 13 payments under this section. ~~Funds allocated under this section~~
 14 ~~that are not expended in the state fiscal year for which they were~~
 15 ~~allocated, as determined by the department, may be used to~~
 16 ~~supplement the allocations under sections 22b and 51c in order to~~
 17 ~~fully fund those calculated allocations for the same fiscal year.~~

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

23 (a) Except as otherwise provided in this subsection, the state
 24 portion of a district's 1994-95 foundation allowance is an amount
 25 equal to the district's 1994-95 foundation allowance or \$6,500.00,
 26 whichever is less, minus the difference between the sum of the
 27 product of the taxable value per membership pupil of all property
 28 in the district that is nonexempt property times the district's
 29 certified mills and, for a district with certified mills exceeding



1 12, the product of the taxable value per membership pupil of
 2 property in the district that is commercial personal property times
 3 the certified mills minus 12 mills and the quotient of the ad
 4 valorem property tax revenue of the district captured under tax
 5 increment financing acts divided by the district's membership. For
 6 a district that has a millage reduction required under section 31
 7 of article IX of the state constitution of 1963, **the department**
 8 **shall calculate** the state portion of the district's foundation
 9 allowance ~~shall be calculated as if that reduction did not occur.~~
 10 For a receiving district, if school operating taxes are to be
 11 levied on behalf of a dissolved district that has been attached in
 12 whole or in part to the receiving district to satisfy debt
 13 obligations of the dissolved district under section 12 of the
 14 revised school code, MCL 380.12, taxable value per membership pupil
 15 of all property in the receiving district that is nonexempt
 16 property and taxable value per membership pupil of property in the
 17 receiving district that is commercial personal property do not
 18 include property within the geographic area of the dissolved
 19 district; ad valorem property tax revenue of the receiving district
 20 captured under tax increment financing acts does not include ad
 21 valorem property tax revenue captured within the geographic
 22 boundaries of the dissolved district under tax increment financing
 23 acts; and certified mills do not include the certified mills of the
 24 dissolved district. For a community district, **the department shall**
 25 **reduce** the allocation as otherwise calculated under this section
 26 ~~shall be reduced by an amount equal to the amount of local school~~
 27 operating tax revenue that would otherwise be due to the community
 28 district if not for the operation of section 386 of the revised
 29 school code, MCL 380.386, and the amount of this reduction ~~shall be~~



1 **is** offset by the increase in funding under section 22b(2).

2 (b) For a district that had a 1994-95 foundation allowance
 3 greater than \$6,500.00, the state payment under this subsection
 4 ~~shall be~~**is** the sum of the amount calculated under subdivision (a)
 5 plus the amount calculated under this subdivision. The amount
 6 calculated under this subdivision ~~shall~~**must** be equal to the
 7 difference between the district's 1994-95 foundation allowance
 8 minus \$6,500.00 and the current year hold harmless school operating
 9 taxes per pupil. If the result of the calculation under subdivision
 10 (a) is negative, the negative amount ~~shall be~~**is** an offset against
 11 any state payment calculated under this subdivision. If the result
 12 of a calculation under this subdivision is negative, there ~~shall~~
 13 ~~not be~~**is not** a state payment or a deduction under this
 14 subdivision. The taxable values per membership pupil used in the
 15 calculations under this subdivision are as adjusted by ad valorem
 16 property tax revenue captured under tax increment financing acts
 17 divided by the district's membership. For a receiving district, if
 18 school operating taxes are to be levied on behalf of a dissolved
 19 district that has been attached in whole or in part to the
 20 receiving district to satisfy debt obligations of the dissolved
 21 district under section 12 of the revised school code, MCL 380.12,
 22 ad valorem property tax revenue captured under tax increment
 23 financing acts do not include ad valorem property tax revenue
 24 captured within the geographic boundaries of the dissolved district
 25 under tax increment financing acts.

26 (3) Beginning in 2003-2004, for pupils in membership in a
 27 qualifying public school academy, there is allocated under this
 28 section to the authorizing body that is the fiscal agent for the
 29 qualifying public school academy for forwarding to the qualifying



1 public school academy an amount equal to the 1994-95 per pupil
 2 payment to the qualifying public school academy under section 20.

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

7 (5) Except as otherwise provided in this subsection, for a
 8 district that is formed or reconfigured after June 1, 2000 by
 9 consolidation of 2 or more districts or by annexation, the
 10 resulting district's 1994-95 foundation allowance under this
 11 section beginning after the effective date of the consolidation or
 12 annexation ~~shall be~~ **is** the average of the 1994-95 foundation
 13 allowances of each of the original or affected districts,
 14 calculated as provided in this section, weighted as to the
 15 percentage of pupils in total membership in the resulting district
 16 in the ~~state~~ fiscal year in which the consolidation takes place who
 17 reside in the geographic area of each of the original districts. If
 18 an affected district's 1994-95 foundation allowance is less than
 19 the 1994-95 basic foundation allowance, the amount of that
 20 district's 1994-95 foundation allowance ~~shall be~~ **is** considered for
 21 the purpose of calculations under this subsection to be equal to
 22 the amount of the 1994-95 basic foundation allowance. This
 23 subsection does not apply to a receiving district unless there is a
 24 subsequent consolidation or annexation that affects the district.

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

26 (7) As used in this section:

27 (a) "1994-95 foundation allowance" means a district's 1994-95
 28 foundation allowance calculated and certified by the department of
 29 treasury or the superintendent under former section 20a as enacted



1 in 1993 PA 336 and as amended by 1994 PA 283.

2 (b) "Certified mills" means the lesser of 18 mills or the
3 number of mills of school operating taxes levied by the district in
4 1993-94.

5 (c) "Current ~~state~~-fiscal year" means the ~~state~~-fiscal year
6 for which a particular calculation is made.

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

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

22 (f) "Hold harmless millage" means, for a district with a 1994-
23 95 foundation allowance greater than \$6,500.00, the number of mills
24 by which the exemption from the levy of school operating taxes on a
25 ~~homestead~~, **principal residence**, qualified agricultural property,
26 qualified forest property, supportive housing property, industrial
27 personal property, commercial personal property, and property
28 occupied by a public school academy could be reduced as provided in
29 section 1211 of the revised school code, MCL 380.1211, and the



number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.

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

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

(h) ~~(i)~~—"Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, or property occupied by a public school academy.

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

(j) "Qualifying public school academy" means a public school



academy that was in operation in the 1994-95 school year and is in operation in the current ~~state~~-fiscal year.

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

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

(m) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~ **125.2670**, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

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

(i) For the number of mills by which the exemption from the levy of school operating taxes on a ~~homestead,~~ **principal residence**, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, and property occupied by a public school academy may be reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable value of ~~homestead,~~ **principal residence**, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, and property occupied by a public school academy for the calendar year ending in the current



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

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

18 Sec. 22b. (1) For discretionary nonmandated payments to
 19 districts under this section, there is allocated for ~~2017-2018~~
 20 **2018-2019** an amount not to exceed ~~\$3,957,000,000.00~~
 21 **\$4,217,800,000.00** from the state school aid fund and general fund
 22 appropriations in section 11 and an amount not to exceed
 23 ~~\$72,000,000.00~~ **\$72,200,000.00** from the community district education
 24 trust fund appropriation in section 11, and there is allocated for
 25 ~~2018-2019~~ **2019-2020** an amount not to exceed ~~\$4,252,000,000.00~~
 26 **\$4,480,600,000.00** from the state school aid fund and general fund
 27 appropriations in section 11 and an amount not to exceed
 28 ~~\$72,000,000.00~~ **\$75,400,000.00** from the community district education
 29 trust fund appropriation in section 11. ~~Except for money allocated~~



~~from the community district trust fund, money allocated under this section that is not expended in the state fiscal year for which it was allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.~~

(2) Subject to subsection (3) and section 296, the allocation to a district under this section ~~shall be~~ **is** an amount equal to the sum of the amounts calculated under sections 20, ~~20m,~~ 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district under sections 22a and 51c. For a community district, the allocation as otherwise calculated under this section ~~shall be~~ **is** increased by an amount equal to the amount of local school operating tax revenue that would otherwise be due to the community district if not for the operation of section 386 of the revised school code, MCL 380.386, and this increase ~~shall~~ **must** be paid from the community district education trust fund allocation in subsection (1) in order to offset the absence of local school operating revenue in a community district in the funding of the state portion of the foundation allowance under section 20(4).

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

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

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

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

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



1 380.1230g.

2 (e) Comply with section 21f.

3 (f) For a district or public school academy that has entered
4 into a partnership agreement with the department, comply with
5 section 22p.

6 **(g) For a district or public school academy that offers**
7 **kindergarten, comply with section 104(4) .**

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

13 (5) 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 related to commercial or industrial property tax appeals,
16 including, but not limited to, appeals of classification, that
17 impact revenues dedicated to the state school aid fund.

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

26 (7) It is the intent of the legislature that all
27 constitutional obligations of this state have been fully funded
28 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
29 an entity receiving funds under this article that challenges the



1 legislative determination of the adequacy of this funding or
2 alleges that there exists an unfunded constitutional requirement,
3 the state budget director may escrow or allocate from the
4 discretionary funds for nonmandated payments under this section the
5 amount as may be necessary to satisfy the claim before making any
6 payments to districts under subsection (2). If funds are escrowed,
7 the escrowed funds are a work project appropriation and the funds
8 are carried forward into the following fiscal year. The purpose of
9 the work project is to provide for any payments that may be awarded
10 to districts as a result of litigation. The work project ~~shall be~~
11 **is** completed upon resolution of the litigation.

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

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

29 (10) If payments resulting from a final determination by the



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

7 (11) If a lawsuit challenging payments made to districts
 8 related to costs reimbursed by federal title XIX Medicaid funds is
 9 filed against this state, then, for the purpose of addressing
 10 potential liability under such a lawsuit, the state budget director
 11 may place funds allocated under this section in escrow or allocate
 12 money from the funds otherwise allocated under this section, up to
 13 a maximum of 50% of the amount allocated in subsection (1). If
 14 funds are placed in escrow under this subsection, those funds are a
 15 work project appropriation and the funds are carried forward into
 16 the following fiscal year. The purpose of the work project is to
 17 provide for any payments that may be awarded to districts as a
 18 result of the litigation. The work project ~~shall be~~ **is** completed
 19 upon resolution of the litigation. In addition, this state reserves
 20 the right to terminate future federal title XIX Medicaid
 21 reimbursement payments to districts if the amount or allocation of
 22 reimbursed funds is challenged in the lawsuit. As used in this
 23 subsection, "title XIX" means title XIX of the social security act,
 24 42 USC 1396 to 1396w-5.

25 Sec. 22d. (1) From the appropriation in section 11, an amount
 26 not to exceed ~~\$6,000,000.00~~ **\$7,000,000.00** is allocated for ~~2018-~~
 27 ~~2019-2019-2020~~ for supplemental payments to rural districts under
 28 this section.

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



1 allocated for ~~2018-2019~~**2019-2020** 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~~**is** determined under a
 13 spending plan developed as provided in this subsection and approved
 14 by the superintendent of public instruction. The spending plan
 15 ~~shall~~**must** be developed cooperatively by the intermediate
 16 superintendents of each intermediate district in which an eligible
 17 district is located. The intermediate superintendents shall review
 18 the financial situation of each eligible district, determine the
 19 minimum essential financial needs of each eligible district, and
 20 develop and agree on a spending plan that distributes the available
 21 funding under subsection (2) to the eligible districts based on
 22 those financial needs. The intermediate superintendents shall
 23 submit the spending plan to the superintendent of public
 24 instruction for approval. Upon approval by the superintendent of
 25 public instruction, the amounts specified for each eligible
 26 district under the spending plan are allocated under subsection (2)
 27 and ~~shall~~**must** be paid to the eligible districts in the same manner
 28 as payments under section 22b.

29 (4) Subject to subsection (6), from the allocation in



subsection (1), there is allocated for ~~2018-2019~~**2019-2020** an amount not to exceed ~~\$5,042,700.00~~**\$6,042,700.00** for payments under this subsection to districts that have ~~7.7 or fewer~~ **than 10.0** pupils per square mile as determined by the department.

(5) The funds allocated under subsection (4) ~~shall be~~**are** allocated ~~on an equal per-pupil basis~~**as follows**:

(a) An amount equal to \$5,200,000.00 is allocated to districts with fewer than 8.0 pupils per square mile, as determined by the department, on an equal per-pupil basis.

(b) The balance of the funding under subsection (4) is allocated as follows:

(i) For districts with at least 8.0 but fewer than 9.0 pupils per square mile, as determined by the department, the allocation is an amount per pupil equal to 75% of the per-pupil amount allocated to districts under subdivision (a).

(ii) For districts with at least 9.0 but fewer than 10.0 pupils per square mile, as determined by the department, the allocation is an amount per pupil equal to 50% of the per-pupil amount allocated to districts under subdivision (a).

(c) If the total funding allocated under subdivision (b) is not sufficient to fully fund payments as calculated under that subdivision, the department shall prorate payments to districts under subdivision (b) on an equal per-pupil basis.

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

Sec. 22m. (1) From the appropriations in section 11, there is allocated for ~~2018-2019~~**2019-2020** an amount not to exceed \$2,200,000.00 for supporting the integration of local data systems into the Michigan data hub network based on common standards and



1 applications that are in compliance with section 19(6).

2 (2) An entity that is the fiscal agent for no more than 5
3 consortia of intermediate districts that previously received
4 funding from the technology readiness infrastructure grant under
5 former section 22i for the purpose of establishing regional data
6 hubs that are part of the Michigan data hub network is eligible for
7 funding under this section.

8 (3) The center shall work with an advisory committee composed
9 of representatives from intermediate districts within each of the
10 data hub regions to coordinate the activities of the Michigan data
11 hub network.

12 (4) The center, in collaboration with the Michigan data hub
13 network, shall determine the amount of funds distributed under this
14 section to each participating regional data hub within the network,
15 based upon a competitive grant process. ~~Entities~~ **The center shall**
16 **ensure that the entities** receiving funding under this section ~~shall~~
17 represent geographically diverse areas in this state.

18 (5) Notwithstanding section 17b, **the department shall make**
19 payments under this section ~~shall be made on~~ a schedule determined
20 by the center.

21 (6) To receive funding under this section, a regional data hub
22 must have a governance model that ensures local control of data,
23 data security, and student privacy issues. The integration of data
24 within each of the regional data hubs ~~shall~~ **must** provide for the
25 actionable use of data by districts and intermediate districts
26 through common reports and dashboards and for efficiently providing
27 information to meet state and federal reporting purposes.

28 (7) Participation in a data hub region in the Michigan data
29 hub network under this section is voluntary and is not required.



1 (8) Entities receiving funding under this section shall use
2 the funds for all of the following:

3 (a) Creating an infrastructure that effectively manages the
4 movement of data between data systems used by intermediate
5 districts, districts, and other educational organizations in
6 Michigan based on common data standards to improve student
7 achievement.

8 (b) Utilizing the infrastructure to put in place commonly
9 needed integrations, reducing cost and effort to do that work while
10 increasing data accuracy and usability.

11 (c) Promoting the use of a more common set of applications by
12 promoting systems that integrate with the Michigan data hub
13 network.

14 (d) Promoting 100% district adoption of the Michigan data hub
15 network by September 30, 2020.

16 (e) Ensuring local control of data, data security, and student
17 data privacy.

18 (f) Utilizing the infrastructure to promote the actionable use
19 of data through common reports and dashboards that are consistent
20 statewide.

21 (g) Creating a governance model to facilitate sustainable
22 operations of the infrastructure in the future, including
23 administration, legal agreements, documentation, staffing, hosting,
24 and funding.

25 (h) Evaluating future data initiatives at all levels to
26 determine whether the initiatives can be enhanced by using the
27 standardized environment in the Michigan data hub network.

28 (9) Not later than January 1 of each fiscal year, the center
29 shall prepare a summary report of information provided by each



entity that received funds under this section that includes measurable outcomes based on the objectives described under this section ~~. The report shall include~~ **and** a summary of compiled data from each entity to provide a means to evaluate the effectiveness of the project. The center shall submit the report to the house and senate appropriations subcommittees on state school aid and to the house and senate fiscal agencies.

Sec. 22p. In order to receive funding under section 22b, a district or public school academy that has a signed partnership agreement with the department must meet both of the following:

(a) ~~Amends the~~ **Adopts a** partnership agreement ~~to include that~~ **includes** measurable academic outcomes that will be achieved after 18 months and after 36 months from the date the agreement was originally signed. Measurable academic outcomes under this subdivision must include outcomes that put pupils on track to meet or exceed grade level proficiency **and must be based on district needs identified as required under section 21h.**

(b) ~~Amends the~~ **Adopts a** partnership agreement ~~to include that~~ **includes** accountability measures to be imposed if the district or public school academy does not achieve the measurable academic outcomes under subdivision (a) for a school subject to a partnership agreement. Accountability measures under this subdivision may include ~~either the closure of the school at the end of the current school year or the reconstitution of the school. in a final attempt to improve student educational performance or to avoid interruption of the educational process.~~ For a public school academy that ~~amends~~ **adopts** a partnership agreement under this subdivision, the ~~amended~~ agreement must include a requirement that if reconstitution is imposed on a school that is operated by the



public school academy and that is subject to the partnership agreement, the school ~~shall~~**must** be reconstituted as described in section 507 of the revised school code, MCL 380.507. For a district that ~~amends~~**adopts** a partnership agreement under this subdivision, the ~~amended~~ agreement must include a requirement that if reconstitution is imposed on a school that is operated by the district and that is subject to the partnership agreement, all of the following apply:

(i) The district shall make significant changes to the instructional and noninstructional programming of the school based on the needs identified through a comprehensive review of data **in compliance with section 21h.**

~~(ii) The district shall replace at least 25% of the faculty and staff of the school.~~

(ii) ~~(iii)~~ The district shall replace the principal of the school, unless the current principal has been in place for less than 3 years and the board of the district determines that it is in the best interests of the district to retain current school leadership.

(iii) ~~(iv)~~ The reconstitution plan for the school shall require the adoption of goals similar to the goals included in a partnership agreement, with a limit of 5 years to achieve the goals. If the goals are not achieved within 5 years, the superintendent of public instruction shall either impose a second reconstitution plan on the school or close the school.

Sec. 24. (1) From the appropriation in section 11, there is allocated ~~each fiscal year for 2017-2018 and for 2018-2019~~**for 2019-2020** an amount not to exceed \$7,150,000.00 for payments to the educating district or intermediate district for educating pupils



1 assigned by a court or the department of health and human services
 2 to reside in or to attend a juvenile detention facility or child
 3 caring institution licensed by the department of health and human
 4 services and approved by the department to provide an on-grounds
 5 education program. The amount of the payment under this section to
 6 a district or intermediate district ~~shall be~~ **is** calculated as
 7 prescribed under subsection (2).

8 (2) The **department shall allocate the** total amount allocated
 9 under this section ~~shall be allocated by~~ paying to the educating
 10 district or intermediate district an amount equal to the lesser of
 11 the district's or intermediate district's added cost or the
 12 department's approved per-pupil allocation for the district or
 13 intermediate district. For the purposes of this subsection:

14 (a) "Added cost" means 100% of the added cost each fiscal year
 15 for educating all pupils assigned by a court or the department of
 16 health and human services to reside in or to attend a juvenile
 17 detention facility or child caring institution licensed by the
 18 department of health and human services or the department of
 19 licensing and regulatory affairs and approved by the department to
 20 provide an on-grounds education program. Added cost ~~shall be~~ **is**
 21 computed by deducting all other revenue received under this article
 22 for pupils described in this section from total costs, as approved
 23 by the department, in whole or in part, for educating those pupils
 24 in the on-grounds education program or in a program approved by the
 25 department that is located on property adjacent to a juvenile
 26 detention facility or child caring institution. Costs reimbursed by
 27 federal funds are not included.

28 (b) "Department's approved per-pupil allocation" for a
 29 district or intermediate district ~~shall be~~ **is** determined by



dividing the total amount allocated under this section for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this section for that fiscal year for the district or intermediate district.

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

(4) Special education pupils funded under section 53a ~~shall not be~~ **are not** funded under this section.

Sec. 24a. From the appropriation in section 11, there is allocated an amount not to exceed \$1,355,700.00 for ~~2018-2019-2019-~~ **2020** for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of health and human services. ~~Each~~ **The amount of the payment to each** intermediate district ~~shall receive~~ **is** an amount equal to the state share of those costs that are clearly and directly attributable to the educational programs for pupils placed in facilities described in this section that are located within the intermediate district's boundaries. The intermediate districts receiving payments under this section shall cooperate with the department of health and human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of health and human services for



educational programs for pupils described in this section. Pupils described in this section are not eligible to be funded under section 24. However, a program responsibility or other fiscal responsibility associated with these pupils ~~shall~~**must** not be transferred from the department of health and human services to a district or intermediate district unless the district or intermediate district consents to the transfer.

Sec. 25e. (1) The pupil membership transfer application and pupil transfer process administered by the center under this section ~~shall be~~**is** used for processing pupil transfers.

(2) If a pupil counted in membership for the pupil membership count day transfers from a district or intermediate district to enroll in another district or intermediate district after the pupil membership count day and before the supplemental count day and, due to the pupil's enrollment and attendance status as of the pupil membership count day, the pupil was not counted in membership in the educating district or intermediate district, the educating district or intermediate district may report the enrollment and attendance information to the center through the pupil transfer process within 30 days after the transfer or within 30 days after the pupil membership count certification date, whichever is later. Pupil transfers may be submitted no earlier than the first day after the certification deadline for the pupil membership count day and before the supplemental count day. Upon receipt of the transfer information under this subsection indicating that a pupil has enrolled and is in attendance in an educating district or intermediate district as described in this subsection, the ~~pupil transfer process~~**center** shall do the following:

(a) Notify the district in which the pupil was previously



1 enrolled.

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

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

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

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



status as affected by the membership definition under section 6(4).

(b) Adjust the membership calculation for the educating district or intermediate district in which the pupil is enrolled and is in attendance so that the district's or intermediate district's membership is increased to allow the district or intermediate district to receive an amount equal to the difference between the full-time equated membership claimed in the fall pupil membership count and the sum of the adjustments calculated under subdivision (a) for each district or intermediate district in which the pupil was previously enrolled and in attendance. The **department shall pay the** educating district or intermediate district ~~shall receive a~~ prorated foundation allowance in an amount equal to the product of the adjustment under this subdivision for the educating district or intermediate district multiplied by the per-pupil payment as calculated under section 20 for the educating district or intermediate district. The foundation allowance or per-pupil payment ~~shall be~~ **is** adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4).

(4) The changes in calculation of state school aid required under subsection (3) ~~shall~~ take effect as of the date that the pupil becomes enrolled and in attendance in the educating district or intermediate district, and the department shall base all subsequent payments under this article for the fiscal year to the affected districts or intermediate districts on this recalculation of state school aid.

(5) If a pupil enrolls in an educating district or intermediate district as described in subsection (2), the district or intermediate district in which the pupil is counted in membership or another educating district or intermediate district



1 that received an adjustment in its membership calculation under
 2 subsection (3), if any, and the educating district or intermediate
 3 district shall provide to the center and the department all
 4 information they require to comply with this section.

5 (6) The portion of the full-time equated pupil membership for
 6 which a pupil is enrolled in 1 or more online courses under section
 7 21f that is representative of the amount that the primary district
 8 paid in course costs to the course provider ~~shall not be~~ **is not**
 9 counted or transferred under the pupil transfer process under this
 10 section.

11 (7) ~~It is the intent of the legislature that the center~~
 12 ~~determine the number of pupils who did not reside in this state as~~
 13 ~~of the 2018-2019 pupil membership count day but who newly enrolled~~
 14 ~~in a district or intermediate district after that pupil membership~~
 15 ~~count day and before the 2018-2019 supplemental count day. It is~~
 16 ~~the intent of the legislature that the center further determine the~~
 17 ~~number of pupils who were counted in membership for the 2018-2019~~
 18 ~~pupil membership count day but who left this state before the 2018-~~
 19 ~~2019 supplemental count day. In 2019-2020, the~~ **The center annually**
 20 shall provide a report to the senate and house appropriations
 21 subcommittees on state school aid, and to the senate and house
 22 fiscal agencies, detailing the number of pupils transferring in
 23 from outside the public school system of this state and the number
 24 of pupils transferring out of the public school system in this
 25 state between the pupil membership count day and supplemental count
 26 day as described in this subsection.

27 (8) As used in this section:

28 (a) "Educating district or intermediate district" means the
 29 district or intermediate district in which a pupil enrolls after



1 the pupil membership count day or after an adjustment was made in
 2 another district's or intermediate district's membership
 3 calculation under this section due to the pupil's enrollment and
 4 attendance.

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

8 Sec. 25f. (1) From the state school aid fund money
 9 appropriated in section 11, there is allocated an amount not to
 10 exceed \$1,600,000.00 ~~each fiscal year for 2017-2018 and for 2018-~~
 11 ~~2019~~ **for 2019-2020** for payments to strict discipline academies
 12 established under sections 1311b to 1311m of the revised school
 13 code, MCL 380.1311b to 380.1311m, as provided under this section.

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

18 (3) The total amount allocated to a strict discipline academy
 19 under this section shall first be distributed as the lesser of the
 20 strict discipline academy's added cost or the department's approved
 21 per-pupil allocation for the strict discipline academy. Any funds
 22 remaining after the first distribution shall be distributed by
 23 prorating on an equal per-pupil membership basis, not to exceed a
 24 strict discipline academy's added cost. However, the sum of the
 25 amounts received by a strict discipline academy under this section
 26 and under section 24 shall not exceed the product of the strict
 27 discipline academy's per-pupil allocation calculated under section
 28 20 multiplied by the strict discipline academy's full-time equated
 29 membership. The department shall allocate funds to strict



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

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

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

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

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

(6) ~~Payments~~ **The department shall make payments** to districts under this section ~~shall be made~~ according to the payment schedule under section 17b.

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



appropriated in section 11, there is allocated an amount not to exceed \$750,000.00 for ~~2018-2019~~ **2019-2020** for the purposes of this section. ~~If~~ **Except as otherwise provided in this section, if** the operation of the special membership counting provisions under section 6(4) (dd) and the other membership counting provisions under section 6(4) result in a pupil being counted as more than 1.0 FTE in a fiscal year, then the payment made for the pupil under sections 22a and 22b ~~shall~~ **must** not be based on more than 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 ~~shall~~ **be** ~~is~~ paid under this section in an amount equal to that portion multiplied by the educating district's foundation allowance or per-pupil payment calculated under section 20.

(2) Special education pupils funded under section 53a ~~shall~~ **not be** ~~are not~~ funded under this section.

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

(4) ~~Payments~~ **The department shall make payments** to districts under this section ~~shall be made~~ according to the payment schedule under section 17b.

Sec. 26a. From the funds appropriated in section 11, there is allocated an amount not to exceed ~~\$15,000,000.00 for 2017-2018~~ **\$14,000,000.00 for 2018-2019** and there is allocated an amount not to exceed ~~\$15,000,000.00 for 2018-2019~~ **\$15,300,000.00 for 2019-2020** to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2017 and 2018~~ **and 2019**, as applicable. The **department shall pay the** allocations ~~shall be made~~



1 not later than 60 days after the department of treasury certifies
 2 to the department and to the state budget director that the
 3 department of treasury has received all necessary information to
 4 properly determine the amounts due to each eligible recipient.

5 Sec. 26b. (1) From the appropriation in section 11, there is
 6 allocated ~~for 2018-2019~~ an amount not to exceed ~~\$4,405,100.00~~
 7 **\$4,420,100.00 for 2018-2019 and there is allocated an amount not to**
 8 **exceed \$4,641,100.00 for 2019-2020** for payments to districts,
 9 intermediate districts, and community college districts for the
 10 portion of the payment in lieu of taxes obligation that is
 11 attributable to districts, intermediate districts, and community
 12 college districts under section 2154 of the natural resources and
 13 environmental protection act, 1994 PA 451, MCL 324.2154.

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

18 Sec. 26c. (1) From the appropriation in section 11, there is
 19 allocated an amount not to exceed ~~\$1,600,000.00 for 2017-2018~~
 20 **\$3,400,000.00 for 2018-2019** and there is allocated an amount not to
 21 exceed ~~\$3,000,000.00 for 2018-2019~~ **\$8,400,000.00 for 2019-2020** to
 22 the promise zone fund created in subsection (3). The funds
 23 allocated under this section reflect the amount of revenue from the
 24 collection of the state education tax captured under section ~~17(2)~~
 25 **17** of the Michigan promise zone authority act, 2008 PA 549, MCL
 26 390.1677.

27 (2) Funds allocated to the promise zone fund under this
 28 section ~~shall~~**must** be used solely for payments to eligible
 29 districts and intermediate districts, in accordance with section



1 ~~17(3)~~ **17** of the Michigan promise zone authority act, 2008 PA 549,
 2 MCL 390.1677, that have a promise zone development plan approved by
 3 the department of treasury under section 7 of the Michigan promise
 4 zone authority act, 2008 PA 549, MCL 390.1667. Eligible districts
 5 and intermediate districts shall use payments made under this
 6 section for reimbursement for qualified educational expenses as
 7 defined in section 3 of the Michigan promise zone authority act,
 8 2008 PA 549, 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~~ **remains** in the promise zone fund and ~~shall~~ **does**
 19 not lapse to 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~~ **under** 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, **the department shall make**
 27 payments under this section ~~shall be paid on~~ a schedule determined
 28 by the department.

29 **Sec. 28. (1) To recognize differentiated instructional costs**



for different types of pupils in 2019-2020, the following sections provide a weighted foundation allocation or an additional payment of some type in the following amounts, as allocated under those sections:

(a) Section 22d, isolated and rural districts, \$7,000,000.00.

(b) Section 31a, at risk, standard programming, \$510,000,000.00.

(c) Section 31a, at risk, additional payment, \$12,000,000.00.

(d) Section 41, bilingual education for English language learners, \$16,000,000.00.

(e) Section 51c, special education, mandated percentages, \$689,100,000.00.

(f) Section 51f, special education, additional percentages, \$60,207,000.00.

(g) Section 61a, career and technical education, standard reimbursement, \$37,611,300.00.

(h) Section 61d, career and technical education incentives, \$10,000,000.00.

(2) The funding described in subsection (1) is not a separate allocation of any funding but is instead a listing of funding allocated in the sections listed in subsection (1).

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2018-2019-2019-~~ ~~2020~~ an amount not to exceed ~~\$528,207,300.00~~ **\$535,150,000.00** for payments to eligible districts and eligible public school academies for the purposes of ensuring that pupils are proficient in English language arts by the end of grade 3, that pupils are proficient in mathematics by the end of grade 8, that pupils are attending school regularly, that high school graduates are career and college ready,



1 and for the purposes under subsections (7) and (8).

2 (2) For a district that has combined state and local revenue
 3 per membership pupil under ~~sections 20 and 20m~~ **section 20** that is
 4 greater than the ~~basic~~-**target** foundation allowance under section 20
 5 for the current fiscal year, the allocation under this section
 6 ~~shall be~~ **is** an amount equal to 30% of the allocation for which it
 7 would otherwise be eligible under this section before any proration
 8 under subsection (14).

9 (3) For a district or public school academy to be eligible to
 10 receive funding under this section, other than funding under
 11 subsection (7) or (8), the district or public school academy, for
 12 grades K to 12, shall comply with the requirements under section
 13 1280f of the revised school code, MCL 380.1280f, and shall use
 14 resources to address early literacy and numeracy, and for at least
 15 grades K to 12 or, if the district or public school academy does
 16 not operate all of grades K to 12, for all of the grades it
 17 operates, must implement a multi-tiered system of supports that is
 18 an evidence-based framework that uses data-driven problem solving
 19 to integrate academic and behavioral instruction and that uses
 20 intervention delivered to all pupils in varying intensities based
 21 on pupil needs. The multi-tiered system of supports described in
 22 this subsection must provide at least all of the following
 23 essential components:

24 (a) Team-based leadership.

25 (b) A tiered delivery system.

26 (c) Selection and implementation of instruction,
 27 interventions, and supports.

28 (d) A comprehensive screening and assessment system.

29 (e) Continuous data-based decision making.



~~(4) Except as otherwise provided in this subsection, an~~
~~eligible district or eligible public school academy shall receive~~
~~under this section for each membership pupil in the district or~~
~~public school academy who is determined to be economically~~
~~disadvantaged, as reported to the center in the form and manner~~
~~prescribed by the center not later than the fifth Wednesday after~~
~~the pupil membership count day of the immediately preceding fiscal~~
~~year.~~ **From the funds allocated under subsection (1), there is**
allocated for 2019-2020 an amount not to exceed \$510,000,000.00 to
continue a weighted foundation per-pupil payment for districts and
public school academies enrolling economically disadvantaged
pupils. The department shall pay under this section to each
eligible district or eligible public school academy an amount per
 pupil equal to 11.5% of the statewide weighted average foundation
 allowance . ~~However, a public school academy that began operations~~
~~as a public school academy 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, who~~
~~is determined to be economically disadvantaged, as reported to the~~
~~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, an amount per pupil equal to 11.5% of the~~
~~statewide weighted average foundation allowance.~~ **for the following,**
as applicable:

(a) Except as otherwise provided under subdivision (b) or (c),
the greater of the following:

(i) The number of membership pupils in the district or public
school academy who are determined to be economically disadvantaged,
as reported to the center in the form and manner prescribed by the



1 center not later than the fifth Wednesday after the pupil
2 membership count day of the immediately preceding fiscal year.

3 (ii) If the district or public school academy is in the
4 community eligibility program, the number of pupils determined to
5 be eligible based on the product of the identified student
6 percentage reported for community eligibility provision status
7 multiplied by the total number of membership pupils in the district
8 or public school academy, as reported to the center in the form and
9 manner prescribed by the center not later than the fifth Wednesday
10 after the pupil membership count day of the immediately preceding
11 fiscal year. This subparagraph only applies to a district or public
12 school academy for the fiscal year immediately following the first
13 fiscal year in which it is in the community eligibility program.

14 (b) If the district or public school academy began operations
15 as a district or public school academy after the pupil membership
16 count day of the immediately preceding school year, the number of
17 membership pupils in the district or public school academy who are
18 determined to be economically disadvantaged, as reported to the
19 center in the form and manner prescribed by the center not later
20 than the fifth Wednesday after the pupil membership count day of
21 the current fiscal year.

22 (c) If the district or public school academy began operations
23 as a district or public school academy after the pupil membership
24 count day of the current fiscal year, the number of membership
25 pupils in the district or public school academy who are determined
26 to be economically disadvantaged, as reported to the center in the
27 form and manner prescribed by the center not later than the fifth
28 Wednesday after the supplemental count day of the current fiscal
29 year.



(5) Except as otherwise provided in this section, a district or public school academy 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). 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 pupils in membership were determined to be economically disadvantaged in the immediately preceding state fiscal year, as determined and reported as described in subsection (4), may use not more than 20% of the funds it receives under this section for school security **that aligns to the needs assessment and the multi-tiered system of supports model**. A district or public school academy shall not use any of that money for administrative costs. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year. ~~Funds spent on school security under this subsection must be counted toward required spending under subsection (16)(c).~~

(6) A district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed \$10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to pay for costs associated with the operation of the school breakfast program.

(7) From the funds allocated under subsection (1), there is



1 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
 2 ~~\$6,057,300.00~~ **\$8,000,000.00** to support primary health care services
 3 provided to children and adolescents up to age 21. These funds
 4 ~~shall~~ **must** be expended in a form and manner determined jointly by
 5 the department and the department of health and human services. If
 6 any funds allocated under this subsection are not used for the
 7 purposes of this subsection for the fiscal year in which they are
 8 allocated, those unused funds ~~shall~~ **must** be used that fiscal year
 9 to avoid or minimize any proration that would otherwise be required
 10 under subsection (14) for that fiscal year.

11 (8) From the funds allocated under subsection (1), there is
 12 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
 13 \$5,150,000.00 for the state portion of the hearing and vision
 14 screenings as described in section 9301 of the public health code,
 15 1978 PA 368, MCL 333.9301. A local public health department shall
 16 pay at least 50% of the total cost of the screenings. The frequency
 17 of the screenings ~~shall~~ **must** be as required under R 325.13091 to R
 18 325.13096 and R 325.3271 to R 325.3276 of the Michigan
 19 Administrative Code. Funds ~~shall~~ **must** be awarded in a form and
 20 manner approved jointly by the department and the department of
 21 health and human services. Notwithstanding section 17b, **the**
 22 **department shall make** payments to eligible entities under this
 23 subsection ~~shall be paid on~~ a schedule determined by the
 24 department.

25 (9) Each district or public school academy receiving funds
 26 under this section shall submit to the department by July 15 of
 27 each fiscal year a report, in the form and manner prescribed by the
 28 department, that includes a brief description of each program
 29 conducted or services performed by the district or public school



academy 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 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 complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the ~~state~~-fiscal year, the withheld funds ~~shall be~~**are** forfeited to the school aid fund.

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

(11) Subject to subsections (6), (7), and (8), for schools in which more than 40% of pupils are identified as at-risk, a district or public school academy may use the funds it receives under this section to implement **tier 1, evidence-based practices in** schoolwide reforms that are guided by the district's comprehensive needs assessment and are included in the district improvement plan. Schoolwide reforms must include parent and community supports,



activities, and services, that may include the pathways to potential program created by the department of health and human services or the communities in schools program. **As used in this subsection, "tier 1, evidence-based practices" means research-based instruction and classroom interventions that are available to all learners and effectively meet the needs of most pupils.**

(12) A district or public school academy that receives funds under this section may use up to ~~5%~~ **7.5%** of those funds to provide research-based professional development and to implement a coaching model that supports the multi-tiered system of supports framework. Professional development may be provided to district and school leadership and teachers and must be aligned to professional learning standards; integrated into district, school building, and classroom practices; and solely related to the following:

(a) Implementing the multi-tiered system of supports required in subsection (3) with fidelity and utilizing the data from that system to inform curriculum and instruction.

(b) Implementing section 1280f of the revised school code, MCL 380.1280f, as required under subsection (3), with fidelity.

(13) A district or public school academy that receives funds under this section may use funds received under this section to support instructional or behavioral coaches. Funds used for this purpose are not subject to the cap under subsection (12).

(14) If necessary, and before any proration required under section 296, the department shall prorate payments under this section, except payments under subsection (7), (8), or ~~(17)~~, **(16)**, by reducing the amount of the allocation as otherwise calculated under this section by an equal percentage per district.

(15) If a district is dissolved pursuant to section 12 of the



1 revised school code, MCL 380.12, the intermediate district to which
2 the dissolved school district was constituent shall determine the
3 estimated number of pupils that are economically disadvantaged and
4 that are enrolled in each of the other districts within the
5 intermediate district and provide that estimate to the department
6 for the purposes of distributing funds under this section within 60
7 days after the school district is declared dissolved.

8 ~~(16) Beginning in 2019-2020, if a district or public school~~
9 ~~academy does not demonstrate to the satisfaction of the department~~
10 ~~that at least 50% of at-risk pupils are proficient in English~~
11 ~~language arts by the end of grade 3 as measured by the state~~
12 ~~assessment for the immediately preceding school year or have~~
13 ~~achieved at least 1 year's growth in English language arts during~~
14 ~~grade 3 as measured by a local benchmark assessment for the~~
15 ~~immediately preceding school year, demonstrate to the satisfaction~~
16 ~~of the department that at least 50% of at-risk pupils are~~
17 ~~proficient in mathematics by the end of grade 8 as measured by the~~
18 ~~state assessment for the immediately preceding school year or have~~
19 ~~achieved at least 1 year's growth in mathematics during grade 8 as~~
20 ~~measured by a local benchmark assessment for the immediately~~
21 ~~preceding school year, and demonstrate to the satisfaction of the~~
22 ~~department improvement over each of the 3 immediately preceding~~
23 ~~school years in the percentage of at-risk pupils that are career-~~
24 ~~and college-ready as determined by proficiency on the English~~
25 ~~language arts, mathematics, and science content area assessments on~~
26 ~~the grade 11 summative assessment under section 1279g(2)(a) of the~~
27 ~~revised school code, MCL 380.1279g, the district or public school~~
28 ~~academy shall ensure all of the following:~~

29 ~~(a) The district or public school academy shall determine the~~



~~proportion of at-risk pupils in grade 3 that represents the number of at-risk pupils in grade 3 that are not proficient in English language arts by the end of grade 3 or that did not achieve at least 1 year's growth in English language arts during grade 3, and the district or public school academy shall expend that same proportion multiplied by 1/3 of its total at-risk funds under this section on tutoring and other methods of improving grade 3 English language arts proficiency or growth.~~

~~(b) The district or public school academy shall determine the proportion of at-risk pupils in grade 8 that represents the number of at-risk pupils in grade 8 that are not proficient in mathematics by the end of grade 8 or that did not achieve at least 1 year's growth in mathematics during grade 8, and the district or public school academy shall expend that same proportion multiplied by 1/3 of its total at-risk funds under this section on tutoring and other methods of improving grade 8 mathematics proficiency or growth.~~

~~(c) The district or public school academy shall determine the proportion of at-risk pupils in grade 11 that represents the number of at-risk pupils in grade 11 that are not career- and college-ready as measured by the student's score 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, and the district or public school academy shall expend that same proportion multiplied by 1/3 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.~~

(16) ~~(17)~~ From the funds allocated under subsection (1), there is allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed



~~\$18,000,000.00~~ **\$12,000,000.00** for payments to districts and public school academies that otherwise received an allocation under this section ~~in subsection for~~ 2018-2019 and ~~that whose~~ allocation was ~~less under this section for 2018-2019, excluding any payments under subsection (7) or (8), would have been more~~ than the district's or public school academy's allocation under this section ~~in 2017-2018.~~ **for 2019-2020 as calculated under subsection (4) only and as adjusted under subsection (14).** The allocation for each district or public school academy under this subsection is an amount equal to its allocation under this section ~~in 2017-2018 for 2018-2019~~ minus its allocation as otherwise calculated under ~~this section for 2018-2019.~~ **subsection (4) for 2019-2020, as adjusted by subsection (14), using in those calculations the 2017-2018 number of pupils determined to be economically disadvantaged. However, if the allocation as otherwise calculated under this subsection would have been less than \$0.00, the allocation under this subsection is \$0.00.** If necessary, and before any proration required under section 296, the department shall prorate payments under this subsection by reducing the amount of the allocation as otherwise calculated under this subsection by an equal percentage per district or public school academy.

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

(18) ~~(19)~~ The department shall collaborate with the department of health and human services to prioritize assigning Pathways to Potential Success coaches to elementary schools that have a high percentage of pupils in grades K to 3 who are not proficient in English language arts, based upon state assessments for pupils in



1 those grades.

2 (19) ~~(20)~~—As used in this section:

3 (a) "At-risk pupil" means a pupil in grades K to 12 for whom
4 the district has documentation that the pupil meets any of the
5 following criteria:

6 (i) The pupil is economically disadvantaged.

7 (ii) The pupil is an English language learner.

8 (iii) The pupil is chronically absent as defined by and reported
9 to the center.

10 (iv) The pupil is a victim of child abuse or neglect.

11 (v) The pupil is a pregnant teenager or teenage parent.

12 (vi) The pupil has a family history of school failure,
13 incarceration, or substance abuse.

14 (vii) The pupil is an immigrant who has immigrated within the
15 immediately preceding 3 years.

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

19 (ix) For pupils for whom the results of the state summative
20 assessment have been received, is a pupil who did not achieve
21 proficiency on the English language arts, mathematics, science, or
22 social studies content area assessment.

23 (x) Is a pupil who is at risk of not meeting the district's or
24 public school academy's core academic curricular objectives in
25 English language arts or mathematics, as demonstrated on local
26 assessments.

27 (b) "Economically disadvantaged" means a pupil who has been
28 determined eligible for free or reduced-price meals as determined



1 under the Richard B. Russell national school lunch act, 42 USC 1751
 2 to 1769j; who is in a household receiving supplemental nutrition
 3 assistance program or temporary assistance for needy families
 4 assistance; or who is homeless, migrant, or in foster care, as
 5 reported to the center.

6 (c) "English language learner" means limited English
 7 proficient pupils who speak a language other than English as their
 8 primary language and have difficulty speaking, reading, writing, or
 9 understanding English as reported to the center.

10 (d) "Statewide weighted average foundation allowance" means
 11 the number that is calculated by adding together the result of each
 12 district's or public school academy's foundation allowance, **not to**
 13 **exceed the target foundation allowance for the current fiscal year,**
 14 or per pupil payment calculated under section 20 multiplied by the
 15 number of pupils in membership in that district or public school
 16 academy, and then dividing that total by the statewide number of
 17 pupils in membership. ~~For the purposes of this calculation, a~~
 18 ~~district's foundation allowance shall not exceed the basic~~
 19 ~~foundation allowance under section 20 for the current state fiscal~~
 20 ~~year.~~

21 Sec. 31b. (1) From the ~~appropriations~~ **talent investment fund**
 22 **money appropriated** in section 11, there is allocated an amount not
 23 to exceed \$750,000.00 for ~~2018-2019~~ **2019-2020 only** for grants to
 24 at-risk districts for implementing a balanced calendar
 25 instructional program for at least 1 of its schools.

26 (2) The department shall select districts for grants under
 27 this section from among applicant districts that meet both of the
 28 following:

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



(i) Is eligible in ~~2018-2019~~ **2019-2020** for the community eligibility option for free and reduced price lunch under 42 USC 1759a.

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

(b) The board of the district has adopted a resolution stating that the district will implement for the first time a balanced calendar instructional program that will begin in ~~2019-2020~~ **2020-2021** for at least 1 school operated by the district and committing to providing the balanced calendar instructional program in each of those schools for at least 3 school years.

(3) A district seeking a grant under this section shall apply to the department in the form and manner prescribed by the department not later than December 1, ~~2018~~ **2019**. The department shall select districts for grants and make notification not later than February 1, ~~2019~~ **2020**.

(4) The department shall award grants under this section on a competitive basis, but shall give priority based solely on consideration of the following criteria:

(a) Giving priority to districts that, in the immediately preceding fiscal year, had lower general fund balances as a percentage of revenues.

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

(c) Ensuring that grant funding includes both rural and urban



1 districts.

2 (5) The amount of a grant under this section to any 1 district
3 ~~shall must~~ not exceed ~~\$750,000.00.~~ **\$250,000.00.**

4 (6) A **district shall use a** grant payment under this section ~~to~~
5 ~~a district shall be used~~ for necessary modifications to
6 instructional facilities and other nonrecurring costs of preparing
7 for the operation of a balanced calendar instructional program as
8 approved by the department.

9 (7) A district receiving a grant under this section is not
10 required to provide more than the minimum number of days and hours
11 of pupil instruction prescribed under section 101, but shall spread
12 at least those minimum amounts of pupil instruction over the entire
13 year in each of its schools in which a balanced calendar
14 instructional calendar is implemented. The district shall commit to
15 providing the balanced calendar instructional calendar in each of
16 those schools for at least 3 school years.

17 (8) For a district receiving a grant under this section,
18 excessive heat is considered to be a condition not within the
19 control of school authorities for the purpose of days or hours
20 being counted as days or hours of pupil instruction under section
21 101(4).

22 (9) Notwithstanding section 17b, **the department shall make**
23 grant payments to districts under this section ~~shall be paid on a~~
24 schedule determined by the department.

25 Sec. 31d. (1) From the appropriations in section 11, there is
26 ~~allocated an amount not to exceed \$22,802,000.00 for 2017-2018 and~~
27 ~~there is allocated an amount not to exceed \$23,144,000.00 for 2018-~~
28 ~~2019-2019-2020~~ for the purpose of making payments to districts and
29 other eligible entities under this section.



(2) The amounts allocated from state sources under this section ~~shall be~~ **are** used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of the school lunch programs provided by those districts. The **department shall calculate the** amount due to each district under this section ~~shall be computed by the department~~ using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as *Durant v State of Michigan*, 456 Mich 175 (1997).

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

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

(5) From the federal funds appropriated in section 11, there is allocated for ~~2018-2019~~ **2019-2020** all available federal funding, estimated at ~~\$520,000,000.00~~ **\$533,000,000.00** for the national school lunch program and all available federal funding, estimated at ~~\$3,200,000.00~~ **\$4,200,000.00** for the emergency food assistance program.

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

(7) In purchasing food for a school lunch program funded under



1 this section, **a district or other eligible entity shall give**
 2 preference ~~shall be given~~ to food that is grown or produced by
 3 Michigan businesses if it is competitively priced and of comparable
 4 quality.

5 Sec. 31f. (1) From the appropriations in section 11, there is
 6 allocated an amount not to exceed \$4,500,000.00 for ~~2018-2019-2019-~~
 7 **2020** for the purpose of making payments to districts to reimburse
 8 for the cost of providing breakfast.

9 (2) The funds allocated under this section for school
 10 breakfast programs ~~shall be~~ **are** made available to all eligible
 11 applicant districts that meet all of the following criteria:

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

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

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

25 (4) Notwithstanding section 17b, **the department may make**
 26 payments under this section ~~may be made~~ pursuant to an agreement
 27 with the department.

28 (5) In purchasing food for a school breakfast program funded
 29 under this section, **a district shall give** preference ~~shall be given~~



1 to food that is grown or produced by Michigan businesses if it is
2 competitively priced and of comparable quality.

3 Sec. 31j. (1) From the general fund money appropriated in
4 section 11, there is allocated an amount not to exceed ~~\$575,000.00~~
5 **\$2,000,000.00** for ~~2018-2019-2019-2020~~ for a ~~pilot project~~ **program**
6 to support districts **and sponsors of child care centers** in the
7 purchase of locally grown fruits and vegetables as described in
8 this section.

9 (2) ~~The department shall provide funding in an amount equal to~~
10 ~~\$125,000.00 per region to districts in prosperity regions 2, 4, 6,~~
11 ~~and 9 for the pilot project described under this section. In~~
12 ~~addition, the department shall provide funding in an amount equal~~
13 ~~to \$75,000.00 to districts in prosperity region 8 for the pilot~~
14 ~~project described under this section. From the funding to districts~~
15 ~~in subsection (1), funding~~ **Funding** retained by ~~prosperity regions~~
16 **districts or the sponsors of child care centers** that administer the
17 ~~project shall~~ **program must** not exceed 10%, and funding retained by
18 the department for administration ~~shall~~ **must** not exceed 6%. A
19 ~~prosperity region~~ **district or the sponsor of a child care center**
20 may enter into a memorandum of understanding with the department or
21 another ~~prosperity region,~~ **district or sponsor of a child care**
22 **center,** or both, to administer the ~~project.~~ **program.** If the
23 department administers the ~~project~~ **program** for a ~~prosperity region,~~
24 **district or the sponsor of a child care center,** the department may
25 retain up to 10% of that ~~prosperity region's~~ **district's or**
26 **sponsor's** funding for administration **or may distribute some or all**
27 **of that 10% to project partners as appropriate.**

28 (3) The department shall develop and implement a competitive
29 grant program for districts ~~within the identified prosperity~~



~~regions and sponsors of child care centers~~ to assist in paying for the costs incurred by the district ~~or the sponsor of the child care center~~ to purchase or increase purchases of whole or minimally processed fruits, vegetables, and legumes grown in this state. The maximum amount that may be drawn down on a grant to a district ~~shall be or the sponsor of a child care center is~~ based on the number of meals served by the ~~school~~-district during the previous school year under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j ~~or meals served by the sponsor of the child care center in the previous school year.~~ The department shall collaborate with the Michigan department of agriculture and rural development to provide training to newly participating schools ~~and child care centers~~ and electronic information on Michigan agriculture.

(4) The goals of the ~~pilot project~~ **program under this section** include improving daily nutrition and eating habits for children through the school ~~and child care~~ settings while investing in Michigan's agricultural and related food business economy.

(5) A district ~~or the sponsor of a child care center~~ that receives a grant under this section shall use those funds for the costs incurred by the ~~school~~-district ~~or the sponsor~~ to purchase whole or minimally processed fruits, vegetables, and legumes that meet all of the following:

(a) Are purchased on or after the date the district ~~or the sponsor~~ received notification from the department of the amount to be distributed to the district ~~or the sponsor~~ under this subsection, including purchases made to launch meals in September ~~2018-2019~~ for the ~~2018-2019-2019-2020~~ fiscal year.

(b) Are grown in this state and, if minimally processed, are



1 also processed in this state.

2 (c) Are used for meals that are served as part of the United
3 States Department of Agriculture's child nutrition programs.

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

11 (7) A district **or the sponsor of a child care center** that
12 receives a grant for reimbursement under this section shall use the
13 grant to purchase whole or minimally processed fruits, vegetables,
14 and legumes that are grown in this state and, if minimally
15 processed, are also processed in this state.

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

25 (9) The department shall give preference to districts **or**
26 **sponsors of child care centers** that propose educational activities
27 that meet 1 or more of the following: promote healthy food
28 activities; have clear educational objectives; involve parents or
29 the community; connect to a school's **or child care center's** farm-



1 to-school **or farm-to-early-child-care** procurement activities; and
 2 market and promote the program, leading to increased pupil
 3 knowledge and consumption of Michigan-grown products. ~~Applications~~
 4 **The department shall give stronger weighting and consideration to**
 5 **applications** with robust marketing and promotional activities.
 6 ~~shall receive stronger weighting and consideration.~~

7 (10) In awarding grants, the department shall also consider
 8 all of the following: ~~the~~

9 (a) **The** percentage of children who qualify for free or reduced
 10 price school meals under the Richard B. Russell national school
 11 lunch act, 42 USC 1751 to 1769j. ~~;~~ ~~the~~

12 (b) **The** variety of school **or child care center** sizes and
 13 geographic locations. ~~within the identified prosperity regions; and~~
 14 ~~existing~~

15 (c) **Existing** or future collaboration opportunities between
 16 more than 1 district ~~in a prosperity region.~~ **or child care center.**

17 (11) As a condition of receiving a grant under this section, a
 18 district **or the sponsor of a child care center** shall provide or
 19 direct its vendors to provide to ~~prosperity region offices~~ ~~the~~
 20 **department** copies of monthly receipts that show the quantity of
 21 different Michigan-grown fruits, vegetables, and legumes purchased,
 22 the amount of money spent on each of these products, the name and
 23 Michigan location of the farm that grew the products, and the
 24 methods or plans to market and promote the program. The district
 25 ~~shall~~ **or the sponsor of a child care center** also **shall** provide to
 26 the ~~prosperity region~~ ~~department~~ monthly lunch numbers and lunch
 27 participation rates, and calendars or monthly menus noting when and
 28 how Michigan-grown products were used in meals. The district **or the**
 29 **sponsor of the child care center** and school **or child care center**



1 food service director or directors also shall agree to respond to
 2 brief online surveys and to provide a report that shows the
 3 percentage relationship of Michigan spending compared to total food
 4 spending. Not later than March 1, 2019, ~~2020~~, each ~~prosperity~~
 5 ~~region office, either on its own or in conjunction with another~~
 6 ~~prosperity region,~~ **district or each sponsor of a child care center**
 7 shall submit a report to the department on expected outcomes and
 8 related measurements for economic development and children's
 9 nutrition and readiness to learn based on progress so far. The
 10 report ~~shall~~ **must** include at least all of the following:

11 (a) The extent to which farmers and related businesses,
 12 including distributors and processors, see an increase in market
 13 opportunities and income generation through sales of Michigan or
 14 local products to districts **and sponsors of child care centers**. All
 15 of the following apply for purposes of this subdivision:

16 (i) The data used to determine the amount of this increase
 17 ~~shall be~~ **are** the total dollar amount of Michigan or local fruits,
 18 vegetables, and legumes purchased by schools **and sponsors of child**
 19 **care centers**, along with the number of different types of products
 20 purchased; school **and child care center** food purchasing trends
 21 identified along with products that are of new and growing interest
 22 among food service directors; the number of businesses impacted;
 23 and the percentage of total food budget spent on Michigan-grown
 24 fruits, vegetables, and legumes.

25 (ii) The ~~prosperity region office~~ **district or the sponsor of a**
 26 **child care center** shall use purchasing data collected for the
 27 ~~project~~ **program** and surveys of school **and child care** food service
 28 directors on the impact and success of the ~~project~~ **program** as the
 29 source for the data described in subparagraph (i).



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

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

(ii) The ~~prosperity region office~~**district or the sponsor of a child care center** shall use purchasing data collected for the project, meal count and enrollment numbers, school menu calendars, and surveys of school **and child care** food service directors as the source for the data described in subparagraph (i).

(12) The department shall compile the reports provided by ~~prosperity region offices~~**districts and sponsors of child care centers** under subsection (11) into 1 legislative report. The department shall provide this report not later than April 1, ~~2019~~ **2020** to the house and senate subcommittees responsible for school aid, the house and senate fiscal agencies, and the state budget director.

(13) **Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.**

Sec. 31n. (1) From the ~~school mental health and support services fund~~ money appropriated in section 11, there is allocated for ~~2018-2019~~**2019-2020** for the purposes of this section an amount not to exceed \$30,000,000.00 and from the general fund money



1 appropriated in section 11, there is allocated for ~~2018-2019~~ **2019-**
 2 **2020** for the purposes of this section an amount not to exceed
 3 \$1,300,000.00. ~~Not later than February 15, 2019, the~~ **The** department
 4 and the department of health and human services shall ~~establish~~
 5 **continue** a program to distribute this funding to add licensed
 6 behavioral health providers for general education pupils, and shall
 7 **continue to** seek federal Medicaid match funding for all eligible
 8 mental health and support services.

9 (2) ~~Not later than February 15, 2019, the~~ **The** department and
 10 the department of health and human services shall ~~create~~ **maintain**
 11 an advisory council ~~and for programs funded under this section. The~~
 12 **advisory council shall** define goals for implementation of programs
 13 funded under this section, and shall provide feedback on that
 14 implementation. At a minimum, the advisory council shall ~~include~~
 15 **consist of** representatives of state associations representing
 16 school health, school mental health, school counseling, education,
 17 health care, and other organizations, representatives from the
 18 department and the department of health and human services, and a
 19 representative from the school safety task force created under
 20 Executive Order No. 2018-5. The department and department of health
 21 and human services, working with the advisory council, shall
 22 determine an approach to increase capacity for mental health and
 23 support services in schools for general education pupils, and shall
 24 determine where that increase in capacity qualifies for federal
 25 Medicaid match funding.

26 (3) The advisory council shall develop a fiduciary agent
 27 checklist for intermediate districts to facilitate development of a
 28 plan to submit to the department and to the department of health
 29 and human services. The department and department of health and



1 human services shall determine the requirements and format for
 2 intermediate districts to submit a plan for possible funding under
 3 subsection (5). ~~Applications~~ **The department shall make applications**
 4 for funding for this program ~~shall be made~~ available to districts
 5 and intermediate districts not later than ~~March 1, 2019,~~ **December**
 6 **1, 2019,** and **shall award the** funding ~~shall be awarded~~ not later
 7 than ~~April 1, 2019.~~ **February 1, 2020.**

8 (4) ~~Not later than January 1, 2019, the~~ **The** department of
 9 health and human services shall seek to amend the state Medicaid
 10 plan or obtain appropriate Medicaid waivers as necessary for the
 11 purpose of generating additional Medicaid match funding for school
 12 mental health and support services for general education pupils. ~~It~~
 13 ~~is the intent of the legislature~~ **The intent is** that a successful
 14 state plan amendment or other Medicaid match mechanisms will result
 15 in additional federal Medicaid match funding for both the new
 16 funding allocated under this section and for any expenses already
 17 incurred by districts and intermediate districts for mental health
 18 and support services for general education pupils.

19 (5) From the funds allocated under subsection (1), there is
 20 allocated **for 2019-2020** an amount not to exceed ~~\$5,000,000.00~~
 21 **\$6,500,000.00** to be distributed to the ~~existing~~ network of child
 22 and adolescent health centers to place a licensed master's level
 23 behavioral health provider in schools that do not currently have
 24 services available to general education students. Existing child
 25 and adolescent health centers receiving funding under this
 26 subsection shall provide a commitment to maintain services and
 27 implement all available federal Medicaid match methodologies. The
 28 department of health and human services shall use all existing or
 29 additional federal Medicaid match opportunities to maximize funding



1 allocated under this subsection. ~~Funds~~ **The department shall provide**
 2 **funds** under this subsection ~~shall be provided~~ to existing child and
 3 adolescent health centers in the same proportion that funding under
 4 section 31a(7) is provided to child and adolescent health centers
 5 located and operating in those districts.

6 (6) From the funds allocated under subsection (1), there is
 7 allocated **for 2019-2020** an amount not to exceed ~~\$16,500,000.00~~
 8 **\$23,000,000.00** to be distributed to intermediate districts for the
 9 provision of mental health and support services to general
 10 education students. From the funds allocated under this subsection,
 11 the department shall distribute ~~\$294,500.00~~ **\$410,700.00** to each
 12 intermediate district that submits a plan approved by the
 13 department and the department of health and human services. The
 14 department and department of health and human services shall work
 15 cooperatively in providing oversight and assistance to intermediate
 16 districts during the plan submission process and shall monitor the
 17 program upon implementation. An intermediate district shall use
 18 funds awarded under this subsection to provide funding to its
 19 constituent districts, including public school academies that are
 20 considered to be constituent districts under section 705(7) of the
 21 revised school code, MCL 380.705, for the provision of mental
 22 health and support services to general education students. In
 23 addition to the criteria identified under subsection (7), an
 24 intermediate district shall consider geography, cost, or other
 25 challenges when awarding funding to its constituent districts. If
 26 funding awarded to an intermediate district remains after funds are
 27 provided by the intermediate district to its constituent districts,
 28 the intermediate district may hire or contract for experts to
 29 provide mental health and support services to general education



1 students residing within the boundaries of the intermediate
2 district.

3 (7) A district requesting funds under this section from the
4 intermediate district in which it is located shall submit an
5 application for funding for the provision of mental health and
6 support services to general education pupils. A district receiving
7 funding from the application process described in this subsection
8 shall provide services to nonpublic students upon request. An
9 intermediate district shall not discriminate against an application
10 submitted by a public school academy simply on the basis of the
11 applicant being a public school academy. ~~Grant~~ **The department shall**
12 **approve grant** applications ~~shall be approved~~ based on the following
13 criteria:

14 (a) The district's commitment to maintain mental health and
15 support services delivered by licensed providers into future fiscal
16 years.

17 (b) The district's commitment to ~~implement all~~ **work with its**
18 **intermediate district to use funding it receives under this section**
19 **that is spent by the district for general education pupils toward**
20 **participation in** federal Medicaid match methodologies. ~~and A~~
21 **district must** provide a local match of at least 20% **of the funding**
22 **allocated to the district under section 31n.**

23 (c) The district's commitment to adhere to any local funding
24 requirements determined by the department and the department of
25 health and human services.

26 (d) The extent of the district's existing partnerships with
27 community health care providers or the ability of the district to
28 establish such partnerships.

29 (e) The district's documentation of need, including gaps in



1 current mental health and support services for the general
2 education population.

3 (f) The district's submission of a formal plan of action
4 identifying the number of schools and students to be served.

5 (g) Whether the district will participate in ongoing
6 trainings.

7 (h) Whether the district will submit an annual report to the
8 state.

9 (i) Whether the district demonstrates a willingness to work
10 with the state to establish program and service delivery
11 benchmarks.

12 (j) Whether the district has developed a school safety plan or
13 is in the process of developing a school safety plan.

14 (k) Any other requirements determined by the department or the
15 department of health and human services.

16 (8) Funding under this section, including any federal Medicaid
17 funds that are generated, ~~shall~~**must** not be used to supplant
18 existing services.

19 (9) Both of the following are allocated for ~~2018-2019~~**2019-**
20 **2020** to the department of health and human services from the
21 general fund money allocated under subsection (1):

22 (a) An amount not to exceed \$1,000,000.00 for the purpose of
23 upgrading technology and systems infrastructure and other
24 administrative requirements to support the programs funded under
25 this section.

26 (b) An amount not to exceed \$300,000.00 for the purpose of
27 administering the programs under this section and working on
28 generating additional Medicaid funds as a result of programs funded
29 under this section.



(10) From the funds allocated under subsection (1), there is allocated for ~~2018-2019~~**2019-2020** an amount not to exceed \$500,000.00 to intermediate districts on an equal per intermediate district basis for the purpose of administering programs funded under this section.

(11) The department and the department of health and human services shall work with the advisory council to develop proposed measurements of outcomes and performance. Those measurements shall include, at a minimum, the number of pupils served, the number of schools served, and where those pupils and schools were located. The department and the department of health and human services shall compile data necessary to measure outcomes and performance, and districts and intermediate districts receiving funding under this section shall provide data requested by the department and department of health and human services for the measurement of outcomes and performance. The department and department of health and human services shall provide a report not later than December 1, 2019 and by December 1 annually thereafter to the house and senate appropriations subcommittees on school aid and health and human services, and to the house and senate fiscal agencies. At a minimum, the report ~~shall~~**must** include measurements of outcomes and performance, proposals to increase efficacy and usefulness, proposals to increase performance, and proposals to expand coverage.

~~(12) From the funds allocated in subsection (1), there is allocated for 2018-2019 an amount not to exceed \$8,000,000.00 for the behavioral health team pilot program. The department shall award funds under this subsection to intermediate school districts to create school-based behavioral health assessment teams utilizing~~



~~a "train the trainer" model of training that focuses on providing age-appropriate interventions, identifying behaviors that suggest a pupil may be struggling with mental health challenges, providing treatment and support of the pupil, and using disciplinary interventions and the criminal justice system as methods of last resort. The intermediate district may hire or contract with experts to provide training to intermediate district staff so that it may provide similar training for staff of the constituent districts. The department shall award the entire \$8,000,000.00 allocated under this subsection by allocating an equal dollar amount to each intermediate district that has its application approved under subsection (13).~~

~~(13) An intermediate district shall apply for funds under subsection (12) in a form and manner determined by the department. The application shall include, but is not limited to, all of the following:~~

~~(a) A detailed plan on how the intermediate district will work with constituent districts to identify a behavioral health assessment team within each school to be trained under this pilot. The plan shall demonstrate that a behavioral health assessment team must consist of, but is not limited to, all of the following individuals:~~

~~(i) School administrators and teachers.~~

~~(ii) An individual whose primary purpose is ensuring safety in a school.~~

~~(iii) Pathways to potential workers, if the school participates in the pathways to potential program.~~

~~(iv) Local mental health agency representatives.~~

~~(v) Local law enforcement agency personnel.~~



~~(vi) If appropriate under the model being used, a pupil.~~

~~(b) Identification of a behavioral health assessment training implementation plan that shall include a description of how results of the training will be incorporated into administrative policies and a comprehensive school safety plan, including into a multi-tiered system of support.~~

~~(14) The funds allocated under this section for 2018-2019 are a work project appropriation, and any unexpended funds for 2018-2019 are carried forward into 2019-2020. The purpose of the work project is to continue to provide funding for the expansion of mental health and support services for general education students. The estimated completion date of the work project is September 30, 2022.~~

Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great start readiness programs an amount not to exceed \$244,600,000.00 **\$249,600,000.00** for 2018-2019. Funds **2019-2020. An intermediate district or consortium shall use funds** allocated under this section for great start readiness programs ~~shall be used to~~ provide part-day, school-day, or GSRP/Head Start blended comprehensive free compensatory classroom programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children who meet the participant eligibility and prioritization guidelines as defined by the department. For a child to be eligible to participate in a program under this section, the child ~~shall~~ **must** be at least 4, but less than 5, years of age as of September 1 of the school year in which the program is offered and ~~shall~~ **must** meet those eligibility and prioritization guidelines. A child who is not 4 years of age as of



September 1, but who will be 4 years of age not later than December 1, is eligible to participate if the child's parent or legal guardian seeks a waiver from the September 1 eligibility date by submitting a request for enrollment in a program to the responsible intermediate district, if the program has capacity on or after September 1 of the school year, and if the child meets eligibility and prioritization guidelines.

(2) From the funds allocated under subsection (1), an amount not to exceed ~~\$242,600,000.00~~ **\$247,600,000.00** is allocated to intermediate districts or consortia of intermediate districts based on the formula in section 39. An intermediate district or consortium of intermediate districts receiving funding under this section shall act as the fiduciary for the great start readiness programs. In order to be eligible to receive funds allocated under this subsection from an intermediate district or consortium of intermediate districts, a district, a consortium of districts, or a public or private for-profit or nonprofit legal entity or agency shall comply with this section and section 39.

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed ~~\$300,000.00 for 2018-2019~~ **\$350,000.00 for 2019-2020** for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs. **This evaluation must include a comparative analysis of the relationship between great start readiness programs and performance on the kindergarten readiness assessment funded under section 104. The evaluation must use children wait-listed under this section for comparison, must include a determination of the specific great start readiness**



1 program in which the kindergarten students were enrolled and
2 attended in the previous school year, and must analyze Michigan
3 kindergarten entry observation tool scores for students taking the
4 Michigan kindergarten entry observation tool each year and produce
5 a report as required under section 104. For 2019-2020, the
6 performance data on the kindergarten readiness assessment must be
7 submitted to the center at the same time as the Spring Michigan
8 student data system collection. Beginning in 2020-2021, the
9 performance data on the kindergarten readiness assessment must be
10 submitted to the center at the same time as the Fall Michigan
11 student data system collection. The responsibility for the analysis
12 required under this subsection may be added to the requirements
13 that the department currently has with its competitively designated
14 current grantee.

15 (4) To be eligible for funding under this section, a program
16 ~~shall~~**must** prepare children for success in school through
17 comprehensive part-day, school-day, or GSRP/Head Start blended
18 programs that contain all of the following program components, as
19 determined by the department:

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

24 (b) An age-appropriate educational curriculum that is in
25 compliance with the early childhood standards of quality for
26 prekindergarten children adopted by the state board, including, at
27 least, the Connect4Learning curriculum.

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



1 (d) Physical and dental health and developmental screening
2 services for all program participants.

3 (e) Referral services for families of program participants to
4 community social service agencies, including mental health
5 services, as appropriate.

6 (f) Active and continuous involvement of the parents or
7 guardians of the program participants.

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

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

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

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

25 (5) An application for funding under this section ~~shall~~**must**
26 provide for the following, in a form and manner determined by the
27 department:

28 (a) Ensure compliance with all program components described in
29 subsection (4).



(b) Except as otherwise provided in this subdivision, ensure that at least 90% of the children participating in an eligible great start readiness program for whom the intermediate district is receiving funds under this section are children who live with families with a household income that is equal to or less than 250% of the federal poverty ~~level~~. **guidelines**. If the intermediate district determines that all eligible children are being served and that there are no children on the waiting list who live with families with a household income that is equal to or less than 250% of the federal poverty ~~level~~, **guidelines**, the intermediate district may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty ~~level~~. **guidelines**. The enrollment process ~~shall~~ **must** consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education ~~plans~~ **programs** recommending placement in an inclusive preschool setting ~~shall be~~ **are** considered to live with families with household income equal to or less than 250% of the federal poverty ~~level~~ **guidelines** regardless of actual family income and ~~shall be~~ **are** prioritized for enrollment within the lowest quintile.

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

(i) Teachers possessing proper training. A lead teacher must have a valid teaching certificate with an early childhood (ZA or ZS) endorsement or a bachelor's or higher degree in child development or early childhood education with specialization in preschool teaching. However, if an applicant demonstrates to the



1 department that it is unable to fully comply with this subparagraph
2 after making reasonable efforts to comply, teachers who have
3 significant but incomplete training in early childhood education or
4 child development may be used if the applicant provides to the
5 department, and the department approves, a plan for each teacher to
6 come into compliance with the standards in this subparagraph. A
7 teacher's compliance plan must be completed within 2 years of the
8 date of employment. Progress toward completion of the compliance
9 plan ~~shall consist~~ **consists** of at least 2 courses per calendar
10 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~~ **consists** of at
25 least 2 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
28 are clearly and directly attributable to the great start readiness
29 program, and that would not be incurred if the program were not



being offered. Eligible costs include transportation costs. The program budget ~~shall~~**must** indicate the extent to which these funds will supplement other federal, state, local, or private funds.

~~Funds~~**An applicant shall not use funds** received under this section ~~shall not be used~~ to supplant any federal funds received by the applicant to serve children eligible for a federally funded preschool program that has the capacity to serve those children.

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

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

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

(9) An intermediate district or consortium of intermediate districts may retain for administrative services provided by the intermediate district or consortium of intermediate districts an amount not to exceed 4% of the grant amount. Expenses incurred by subrecipients engaged by the intermediate district or consortium of intermediate districts for directly running portions of the program ~~shall be~~**are** considered program costs or a contracted program fee



1 for service.

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

5 (11) Each grant recipient shall enroll children identified
6 under subsection (5)(b) according to how far the child's household
7 income is below 250% of the federal poverty ~~level~~**guidelines** by
8 ranking each applicant child's household income from lowest to
9 highest and dividing the applicant children into quintiles based on
10 how far the child's household income is below 250% of the federal
11 poverty ~~level~~**guidelines**, and then enrolling children in the
12 quintile with the lowest household income before enrolling children
13 in the quintile with the next lowest household income until slots
14 are completely filled. If the grant recipient determines that all
15 eligible children are being served and that there are no children
16 on the waiting list who live with families with a household income
17 that is equal to or less than 250% of the federal poverty ~~level~~**guidelines**, the grant recipient may then enroll children who live
18 with families with a household income that is equal to or less than
19 300% of the federal poverty ~~level~~**guidelines**. The enrollment
20 process ~~shall~~**must** consider income and risk factors, such that
21 children determined with higher need are enrolled before children
22 with lesser need. For purposes of this ~~subdivision~~**subsection**, all
23 age-eligible children served in foster care or who are experiencing
24 homelessness or who have individualized education ~~plans~~**programs**
25 recommending placement in an inclusive preschool setting ~~shall be~~
26 **are** considered to live with families with household income equal to
27 or less than 250% of the federal poverty ~~level~~**guidelines**
28 regardless of actual family income and ~~shall be~~**are** prioritized for
29



1 enrollment within the lowest quintile.

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

9 (13) An intermediate district or consortium of intermediate
10 districts receiving a grant under this section shall conduct a
11 local process to contract with interested and eligible public and
12 private for-profit and nonprofit community-based providers that
13 meet all requirements of subsection (4) for at least 30% of its
14 total allocation. For the purposes of this 30% allocation, an
15 intermediate district or consortium of intermediate districts may
16 count children served by a Head Start grantee or delegate in a
17 blended Head Start and great start readiness school-day program.
18 Children served in a program funded only through Head Start ~~shall~~
19 ~~not be~~ **are not** counted toward this 30% allocation. The intermediate
20 district or consortium shall report to the department, in a manner
21 prescribed by the department, a detailed list of community-based
22 providers by provider type, including private for-profit, private
23 nonprofit, community college or university, Head Start grantee or
24 delegate, and district or intermediate district, and the number and
25 proportion of its total allocation allocated to each provider as
26 subrecipient. If the intermediate district or consortium is not
27 able to contract for at least 30% of its total allocation, the
28 grant recipient shall notify the department and, if the department
29 verifies that the intermediate district or consortium attempted to



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

14 (a) The intermediate district or consortium notified each
15 nonparticipating licensed child care center located in the service
16 area of the intermediate district or consortium regarding the
17 center's eligibility to participate, in a manner prescribed by the
18 department.

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

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

29 (14) If an intermediate district or consortium of intermediate



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

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

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

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

22 (c) Ensure that all intermediate district, district, community
23 college or university, Head Start grantee or delegate, private for-
24 profit, and private nonprofit providers are subject to a single
25 great start to quality rating system. The rating system ~~shall~~**must**
26 ensure that regulators process all prospective providers at the
27 same pace on a first-come, first-served basis and ~~shall~~**must** not
28 allow 1 type of provider to receive a great start to quality rating
29 ahead of any other type of provider.



(d) Not later than December 1 of each year, compile the results of the information reported by each intermediate district or consortium under subsection (13) and report to the legislature a list by intermediate district or consortium with the number and percentage of each intermediate district's or consortium's total allocation allocated to community-based providers by provider type, including private for-profit, private nonprofit, community college or university, Head Start grantee or delegate, and district or intermediate district.

(16) A recipient of funds under this section shall report to the center in a form and manner prescribed by the center the information necessary to derive the number of children participating in the program who meet the program eligibility criteria under subsection (5)(b), the number of eligible children not participating in the program and on a waitlist, and the total number of children participating in the program by various demographic groups and eligibility factors necessary to analyze equitable and priority access to services for the purposes of subsection (3).

(17) As used in this section:

(a) "GSRP/Head Start blended program" means a part-day program funded under this section and a Head Start program, which are combined for a school-day program.

(b) "Federal poverty guidelines" means the guidelines published annually in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902.

(c) ~~(b)~~ "Part-day program" means a program that operates at least 4 days per week, 30 weeks per year, for at least 3 hours of



teacher-child contact time per day but for fewer hours of teacher-child contact time per day than a school-day program.

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

(18) An intermediate district or consortium of intermediate districts receiving funds under this section shall establish and charge tuition according to a sliding scale of tuition rates based upon household income for children participating in an eligible great start readiness program who live with families with a household income that is more than 250% of the federal poverty ~~level~~ **guidelines** to be used by all of its providers, as approved by the department.

(19) From the amount ~~appropriated~~ **allocated** in subsection ~~(1)~~, **(2)**, there is allocated **for 2019-2020** an amount not to exceed \$10,000,000.00 for reimbursement of transportation costs for children attending great start readiness programs funded under this section. To receive reimbursement under this subsection, not later than November 1, ~~2018~~, **of each year**, a program funded under this section that provides transportation shall submit to the intermediate district that is the fiscal agent for the program a projected transportation budget. The amount of the reimbursement for transportation under this subsection ~~shall be~~ **is** no more than the projected transportation budget or \$300.00 multiplied by the number of children funded for the program under this section. If the amount allocated under this subsection is insufficient to fully reimburse the transportation costs for all programs that provide



1 transportation and submit the required information, **the department**
 2 **shall prorate** the reimbursement ~~shall be prorated~~ in an equal
 3 amount per child funded. ~~Payments shall be made~~ **The department**
 4 **shall make payments** to the intermediate district that is the fiscal
 5 agent for each program, and the intermediate district shall then
 6 reimburse the program provider for transportation costs as
 7 prescribed under this subsection.

8 (20) Subject to, and from the funds allocated under,
 9 subsection (19), the department shall reimburse a program for
 10 transportation costs related to parent- or guardian-accompanied
 11 transportation provided by transportation service companies, buses,
 12 or other public transportation services. To be eligible for
 13 reimbursement under this subsection, a program must submit to the
 14 intermediate district or consortia of intermediate districts all of
 15 the following:

16 (a) The names of families provided with transportation support
 17 along with a documented reason for the need for transportation
 18 support and the type of transportation provided.

19 (b) Financial documentation of actual transportation costs
 20 incurred by the program, including, but not limited to, receipts
 21 and mileage reports, as determined by the department.

22 (c) Any other documentation or information determined
 23 necessary by the department.

24 (21) The department shall implement a process to review and
 25 approve age-appropriate comprehensive classroom level quality
 26 assessments for GSRP grantees that support the early childhood
 27 standards of quality for prekindergarten children adopted by the
 28 state board. The department shall make available to intermediate
 29 districts at least 2 classroom level quality assessments that were



1 approved in 2018.

2 (22) An intermediate district that is a GSRP grantee may
 3 approve the use of a supplemental curriculum that aligns with and
 4 enhances the age-appropriate educational curriculum in the
 5 classroom. If the department objects to the use of a supplemental
 6 curriculum approved by an intermediate district, the superintendent
 7 ~~of public instruction~~ shall establish a review committee
 8 independent of the department. The review committee shall meet
 9 within 60 days of the department registering its objection in
 10 writing and provide a final determination on the validity of the
 11 objection within 60 days of the review committee's first meeting.

12 (23) The department shall implement a process to evaluate and
 13 approve age-appropriate educational curricula that are in
 14 compliance with the early childhood standards of quality for
 15 prekindergarten children adopted by the state board.

16 (24) From the funds allocated under subsection (1), there is
 17 allocated **for 2019-2020** an amount not to exceed \$2,000,000.00 for
 18 payments to intermediate districts or consortia of intermediate
 19 districts for professional development and training materials for
 20 educators in programs implementing new curricula. ~~in 2019-2020.~~

21 (25) A great start readiness program or a GSRP/Head Start
 22 blended program funded under this section ~~shall be~~ **is** permitted to
 23 utilize AmeriCorps Pre-K Reading Corps members in classrooms
 24 implementing research-based early literacy intervention strategies.

25 Sec. 32p. (1) From the appropriation in section 11, there is
 26 allocated an amount not to exceed \$13,400,000.00 to intermediate
 27 districts for ~~2018-2019~~ **2019-2020** for the purpose of providing
 28 early childhood funding to intermediate school districts to support
 29 the activities under subsection (2) and subsection (4), and to



1 provide early childhood programs for children from birth through
2 age 8. The funding provided to each intermediate district under
3 this section ~~shall be~~ **is** determined by the distribution formula
4 established by the department's office of great start to provide
5 equitable funding statewide. In order to receive funding under this
6 section, each intermediate district shall provide an application to
7 the office of great start not later than September 15 of the
8 immediately preceding fiscal year indicating the activities planned
9 to be provided.

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

17 (a) Children born healthy.

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

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

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

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

29 (a) Physical health.



1 (b) Social-emotional health.

2 (c) Family supports and basic needs.

3 (d) Parent education.

4 (e) Early education, including the child's development of
5 skills linked to success in foundational literacy, and care.

6 (4) From the funds allocated in subsection (1), at least
7 \$2,500,000.00 ~~shall~~**must** be used for the purpose of providing home
8 visits to at-risk children and their families. The home visits
9 ~~shall~~**must** be conducted as part of a locally coordinated, family-
10 centered, evidence-based, data-driven home visit strategic plan
11 that is approved by the department. The goals of the home visits
12 funded under this subsection ~~shall be~~**are** to improve school
13 readiness using evidence-based methods, including a focus on
14 developmentally appropriate outcomes for early literacy, to reduce
15 the number of pupils retained in grade level, to reduce the number
16 of pupils requiring special education services, to improve positive
17 parenting practices, and to improve family economic self-
18 sufficiency while reducing the impact of high-risk factors through
19 community resources and referrals. The department shall coordinate
20 the goals of the home visit strategic plans approved under this
21 subsection with other state agency home visit programs in a way
22 that strengthens Michigan's home visiting infrastructure and
23 maximizes federal funds available for the purposes of at-risk
24 family home visits. The coordination among departments and agencies
25 is intended to avoid duplication of state services and spending,
26 and should emphasize efficient service delivery of home visiting
27 programs.

28 (5) Not later than December 1 of each year, each intermediate
29 district shall provide a report to the department detailing the



activities actually provided during the immediately preceding school year and the families and children actually served. At a minimum, the report ~~shall~~**must** include an evaluation of the services provided with additional funding under subsection (4) for home visits, using the goals identified in subsection (4) as the basis for the evaluation, including the degree to which school readiness was improved, any change in the number of pupils retained at grade level, ~~and~~ any change in the number of pupils receiving special education services, **the degree to which positive parenting practices were improved, the degree to which there was improved family economic self-sufficiency, and the degree to which community resources and referrals were utilized.** The department shall compile and summarize these reports and submit its summary to the house and senate appropriations subcommittees on school aid and to the house and senate fiscal agencies not later than February 15 of each year.

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

Sec. 35a. (1) From the appropriations in section 11, there is allocated for ~~2018-2019~~**2019-2020** for the purposes of this section an amount not to exceed ~~\$27,900,000.00~~**\$57,200,000.00** from the state school aid fund and an amount not to exceed ~~\$3,500,000.00~~**\$3,000,000.00** from the ~~general~~**talent investment** fund. The superintendent shall designate staff or contracted employees funded



1 under this section as critical shortage. Programs funded under this
 2 section are intended to ensure that this state will be ~~in the top~~
 3 ~~10 most improved states in grade 4 reading proficiency by the 2019~~
 4 ~~National Assessment of Educational Progress (NAEP) and will be in~~
 5 ~~the~~ **a top 10 states overall** **state** in grade 4 reading proficiency by
 6 2025 **according to the National Assessment of Educational Progress**
 7 **(NAEP) .**

8 (2) A district that receives funds under subsection (5) may
 9 spend up to 5% of those funds for professional development for
 10 educators in a department-approved research-based training program
 11 related to current state literacy standards for pupils in grades K
 12 to 3. The professional development ~~shall~~ **must** also include training
 13 in the use of screening and diagnostic tools, progress monitoring,
 14 and intervention methods used to address barriers to learning and
 15 delays in learning that are diagnosed through the use of these
 16 tools.

17 (3) A district that receives funds under subsection (5) may
 18 use up to 5% of those funds to administer department-approved
 19 screening and diagnostic tools to monitor the development of early
 20 literacy and early reading skills of pupils in grades K to 3 and to
 21 support research-based professional development for educators in
 22 administering screening and diagnostic tools and in data
 23 interpretation of the results obtained through the use of those
 24 tools for the purpose of implementing a multi-tiered system of
 25 support to improve reading proficiency among pupils in grades K to
 26 3. A department-approved screening and diagnostic tool administered
 27 by a district using funding under this section must include all of
 28 the following components: phonemic awareness, phonics, fluency, and
 29 comprehension. Further, all of the following sub-skills must be



1 assessed within each of these components:

2 (a) Phonemic awareness - segmentation, blending, and sound
3 manipulation (deletion and substitution).

4 (b) Phonics - decoding (reading) and encoding (spelling).

5 (c) Fluency - reading rate, accuracy, and expression.

6 (d) Comprehension - making meaning of text.

7 (4) From the allocations under subsection (1), there is
8 allocated an amount not to exceed ~~\$7,000,000.00~~ **\$21,000,000.00** for
9 ~~2018-2019~~ **2019-2020** for the purpose of providing early literacy
10 coaches at intermediate districts to assist teachers in developing
11 and implementing instructional strategies for pupils in grades K to
12 3 so that pupils are reading at grade level by the end of grade 3.

13 All of the following apply to funding under this subsection:

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

18 (i) Current state literacy standards for pupils in grades K to
19 3.

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

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

29 (b) From the allocation under this subsection, the department



1 shall award grants to intermediate districts for the support of
 2 early literacy coaches. An intermediate district must provide
 3 matching funds for at least 50% of the grant amount awarded to
 4 support the cost of the literacy coach. The department shall
 5 provide this funding in the following manner:

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

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

23 (c) **If an intermediate district that receives funding under**
 24 **this subsection uses an assessment tool that screens for signs of**
 25 **dyslexia, the intermediate district shall use the assessment**
 26 **results from that assessment tool to identify pupils who**
 27 **demonstrate signs of dyslexia.**

28 (5) From the allocations under subsection (1), there is
 29 allocated an amount not to exceed \$19,900,000.00 for ~~2018-2019~~



1 **2019-2020** to districts that provide additional instructional time
2 to those pupils in grades K to 3 who have been identified by using
3 department-approved screening and diagnostic tools as needing
4 additional supports and interventions in order to be reading at
5 grade level by the end of grade 3. Additional instructional time
6 may be provided before, during, and after regular school hours or
7 as part of a year-round balanced school calendar. All of the
8 following apply to funding under this subsection:

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

12 (i) Implemented a multi-tiered system of support instructional
13 delivery model that is an evidence-based model that uses data-
14 driven problem solving to integrate academic and behavioral
15 instruction and that uses intervention delivered to all pupils in
16 varying intensities based on pupil needs. The multi-tiered system
17 of supports must provide at least all of the following essential
18 components:

19 (A) Team-based leadership.

20 (B) A tiered delivery system.

21 (C) Selection and implementation of instruction,
22 interventions, and supports.

23 (D) A comprehensive screening and assessment system.

24 (E) Continuous data-based decision making.

25 (ii) Used department-approved research-based diagnostic tools
26 to identify individual pupils in need of additional instructional
27 time.

28 (iii) Used a reading instruction method that focuses on the 5
29 fundamental building blocks of reading: phonics, phonemic



1 awareness, fluency, vocabulary, and comprehension and content
2 knowledge.

3 (iv) Provided teachers of pupils in grades K to 3 with
4 research-based professional development in diagnostic data
5 interpretation.

6 (v) Complied with the requirements under section 1280f of the
7 revised school code, MCL 380.1280f.

8 (b) ~~Funding~~ **The department shall distribute funding** allocated
9 under this subsection ~~shall be distributed~~ to eligible districts on
10 an equal per-first-grade-pupil basis.

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

15 (6) Not later than September 1, ~~2019~~, **of each year**, a district
16 that receives funding under ~~this section~~, **subsection (4), (5), or**
17 **(11)**, in conjunction with the Michigan data hub network, if
18 possible, shall provide to the department a report that includes at
19 least both of the following, in a form and manner prescribed by the
20 department:

21 (a) For pupils in grades K to 3, the pupils, schools, and
22 grades served with funds under this section and the categories of
23 services provided.

24 (b) For pupils in grades K to 3, pupil proficiency and growth
25 data that allows analysis both in the aggregate and by each of the
26 following subgroups, as applicable:

27 (i) School.

28 (ii) Grade level.

29 (iii) Gender.



1 (iv) Race.

2 (v) Ethnicity.

3 (vi) Economically disadvantaged status.

4 (vii) Disability.

5 (viii) Pupils identified as having reading deficiencies.

6 (7) From the ~~general~~**talent investment** fund money allocated in
7 subsection (1), the department shall allocate the amount of
8 \$3,000,000.00 for ~~2018-2019~~**2019-2020 only** to the Michigan
9 Education Corps for the PreK Reading Corps, the K3 Reading Corps,
10 and the Math Corps. All of the following apply to funding under
11 this subsection:

12 (a) By September 1 of the current fiscal year, the Michigan
13 Education Corps shall provide a report concerning its use of the
14 funding to the senate and house appropriations subcommittees on
15 state school aid, the senate and house fiscal agencies, and the
16 senate and house caucus policy offices on outcomes and performance
17 measures of the Michigan Education Corps, including, but not
18 limited to, the degree to which the Michigan Education Corps's
19 replication of the Michigan PreK Reading Corps, K3 Reading Corps,
20 and Math Corps programs is demonstrating sufficient efficacy and
21 impact. The report must include data pertaining to at least all of
22 the following:

23 (i) The current impact of the programs on this state in terms
24 of numbers of children and schools receiving support. This portion
25 of the report ~~shall~~**must** specify the number of children tutored,
26 including dosage and completion, and the demographics of those
27 children.

28 (ii) Whether the assessments and interventions are implemented
29 with fidelity. This portion of the report ~~shall~~**must** include



1 details on the total number of assessments and interventions
 2 completed and the range, mean, and standard deviation.

3 (iii) Whether the literacy or math improvement of children
 4 participating in the programs is consistent with expectations. This
 5 portion of the report ~~shall~~**must** detail at least all of the
 6 following:

7 (A) Growth rate by grade or age level, in comparison to
 8 targeted growth rate.

9 (B) Average linear growth rates.

10 (C) Exit rates.

11 (D) Percentage of children who exit who also meet or exceed
 12 spring benchmarks.

13 (iv) The impact of the programs on organizations and
 14 stakeholders, including, but not limited to, school administrators,
 15 internal coaches, and AmeriCorps members.

16 (b) If the department determines that the Michigan Education
 17 Corps has misused the funds allocated under this subsection, the
 18 Michigan Education Corps shall reimburse this state for the amount
 19 of state funding misused.

20 (c) The department may not reserve any portion of the
 21 allocation provided under this subsection for an evaluation of the
 22 Michigan Education Corps, the Michigan Education Corps' funding, or
 23 the Michigan Education Corps' programming unless agreed to in
 24 writing by the Michigan Education Corps. The department shall award
 25 the entire \$3,000,000.00 allocated under this subsection to the
 26 Michigan Education Corps and shall not condition the awarding of
 27 this funding on the implementation of an independent evaluation.

28 ~~(8) From the general fund money allocated under subsection~~
 29 ~~(1), there is allocated an amount not to exceed \$500,000.00 for~~



~~2018-2019 for a grant to an eligible program that has a goal to slow or prevent the K to 4 summer reading slide among all pupils enrolled in grades K to 4, particularly those from economically disadvantaged households. Funds allocated under this subsection are grant funds and must be distributed by the department. A program is eligible if it meets at least all of the following:~~

~~(a) The program's objective is to deliver a bilingual, in-home, individualized summer reading program consisting of self-selected, independent reading level books to K to 4 pupils each week during the summer.~~

~~(b) Is evaluated quantitatively and qualitatively using pre- and post-standardized test score comparison and parent and school surveys specific to each district.~~

~~(c) Incorporates at least weekly interactive parental and family engagement during the summer.~~

~~(d) Builds on pedagogical and literacy principles to scaffold fluency to improve reading comprehension with pupil exercises.~~

~~(e) Provides at least 4, and up to 9, student-selected new books to read and keep.~~

~~(f) Collects, analyzes, and reports detailed data on parental engagement, books read, and spring-to-fall reading scores.~~

~~(g) Follows the department's top 10 in 10 goals and strategies, with an emphasis on goals 4 and 5.~~

~~(h) Focuses on in-home program delivery through weekly mailings.~~

~~(i) Provides summary data to the legislature and to the department for all pupils served by the program after each summer.~~

~~(8) (9) From the state school aid fund money allocated under subsection (1), there is allocated an amount not to exceed~~



1 \$1,000,000.00 for ~~2018-2019~~**2019-2020** to an intermediate district
2 in which the combined total number of pupils in membership of all
3 of its constituent districts is the fewest among all intermediate
4 districts. All of the following apply to the funding under this
5 subsection:

6 (a) Funding under this subsection must be used by the
7 intermediate district, in partnership with an association that
8 represents intermediate district administrators in this state, to
9 implement both of the following:

10 (i) Literacy essentials teacher and principal training modules.

11 (ii) Face-to-face and online professional learning of literacy
12 essentials teacher and principal training modules for literacy
13 coaches, principals, and teachers.

14 (b) Not later than September 1 of each year, the intermediate
15 district described in this subsection, in consultation with grant
16 recipients, shall submit a report to the chairs of the senate and
17 house appropriations subcommittees on state school aid and the
18 chairs of the senate and house standing committees responsible for
19 education legislation. The report described under this subdivision
20 must include student achievement results in English language arts
21 and survey results with feedback from parents and teachers
22 regarding the initiatives implemented under this subsection.

23 **(9) The intermediate district described in subsection (8), in**
24 **partnership with an association that represents intermediate**
25 **district administrators in this state, shall use not more than**
26 **\$300,000.00 of the state school aid fund money allocated in**
27 **subsection (1) for the purpose of providing literacy training,**
28 **modeling, coaching, and feedback for district and public school**
29 **academy principals. The training must use the pre-K and K-3**



1 essential instructional practices in literacy created by the
2 General Education Leadership Network as the framework for all
3 training. Training must be provided in 5 regions in the state to
4 provide easy access for all principals. In addition, training must
5 be competency-based and must lead to both credit toward required
6 continuing education hours and a micro-credential in literacy
7 instruction.

8 (10) If a district or intermediate district expends any
9 funding received under subsection (4) or (5) for professional
10 development in research-based effective reading instruction, the
11 district or intermediate district shall select a professional
12 development program from the list described under subdivision (a).
13 All of the following apply to the requirement under this
14 subsection:

15 (a) The department shall issue a request for proposals for
16 professional development programs in research-based effective
17 reading instruction to develop an initial approved list of
18 professional development programs in research-based effective
19 reading instruction. The department shall complete and make the
20 initial approved list public not later than December 1, 2019. After
21 December 1, 2019, the department shall determine if it will, on a
22 rolling basis, approve any new proposals submitted for addition to
23 its initial approved list.

24 (b) To be included as an approved professional development
25 program in research-based effective reading instruction under
26 subdivision (a), an applicant must demonstrate to the department in
27 writing the program's competency in all of the following topics:

28 (i) Understanding of phonemic awareness, phonics, fluency,
29 vocabulary, and comprehension.



1 (ii) Appropriate use of assessments and differentiated
2 instruction.

3 (iii) Selection of appropriate instructional materials.

4 (iv) Application of research-based instructional practices.

5 (c) As used in this subsection, "effective reading
6 instruction" means reading instruction scientifically proven to
7 result in improvement in pupil reading skills.

8 (11) From the money allocated under subsection (1), there is
9 allocated for 2019-2020 only an amount not to exceed \$15,000,000.00
10 for a summer school reading program for grade 3 pupils who did not
11 score at least proficient on the English language arts portion of
12 the Michigan student test of educational progress (M-STEP) and for
13 pupils in grades K to 2 who are not reading at grade level. All of
14 the following apply to the funding allocated under this subsection:

15 (a) To be eligible for funding under this subsection, a
16 district must apply in a form and manner determined by the
17 department by not later than December 15, 2019.

18 (b) The department shall award funding under this subsection
19 not later than March 15, 2020.

20 (c) The amount of funding to each eligible district is equal
21 to the quotient of \$15,000,000.00 divided by the sum of the number
22 of pupils determined by the department to have scored less than
23 proficient on the English language arts portion of the 2019 grade 3
24 Michigan student test of educational progress (M-STEP) among all of
25 the districts that apply and are eligible for funding for a summer
26 school reading program under this subsection.

27 (d) A district that is awarded funding under this subsection
28 must agree to use the funding for 3 summer school reading programs
29 over 3 fiscal years.



(e) A district that is awarded funding under this subsection must prioritize its summer school reading program toward grade 3 pupils who scored less than proficient on the English language arts portion of the Michigan student test of educational progress (M-STEP), but may extend the program to any pupil in grades K to 2 who is not reading at grade level if the program has capacity.

(12) ~~(10)~~ Notwithstanding section 17b, the department shall make payments made under subsection (9) shall be made not later than March 1, 2019. subsections (7), (8), (9), and (11) on a schedule determined by the department.

Sec. 35b. (1) From the general fund money appropriated in section 11, there is allocated for ~~2018-2019~~ **2019-2020 only** an amount not to exceed ~~\$250,000.00~~ **\$350,000.00** for a grant to be distributed by the department to the Children's Choice Initiative to create a pilot program to use a multisensory structured language education method to improve reading proficiency rates and to comply with section 1280f of the revised school code, MCL 380.1280f.

(2) Grant funds awarded under this section must be expended for the following purposes:

(a) Professional development including training staff and tutors in a multisensory, sequential, systematic education approach.

(b) Additional instructional time before, during, or after school for pupils in grades K to 3 identified as having an early literacy delay or reading deficiency using a multisensory, sequential, systematic education approach.

(3) Not later than December 1, 2020, an entity that receives grant funds under this section shall report to the house and senate appropriations subcommittees on school aid, the house and senate



fiscal agencies, and the state budget director on all of the following for the grant funds awarded under this section:

(a) The number of staff and tutors trained.

(b) The number of pupils in grades K to 3 identified as having an early literacy delay or reading deficiency served.

(c) The number of hours of added instructional time provided to pupils served.

(d) Pupil reading proficiency and growth data of pupils served as necessary to evaluate the effectiveness of the program.

Sec. 35c. (1) From the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 for 2019-2020 only for a grant to be distributed by the department to an eligible district to create a pilot program to use a multisensory structured reading instruction professional development program to improve reading proficiency rates.

(2) A district is eligible for a grant under this section if the district meets all of the following:

(a) The district partners with a multisensory, structured reading instruction professional development program that meets all of the following:

(i) Is based in Michigan.

(ii) Has 20 or more years of experience in reading instruction.

(iii) Has trained at least 100,000 teachers in reading instruction.

(iv) Has at least 25 training instructors with at least a master's degree who are certified on the Knowledge and Practice Examination for Effective Reading Instruction through the Center for Effective Reading Instruction.

(v) Provides training in more than 40 states.



1 (vi) Offers graduate-level credits through a regionally
2 accredited university.

3 (b) The district partners with the program described in
4 subdivision (a) to provide multisensory structured reading
5 instruction professional development for staff in grades K to 3
6 general education or grades K to 12 special education, or both.

7 (3) A district may expend grant funds awarded under this
8 section, in collaboration with the multisensory structured reading
9 instruction professional development program described in
10 subsection (2), for the following purposes:

11 (a) Professional development, including training staff in the
12 multisensory, sequential, systematic education approach used by the
13 program.

14 (b) Multisensory, sequential, systematic education approach
15 teaching materials for pupils in grades K to 3 general education or
16 K to 12 special education, or both.

17 (4) Not later than December 1, 2021, a district that receives
18 grant funds under this section shall report to the house and senate
19 appropriations subcommittees on school aid, the house and senate
20 fiscal agencies, and the state budget director on all of the
21 following for the grant funds awarded under this section:

22 (a) The number of staff trained.

23 (b) The number of general education and special education
24 pupils served, including the number of pupils identified as having
25 an early literacy delay or reading deficiency.

26 (c) The number of hours of added instructional time provided
27 to the pupils served.

28 (d) Pupil reading proficiency and growth data of pupils served
29 as necessary to evaluate the effectiveness of the program.



1 Sec. 35d. (1) From the general fund money appropriated in
2 section 11, there is allocated for 2019-2020 only an amount not to
3 exceed \$500,000.00 for a competitive grant for an intermediate
4 district to implement a social-emotional learning pilot program.
5 The department shall determine the process for application and
6 criteria for awarding the grant.

7 (2) An intermediate district that is awarded a grant under
8 this section shall do all of the following in implementing the
9 pilot program:

10 (a) Conduct the pilot program in 5 districts, at least 1 of
11 which is an urban district, at least 1 of which is a suburban
12 district, and at least 1 of which is a rural district.

13 (b) Provide training to teachers and building-level
14 administrators on coaching and feedback techniques on the topic of
15 social-emotional learning experiences.

16 (3) The department shall conduct a survey of the districts in
17 the social-emotional learning pilot program before and after
18 implementation of the social-emotional learning pilot program in
19 order to measure the impact of the pilot program.

20 (4) The department shall provide to the house and senate
21 appropriations subcommittees on school aid and the house and senate
22 fiscal agencies a report that contains the results of the survey
23 under subsection (3) and an evaluation of the strengths,
24 weaknesses, and effectiveness of the pilot program.

25 (5) The department may withhold for the administration of this
26 section an amount not to exceed 5% of the funds allocated under
27 this section.

28 Sec. 39. (1) An eligible applicant receiving funds under
29 section 32d shall submit an application, in a form and manner



prescribed by the department, by a date specified by the department in the immediately preceding ~~state~~ fiscal year. ~~The application shall not require an~~ An eligible applicant **is not required** to amend the applicant's current accounting cycle or adopt this state's fiscal year accounting cycle in accounting for financial transactions under this section. The application ~~shall~~ **must** include all of the following:

(a) ~~For 2018-2019 calculations, the~~ **The** estimated total number of children in the community who meet the criteria of section 32d, as provided to the applicant by the department utilizing the most recent population data available from the American Community Survey conducted by the United States Census Bureau. ~~Beginning in 2018-2019, the~~ **The** department shall ensure that it provides updated American Community Survey population data at least once every 3 years.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served exclusively by Head Start programs operating in the community.

(c) The number of children whom the applicant has the capacity to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

(2) After notification of funding allocations, an applicant receiving funds under section 32d shall also submit an implementation plan for approval, in a form and manner prescribed by the department, by a date specified by the department, that details how the applicant complies with the program components established by the department pursuant to section 32d.

(3) The initial allocation to each eligible applicant under section 32d ~~shall be~~ **is** the lesser of the following:



(a) The sum of the number of children served in a school-day program in the preceding school year multiplied by \$7,250.00 and the number of children served in a GSRP/Head Start blended program or a part-day program in the preceding school year multiplied by \$3,625.00.

(b) The sum of the number of children the applicant has the capacity to serve in ~~2018-2019~~ **the current school year** in a school-day program multiplied by \$7,250.00 and the number of children served in a GSRP/Head Start blended program or a part-day program the applicant has the capacity to serve in ~~2018-2019~~ **the current school year** multiplied by \$3,625.00.

(4) If funds remain after the allocations under 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~~ **The department shall distribute 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 statewide 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 2018-2019 program year,~~ the department shall calculate a percentage of children served by each intermediate district or consortium of



1 intermediate districts by dividing the number of children served in
2 the immediately preceding year by that intermediate district or
3 consortium by the total number of children within the intermediate
4 district or consortium of intermediate districts who meet the
5 criteria of section 32d as determined by the department utilizing
6 the most recent population data available from the American
7 Community Survey conducted by the United States Census Bureau. The
8 department shall compare the resulting percentage of eligible
9 children served to a statewide percentage benchmark to determine if
10 the intermediate district or consortium is eligible for additional
11 funds under subsection (4). ~~For 2018-2019, the~~ **The** statewide
12 percentage benchmark is 60%.

13 (6) If, taking into account the total amount to be allocated
14 to the applicant as calculated under this section, an applicant
15 determines that it is able to include additional eligible children
16 in the great start readiness program without additional funds under
17 section 32d, the applicant may include additional eligible children
18 but ~~shall~~ **does** not receive additional funding under section 32d for
19 those children.

20 (7) The department shall review the program components under
21 section 32d and under this section at least biennially. The
22 department also shall convene a committee of internal and external
23 stakeholders at least once every 5 years to ensure that the funding
24 structure under this section reflects current system needs under
25 section 32d.

26 (8) As used in this section, "school-day program", "GSRP/Head
27 Start blended program", and "part-day program" mean those terms as
28 defined in section 32d.

29 Sec. 39a. (1) From the federal funds appropriated in section



11, there is allocated for ~~2018-2019~~**2019-2020** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$730,600,000.00~~**\$725,600,000.00** 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 \$1,200,000.00 for ~~2018-2019~~**2019-2020** 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 \$100,000,000.00 for ~~2018-2019~~**2019-2020** 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 \$11,000,000.00 for ~~2018-2019~~**2019-2020** 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 \$2,800,000.00 for ~~2018-2019~~**2019-2020** for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(e) An amount estimated at \$535,000,000.00 for ~~2018-2019~~**2019-2020** to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(f) An amount estimated at \$9,200,000.00 for ~~2018-2019~~**2019-2020** for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(g) An amount estimated at \$39,000,000.00 for ~~2018-2019~~**2019-**



2020 for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds.

(h) An amount estimated at \$12,000,000.00 for ~~2018-2019-2019-~~ 2020 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(i) An amount estimated at \$15,400,000.00 for ~~2018-2019-2019-~~ 2020 to improve the academic achievement of students, funded from DED-OESE, title IV, student support and academic enrichment grants.

~~(j) An amount estimated at \$5,000,000.00 for 2018-2019 for the remaining balance of the amount appropriated under the former section 32r, for federal funding awarded to this state under sections 14005, 14006, and 14013 of title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, for the race to the top early learning challenge grant.~~

(2) From the federal funds appropriated in section 11, there is allocated for ~~2018-2019-2019-2020~~ to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$51,200,000.00 for 2018-2019~~ **\$49,100,000.00 for 2019-2020** for the following programs that are funded by federal grants:

(a) An amount estimated at \$100,000.00 for ~~2018-2019-2019-2020~~ for acquired immunodeficiency syndrome education grants, funded from HHS - Centers for Disease Control and Prevention, AIDS funding.

(b) An amount estimated at \$1,900,000.00 for ~~2018-2019-2019-~~ 2020 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.



(c) An amount estimated at \$4,000,000.00 for ~~2018-2019-2019-~~
2020 to provide mental health, substance abuse, or violence
prevention services to students, funded from HHS-SAMHSA.

(d) An amount estimated at \$24,000,000.00 for ~~2018-2019-2019-~~
2020 for providing career and technical education services to
pupils, funded from DED-OVAE, basic grants to states.

(e) An amount estimated at \$14,000,000.00 for ~~2018-2019-2019-~~
2020 for the Michigan charter school subgrant program, funded from
DED-OII, public charter schools program funds.

(f) An amount estimated at ~~\$7,200,000.00 for 2018-2019~~
\$5,100,000.00 for 2019-2020 for the purpose of promoting and
expanding high-quality preschool services, funded from HHS-OCC,
preschool development funds.

(3) ~~All~~ **The department shall distribute all** federal funds
allocated under this section ~~shall be distributed~~ in accordance
with federal law and with flexibility provisions outlined in Public
Law 107-116, and in the education flexibility partnership act of
1999, Public Law 106-25. Notwithstanding section 17b, **the**
department shall make payments of federal funds to districts,
intermediate districts, and other eligible entities under this
section ~~shall be paid~~ on a schedule determined by the department.

(4) For the purposes of applying for federal grants
appropriated under this article, the department shall allow an
intermediate district to submit a consortium application on behalf
of 2 or more districts with the agreement of those districts as
appropriate according to federal rules and guidelines.

(5) For the purposes of funding federal title I grants under
this article, in addition to any other federal grants for which ~~a~~
the strict discipline academy is eligible, the department shall



1 allocate to **a** strict discipline ~~academies~~**academy** out of title I,
 2 part A ~~funds an amount~~ equal to what ~~a~~**the** strict discipline
 3 academy would have received if included and calculated under title
 4 I, part D, or what it would receive under the formula allocation
 5 under title I, part A, whichever is greater.

6 (6) As used in this section:

7 (a) "DED" means the United States Department of Education.

8 (b) "DED-OESE" means the DED Office of Elementary and
 9 Secondary Education.

10 (c) "DED-OII" means the DED Office of Innovation and
 11 Improvement.

12 (d) "DED-OVAE" means the DED Office of Vocational and Adult
 13 Education.

14 (e) "HHS" means the United States Department of Health and
 15 Human Services.

16 (f) "HHS-OCC" means the HHS Office of Child Care.

17 (g) "HHS-SAMHSA" means the HHS Substance Abuse and Mental
 18 Health Services Administration.

19 Sec. 41. (1) For a district or public school academy to be
 20 eligible to receive funding under this section, the district or
 21 public school academy must administer to English language learners
 22 the English language proficiency assessment known as the "WIDA
 23 ACCESS for English language learners" or the "WIDA Alternate
 24 ACCESS". From the appropriation in section 11, there is allocated
 25 an amount not to exceed ~~\$6,000,000.00~~**\$13,000,000.00** for ~~2018-2019~~
 26 **2019-2020** for payments to eligible districts and eligible public
 27 school academies for services for English language learners who
 28 have been administered the WIDA ACCESS for English language
 29 learners.



(2) ~~Funding~~ **The department shall distribute funding** allocated under ~~this section shall be distributed~~ **subsection (1)** to eligible districts and eligible public school academies based on the number of full-time equivalent English language learners as follows:

(a) ~~\$620.00~~ **\$900.00** 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~~ **\$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 2.0 and 2.9, or less, as applicable to each assessment.

(c) **\$100.00 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 3.0 and 3.9, or less, as applicable to each assessment.**

(3) If funds allocated under ~~this section~~ **subsection (1)** are insufficient to fully fund the payments as prescribed under subsection (2), **the department shall prorate** payments ~~shall be prorated~~ on an equal percentage basis, with the same percentage proration applied to ~~both~~ **all** funding categories.

(4) Each district or public school academy receiving funds under ~~this section~~ **subsection (1)** 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 of funds under ~~this section~~, **subsection (1)** in a form and manner determined by the



department, ~~which shall include~~ **including** a brief description of each program conducted or services performed by the district or public school academy using funds under ~~this section~~ **subsection (1)** and the amount of funds under ~~this section~~ **subsection (1)** allocated to each of those programs or services. If a district or public school academy does not comply with this ~~section~~, **subsection**, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this ~~section~~ **subsection** by the end of the state fiscal year, the withheld funds ~~shall be~~ **are** forfeited to the school aid fund.

(5) In order to receive funds under this ~~section~~, **subsection (1)**, a district or public school academy shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse this state for all disallowances found in the audit.

(6) Beginning July 1, 2020, and every 3 years thereafter, the department shall review the per-pupil distribution under subsection (2), to ensure that funding levels are appropriate and make recommendations for adjustments to the members of the senate and house subcommittees on K-12 school aid appropriations.

(7) **In addition to the money allocated under subsection (1), from the talent investment fund money appropriated under section 11, there is allocated for 2019-2020 only an amount not to exceed \$3,000,000.00 for 1-time payments to districts and public school academies for capital improvements in support of programming and instruction for English language learners. The department shall**



1 make payments to districts and public school academies in the same
 2 proportion of the total amount allocated under this subsection as
 3 the amount of the district's or public school academy's payment
 4 under subsection (2) represents compared to the total payments made
 5 under subsection (2).

6 Sec. 51a. (1) From the appropriation in section 11, there is
 7 allocated an amount not to exceed ~~\$960,446,100.00 for 2017-2018~~
 8 **\$1,008,996,100.00 for 2018-2019** and there is allocated an amount
 9 not to exceed ~~\$983,196,100.00 for 2018-2019~~ **\$1,045,196,100.00 for**
 10 **2019-2020** from state sources and all available federal funding
 11 under sections 611 to 619 of part B of the individuals with
 12 disabilities education act, 20 USC 1411 to 1419, estimated at
 13 \$370,000,000.00 each fiscal year for ~~2017-2018~~ **2018-2019** and for
 14 ~~2018-2019~~, **2019-2020**, plus any carryover federal funds from
 15 previous year appropriations. In addition, from the general fund
 16 appropriation in section 11, there is allocated to the department
 17 an amount not to exceed \$500,000.00 ~~for each fiscal year for 2017-~~
 18 ~~2018 and for 2018-2019~~ for the purpose of subsection (16). The
 19 allocations under this subsection are for the purpose of
 20 reimbursing districts and intermediate districts for special
 21 education programs, services, and special education personnel as
 22 prescribed in article 3 of the revised school code, MCL 380.1701 to
 23 380.1761; net tuition payments made by intermediate districts to
 24 the Michigan Schools for the Deaf and Blind; and special education
 25 programs and services for pupils who are eligible for special
 26 education programs and services according to statute or rule. For
 27 meeting the costs of special education programs and services not
 28 reimbursed under this article, a district or intermediate district
 29 may use money in general funds or special education funds, not



otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals or other entities, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared ~~pursuant to~~ **under** article 3 of the revised school code, MCL 380.1701 to 380.1761. Notwithstanding section 17b, **the department shall make** payments of federal funds to districts, intermediate districts, and other eligible entities under this section ~~shall be paid on~~ a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, ~~and estimated at \$266,900,000.00 for 2017-2018 \$286,800,000.00 for 2018-2019 and estimated at \$273,100,000.00 for 2018-2019, \$297,800,000.00 for 2019-2020,~~ for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection ~~shall be~~ **are** made as follows:

(a) The **department shall calculate the** initial amount allocated to a district under this subsection toward fulfilling the specified percentages ~~shall be calculated by~~ multiplying the district's special education pupil membership, excluding pupils described in subsection (11), times the foundation allowance under section 20 of the pupil's district of residence, ~~plus the amount of the district's per-pupil allocation under section 20m,~~ not to exceed the basic foundation allowance under section 20 for the ~~current 2018-2019~~ fiscal year **and beginning with 2019-2020 not to exceed the target foundation allowance for the current fiscal year,** or, for a special education pupil in membership in a district that



1 is a public school academy, times an amount equal to the amount per
 2 membership pupil calculated under section 20(6). For an
 3 intermediate district, the amount allocated under this subdivision
 4 toward fulfilling the specified percentages ~~shall be~~ **is** an amount
 5 per special education membership pupil, excluding pupils described
 6 in subsection (11), and ~~shall be~~ **is** calculated in the same manner
 7 as for a district, using the foundation allowance under section 20
 8 of the pupil's district of residence, not to exceed the basic
 9 foundation allowance under section 20 for the ~~current~~ **2018-2019**
 10 fiscal year, ~~and that district's per-pupil allocation under~~
 11 ~~section 20m.~~ **and beginning with 2019-2020 not to exceed the target**
 12 **foundation allowance for the current fiscal year.**

13 (b) After the allocations under subdivision (a), ~~districts and~~
 14 ~~intermediate districts~~ **the department shall pay a district or**
 15 **intermediate district** for which the payments calculated under
 16 subdivision (a) do not fulfill the specified percentages ~~shall be~~
 17 ~~paid~~ the amount necessary to achieve the specified percentages for
 18 the district or intermediate district.

19 (3) From the funds allocated under subsection (1), there is
 20 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
 21 ~~\$1,300,000.00~~ **\$1,200,000.00** and there is allocated **for 2019-2020** an
 22 amount not to exceed ~~\$1,300,000.00 for 2018-2019~~ **\$1,000,000.00** to
 23 make payments to districts and intermediate districts under this
 24 subsection. If the amount allocated to a district or intermediate
 25 district for a fiscal year under subsection (2)(b) is less than the
 26 sum of the amounts allocated to the district or intermediate
 27 district for 1996-97 under sections 52 and 58, there is allocated
 28 to the district or intermediate district for the fiscal year an
 29 amount equal to that difference, adjusted by applying the same



proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. ~~Adjustments-The~~ **department shall make adjustments** for reductions in special education program operations or services ~~shall be made~~ in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the **department shall pay the** shortfall ~~shall be paid~~ to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and **shall adjust** payments under subsection (3) ~~shall be adjusted~~ as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this article for the fiscal year beginning on the October 1 following the determination and **shall adjust** payments under subsection (3) ~~shall be adjusted~~ as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there ~~shall be~~ **is** no deduction under



1 this subsection.

2 (5) State funds ~~shall be~~**are** allocated on a total approved
3 cost basis. Federal funds ~~shall be~~**are** allocated under applicable
4 federal requirements, except that an amount not to exceed
5 \$3,500,000.00 may be allocated by the department each fiscal year
6 for ~~2017-2018 and for 2018-2019~~ **and for 2019-2020** to districts,
7 intermediate districts, or other eligible entities on a competitive
8 grant basis for programs, equipment, and services that the
9 department determines to be designed to benefit or improve special
10 education 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 ~~2017-2018 and for 2018-2019~~ **and for 2019-2020** 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~~**The department shall determine net** increase in necessary
22 costs ~~shall be determined~~ in a 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~~**are**
26 determined in a manner specified by the department and may include
27 indirect costs, but ~~shall~~**must** not exceed 115% of approved direct
28 costs for section 52 and section 53a programs. The total approved
29 costs include salary and other compensation for all approved



1 special education personnel for the program, including payments for
 2 ~~social security~~ **Social Security** and Medicare and public school
 3 employee retirement system contributions. The total approved costs
 4 do not include salaries or other compensation paid to
 5 administrative personnel who are not special education personnel as
 6 defined in section 6 of the revised school code, MCL 380.6. Costs
 7 reimbursed by federal funds, other than those federal funds
 8 included in the allocation made under this article, are not
 9 included. Special education approved personnel not utilized full
 10 time in the evaluation of students or in the delivery of special
 11 education programs, ancillary, and other related services ~~shall be~~
 12 **are** reimbursed under this section only for that portion of time
 13 actually spent providing these programs and services, with the
 14 exception of special education programs and services provided to
 15 youth placed in child caring institutions or juvenile detention
 16 programs approved by the department to provide an on-grounds
 17 education program.

18 (b) Beginning with the 2004-2005 fiscal year, a district or
 19 intermediate district that employed special education support
 20 services staff to provide special education support services in
 21 2003-2004 or in a subsequent fiscal year and that in a fiscal year
 22 after 2003-2004 receives the same type of support services from
 23 another district or intermediate district shall report the cost of
 24 those support services for special education reimbursement purposes
 25 under this article. This subdivision does not prohibit the transfer
 26 of special education classroom teachers and special education
 27 classroom aides if the pupils counted in membership associated with
 28 those special education classroom teachers and special education
 29 classroom aides are transferred and counted in membership in the



1 other district or intermediate district in conjunction with the
2 transfer of those teachers and aides.

3 (c) If the department determines before bookclosing for a
4 fiscal year that the amounts allocated for that fiscal year under
5 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
6 will exceed expenditures for that fiscal year under subsections
7 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
8 district or intermediate district whose reimbursement for that
9 fiscal year would otherwise be affected by subdivision (b),
10 subdivision (b) does not apply to the calculation of the
11 reimbursement for that district or intermediate district and **the**
12 **department shall calculate** reimbursement for that district or
13 intermediate district ~~shall be calculated~~ in the same manner as it
14 was for 2003-2004. If the amount of the excess allocations under
15 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 is
16 not sufficient to fully fund the calculation of reimbursement to
17 those districts and intermediate districts under this subdivision,
18 then the **department shall prorate** calculations and resulting
19 reimbursement under this subdivision ~~shall be prorated~~ on an equal
20 percentage basis. Beginning in 2015-2016, the amount of
21 reimbursement under this subdivision for a fiscal year ~~shall~~ **must**
22 not exceed \$2,000,000.00 for any district or intermediate district.

23 (d) Reimbursement for ancillary and other related services, as
24 defined by R 340.1701c of the Michigan Administrative Code, ~~shall~~
25 ~~not be~~ **is not** provided when those services are covered by and
26 available through private group health insurance carriers or
27 federal reimbursed program sources unless the department and
28 district or intermediate district agree otherwise and that
29 agreement is approved by the state budget director. Expenses, other



1 than the incidental expense of filing, ~~shall~~**must** not be borne by
 2 the parent. In addition, the filing of claims ~~shall~~**must** not delay
 3 the education of a pupil. A district or intermediate district ~~shall~~
 4 ~~be~~**is** responsible for payment of a deductible amount and for an
 5 advance payment required until the time a claim is paid.

6 (e) Beginning with calculations for 2004-2005, if an
 7 intermediate district purchases a special education pupil
 8 transportation service from a constituent district that was
 9 previously purchased from a private entity; if the purchase from
 10 the constituent district is at a lower cost, adjusted for changes
 11 in fuel costs; and if the cost shift from the intermediate district
 12 to the constituent does not result in any net change in the revenue
 13 the constituent district receives from payments under sections 22b
 14 and 51c, then upon application by the intermediate district, the
 15 department shall direct the intermediate district to continue to
 16 report the cost associated with the specific identified special
 17 education pupil transportation service and shall adjust the costs
 18 reported by the constituent district to remove the cost associated
 19 with that specific service.

20 (8) A pupil who is enrolled in a full-time special education
 21 program conducted or administered by an intermediate district or a
 22 pupil who is enrolled in the Michigan schools for the deaf and
 23 blind ~~shall not be~~**is not** included in the membership count of a
 24 district, but ~~shall be~~**is** counted in membership in the intermediate
 25 district of residence.

26 (9) Special education personnel transferred from 1 district to
 27 another to implement the revised school code ~~shall be~~**are** entitled
 28 to the rights, benefits, and tenure to which the person would
 29 otherwise be entitled had that person been employed by the



1 receiving district originally.

2 (10) If a district or intermediate district uses money
3 received under this section for a purpose other than the purpose or
4 purposes for which the money is allocated, the department may
5 require the district or intermediate district to refund the amount
6 of money received. ~~Money~~ **The department shall deposit money** that is
7 refunded ~~shall be deposited~~ in the state treasury to the credit of
8 the state school aid fund.

9 (11) From the funds allocated in subsection (1), there is
10 allocated the amount necessary, estimated at ~~\$3,200,000.00 for~~
11 ~~2017-2018,~~ **\$3,100,000.00 for 2018-2019** and estimated at
12 ~~\$3,400,000.00 for 2018-2019,~~ **\$2,900,000.00 for 2019-2020**, to pay
13 the foundation allowances for pupils described in this subsection.
14 The **department shall calculate the** allocation to a district under
15 this subsection ~~shall be calculated by~~ multiplying the number of
16 pupils described in this subsection who are counted in membership
17 in the district times the sum of the foundation allowance under
18 section 20 of the pupil's district of residence ~~plus the amount of~~
19 ~~the district's per-pupil allocation under section 20m,~~ not to
20 exceed the basic foundation allowance under section 20 for the
21 ~~current 2018-2019~~ fiscal year **and beginning with 2019-2020 not to**
22 **exceed the target foundation allowance for the current fiscal year,**
23 or, for a pupil described in this subsection who is counted in
24 membership in a district that is a public school academy, times an
25 amount equal to the amount per membership pupil under section
26 20(6). ~~or, for a pupil described in this subsection who is counted~~
27 ~~in membership in the education achievement system, times an amount~~
28 ~~equal to the amount per membership pupil under section 20(7).~~ The
29 **department shall calculate the** allocation to an intermediate



district under this subsection ~~shall be calculated~~ in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the ~~current 2018-2019~~ fiscal year, ~~and that district's per-pupil allocation under section 20m.~~ **and beginning with 2019-2020 not to exceed the target foundation allowance for the current fiscal year.** This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Pupils with an emotional impairment counted in membership by an intermediate district and provided educational services by the department of health and human services.

(12) If it is determined that funds allocated under subsection (2) or (11) or under section 51c will not be expended, funds up to the amount necessary and available may be used to supplement the allocations under subsection (2) or (11) or under section 51c in order to fully fund those allocations. After payments under subsections (2) and (11) and section 51c, the **department shall expend the** remaining ~~expenditures-funds~~ from the allocation in subsection (1) ~~shall be made~~ in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payments under section 56.



(13) The allocations under subsections (2), (3), and (11) ~~shall be~~**are** allocations to intermediate districts only and ~~shall not be~~**are not** allocations to districts, but instead ~~shall be~~**are** calculations used only to determine the state payments under section 22b.

(14) If a public school academy that is not a cyber school, as defined in section 551 of the revised school code, MCL 380.551, enrolls under this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the intermediate district in which the public school academy is located and the public school academy shall enter into a written agreement with the intermediate district in which the pupil resides for the purpose of providing the pupil with a free appropriate public education, and the written agreement ~~shall~~**must** include at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil. If the public school academy that enrolls the pupil does not enter into an agreement under this subsection, the public school academy shall not charge the pupil's resident intermediate district or the intermediate district in which the public school academy is located the added costs of special education programs and services for the pupil, and the public school academy is not eligible for any payouts based on the funding formula outlined in the resident or nonresident intermediate district's plan. If a pupil is not enrolled in a public school academy under this subsection, the provision of special education



1 programs and services and the payment of the added costs of special
2 education programs and services for a pupil described in this
3 subsection are the responsibility of the district and intermediate
4 district in which the pupil resides.

5 (15) For the purpose of receiving its federal allocation under
6 part B of the individuals with disabilities education act, Public
7 Law 108-446, a public school academy that is a cyber school, as
8 defined in section 551 of the revised school code, MCL 380.551, and
9 is in compliance with section 553a of the revised school code, MCL
10 380.553a, ~~shall directly receive~~ **receives** the federal allocation
11 under part B of the individuals with disabilities education act,
12 Public Law 108-446, from the intermediate district in which the
13 cyber school is located, as the subrecipient. If the intermediate
14 district does not distribute the funds described in this subsection
15 to the cyber school by the part B application due date of July 1,
16 the department may distribute the funds described in this
17 subsection directly to the cyber school according to the formula
18 prescribed in 34 CFR 300.705 and 34 CFR 300.816.

19 (16) For a public school academy that is a cyber school, as
20 defined in section 551 of the revised school code, MCL 380.551, and
21 is in compliance with section 553a of the revised school code, MCL
22 380.553a, that enrolls a pupil under this section, the intermediate
23 district in which the cyber school is located shall ensure that the
24 cyber school complies with sections 1701a, 1703, 1704, 1751, 1752,
25 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703,
26 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable
27 rules; and the individuals with disabilities education act, Public
28 Law 108-446. From the general fund appropriation under subsection
29 (1), **for 2018-2019 only** the department shall provide appropriate



1 administrative funding to the intermediate district in which that
 2 cyber school is located for the purpose of ensuring that
 3 compliance.

4 (17) For the purposes of this section, the department or the
 5 center shall only require a district or intermediate district to
 6 report information that is not already available from the financial
 7 information database maintained by the center.

8 Sec. 51c. As required by the court in the consolidated cases
 9 known as *Durant v State of Michigan*, 456 Mich 175 (1997), from the
 10 allocation under section 51a(1), there is allocated each fiscal
 11 year for ~~2017-2018~~ **2018-2019** and for ~~2018-2019~~ **2019-2020** the amount
 12 necessary, estimated at ~~\$636,900,000.00 for 2017-2018 and~~
 13 ~~\$651,000,000.00 for 2018-2019,~~ **\$663,500,000.00 for 2018-2019 and**
 14 **\$689,100,000.00 for 2019-2020**, for payments to reimburse districts
 15 for 28.6138% of total approved costs of special education excluding
 16 costs reimbursed under section 53a, and 70.4165% of total approved
 17 costs of special education transportation. ~~Funds allocated under~~
 18 ~~this section that are not expended in the state fiscal year for~~
 19 ~~which they were allocated, as determined by the department, may be~~
 20 ~~used to supplement the allocations under sections 22a and 22b in~~
 21 ~~order to fully fund those calculated allocations for the same~~
 22 ~~fiscal year.~~

23 Sec. 51d. (1) From the federal funds appropriated in section
 24 11, there is allocated for ~~2018-2019~~ **2019-2020** all available
 25 federal funding, estimated at \$61,000,000.00, for special education
 26 programs and services that are funded by federal grants. ~~All The~~
 27 **department shall distribute all** federal funds allocated under this
 28 section ~~shall be distributed~~ in accordance with federal law.
 29 Notwithstanding section 17b, **the department shall make** payments of



1 federal funds to districts, intermediate districts, and other
2 eligible entities under this section ~~shall be paid on a schedule~~
3 determined by the department.

4 (2) From the federal funds allocated under subsection (1), the
5 following amounts are allocated for ~~2018-2019~~**2019-2020**:

6 (a) An amount estimated at \$14,000,000.00 for handicapped
7 infants and toddlers, funded from DED-OSERS, handicapped infants
8 and toddlers funds.

9 (b) An amount estimated at \$12,000,000.00 for preschool grants
10 (Public Law 94-142), funded from DED-OSERS, handicapped preschool
11 incentive funds.

12 (c) An amount estimated at \$35,000,000.00 for special
13 education programs funded by DED-OSERS, handicapped program,
14 individuals with disabilities act funds.

15 (3) As used in this section, "DED-OSERS" means the United
16 States Department of Education Office of Special Education and
17 Rehabilitative Services.

18 **Sec. 51f. (1) From the funds appropriated under section 11,**
19 **there is allocated for 2019-2020 an amount not to exceed**
20 **\$60,207,000.00 for payments to districts and intermediate districts**
21 **to increase the level of reimbursement of costs associated with**
22 **providing special education services required under state and**
23 **federal law.**

24 (2) A district's or intermediate district's allocation under
25 this section is equal to the level percentage multiplied by each
26 district's or intermediate district's costs reported to the center
27 on the special education actual cost report, known as "SE-4096" as
28 referred to under section 18(6), as approved by the department.

29 (3) The total reimbursement under this section and under



1 section 51c must not exceed the total reported costs for a district
2 or intermediate district.

3 (4) For 2019-2020, the level percentage is estimated at 2.0%.

4 (5) For the purposes of this section, "level percentage" means
5 the percentage calculated by dividing the allocation in subsection
6 (1) by the total of costs reported to the center on the special
7 education actual cost report, known as "SE-4096" as referred to
8 under section 18(6), as approved by the department.

9 Sec. 53a. (1) For districts, reimbursement for pupils
10 described in subsection (2) ~~shall be~~ **is** 100% of the total approved
11 costs of operating special education programs and services approved
12 by the department and included in the intermediate district plan
13 adopted pursuant to article 3 of the revised school code, MCL
14 380.1701 to 380.1761, minus the district's foundation allowance
15 calculated under section 20. ~~and minus the district's per pupil~~
16 ~~allocation under section 20m.~~ For intermediate districts, **the**
17 **department shall calculate** reimbursement for pupils described in
18 subsection (2) ~~shall be calculated~~ in the same manner as for a
19 district, using the foundation allowance under section 20 of the
20 pupil's district of residence, not to exceed the ~~basic~~ **target**
21 foundation allowance under section 20 for the current fiscal year.
22 ~~, and that district's per pupil allocation under section 20m.~~

23 (2) Reimbursement under subsection (1) is for the following
24 special education pupils:

25 (a) Pupils assigned to a district or intermediate district
26 through the community placement program of the courts or a state
27 agency, if the pupil was a resident of another intermediate
28 district at the time the pupil came under the jurisdiction of the
29 court or a state agency.



(b) Pupils who are residents of institutions operated by the department of health and human services.

(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils enrolled in a department-approved on-grounds educational program longer than 180 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 180 days but not longer than 233 days.

(e) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.

(3) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (2), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(4) The costs of transportation ~~shall be~~ **are** funded under this section and ~~shall not be~~ **are not** reimbursed under section 58.

(5) ~~Not~~ **The department shall not allocate** more than \$10,500,000.00 of the allocation for ~~2018-2019~~ **2019-2020** in section 51a(1) ~~shall be allocated~~ under this section.

Sec. 54. Each intermediate district ~~shall receive~~ **receives** an amount per-pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount ~~shall be~~ **is** proportionate to the total instructional cost at each school. ~~Not~~ **The department shall not allocate** more than \$1,688,000.00 of the allocation for ~~2018-2019~~ **2019-2020** in section 51a(1) ~~shall be~~



1 ~~allocated~~ under this section.

2 Sec. 54b. (1) From the general fund appropriation in section
3 11, there is allocated an amount not to exceed \$1,600,000.00 for
4 ~~2018-2019-2019-2020~~ to continue the implementation of the
5 recommendations of the special education reform task force
6 published in January 2016.

7 (2) The department shall use funds allocated under this
8 section for the purpose of piloting statewide implementation of the
9 Michigan Integrated Behavior and Learning Support Initiative
10 (MiBLSI), a nationally recognized program that includes positive
11 behavioral intervention and supports and provides a statewide
12 structure to support local initiatives for an integrated behavior
13 and reading program. With the assistance of the intermediate
14 districts involved in MiBLSI, the department shall identify a
15 number of intermediate districts to participate in the pilot that
16 is sufficient to ensure that MiBLSI can be implemented statewide
17 with fidelity and sustainability. In addition, the department shall
18 identify an intermediate district to act as a fiscal agent for
19 these funds.

20 Sec. 54d. (1) From the appropriations in section 11, there is
21 allocated an amount not to exceed ~~\$5,000,000.00~~ **\$7,150,000.00** for
22 ~~2018-2019-2019-2020~~ to intermediate districts for the purpose of
23 providing state early on services pilot programs for children from
24 birth to 3 years of age with a developmental delay or a disability,
25 or both, and their families, as described in the early on Michigan
26 state plan, as approved by the department.

27 (2) To be eligible to receive grant funding under this
28 section, each intermediate district shall apply in a form and
29 manner determined by the department.



1 (3) The grant funding allocated under this section ~~shall~~**must**
2 be used to increase early on services and resources available to
3 children that demonstrate developmental delays to help prepare them
4 for success as they enter school. State early on services include
5 evaluating and providing early intervention services for eligible
6 infants and toddlers and their families to address developmental
7 delays, including those affecting physical, cognitive,
8 communication, adaptive, social, or emotional development. Grant
9 funds must not be used to supplant existing services that are
10 currently being provided.

11 (4) The **department shall distribute the** funds allocated under
12 subsection (1) ~~shall be distributed to~~ intermediate districts
13 according to the department's early on funding formula utilized to
14 distribute the federal award to Michigan under part C of the
15 individuals with disabilities education act. Funds received under
16 this section must not supplant existing funds or resources
17 allocated for early on early intervention services. An intermediate
18 district receiving funds under this section shall maximize the
19 capture of Medicaid funds to support early on early intervention
20 services to the extent possible.

21 (5) Each intermediate district that receives funds under this
22 section shall report data and other information to the department
23 in a form, manner, and frequency prescribed by the department to
24 allow for monitoring and evaluation of the pilot projects and to
25 ensure that the children described in subsection (1) received
26 appropriate levels and types of services delivered by qualified
27 personnel, based on the individual needs of the children and their
28 families.

29 (6) Notwithstanding section 17b, **the department shall make**



1 payments under this section ~~shall be paid~~ on a schedule determined
2 by the department.

3 Sec. 54e. (1) From the general fund money appropriated in
4 section 11, there is allocated for 2019-2020 only an amount not to
5 exceed \$350,000.00 for a pilot program to train at least 60 early
6 on providers in the components of evidence-based parent-implemented
7 models of intervention for the treatment of autism. To receive
8 funding under this section, a program provider must agree to use
9 the funds for training in these components for early on providers
10 using an evidence-based program to conduct the training and may
11 receive the funding in the form and manner prescribed by the
12 department. The department shall ensure that early on providers in
13 multiple intermediate districts are provided with training under
14 this section and shall include early on providers in intermediate
15 districts based on interest in the program and need for the
16 training.

17 (2) The department shall conduct a survey of intermediate
18 districts in the pilot program described under this section after
19 implementation of the parent-implemented model of intervention
20 pilot program to measure the impact of the program. The department
21 shall report the findings from the survey to the legislature. The
22 department may use existing vendors to conduct this data
23 collection. The department may use not more than 10% of the
24 allocation under this section for administration and management of
25 the pilot program.

26 (3) As used in this section, "parent-implemented model of
27 intervention" means a model in which parents directly use
28 individualized developmentally appropriate intervention practices
29 with their children to increase the social abilities of children



1 with autism.

2 (4) Notwithstanding section 17b, the department shall make
3 payments under this section on a schedule determined by the
4 department.

5 Sec. 55. (1) From the general fund money appropriated in
6 section 11, there is allocated an amount not to exceed \$250,000.00
7 for ~~2018-2019-2019-2020~~ **only** to the Conductive Learning Center
8 located at Aquinas College. This funding must be used to support
9 the operational costs of the conductive education model taught at
10 the Conductive Learning Center to maximize the independence and
11 mobility of children and adults with neuromotor disabilities. The
12 conductive education model funded under this section must be based
13 on the concept of neuroplasticity and the ability of people to
14 learn and improve when they are motivated, regardless of the
15 severity of their disability.

16 (2) Notwithstanding section 17b, the department shall
17 distribute the funding allocated under this section to the
18 Conductive Learning Center not later than ~~December 1, 2018.~~ **January**
19 **15, 2020.**

20 Sec. 56. (1) For the purposes of this section:

21 (a) "Membership" means for a particular fiscal year the total
22 membership for the immediately preceding fiscal year of the
23 intermediate district and the districts constituent to the
24 intermediate district.

25 (b) "Millage levied" means the millage levied for special
26 education pursuant to part 30 of the revised school code, MCL
27 380.1711 to 380.1741, including a levy for debt service
28 obligations.

29 (c) "Taxable value" means the total taxable value of the



1 districts constituent to an intermediate district, except that if a
 2 district has elected not to come under part 30 of the revised
 3 school code, MCL 380.1711 to 380.1741, membership and taxable value
 4 of the district ~~shall not be~~ **are not** included in the membership and
 5 taxable value of the intermediate district.

6 (2) From the allocation under section 51a(1), there is
 7 ~~allocated an amount not to exceed \$37,758,100.00 for 2017-2018~~
 8 **\$40,008,100.00 for 2018-2019** and an amount not to exceed
 9 \$40,008,100.00 for ~~2018-2019~~ **2019-2020** to reimburse intermediate
 10 districts levying millages for special education pursuant to part
 11 30 of the revised school code, MCL 380.1711 to 380.1741. The
 12 purpose, use, and expenditure of the reimbursement ~~shall be~~ **are**
 13 limited as if the funds were generated by these millages and
 14 governed by the intermediate district plan adopted pursuant to
 15 article 3 of the revised school code, MCL 380.1701 to 380.1761. As
 16 a condition of receiving funds under this section, an intermediate
 17 district distributing any portion of special education millage
 18 funds to its constituent districts shall submit for departmental
 19 approval and implement a distribution plan.

20 ~~(3) Reimbursement for those millages levied in 2016-2017 shall~~
 21 ~~be made in 2017-2018 at an amount per 2016-2017 membership pupil~~
 22 ~~computed by subtracting from \$185,000.00 the 2016-2017 taxable~~
 23 ~~value behind each membership pupil and multiplying the resulting~~
 24 ~~difference by the 2016-2017 millage levied, and then subtracting~~
 25 ~~from that amount the 2016-2017 local community stabilization share~~
 26 ~~revenue for special education purposes behind each membership pupil~~
 27 ~~for reimbursement of personal property exemption loss under the~~
 28 ~~local community stabilization authority act, 2014 PA 86, MCL~~
 29 ~~123.1341 to 123.1362.~~



1 **(3) ~~(4)~~** Except as otherwise provided in this subsection,
 2 reimbursement for those millages levied in 2017-2018 ~~shall be~~ **is**
 3 made in 2018-2019 at an amount per 2017-2018 membership pupil
 4 computed by subtracting from ~~\$193,700.00~~ **\$193,900.00** the 2017-2018
 5 taxable value behind each membership pupil and multiplying the
 6 resulting difference by the 2017-2018 millage levied, and then
 7 subtracting from that amount the 2017-2018 local community
 8 stabilization share revenue for special education purposes behind
 9 each membership pupil for reimbursement of personal property
 10 exemption loss under the local community stabilization authority
 11 act, 2014 PA 86, MCL 123.1341 to 123.1362. Reimbursement in 2018-
 12 2019 for an intermediate district whose 2017-2018 allocation was
 13 affected by the operation of subsection (5) ~~shall be~~ **is** an amount
 14 equal to 102.5% of the 2017-2018 allocation to that intermediate
 15 district.

16 **(4)** Except as otherwise provided in this subsection,
 17 reimbursement for those millages levied in 2018-2019 is made in
 18 2019-2020 at an amount per 2018-2019 membership pupil computed by
 19 subtracting from \$201,800.00 the 2018-2019 taxable value behind
 20 each membership pupil and multiplying the resulting difference by
 21 the 2018-2019 millage levied, and then subtracting from that amount
 22 the 2018-2019 local community stabilization share revenue for
 23 special education purposes behind each membership pupil for
 24 reimbursement of personal property exemption loss under the local
 25 community stabilization authority act, 2014 PA 86, MCL 123.1341 to
 26 123.1362. Reimbursement in 2019-2020 for an intermediate district
 27 whose 2017-2018 allocation was affected by the operation of
 28 subsection (5) is an amount equal to 102.5% of the 2017-2018
 29 allocation to that intermediate district.



(5) The **department shall ensure that the** amount paid to a single intermediate district under this section ~~shall does~~ not exceed 62.9% of the total amount allocated under subsection (2).

(6) The **department shall ensure that the** amount paid to a single intermediate district under this section ~~shall not be~~ **is not** less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$36,611,300.00~~ **\$37,611,300.00** for ~~2018-2019-2019-2020~~ to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year and that has a foundation allowance as calculated under section 20 greater than the minimum foundation allowance under that section, and secondary area vocational-technical education centers for secondary-level career and technical education programs according to rules approved by the superintendent. Applications for participation in the programs ~~shall must~~ be submitted in the form prescribed by the department. The department shall determine the added cost for each career and technical education program area. The **department shall prioritize the** allocation of added cost funds ~~shall be prioritized~~ based on the capital and program expenditures needed to operate the career and technical education programs provided; the number of pupils enrolled; the advancement of pupils through the instructional program; the existence of an articulation agreement with at least 1 postsecondary institution that provides pupils with opportunities to earn postsecondary credit during the pupil's participation in the career and technical education program and transfers those credits to the postsecondary institution upon



1 completion of the career and technical education program; and the
 2 program rank in student placement, job openings, and wages, and
 3 shall **ensure that the allocation does** not exceed 75% of the added
 4 cost of any program. Notwithstanding any rule or department
 5 determination to the contrary, when determining a district's
 6 allocation or the formula for making allocations under this
 7 section, the department shall include the participation of pupils
 8 in grade 9 in all of those determinations and in all portions of
 9 the formula. With the approval of the department, the board of a
 10 district maintaining a secondary career and technical education
 11 program may offer the program for the period from the close of the
 12 school year until September 1. The program shall use existing
 13 facilities and ~~shall~~**must** be operated as prescribed by rules
 14 promulgated by the superintendent.

15 (2) Except for a district that served as the fiscal agent for
 16 a vocational education consortium in the 1993-94 school year, **the**
 17 **department shall reimburse** districts and intermediate districts
 18 ~~shall be reimbursed~~ for local career and technical education
 19 administration, shared time career and technical education
 20 administration, and career education planning district career and
 21 technical education administration. The **superintendent shall adopt**
 22 **guidelines for the** definition of what constitutes administration
 23 and **shall make** reimbursement ~~shall be~~ pursuant to **those** guidelines.
 24 ~~adopted by the superintendent. Not~~ **The department shall not**
 25 **distribute** more than \$800,000.00 of the allocation in subsection
 26 (1) ~~shall be distributed~~ under this subsection.

27 (3) A career and technical education program funded under this
 28 section may provide an opportunity for participants who are
 29 eligible to be funded under section 107 to enroll in the career and



1 technical education program funded under this section if the
2 participation does not occur during regular school hours.

3 (4) In addition to the money allocated under ~~subsections~~
4 **subsection (1), and (5),** from the ~~general~~ **talent investment** fund
5 money appropriated in section 11, there is allocated for ~~2018-2019~~
6 **2019-2020 only** an amount not to exceed \$100,000.00 to an eligible
7 Michigan-approved 501(c)(3) organization for the purposes of
8 teaching or training restaurant management and culinary arts for
9 career and professional development. The department shall oversee
10 funds distributed to an eligible grantee under this section. As
11 used in this subsection, "eligible Michigan-approved 501(c)(3)
12 organization" means an organization that is exempt from taxation
13 under section 501(c)(3) of the internal revenue code of 1986, 26
14 USC 501, that provides the ProStart curriculum and training to
15 state-approved career and technical education programs with
16 classification of instructional programs (CIP) codes in the 12.05xx
17 category, and that administers national certification for the
18 purpose of restaurant management and culinary arts for career and
19 professional development.

20 ~~(5) In addition to the funds allocated under subsections (1)~~
21 ~~and (4), from the funds appropriated in section 11, there is~~
22 ~~allocated for 2018-2019 an amount not to exceed \$1,000,000.00 for~~
23 ~~competitive grants to intermediate districts to hire career and~~
24 ~~technical education counselors. All of the following apply to this~~
25 ~~funding:~~

26 ~~(a) An intermediate district seeking a grant under this~~
27 ~~subsection shall apply to the department in a form and manner~~
28 ~~specified by the department.~~

29 ~~(b) The department shall award grants under this subsection to~~



~~no more than 3 intermediate districts that received funding under this subsection in 2017-2018.~~

~~(c) To be eligible for funding under this subsection, an intermediate district shall do all of the following:~~

~~(i) Catalog all available K-12 and other workforce development programs and services, including job search, job training, pre-employment certifications, career awareness programs, career and technical education programs, and other related programs and services offered by districts or intermediate districts, postsecondary institutions, and other private or public service organizations.~~

~~(ii) Develop an outreach program that educates students about career and technical education options and connects students to the services cataloged under subparagraph (i).~~

~~(iii) Track student placement and report on student placement to the house and senate appropriations subcommittees on school aid no later than June 30, 2019 in the form and manner prescribed by the department.~~

Sec. 61b. (1) From the ~~appropriation in~~ **funds appropriated under** section 11, there is allocated **for 2019-2020** an amount not to exceed \$8,000,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019 from the state school aid fund appropriation and, for 2019-2020 only, an amount not to exceed \$2,000,000.00 from the talent investment fund appropriation~~ for CTE early/middle college and CTE dual enrollment programs authorized under this section and for planning grants for the development or expansion of CTE early/middle college programs. The purpose of these programs is to increase the number of Michigan residents with high-quality degrees or credentials, and to increase the number of students who are



1 college and career ready upon high school graduation.

2 (2) From the funds allocated under subsection (1), **the**
3 **department shall allocate** an amount as determined under this
4 subsection ~~shall be allocated~~ to each intermediate district serving
5 as a fiscal agent for state-approved CTE early/middle college and
6 CTE dual enrollment programs in each of the prosperity regions and
7 subregions identified by the department. An intermediate district
8 shall not use more than 5% of the funds allocated under this
9 subsection for administrative costs for serving as the fiscal
10 agent.

11 (3) To be an eligible fiscal agent, an intermediate district
12 must agree to do all of the following in a form and manner
13 determined by the department:

14 (a) Distribute funds to eligible CTE early/middle college and
15 CTE dual enrollment programs in a prosperity region or subregion as
16 described in this section.

17 (b) Collaborate with the career and educational advisory
18 council that is located in the prosperity region or subregion to
19 develop a regional strategic plan under subsection (4) that aligns
20 CTE programs and services into an efficient and effective delivery
21 system for high school students.

22 (c) Implement a regional process to rank career clusters in
23 the prosperity region or subregion as described under subsection
24 (4). Regional processes ~~shall~~**must** be approved by the department
25 before the ranking of career clusters.

26 (d) Report CTE early/middle college and CTE dual enrollment
27 program and student data and information as prescribed by the
28 department and the center.

29 (4) A regional strategic plan must be approved by the career



1 and educational advisory council before submission to the
 2 department. A regional strategic plan ~~shall~~**must** include, but **is**
 3 not ~~be~~-limited to, the following:

4 (a) An identification of regional employer need based on a
 5 ranking of all career clusters in the prosperity region or
 6 subregion ranked by 10-year job openings projections and median
 7 wage for each standard occupational code in each career cluster as
 8 obtained from the United States Bureau of Labor Statistics.
 9 Standard occupational codes within high-ranking clusters also may
 10 be further ranked by median wage. The ~~rankings shall be reviewed by~~
 11 ~~the~~ career and educational advisory council located in the
 12 prosperity region or subregion **shall review the rankings** and
 13 ~~modified~~**modify them** if necessary to accurately reflect employer
 14 demand for talent in the prosperity region or subregion. A career
 15 and educational advisory council shall document that it has
 16 conducted this review and certify that it is accurate. These career
 17 cluster rankings ~~shall~~**must** be determined and updated once every 4
 18 years.

19 (b) An identification of educational entities in the
 20 prosperity region or subregion that will provide eligible CTE
 21 early/middle college and CTE dual enrollment programs including
 22 districts, intermediate districts, postsecondary institutions, and
 23 noncredit occupational training programs leading to an industry-
 24 recognized credential.

25 (c) A strategy to inform parents and students of CTE
 26 early/middle college and CTE dual enrollment programs in the
 27 prosperity region or subregion.

28 (d) Any other requirements as defined by the department.

29 (5) An eligible CTE program is a program that meets all of the



1 following:

2 (a) Has been identified in the highest 5 career cluster
3 rankings in any of the 10 regional strategic plans jointly approved
4 by the Michigan talent investment agency in the department of
5 ~~talent and economic development~~ **labor and economic opportunity** and
6 the department.

7 (b) Has a coherent sequence of courses that will allow a
8 student to earn a high school diploma and achieve at least 1 of the
9 following in a specific career cluster:

10 (i) An associate degree.

11 (ii) An industry-recognized technical certification approved by
12 the Michigan talent investment agency in the department of ~~talent~~
13 ~~and economic development~~ **labor and economic opportunity**.

14 (iii) Up to 60 transferable college credits.

15 (iv) Participation in a registered apprenticeship, pre-
16 apprenticeship, or apprentice readiness program.

17 (c) Is aligned with the Michigan merit curriculum.

18 (d) Has an articulation agreement with at least 1
19 postsecondary institution that provides students with opportunities
20 to receive postsecondary credits during the student's participation
21 in the CTE early/middle college or CTE dual enrollment program and
22 transfers those credits to the postsecondary institution upon
23 completion of the CTE early/middle college or CTE dual enrollment
24 program.

25 (e) Provides instruction that is supervised, directed, or
26 coordinated by an appropriately certificated CTE teacher or, for
27 concurrent enrollment courses, a postsecondary faculty member.

28 (f) Provides for highly integrated student support services
29 that include at least the following:



1 (i) Teachers as academic advisors.

2 (ii) Supervised course selection.

3 (iii) Monitoring of student progress and completion.

4 (iv) Career planning services provided by a local one-stop
5 service center as described in the Michigan Works! one-stop service
6 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
7 high school counselor or advisor.

8 (g) Has courses that are taught on a college campus, are
9 college courses offered at the high school and taught by college
10 faculty, or are courses taught in combination with online
11 instruction.

12 (6) ~~Funds~~ **The department shall distribute funds** to eligible
13 CTE early/middle college and CTE dual enrollment programs ~~shall be~~
14 ~~distributed~~ as follows:

15 (a) The department shall determine statewide average CTE costs
16 per pupil for each CIP code program by calculating statewide
17 average costs for each CIP code program for the 3 most recent
18 fiscal years.

19 (b) ~~Distribution~~ **The distribution** to each eligible CTE
20 early/middle college or CTE dual enrollment program ~~shall be~~ **is** the
21 product of 50% of CTE costs per pupil times the current year pupil
22 enrollment of each eligible CTE early/middle college or CTE dual
23 enrollment program.

24 (7) In order to receive funds under this section, a CTE
25 early/middle college or CTE dual enrollment program shall furnish
26 to the intermediate district that is the fiscal agent identified in
27 subsection (2), in a form and manner determined by the department,
28 all information needed to administer this program and meet federal
29 reporting requirements; shall allow the department or the



department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department.

(8) There is allocated **for 2019-2020** from the funds under subsection (1) an amount not to exceed \$500,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019 from the state school aid fund allocation and, for 2019-2020 only, an amount not to exceed \$2,000,000.00 from the talent investment fund allocation~~ for grants to intermediate districts or consortia of intermediate districts for the purpose of planning for new or expanded early middle college programs. Applications for grants ~~shall~~**must** be submitted in a form and manner determined by the department. The amount of a grant under this subsection ~~shall~~**must** not exceed ~~\$50,000.00.~~
\$150,000.00. To be eligible for a grant under this subsection, an intermediate district or consortia of intermediate districts must provide matching funds equal to the grant received under this subsection. Notwithstanding section 17b, **the department shall make** payments under this subsection ~~may be made as in the manner~~ determined by the department.

(9) Funds distributed under this section may be used to fund program expenditures that would otherwise be paid from foundation allowances. A program receiving funding under section 61a may receive funding under this section for allowable costs that exceed the reimbursement the program received under section 61a. The combined payments received by a program under section 61a and this section ~~shall~~**must** not exceed the total allowable costs of the program. A program provider shall not use more than 5% of the funds allocated under this section to the program for administrative costs.



1 (10) If the allocation under subsection (1) is insufficient to
2 fully fund payments as otherwise calculated under this section, the
3 department shall prorate payments under this section on an equal
4 percentage basis.

5 (11) If pupils enrolled in a career cluster in an eligible CTE
6 early/middle college or CTE dual enrollment program qualify to be
7 reimbursed under this section, those pupils continue to qualify for
8 reimbursement until graduation, even if the career cluster is no
9 longer identified as being in the highest 5 career cluster
10 rankings.

11 (12) As used in this section:

12 (a) "Allowable costs" means those costs directly attributable
13 to the program as jointly determined by the Michigan talent
14 investment agency and the department.

15 (b) "Career and educational advisory council" means an
16 advisory council to the local workforce development boards located
17 in a prosperity region consisting of educational, employer, labor,
18 and parent representatives.

19 (c) "CIP" means classification of instructional programs.

20 (d) "CTE" means career and technical education programs.

21 (e) "CTE dual enrollment program" means a 4-year high school
22 program of postsecondary courses offered by eligible postsecondary
23 educational institutions that leads to an industry-recognized
24 certification or degree.

25 (f) "Early/middle college program" means a 5-year high school
26 program.

27 (g) "Eligible postsecondary educational institution" means
28 that term as defined in section 3 of the career and technical
29 preparation act, 2000 PA 258, MCL 388.1903.



(13) The funds allocated under subsection (8) for 2019-2020 are a work project appropriation, and any unexpended funds for 2019-2020 are carried forward into 2020-2021. The purpose of the work project is to continue providing CTE opportunities described in subsection (8). The estimated completion date of the work project is September 30, 2021.

Sec. 61c. (1) From the ~~general fund~~ **talent investment fund** appropriation in section 11, there is allocated for ~~2018-2019-2019-~~ **2020 only** an amount not to exceed ~~\$2,500,000.00~~ **\$16,000,000.00** for the purposes of this section.

(2) From the money allocated under subsection (1), there is allocated an amount not to exceed \$11,000,000.00 to eligible career education planning districts for the CTE skilled trades initiative described in **this subsection and** subsections ~~(2)-(3)~~ to (5). To be eligible to receive funding under this ~~section,~~ **subsection,** at least 50% of the area served by a CEPD must be located in an intermediate district that did not levy a vocational education millage in 2018.

~~(2)-~~To receive funding under **this** subsection, ~~(1),~~ each eligible CEPD shall apply in a form and manner determined by the department. Funding to each eligible CEPD ~~shall be~~ **is an amount** equal to the quotient of the allocation under **this** subsection ~~(1)~~ **and divided by** the sum of the number of ~~career education planning districts~~ **CEPDs** applying for funding under **this** subsection ~~(1)~~ that are located in an intermediate district that did not levy a vocational education millage in 2018.

~~(3) At least 50% of the funding allocated to each~~ **Each** eligible CEPD **receiving funding under subsection (2) and each** intermediate district receiving funding under subsection (6) shall



~~be used~~ **use at least 50% of the funding** to update equipment in
 current CTE programs that have been identified in the highest 5
 career cluster rankings in any of the 10 regional strategic plans
 jointly approved by the Michigan talent investment agency in the
 department of ~~talent and economic development~~ **labor and economic**
opportunity and the department, for training on new equipment, for
 professional development relating to computer science or coding, or
 for new and emerging certified CTE programs to allow CEPD
 administrators to provide programming in communities that will
 enhance economic development. The funding for equipment should be
 used to support and enhance community areas that have sustained job
 growth, and act as a commitment to build a more qualified and
 skilled workforce. In addition, each CEPD **or intermediate district**
 is encouraged to explore the option of leasing equipment from local
 private industry to encourage the use of the most advanced
 equipment.

(4) The **CEPD administrators shall determine the** allocation of
 funds **received under subsection (2)** at the local level ~~shall be~~
~~determined by CEPD administrators~~ using data from the state,
 region, and local sources to make well-informed decisions on
 program equipment improvements. Grants awarded by CEPD
 administrators for capital infrastructure ~~shall~~ **must** be used to
 ensure that CTE programs can deliver educational programs in high-
 wage, high-skill, and high-demand occupations. Each CEPD shall
 continue to ensure that program advisory boards make
 recommendations on needed improvements for equipment that support
 job growth and job skill development and retention for both the
 present and the future.

(5) Not later than September 15 of each fiscal year, each CEPD



1 receiving funding under subsection (2) and each intermediate
2 district receiving funding under subsection (6) shall annually
3 report to the department, the senate and house appropriations
4 subcommittees on state school aid, and the senate and house fiscal
5 agencies and legislature on equipment purchased under ~~subsection~~
6 ~~(1).~~ **this section.** In addition, the report ~~shall~~ **must include**
7 **information regarding any partnerships as described under**
8 **subsection (8) and the purposes of those partnerships and must**
9 identify growth data on program involvement, retention, and
10 development of student skills.

11 (6) From the money allocated under subsection (1), there is
12 allocated an amount not to exceed \$4,000,000.00 for competitive
13 grants to intermediate districts that operate a career and
14 technical education program to use for the career and technical
15 education program. An intermediate district shall apply for funding
16 under this subsection in a form and manner prescribed by the
17 department. The department shall select intermediate districts for
18 funding under this subsection by December 1, 2019 and shall make
19 payments under this subsection on a schedule determined by the
20 department. An intermediate district receiving funding under this
21 subsection shall comply with subsections (3) and (5).

22 (7) From the money allocated under subsection (1), there is
23 allocated an amount not to exceed \$1,000,000.00 for competitive
24 grants to districts and intermediate districts for STEM equipment
25 for grades K to 8 to provide pupils in grades K to 8 with expanded
26 opportunities to improve mathematics, science, and technology
27 skills with STEM equipment. The department shall determine the
28 process for application and criteria for awarding the grants. The
29 amount of a grant under this subsection must not exceed \$10,000.00.



1 Notwithstanding section 17b, the department shall make grant
2 payments under this subsection on a schedule determined by the
3 department.

4 (8) In awarding funding to eligible CEPDS under subsection (2)
5 or to intermediate districts under subsection (6), the department
6 shall give priority to eligible CEPDS or intermediate districts
7 that partner with a private industry or CTE-related organization
8 through direct or in-kind donations for at least 1 of the following
9 purposes:

10 (a) To lease equipment purchased under this section.

11 (b) To receive a discounted rate for equipment purchased under
12 this section.

13 (c) To receive a grant match for equipment purchased under
14 this section.

15 (d) To facilitate internships, apprenticeships, or similar
16 opportunities for pupils enrolled in CTE programs.

17 (e) To receive guidance on the purchase of equipment that
18 assists in delivering educational programs in high-wage, high-
19 skill, and high-demand occupations.

20 (9) The department shall base the level of priority it gives
21 to an eligible CEPD or intermediate district that partners with a
22 private industry or CTE-related organization as described under
23 subsection (8) on the number of purposes under subsection (8) (a) to
24 (e) that the eligible CEPD or intermediate district partners with
25 the private industry or CTE-related organization for, with the
26 highest level of priority given to an eligible CEPD or intermediate
27 district that partners with a private industry or CTE-related
28 organization as described under subsection (8) for all of the
29 purposes listed under subsection (8) (a) to (e) and the lowest level



1 of priority given to an eligible CEPD or intermediate district that
 2 partners with a private industry or CTE-related organization as
 3 described under subsection (8) for only 1 of the purposes listed
 4 under subsection (8) (a) to (e).

5 (10) ~~(6)~~ As used in this section:

6 (a) "Career and technical education program" means a state-
 7 approved career and technical education program, as determined by
 8 the department.

9 (b) ~~(a)~~ "CEPD" means a career education planning district
 10 described in this section.

11 (c) ~~(b)~~ "CTE" means career and technical education.

12 Sec. 61d. (1) From the appropriation in section 11, there is
 13 allocated **for 2019-2020** an amount not to exceed \$5,000,000.00 ~~for~~
 14 ~~2018-2019 from the state school aid fund and, for 2019-2020 only,~~
 15 **an amount not to exceed \$5,000,000.00 from the talent investment**
 16 **fund** for additional payments to districts for career and technical
 17 education programs for the purpose of increasing the number of
 18 Michigan residents with high-quality degrees or credentials, and to
 19 increase the number of pupils who are college- and career-ready
 20 upon high school graduation.

21 (2) ~~Payments~~ **The department shall calculate payments** to
 22 districts under this section ~~must be calculated~~ in the following
 23 manner:

24 (a) A payment of ~~\$25.00~~ **\$50.00** multiplied by the number of
 25 pupils in grades 9 to 12 who are counted in membership in the
 26 district and are enrolled in at least 1 career and technical
 27 education program.

28 (b) An additional payment of ~~\$25.00~~ **\$50.00** multiplied by the
 29 number of pupils in grades 9 to 12 who are counted in membership in



1 the district and are enrolled in at least 1 career and technical
2 education program that provides instruction in critical skills and
3 high-demand career fields.

4 (3) If the allocation under subsection (1) is insufficient to
5 fully fund payments under subsection (2), the department shall
6 prorate payments under this section on an equal per-pupil basis.

7 (4) As used in this section:

8 (a) "Career and technical education program" means a state-
9 approved career and technical education program, as determined by
10 the department.

11 (b) "Career and technical education program that provides
12 instruction in critical skills and high-demand career field" means
13 a career and technical education program classified under any of
14 the following 2-digit classification of instructional programs
15 (CIP) codes:

16 (i) 01, which refers to "agriculture, agriculture operations,
17 and related sciences".

18 (ii) 03, which refers to "natural resources and conservation".

19 (iii) 10 through 11, which refers to "communications
20 technologies/technicians and support services" and "computer and
21 information sciences and support services".

22 (iv) 14 through 15, which refers to "engineering" and
23 "engineering technologies and engineering-related fields".

24 (v) 26, which refers to "biological and biomedical sciences".

25 (vi) 46 through 48, which refers to "construction trades",
26 "mechanic and repair technologies/technicians", and "precision
27 production".

28 (vii) 51, which refers to "health professions and related
29 programs".



1 Sec. 61f. (1) From the ~~funds~~**talent investment fund money**
 2 appropriated under section 11, there is allocated an amount not to
 3 exceed \$200,000.00 for ~~2018-2019~~**2019-2020 only** for a grant to
 4 support a program that is an innovative retention and completion
 5 program designed to create a seamless educational and career
 6 pathway support structure and that does at least all of the
 7 following:

8 (a) Creates a pipeline from kindergarten to a college
 9 credential.

10 (b) Provides coaching at all levels of K-12 education to
 11 foster an environment that educates pupils on the availability and
 12 positive outcomes from postsecondary education.

13 (c) Introduces career clusters to elementary school pupils,
 14 career pathways to middle school pupils, and develops pupil success
 15 plans for high school pupils.

16 (d) Provides family literacy sessions.

17 (e) Provides a summer bridge program to ensure seamless
 18 transition from high school to postsecondary educational
 19 opportunities.

20 (f) Introduces K-12 pupils to college and career opportunities
 21 at postsecondary campuses and bridges those pupils into the
 22 respective postsecondary institutions for coursework.

23 (g) Creates a partnership between area districts, a community
 24 college, and a public university to serve pupils in the program.

25 (h) Synchronizes families and pupils to assess and understand
 26 their knowledge of how to be successful in school and work.

27 (2) The department shall distribute the funds awarded under
 28 subsection (1) not later than ~~February~~**November** 15, 2019 to Mott
 29 Community College to implement the program under this section.



1 Funds allocated under this section may be used for salaries and
2 benefits, supply and programming costs, and gap scholarships.

3 Sec. 62. (1) For the purposes of this section:

4 (a) "Membership" means for a particular fiscal year the total
5 membership for the immediately preceding fiscal year of the
6 intermediate district and the districts constituent to the
7 intermediate district or the total membership for the immediately
8 preceding fiscal year of the area vocational-technical program.

9 (b) "Millage levied" means the millage levied for area
10 vocational-technical education pursuant to sections 681 to 690 of
11 the revised school code, MCL 380.681 to 380.690, including a levy
12 for debt service obligations incurred as the result of borrowing
13 for capital outlay projects and in meeting capital projects fund
14 requirements of area vocational-technical education.

15 (c) "Taxable value" means the total taxable value of the
16 districts constituent to an intermediate district or area
17 vocational-technical education program, except that if a district
18 has elected not to come under sections 681 to 690 of the revised
19 school code, MCL 380.681 to 380.690, the membership and taxable
20 value of that district ~~shall not be~~ **are not** included in the
21 membership and taxable value of the intermediate district. However,
22 the membership and taxable value of a district that has elected not
23 to come under sections 681 to 690 of the revised school code, MCL
24 380.681 to 380.690, ~~shall be~~ **are** included in the membership and
25 taxable value of the intermediate district if the district meets
26 both of the following:

27 (i) The district operates the area vocational-technical
28 education program pursuant to a contract with the intermediate
29 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 ~~2017-2018 and for 2018-2019~~ **and for 2019-2020** 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~~ **are** limited as if the funds were generated by those millages.

~~(3) 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 \$200,800.00 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.~~

(3) ~~(4)~~ Reimbursement for those millages levied in 2017-2018 ~~shall be~~ **is** made in 2018-2019 at an amount per 2017-2018 membership pupil computed by subtracting from \$205,700.00 the 2017-2018 taxable value behind each membership pupil and multiplying the



1 resulting difference by the 2017-2018 millage levied, and then
 2 subtracting from that amount the 2017-2018 local community
 3 stabilization share revenue for area vocational technical education
 4 behind each membership pupil for reimbursement of personal property
 5 exemption loss under the local community stabilization authority
 6 act, 2014 PA 86, MCL 123.1341 to 123.1362.

7 **(4) Reimbursement for those millages levied in 2018-2019 is**
 8 **made in 2019-2020 at an amount per 2018-2019 membership pupil**
 9 **computed by subtracting from \$211,000.00 the 2018-2019 taxable**
 10 **value behind each membership pupil and multiplying the resulting**
 11 **difference by the 2018-2019 millage levied, and then subtracting**
 12 **from that amount the 2018-2019 local community stabilization share**
 13 **revenue for area vocational technical education behind each**
 14 **membership pupil for reimbursement of personal property exemption**
 15 **loss under the local community stabilization authority act, 2014 PA**
 16 **86, MCL 123.1341 to 123.1362.**

17 (5) The **department shall ensure that the** amount paid to a
 18 single intermediate district under this section ~~shall not~~ **does not**
 19 exceed 38.4% of the total amount allocated under subsection (2).

20 (6) The **department shall ensure that the** amount paid to a
 21 single intermediate district under this section ~~shall not be~~ **is not**
 22 less than 75% of the amount allocated to the intermediate district
 23 under this section for the immediately preceding fiscal year.

24 Sec. 64d. (1) From the ~~general fund~~ **talent investment fund**
 25 appropriation under section 11, there is allocated an amount not to
 26 exceed \$2,300,000.00 for ~~2018-2019~~ **2019-2020 only** for a grant to
 27 provide information technology education opportunities to students
 28 attending schools operating grades K-12, career and technical
 29 centers and career academies, and community colleges and



universities. It is the intent of the legislature that ~~2018-2019~~
2019-2020 is the ~~second~~-**third** of 3 years of funding for the grant
 program. Funds allocated under this section shall be used for
 instruction in information technology skills and competencies that
 are essential for the workplace and requested by employers and
 shall allow participating students and faculties to secure broad-
 based information technology certifications and, if applicable,
 college credit.

(2) The department shall select the provider that received
 funding under this section in ~~2017-2018~~. **2018-2019**. A program
 funded under this section must include at least the following
 components:

(a) Research- and skill-development-based and information
 technology curriculum.

(b) Online access to the curriculum.

(c) Instructional software for classroom and student use.

(d) A program that includes coding curriculum and material
 that are aligned to the CS AP exam and grants a certificate upon
 completion of the program.

(e) Components for all grade levels on computational thinking
 skills development using the latest gaming software.

(f) A process for students to obtain certifications of skills
 and competencies in a broad base of information technology-related
 skill areas.

(g) Professional development for faculty.

(h) Implementation and program support, including, but not
 limited to, integration with current curriculum standards.

(i) Methods for students to earn college credit.

(3) The funds allocated under this section for 2018-2019 are a



1 work project appropriation, and any unexpended funds for 2018-2019
 2 are to be carried forward into 2019-2020. The purpose of the work
 3 project is to continue to provide information technology education
 4 opportunities described in this section. The estimated completion
 5 date of the work project is September 30, 2020.

6 **(4) The funds allocated under this section for 2019-2020 are a**
 7 **work project appropriation, and any unexpended funds for 2019-2020**
 8 **do not lapse and are carried forward into 2020-2021. The purpose of**
 9 **the work project is to continue to provide information technology**
 10 **education opportunities described in this section. The estimated**
 11 **completion date of the work project is September 30, 2021.**

12 Sec. 65. (1) From the appropriation under section 11, there is
 13 allocated an amount not to exceed \$400,000.00 for ~~2018-2019-2019-~~
 14 **2020** for a pre-college engineering K-12 educational program that is
 15 focused on the development of a diverse future Michigan workforce,
 16 that serves multiple communities within southeast Michigan, that
 17 enrolls pupils from multiple districts, and that received funds
 18 appropriated for this purpose in the appropriations act that
 19 provided the Michigan strategic fund budget for 2014-2015.

20 (2) To be eligible for funding under this section, a program
 21 must have the ability to expose pupils to, and motivate and prepare
 22 pupils for, science, technology, engineering, and mathematics
 23 careers and postsecondary education with special attention given to
 24 groups of pupils who are at-risk and underrepresented in technical
 25 professions and careers.

26 Sec. 67. (1) From the general fund amount appropriated in
 27 section 11, there is allocated an amount not to exceed
 28 \$3,000,000.00 for ~~2018-2019-2019-2020~~ for college access programs.
 29 The programs funded under this section are intended to inform



1 students of college and career options and to provide resources
 2 intended to increase the number of pupils who are adequately
 3 prepared with the information needed to make informed decisions on
 4 college and career. The funds appropriated under this section are
 5 intended to be used to increase the number of Michigan residents
 6 with high-quality degrees or credentials. Funds appropriated under
 7 this section ~~shall~~**must** not be used to supplant funding for
 8 counselors already funded by districts.

9 (2) The talent investment agency of the department of ~~talent~~
 10 ~~and economic development~~**labor and economic opportunity** shall
 11 administer funds allocated under this section in collaboration with
 12 the Michigan college access network. These funds may be used for
 13 any of the following purposes:

14 (a) Michigan college access network operations, programming,
 15 and services to local college access networks.

16 (b) Local college access networks, which are community-based
 17 college access/success partnerships committed to increasing the
 18 college participation and completion rates within geographically
 19 defined communities through a coordinated strategy.

20 (c) The Michigan college advising program, a program intended
 21 to place trained, recently graduated college advisors in high
 22 schools that serve significant numbers of low-income and first-
 23 generation college-going pupils. State funds used for this purpose
 24 may not exceed 33% of the total funds available under this
 25 subsection.

26 (d) Subgrants of up to \$5,000.00 to districts with
 27 comprehensive high schools that establish a college access team and
 28 implement specific strategies to create a college-going culture in
 29 a high school in a form and manner approved by the Michigan college



1 access network and the Michigan talent investment agency.

2 (e) The Michigan college access portal, an online one-stop
3 portal to help pupils and families plan and apply for college.

4 (f) Public awareness and outreach campaigns to encourage low-
5 income and first-generation college-going pupils to take necessary
6 steps toward college and to assist pupils and families in
7 completing a timely and accurate free application for federal
8 student aid.

9 (g) Subgrants to postsecondary institutions to recruit, hire,
10 and train college student mentors and college advisors to assist
11 high school pupils in navigating the postsecondary planning and
12 enrollment process.

13 (3) 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 appropriation under**
18 **section 11, there is allocated an amount not to exceed \$80,000.00**
19 **for 2019-2020 only for a grant to be distributed by the department**
20 **to a provider for a career exploration pilot program. The provider**
21 **selected by the department must provide a career exploration system**
22 **that provides pupils with at least all of the following:**

23 (a) Integration with statewide accountability assessments and
24 associated skills so that career exploration begins with an
25 understanding of current student abilities.

26 (b) An opportunity to explore careers specific to a pupil's
27 interest and connected to the local job market, with information on
28 potential salaries and projections of future workforce needs.

29 (c) Information on what the appropriate educational path is to



1 reach each career, with specific steps that a pupil can take in
2 high school to reach the chosen career or careers.

3 (d) Ability for pupils to share career exploration plans,
4 skill-building activities, and course recommendations with
5 teachers, parents or guardians, and other caring individuals.

6 (e) Career exploration tool that includes a video component to
7 engage pupils.

8 (f) A mobile-friendly platform.

9 (g) If a career requires a college degree, recommendations for
10 associated majors and integration with a college planning program.

11 (2) The department shall make the career exploration system
12 under subsection (1) available to districts and intermediate
13 districts for use during the 2019-2020 school year.

14 (3) The department shall ensure that the career exploration
15 program under this section does not require additional testing
16 beyond the statewide accountability assessments.

17 (4) Notwithstanding section 17b, the department shall make
18 grant payments under this section on a schedule determined by the
19 department.

20 Sec. 67b. (1) From the general fund money appropriated under
21 section 11, there is allocated an amount not to exceed \$50,000.00
22 for 2019-2020 only for a grant to be distributed by the department
23 to an organization to provide industrial and technological
24 education and workforce preparation for students and professional
25 development opportunities and support for teachers.

26 (2) Notwithstanding section 17b, the department shall make
27 grant payments under this section on a schedule determined by the
28 department.

29 Sec. 74. (1) From the amount appropriated in section 11, there



1 is allocated an amount not to exceed ~~\$3,754,900.00 for 2018-2019~~
 2 **\$3,772,900.00 for 2019-2020** for the purposes of this section.

3 (2) From the allocation in subsection (1), there is allocated
 4 for each fiscal year the amount necessary for payments to state
 5 supported colleges or universities and intermediate districts
 6 providing school bus driver safety instruction ~~pursuant to~~ **under**
 7 section 51 of the pupil transportation act, 1990 PA 187, MCL
 8 257.1851. The **department shall make** payments ~~shall be~~ in an amount
 9 determined by the department not to exceed the actual cost of
 10 instruction and driver compensation for each public or nonpublic
 11 school bus driver attending a course of instruction. For the
 12 purpose of computing compensation, the hourly rate allowed each
 13 school bus driver ~~shall~~ **must** not exceed the hourly rate received
 14 for driving a school bus. ~~Reimbursement~~ **The department shall make**
 15 **reimbursement** compensating the driver during the course of
 16 instruction ~~shall be made by the department~~ to the college or
 17 university or intermediate district providing the course of
 18 instruction.

19 (3) From the allocation in subsection (1), there is allocated
 20 for ~~2018-2019~~ **2019-2020** the amount necessary to pay the reasonable
 21 costs of nonspecial education auxiliary services transportation
 22 provided ~~pursuant to~~ **under** section 1323 of the revised school code,
 23 MCL 380.1323. Districts funded under this subsection ~~shall not~~ **do**
 24 **not** receive funding under any other section of this article for
 25 nonspecial education auxiliary services transportation.

26 (4) From the funds allocated in subsection (1), there is
 27 allocated an amount not to exceed ~~\$1,729,900.00 for 2018-2019~~
 28 **\$1,747,900.00 for 2019-2020** for reimbursement to districts and
 29 intermediate districts for costs associated with the inspection of



1 school buses and pupil transportation vehicles by the department of
 2 state police as required under section 715a of the Michigan vehicle
 3 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
 4 transportation act, 1990 PA 187, MCL 257.1839. The department of
 5 state police shall prepare a statement of costs attributable to
 6 each district for which bus inspections are provided and submit it
 7 to the department and to an intermediate district serving as
 8 fiduciary in a time and manner determined jointly by the department
 9 and the department of state police. Upon review and approval of the
 10 statement of cost, the department shall forward to the designated
 11 intermediate district serving as fiduciary the amount of the
 12 reimbursement on behalf of each district and intermediate district
 13 for costs detailed on the statement within 45 days after receipt of
 14 the statement. The designated intermediate district shall make
 15 payment in the amount specified on the statement to the department
 16 of state police within 45 days after receipt of the statement. The
 17 total reimbursement of costs under this subsection ~~shall~~**must** not
 18 exceed the amount allocated under this subsection. Notwithstanding
 19 section 17b, **the department shall make** payments to eligible
 20 entities under this subsection ~~shall be paid~~ on a schedule
 21 prescribed by the department.

22 Sec. 74a. (1) From the funds appropriated in section 11, there
 23 is allocated an amount not to exceed \$810,000.00 for 2018-2019 to
 24 an eligible intermediate district to implement a statewide school
 25 bus driver safety program.

26 (2) An intermediate district is eligible to receive funds
 27 under this section if the intermediate district meets all of the
 28 following:

29 (a) The total combined membership of its constituent districts



1 is at least 7,000 and not more than 8,000.

2 (b) The intermediate district is located in prosperity region
3 4.

4 (c) The intermediate district consists of 2 formerly
5 independent intermediate districts that consolidated into 1
6 intermediate district.

7 (3) A statewide school bus driver safety program funded under
8 this section must provide transportation staff training on how to
9 respond to acts of violence by using the model known as ~~Alert,~~
10 ~~Lockdown, Inform, Counter, Evacuate (A.L.I.C.E.) for school~~
11 ~~buses.~~ **proactive response training for school bus drivers.**

12 (4) Notwithstanding section 17b, **the department shall make**
13 ~~payments made under this section shall be provided to an eligible~~
14 ~~intermediate district not later than March 1, 2019.~~

15 Sec. 81. (1) From the appropriation in section 11, there is
16 allocated for ~~2018-2019~~ **2019-2020** to the intermediate districts the
17 sum necessary, but not to exceed ~~\$68,453,000.00~~ **\$69,138,000.00**, to
18 provide state aid to intermediate districts under this section.

19 (2) The amount allocated under this section to each
20 intermediate district is an amount equal to ~~102%~~ **101%** of the amount
21 allocated to the intermediate district under this section for ~~2017-~~
22 ~~2018. Funding~~ **2018-2019. An intermediate district shall use funding**
23 ~~provided under this section shall be used to comply with~~
24 requirements of this article and the revised school code that are
25 applicable to intermediate districts, and for which funding is not
26 provided elsewhere in this article, and to provide technical
27 assistance to districts as authorized by the intermediate school
28 board.

29 (3) Intermediate districts receiving funds under this section



1 ~~r~~shall collaborate with the department to develop expanded
2 professional development opportunities for teachers to update and
3 expand their knowledge and skills needed to support the Michigan
4 merit curriculum.

5 (4) From the allocation in subsection (1), there is allocated
6 to an intermediate district, formed by the consolidation or
7 annexation of 2 or more intermediate districts or the attachment of
8 a total intermediate district to another intermediate school
9 district or the annexation of all of the constituent K-12 districts
10 of a previously existing intermediate school district which has
11 disorganized, an additional allotment of \$3,500.00 each fiscal year
12 for each intermediate district included in the new intermediate
13 district for 3 years following consolidation, annexation, or
14 attachment.

15 (5) In order to receive funding under this section, an
16 intermediate district shall do all of the following:

17 (a) Demonstrate to the satisfaction of the department that the
18 intermediate district employs at least 1 person who is trained in
19 pupil accounting and auditing procedures, rules, and regulations.

20 (b) Demonstrate to the satisfaction of the department that the
21 intermediate district employs at least 1 person who is trained in
22 rules, regulations, and district reporting procedures for the
23 individual-level student data that serves as the basis for the
24 calculation of the district and high school graduation and dropout
25 rates.

26 (c) Comply with sections 1278a and 1278b of the revised school
27 code, MCL 380.1278a and 380.1278b.

28 (d) Furnish data and other information required by state and
29 federal law to the center and the department in the form and manner



1 specified by the center or the department, as applicable.

2 (e) Comply with section 1230g of the revised school code, MCL
3 380.1230g.

4 Sec. 94. (1) From the general fund appropriation in section
5 11, there is allocated to the department for ~~2017-2018 an amount~~
6 ~~not to exceed \$750,000.00 and there is allocated to the department~~
7 ~~for 2018-2019~~ **2019-2020** an amount not to exceed \$1,000,000.00 for
8 efforts to increase the number of pupils who participate and
9 succeed in advanced placement and international baccalaureate
10 programs, and ~~, beginning in 2018-2019,~~ to support the college-
11 level examination program (CLEP).

12 (2) From the funds allocated under this section, the
13 department shall award funds to cover all or part of the costs of
14 advanced placement test fees or international baccalaureate test
15 fees and international baccalaureate registration fees for low-
16 income pupils who take an advanced placement or an international
17 baccalaureate test ~~, and, beginning in 2018-2019,~~ **and** CLEP fees for
18 low-income pupils who take a CLEP test.

19 (3) The department shall only award funds under this section
20 if the department determines that all of the following criteria are
21 met:

22 (a) Each pupil for whom payment is made meets eligibility
23 requirements of the federal advanced placement test fee program
24 under section 1701 of the no child left behind act of 2001, Public
25 Law 107-110, or under a corresponding provision of the every
26 student succeeds act, Public Law 114-95.

27 (b) The tests are administered by the college board, the
28 international baccalaureate organization, or another test provider
29 approved by the department.



1 (c) The pupil for whom payment is made pays at least \$5.00
2 toward the cost of each test for which payment is made.

3 (4) The department shall establish procedures for awarding
4 funds under this section.

5 (5) Notwithstanding section 17b, **the department shall make**
6 payments under this section ~~shall be made~~ on a schedule determined
7 by the department.

8 Sec. 94a. (1) There is created within the state budget office
9 in the department of technology, management, and budget the center
10 for educational performance and information. The center shall do
11 all of the following:

12 (a) Coordinate the collection of all data required by state
13 and federal law from districts, intermediate districts, and
14 postsecondary institutions.

15 (b) Create, maintain, and enhance this state's P-20
16 longitudinal data system and ensure that it meets the requirements
17 of subsection (4).

18 (c) Collect data in the most efficient manner possible in
19 order to reduce the administrative burden on reporting entities,
20 including, but not limited to, electronic transcript services.

21 (d) Create, maintain, and enhance this state's web-based
22 educational portal to provide information to school leaders,
23 teachers, researchers, and the public in compliance with all
24 federal and state privacy laws. Data ~~shall~~**must** include, but are
25 not limited to, all of the following:

26 (i) Data sets that link teachers to student information,
27 allowing districts to assess individual teacher impact on student
28 performance and consider student growth factors in teacher and
29 principal evaluation systems.



(ii) Data access or, if practical, data sets, provided for regional data hubs that, in combination with local data, can improve teaching and learning in the classroom.

(iii) Research-ready data sets for researchers to perform research that advances this state's educational performance.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide public reports to the ~~citizens~~**residents** of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts, intermediate districts, or postsecondary institutions as required under state or federal law shall make arrangements with the center to ensure that the state department, officer, or agency is in compliance with subsection (1). This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The center may enter into any interlocal agreements necessary to fulfill its functions.

(4) The center shall ensure that the P-20 longitudinal data system required under subsection (1)(b) meets all of the following:

(a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.



1 (b) Supports interoperability by using standard data
2 structures, data formats, and data definitions to ensure linkage
3 and connectivity in a manner that facilitates the exchange of data
4 among agencies and institutions within the state and between
5 states.

6 (c) Enables the matching of individual teacher and student
7 records so that an individual student may be matched with those
8 teachers providing instruction to that student.

9 (d) Enables the matching of individual teachers with
10 information about their certification and the institutions that
11 prepared and recommended those teachers for state certification.

12 (e) Enables data to be easily generated for continuous
13 improvement and decision-making, including timely reporting to
14 parents, teachers, and school leaders on student achievement.

15 (f) Ensures the reasonable quality, validity, and reliability
16 of data contained in the system.

17 (g) Provides this state with the ability to meet federal and
18 state reporting requirements.

19 (h) For data elements related to preschool through grade 12
20 and postsecondary, meets all of the following:

21 (i) Contains a unique statewide student identifier that does
22 not permit a student to be individually identified by users of the
23 system, except as allowed by federal and state law.

24 (ii) Contains student-level enrollment, demographic, and
25 program participation information.

26 (iii) Contains student-level information about the points at
27 which students exit, transfer in, transfer out, drop out, or
28 complete education programs.

29 (iv) Has the capacity to communicate with higher education data



1 systems.

2 (i) For data elements related to preschool through grade 12
3 only, meets all of the following:

4 (i) Contains yearly test records of individual students for
5 assessments approved by DED-OESE for accountability purposes under
6 section 1111(b) of the elementary and secondary education act of
7 1965, 20 USC 6311, including information on individual students not
8 tested, by grade and subject.

9 (ii) Contains student-level transcript information, including
10 information on courses completed and grades earned.

11 (iii) Contains student-level college readiness test scores.

12 (j) For data elements related to postsecondary education only:

13 (i) Contains data that provide information regarding the extent
14 to which individual students transition successfully from secondary
15 school to postsecondary education, including, but not limited to,
16 all of the following:

17 (A) Enrollment in remedial coursework.

18 (B) Completion of 1 year's worth of college credit applicable
19 to a degree within 2 years of enrollment.

20 (ii) Contains data that provide other information determined
21 necessary to address alignment and adequate preparation for success
22 in postsecondary education.

23 (5) From the general fund appropriation in section 11, there
24 is allocated an amount not to exceed ~~\$16,356,700.00 for 2018-2019~~
25 **\$16,457,200.00 for 2019-2020** to the department of technology,
26 management, and budget to support the operations of the center. In
27 addition, from the federal funds appropriated in section 11, there
28 is allocated for ~~2018-2019~~ **2019-2020** the amount necessary,
29 estimated at \$193,500.00, to support the operations of the center



1 and to establish a P-20 longitudinal data system necessary for
2 state and federal reporting purposes. The center shall cooperate
3 with the department to ensure that this state is in compliance with
4 federal law and is maximizing opportunities for increased federal
5 funding to improve education in this state.

6 (6) From the funds allocated in subsection (5), the center may
7 use an amount determined by the center for competitive grants for
8 ~~2018-2019~~**2019-2020** to support collaborative efforts on the P-20
9 longitudinal data system. All of the following apply to grants
10 awarded under this subsection:

11 (a) The center shall award competitive grants to eligible
12 intermediate districts or a consortium of intermediate districts
13 based on criteria established by the center.

14 (b) Activities funded under the grant ~~shall~~**must** support the
15 P-20 longitudinal data system portal and may include portal
16 hosting, hardware and software acquisition, maintenance,
17 enhancements, user support and related materials, and professional
18 learning tools and activities aimed at improving the utility of the
19 P-20 longitudinal data system.

20 (c) An applicant that received a grant under this subsection
21 for the immediately preceding fiscal year ~~shall receive~~**has**
22 priority for funding under this section. However, after 3 fiscal
23 years of continuous funding, an applicant is required to compete
24 openly with new applicants.

25 (7) Funds allocated under this section that are not expended
26 in the fiscal year in which they were allocated may be carried
27 forward to a subsequent fiscal year and are appropriated for the
28 purposes for which the funds were originally allocated.

29 (8) The center may bill departments as necessary in order to



fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (5) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to 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. 95a. (1) The educator evaluation reserve fund is created as a separate account within the state school aid fund.

(2) The state treasurer may receive money or other assets from any source for deposit into the educator evaluation reserve fund. The state treasurer shall direct the investment of the educator evaluation reserve fund. The state treasurer shall credit to the educator evaluation reserve fund interest and earnings from the educator evaluation reserve fund.

(3) Money in the educator evaluation reserve fund at the close of the fiscal year ~~shall remain in the educator evaluation reserve fund and shall not lapse~~ **lapses** to the state school aid fund. ~~or to the general fund.~~ The department of treasury ~~shall be~~ **is** the administrator of the educator evaluation reserve fund for auditing purposes.

(4) From the appropriations in section 11, there is allocated to the educator evaluation reserve fund for 2014-2015 an amount not to exceed \$12,100,000.00 from the state school aid fund and an



1 amount not to exceed \$2,700,000.00 from the general fund. Subject
 2 to ~~subsections (5) and (6)~~, **subsection (5)**, the department shall
 3 expend the money in the educator evaluation reserve fund for
 4 implementing evaluation systems for public school teachers and
 5 school administrators.

6 (5) ~~Funds~~ **The department shall not expend funds** in the
 7 educator evaluation reserve fund ~~shall not be expended~~ unless the
 8 state budget office has approved the department's spending plan.

9 Sec. 95b. (1) From the general fund appropriation under
 10 section 11, there is allocated to the department an amount not to
 11 exceed \$2,500,000.00 ~~for 2018-2019~~ **for 2019-2020 only** for the
 12 department to ~~adopt~~ **continue to incorporate** a model value-added
 13 growth and projection analytics system ~~and to incorporate that~~
 14 ~~model~~ into its reporting requirements under the every student
 15 succeeds act, Public Law 114-95. **It is the intent of the**
 16 **legislature to continue the funding under this section for 2020-**
 17 **2021 only if the model value-added growth and projection analytics**
 18 **system under this section is adopted by at least 50% of districts**
 19 **in 2019-2020 based on the report under subsection (5).** The adopted
 20 model ~~shall~~ **must** do at least all of the following:

21 (a) Utilize existing assessments and any future assessments
 22 that are suitable for measuring student growth.

23 (b) Report student growth measures at the district, school,
 24 teacher, and subgroup levels.

25 (c) Recognize the growth of tested students, including those
 26 who may have missing assessment data.

27 (d) Include all available prior standardized assessment data
 28 that meet inclusion criteria across grades, subjects, and state and
 29 local assessments.



1 (e) Allow student growth results to be disaggregated.

2 (f) Provide individual student projections showing the
3 probability of a student reaching specific performance levels on
4 future assessments.

5 (g) Demonstrate any prior success with this state's
6 assessments through the Michigan council of educator effectiveness
7 teacher evaluation pilot.

8 (h) Demonstrate prior statewide implementation in at least 2
9 other states for at least 10 years.

10 (i) Have a native roster verification system built into the
11 value-added reporting platform that has been implemented statewide
12 in at least 2 other states.

13 (j) Have a "Help/Contact Us" ticketing system built into the
14 value-added reporting platform.

15 (2) The department shall provide internet-based electronic
16 student growth and projection reporting based on the model adopted
17 under subsection (1) to educators at the school, district, and
18 state levels. The model ~~shall~~**must** include role-based permissions
19 that allow educators to access information about the performance of
20 the students within their immediate responsibility in accordance
21 with applicable privacy laws.

22 (3) The model adopted under subsection (1) must not be a
23 mandatory part of teacher evaluation or educator pay-for-
24 performance systems.

25 (4) The model adopted under subsection (1) must be a model
26 that received funding under this section in ~~2017-2018~~**2018-2019**.

27 **(5) By March 1, 2020, the department shall work with the**
28 **center to provide a report to the senate and house appropriations**
29 **subcommittees on state school aid and the senate and house fiscal**



1 agencies regarding the number of districts participating in the use
2 of the model value-added growth and projection analytics system
3 under this section.

4 Sec. 97. (1) From the money appropriated under section 11,
5 there is allocated for 2019-2020 only for the purposes of this
6 section an amount not to exceed \$5,200,000.00 from the state school
7 aid fund and an amount not to exceed \$4,800,000.00 from the general
8 fund.

9 (2) From the general fund money allocated under subsection
10 (1), the department, in consultation with the department of state
11 police, may award up to \$3,800,000.00 for a grant to support a
12 contract for the purpose of implementing a statewide secure schools
13 program and phone application in public and nonpublic schools that
14 operate any of grades K to 12. The application must be able to do
15 all of the following simultaneously:

16 (a) Allow authorized users to place a voice call to 911.

17 (b) Provide intelligent notifications through text messaging
18 and electronic mail.

19 (c) Provide push notifications that contain information
20 regarding the identity and location of the reporting party, the
21 response type required based on the incident type, and additional
22 location details to relevant individuals in communities to which
23 users belong, including, but not limited to, both of the following,
24 as applicable, based on the location and category of the emergency
25 event:

26 (i) Key stakeholders.

27 (ii) Authorized users, including, but not limited to, all of
28 the following:

29 (A) School staff.



1 (B) School resource officers.

2 (C) 911 personnel.

3 (D) First responder agencies.

4 (d) Allow 911 personnel, school officials, and first responder
5 agencies to send messages to panic button application users both
6 during and after emergency events in order to facilitate ongoing
7 communications and coordination.

8 (3) If the department and the department of state police fund
9 a statewide secure schools program as described in subsection (2),
10 the program must be integrated with this state's current
11 supplemental 911 database to maintain information voluntarily
12 provided by individuals and facility managers through a secure web
13 application. Any information submitted by a district under the
14 statewide secure schools program, including, but not limited to,
15 information regarding floor plans, automated external
16 defibrillators, school safety plans, reunification plans, and entry
17 or exit points, must automatically appear to 911 personnel each
18 time the panic button application is activated.

19 (4) Funds allocated under subsection (2) may be used toward
20 the initial costs associated with the implementation of a statewide
21 secure schools program under subsection (2), including installation
22 costs, training costs, and maintenance costs. A grant recipient may
23 apply a portion of a grant payment awarded under subsection (2) in
24 2020-2021 to support ongoing costs. After 2020-2021, any ongoing
25 costs must be supported solely by the grant recipient.

26 (5) The department and the department of state police may
27 decide not to fund a statewide secure schools program as described
28 under subsection (2).

29 (6) Funds remaining after any funds are allocated by the



1 department and the department of state police for a statewide
2 secure schools program described under subsection (2) must be used
3 to provide and administer competitive grants to public or nonpublic
4 schools, districts, and intermediate districts to purchase
5 technology equipment, upgrade hardening measures, or conduct school
6 building safety assessments to improve the safety and security of
7 school buildings, pupils, and school staff with the goal of
8 creating a safer school environment through equipment and
9 technology enhancements. The department of state police, grants and
10 community services division, shall administer the grant program
11 described in this subsection. All grants under this subsection
12 shall be funded on a reimbursement-only basis. Grants under this
13 subsection must not exceed \$50,000.00 for each school and
14 \$250,000.00 for each district or intermediate district.

15 (7) All of the following apply to the application process for
16 funding under subsection (6):

17 (a) A public or nonpublic school, district, or intermediate
18 district shall submit an application for funding under subsection
19 (6) directly to the department of state police, grants and
20 community services division.

21 (b) An application from a district or intermediate district
22 under this subsection must be for 1 or more buildings that have
23 some or all of pre-K to grade 12 classrooms and pupils.

24 (c) An applicant may submit only 1 application.

25 (d) An individual school may submit its own application but
26 must not also be included in its district's application if the
27 district submits an application under this subsection.

28 (e) The department of state police shall award grants to
29 applicants based on eligibility, the project description, and



1 whether the project reflects the highest security need of the
2 applicant within grant funding constraints, the budget narrative,
3 the budget, project goals, objectives, and performance measures.

4 (f) The department of state police shall give priority to all
5 of the following applicants:

6 (i) Applicants seeking funding for projects that involve
7 multiple agencies working in partnership.

8 (ii) Applicants seeking funding for proposals that seek to
9 secure exterior access points of school buildings.

10 (iii) Applicants that did not receive a school safety grant in
11 the past.

12 (iv) Applicants that did not receive a grant under section 1001
13 of article XX of 2018 PA 207 or under section 115 of 2018 PA 618.

14 (g) To be awarded a grant, an applicant must demonstrate proof
15 that the school, district, or intermediate district has an
16 emergency operation plan that had been updated after August 1, 2017
17 to align with the state emergency operations plan guidance and
18 statewide school safety information policy developed under section
19 1308 of the revised school code, MCL 380.1308.

20 (h) The department of state police shall issue grant guidance
21 and application materials, including required performance measures,
22 not later than February 1, 2020.

23 (8) The department of state police shall not award funding
24 under subsection (6) to a public or nonpublic school, district, or
25 intermediate district in relation to the same school building more
26 than once. If a district submits an application under subsection
27 (7) relating to a school building and a school within that district
28 also submits an application for funding in relation to that same
29 school building, the department of state police shall not allocate



1 funding under subsection (6) twice for that school building. If a
2 school, district, or intermediate district submits more than 1
3 application, the department of state police shall first consider
4 the most recent application submitted in considering funding under
5 subsection (6).

6 (9) Eligible expenses for reimbursement under subsection (6)
7 must be consistent with the recommendations of the school safety
8 task force created by Executive Order No. 2018-5. The department of
9 state police shall list the eligible expenses in the grant guidance
10 and application materials described under subsection (7). The
11 following items are not eligible expenses for which grant funds may
12 be applied:

13 (a) Weapons, including tasers.

14 (b) Personal body armor for routine use.

15 (c) Construction of new facilities.

16 (d) Costs in applying for this grant, such as consultants and
17 grant writers.

18 (e) Expenses incurred before the date of the award or after
19 the end of the performance period of the grant award.

20 (f) Personnel costs or operation costs related to a capital
21 improvement.

22 (g) Indirect costs or indirect administrative expenses.

23 (h) Travel.

24 (i) Contributions or donations.

25 (j) Management or administrative training and conferences,
26 except as otherwise preapproved by the department of state police.

27 (k) Management studies or research and development.

28 (l) Memberships and dues, except for a specific requirement of
29 the project that has been preapproved by the department of state



1 police.

2 (m) Vehicles, watercraft, or aircraft, including unmanned or
3 remotely piloted aircraft and vehicles.

4 (n) Service contracts and training beyond the performance
5 period of the grant award.

6 (o) Food, refreshments, and snacks.

7 (10) A grantee under section 1001 of article XX of 2018 PA 207
8 or under section 115 of 2018 PA 618 is not prohibited from applying
9 for, and receiving, a grant award under this section.

10 (11) The department of state police shall begin issuing awards
11 for grants under subsection (6) not later than May 1, 2020. A
12 project that is awarded a grant under this program must be
13 completed by July 1, 2021.

14 (12) The department of state police shall report on grant
15 activities under this section, including available performance
16 outcomes as identified in individual grant agreements, to the
17 senate and house appropriations subcommittees on state police, the
18 senate and house fiscal agencies, and the state budget office by
19 August 1, 2021.

20 (13) The funds allocated for school safety grants under this
21 section for 2019-2020 are a work project appropriation, and any
22 unexpended funds for 2019-2020 do not lapse to the general fund and
23 are carried forward into 2020-2021. The purpose of the work project
24 is to continue promoting safer school environments. The estimated
25 completion date of the work project is July 1, 2021.

26 (14) The department of state police shall ensure that a grant
27 to a nonpublic school under this section is funded from the general
28 fund money allocated under this section.

29 Sec. 97a. (1) From the talent investment fund money



1 appropriated under section 11, there is allocated to the department
2 for 2019-2020 only an amount not to exceed \$1,500,000.00 to be used
3 to develop and maintain an online school employee job bank. Not
4 later than November 15, 2019, the department, in consultation with
5 a statewide association representing school administrators, shall
6 begin to develop and maintain an online school employee job bank.
7 The job bank must be completed by May 15, 2021. The department may
8 contract for the development and maintenance of the job bank, may
9 develop and maintain it internally, may work with the department of
10 technology, management, and budget to develop and maintain the job
11 bank, or may use any combination of these methods to develop and
12 maintain the job bank.

13 (2) The online job bank developed under subsection (1) must
14 meet all of the following:

15 (a) Is made available at no cost to all districts and
16 intermediate districts.

17 (b) Is housed within the Michigan Online Educator
18 Certification System (MOECS) and allows data from MOECS to be
19 imported into the job bank.

20 (c) Provides a centralized pool of job-seeking candidates and
21 open positions.

22 (d) Matches an educator's credentials to available positions,
23 allowing districts and intermediate districts to search for
24 applicants with specific training.

25 (e) Provides the option for applicants to include other
26 critical information about employment history to prospective
27 employers, including evaluation ratings.

28 (f) Offers districts and intermediate districts customization
29 options to emphasize marketable points of pride to inform and



1 attract applicants.

2 (g) Links to a larger national database.

3 (3) Not later than December 1, 2021, and annually thereafter,
4 the department shall provide a report on the school employee job
5 bank to the house and senate appropriations subcommittees on school
6 aid, the house and senate fiscal agencies, and the state budget
7 director. The report must provide at least the following
8 information:

9 (a) The number of participating districts and intermediate
10 districts.

11 (b) Measurement of outcomes and performance based on the
12 requirements under subsection (2).

13 (c) Feedback from participating districts on whether the
14 school employee job bank accomplished each of the following:

15 (i) Increased the pool of both in-state and out-of-state
16 candidates for districts, especially districts that could not
17 otherwise afford large-scale candidate searches.

18 (ii) Introduced cost savings for candidate searches.

19 (d) Analytics that help identify trends in the education job
20 market in this state.

21 (e) Feedback from a survey of teachers on the advantages of
22 the job bank and suggestions for improvement.

23 (4) Funds allocated under this section are a work project
24 appropriation, and any unexpended funds for 2019-2020 do not lapse
25 and are carried forward into 2020-2021. The purpose of the work
26 project is to continue development and maintenance of the school
27 employee job bank. The estimated completion date of the work
28 project is May 15, 2023.

29 Sec. 98. (1) From the general fund money appropriated in



1 section 11, there is allocated an amount not to exceed
 2 ~~\$7,387,500.00~~ **\$6,312,500.00** for ~~2018-2019~~ **2019-2020** and, for 2019-
 3 **2020 only, from the talent investment fund money appropriated in**
 4 **section 11, there is allocated an amount not to exceed**
 5 **\$1,075,000.00** for the purposes described in this section. The
 6 Michigan Virtual University shall provide a report to the
 7 legislature not later than November 1 of each year that includes
 8 its mission, its plans, and proposed benchmarks it must meet, ~~which~~
 9 ~~shall include~~ **including** a plan to achieve the organizational
 10 priorities identified in this section, in order to receive full
 11 funding for ~~2019-2020.~~ **2020-2021**. Not later than March 1 of each
 12 year, the Michigan Virtual University shall provide an update to
 13 the house and senate appropriations subcommittees on school aid to
 14 show the progress being made to meet the benchmarks identified.

15 (2) The Michigan Virtual University shall operate the Michigan
 16 Virtual Learning Research Institute. The Michigan Virtual Learning
 17 Research Institute shall do all of the following:

18 (a) Support and accelerate innovation in education through the
 19 following activities:

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

22 (ii) Research, design, and recommend virtual education delivery
 23 models for use by pupils and teachers that include age-appropriate
 24 multimedia instructional content.

25 (iii) Research, develop, and recommend annually to the
 26 department criteria by which cyber schools and virtual course
 27 providers should be monitored and evaluated to ensure a quality
 28 education for their pupils.

29 (iv) Based on pupil completion and performance data reported to



1 the department or the center ~~for educational performance and~~
2 ~~information~~ from cyber schools and other virtual course providers
3 operating in this state, analyze the effectiveness of virtual
4 learning delivery models in preparing pupils to be college- and
5 career-ready and publish a report that highlights enrollment
6 totals, completion rates, and the overall impact on pupils. The
7 ~~report shall be submitted~~ **Michigan Virtual Learning Research**
8 **Institute shall submit the report** to the house and senate
9 appropriations subcommittees on state school aid, the state budget
10 director, the house and senate fiscal agencies, the department,
11 districts, and intermediate districts not later than March 31 of
12 each year.

13 (v) Provide an extensive professional development program to
14 at least 30,000 educational personnel, including teachers, school
15 administrators, and school board members, that focuses on the
16 effective integration of virtual learning into curricula and
17 instruction. The Michigan Virtual Learning Research Institute is
18 encouraged to work with the MiSTEM advisory council created under
19 section 99s to coordinate professional development of teachers in
20 applicable fields. In addition, the Michigan Virtual Learning
21 Research Institute and external stakeholders are encouraged to
22 coordinate with the department for professional development in this
23 state. Not later than December 1 of each year, the Michigan Virtual
24 Learning Research Institute shall submit a report to the house and
25 senate appropriations subcommittees on state school aid, the state
26 budget director, the house and senate fiscal agencies, and the
27 department on the number of teachers, school administrators, and
28 school board members who have received professional development
29 services from the Michigan Virtual University. The report ~~shall~~



1 **must** also identify barriers and other opportunities to encourage
2 the adoption of virtual learning in the public education system.

3 (vi) Identify and share best practices for planning,
4 implementing, and evaluating virtual and blended education delivery
5 models with intermediate districts, districts, and public school
6 academies to accelerate the adoption of innovative education
7 delivery models statewide.

8 (b) Provide leadership for this state's system of virtual
9 learning education by doing the following activities:

10 (i) Develop and report policy recommendations to the governor
11 and the legislature that accelerate the expansion of effective
12 virtual learning in this state's schools.

13 (ii) Provide a clearinghouse for research reports, academic
14 studies, evaluations, and other information related to virtual
15 learning.

16 (iii) Promote and distribute the most current instructional
17 design standards and guidelines for virtual teaching.

18 (iv) In collaboration with the department and interested
19 colleges and universities in this state, support implementation and
20 improvements related to effective virtual learning instruction.

21 (v) Pursue public/private partnerships that include districts
22 to study and implement competency-based technology-rich virtual
23 learning models.

24 (vi) Create a statewide network of school-based mentors serving
25 as liaisons between pupils, virtual instructors, parents, and
26 school staff, as provided by the department or the center, and
27 provide mentors with research-based training and technical
28 assistance designed to help more pupils be successful virtual
29 learners.



1 (vii) Convene focus groups and conduct annual surveys of
2 teachers, administrators, pupils, parents, and others to identify
3 barriers and opportunities related to virtual learning.

4 (viii) Produce an annual consumer awareness report for schools
5 and parents about effective virtual education providers and
6 education delivery models, performance data, cost structures, and
7 research trends.

8 (ix) Provide an internet-based platform that educators can use
9 to create student-centric learning tools and resources for sharing
10 in the state's open educational resource repository and facilitate
11 a user network that assists educators in using the content creation
12 platform and state repository for open educational resources. As
13 part of this initiative, the Michigan Virtual University shall work
14 collaboratively with districts and intermediate districts to
15 establish a plan to make available virtual resources that align to
16 Michigan's K-12 curriculum standards for use by students,
17 educators, and parents.

18 (x) Create and maintain a public statewide catalog of virtual
19 learning courses being offered by all public schools and community
20 colleges in this state. The Michigan Virtual Learning Research
21 Institute shall identify and develop a list of nationally
22 recognized best practices for virtual learning and use this list to
23 support reviews of virtual course vendors, courses, and
24 instructional practices. The Michigan Virtual Learning Research
25 Institute shall also provide a mechanism for intermediate districts
26 to use the identified best practices to review content offered by
27 constituent districts. The Michigan Virtual Learning Research
28 Institute shall review the virtual course offerings of the Michigan
29 Virtual University, and make the results from these reviews



1 available to the public as part of the statewide catalog. The
2 Michigan Virtual Learning Research Institute shall ensure that the
3 statewide catalog is made available to the public on the Michigan
4 Virtual University website and shall allow the ability to link it
5 to each district's website as provided for in section 21f. The
6 statewide catalog ~~shall~~**must** also contain all of the following:

7 (A) The number of enrollments in each virtual course in the
8 immediately preceding school year.

9 (B) The number of enrollments that earned 60% or more of the
10 total course points for each virtual course in the immediately
11 preceding school year.

12 (C) The pass rate for each virtual course.

13 (xi) Support registration, payment services, and transcript
14 functionality for the statewide catalog and train key stakeholders
15 on how to use new features.

16 (xii) Collaborate with key stakeholders to examine district
17 level accountability and teacher effectiveness issues related to
18 virtual learning under section 21f and make findings and
19 recommendations publicly available.

20 (xiii) Provide a report on the activities of the Michigan
21 Virtual Learning Research Institute.

22 (3) To further enhance its expertise and leadership in virtual
23 learning, the Michigan Virtual University shall continue to operate
24 the Michigan Virtual School as a statewide laboratory and quality
25 model of instruction by implementing virtual and blended learning
26 solutions for Michigan schools in accordance with the following
27 parameters:

28 (a) The Michigan Virtual School must maintain its
29 accreditation status from recognized national and international



1 accrediting entities.

2 (b) The Michigan Virtual University shall use no more than
3 \$1,000,000.00 of the amount allocated under this section to
4 subsidize the cost paid by districts for virtual courses.

5 (c) In providing educators responsible for the teaching of
6 virtual courses as provided for in this section, the Michigan
7 Virtual School shall follow the requirements to request and assess,
8 and the department of state police shall provide, a criminal
9 history check and criminal records check under sections 1230 and
10 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
11 the same manner as if the Michigan Virtual School were a school
12 district under those sections.

13 (4) From the funds allocated under subsection (1), the
14 Michigan Virtual University shall allocate up to \$500,000.00 to
15 support the expansion of new online and blended educator
16 professional development programs.

17 (5) If the course offerings are included in the statewide
18 catalog of virtual courses under subsection (2)(b)(x), the Michigan
19 Virtual School operated by the Michigan Virtual University may
20 offer virtual course offerings, including, but not limited to, all
21 of the following:

22 (a) Information technology courses.

23 (b) College level equivalent courses, as defined in section
24 1471 of the revised school code, MCL 380.1471.

25 (c) Courses and dual enrollment opportunities.

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

27 (e) High school equivalency test preparation courses for
28 adjudicated youth.

29 (f) Special interest courses.



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

3 (6) If a home-schooled or nonpublic school student is a
4 resident of a district that subscribes to services provided by the
5 Michigan Virtual School, the student may use the services provided
6 by the Michigan Virtual School to the district without charge to
7 the student beyond what is charged to a district pupil using the
8 same services.

9 (7) Not later than December 1 of each fiscal year, the
10 Michigan Virtual University shall provide a report to the house and
11 senate appropriations subcommittees on state school aid, the state
12 budget director, the house and senate fiscal agencies, and the
13 department that includes at least all of the following information
14 related to the Michigan Virtual School for the preceding state
15 fiscal year:

16 (a) A list of the districts served by the Michigan Virtual
17 School.

18 (b) A list of virtual course titles available to districts.

19 (c) The total number of virtual course enrollments and
20 information on registrations and completions by course.

21 (d) The overall course completion rate percentage.

22 (8) In addition to the information listed in subsection (7),
23 the report under subsection (7) ~~shall~~**must** also include a plan to
24 serve at least 600 schools with courses from the Michigan Virtual
25 School or with content available through the internet-based
26 platform identified in subsection (2)(b)(ix).

27 (9) The governor may appoint an advisory group for the
28 Michigan Virtual Learning Research Institute established under
29 subsection (2). The members of the advisory group ~~shall~~ serve at



1 the pleasure of the governor and ~~shall serve~~ without compensation.
2 The purpose of the advisory group is to make recommendations to the
3 governor, the legislature, and the president and board of the
4 Michigan Virtual University that will accelerate innovation in this
5 state's education system in a manner that will prepare elementary
6 and secondary students to be career and college ready and that will
7 promote the goal of increasing the percentage of ~~citizens~~ **residents**
8 of this state with high-quality degrees and credentials to at least
9 60% by 2025.

10 (10) Not later than November 1 of each year, the Michigan
11 Virtual University shall submit to the house and senate
12 appropriations subcommittees on state school aid, the state budget
13 director, and the house and senate fiscal agencies a detailed
14 budget for that fiscal year that includes a breakdown on its
15 projected costs to deliver virtual educational services to
16 districts and a summary of the anticipated fees to be paid by
17 districts for those services. Not later than March 1 each year, the
18 Michigan Virtual University shall submit to the house and senate
19 appropriations subcommittees on state school aid, the state budget
20 director, and the house and senate fiscal agencies a breakdown on
21 its actual costs to deliver virtual educational services to
22 districts and a summary of the actual fees paid by districts for
23 those services based on audited financial statements for the
24 immediately preceding fiscal year.

25 (11) As used in this section:

26 (a) "Blended learning" means a hybrid instructional delivery
27 model where pupils are provided content, instruction, and
28 assessment, in part at a supervised educational facility away from
29 home where the pupil and a teacher with a valid Michigan teaching



1 certificate are in the same physical location and in part through
 2 internet-connected learning environments with some degree of pupil
 3 control over time, location, and pace of instruction.

4 (b) "Cyber school" means a full-time instructional program of
 5 virtual courses for pupils that may or may not require attendance
 6 at a physical school location.

7 (c) "Virtual course" means a course of study that is capable
 8 of generating a credit or a grade and that is provided in an
 9 interactive learning environment in which the majority of the
 10 curriculum is delivered using the internet and in which pupils are
 11 separated from their instructor or teacher of record by time or
 12 location, or both.

13 **(12) It is the intent of the legislature not to allocate an**
 14 **amount greater than \$6,342,500.00 for 2020-2021 for the purposes of**
 15 **this section.**

16 Sec. 99h. (1) From the state school aid fund appropriation in
 17 section 11, there is allocated ~~an amount not to exceed~~
 18 ~~\$3,000,000.00 for 2017-2018 and an amount not to exceed~~
 19 ~~\$4,500,000.00~~ **\$4,700,000.00** for ~~2018-2019~~ **2019-2020** for competitive
 20 grants to districts and intermediate districts, and from the
 21 general fund appropriation in section 11, there is allocated an
 22 amount not to exceed \$300,000.00 ~~each fiscal year for 2017-2018 and~~
 23 ~~for 2018-2019~~ **for 2019-2020** for competitive grants to nonpublic
 24 schools that provide pupils in grades K to 12 with expanded
 25 opportunities to improve mathematics, science, and technology
 26 skills by participating in events hosted by a science and
 27 technology development program known as FIRST (for inspiration and
 28 recognition of science and technology) Robotics, including JR FIRST
 29 Lego League, FIRST Lego League, FIRST Tech challenge, and FIRST



1 Robotics competition, or ~~, beginning in 2018-2019,~~ other
2 competitive robotics programs, including **VEX and** those hosted by
3 the Robotics Education and Competition (REC) Foundation. Programs
4 funded under this section are intended to increase the number of
5 pupils demonstrating proficiency in science and mathematics on the
6 state assessments and to increase the number of pupils who are
7 college- and career-ready upon high school graduation.

8 Notwithstanding section 17b, **the department shall make** grant
9 payments to districts, nonpublic schools, and intermediate
10 districts under this section ~~shall be paid~~ on a schedule determined
11 by the department. The department shall set maximum grant awards
12 for each different level of competition in a manner that both
13 maximizes the number of teams that will be able to receive funds
14 and expands the geographical distribution of teams.

15 (2) A district, nonpublic school, or intermediate district
16 applying for a grant under this section shall submit an application
17 in a form and manner determined by the department. To be eligible
18 for a grant, a district, nonpublic school, or intermediate district
19 shall demonstrate in its application that the district, nonpublic
20 school, or intermediate district has established a partnership for
21 the purposes of the robotics program with at least 1 sponsor,
22 business entity, higher education institution, or technical school,
23 shall submit a spending plan, and shall pay at least 25% of the
24 cost of the robotics program.

25 (3) The department shall distribute the grant funding under
26 this section for the following purposes:

27 (a) Grants to districts, nonpublic schools, or intermediate
28 districts to pay for stipends not to exceed \$1,500.00 for 1 coach
29 per team.



(b) Grants to districts, nonpublic schools, or intermediate districts for event registrations, materials, travel costs, and other expenses associated with the preparation for and attendance at robotics events and competitions. Each grant recipient shall provide a local match from other private or local funds for the funds received under this subdivision equal to at least 50% of the costs of participating in an event.

(c) Grants to districts, nonpublic schools, or intermediate districts for awards to teams that advance to the state and world championship competitions. The department shall determine an equal amount per team for those teams that advance to the state championship and a second equal award amount to those teams that advance to the world championship.

(4) A nonpublic school that receives a grant under this section may use the funds for either robotics or Science Olympiad programs.

(5) To be eligible to receive funds under this section, a nonpublic school must be a nonpublic school registered with the department and must meet all applicable state reporting requirements for nonpublic schools.

(6) The funds allocated under this section for ~~2017-2018-2018-~~
~~2019~~ are a work project appropriation, and any unexpended funds for ~~2017-2018-2018-2019~~ are carried forward into ~~2018-2019-~~
~~2019-2020~~. The purpose of the work project is to continue support of FIRST Robotics and must not be used to support other robotics competitions. The estimated completion date of the work project is September 30, ~~2020-~~**2021**.

Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for ~~2018-2019-~~**2019-2020** an amount not to exceed



1 \$7,634,300.00 from the state school aid fund appropriation and an
 2 amount not to exceed \$300,000.00 from the general fund
 3 appropriation for Michigan science, technology, engineering, and
 4 mathematics (MiSTEM) programs. In addition, from the federal funds
 5 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~
 6 **2020** an amount estimated at ~~\$3,500,000.00~~ **\$235,000.00** from DED-
 7 OESE, title II, mathematics and science partnership grants. **The**
 8 **MiSTEM network may receive funds from private sources. If the**
 9 **MiSTEM network receives funds from private sources, the MiSTEM**
 10 **network shall expend those funds in alignment with the statewide**
 11 **STEM strategy.** Programs funded under this section are intended to
 12 increase the number of pupils demonstrating proficiency in science
 13 and mathematics on the state assessments and to increase the number
 14 of pupils who are college- and career-ready upon high school
 15 graduation. Notwithstanding section 17b, **the department shall make**
 16 payments under this section ~~shall be paid on~~ a schedule determined
 17 by the department.

18 (2) All of the following apply to the MiSTEM advisory council:

19 (a) The MiSTEM advisory council is created. The MiSTEM
 20 advisory council shall provide to the governor, legislature,
 21 department of ~~talent and economic development,~~ **labor and economic**
 22 **opportunity,** and department recommendations designed to improve and
 23 promote innovation in STEM education and to prepare students for
 24 careers in science, technology, engineering, and mathematics.

25 (b) The MiSTEM advisory council created under subdivision (a)
 26 ~~shall consist~~ **consists** of the following members:

27 (i) The governor shall appoint 11 voting members who are
 28 representative of business sectors that are important to Michigan's
 29 economy and rely on a STEM-educated workforce, nonprofit



1 organizations and associations that promote STEM education, K-12
2 and postsecondary education entities involved in STEM-related
3 career education, or other sectors as considered appropriate by the
4 governor. Each of these members ~~shall serve~~**serves** at the pleasure
5 of the governor and for a term determined by the governor.

6 (ii) The senate majority leader shall appoint 2 members of the
7 senate to serve as nonvoting, ex-officio members of the MiSTEM
8 advisory council, including 1 majority party member and 1 minority
9 party member.

10 (iii) The speaker of the house of representatives shall appoint
11 2 members of the house of representatives to serve as nonvoting,
12 ex-officio members of the MiSTEM advisory council, including 1
13 majority party member and 1 minority party member.

14 (iv) **The governor shall appoint 1 state officer or employee to**
15 **serve as a nonvoting, ex-officio member of the MiSTEM advisory**
16 **council.**

17 (c) Each member of the MiSTEM advisory council ~~shall serve~~
18 **serves** without compensation.

19 (d) The MiSTEM advisory council annually shall review and make
20 recommendations to the governor, the legislature, and the
21 department concerning changes to the statewide strategy adopted by
22 the council for delivering STEM education-related opportunities to
23 pupils. The MiSTEM advisory council shall use funds received under
24 this subsection to ensure that its members or their designees are
25 trained in the Change the Equation STEMworks rating system program
26 for the purpose of rating STEM programs.

27 (e) The MiSTEM advisory council shall make specific funding
28 recommendations for the funds allocated under subsection (3) by
29 December 15 of each fiscal year. Each specific funding



1 recommendation ~~shall~~**must** be for a program approved by the MiSTEM
2 advisory council. To be eligible for MiSTEM advisory council
3 approval, a program must satisfy all of the following:

4 (i) Align with this state's academic standards.

5 (ii) Have STEMworks certification.

6 (iii) Provide project-based experiential learning, student
7 programming, or educator professional learning experiences.

8 (iv) Focus predominantly on classroom-based STEM experiences or
9 professional learning experiences.

10 (f) The MiSTEM advisory council shall approve programs that
11 represent all network regions and include a diverse array of
12 options for students and educators and at least 1 program in each
13 of the following areas:

14 (i) Robotics.

15 (ii) Computer science or coding.

16 (iii) Engineering or bioscience.

17 (g) The MiSTEM advisory council is encouraged to work with the
18 MiSTEM network to develop locally and regionally developed programs
19 and professional ~~development~~**learning** experiences for the programs
20 on the list of approved programs.

21 (h) If the MiSTEM advisory council is unable to make specific
22 funding recommendations by December 15 of a fiscal year, the
23 department shall award and distribute the funds allocated under
24 subsection (3) on a competitive grant basis that at least follows
25 the statewide STEM strategy plan and rating system recommended by
26 the MiSTEM advisory council. Each grant must provide STEM
27 education-related opportunities for pupils.

28 (i) The MiSTEM advisory council shall work with the executive
29 director of the MiSTEM network to implement the statewide STEM



1 strategy adopted by the MiSTEM advisory council.

2 (3) From the state school aid fund money allocated under
3 subsection (1), there is allocated for ~~2018-2019~~**2019-2020** an
4 amount not to exceed \$3,050,000.00 for the purpose of funding
5 programs under this section for ~~2018-2019~~**, 2019-2020**, as
6 recommended by the MiSTEM advisory council.

7 (4) From the school aid fund allocation under subsection (1),
8 there is allocated an amount not to exceed \$3,834,300.00 for ~~2018-~~
9 ~~2019-2019-2020~~ to support the activities and programs of the MiSTEM
10 network regions. In addition, from the federal funds allocated
11 under subsection (1), there is allocated for ~~2018-2019~~**2019-2020** an
12 amount estimated at ~~\$3,500,000.00~~**\$235,000.00** from DED-OESE, title
13 II, mathematics and science partnership grants, for the purposes of
14 this subsection. ~~Beginning in 2018-2019, the~~**From the money**
15 **allocated under this subsection, the department shall award the**
16 fiscal agent for each MiSTEM network region ~~shall receive~~
17 \$200,000.00 for the base operations of each region. The **department**
18 **shall distribute the** remaining funds ~~will be distributed to each~~
19 fiscal agent in an equal amount per pupil, based on the number of K
20 to 12 pupils enrolled in districts within each region in the ~~prior~~
21 **immediately preceding** fiscal year.

22 (5) A MiSTEM network region shall do all of the following:

23 (a) Collaborate with the career and educational advisory
24 council that is located in the MiSTEM region to develop a regional
25 strategic plan for STEM education that creates a robust regional
26 STEM culture, that empowers STEM teachers, that integrates business
27 and education into the STEM network, and that ensures high-quality
28 STEM experiences for pupils. At a minimum, a regional STEM
29 strategic plan should do all of the following:



1 (i) Identify regional employer need for STEM.

2 (ii) Identify processes for regional employers and educators to
3 create guided pathways for STEM careers that include internships or
4 externships, apprenticeships, and other experiential engagements
5 for pupils.

6 (iii) Identify educator professional development opportunities,
7 including internships or externships and apprenticeships, that
8 integrate this state's science standards into high-quality STEM
9 experiences that engage pupils.

10 (b) Facilitate regional STEM events such as educator and
11 employer networking and STEM career fairs to raise STEM awareness.

12 (c) Contribute to the MiSTEM website and engage in other
13 MiSTEM network functions to further the mission of STEM in this
14 state in coordination with the MiSTEM advisory council and its
15 executive director.

16 (d) Facilitate application and implementation of state and
17 federal funds under this subsection and any other grants or funds
18 for the MiSTEM network region.

19 (e) Work with districts to provide STEM programming and
20 professional ~~development~~-**learning**.

21 (f) Coordinate recurring discussions and work with the career
22 and educational advisory council to ensure that feedback and best
23 practices are being shared, including funding, program,
24 professional learning opportunities, and regional strategic plans.

25 (6) From the school aid funds allocated under subsection (1),
26 the department shall distribute for ~~2018-2019~~-**2019-2020** an amount
27 not to exceed \$750,000.00, in a form and manner determined by the
28 department, to those network regions able to provide curriculum and
29 professional development support to assist districts in



1 implementing the Michigan merit curriculum components for
2 mathematics and science.

3 (7) In order to receive state or federal funds under
4 subsection (4) or (6), **or to receive funds from private sources as**
5 **authorized under subsection (1)**, a grant recipient ~~shall~~**must** allow
6 access for the department or the department's designee to audit all
7 records related to the program for which it receives those funds.
8 The grant recipient shall reimburse the state for all disallowances
9 found in the audit.

10 (8) In order to receive state funds under subsection (4) or
11 (6), a grant recipient ~~shall~~**must** provide at least a 10% local
12 match from local public or private resources for the funds received
13 under this subsection.

14 (9) Not later than July 1, 2019 and July 1 of each year
15 thereafter, a MiSTEM network region that receives funds under
16 subsection (4) shall report to the executive director of the MiSTEM
17 network in a form and manner prescribed by the executive director
18 on performance measures developed by the MiSTEM network regions and
19 approved by the executive director. The performance measures ~~shall~~
20 **must** be designed to ensure that the activities of the MiSTEM
21 network are improving student academic outcomes.

22 (10) Not more than 5% of a MiSTEM network region grant under
23 subsection (4) or (6) may be retained by a fiscal agent for serving
24 as the fiscal agent of a MiSTEM network region.

25 (11) From the general fund allocation under subsection (1),
26 there is allocated an amount not to exceed \$300,000.00 to the
27 department of technology, management, and budget to support the
28 functions of the executive director and executive assistant for the
29 MiSTEM network, and for administrative, training, and travel costs



1 related to the MiSTEM advisory council. The executive director and
2 executive assistant for the MiSTEM network shall do all of the
3 following:

4 (a) Serve as a liaison among and between the department, the
5 department of technology, management, and budget, the MiSTEM
6 advisory council, ~~the Michigan mathematics and science centers~~
7 ~~network, the governor's future talent investment board, the general~~
8 ~~education leadership network, and council~~, the MiSTEM regions, **and**
9 **any other relevant organization or entity** in a manner that creates
10 a robust statewide STEM culture, that empowers STEM teachers, that
11 integrates business and education into the STEM network, and that
12 ensures high-quality STEM experiences for pupils.

13 (b) Coordinate the implementation of a marketing campaign,
14 including, but not limited to, a website that includes dashboards
15 of outcomes, to build STEM awareness and communicate STEM needs and
16 opportunities to pupils, parents, educators, and the business
17 community.

18 (c) Work with the department and the MiSTEM advisory council
19 to coordinate, award, and monitor MiSTEM state and federal grants
20 to the MiSTEM network regions and conduct reviews of grant
21 recipients, including, but not limited to, pupil experience and
22 feedback.

23 (d) Report to the governor, the legislature, the department,
24 and the MiSTEM advisory council annually on the activities and
25 performance of the MiSTEM network regions.

26 (e) Coordinate recurring discussions and work with regional
27 staff to ensure that a network or loop of feedback and best
28 practices are shared, including funding, programming, professional
29 learning opportunities, discussion of MiSTEM strategic vision, and



1 regional objectives.

2 (f) Coordinate major grant application efforts with the MiSTEM
3 advisory council to assist regional staff with grant applications
4 on a local level. The MiSTEM advisory council shall leverage
5 private and nonprofit relationships to coordinate and align private
6 funds in addition to funds appropriated under this section.

7 (g) Train state and regional staff in the STEMworks rating
8 system, in collaboration with the MiSTEM advisory council and the
9 department.

10 (h) ~~Collaborate with the MiSTEM network to hire~~ **Hire** MiSTEM
11 network region staff **in collaboration with the network region**
12 **fiscal agent.**

13 (12) As used in this section:

14 (a) "Career and educational advisory council" means an
15 advisory council to the local workforce development boards located
16 in a prosperity region consisting of educational, employer, labor,
17 and parent representatives.

18 (b) "DED" means the United States Department of Education.

19 (c) "DED-OESE" means the DED Office of Elementary and
20 Secondary Education.

21 (d) "STEM" means science, technology, engineering, and
22 mathematics delivered in an integrated fashion using cross-
23 disciplinary learning experiences that can include language arts,
24 performing and fine arts, and career and technical education.

25 Sec. 99t. (1) From the ~~general~~ **talent investment** fund
26 ~~appropriation~~ **money appropriated** under section 11, there is
27 allocated an amount not to exceed \$1,500,000.00 for ~~2018-2019~~ **2019-**
28 **2020 only** to purchase statewide access to an online algebra tool
29 that meets all of the following:



(a) Provides students statewide with complete access to videos aligned with state standards including study guides and workbooks that are aligned with the videos.

(b) Provides students statewide with access to a personalized online algebra learning tool including adaptive diagnostics.

(c) Provides students statewide with dynamic algebra practice assessments that emulate the state assessment with immediate feedback and help solving problems.

(d) Provides students statewide with online access to algebra help 24 hours a day and 7 days a week from study experts, teachers, and peers on a moderated social networking platform.

(e) Provides an online algebra professional development network for teachers.

(f) Is already provided under a statewide contract in at least 1 other state that has a population of at least 18,000,000 but not more than 19,000,000 according to the most recent decennial census and is offered in that state in partnership with a public university.

(2) The department shall purchase the online algebra tool that was chosen under this section in 2016-2017.

(3) A grantee receiving funding under this section shall comply with the requirements of section 19b.

(4) It is the intent of the legislature that funding allocated for the purposes under this section for 2019-2020 must not be allocated for 2020-2021 for those purposes.

Sec. 99u. (1) From the ~~general~~**talent investment** fund ~~appropriation~~**money appropriated** under section 11, there is allocated for ~~2018-2019~~**2019-2020 only** an amount not to exceed \$1,500,000.00 to purchase statewide access to ~~an online mathematics~~



~~tool that meets~~ **1 or more online mathematics tools. The department shall select 1 or more vendors for the purposes of this subsection using a competitive proposal process. An online mathematics tool purchased under this subsection must meet at least all of the following:**

(a) Provides students statewide with complete access to mathematics support aligned with state standards through a program that has all of the following elements:

(i) Student motivation.
 (ii) Valid and reliable assessments.
 (iii) Personalized learning pathways.
 (iv) Highly qualified, live teachers available all day and all year.

(v) Twenty-four-hour reporting.

(vi) Content built for rigorous mathematics.

(b) Has a record of improving student mathematics scores in at least 5 other states.

~~(c) Received funding under this section in 2017-2018.~~

(2) A grantee that receives funding under this section shall comply with the requirements of section 19b.

(3) In addition to the funds allocated under subsection (1), from the ~~general~~ **talent investment** fund ~~appropriation in money appropriated under~~ section 11, there is allocated for ~~2018-2019~~ **2019-2020 only** an amount not to exceed \$500,000.00 for a **grant for 1 or more** software-based ~~solution~~ **solutions** designed to teach Spanish language literacy to students in pre-kindergarten through first grade. ~~A program funded under this subsection shall be a grant to the~~ **The department shall select 1 or more vendors for the purposes of this subsection using a competitive proposal process.**



1 ~~An~~ eligible provider ~~that promotes~~ **shall promote** bilingualism and
 2 biliteracy ~~, and is based on research that shows how students who~~
 3 become proficient readers in their first language have an easier
 4 time making the transition to reading proficiency in a second
 5 language. ~~A provider of programming under subsection (1) is the~~
 6 ~~eligible provider of programming under this subsection.~~

7 (4) In addition to the funds allocated under subsection (1),
 8 from the ~~general~~ **talent investment** fund money appropriated in
 9 section 11, there is allocated for ~~2018-2019~~ **2019-2020 only** an
 10 amount not to exceed \$1,000,000.00 for ~~a pilot program~~ **a grant for**
 11 **1 or more programs** to provide explicit, targeted literacy
 12 instruction within an individualized learning path that continually
 13 adjusts to a pupil's needs. ~~A program funded under this subsection~~
 14 ~~shall be a grant to the~~ **The department shall select 1 or more**
 15 **vendors for the purposes of this subsection using a competitive**
 16 **proposal process.** ~~An~~ eligible provider ~~that promotes~~ **shall promote**
 17 literacy by teaching critical language and literacy concepts such
 18 as reading and listening comprehension, basic vocabulary, academic
 19 language, grammar, phonological awareness, phonics, and fluency. ~~A~~
 20 ~~pilot program funded under this subsection shall cover both the~~
 21 ~~remainder of 2018-2019 and also the entire 2019-2020 school year. A~~
 22 ~~provider of programming under subsection (1) is the eligible~~
 23 ~~provider of programming under this subsection.~~

24 (5) Notwithstanding section 17b, **the department shall make**
 25 payments ~~made under this section shall be made not later than March~~
 26 ~~1, December 1, 2019.~~

27 Sec. 99v. **(1)** From the ~~general~~ **talent investment** fund
 28 ~~appropriation in money appropriated under~~ section 11, there is
 29 allocated an amount not to exceed \$25,000.00 for ~~2018-2019~~ **2019-**



1 **2020 only** for a grant to be distributed by the department to a
 2 provider that develops and scales effective innovations to support
 3 educators, administrators, and policymakers in creating seamless
 4 transitions throughout the K-14 system for all students, especially
 5 the underserved. A grantee must have expertise in K-12 services,
 6 online course programs, digital platform services, leadership
 7 networks, and higher education, and work to develop a mathematics
 8 pathways alignment. A grantee that receives a grant under this
 9 section shall facilitate a 2-day math workshop with high school and
 10 college faculty focused on sharing information about high-impact
 11 practices, defining the problem or problems, and using data and
 12 planning strategies to address those problems. In addition, the
 13 grantee shall use funds to conduct 3 virtual check-ins during which
 14 the working groups will report on progress and identify challenges
 15 and questions, with the grantee providing guidance and resources as
 16 appropriate.

17 **(2) It is the intent of the legislature that funding allocated**
 18 **for the purposes under this section for 2019-2020 must not be**
 19 **allocated for 2020-2021 for those purposes.**

20 Sec. 99w. (1) From the general fund money appropriated under
 21 section 11, there is allocated an amount not to exceed ~~\$500,000.00~~
 22 **\$250,000.00 for 2018-2019-2019-2020 and there is allocated an**
 23 **amount not to exceed \$250,000.00 from the talent investment fund**
 24 **money appropriated under section 11 for 2019-2020 only** to
 25 facilitate a culture of health and physical activity as part of
 26 daily life. ~~Funding~~ **The department shall use the funding** under this
 27 section ~~shall be for~~ a grant to the Michigan Fitness Foundation to
 28 work with the department to invest in a physical education
 29 curriculum. Funding under this section may support staff,



1 evaluation, assessment, technology, meetings, training, travel,
 2 materials, and other administrative expenses in support of an
 3 updated physical education curriculum. Funding under this section
 4 may be used as matching dollars to qualify for federal and private
 5 resources to support physical education.

6 (2) Notwithstanding section 17b, **the department shall make**
 7 payments made under this section ~~shall be made~~ not later than March
 8 ~~1,~~ **December 15**, 2019.

9 Sec. 99x. (1) From the general fund money appropriated under
 10 section 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount
 11 not to exceed ~~\$300,000.00~~ **\$800,000.00** for Teach for America to host
 12 a summer training institute in the city of Detroit, recruit
 13 teachers into a master teacher fellowship, and retain a committed
 14 alumni community. A program funded under this section must provide
 15 coaching and professional development, with the goal to produce
 16 highly effective teachers that move pupils beyond their growth
 17 benchmarks.

18 (2) Notwithstanding section 17b, **the department shall make**
 19 payments made under this section ~~shall be made~~ not later than March
 20 ~~1,~~ **December 15**, 2019.

21 (3) **It is the intent of the legislature not to allocate an**
 22 **amount greater than \$400,000.00 for 2020-2021 for the purposes of**
 23 **this section.**

24 Sec. 99z. (1) From the talent investment fund money
 25 appropriated under section 11, there is allocated to the department
 26 an amount not to exceed \$300,000.00 for 2019-2020 only for funding
 27 a program that provides teacher STEM professional development and
 28 workshops, and enables high school students to incorporate
 29 innovation and engineering into the design of a wide variety of



1 complex vehicles. To be eligible for funding under this section, a
2 program must provide an underwater innovative vehicle design
3 challenge, an autonomous innovative vehicle design challenge, a
4 mini innovative vehicle design challenge, and a full-scale
5 innovative vehicle design challenge.

6 (2) Notwithstanding section 17b, the department shall make
7 payments under this section not later than December 15, 2019.

8 Sec. 99bb. (1) From the general fund money appropriated under
9 section 11, there is allocated an amount not to exceed \$250,000.00
10 for 2019-2020 only for the purposes of this section. The department
11 shall establish a grant program to distribute this funding to 1
12 eligible nonprofit organization described under subsection (3) to
13 be used in the manner described under subsection (4).

14 (2) A nonprofit organization shall apply for funding under
15 this section in the form and manner prescribed by the department.

16 (3) A nonprofit organization that meets all of the following
17 is an eligible nonprofit organization under this section:

18 (a) Is an organization that is not operated for profit and is
19 exempt from federal income tax under section 501(c)(3) or 501(c)(4)
20 of the internal revenue code, 26 USC 501.

21 (b) Has chapters and provides its services in at least 10
22 schools, colleges, or universities in this state.

23 (c) Provides services to aid individuals with intellectual and
24 developmental disabilities.

25 (4) The eligible nonprofit organization that receives funding
26 under this section shall use the funds to accomplish at least both
27 of the following:

28 (a) Create opportunities for 1-on-1 friendships, integrated
29 employment, and leadership development for individuals with



1 intellectual and developmental disabilities.

2 (b) Provide resources to individuals with intellectual and
3 developmental disabilities to aid those individuals with all of the
4 following:

5 (i) Gaining access to employment opportunities.

6 (ii) Relational skills.

7 (iii) Communication skills.

8 (iv) Integration into communities.

9 (v) Any other skills that better the lives of individuals with
10 intellectual and developmental disabilities.

11 (5) Notwithstanding section 17b, the department shall make
12 grant payments under this section on a schedule determined by the
13 department.

14 Sec. 101. (1) To be eligible to receive state aid under this
15 article, not later than the fifth Wednesday after the pupil
16 membership count day and not later than the fifth Wednesday after
17 the supplemental count day, each district superintendent shall
18 submit **and certify** to the center and the intermediate
19 superintendent, in the form and manner prescribed by the center,
20 the number of pupils enrolled and in regular daily attendance,
21 **including identification of tuition-paying pupils**, in the district
22 as of the pupil membership count day and as of the supplemental
23 count day, as applicable, for the current school year. In addition,
24 a district maintaining school during the entire year ~~, as provided~~
25 ~~under section 1561 of the revised school code, MCL 380.1561,~~ shall
26 submit **and certify** to the center and the intermediate
27 superintendent, in the form and manner prescribed by the center,
28 the number of pupils enrolled and in regular daily attendance in
29 the district for the current school year pursuant to rules



promulgated by the superintendent. Not later than the sixth Wednesday after the pupil membership count day and not later than the sixth Wednesday after the supplemental count day, the district shall ~~certify~~ **resolve any pupil membership conflicts with another district, correct any data issues, and recertify** the data in a form and manner prescribed by the center and file the certified data with the intermediate superintendent. If a district fails to submit and certify the attendance data, as required under this subsection, the center shall notify the department and **the department shall withhold** state aid due to be distributed under this article ~~shall be withheld~~ from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If a district does not comply with this subsection by the end of the fiscal year, the district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment ~~shall be punished in the manner~~ **is subject to penalty as** prescribed by section 161.

(2) To be eligible to receive state aid under this article, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to submit the audited data as required under this subsection, **the department shall withhold** state aid due to be distributed under this article ~~shall be withheld~~ from the defaulting intermediate district immediately, beginning with



1 the next payment after the failure and continuing with each payment
 2 until the intermediate district complies with this subsection. If
 3 an intermediate district does not comply with this subsection by
 4 the end of the fiscal year, the intermediate district forfeits the
 5 amount withheld.

6 (3) Except as otherwise provided in subsections (11) and (12),
 7 all of the following apply to the provision of pupil instruction:

8 (a) Except as otherwise provided in this section, each
 9 district shall provide at least 1,098 hours and ~~7, beginning in~~
 10 ~~2010-2011, the required minimum number of 180~~ days of pupil
 11 instruction. ~~Beginning in 2014-2015, the required minimum number of~~
 12 ~~days of pupil instruction is 175. However, all of the following~~
 13 ~~apply to these requirements:~~

14 ~~(i) If a collective bargaining agreement that provides a~~
 15 ~~complete school calendar was in effect for employees of a district~~
 16 ~~as of July 1, 2013, and if that school calendar is not in~~
 17 ~~compliance with this subsection, then this subsection does not~~
 18 ~~apply to that district until after the expiration of that~~
 19 ~~collective bargaining agreement. If a district entered into a~~
 20 ~~collective bargaining agreement on or after July 1, 2013 and if~~
 21 ~~that collective bargaining agreement did not provide for at least~~
 22 ~~175 days of pupil instruction beginning in 2014-2015, then the~~
 23 ~~department shall withhold from the district's total state school~~
 24 ~~aid an amount equal to 5% of the funding the district receives in~~
 25 ~~2014-2015 under sections 22a and 22b.~~

26 ~~(ii) A district may apply for a waiver under subsection (9)~~
 27 ~~from the requirements of this subdivision.~~

28 ~~(b) Beginning in 2016-2017, the required minimum number of~~
 29 ~~days of pupil instruction is 180. If a collective bargaining~~



1 agreement that provides a complete school calendar was in effect
 2 for employees of a district as of June 24, 2014, and if that school
 3 calendar is not in compliance with this subdivision, then this
 4 subdivision does not apply to that district until after the
 5 expiration of that collective bargaining agreement. A district may
 6 apply for a waiver under subsection (9) from the requirements of
 7 this subdivision.

8 **(b)** ~~(e)~~ Except as otherwise provided in this article, a
 9 district failing to comply with the required minimum hours and days
 10 of pupil instruction under this subsection ~~shall forfeit~~ **forfeits**
 11 from its total state aid allocation an amount determined by
 12 applying a ratio of the number of hours or days the district was in
 13 noncompliance in relation to the required minimum number of hours
 14 and days under this subsection. Not later than August 1, the board
 15 of each district shall either certify to the department that the
 16 district was in full compliance with this section regarding the
 17 number of hours and days of pupil instruction in the previous
 18 school year, or report to the department, in a form and manner
 19 prescribed by the center, each instance of noncompliance. If the
 20 district did not provide at least the required minimum number of
 21 hours and days of pupil instruction under this subsection, **the**
 22 **department shall make** the deduction of state aid ~~shall be made in~~
 23 the following fiscal year from the first payment of state school
 24 aid. A district is not subject to forfeiture of funds under this
 25 subsection for a fiscal year in which a forfeiture was already
 26 imposed under subsection (6).

27 **(c)** ~~(d)~~ Hours or days lost because of strikes or teachers'
 28 conferences ~~shall~~ **are** not ~~be~~ counted as hours or days of pupil
 29 instruction.



~~(e) If a collective bargaining agreement that provides a complete school calendar is in effect for employees of a district as of October 19, 2009, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement.~~

~~(d) (f)~~ Except as otherwise provided in subdivisions ~~(g) and (h),~~ **(e) and (f)**, if a district ~~not having~~ **does not have** at least 75% of the district's membership in attendance on any day of pupil instruction, ~~shall receive the department shall pay the district~~ state aid in that proportion of 1/180 that the actual percent of attendance bears to ~~the specified percentage.~~ **75%.**

~~(e) (g)~~ If a district adds 1 or more days of pupil instruction to the end of its instructional calendar for a school year to comply with subdivision (a) because the district otherwise would fail to provide the required minimum number of days of pupil instruction even after the operation of subsection (4) due to conditions not within the control of school authorities, then subdivision ~~(f)~~ **(d)** does not apply for any day of pupil instruction that is added to the end of the instructional calendar. Instead, for any of those days, if the district does not have at least 60% of the district's membership in attendance on that day, **the department shall pay** the district ~~shall receive~~ state aid in that proportion of 1/180 that the actual percentage of attendance bears to ~~the specified percentage.~~ **60%.** For any day of pupil instruction added to the instructional calendar as described in this subdivision, the district shall report to the department the percentage of the district's membership that is in attendance, in the form and manner prescribed by the department.



1 **(f)** ~~(h)~~ At the request of a district that operates a
 2 department-approved alternative education program and that does not
 3 provide instruction for pupils in all of grades K to 12, the
 4 superintendent shall grant a waiver from the requirements of
 5 subdivision ~~(f)~~. **(d)**. The waiver ~~shall indicate~~ **must provide** that
 6 an eligible district is subject to the proration provisions of
 7 subdivision ~~(f)~~ **(d)** only if the district does not have at least 50%
 8 of the district's membership in attendance on any day of pupil
 9 instruction. In order to be eligible for this waiver, a district
 10 must maintain records to substantiate its compliance with the
 11 following requirements:

12 (i) The district offers the minimum hours of pupil instruction
 13 as required under this section.

14 (ii) For each enrolled pupil, the district uses appropriate
 15 academic assessments to develop an individual education plan that
 16 leads to a high school diploma.

17 (iii) The district tests each pupil to determine academic
 18 progress at regular intervals and records the results of those
 19 tests in that pupil's individual education plan.

20 **(g)** ~~(i)~~ All of the following apply to a waiver granted under
 21 subdivision ~~(h)~~ **(f)** :

22 (i) If the waiver is for a blended model of delivery, a waiver
 23 that is granted for the 2011-2012 fiscal year or a subsequent
 24 fiscal year remains in effect unless it is revoked by the
 25 superintendent.

26 (ii) If the waiver is for a 100% online model of delivery and
 27 the educational program for which the waiver is granted makes
 28 educational services available to pupils for a minimum of at least
 29 1,098 hours during a school year and ensures that each pupil



1 participates in the educational program for at least 1,098 hours
2 during a school year, a waiver that is granted for the 2011-2012
3 fiscal year or a subsequent fiscal year remains in effect unless it
4 is revoked by the superintendent.

5 (iii) A waiver that is not a waiver described in subparagraph
6 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
7 to remain in effect.

8 (h) ~~(j)~~—The superintendent shall promulgate rules for the
9 implementation of this subsection.

10 (4) Except as otherwise provided in this subsection, the first
11 6 days or the equivalent number of hours for which pupil
12 instruction is not provided because of conditions not within the
13 control of school authorities, such as severe storms, fires,
14 epidemics, utility power unavailability, water or sewer failure, or
15 health conditions as defined by the city, county, or state health
16 authorities, are counted as hours and days of pupil instruction.
17 For 2018-2019 only, in addition to these 6 days, if pupil
18 instruction is not provided on 1 or more days that are included in
19 a period for which the governor has issued an executive order
20 declaring a state of emergency across this state, upon request by a
21 district to the superintendent of public instruction, in a form and
22 manner prescribed by the department, that 1 or more of those days
23 and the equivalent number of hours count as days and hours of pupil
24 instruction, the department shall count those requested days and
25 the equivalent number of hours as days and hours of pupil
26 instruction for the purposes of this section. For 2018-2019, the
27 days included in the executive order are January 29, 2019 to
28 February 2, 2019. With the approval of the superintendent of public
29 instruction, the department shall count as hours and days of pupil



1 instruction for a fiscal year not more than 3 additional days or
2 the equivalent number of additional hours for which pupil
3 instruction is not provided in a district due to unusual and
4 extenuating occurrences resulting from conditions not within the
5 control of school authorities such as those conditions described in
6 this subsection. Subsequent such hours or days ~~shall not be~~ **are not**
7 counted as hours or days of pupil instruction.

8 (5) A district ~~shall~~ **does** not forfeit part of its state aid
9 appropriation because it adopts or has in existence an alternative
10 scheduling program for pupils in kindergarten if the program
11 provides at least the number of hours required under subsection (3)
12 for a full-time equated membership for a pupil in kindergarten as
13 provided under section 6(4).

14 (6) In addition to any other penalty or forfeiture under this
15 section, if at any time the department determines that 1 or more of
16 the following have occurred in a district, the district ~~shall~~
17 ~~forfeit~~ **forfeits** in the current fiscal year beginning in the next
18 payment to be calculated by the department a proportion of the
19 funds due to the district under this article that is equal to the
20 proportion below the required minimum number of hours and days of
21 pupil instruction under subsection (3), as specified in the
22 following:

23 (a) The district fails to operate its schools for at least the
24 required minimum number of hours and days of pupil instruction
25 under subsection (3) in a school year, including hours and days
26 counted under subsection (4).

27 (b) The board of the district takes formal action not to
28 operate its schools for at least the required minimum number of
29 hours and days of pupil instruction under subsection (3) in a



1 school year, including hours and days counted under subsection (4).

2 (7) In providing the minimum number of hours and days of pupil
3 instruction required under subsection (3), a district shall use the
4 following guidelines, and a district shall maintain records to
5 substantiate its compliance with the following guidelines:

6 (a) Except as otherwise provided in this subsection, a pupil
7 must be scheduled for at least the required minimum number of hours
8 of instruction, excluding study halls, or at least the sum of 90
9 hours plus the required minimum number of hours of instruction,
10 including up to 2 study halls.

11 (b) The time a pupil is assigned to any tutorial activity in a
12 block schedule may be considered instructional time, unless that
13 time is determined in an audit to be a study hall period.

14 (c) Except as otherwise provided in this subdivision, a pupil
15 in grades 9 to 12 for whom a reduced schedule is determined to be
16 in the individual pupil's best educational interest must be
17 scheduled for a number of hours equal to at least 80% of the
18 required minimum number of hours of pupil instruction to be
19 considered a full-time equivalent pupil. A pupil in grades 9 to 12
20 who is scheduled in a 4-block schedule may receive a reduced
21 schedule under this subsection if the pupil is scheduled for a
22 number of hours equal to at least 75% of the required minimum
23 number of hours of pupil instruction to be considered a full-time
24 equivalent pupil.

25 (d) If a pupil in grades 9 to 12 who is enrolled in a
26 cooperative education program or a special education pupil cannot
27 receive the required minimum number of hours of pupil instruction
28 solely because of travel time between instructional sites during
29 the school day, that travel time, up to a maximum of 3 hours per



1 school week, ~~shall be~~ **is** considered to be pupil instruction time
2 for the purpose of determining whether the pupil is receiving the
3 required minimum number of hours of pupil instruction. However, if
4 a district demonstrates to the satisfaction of the department that
5 the travel time limitation under this subdivision would create
6 undue costs or hardship to the district, the department may
7 consider more travel time to be pupil instruction time for this
8 purpose.

9 (e) In grades 7 through 12, instructional time that is part of
10 a Junior Reserve Officer Training Corps (JROTC) program ~~shall be~~ **is**
11 considered to be pupil instruction time regardless of whether the
12 instructor is a certificated teacher if all of the following are
13 met:

14 (i) The instructor has met all of the requirements established
15 by the United States Department of Defense and the applicable
16 branch of the armed services for serving as an instructor in the
17 Junior Reserve Officer Training Corps program.

18 (ii) The board of the district or intermediate district
19 employing or assigning the instructor complies with the
20 requirements of sections 1230 and 1230a of the revised school code,
21 MCL 380.1230 and 380.1230a, with respect to the instructor to the
22 same extent as if employing the instructor as a regular classroom
23 teacher.

24 (8) Except as otherwise provided in subsections (11) and (12),
25 the department shall apply the guidelines under subsection (7) in
26 calculating the full-time equivalency of pupils.

27 (9) Upon application by the district for a particular fiscal
28 year, the superintendent shall waive for a district the minimum
29 number of hours and days of pupil instruction requirement of



subsection (3) for a department-approved alternative education program or another innovative program approved by the department, including a 4-day school week. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture ~~shall be~~ **is** calculated based upon a comparison of the number of hours and days of pupil instruction actually provided to the minimum number of hours and days of pupil instruction required under subsection (3). ~~Pupils~~ **A district shall report pupils** enrolled in a department-approved alternative education program under this subsection ~~shall be reported~~ to the center in a form and manner determined by the center. All of the following apply to a waiver granted under this subsection:

(a) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(b) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil is on track for course completion at proficiency level, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 1 fiscal year and must be renewed annually to remain in effect.



~~(d) For 2018-2019 only, the department shall grant a waiver to a district that applies for a waiver for a blended model of delivery after the department's application deadline if the district meets the other requirements for a waiver under this subsection.~~

~~(10) Until 2014-2015, a **A** district may count up to 38 hours of qualifying professional development for teachers as hours of pupil instruction. However, if a collective bargaining agreement that provides for the counting of up to 38 hours of qualifying professional development for teachers as pupil instruction is in effect for employees of a district as of July 1, 2013, then until the school year that begins after the expiration of that collective bargaining agreement a district may count up to the contractually specified number of hours of qualifying professional development for teachers as hours of pupil instruction. Professional development provided online is allowable and encouraged, as long as the instruction has been approved by the district. The department shall issue a list of approved online professional development providers, which shall include the Michigan Virtual School. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:~~

~~(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.~~

~~(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.~~

~~(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.~~



1 ~~(d) Integrating technology into classroom instruction.~~

2 ~~(e) Maintaining teacher certification.~~ All of the following
3 apply to the counting of qualifying professional development as
4 pupil instruction under this subsection:

5 (a) If qualifying professional development exceeds 5 hours in
6 a single day, that day may be counted as a day of pupil
7 instruction.

8 (b) At least 8 hours of the qualifying professional
9 development counted as hours of pupil instruction under this
10 subsection must be recommended by a districtwide professional
11 development advisory committee appointed by the district board. The
12 advisory committee must be composed of teachers employed by the
13 district who represent a variety of grades and subject matter
14 specializations, including special education; nonteaching staff;
15 parents; and administrators. The majority membership of the
16 committee shall be composed of teaching staff.

17 (c) Professional development provided online is allowable and
18 encouraged, as long as the instruction has been approved by the
19 district. The department shall issue a list of approved online
20 professional development providers, which must include the Michigan
21 Virtual School.

22 (d) Qualifying professional development may only be counted as
23 hours of pupil instruction for the pupils of those teachers
24 scheduled to participate in the qualifying professional
25 development.

26 (e) For professional development to be considered qualifying
27 professional development under this subsection, the professional
28 development must meet all of the following:

29 (i) Is aligned to the school or district improvement plan for



1 the school or district in which the professional development is
2 being provided.

3 (ii) Is linked to 1 or more criteria in the evaluation tool
4 developed or adopted by the district or intermediate district under
5 section 1249 of the revised school code, MCL 380.1249.

6 (iii) Has been approved by the department as counting for state
7 continuing education clock hours. The number of hours of
8 professional development counted as hours of pupil instruction may
9 not exceed the number of state continuing education clock hours for
10 which the qualifying professional development was approved.

11 (iv) Not more than a combined total of 10 hours of the
12 professional development takes place before the first scheduled day
13 of school for the school year ending in the fiscal year and after
14 the last scheduled day of school for that school year.

15 (v) No more than 10 hours of qualifying professional
16 development takes place in a single month.

17 (vi) At least 75% of teachers scheduled to participate in the
18 professional development are in attendance.

19 (11) Subsections (3) and (8) do not apply to a school of
20 excellence that is a cyber school, as defined in section 551 of the
21 revised school code, MCL 380.551, and is in compliance with section
22 553a of the revised school code, MCL 380.553a.

23 (12) Subsections (3) and (8) do not apply to eligible pupils
24 enrolled in a dropout recovery program that meets the requirements
25 of section 23a. As used in this subsection, "eligible pupil" means
26 that term as defined in section 23a.

27 (13) ~~Beginning in 2013, at~~ **At** least every 2 years the
28 superintendent shall review the waiver standards set forth in the
29 pupil accounting and auditing manuals to ensure that the waiver



standards and waiver process continue to be appropriate and responsive to changing trends in online learning. The superintendent shall solicit and consider input from stakeholders as part of this review.

Sec. 102d. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed \$1,500,000.00 for ~~2018-~~ ~~2019-2019-2020~~ for reimbursements to districts, intermediate districts, and **the** authorizing bodies of public school academies for the licensing of school data analytical tools as described under this section. The reimbursement is for **eligible** districts, intermediate districts, and authorizing bodies of public school academies that choose to use a school data analytical tool to assist the district, intermediate district, or authorizing body of a public school academy and that enter into a licensing agreement for a school data analytical tool with 1 of the vendors approved by the department of technology, management, and budget under subsection ~~(2).~~ **(3)**. Funds allocated under this section are intended to provide **eligible** districts, intermediate districts, and **the** authorizing bodies of public school academies with financial forecasting and transparency reporting tools to help improve the financial health of districts and to improve communication with the public. ~~, resulting in increased fund balances for districts and intermediate districts.~~

(2) A district, intermediate district, or the authorizing body of a public school academy is eligible for funding under this section if either of the following applies:

(a) The department of treasury, in consultation with the department, approves a request by the district, intermediate district, or the authorizing body of the public school academy to



1 seek reimbursement for a school data analytical tool described in
2 this section and at least 1 of the following applies:

3 (i) The district, intermediate district, or public school
4 academy is required to submit a deficit elimination plan under
5 section 1220 of the revised school code, MCL 380.1220.

6 (ii) The district, intermediate district, or public school
7 academy is required to submit an enhanced deficit elimination plan
8 under section 1220 of the revised school code, MCL 380.1220.

9 (iii) The district, intermediate district, or public school
10 academy is required to submit periodic financial status reports to
11 the department of treasury.

12 (iv) The department of treasury has declared that the district,
13 intermediate district, or public school academy may potentially be
14 subject to fiscal stress.

15 (v) The district, intermediate district, or public school
16 academy is subject to oversight under the local financial stability
17 and choice act, 2012 PA 436, MCL 141.1541 to 141.1575.

18 (vi) The district, intermediate district, or public school
19 academy has a signed partnership agreement with the department and
20 is not receiving reimbursement for a school data analytical tool
21 under section 21h.

22 (b) There are remaining available funds under this section
23 after reimbursements are made to all eligible districts,
24 intermediate districts, and authorizing bodies described under
25 subdivision (a).

26 (3) ~~-(2)-~~A vendor approved under this section for ~~2017-2018~~
27 ~~2018-2019~~ is approved for use by a district, intermediate district,
28 or ~~the~~ authorizing body of a public school academy and for
29 reimbursement for ~~2018-2019~~.2019-2020.



1 **(4) ~~(3) Funds~~ The department shall first pay funds** allocated
 2 under this section ~~shall be paid to districts, intermediate~~
 3 ~~districts, and the~~ authorizing bodies of public school academies **to**
 4 **which subsection (2) (a) applies** as a ~~full~~ reimbursement for already
 5 ~~having a licensing agreement or for entering into a licensing~~
 6 ~~agreement not later than December 1, 2018 with a vendor approved~~
 7 under subsection ~~(2)~~ **(3)** to implement a school data analytical
 8 tool. Reimbursement will be prorated for the portion of the ~~state~~
 9 fiscal year not covered by the licensing agreement. ~~However, a~~
 10 ~~licensing agreement that takes effect after October 1, 2018 and~~
 11 ~~before December 1, 2018 will not be prorated if the term of the~~
 12 ~~agreement is at least 1 year. Reimbursement under this section~~
 13 ~~shall be made as follows:~~

14 ~~(a) All districts, intermediate districts, and authorizing~~
 15 ~~bodies of public school academies seeking reimbursement shall~~
 16 ~~submit requests not later than December 1, 2018 indicating the cost~~
 17 ~~paid for the school data analytical tool.~~

18 **(5) ~~(b)~~ The department shall determine the sum of the funding**
 19 ~~requests under subdivision (a) and, if there are sufficient funds,~~
 20 ~~shall pay~~ **If all eligible districts, intermediate districts, and**
 21 **authorizing bodies to which subsection (2) (a) applies have been**
 22 **reimbursed and there are remaining available funds under this**
 23 **section, the department shall pay 1/2 of the costs submitted under**
 24 ~~subdivision (a).~~ **by an eligible district, intermediate district, or**
 25 **authorizing body to which subsection (2) (a) does not apply but that**
 26 **is otherwise an eligible district, intermediate district, or**
 27 **authorizing body under this section.** If there are insufficient
 28 funds to pay 1/2 of the costs submitted under ~~(a),~~ **this subsection,**
 29 **then the department shall make** reimbursement ~~shall be made on an~~



1 equal percentage basis.

2 ~~(c) Funds remaining after the calculation and payment under~~
 3 ~~subdivision (b) shall be distributed on an equal per-pupil basis,~~
 4 ~~with an intermediate district's pupils considered to be the sum of~~
 5 ~~the pupil memberships of the constituent districts for which the~~
 6 ~~intermediate district is purchasing the school data analytical~~
 7 ~~tool, and with an authorizing body's pupils considered to be the~~
 8 ~~sum of the pupil memberships of the public school academies~~
 9 ~~authorized by the authorizing body for which the authorizing body~~
 10 ~~is purchasing the school data analytical tool.~~

11 (6) ~~(d)~~ The reimbursement to a district, intermediate
 12 district, or authorizing body of a public school academy ~~shall must~~
 13 not be greater than the amount paid for a data analytics
 14 application.

15 (7) ~~(e)~~ **A Subject to subsection (8), the department shall not**
 16 **reimburse a** district, intermediate district, or authorizing body of
 17 a public school academy ~~shall not be reimbursed~~ for the purchase of
 18 more than 1 software application.

19 (8) ~~(4)~~ If an intermediate district purchases both a school
 20 data analytical tool specifically for intermediate district
 21 finances and a school data analytical tool for those constituent
 22 districts that opt in, the intermediate district ~~shall may~~ be
 23 reimbursed for both purchases under this section.

24 (9) ~~(5)~~ If an intermediate district makes available to 1 or
 25 more of its constituent districts a school data analytical tool
 26 funded under this section, **the department shall not reimburse** that
 27 constituent district ~~shall not be reimbursed~~ under this section for
 28 the purchase of that school data analytical tool if the constituent
 29 district has opted in for that tool. **If an intermediate district**



1 makes available to 1 or more of its constituent districts a school
 2 data analytical tool funded under this section, and that
 3 constituent district does not opt in for that tool, the department
 4 shall not reimburse that constituent district for the purchase of
 5 any other analytical tool funded under this section.

6 (10) ~~(6)~~ If an authorizing body of a public school academy
 7 makes available to 1 or more public school academies a school data
 8 analytical tool funded under this section, **the department shall not**
 9 **reimburse** the public school academy ~~shall not be reimbursed~~ under
 10 this section for the purchase of a school data analytical tool if
 11 the public school academy opted in for that tool. **If an authorizing**
 12 **body makes available to 1 or more of its public school academies a**
 13 **school data analytical tool funded under this section, and that**
 14 **public school academy does not opt in for that tool, the department**
 15 **shall not reimburse that public school academy for the purchase of**
 16 **any other analytical tool funded under this section.**

17 (11) ~~(7)~~ Notwithstanding section 17b, **the department shall**
 18 **make** payments under this section ~~shall be made~~ on a schedule
 19 determined by the department.

20 Sec. 104. (1) In order to receive state aid under this
 21 article, a district shall comply with sections 1249, 1278a, 1278b,
 22 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
 23 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
 24 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
 25 the state school aid fund money appropriated in section 11, there
 26 is allocated for ~~2017-2018 an amount not to exceed \$29,709,400.00~~
 27 ~~and there is allocated for 2018-2019~~ **2019-2020** an amount not to
 28 exceed ~~\$32,509,400.00~~ **\$32,009,400.00** for payments on behalf of
 29 districts for costs associated with complying with those provisions



1 of law. In addition, from the federal funds appropriated in section
 2 11, there is allocated ~~each fiscal year for 2017-2018 and for 2018-~~
 3 ~~2019~~ **for 2019-2020** an amount estimated at \$6,250,000.00, funded
 4 from DED-OESE, title VI, state assessment funds, and from DED-
 5 OSERS, section 504 of part B of the individuals with disabilities
 6 education act, Public Law 94-142, plus any carryover federal funds
 7 from previous year appropriations, for the purposes of complying
 8 with the ~~federal no child left behind act of 2001, Public Law 107-~~
 9 ~~110, or the every student succeeds act, Public Law 114-95.~~

10 (2) The results of each test administered as part of the
 11 Michigan student test of educational progress (M-STEP), including
 12 tests administered to high school students, ~~shall~~ **must** include an
 13 item analysis that lists all items that are counted for individual
 14 pupil scores and the percentage of pupils choosing each possible
 15 response. The department shall work with the center to identify the
 16 number of students enrolled at the time assessments are given by
 17 each district. In calculating the percentage of pupils assessed for
 18 a district's scorecard, the department shall use only the number of
 19 pupils enrolled in the district at the time the district
 20 administers the assessments and shall exclude pupils who enroll in
 21 the district after the district administers the assessments.

22 (3) ~~All~~ **The department shall distribute** federal funds
 23 allocated under this section ~~shall be distributed~~ in accordance
 24 with federal law and with flexibility provisions outlined in Public
 25 Law 107-116, and in the education flexibility partnership act of
 26 1999, Public Law 106-25.

27 (4) ~~From the funds allocated in subsection (1), there is~~
 28 ~~allocated an amount not to exceed \$1,000,000.00 for 2017-2018 and~~
 29 ~~an amount not to exceed \$1,500,000.00 for 2018-2019 to an~~



~~1 intermediate district described in this subsection to implement a~~
~~2 Michigan kindergarten entry observation tool in 2017-2018 and 2018-~~
~~3 2019. The funding under this subsection is allocated to an~~
~~4 intermediate district in prosperity region 9 with at least 3,000~~
~~5 kindergarten pupils enrolled in its constituent districts to~~
~~6 continue participation in the Maryland-Ohio pilot and cover the~~
~~7 costs of implementing the observation tool, including a contract~~
~~8 with a university for implementation of the observation tool also~~
~~9 referred to as the kindergarten readiness assessment. The~~
~~10 intermediate district shall continue implementation of the Michigan~~
~~11 kindergarten entry observation (MKEO) and the kindergarten~~
~~12 readiness assessment shall be conducted in all kindergarten~~
~~13 classrooms in districts located in prosperity regions 4, 5, and 9~~
~~14 beginning in August 2018 and, beginning August 1, 2019, in~~
~~15 districts located in prosperity regions 2, 3, 4, 5, 6, 7, 8, and 9.~~
~~16 A constituent district of an intermediate district located within~~
~~17 these prosperity regions shall administer the Maryland-Ohio tool~~
~~18 within each kindergarten classroom to either the full census of~~
~~19 kindergarten pupils or a representative sample of not less than 35%~~
~~20 of the enrolled kindergarten pupils in each classroom. The~~
~~21 intermediate district receiving the funding allocated under this~~
~~22 subsection shall work with other intermediate districts to~~
~~23 implement the Michigan kindergarten entry observation, engage with~~
~~24 the office of great start and the department, and provide a report~~
~~25 to the legislature on the demonstrated readiness of kindergarten~~
~~26 pupils within the participating intermediate districts. That~~
~~27 intermediate district may share this funding with the other~~
~~28 affected intermediate districts and districts. Allowable costs~~
~~29 under this subsection include those incurred in July, August, and~~



~~September 2017 as well as those incurred in 2017-2018. As used in this subsection, "kindergarten" may include a classroom for young 5-year-olds, commonly referred to as "young 5s" or "developmental kindergarten". The department shall approve the language and literacy domain within the Maryland-Ohio tool, also referred to as the "Kindergarten Readiness Assessment", for use by districts as an initial assessment that may be delivered to all kindergarten students to assist with identifying any possible area of concern for a student in English language arts.~~ **From the funds allocated in subsection (1), there is allocated an amount not to exceed \$2,500,000.00 to an intermediate district described in this subsection for statewide implementation of the Michigan kindergarten entry observation tool (MKEO) beginning in the fall of 2019, utilizing the Maryland-Ohio observational tool, also referred to as the Kindergarten Readiness Assessment, as piloted under this subsection in 2017-2018 and implemented in 2018-2019 and 2019-2020. The funding in this subsection is allocated to an intermediate district in prosperity region 9 with at least 3,000 kindergarten pupils enrolled in its constituent districts. All of the following apply to the implementation of the kindergarten entry observation tool under this subsection:**

(a) The department, in collaboration with all intermediate districts, shall ensure that the Michigan kindergarten entry observation tool is administered in each kindergarten classroom to either the full census of kindergarten pupils enrolled in the classroom or to a representative sample of not less than 35% of the total kindergarten pupils enrolled in each classroom. If a district elects to administer the Michigan kindergarten entry observation tool to a random sample of pupils within each classroom, the



1 district's intermediate district shall select the pupils who will
2 receive the assessment based on the same random method. Beginning
3 in 2020, the observation tool must be administered within 45 days
4 after the start of the school year.

5 (b) The intermediate district that receives funding under this
6 subsection, in collaboration with all other intermediate districts,
7 shall implement a "train the trainer" professional development
8 model on the usage of the Michigan kindergarten entry observation
9 tool. This training model must provide training to intermediate
10 district staff so that they may provide similar training for staff
11 of their constituent districts. This training model must also
12 ensure that the tool produces reliable data and that there are a
13 sufficient number of trainers to train all kindergarten teachers
14 statewide.

15 (c) By March 1, 2021, and each year thereafter, the department
16 and the intermediate district that receives funding under this
17 subsection shall report to the house and senate appropriations
18 subcommittees on school aid, the house and senate fiscal agencies,
19 and the state budget director on the results of the statewide
20 implementation, including, but not limited to, an evaluation of the
21 demonstrated readiness of kindergarten pupils statewide and the
22 effectiveness of state and federal early childhood programs that
23 are designed for school readiness under this state's authority,
24 including the great start readiness program and the great start
25 readiness/Head Start blended program, as referenced under section
26 32d. By September 1, 2021, and each year thereafter, the department
27 and the center shall provide a method for districts and public
28 school academies with kindergarten enrollment to look up and verify
29 their student enrollment data for pupils who were enrolled in a



1 publicly funded early childhood program in the year before
 2 kindergarten, including the individual great start readiness
 3 program, individual great start readiness/Head Start blended
 4 program, individual title I preschool program, individual section
 5 31a preschool program, individual early childhood special education
 6 program, or individual developmental kindergarten or program for
 7 young 5-year-olds in which each tested child was enrolled. A
 8 participating district shall analyze the data to determine whether
 9 high-performing children were enrolled in any specific early
 10 childhood program and, if so, report that finding to the department
 11 and to the intermediate district that receives funding under this
 12 subsection.

13 (d) The department shall approve the language and literacy
 14 domain within the Kindergarten Readiness Assessment for use by
 15 districts as an initial assessment that may be delivered to all
 16 kindergarten pupils to assist with identifying any possible area of
 17 concern for a pupil in English language arts.

18 (e) As used in this subsection:

19 (i) "Kindergarten" includes a classroom for young 5-year-olds,
 20 commonly referred to as "young 5s" or "developmental kindergarten".

21 (ii) "Representative sample" means a sample capable of
 22 producing valid and reliable assessment information on all or major
 23 subgroups of kindergarten pupils in a district.

24 ~~(5) The department shall continue to make the kindergarten~~
 25 ~~entry assessment developed by the department and field tested in~~
 26 ~~2015-2016 available to districts in 2017-2018.~~

27 (5) ~~(6)~~ The department may recommend, but may not require,
 28 districts to allow pupils to use an external keyboard with tablet
 29 devices for online M-STEP testing, including, but not limited to,



open-ended test items such as constructed response or equation builder items.

(6) ~~(7)~~ Notwithstanding section 17b, **the department shall make** payments on behalf of districts, intermediate districts, and other eligible entities under this section ~~shall be paid on a schedule~~ determined by the department.

(7) ~~(8)~~ From the allocation in subsection (1), there is allocated ~~an amount not to exceed \$3,200,000.00 for 2017-2018 and~~ an amount not to exceed \$500,000.00 for ~~2018-2019~~ **2019-2020** for the ~~development or selection~~ **operation** of an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored. The department and the center shall ensure that any data collected by the online reporting tool do not provide individually identifiable student data to the federal government.

(8) ~~(9)~~ 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 and administer 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



1 implement a summative assessment system that is proven to be valid
2 and reliable for administration to pupils as provided under this
3 subsection. The summative assessment system ~~shall~~**must** meet all of
4 the following requirements:

5 (a) The summative assessment system ~~shall~~**must** measure student
6 proficiency on the current state standards, ~~shall~~**must** measure
7 student growth for consecutive grade levels in which students are
8 assessed in the same subject area in both grade levels, and ~~shall~~
9 **must** be capable of measuring individual student performance.

10 (b) The summative assessments for English language arts and
11 mathematics ~~shall~~**must** be administered to all public school pupils
12 in grades 3 to 11, including those pupils as required by the
13 federal individuals with disabilities education act, Public Law
14 108-446, and by title I of the federal every student succeeds act
15 (ESSA), Public Law 114-95.

16 (c) The summative assessments for science ~~shall~~**must** be
17 administered to all public school pupils in at least grades 5 and
18 8, including those pupils as required by the federal individuals
19 with disabilities education act, Public Law 108-446, and by title I
20 of the federal every student succeeds act (ESSA), Public Law 114-
21 95.

22 (d) The summative assessments for social studies ~~shall~~**must** be
23 administered to all public school pupils in at least grades 5 and
24 8, including those pupils as required by the federal individuals
25 with disabilities education act, Public Law 108-446, and by title I
26 of the federal every student succeeds act (ESSA), Public Law 114-
27 95.

28 (e) The content of the summative assessments ~~shall~~**must** be
29 aligned to state standards.



(f) The pool of questions for the summative assessments ~~shall~~ **must** be subject to a transparent review process for quality, bias, and sensitive issues involving educator review and comment. The department shall post samples from tests or retired tests featuring questions from this pool for review by the public.

(g) The summative assessment system ~~shall~~ **must** ensure that students, parents, and teachers are provided with reports that convey individual student proficiency and growth on the assessment and that convey individual student domain-level performance in each subject area, including representative questions, and individual student performance in meeting state standards.

(h) The summative assessment system ~~shall~~ **must** be capable of providing, and the department shall ensure that students, parents, teachers, administrators, and community members are provided with, reports that convey aggregate student proficiency and growth data by teacher, grade, school, and district.

(i) The summative assessment system ~~shall~~ **must** ensure the capability of reporting the available data to support educator evaluations.

(j) The summative assessment system ~~shall~~ **must** ensure that the reports provided to districts containing individual student data are available within 60 days after completion of the assessments.

(k) The summative assessment system ~~shall~~ **must** ensure that access to individually identifiable student data meets all of the following:

(i) Is in compliance with 20 USC 1232g, commonly referred to as the family educational rights and privacy act of 1974.

(ii) Except as may be provided for in an agreement with a vendor to provide assessment services, as necessary to support



1 educator evaluations pursuant to subdivision (i), or for research
2 or program evaluation purposes, is available only to the student;
3 to the student's parent or legal guardian; and to a school
4 administrator or teacher, to the extent that he or she has a
5 legitimate educational interest.

6 (l) The summative assessment system ~~shall~~**must** ensure that the
7 assessments are pilot tested before statewide implementation.

8 (m) The summative assessment system ~~shall~~**must** ensure that
9 assessments are designed so that the maximum total combined length
10 of time that schools are required to set aside for a pupil to
11 answer all test questions on all assessments that are part of the
12 system for the pupil's grade level does not exceed that maximum
13 total combined length of time for the previous statewide assessment
14 system or 9 hours, whichever is less. This subdivision does not
15 limit the amount of time a district may allow a pupil to complete a
16 test.

17 (n) The total cost of executing the summative assessment
18 system statewide each year, including, but not limited to, the cost
19 of contracts for administration, scoring, and reporting, ~~shall~~**must**
20 not exceed an amount equal to 2 times the cost of executing the
21 previous statewide assessment after adjustment for inflation.

22 (o) Beginning with the 2017-2018 school year, the summative
23 assessment system ~~shall~~**must** not require more than 3 hours in
24 duration, on average, for an individual pupil to complete the
25 combined administration of the math and English language arts
26 portions of the assessment for any 1 grade level.

27 (p) The summative assessments for English language arts and
28 mathematics for pupils in grades 8 to 10 must be aligned to the
29 college entrance test portion of the Michigan merit examination



1 required under section 104b.

2 (4) The department shall offer benchmark assessments in the
3 fall and spring of each school year to measure English language
4 arts and mathematics in each of grades K to 2. Full implementation
5 ~~shall~~**must** occur not later than the ~~2018-2019~~**2019-2020** school
6 year. These assessments are necessary to determine a pupil's
7 proficiency level before grade 3 **and must meet the requirements**
8 **under section 104d(4).**

9 (5) This section does not prohibit districts from adopting
10 interim assessments.

11 (6) As used in this section, "English language arts" means
12 that term as defined in section 104b.

13 Sec. 104d. (1) From the state school aid fund money
14 appropriated in section 11, there is allocated for ~~2018-2019~~**2019-**
15 **2020** an amount not to exceed \$9,200,000.00 for providing
16 reimbursement to districts ~~that purchase a computer-adaptive test,~~
17 ~~or~~ that purchase 1 or more diagnostic tools or **universal** screening
18 tools for pupils in grades K to 3 that are intended to increase
19 reading proficiency by grade 4, or that purchase benchmark
20 assessments for pupils in grades K to 8. **The department shall**
21 **evaluate and approve assessments under this section that meet the**
22 **requirements under subsections (2) to (4).**

23 (2) In order **for a district** to receive reimbursement under
24 this section for the purchase of ~~a computer-adaptive test, the~~
25 ~~computer-adaptive test must provide for at least all of the~~
26 ~~following:~~**an assessment intended for universal screening of pupils**
27 **in grades K to 3, subject to subsection (9), the assessment must**
28 **meet all of the following:**

29 (a) ~~Internet-delivered, standards-based assessment using a~~



~~computer adaptive model to target the instructional level of each pupil.~~ **Meet the requirement for universal screening as described under section 1280f of the revised school code, MCL 380.1280f.**

~~(b) Unlimited testing opportunities throughout the 2018-2019 school year.~~ **Be reliable and valid.**

~~(c) Valid and reliable diagnostic assessment data.~~ **Be useful.**
As used in this subdivision, "useful" means that an assessment is easy to administer, requires a short amount of time to complete, and yields results that inform instruction and intervention.

~~(d) Adjustment of testing difficulty based on previous answers to test questions.~~ **Can be used for the universal screening of characteristics of reading deficiencies as described under section 1280f of the revised school code, MCL 380.1280f.**

~~(e) Immediate~~ **Provide immediate** feedback to pupils and teachers.

(3) In order for a district to receive reimbursement under this section for the purchase of 1 or more diagnostic tools or screening tools for pupils in grades K to 3, each of the tools must meet all of the following: an assessment intended to be used as a diagnostic tool as described under section 1280f of the revised school code, MCL 380.1280f, for pupils in grades K to 3, the assessment must meet all of the following:

(a) Be reliable.

(b) Be valid.

(c) Be useful. As used in this subdivision, "useful" means that a tool is easy to administer. ~~and requires a short time to complete and that results are linked to intervention.~~

(d) Provide data to identify reading deficiencies that, if reading deficiencies are identified, can be utilized to inform



1 **instruction and intervention.**

2 (4) In order **for a district** to receive ~~funding~~ **reimbursement**
 3 under this section for the purchase of benchmark assessments for
 4 pupils in grades K to 8, the benchmark assessments must meet all of
 5 the following:

6 (a) Be aligned to the state standards of this state.

7 (b) Complement this state's summative assessment system.

8 (c) ~~Be administered at least once a year before the~~
 9 ~~administration of any summative assessment to monitor pupil~~
 10 ~~progress.~~ **Be internet-delivered and include a standards-based**
 11 **assessment using a computer-adaptive model to target the**
 12 **instructional level of each pupil.**

13 (d) Provide information on pupil achievement with regard to
 14 learning the content required in a given year or grade span.

15 (e) **Provide immediate feedback to pupils and teachers.**

16 (f) **Be nationally normed.**

17 (g) **Provide a measure of growth and provide for multiple**
 18 **testing opportunities.**

19 (5) ~~Reimbursement~~ **The department shall make reimbursement**
 20 under this section ~~shall be made to~~ eligible districts that
 21 purchase ~~a computer-adaptive test or~~ 1 or more diagnostic tools,
 22 **universal** screening tools, or benchmark assessments described in
 23 this section by October 15, 2018 ~~and shall be made~~ **2019. The**
 24 **department shall make reimbursement** on an equal per-pupil basis
 25 according to the available funding, based on the number of pupils
 26 for whom assessments were purchased.

27 (6) In order to receive reimbursement under this section, a
 28 district shall demonstrate to the satisfaction of the department
 29 that each qualifying ~~computer-adaptive test,~~ diagnostic tool,



universal screening tool, or benchmark assessment was purchased by the district by December 1, ~~2018~~**2019** and ~~shall~~**must** report to the department which tests, tools, and assessments the district purchased.

(7) Not later than February 1, ~~2019~~**2020**, the department shall compile the data provided by districts under subsection (6) and report to the house and senate appropriations subcommittees on school aid and the house and senate fiscal agencies the number of districts that purchased each test, tool, and assessment.

~~Districts~~**A district** seeking reimbursement under this section for a benchmark assessment shall commit to using the same benchmark assessment for no less than ~~3 years~~**1 year** without switching to another benchmark assessment.

(9) An assessment under subsection (2) may be a benchmark assessment if the benchmark assessment meets all of the criteria under subsection (2)(a) to (e).

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$30,000,000.00 for ~~2018-2019~~**2019-2020** for adult education programs authorized under this section. Except as otherwise provided under subsections (14) and (15), 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



1 section, an individual ~~shall~~**must** be enrolled in an adult basic
 2 education program, an adult secondary education program, an adult
 3 English as a second language program, a high school equivalency
 4 test preparation program, or a high school completion program, that
 5 meets the requirements of this section, and for which instruction
 6 is provided, and the individual ~~shall~~**must** be at least 18 years of
 7 age and the individual's graduating class ~~shall~~**must** have
 8 graduated.

9 (4) By April 1 of each fiscal year, the intermediate districts
 10 within a prosperity region or subregion shall determine which
 11 intermediate district will serve as the prosperity region's or
 12 subregion's fiscal agent for the next fiscal year and shall notify
 13 the department in a form and manner determined by the department.
 14 The department shall approve or disapprove of the prosperity
 15 region's or subregion's selected fiscal agent. From the funds
 16 allocated under subsection (1), an amount as determined under this
 17 subsection ~~shall be~~**is** allocated to each intermediate district
 18 serving as a fiscal agent for adult education programs in each of
 19 the prosperity regions or subregions identified by the department.
 20 An intermediate district shall not use more than 5% of the funds
 21 allocated under this subsection for administration costs for
 22 serving as the fiscal agent. ~~Beginning in 2014-2015, 67% of the~~
 23 ~~allocation provided to each intermediate district serving as a~~
 24 ~~fiscal agent shall be based on the proportion of total funding~~
 25 ~~formerly received by the adult education providers in that~~
 26 ~~prosperity region or subregion in 2013-2014, and 33% shall be~~
 27 ~~allocated based on the factors in subdivisions (a), (b), and (c).~~
 28 ~~For 2018-2019, 33% of the allocation provided to each intermediate~~
 29 ~~district serving as a fiscal agent shall be based upon the~~



~~proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the factors in subdivisions (a), (b), and (c). However, if the allocation to an intermediate district as calculated under the preceding sentence is less than the amount received by the intermediate district under this subsection for 2017-2018, the intermediate district shall instead receive in 2018-2019 an amount equal to what the intermediate district received in 2017-2018. Beginning in 2019-2020, the allocation provided to each intermediate district serving as a fiscal agent shall be~~ **is an amount** equal to what the intermediate district received in 2018-2019. The funding factors for this section are as follows:

(a) Sixty percent of this portion of the funding ~~shall be~~ **is** distributed based upon the proportion of the state population of individuals between the ages of 18 and 24 that are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American Community Survey (ACS) from the United States Census Bureau.

(b) Thirty-five percent of this portion of the funding ~~shall be~~ **is** distributed based upon the proportion of the state population of individuals age 25 or older who are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American Community Survey (ACS) from the United States Census Bureau.

(c) Five percent of this portion of the funding ~~shall be~~ **is** distributed based upon the proportion of the state population of individuals age 18 or older who lack basic English language



1 proficiency that resides in each of the prosperity regions or
2 subregions, as reported by the most recent 5-year estimates from
3 the American Community Survey (ACS) from the United States Census
4 Bureau.

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

8 (a) Distribute funds to adult education programs in a
9 prosperity region or subregion as described in this section.

10 (b) Collaborate with the career and educational advisory
11 council, which is an advisory council of the workforce development
12 boards located in the prosperity region or subregion, or its
13 successor, to develop a regional strategy that aligns adult
14 education programs and services into an efficient and effective
15 delivery system for adult education learners, with special
16 consideration for providing contextualized learning and career
17 pathways and addressing barriers to education and employment.

18 (c) Collaborate with the career and educational advisory
19 council, which is an advisory council of the workforce development
20 boards located in the prosperity region or subregion, or its
21 successor, to create a local process and criteria that will
22 identify eligible adult education providers to receive funds
23 allocated under this section based on location, demand for
24 services, past performance, quality indicators as identified by the
25 department, and cost to provide instructional services. The fiscal
26 agent shall determine all local processes, criteria, and provider
27 determinations. However, the local processes, criteria, and
28 provider services must be approved by the department before funds
29 may be distributed to the fiscal agent.



1 (d) Provide oversight to its adult education providers
2 throughout the program year to ensure compliance with the
3 requirements of this section.

4 (e) Report adult education program and participant data and
5 information as prescribed by the department.

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

10 (a) The program enrolls adults who are determined by a
11 department-approved assessment, in a form and manner prescribed by
12 the department, to be below twelfth grade level in reading or
13 mathematics, or both, or to lack basic English proficiency.

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

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

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

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

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

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

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



(e) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (9) until the participant meets 1 of the following:

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

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

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

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

(b) The program ~~shall administer~~ **administers** a pre-test approved by the department before enrolling an individual to determine the individual's literacy levels, ~~shall administer~~ **administers** a high school equivalency practice test to determine the individual's potential for success on the high school equivalency test, and ~~shall administer~~ **administers** a post-test upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient ~~shall receive~~ **receives** funding according to subsection (9) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant achieves a high school equivalency certificate.



(ii) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take a high school equivalency test after having completed at least 450 hours of instruction.

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

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

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

(c) A funding recipient ~~shall receive~~ **receives** funding according to subsection (9) for a participant in a course offered under this subsection until 1 of the following occurs:

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

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

(9) ~~A~~ **The department shall make payments to a** funding recipient ~~shall receive payments~~ under this section in accordance with all of the following:

(a) Statewide allocation criteria, including 3-year average enrollments, census data, and local needs.

(b) Participant completion of the adult basic education objectives by achieving an educational gain as determined by the national reporting system levels; for achieving basic English proficiency, as determined by the department; for achieving a high



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

7 (c) Participant completion of core indicators as identified in
 8 the innovation and opportunity act.

9 (d) Allowable expenditures.

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

19 (11) An individual who is an inmate in a state correctional
 20 facility ~~shall not be~~ **is not** counted as a participant under this
 21 section.

22 (12) A funding recipient shall not commingle money received
 23 under this section or from another source for adult education
 24 purposes with any other funds and shall establish a separate ledger
 25 account for funds received under this section. This subsection does
 26 not prohibit a district from using general funds of the district to
 27 support an adult education or community education program.

28 (13) A funding recipient receiving funds under this section
 29 may establish a sliding scale of tuition rates based upon a



1 participant's family income. A funding recipient may charge a
 2 participant tuition to receive adult education services under this
 3 section from that sliding scale of tuition rates on a uniform
 4 basis. The amount of tuition charged per participant ~~shall~~**must** not
 5 exceed the actual operating cost per participant minus any funds
 6 received under this section per participant. A funding recipient
 7 may not charge a participant tuition under this section if the
 8 participant's income is at or below 200% of the federal poverty
 9 guidelines published by the United States Department of Health and
 10 Human Services.

11 (14) In order to receive funds under this section, a funding
 12 recipient shall furnish to the department, in a form and manner
 13 determined by the department, all information needed to administer
 14 this program and meet federal reporting requirements; shall allow
 15 the department or the department's designee to review all records
 16 related to the program for which it receives funds; and shall
 17 reimburse the state for all disallowances found in the review, as
 18 determined by the department. In addition, a funding recipient
 19 shall agree to pay to a career and technical education program
 20 under section 61a the amount of funding received under this section
 21 in the proportion of career and technical education coursework used
 22 to satisfy adult basic education programming, as billed to the
 23 funding recipient by programs operating under section 61a. In
 24 addition to the funding allocated under subsection (1), there is
 25 allocated **for 2019-2020** an amount not to exceed \$500,000.00 to
 26 reimburse funding recipients for administrative and instructional
 27 expenses associated with commingling programming under this section
 28 and section 61a. ~~Payments made~~**The department shall make payments**
 29 **under this subsection** to each funding recipient ~~shall be~~ in the



1 same proportion as funding calculated and allocated under
 2 subsection (4).

3 (15) From the amount appropriated in subsection (1), an amount
 4 not to exceed \$4,000,000.00 ~~shall be~~**is** allocated for ~~2018-2019~~
 5 **2019-2020** for grants to adult education or career technical center
 6 programs that connect adult education participants with employers
 7 as provided under this subsection. The **department shall determine**
 8 **the amount of the** grant to each program ~~shall be up to under this~~
 9 **subsection, not to exceed** \$350,000.00. To be eligible for funding
 10 under this subsection, a program must provide a collaboration
 11 linking adult education programs within the county, the area career
 12 technical center, and local employers. To receive funding under
 13 this subsection, an eligible program ~~shall~~**must** satisfy all of the
 14 following:

15 (a) ~~Shall connect~~**Connect** adult education participants
 16 directly with employers by linking adult education, career and
 17 technical skills, and workforce development.

18 (b) ~~Shall require~~**Require** adult education staff to work with
 19 Michigan Works! agency to identify a cohort of participants who are
 20 most prepared to successfully enter the workforce. Participants
 21 identified under this subsection ~~shall~~**must** be dually enrolled in
 22 adult education programming and **in** at least 1 technical course at
 23 the area career and technical center.

24 (c) ~~Shall have~~**Employ** an individual staffed as an adult
 25 education navigator who will serve as a caseworker for each
 26 participant identified under subdivision (b). The navigator shall
 27 work with adult education staff and potential employers to design
 28 an educational program best suited to the personal and employment
 29 needs of the participant and shall work with human service agencies



1 or other entities to address any barrier in the way of participant
2 access.

3 (16) A program that was a pilot program in 2017-2018 and that
4 was funded under this section in 2017-2018 ~~shall be~~ **is** funded in
5 ~~2018-2019-2019-2020~~ unless the program ceases operation. The
6 intermediate district in which that pilot program was funded ~~shall~~
7 ~~be~~ **is** the fiscal agent for that program and shall apply for that
8 program's funding under subsection (15).

9 (17) Each program funded under subsection (15) will receive
10 funding for 3 years. After 3 years of operations and funding, a
11 program must reapply for funding.

12 (18) Not later than December 1, ~~2019,~~ **2020**, a program funded
13 under subsection (15) shall provide a report to the senate and
14 house appropriations subcommittees on school aid, to the senate and
15 house fiscal agencies, and to the state budget director identifying
16 the number of participants, graduation rates, and a measure of
17 transition to employment.

18 (19) The department shall approve at least 3 high school
19 equivalency tests and determine whether a high school equivalency
20 certificate meets the requisite standards for high school
21 equivalency in this state.

22 (20) As used in this section:

23 (a) "Career and educational advisory council" means an
24 advisory council to the local workforce development boards located
25 in a prosperity region consisting of educational, employer, labor,
26 and parent representatives.

27 (b) "Career pathway" means a combination of rigorous and high-
28 quality education, training, and other services that comply with
29 all of the following:



(i) Aligns with the skill needs of industries in the economy of this state or in the regional economy involved.

(ii) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the act of August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

(iii) Includes counseling to support an individual in achieving the individual's education and career goals.

(iv) Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.

(v) Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable.

(vi) Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least 1 recognized postsecondary credential.

(vii) Helps an individual enter or advance within a specific occupation or occupational cluster.

(c) "Department" means the department of ~~talent and economic development~~. **labor and economic opportunity.**

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



1 Sec. 147. (1) The allocation for ~~2018-2019~~**2019-2020** for the
 2 public school employees' retirement system pursuant to the public
 3 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
 4 to 38.1437, ~~shall be~~**is** made using the individual projected benefit
 5 entry age normal cost method of valuation and risk assumptions
 6 adopted by the public school employees retirement board and the
 7 department of technology, management, and budget.

8 (2) The annual level percentage of payroll contribution rates
 9 for the ~~2018-2019~~**2019-2020** fiscal year, as determined by the
 10 retirement system, are estimated as follows:

11 (a) For public school employees who first worked for a public
 12 school reporting unit before July 1, 2010 and who are enrolled in
 13 the health premium subsidy, the annual level percentage of payroll
 14 contribution rate is estimated at ~~38.39%~~**39.91%**, with ~~26.18%~~
 15 **27.50%** paid directly by the employer.

16 (b) For public school employees who first worked for a public
 17 school reporting unit on or after July 1, 2010 and who are enrolled
 18 in the health premium subsidy, the annual level percentage of
 19 payroll contribution rate is estimated at ~~36.60%~~**36.96%**, with
 20 ~~24.39%~~**24.55%** paid directly by the employer.

21 (c) For public school employees who first worked for a public
 22 school reporting unit on or after July 1, 2010 and who participate
 23 in the personal healthcare fund, the annual level percentage of
 24 payroll contribution rate is estimated at ~~36.24%~~**36.44%**, with
 25 24.03% paid directly by the employer.

26 (d) For public school employees who first worked for a public
 27 school reporting unit on or after September 4, 2012, who elect
 28 defined contribution, and who participate in the personal
 29 healthcare fund, the annual level percentage of payroll



1 contribution rate is estimated at ~~33.17%~~, **33.37%** with 20.96% paid
2 directly by the employer.

3 (e) For public school employees who first worked for a public
4 school reporting unit before July 1, 2010, who elect defined
5 contribution, and who are enrolled in the health premium subsidy,
6 the annual level percentage of payroll contribution rate is
7 estimated at ~~33.53%~~, **33.89%** with ~~21.32%~~ **21.48%** paid directly by the
8 employer.

9 (f) For public school employees who first worked for a public
10 school reporting unit before July 1, 2010, who elect defined
11 contribution, and who participate in the personal healthcare fund,
12 the annual level percentage of payroll contribution rate is
13 estimated at ~~33.17%~~, **33.37%**, with 20.96% paid directly by the
14 employer.

15 (g) For public school employees who first worked for a public
16 school reporting unit before July 1, 2010 and who participate in
17 the personal healthcare fund, the annual level percentage of
18 payroll contribution rate is estimated at ~~38.03%~~, **39.39%**, with
19 ~~25.82%~~ **26.98%** paid directly by the employer.

20 (h) For public school employees who first worked for a public
21 school reporting unit after January 31, 2018 and who elect to
22 become members of the MPSERS plan, the annual level percentage of
23 payroll contribution rate is estimated at ~~39.37%~~, **39.57%** with
24 27.16% paid directly by the employer.

25 (3) In addition to the employer payments described in
26 subsection (2), the employer shall pay the applicable contributions
27 to the Tier 2 plan, as determined by the public school employees
28 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

29 (4) The contribution rates in subsection (2) reflect an



1 amortization period of ~~20-19~~ years for ~~2018-2019-2019-2020~~. The
 2 public school employees' retirement system board shall notify each
 3 district and intermediate district by February 28 of each fiscal
 4 year of the estimated contribution rate for the next fiscal year.

5 Sec. 147a. (1) From the appropriation in section 11, there is
 6 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
 7 \$100,000,000.00 for payments to participating districts. A
 8 participating district that receives money under this subsection
 9 shall use that money solely for the purpose of offsetting a portion
 10 of the retirement contributions owed by the district for the fiscal
 11 year in which it is received. The amount allocated to each
 12 participating district under this subsection ~~shall be~~ **is** based on
 13 each participating district's percentage of the total statewide
 14 payroll for all participating districts for the immediately
 15 preceding fiscal year. As used in this subsection, "participating
 16 district" means a district that is a reporting unit of the Michigan
 17 public school employees' retirement system under the public school
 18 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
 19 38.1437, and that reports employees to the Michigan public school
 20 employees' retirement system for the applicable fiscal year.

21 (2) In addition to the allocation under subsection (1), from
 22 the state school aid fund money appropriated under section 11,
 23 there is allocated an amount not to exceed ~~\$88,091,000.00 for 2018-~~
 24 ~~2019-~~ **\$171,986,000.00 for 2019-2020** for payments to participating
 25 districts and intermediate districts and from the general fund
 26 money appropriated under section 11, there is allocated an amount
 27 not to exceed ~~\$48,000.00 for 2018-2019-~~ **\$83,000.00 for 2019-2020** for
 28 payments to participating district libraries. The amount allocated
 29 to each participating entity under this subsection ~~shall be~~ **is**



1 based on each participating entity's percentage of the total
 2 statewide payroll for that type of participating entity for the
 3 immediately preceding fiscal year. A participating entity that
 4 receives money under this subsection shall use that money solely
 5 for the purpose of offsetting a portion of the normal cost
 6 contribution rate. As used in this subsection:

7 (a) "District library" means a district library established
 8 under the district library establishment act, 1989 PA 24, MCL
 9 397.171 to 397.196.

10 (b) "Participating entity" means a district, intermediate
 11 district, or district library that is a reporting unit of the
 12 Michigan public school employees' retirement system under the
 13 public school employees retirement act of 1979, 1980 PA 300, MCL
 14 38.1301 to 38.1437, and that reports employees to the Michigan
 15 public school employees' retirement system for the applicable
 16 fiscal year.

17 Sec. 147c. From the appropriation in section 11, there is
 18 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
 19 ~~\$1,032,000,000.00~~ **\$1,030,400,000.00** from the state school aid fund
 20 for payments to districts and intermediate districts that are
 21 participating entities of the Michigan public school employees'
 22 retirement system. In addition, from the general fund money
 23 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~
 24 **2020** an amount not to exceed ~~\$700,000.00~~ **\$500,000.00** for payments
 25 to district libraries that are participating entities of the
 26 Michigan public school employees' retirement system. All of the
 27 following apply to funding under this subsection:

28 (a) For ~~2018-2019,~~ **2019-2020**, the amounts allocated under this
 29 subsection are estimated to provide an average MPSERS rate cap per



pupil amount of ~~\$690.00~~ **\$693.00** and are estimated to provide a rate cap per pupil for districts ranging between \$4.00 and ~~\$3,000.00~~ **\$4,000.00**.

(b) Payments made under this subsection ~~shall be~~ **are** equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(c) The amount allocated to each participating entity under this subsection ~~shall be~~ **is** based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year for the same type of participating entities. A participating entity that receives funds under this subsection shall use the funds solely for the purpose of retirement contributions as specified in subdivision (d).

(d) Each participating entity receiving funds under this subsection shall forward an amount equal to the amount allocated under subdivision (c) to the retirement system in a form, manner, and time frame determined by the retirement system.

(e) Funds allocated under this subsection should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.

(f) Not later than December 20, ~~2018~~, **2019**, the department shall publish and post on its website an estimated MPSERS rate cap



1 per pupil for each district.

2 (g) ~~It is the intent of the legislature that any~~ **The office of**
 3 **retirement service shall first apply** funds allocated under this
 4 subsection ~~are first applied to~~ pension contributions ~~, and, if any~~
 5 funds remain after that payment, **shall apply** those remaining funds
 6 ~~shall be applied to~~ other postemployment benefit contributions.

7 (h) As used in this ~~subsection:~~ **section:**

8 (i) "District library" means a district library established
 9 under the district library establishment act, 1989 PA 24, MCL
 10 397.171 to 397.196.

11 (ii) "MPERS rate cap per pupil" means an amount equal to the
 12 quotient of the district's payment under this subsection divided by
 13 the district's pupils in membership.

14 (iii) "Participating entity" means a district, intermediate
 15 district, or district library that is a reporting unit of the
 16 Michigan public school employees' retirement system under the
 17 public school employees retirement act of 1979, 1980 PA 300, MCL
 18 38.1301 to 38.1437, and that reports employees to the Michigan
 19 public school employees' retirement system for the applicable
 20 fiscal year.

21 (iv) "Retirement board" means the board that administers the
 22 retirement system under the public school employees retirement act
 23 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

24 (v) "Retirement system" means the Michigan public school
 25 employees' retirement system under the public school employees
 26 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

27 Sec. 147e. (1) From the appropriation in section 11, there is
 28 allocated for 2018-2019 an amount not to exceed ~~\$31,900,000.00~~
 29 **\$30,000,000.00** from the MPERS retirement obligation reform reserve



1 fund, and there is allocated for 2019-2020 an amount not to exceed
 2 \$1,900,000.00 from the MPSERS retirement obligation reform reserve
 3 fund and ~~\$5,700,000.00~~ \$40,671,000.00 from the state school aid
 4 fund for payments to participating entities.

5 (2) The payment to each participating entity under this
 6 section ~~shall be~~ is the sum of the amounts under this subsection as
 7 follows:

8 (a) An amount equal to the contributions made by a
 9 participating entity for the additional contribution made to a
 10 qualified participant's Tier 2 account in an amount equal to the
 11 contribution made by the qualified participant not to exceed 3% of
 12 the qualified participant's compensation as provided for under
 13 section 131(6) of the public school employees retirement act of
 14 1979, 1980 PA 300, MCL 38.1431.

15 (b) Beginning October 1, 2017, an amount equal to the
 16 contributions made by a participating entity for a qualified
 17 participant who is only a Tier 2 qualified participant under
 18 section 81d of the public school employees retirement act of 1979,
 19 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning
 20 February 1, 2018, not to exceed 1%, of the qualified participant's
 21 compensation.

22 (c) An amount equal to the increase in employer normal cost
 23 contributions under section 41b(2) of the public school employees
 24 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member
 25 that was hired after February 1, 2018 and chose to participate in
 26 Tier 1, compared to the employer normal cost contribution for a
 27 member under section 41b(1) of the public school employees
 28 retirement act of 1979, 1980 PA 300, MCL 38.1341b.

29 (3) As used in this section:



(a) "Member" means that term as defined under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(b) "Participating entity" means a district, intermediate district, or community college 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.

(c) "Qualified participant" means that term as defined under section 124 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1424.

Sec. 152a. (1) As required by the court in the consolidated cases known as *Adair v State of Michigan*, 486 Mich 468 (2010), from the state school aid fund money appropriated in section 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed \$38,000,500.00 to be used solely for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data to this state.

(2) From the allocation in subsection (1), the department shall make payments to districts and intermediate districts in an equal amount per-pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.

Sec. 152b. (1) From the general fund money appropriated under section 11, there is allocated ~~an amount not to exceed \$2,500,000.00 for 2017-2018 and~~ an amount not to exceed \$250,000.00



1 **each fiscal year** for 2018-2019 **and for 2019-2020** to reimburse
2 actual costs incurred by nonpublic schools in complying with a
3 health, safety, or welfare requirement mandated by a law or
4 administrative rule of this state.

5 (2) By January 1 of each applicable fiscal year, the
6 department shall publish a form for reporting actual costs incurred
7 by a nonpublic school in complying with a health, safety, or
8 welfare requirement mandated under state law containing each
9 health, safety, or welfare requirement mandated by a law or
10 administrative rule of this state applicable to a nonpublic school
11 and with a reference to each relevant provision of law or
12 administrative rule for the requirement. The **department shall post**
13 **the** form ~~shall be posted~~ on the department's website in electronic
14 form.

15 (3) By June 30 of each applicable fiscal year, a nonpublic
16 school seeking reimbursement for actual costs incurred in complying
17 with a health, safety, or welfare requirement under a law or
18 administrative rule of this state during each applicable school
19 year shall submit a completed form described in subsection (2) to
20 the department. This section does not require a nonpublic school to
21 submit a form described in subsection (2). A nonpublic school is
22 not eligible for reimbursement under this section if the nonpublic
23 school does not submit the form described in subsection (2) in a
24 timely manner.

25 (4) By August 15 of each applicable fiscal year, the
26 department shall distribute funds to each nonpublic school that
27 submits a completed form described under subsection (2) in a timely
28 manner. The superintendent shall determine the amount of funds to
29 be paid to each nonpublic school in an amount that does not exceed



1 the nonpublic school's actual costs in complying with a health,
2 safety, or welfare requirement under a law or administrative rule
3 of this state. The superintendent shall calculate a nonpublic
4 school's actual cost in accordance with this 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 may review the records of a nonpublic
11 school submitting a form described in subsection (2) only for the
12 limited purpose of verifying the nonpublic school's compliance with
13 this section. If a nonpublic school does not allow the department
14 to review records under this subsection, the nonpublic school is
15 not eligible for reimbursement under this section.

16 (7) The funds appropriated under this section are for purposes
17 related to education, are considered to be incidental to the
18 operation of a nonpublic school, are noninstructional in character,
19 and are intended for the public purpose of ensuring the health,
20 safety, and welfare of the children in nonpublic schools and to
21 reimburse nonpublic schools for costs described in this section.

22 (8) Funds allocated under this section are not intended to aid
23 or maintain any nonpublic school, support the attendance of any
24 student at a nonpublic school, employ any person at a nonpublic
25 school, support the attendance of any student at any location where
26 instruction is offered to a nonpublic school student, or support
27 the employment of any person at any location where instruction is
28 offered to a nonpublic school student.

29 (9) For purposes of this section, "actual cost" means the



1 hourly wage for the employee or employees performing a task or
 2 tasks required to comply with a health, safety, or welfare
 3 requirement under a law or administrative rule of this state
 4 identified by the department under subsection (2) and is to be
 5 calculated in accordance with the form published by the department
 6 under subsection (2), which shall include a detailed itemization of
 7 costs. The nonpublic school shall not charge more than the hourly
 8 wage of its lowest-paid employee capable of performing a specific
 9 task regardless of whether that individual is available and
 10 regardless of who actually performs a specific task. Labor costs
 11 under this subsection ~~shall~~**must** be estimated and charged in
 12 increments of 15 minutes or more, with all partial time increments
 13 rounded down. When calculating costs under subsection (4), fee
 14 components ~~shall~~**must** be itemized in a manner that expresses both
 15 the hourly wage and the number of hours charged. The nonpublic
 16 school may not charge any applicable labor charge amount to cover
 17 or partially cover the cost of health or fringe benefits. A
 18 nonpublic school shall not charge any overtime wages in the
 19 calculation of labor costs.

20 (10) For the purposes of this section, the actual cost
 21 incurred by a nonpublic school for taking daily student attendance
 22 ~~shall be~~**is** considered an actual cost in complying with a health,
 23 safety, or welfare requirement under a law or administrative rule
 24 of this state. Training fees, inspection fees, and criminal
 25 background check fees are considered actual costs in complying with
 26 a health, safety, or welfare requirement under a law or
 27 administrative rule of this state.

28 (11) The funds allocated under this section for 2017-2018 are
 29 a work project appropriation, and any unexpended funds for 2017-



2018 are carried forward into 2018-2019. The purpose of the work project is to continue to reimburse nonpublic schools for actual costs incurred in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state. The estimated completion date of the work project is September 30, ~~2020-2021~~.

(12) The funds allocated under this section for 2018-2019 are a work project appropriation, and any unexpended funds for 2018-2019 are carried forward into 2019-2020. The purpose of the work project is to continue to reimburse nonpublic schools for actual costs incurred in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state. The estimated completion date of the work project is September 30, ~~2020-2021~~.

(13) The funds allocated under this section for 2019-2020 are a work project appropriation, and any unexpended funds for 2019-2020 are carried forward into 2020-2021. The purpose of the work project is to continue to reimburse nonpublic schools for actual costs incurred in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state. The estimated completion date of the work project is September 30, 2021.

Sec. 160. If a district or intermediate district requests the superintendent to grant a waiver for the district or intermediate district from the requirements of section 1284b of the revised school code, MCL 380.1284b, that district or intermediate district shall use a portion of its funding under this article to conduct a ~~joint-public hearing with the department~~ to be held before the waiver is granted at a location within the district or intermediate



1 district. **The department may participate in a hearing held under**
 2 **this section at its discretion.**

3 Sec. 166. ~~(1) The governing board of a district or~~
 4 ~~intermediate district shall adopt and implement a disciplinary~~
 5 ~~policy as described in subsection (2) to provide penalties for~~
 6 ~~violations of section 1507 of the revised school code, MCL~~
 7 ~~380.1507, and penalties for a school official, member of a~~
 8 ~~governing board, or employee of the district or intermediate~~
 9 ~~district, or other person who refers a pupil for an abortion or~~
 10 ~~assists a pupil in obtaining an abortion and who is not the parent~~
 11 ~~or legal guardian of that pupil. A district or intermediate~~
 12 ~~district that fails to adopt a policy required under this section~~
 13 ~~within 3 years after the effective date of the 2016 amendments to~~
 14 ~~this section shall forfeit from its total state school aid an~~
 15 ~~amount equal to \$100,000.00.~~

16 ~~(2) A disciplinary policy required under subsection (1) shall~~
 17 ~~provide for a financial penalty to be applied against an individual~~
 18 ~~employed by the district or intermediate district who violates the~~
 19 ~~policy under subsection (1) that is equivalent to not less than 3%~~
 20 ~~of that individual's annual compensation.~~

21 ~~(3) A district or intermediate district that applies a~~
 22 ~~financial penalty against or collects a fine from an individual as~~
 23 ~~provided under subsection (2) shall refund to the state school aid~~
 24 ~~fund an amount of money equal to the amount of the penalty or fine.~~

25 Sec. 166a. (1) In order to avoid forfeiture of state aid under
 26 subsection (2), the board of a district or intermediate district
 27 providing reproductive health or other sex education instruction
 28 under section 1169, 1506, or 1507 of the revised school code, MCL
 29 380.1169, 380.1506, and 380.1507, or under any other provision of



1 law, shall ensure that all of the following are met:

2 (a) That the district or intermediate district does not
3 provide any of the instruction to a pupil who is less than 18 years
4 of age unless the district or intermediate district notifies the
5 pupil's parent or legal guardian in advance of the instruction and
6 the content of the instruction, gives the pupil's parent or legal
7 guardian a prior opportunity to review the materials to be used in
8 the instruction, allows the pupil's parent or legal guardian to
9 observe the instruction, and notifies the pupil's parent or legal
10 guardian in advance of his or her rights to observe the instruction
11 and to have the pupil excused from the instruction.

12 (b) That, upon the written request of a pupil's parent or
13 legal guardian or of a pupil if the pupil is at least age 18, the
14 pupil ~~shall be~~ **is** excused, without penalty or loss of academic
15 credit, from attending class sessions in which the instruction is
16 provided.

17 (c) That the sex education instruction includes age-
18 appropriate information clearly informing pupils at 1 or more age-
19 appropriate grade levels that having sex or sexual contact with an
20 individual under the age of 16 is a crime punishable by
21 imprisonment, and that 1 of the other results of being convicted of
22 this crime is to be listed on the sex offender registry on the
23 internet for up to 25 years.

24 **(d) That the district or intermediate district has adopted and**
25 **implemented a disciplinary policy as required under section 166.**

26 (2) If a parent or legal guardian of a pupil enrolled in a
27 district or intermediate district believes that the district or
28 intermediate district has violated this section, **section 166**, or
29 section 1169, 1506, or 1507 of the revised school code, MCL



1 380.1169, 380.1506, and 380.1507, he or she may file a complaint
2 with the superintendent or chief administrator of the district or
3 intermediate district in which the pupil is enrolled. Upon receipt
4 of the complaint, the superintendent or chief administrator of the
5 district or intermediate district shall investigate the complaint
6 and, within 30 days after the date of the complaint, provide a
7 written report of his or her findings to the parent or legal
8 guardian who filed the complaint and to the superintendent of
9 public instruction. If the investigation reveals that 1 or more
10 violations have occurred, the written report ~~shall~~**must** contain a
11 description of each violation and of corrective action the district
12 or intermediate district will take to correct the situation to
13 ensure that there is no further violation. The district or
14 intermediate district shall take the corrective action described in
15 the written report within 30 days after the date of the written
16 report.

17 (3) If a parent who has filed a complaint with a district
18 under subsection (2) believes that the district is still not in
19 compliance with law based on the findings made by the
20 superintendent or chief administrator of the district, the parent
21 may appeal the findings to the intermediate district in which the
22 district is located. If there is an appeal to an intermediate
23 district under this subsection, the intermediate superintendent of
24 the intermediate district shall investigate the complaint and,
25 within 30 days after the date of the appeal, provide a written
26 report of his or her findings to the parent or legal guardian who
27 filed the appeal and to the superintendent of public instruction.
28 If the investigation by the intermediate superintendent reveals
29 that 1 or more violations have occurred, the intermediate



1 superintendent in consultation with the local district shall
2 develop a plan for corrective action for the district to take to
3 correct the situation to ensure that there is no further violation,
4 and shall include this plan for corrective action with the written
5 report provided to the parent or legal guardian and the
6 superintendent of public instruction. The district shall take the
7 corrective action described in the plan within 30 days after the
8 date of the written report.

9 (4) If a parent who has filed a complaint with an intermediate
10 district under subsection (2) or a parent who has filed an appeal
11 with an intermediate district under subsection (3) believes that
12 the district or intermediate district is still not in compliance
13 with law based on the findings made by the intermediate
14 superintendent of the intermediate district, the parent may appeal
15 the findings to the department. If there is an appeal to the
16 department under this subsection, the department shall investigate
17 the complaint and, within 90 days after the date of the appeal,
18 provide a written report of its findings to the parent or legal
19 guardian who filed the appeal, to the superintendent of public
20 instruction, and to the district and intermediate district. If the
21 department finds 1 or more violations as a result of its
22 investigation, then all of the following apply:

23 (a) The department shall develop a plan for corrective action
24 for the district or intermediate district to take to correct the
25 situation to ensure that there is no further violation, and shall
26 include this plan for corrective action with the written report
27 provided to the parent or legal guardian, the superintendent of
28 public instruction, and the district or intermediate district. The
29 district or intermediate district shall take the corrective action



described in the plan within 30 days after the date of the written report.

(b) In addition to withholding the percentage of state school aid forfeited by the district or intermediate district under subsection (5), the department may assess a fee to the district or intermediate district that committed the violation in an amount not to exceed the actual cost to the department of conducting the investigation and making the reports required under this subsection.

(5) If an investigation conducted by the department under subsection (4) reveals that a district or intermediate district has committed 1 or more violations of this section, **section 166**, or section 1169, 1506, or 1507 of the revised school code, MCL 380.1169, 380.1506, and 380.1507, the district or intermediate district ~~shall forfeit~~ **forfeits** an amount equal to 1% of its total state school aid allocation under this act.

(6) The department, with the approval of the superintendent of public instruction, shall establish a reasonable process for a complainant to appeal to the department under subsection (4). The **department shall ensure that the** process ~~shall~~ **does** not place an undue burden on the complainant, the district or intermediate district, or the department.

~~(7) The department shall track the number of complaints and appeals it receives under this section for the 2004-2005 school year and, not later than the end of that school year, shall submit a report to the standing committees and appropriations subcommittees of the legislature having jurisdiction over education legislation and state school aid that details the number and nature of those complaints and appeals and the cost to the department of~~



1 ~~handling them.~~

2 Enacting section 1. In accordance with section 30 of article
3 IX of the state constitution of 1963, total state spending on
4 school aid under article I of the state school aid act of 1979,
5 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2018 PA 265,
6 2018 PA 586, and this amendatory act, from state sources for fiscal
7 year 2018-2019 is estimated at \$13,065,260,300.00 and state
8 appropriations for school aid to be paid to local units of
9 government for fiscal year 2018-2019 are estimated at
10 \$12,833,016,000.00. In accordance with section 30 of article IX of
11 the state constitution of 1963, total state spending on school aid
12 under article I of the state school aid act of 1979, 1979 PA 94,
13 MCL 388.1601 to 388.1772, as amended by this amendatory act, from
14 state sources for fiscal year 2019-2020 is estimated at
15 \$13,485,765,100.00 and state appropriations for school aid to be
16 paid to local units of government for fiscal year 2019-2020 are
17 estimated at \$13,244,215,300.00.

18 Enacting section 2. Sections 20m, 22n, 24c, 25h, 32q, 61g,
19 61h, 64b, 99y, 104f, and 153 of the state school aid act of 1979,
20 1979 PA 94, MCL 388.1620m, 388.1622n, 388.1624c, 388.1625h,
21 388.1632q, 388.1661g, 388.1661h, 388.1664b, 388.1699y, 388.1704f,
22 and 388.1753, are repealed effective October 1, 2019.

23 Enacting section 3. (1) Except as otherwise provided in
24 subsection (2), this amendatory act takes effect October 1, 2019.

25 (2) Sections 11, 11m, 15, 22a, 22b, 26a, 26b, 26c, 51a, 51c,
26 56, 62, 74a, 95a, 147e, and 152b of the state school aid act of
27 1979, MCL 388.1611, 388.1611m, 388.1615, 388.1622a, 388.1622b,
28 388.1626a, 388.1626b, 388.1626c, 388.1651a, 388.1651c, 388.1656,
29 388.1662, 388.1674a, 388.1695a, 388.1747e, and 388.1752b, as



1 amended by this amendatory act, take effect upon enactment of this
2 amendatory act.

