

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 154

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 11, 20, 22b, 22d, 25f, 25g, 31a, 35a, 236,
251, and 252 (MCL 388.1611, 388.1620, 388.1622b, 388.1622d,
388.1625f, 388.1625g, 388.1631a, 388.1635a, 388.1836, 388.1851, and
388.1852), sections 11, 20, 22b, 31a, and 35a as amended by 2019 PA
58, sections 22d, 25f, 25g, and 252 as amended by 2018 PA 265, and
sections 236 and 251 as amended by 2019 PA 62, and by adding
sections 35c, 54e, and 97.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30, 2019,~~
2 ~~there is appropriated for the public schools of this state and~~
3 ~~certain other state purposes relating to education the sum of~~

~~\$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~~
~~\$72,200,000.00 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 \$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~~
\$13,287,765,000.00 from the state school aid fund, the sum of
~~\$75,000,000.00~~ **\$62,620,000.00** 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~~ **year**
 ending ~~September 30, 2019 and~~ September 30, 2020.

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

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

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

5 (a) The target foundation allowance, formerly known as the
6 basic foundation allowance, is \$8,529.00.

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

8 (2) The department shall calculate the amount of each
9 district's foundation allowance as provided in this section, using
10 a target foundation allowance in the amount specified in subsection
11 (1). For the purpose of these calculations, a reference to the
12 target foundation allowance for a preceding fiscal year is
13 equivalent to a reference to the "basic" foundation allowance for
14 that fiscal year.

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

20 (a) Except as otherwise provided in this subdivision, for a
21 district that had a foundation allowance for the immediately
22 preceding fiscal year that was at least equal to the minimum
23 foundation allowance for the immediately preceding fiscal year, but
24 less than the target foundation allowance for the immediately
25 preceding fiscal year, the district receives a foundation allowance
26 in an amount equal to the sum of the district's foundation
27 allowance for the immediately preceding fiscal year plus the
28 difference between twice the dollar amount of the adjustment from
29 the immediately preceding fiscal year to the current fiscal year

1 made in the target foundation allowance and [(the difference
2 between the target foundation allowance for the current fiscal year
3 and target foundation allowance for the immediately preceding
4 fiscal year minus \$40.00) times (the difference between the
5 district's foundation allowance for the immediately preceding
6 fiscal year and the minimum foundation allowance for the
7 immediately preceding fiscal year) divided by the difference
8 between the target foundation allowance for the current fiscal year
9 and the minimum foundation allowance for the immediately preceding
10 fiscal year.] However, the foundation allowance for a district that
11 had less than the target foundation allowance for the immediately
12 preceding fiscal year must not exceed the target foundation
13 allowance for the current fiscal year.

14 (b) Except as otherwise provided in this subsection, for a
15 district that in the immediately preceding fiscal year had a
16 foundation allowance in an amount equal to the amount of the target
17 foundation allowance for the immediately preceding fiscal year, the
18 district receives a foundation allowance for 2019-2020 in an amount
19 equal to the target foundation allowance for 2019-2020.

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

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

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

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

1 geographic area of the dissolved district. For a community
2 district, if school operating taxes continue to be levied by a
3 qualifying school district under section 12b of the revised school
4 code, MCL 380.12b, with the same geographic area as the community
5 district, the taxable value per membership pupil of property in the
6 community district to be used for the purposes of this subsection
7 does not include the taxable value of property within the
8 geographic area of the community district.

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

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

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

8 However, for a public school academy that had an allocation under
9 this subsection before 2009-2010 that was equal to the sum of the
10 local school operating revenue per membership pupil other than
11 special education pupils for the district in which the public
12 school academy is located and the state portion of that district's
13 foundation allowance, that allocation is not reduced as a result of
14 the 2010 amendment to this subsection. Notwithstanding section 101,
15 for a public school academy that begins operations after the pupil
16 membership count day, the amount per membership pupil calculated
17 under this subsection must be adjusted by multiplying that amount
18 per membership pupil by the number of hours of pupil instruction
19 provided by the public school academy after it begins operations,
20 as determined by the department, divided by the minimum number of
21 hours of pupil instruction required under section 101(3). The
22 result of this calculation must not exceed the amount per
23 membership pupil 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 is the lesser of the sum of the
8 average of the foundation allowances of each of the original or
9 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 (9) The department shall round each fraction used in making
17 calculations under this section to the fourth decimal place and
18 shall round the dollar amount of an increase in the target
19 foundation allowance to the nearest whole dollar.

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

23 (11) To assist the legislature in determining the target
24 foundation allowance for the subsequent fiscal year, each revenue
25 estimating conference conducted under section 367b of the
26 management and budget act, 1984 PA 431, MCL 18.1367b, must
27 calculate a pupil membership factor, a revenue adjustment factor,
28 and an index as follows:

29 (a) The pupil membership factor is computed by dividing the

1 estimated membership in the school year ending in the current
2 fiscal year, excluding intermediate district membership, by the
3 estimated membership for the school year ending in the subsequent
4 fiscal year, excluding intermediate district membership. If a
5 consensus membership factor is not determined at the revenue
6 estimating conference, the principals of the revenue estimating
7 conference shall report their estimates to the house and senate
8 subcommittees responsible for school aid appropriations not later
9 than 7 days after the conclusion of the revenue conference.

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

28 (c) The index is calculated by multiplying the pupil
29 membership factor by the revenue adjustment factor. If a consensus

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

6 (12) Payments to districts and public school academies are not
7 made under this section. Rather, the calculations under this
8 section are used to determine the amount of state payments under
9 section 22b.

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

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

19 (15) As used in this section:

20 (a) "Certified mills" means the lesser of 18 mills or the
21 number of mills of school operating taxes levied by the district in
22 1993-94.

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

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

1 (d) "Current fiscal year" means the fiscal year for which a
2 particular calculation is made.

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

7 (f) "Immediately preceding fiscal year" means the fiscal year
8 immediately preceding the current fiscal year.

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

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

29 (i) "Local school operating revenue per membership pupil"

1 means a district's local school operating revenue divided by the
2 district's membership excluding special education pupils.

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

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

25 (l) "Nonexempt property" means property that is not a principal
26 residence, qualified agricultural property, qualified forest
27 property, supportive housing property, industrial personal
28 property, commercial personal property, or property occupied by a
29 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) "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, parts 2, 3, 4, and 6 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4201 to 125.4420 and 125.4602 to 125.4629, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670. , or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.~~

(s) "Taxable value per membership pupil" means taxable value, as certified by the county treasurer and reported to the

1 department, for the calendar year ending in the current state
2 fiscal year divided by the district's membership excluding special
3 education pupils for the school year ending in the current state
4 fiscal year.

5 Sec. 22b. (1) For discretionary nonmandated payments to
6 districts under this section, ~~there is allocated for 2018-2019 an~~
7 ~~amount not to exceed \$4,217,800,000.00 from the state school aid~~
8 ~~fund and general fund appropriations in section 11 and an amount~~
9 ~~not to exceed \$72,200,000.00 from the community district education~~
10 ~~trust fund appropriation in section 11, and there is allocated for~~
11 2019-2020 an amount not to exceed \$4,480,600,000.00 from the state
12 school aid fund and general fund appropriations in section 11 and
13 an amount not to exceed \$75,400,000.00 from the community district
14 education trust fund appropriation in section 11.

15 (2) Subject to subsection (3) and section 296, the allocation
16 to a district under this section is an amount equal to the sum of
17 the amounts calculated under sections 20, 51a(2), 51a(3), and
18 51a(11), minus the sum of the allocations to the district under
19 sections 22a and 51c. For a community district, the allocation as
20 otherwise calculated under this section is increased by an amount
21 equal to the amount of local school operating tax revenue that
22 would otherwise be due to the community district if not for the
23 operation of section 386 of the revised school code, MCL 380.386,
24 and this increase must be paid from the community district
25 education trust fund allocation in subsection (1) in order to
26 offset the absence of local school operating revenue in a community
27 district in the funding of the state portion of the foundation
28 allowance under section 20(4).

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

1 each district ~~shall~~**must** do all of the following:

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

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

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

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

11 (e) Comply with section 21f.

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

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

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

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

27 (6) From the allocation in subsection (1), the department
28 shall pay up to \$1,000,000.00 in litigation costs incurred by this
29 state associated with lawsuits filed by 1 or more districts or

1 intermediate districts against this state. If the allocation under
2 this section is insufficient to fully fund all payments required
3 under this section, the payments under this subsection must be made
4 in full before any proration of remaining payments under this
5 section.

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

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

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

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

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

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

5 Sec. 22d. (1) From the ~~appropriation in~~ **state school aid fund**
 6 **money appropriated under** section 11, an amount not to exceed
 7 ~~\$6,000,000.00~~ **\$7,000,000.00** is allocated for ~~2018-2019~~ **2019-2020**
 8 for supplemental payments to rural districts under this section.

9 (2) From the allocation under subsection (1), there is
 10 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
 11 \$957,300.00 for payments under this subsection to districts that
 12 meet all of the following:

13 (a) Operates grades K to 12.

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

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

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

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

20 (3) The amount of the additional funding to each eligible
 21 district under subsection (2) ~~shall be~~ **is** determined under a
 22 spending plan developed as provided in this subsection and approved
 23 by the superintendent of public instruction. The spending plan
 24 ~~shall~~ **must** be developed cooperatively by the intermediate
 25 superintendents of each intermediate district in which an eligible
 26 district is located. The intermediate superintendents shall review
 27 the financial situation of each eligible district, determine the
 28 minimum essential financial needs of each eligible district, and
 29 develop and agree on a spending plan that distributes the available

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

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

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

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

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

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

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

29 (c) If the total funding allocated under subdivision (b) is

1 not sufficient to fully fund payments as calculated under that
 2 subdivision, the department shall prorate payments to districts
 3 under subdivision (b) on an equal per-pupil basis.

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

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

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

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

(5) If the funds allocated under this section are insufficient to fully fund the adjustments under subsection (3), **the department shall prorate** 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

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

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

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

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

21 Sec. 31a. (1) From the state school aid fund money
 22 appropriated in section 11, there is allocated for 2019-2020 an
 23 amount not to exceed \$535,150,000.00 for payments to eligible
 24 districts and eligible public school academies for the purposes of
 25 ensuring that pupils are proficient in English language arts by the
 26 end of grade 3, that pupils are proficient in mathematics by the
 27 end of grade 8, that pupils are attending school regularly, that
 28 high school graduates are career and college ready, and for the
 29 purposes under subsections (7) and (8).

1 (2) For a district that has combined state and local revenue
2 per membership pupil under section 20 that is greater than the
3 target foundation allowance under section 20 for the current fiscal
4 year **and that, for the immediately preceding fiscal year, had**
5 **combined state and local revenue per membership pupil under section**
6 **20 that was greater than the basic foundation allowance under**
7 **section 20 that was in effect for the 2018-2019 fiscal year, the**
8 allocation under this section is an amount equal to 30% of the
9 allocation for which it would otherwise be eligible under this
10 section before any proration under subsection (14). **If a district**
11 **has combined state and local revenue per membership pupil under**
12 **section 20 that is greater than the target foundation allowance**
13 **under section 20 for the current fiscal year, but for the**
14 **immediately preceding fiscal year had combined state and local**
15 **revenue per membership pupil under section 20 that was less than**
16 **the basic foundation allowance under section 20 that was in effect**
17 **for the 2018-2019 fiscal year, the district shall receive an amount**
18 **per pupil equal to 11.5% of the statewide weighted average**
19 **foundation allowance, as applied under subsection (4), and before**
20 **any proration under subsection (14).**

21 (3) For a district or public school academy to be eligible to
22 receive funding under this section, other than funding under
23 subsection (7) or (8), the district or public school academy, for
24 grades K to 12, shall comply with the requirements under section
25 1280f of the revised school code, MCL 380.1280f, and shall use
26 resources to address early literacy and numeracy, and for at least
27 grades K to 12 or, if the district or public school academy does
28 not operate all of grades K to 12, for all of the grades it
29 operates, must implement a multi-tiered system of supports that is

1 an evidence based framework that uses data driven problem solving
2 to integrate academic and behavioral instruction and that uses
3 intervention delivered to all pupils in varying intensities based
4 on pupil needs. The multi-tiered system of supports described in
5 this subsection must provide at least all of the following
6 essential components:

7 (a) Team-based leadership.

8 (b) A tiered delivery system.

9 (c) Selection and implementation of instruction,
10 interventions, and supports.

11 (d) A comprehensive screening and assessment system.

12 (e) Continuous data-based decision making.

13 (4) From the funds allocated under subsection (1), there is
14 allocated for 2019-2020 an amount not to exceed \$510,000,000.00 to
15 continue a weighted foundation per pupil payment for districts and
16 public school academies enrolling economically disadvantaged
17 pupils. The department shall pay under this section to each
18 eligible district or eligible public school academy an amount per
19 pupil equal to 11.5% of the statewide weighted average foundation
20 allowance for the following, as applicable:

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

23 (i) The number of membership pupils in the district or public
24 school academy who are determined to be economically disadvantaged,
25 as reported to the center in the form and manner prescribed by the
26 center not later than the fifth Wednesday after the pupil
27 membership count day of the immediately preceding fiscal year.

28 (ii) If the district or public school academy is in the
29 community eligibility program, the number of pupils determined to

1 be eligible based on the product of the identified student
 2 percentage ~~reported for community eligibility provision status~~
 3 multiplied by the total number of membership pupils in the district
 4 or public school academy, as reported to the center in the form and
 5 manner prescribed by the center not later than the fifth Wednesday
 6 after the pupil membership count day of the immediately preceding
 7 fiscal year. This subparagraph only applies to ~~a~~**an eligible**
 8 district or **eligible** public school academy for the fiscal year
 9 immediately following the first fiscal year in which it is in the
 10 community eligibility program. **As used in this subparagraph,**
 11 **"identified student percentage" means the quotient of the number of**
 12 **membership pupils in an eligible district or eligible public school**
 13 **academy who are determined to be economically disadvantaged, as**
 14 **reported to the center in a form and manner prescribed by the**
 15 **center, not later than the fifth Wednesday after the pupil**
 16 **membership count day in the fiscal year preceding the first fiscal**
 17 **year in which the eligible district or eligible public school**
 18 **academy is in the community eligibility program, divided by the**
 19 **pupils counted in membership in an eligible district or eligible**
 20 **public school academy on the pupil membership count day in the**
 21 **fiscal year preceding the first fiscal year in which the eligible**
 22 **district or eligible public school academy is in the community**
 23 **eligibility program.**

24 (b) If the district or public school academy began operations
 25 as a district or public school academy after the pupil membership
 26 count day of the immediately preceding school year, the number of
 27 membership pupils in the district or public school academy who are
 28 determined to be economically disadvantaged, as reported to the
 29 center in the form and manner prescribed by the center not later

1 than the fifth Wednesday after the pupil membership count day of
2 the current fiscal year.

3 (c) If the district or public school academy began operations
4 as a district or public school academy after the pupil membership
5 count day of the current fiscal year, the number of membership
6 pupils in the district or public school academy who are determined
7 to be economically disadvantaged, as reported to the center in the
8 form and manner prescribed by the center not later than the fifth
9 Wednesday after the supplemental count day of the current fiscal
10 year.

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

29 (6) A district or public school academy that receives funds

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

8 (7) From the funds allocated under subsection (1), there is
9 allocated for 2019-2020 an amount not to exceed \$8,000,000.00 to
10 support primary health care services provided to children and
11 adolescents up to age 21. These funds must be expended in a form
12 and manner determined jointly by the department and the department
13 of health and human services. If any funds allocated under this
14 subsection are not used for the purposes of this subsection for the
15 fiscal year in which they are allocated, those unused funds must be
16 used that fiscal year to avoid or minimize any proration that would
17 otherwise be required under subsection (14) for that fiscal year.

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

1 the department.

2 (9) Each district or public school academy receiving funds
3 under this section shall submit to the department by July 15 of
4 each fiscal year a report, in the form and manner prescribed by the
5 department, that includes a brief description of each program
6 conducted or services performed by the district or public school
7 academy using funds under this section, the amount of funds under
8 this section allocated to each of those programs or services, the
9 total number of at risk pupils served by each of those programs or
10 services, and the data necessary for the department and the
11 department of health and human services to verify matching funds
12 for the temporary assistance for needy families program. In
13 prescribing the form and manner of the report, the department shall
14 ensure that districts are allowed to expend funds received under
15 this section on any activities that are permissible under this
16 section. If a district or public school academy does not comply
17 with this subsection, the department shall withhold an amount equal
18 to the August payment due under this section until the district or
19 public school academy complies with this subsection. If the
20 district or public school academy does not comply with this
21 subsection by the end of the fiscal year, the withheld funds are
22 forfeited to the school aid fund.

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

29 (11) Subject to subsections (6), (7), and (8), for schools in

1 which more than 40% of pupils are identified as at-risk, a district
2 or public school academy may use the funds it receives under this
3 section to implement tier 1, evidence-based practices in schoolwide
4 reforms that are guided by the district's comprehensive needs
5 assessment and are included in the district improvement plan.
6 Schoolwide reforms must include parent and community supports,
7 activities, and services, that may include the pathways to
8 potential program created by the department of health and human
9 services or the communities in schools program. As used in this
10 subsection, "tier 1, evidence-based practices" means research based
11 instruction and classroom interventions that are available to all
12 learners and effectively meet the needs of most pupils.

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

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

24 (b) Implementing section 1280f of the revised school code, MCL
25 380.1280f, as required under subsection (3), with fidelity.

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

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

6 (15) If a district is dissolved pursuant to section 12 of the
7 revised school code, MCL 380.12, the intermediate district to which
8 the dissolved school district was constituent shall determine the
9 estimated number of pupils that are economically disadvantaged and
10 that are enrolled in each of the other districts within the
11 intermediate district and provide that estimate to the department
12 for the purposes of distributing funds under this section within 60
13 days after the school district is declared dissolved.

14 (16) From the funds allocated under subsection (1), there is
15 allocated for 2019-2020 an amount not to exceed \$12,000,000.00 for
16 payments to districts and public school academies that otherwise
17 received an allocation under this subsection for 2018-2019 and
18 whose allocation under this section for 2018-2019, excluding any
19 payments under subsection (7) or (8), would have been more than the
20 district's or public school academy's allocation under this section
21 for 2019-2020 as calculated under subsection (4) only and as
22 adjusted under subsection (14). The allocation for each district or
23 public school academy under this subsection is an amount equal to
24 its allocation under this section for 2018-2019 minus its
25 allocation as otherwise calculated under subsection (4) for 2019-
26 2020, as adjusted by subsection (14), using in those calculations
27 the 2017-2018 number of pupils determined to be economically
28 disadvantaged. However, if the allocation as otherwise calculated
29 under this subsection would have been less than \$0.00, the

1 allocation under this subsection is \$0.00. If necessary, and before
2 any proration required under section 296, the department shall
3 prorate payments under this subsection by reducing the amount of
4 the allocation as otherwise calculated under this subsection by an
5 equal percentage per district or public school academy.

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

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

15 (19) As used in this section:

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

19 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

29 (viii) The pupil did not complete high school in 4 years and is

1 still continuing in school as identified in the Michigan cohort
2 graduation and dropout report.

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

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

11 (b) "Economically disadvantaged" means a pupil who has been
12 determined eligible for free or reduced-price meals as determined
13 under the Richard B. Russell national school lunch act, 42 USC 1751
14 to 1769j; who is in a household receiving supplemental nutrition
15 assistance program or temporary assistance for needy families
16 assistance; or who is homeless, migrant, or in foster care, as
17 reported to the center.

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

22 (d) "Statewide weighted average foundation allowance" means
23 the number that is calculated by adding together the result of each
24 district's or public school academy's foundation allowance, not to
25 exceed the target foundation allowance for the current fiscal year,
26 or per-pupil payment calculated under section 20 multiplied by the
27 number of pupils in membership in that district or public school
28 academy, and then dividing that total by the statewide number of
29 pupils in membership.

1 Sec. 35a. (1) From the appropriations in section 11, there is
2 allocated for 2019-2020 for the purposes of this section an amount
3 not to exceed ~~\$57,200,000.00~~ **\$57,400,000.00** from the state school
4 aid fund. The superintendent shall designate staff or contracted
5 employees funded under this section as critical shortage. Programs
6 funded under this section are intended to ensure that this state
7 will be a top 10 state in grade 4 reading proficiency by 2025
8 according to the National Assessment of Educational Progress
9 (NAEP).

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

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

the following components: phonemic awareness, phonics, fluency, and comprehension. Further, all of the following sub-skills must be assessed within each of these components:

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

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

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

(d) Comprehension - making meaning of text.

(4) From the ~~allocations~~**allocation** under subsection (1), there is allocated an amount not to exceed ~~\$21,000,000.00~~
\$31,500,000.00 for 2019-2020 for the purpose of providing early literacy coaches at intermediate districts to assist teachers in developing and implementing instructional strategies for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3. All of the following apply to funding under this subsection:

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

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

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

(iii) The use of data from diagnostic tools to determine the necessary additional supports and interventions needed by

1 individual pupils in grades K to 3 in order to be reading at grade
2 level.

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

9 (i) The department shall award each intermediate district grant
10 funding to support the cost of 1 early literacy coach in an equal
11 amount per early literacy coach, not to exceed
12 ~~\$75,000.00.~~ **\$112,500.00.**

13 (ii) After distribution of the grant funding under subparagraph
14 (i), the department shall distribute the remainder of grant funding
15 for additional early literacy coaches in an amount not to exceed
16 ~~\$75,000.00.~~ **\$112,500.00** per early literacy coach. The number of
17 funded early literacy coaches for each intermediate district is
18 based on the percentage of the total statewide number of pupils in
19 grades K to 3 who meet the income eligibility standards for the
20 federal free and reduced-price lunch programs who are enrolled in
21 districts in the intermediate district. ~~For each additional early~~
22 ~~literacy coach funded under this subparagraph, the department shall~~
23 ~~not make an award to an intermediate district under this~~
24 ~~subparagraph in an amount that is less than the amount necessary to~~
25 ~~pay 1/2 of the total cost of that additional early literacy coach.~~

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

1 demonstrate signs of dyslexia.

2 (5) From the ~~allocations~~**-allocation** under subsection (1),
3 there is allocated an amount not to exceed \$19,900,000.00 for 2019-
4 2020 to districts that provide additional instructional time to
5 those pupils in grades K to 3 who have been identified by using
6 department-approved screening and diagnostic tools as needing
7 additional supports and interventions in order to be reading at
8 grade level by the end of grade 3. Additional instructional time
9 may be provided before, during, and after regular school hours or
10 as part of a year-round balanced school calendar. All of the
11 following apply to funding under this subsection:

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

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

22 (A) Team-based leadership.

23 (B) A tiered delivery system.

24 (C) Selection and implementation of instruction,
25 interventions, and supports.

26 (D) A comprehensive screening and assessment system.

27 (E) Continuous data-based decision making.

28 (ii) Used department-approved research-based diagnostic tools
29 to identify individual pupils in need of additional instructional

1 time.

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

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

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

11 (b) The department shall distribute funding allocated under
12 this subsection to eligible districts on an equal per-first-grade-
13 pupil basis.

14 (c) If the funds allocated under this subsection are
15 insufficient to fully fund the payments under this subsection,
16 payments under this subsection are prorated on an equal per-pupil
17 basis based on grade 1 pupils.

18 (6) Not later than September 1, of each year, a district that
19 receives funding under subsection (4), (5), or ~~(11)~~, ~~(9)~~, in
20 conjunction with the Michigan data hub network, if possible, shall
21 provide to the department a report that includes at least both of
22 the following, in a form and manner prescribed by the department:

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

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

29 (i) School.

(ii) Grade level.

(iii) Gender.

(iv) Race.

(v) Ethnicity.

(vi) Economically disadvantaged status.

(vii) Disability.

(viii) Pupils identified as having reading deficiencies.

(7) ~~(8) From the state school aid fund money allocated~~
allocation under subsection (1), there is allocated an amount not
to exceed \$1,000,000.00 for 2019-2020 to an intermediate district
in which the combined total number of pupils in membership of all
of its constituent districts is the fewest among all intermediate
districts. All of the following apply to the funding under this
subsection:

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

(i) Literacy essentials teacher and principal training modules.

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

(b) Not later than September 1 of each year, the intermediate
district described in this subsection, in consultation with grant
recipients, shall submit a report to the chairs of the senate and
house appropriations subcommittees on state school aid and the
chairs of the senate and house standing committees responsible for
education legislation. The report described under this subdivision

1 must include student achievement results in English language arts
2 and survey results with feedback from parents and teachers
3 regarding the initiatives implemented under this subsection.

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

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

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

24 (i) Understanding of phonemic awareness, phonics, fluency,
25 vocabulary, and comprehension.

26 (ii) Appropriate use of assessments and differentiated
27 instruction.

28 (iii) Selection of appropriate instructional materials.

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

1 (c) As used in this subsection, "effective reading
2 instruction" means reading instruction scientifically proven to
3 result in improvement in pupil reading skills.

4 (9) From the allocation under subsection (1), there is
5 allocated for 2019-2020 only an amount not to exceed \$5,000,000.00
6 for a summer school reading program for grade 3 pupils who did not
7 score at least proficient on the English language arts portion of
8 the Michigan student test of educational progress (M-STEP) and for
9 pupils in grades K to 2 who are not reading at grade level. All of
10 the following apply to the funding allocated under this subsection:

11 (a) To be eligible for funding under this subsection, a
12 district must apply in a form and manner prescribed by the
13 department by not later than January 15, 2020.

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

16 (c) The amount of funding to each eligible district is equal
17 to the product of the quotient of \$5,000,000.00 divided by the sum
18 of the number of pupils determined by the department to have scored
19 less than proficient on the English language arts portion of the
20 2019 grade 3 Michigan student test of educational progress (M-STEP)
21 among all of the districts that apply and are eligible for funding
22 for a summer school reading program under this subsection,
23 multiplied by the number of pupils in the eligible district
24 determined by the department to have scored less than proficient on
25 the English language arts portion of the 2019 grade 3 Michigan
26 student test of educational progress (M-STEP).

27 (d) A district that is awarded funding under this subsection
28 must prioritize its summer school reading program toward grade 3
29 pupils who scored less than proficient on the English language arts

1 portion of the Michigan student test of educational progress (M-
 2 STEP), but may extend the program to any pupil in grades K to 2 who
 3 is not reading at grade level if the program has capacity.

4 (10) ~~(12)~~Notwithstanding section 17b, the department shall
 5 make payments made under subsections (7) ~~, (8), (9), and (11)~~ (9)
 6 on a schedule determined by the department.

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

13 (2) A district is eligible for a grant under this section if
 14 all of the following apply to the district:

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

18 (i) Is based in Michigan.

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

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

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

26 (v) Provides training in more than 40 states.

27 (vi) Offers graduate-level credits through a regionally
 28 accredited university.

29 (b) The district partners with the program described in

1 subdivision (a) to provide multisensory structured reading
2 instruction professional development for staff in grades K to 3
3 general education or grades K to 12 special education, or both.

4 (c) The total combined membership of the constituent districts
5 of the intermediate district in which the district is located is at
6 least 200,000. As used in this subdivision, "constituent district"
7 means a district located within the intermediate district.

8 (d) The district is located in prosperity region 10.

9 (e) The total pupil membership of the district is at least
10 13,000 but not more than 15,000.

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

15 (a) Professional development, including training staff in the
16 multisensory, sequential, systematic education approach used by the
17 program.

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

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

26 (a) The number of staff trained.

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

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

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

5 Sec. 54e. (1) From the general fund money appropriated under
6 section 11, there is allocated for 2019-2020 only an amount not to
7 exceed \$350,000.00 for a pilot program to train at least 60 early
8 on providers in the components of evidence-based parent-implemented
9 models of intervention for the treatment of autism. To receive
10 funding under this section, a program provider must agree to use
11 the funds for training in these components for early on providers
12 using an evidence-based program to conduct the training and may
13 receive the funding in the form and manner prescribed by the
14 department. The department shall ensure that early on providers in
15 multiple intermediate districts are provided with training under
16 this section and shall include early on providers in intermediate
17 districts based on interest in the program and need for the
18 training.

19 (2) The department shall conduct a survey of intermediate
20 districts in the pilot program described under this section after
21 implementation of the parent-implemented model of intervention
22 pilot program to measure the impact of the program. The department
23 shall report the findings from the survey to the legislature. The
24 department may use existing vendors to conduct this data
25 collection. The department may use not more than 10% of the
26 allocation under this section for administration and management of
27 the pilot program.

28 (3) As used in this section, "parent-implemented model of
29 intervention" means a model in which parents directly use

1 individualized developmentally appropriate intervention practices
2 with their children to increase the social abilities of children
3 with autism.

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

7 Sec. 97. (1) For 2019-2020 only, from the state school aid
8 fund money appropriated under section 11, there is allocated an
9 amount not to exceed \$10,000,000.00 for competitive grants to
10 public schools, districts, and intermediate districts to purchase
11 technology equipment, upgrade hardening measures, or conduct school
12 building safety assessments to improve the safety and security of
13 school buildings, pupils, and school staff with the goal of
14 creating a safer school environment through equipment and
15 technology enhancements. The department of state police, grants and
16 community services division, shall administer the grant program
17 described in this subsection. All grants under this subsection must
18 be funded on a reimbursement-only basis. Grants under this
19 subsection must not exceed \$50,000.00 for each public school and
20 \$250,000.00 for each district or intermediate district.

21 (2) All of the following apply to the application process for
22 funding under subsection (1):

23 (a) A public school, district, or intermediate district shall
24 submit an application for funding under subsection (1) directly to
25 the department of state police, grants and community services
26 division.

27 (b) An application from a district or intermediate district
28 under this subsection must be for 1 or more buildings that have
29 some or all of pre-K to grade 12 classrooms and pupils.

1 (c) An applicant may submit only 1 application.

2 (d) An individual public school may submit its own application
3 but must not also be included in its district's application if the
4 district submits an application under this subsection.

5 (e) The department of state police shall award grants to
6 applicants based on eligibility, the project description, and
7 whether the project reflects the highest security need of the
8 applicant within grant funding constraints, the budget narrative,
9 the budget, project goals, objectives, and performance measures.

10 (f) The department of state police shall give priority to all
11 of the following applicants:

12 (i) Applicants seeking funding for projects that involve
13 multiple agencies working in partnership.

14 (ii) Applicants seeking funding for proposals that seek to
15 secure exterior access points of school buildings.

16 (iii) Applicants that did not receive a school safety grant in
17 the past.

18 (iv) Applicants that did not receive a grant under section 1001
19 of article XX of 2018 PA 207 or under section 115 of 2018 PA 618.

20 (g) To be awarded a grant, an applicant must demonstrate proof
21 that the public school, district, or intermediate district has an
22 emergency operation plan that had been updated after August 1, 2017
23 to align with the state emergency operations plan guidance and
24 statewide school safety information policy developed under section
25 1308 of the revised school code, MCL 380.1308.

26 (h) The department of state police shall issue grant guidance
27 and application materials, including required performance measures,
28 not later than February 1, 2020.

29 (3) The department of state police shall not award funding

1 under subsection (1) to a public school, district, or intermediate
2 district in relation to the same school building more than once. If
3 a district submits an application under subsection (2) relating to
4 a school building and a public school within that district also
5 submits an application for funding in relation to that same school
6 building, the department of state police shall not allocate funding
7 under subsection (1) twice for that school building. If a public
8 school, district, or intermediate district submits more than 1
9 application, the department of state police shall first consider
10 the most recent application submitted in considering funding under
11 subsection (1).

12 (4) Eligible expenses for reimbursement under subsection (1)
13 must be consistent with the recommendations of the school safety
14 task force created by Executive Order No. 2018-5. The department of
15 state police shall list the eligible expenses in the grant guidance
16 and application materials described under subsection (2). The
17 following items are not eligible expenses for which grant funds
18 under subsection (1) may be applied:

- 19 (a) Weapons, including tasers.
- 20 (b) Personal body armor for routine use.
- 21 (c) Construction of new facilities.
- 22 (d) Costs in applying for the grant, such as consultants and
23 grant writers.
- 24 (e) Expenses incurred before the date of the award or after
25 the end of the performance period of the grant award.
- 26 (f) Personnel costs or operation costs related to a capital
27 improvement.
- 28 (g) Indirect costs or indirect administrative expenses.
- 29 (h) Travel.

1 (i) Contributions or donations.

2 (j) Management or administrative training and conferences,
3 except as otherwise preapproved by the department of state police.

4 (k) Management studies or research and development.

5 (l) Memberships and dues, except for a specific requirement of
6 the project that has been preapproved by the department of state
7 police.

8 (m) Vehicles, watercraft, or aircraft, including unmanned or
9 remotely piloted aircraft and vehicles.

10 (n) Service contracts and training beyond the performance
11 period of the grant award.

12 (o) Food, refreshments, and snacks.

13 (5) A grantee under section 1001 of article XX of 2018 PA 207
14 that is a public school, district, or intermediate district or a
15 grantee under section 115 of 2018 PA 618 that is a public school,
16 district, or intermediate district is not prohibited from applying
17 for, and receiving, a grant award under this section.

18 (6) The department of state police shall begin issuing awards
19 for grants under subsection (1) not later than May 1, 2020. A
20 project that is awarded a grant under this program must be
21 completed by July 1, 2021.

22 (7) The department of state police shall report on grant
23 activities under this section, including available performance
24 outcomes as identified in individual grant agreements, to the
25 senate and house appropriations subcommittees on state police, the
26 senate and house fiscal agencies, and the state budget office by
27 August 1, 2021.

28 (8) The funds allocated for school safety grants under this
29 section for 2019-2020 are a work project appropriation, and any

unexpended funds for 2019-2020 do not lapse to the state school aid fund and are carried forward into 2020-2021. The purpose of the work project is to continue promoting safer school environments. The estimated completion date of the work project is July 1, 2021.

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, 2020, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,685,545,000.00.~~ **\$1,691,395,000.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,685,545,000.00.~~ **\$1,691,395,000.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, ~~\$128,026,400.00.~~ **\$134,026,400.00.**

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, \$349,419,300.00.

(v) State general fund/general purpose money, ~~\$1,208,099,300.00.~~ **\$1,207,949,300.00.**

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is \$89,227,800.00, \$87,096,900.00 for operations, \$532,800.00 for performance funding, and \$1,598,100.00 for costs incurred under the North American Indian tuition waiver.

(b) The appropriation for Eastern Michigan University is

1 \$77,556,000.00, \$76,816,500.00 for operations, \$437,200.00 for
2 performance funding, and \$302,300.00 for costs incurred under the
3 North American Indian tuition waiver.

4 (c) The appropriation for Ferris State University is
5 \$56,032,800.00, \$54,732,400.00 for operations, \$293,100.00 for
6 performance funding, and \$1,007,300.00 for costs incurred under the
7 North American Indian tuition waiver.

8 (d) The appropriation for Grand Valley State University is
9 \$73,388,500.00, \$71,780,400.00 for operations, \$533,100.00 for
10 performance funding, and \$1,075,000.00 for costs incurred under the
11 North American Indian tuition waiver.

12 (e) The appropriation for Lake Superior State University is
13 \$14,361,000.00, \$13,349,300.00 for operations, \$57,700.00 for
14 performance funding, and \$954,000.00 for costs incurred under the
15 North American Indian tuition waiver.

16 (f) The appropriation for Michigan State University is
17 \$353,872,800.00, \$285,805,100.00 for operations, \$1,526,600.00 for
18 performance funding, \$1,467,700.00 for costs incurred under the
19 North American Indian tuition waiver, \$34,937,300.00 for MSU
20 AgBioResearch, and \$30,136,100.00 for MSU Extension.

21 (g) The appropriation for Michigan Technological University is
22 \$50,568,100.00, \$49,835,300.00 for operations, \$266,300.00 for
23 performance funding, and \$466,500.00 for costs incurred under the
24 North American Indian tuition waiver.

25 (h) The appropriation for Northern Michigan University is
26 \$48,909,100.00, \$47,576,200.00 for operations, \$232,900.00 for
27 performance funding, and \$1,100,000.00 for costs incurred under the
28 North American Indian tuition waiver.

29 (i) The appropriation for Oakland University is \$53,432,500,

1 \$52,719,900.00 for operations, \$427,500.00 for performance funding,
2 and \$285,100.00 for costs incurred under the North American Indian
3 tuition waiver.

4 (j) The appropriation for Saginaw Valley State University is
5 \$30,807,700.00, \$30,456,500.00 for operations, \$127,300.00 for
6 performance funding, and \$223,900.00 for costs incurred under the
7 North American Indian tuition waiver.

8 (k) The appropriation for University of Michigan - Ann Arbor
9 is \$322,773,600.00, \$320,255,800.00 for operations, \$1,714,300.00
10 for performance funding, and \$803,500.00 for costs incurred under
11 the North American Indian tuition waiver.

12 (l) The appropriation for University of Michigan - Dearborn is
13 \$26,327,200.00, \$25,986,400.00 for operations, \$180,600.00 for
14 performance funding, and \$160,200.00 for costs incurred under the
15 North American Indian tuition waiver.

16 (m) The appropriation for University of Michigan - Flint is
17 \$23,893,200.00, \$23,493,800.00 for operations, \$122,400.00 for
18 performance funding, and \$277,000.00 for costs incurred under the
19 North American Indian tuition waiver.

20 (n) The appropriation for Wayne State University is
21 \$203,413,900.00, \$202,112,700.00 for operations, \$884,000.00 for
22 performance funding, and \$417,200.00 for costs incurred under the
23 North American Indian tuition waiver.

24 (o) The appropriation for Western Michigan University is
25 \$112,290,100.00, \$110,976,000.00 for operations, \$546,200.00 for
26 performance funding, and \$767,900.00 for costs incurred under the
27 North American Indian tuition waiver.

28 (3) The amount appropriated in subsection (2) for public
29 universities is \$1,536,854,300.00, appropriated from the following:

1 (a) State school aid fund, \$343,168,300.00.

2 (b) State general fund/general purpose money,
3 \$1,193,686,000.00.

4 (4) The amount appropriated for Michigan public school
5 employees' retirement system reimbursement is \$5,017,000.00,
6 appropriated from the state school aid fund.

7 (5) The amount appropriated for state and regional programs is
8 \$315,000.00, appropriated from general fund/general purpose money
9 and allocated as follows:

10 (a) Higher education database modernization and conversion,
11 \$200,000.00.

12 (b) Midwestern Higher Education Compact, \$115,000.00.

13 (6) The amount appropriated for the Martin Luther King, Jr. -
14 Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated
15 from general fund/general purpose money and allocated as follows:

16 (a) Select student support services, \$1,956,100.00.

17 (b) Michigan college/university partnership program,
18 \$586,800.00.

19 (c) Morris Hood, Jr. educator development program,
20 \$148,600.00.

21 (7) Subject to subsection (8), the amount appropriated for
22 grants and financial aid is ~~\$139,283,200.00,~~ **\$145,283,200.00,**
23 allocated as follows:

24 (a) State competitive scholarships,
25 ~~\$32,361,700.00.~~ **\$38,361,700.00.**

26 **(b) Tuition grants, \$38,021,500.00.**

27 (c) Tuition incentive program, \$64,300,000.00.

28 (d) Children of veterans and officer's survivor tuition grant
29 programs, \$1,400,000.00.

(e) Project GEAR-UP, \$3,200,000.00.

(8) The money appropriated in subsection (7) for grants and financial aid is appropriated from the following:

(a) Federal revenues under the United States Department of Education, Office of Elementary and Secondary Education, GEAR-UP program, \$3,200,000.00.

(b) Federal revenues under the social security act, temporary assistance for needy families, ~~\$124,826,400.00.~~ **\$130,826,400.00.**

(c) State general fund/general purpose money, \$11,256,800.00.

(9) For fiscal year 2019-2020 only, in addition to the allocation under subsection (4), from the appropriations described in subsection (1), there is allocated an amount not to exceed \$1,234,000.00 for payments to participating public universities, appropriated from the state school aid fund. A university that receives money under this subsection shall use that money solely for the purpose of offsetting the normal cost contribution rate. As used in this subsection, "participating public universities" means public universities that are 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 pay contributions to the Michigan public school employees' retirement system for the state fiscal year.

Sec. 251. (1) Payments of the amounts included in section 236 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of treasury shall determine an actual ~~maximum~~ state competitive scholarship award per student, which shall be ~~not less~~ ~~than~~ \$1,000.00, that ensures that the aggregate payments for the

1 state competitive scholarship program do not exceed the
2 appropriation contained in section 236 for the state competitive
3 scholarship program. If the department determines that insufficient
4 funds are available to establish a ~~maximum~~-an award amount equal to
5 ~~at least~~ \$1,000.00, the department shall immediately report to the
6 house and senate appropriations subcommittees on higher education,
7 the house and senate fiscal agencies, and the state budget director
8 regarding the estimated amount of additional funds necessary to
9 establish a \$1,000.00 ~~maximum~~-award amount.

10 (3) The department of treasury shall implement a proportional
11 competitive scholarship ~~maximum~~-award level for recipients enrolled
12 less than full-time in a given semester or term.

13 (4) If a student who receives an award under this section has
14 his or her tuition and fees paid under the Michigan educational
15 trust program, pursuant to the Michigan education trust act, 1986
16 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
17 funds awarded under this section may be used for educational
18 expenses other than tuition and fees.

19 (5) If the department of treasury increases the ~~maximum~~-award
20 per eligible student from that provided in the previous fiscal
21 year, it shall not have the effect of reducing the number of
22 eligible students receiving awards in relation to the total number
23 of eligible applicants. Any increase in the ~~maximum~~-grant shall be
24 proportional for all eligible students receiving awards.

25 (6) Veterans Administration benefits shall not be considered
26 in determining eligibility for the award of scholarships under 1964
27 PA 208, MCL 390.971 to 390.981.

28 ~~(7) Any unexpended and unencumbered funds remaining on~~
29 ~~September 30, 2020 from the amounts appropriated in section 236 for~~

~~the state competitive scholarship program for fiscal year 2019-2020 do not lapse on September 30, 2020, but continue to be available for the expenditure for state competitive scholarships under a work project account.~~

Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in undergraduate degree programs who are qualified and who apply ~~before~~ **by** March 1 of each year for the next academic year.

(3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections ~~(7)~~ **(6)** and ~~(8)~~ **(7)**, the department of treasury shall determine an actual ~~maximum~~ tuition grant award per student, which shall be ~~no less than \$2,400.00, \$2,800.00~~, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in section 236 for the state tuition grant program. If the department determines that insufficient funds are available to establish ~~a maximum~~ **an** award amount equal to ~~at least \$2,400.00, \$2,800.00~~, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a ~~\$2,400.00 maximum~~ **\$2,800.00** award amount. If the department determines that sufficient funds are available to establish ~~a maximum~~ **an** award amount equal to ~~at least \$2,400.00, \$2,800.00~~, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal

1 agencies, and the state budget director regarding the ~~maximum~~-award
 2 amount established and the projected amount of any projected year-
 3 end appropriation balance based on that ~~maximum~~-award amount. By
 4 February 18 of each fiscal year, the department shall analyze the
 5 status of award commitments, shall make any necessary adjustments,
 6 and shall confirm that those award commitments will not exceed the
 7 appropriation contained in section 236 for the tuition grant
 8 program. The determination and actions shall be reported to the
 9 state budget director and the house and senate fiscal agencies no
 10 later than the final day of February of each year. If award
 11 adjustments are necessary, the students shall be notified of the
 12 adjustment by March 4 of each year.

13 ~~(4) Any unexpended and unencumbered funds remaining on~~
 14 ~~September 30, 2019 from the amounts appropriated in section 236 for~~
 15 ~~the tuition grant program for fiscal year 2018-2019 do not lapse on~~
 16 ~~September 30, 2019, but continue to be available for expenditure~~
 17 ~~for tuition grants provided in the 2019-2020 fiscal year under a~~
 18 ~~work project account.~~

19 (4) ~~(5)~~ The department of treasury shall continue a
 20 proportional tuition grant ~~maximum~~-award level for recipients
 21 enrolled less than full-time in a given semester or term.

22 (5) ~~(6)~~ If the department of treasury increases the ~~maximum~~
 23 award per eligible student from that provided in the previous
 24 fiscal year, it shall not have the effect of reducing the number of
 25 eligible students receiving awards in relation to the total number
 26 of eligible applicants. Any increase in the ~~maximum~~-grant shall be
 27 proportional for all eligible students receiving awards for that
 28 fiscal year.

29 (6) ~~(7) Except as provided in subsection (4), the~~ **The**

department of treasury shall not award more than ~~\$4,200,000.00~~
\$4,800,000.00 in tuition grants to eligible students enrolled in
 the same independent nonprofit college or university in this state.
 Any decrease in the ~~maximum~~ grant shall be proportional for all
 eligible students enrolled in that college or university, as
 determined by the department. The limit described in this
 subsection does not apply to any other student financial aid
 program or in combination with any other student financial aid
 program.

(7) ~~(8)~~—The department of treasury shall not award tuition
 grants to otherwise eligible students enrolled in an independent
 college or university that does not report, in a form and manner
 directed by and satisfactory to the department of treasury, by
 October 31 of each year, all of the following:

(a) The number of students in the most recently completed
 academic year who in any academic year received a state tuition
 grant at the reporting institution and successfully completed a
 program or graduated.

(b) The number of students in the most recently completed
 academic year who in any academic year received a state tuition
 grant at the reporting institution and took a remedial education
 class.

(c) The number of students in the most recently completed
 academic year who in any academic year received a Pell grant at the
 reporting institution and successfully completed a program or
 graduated.

(8) ~~(9)~~—By February 1 ~~, 2019,~~ **of each year**, each independent
 college and university participating in the tuition grant program
 shall report to the senate and house appropriations subcommittees

1 on higher education, the senate and house fiscal agencies, and the
2 state budget director on its efforts to develop and implement
3 sexual assault response training for the institution's title IX
4 coordinator, campus law enforcement personnel, campus public safety
5 personnel, and any other campus personnel charged with responding
6 to on-campus incidents, including information on sexual assault
7 response training materials and the status of implementing sexual
8 assault response training for institutional personnel.

9 Enacting section 1. (1) In accordance with section 30 of
10 article IX of the state constitution of 1963, total state spending
11 on school aid under article I of the state school aid act of 1979,
12 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2019 PA 58 and
13 this amendatory act, from state sources for fiscal year 2019-2020
14 is estimated at \$13,427,685,100.00 and state appropriations for
15 school aid to be paid to local units of government for fiscal year
16 2019-2020 are estimated at \$13,221,615,300.00.

17 (2) In accordance with section 30 of article IX of the state
18 constitution of 1963, total state spending from state sources for
19 higher education for fiscal year 2019-2020 under article III of the
20 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891,
21 is estimated at \$1,557,368,600.00 and the amount of that state
22 spending from state sources to be paid to local units of government
23 for fiscal year 2019-2020 is estimated at \$0.00.