

**SUBSTITUTE FOR**  
**SENATE BILL NO. 373**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 6, 11, 11m, 20, 22a, 22b, 26c, 31j, 32d, 51a,  
51c, 61a, 94a, 95b, 99h, 104, 147c, 147e, 201, 236, and 256 (MCL  
388.1606, 388.1611, 388.1611m, 388.1620, 388.1622a, 388.1622b,  
388.1626c, 388.1631j, 388.1632d, 388.1651a, 388.1651c, 388.1661a,  
388.1694a, 388.1695b, 388.1699h, 388.1704, 388.1747c, 388.1747e,  
388.1801, 388.1836, and 388.1856), sections 6, 11m, 22a, 26c, 32d,  
51a, 51c, 61a, 94a, 99h, 104, 147c, and 147e as amended by 2019 PA  
58, sections 11, 20, 22b, and 236 as amended by 2019 PA 162,  
section 31j as amended by 2018 PA 586, section 95b as amended by  
2018 PA 265, section 201 as amended by 2019 PA 52, and section 256  
as amended by 2020 PA 69, and by adding sections 11d, 11p, 11q,



201c, and 236g; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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

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

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



1 or other credential of equal status.

2 (4) "Membership", except as otherwise provided in this  
3 article, means for a district, a public school academy, or an  
4 intermediate district the sum of the product of .90 times the  
5 number of full-time equated pupils in grades K to 12 actually  
6 enrolled and in regular daily attendance on the pupil membership  
7 count day for the current school year, plus the product of .10  
8 times the final audited count from the supplemental count day for  
9 the immediately preceding school year. A district's, public school  
10 academy's, or intermediate district's membership is adjusted as  
11 provided under section 25e for pupils who enroll after the pupil  
12 membership count day in a strict discipline academy operating under  
13 sections 1311b to 1311m of the revised school code, MCL 380.1311b  
14 to 380.1311m. However, for a district that is a community district,  
15 "membership" means the sum of the product of .90 times the number  
16 of full-time equated pupils in grades K to 12 actually enrolled and  
17 in regular daily attendance in the community district on the pupil  
18 membership count day for the current school year, plus the product  
19 of .10 times the sum of the final audited count from the  
20 supplemental count day of pupils in grades K to 12 actually  
21 enrolled and in regular daily attendance in the community district  
22 for the immediately preceding school year. All pupil counts used in  
23 this subsection are as determined by the department and calculated  
24 by adding the number of pupils registered for attendance plus  
25 pupils received by transfer and minus pupils lost as defined by  
26 rules promulgated by the superintendent, and as corrected by a  
27 subsequent department audit. The amount of the foundation allowance  
28 for a pupil in membership is determined under section 20. In making  
29 the calculation of membership, all of the following, as applicable,



1 apply to determining the membership of a district, a public school  
2 academy, or an intermediate district:

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

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

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

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

25 (e) A pupil enrolled in the Michigan Schools for the Deaf and  
26 Blind is counted in membership in the pupil's intermediate district  
27 of residence.

28 (f) A pupil enrolled in a career and technical education  
29 program supported by a millage levied over an area larger than a



1 single district or in an area vocational-technical education  
2 program established under section 690 of the revised school code,  
3 MCL 380.690, is counted in membership only in the pupil's district  
4 of residence.

5 (g) A pupil enrolled in a public school academy is counted in  
6 membership in the public school academy.

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

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

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



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

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

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

20 (k) For an extended school year program approved by the  
 21 superintendent, a pupil enrolled, but not scheduled to be in  
 22 regular daily attendance, on a pupil membership count day, is  
 23 counted in membership.

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

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



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

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

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

11 (B) Had dropped out of school.

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

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

21 (m) An individual who has achieved a high school diploma is  
22 not counted in membership. An individual who has achieved a high  
23 school equivalency certificate is not counted in membership unless  
24 the individual is a student with a disability as defined in R  
25 340.1702 of the Michigan Administrative Code. An individual  
26 participating in a job training program funded under former section  
27 107a or a jobs program funded under former section 107b,  
28 administered by the department of labor and economic opportunity,  
29 or participating in any successor of either of those 2 programs, is



1 not counted in membership.

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

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

24 (ii) If the public school academy provides instruction for less  
25 than 1/2 of the class hours required under section 101, the  
26 district or intermediate district providing the remainder of the  
27 hours of instruction receives as its prorated share of the full-  
28 time equated membership for each of those pupils an amount equal to  
29 1 times the product of the hours of instruction the district or



1 intermediate district provides divided by the number of hours  
2 required under section 101 for full-time equivalency, and the  
3 remainder of the full-time membership for each of those pupils is  
4 allocated to the public school academy.

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

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

12 (q) The number of class hours used to calculate full-time  
13 equated memberships must be consistent with section 101. In  
14 determining full-time equated memberships for pupils who are  
15 enrolled in a postsecondary institution or for pupils engaged in an  
16 internship or work experience under section 1279h of the revised  
17 school code, MCL 380.1279h, a pupil is not considered to be less  
18 than a full-time equated pupil solely because of the effect of his  
19 or her postsecondary enrollment or engagement in the internship or  
20 work experience, including necessary travel time, on the number of  
21 class hours provided by the district to the pupil.

22 (r) Full-time equated memberships for pupils in kindergarten  
23 are determined by dividing the number of instructional hours  
24 scheduled and provided per year per kindergarten pupil by the same  
25 number used for determining full-time equated memberships for  
26 pupils in grades 1 to 12. However, to the extent allowable under  
27 federal law, for a district or public school academy that provides  
28 evidence satisfactory to the department that it used federal title  
29 I money in the 2 immediately preceding school fiscal years to fund



1 full-time kindergarten, full-time equated memberships for pupils in  
2 kindergarten are determined by dividing the number of class hours  
3 scheduled and provided per year per kindergarten pupil by a number  
4 equal to 1/2 the number used for determining full-time equated  
5 memberships for pupils in grades 1 to 12. The change in the  
6 counting of full-time equated memberships for pupils in  
7 kindergarten that took effect for 2012-2013 is not a mandate.

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

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

25 (u) If, as a result of a disciplinary action, a district  
26 determines through the district's alternative or disciplinary  
27 education program that the best instructional placement for a pupil  
28 is in the pupil's home or otherwise apart from the general school  
29 population, if that placement is authorized in writing by the



1 district superintendent and district alternative or disciplinary  
2 education supervisor, and if the district provides appropriate  
3 instruction as described in this subdivision to the pupil at the  
4 pupil's home or otherwise apart from the general school population,  
5 the district may count the pupil in membership on a pro rata basis,  
6 with the proration based on the number of hours of instruction the  
7 district actually provides to the pupil divided by the number of  
8 hours required under section 101 for full-time equivalency. For the  
9 purposes of this subdivision, a district is considered to be  
10 providing appropriate instruction if all of the following are met:

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

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

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

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

22 (v) If a pupil was enrolled in a public school academy on the  
23 pupil membership count day, if the public school academy's contract  
24 with its authorizing body is revoked or the public school academy  
25 otherwise ceases to operate, and if the pupil enrolls in a district  
26 within 45 days after the pupil membership count day, the department  
27 shall adjust the district's pupil count for the pupil membership  
28 count day to include the pupil in the count.

29 (w) For a public school academy that has been in operation for



1 at least 2 years and that suspended operations for at least 1  
 2 semester and is resuming operations, membership is the sum of the  
 3 product of .90 times the number of full-time equated pupils in  
 4 grades K to 12 actually enrolled and in regular daily attendance on  
 5 the first pupil membership count day or supplemental count day,  
 6 whichever is first, occurring after operations resume, plus the  
 7 product of .10 times the final audited count from the most recent  
 8 pupil membership count day or supplemental count day that occurred  
 9 before suspending operations, as determined by the superintendent.

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

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



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

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

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

18           (aa) For the first year in which a pupil is counted in  
19 membership on the pupil membership count day in a middle college  
20 program, the membership is the average of the full-time equated  
21 membership on the pupil membership count day and on the  
22 supplemental count day for the current school year, as determined  
23 by the department. If a pupil described in this subdivision was  
24 counted in membership by the operating district on the immediately  
25 preceding supplemental count day, the pupil is excluded from the  
26 district's immediately preceding supplemental count for the  
27 purposes of determining the district's membership.

28           (bb) A district or public school academy that educates a pupil  
29 who attends a United States Olympic Education Center may count the



1 pupil in membership regardless of whether or not the pupil is a  
2 resident of this state.

3 (cc) A pupil enrolled in a district other than the pupil's  
4 district of residence under section 1148(2) of the revised school  
5 code, MCL 380.1148, is counted in the educating district.

6 (dd) For a pupil enrolled in a dropout recovery program that  
7 meets the requirements of section 23a, the pupil is counted as 1/12  
8 of a full-time equated membership for each month that the district  
9 operating the program reports that the pupil was enrolled in the  
10 program and was in full attendance. However, if the special  
11 membership counting provisions under this subdivision and the  
12 operation of the other membership counting provisions under this  
13 subsection result in a pupil being counted as more than 1.0 FTE in  
14 a fiscal year, the payment made for the pupil under sections 22a  
15 and 22b must not be based on more than 1.0 FTE for that pupil, and  
16 any portion of an FTE for that pupil that exceeds 1.0 is instead  
17 paid under section 25g. The district operating the program shall  
18 report to the center the number of pupils who were enrolled in the  
19 program and were in full attendance for a month not later than 30  
20 days after the end of the month. A district shall not report a  
21 pupil as being in full attendance for a month unless both of the  
22 following are met:

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

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



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

5 (ee) A pupil participating in a virtual course under section  
6 21f is counted in membership in the district enrolling the pupil.

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

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

25 (hh) A pupil enrolled in a community district is counted in  
26 membership in the community district.

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



1 (jj) A district that borders another state or a public school  
2 academy that operates at least grades 9 to 12 and is located within  
3 20 miles of a border with another state may count in membership a  
4 pupil who is enrolled in a course at a college or university that  
5 is located in the bordering state and within 20 miles of the border  
6 with this state if all of the following are met:

7 (i) The pupil would meet the definition of an eligible student  
8 under the postsecondary enrollment options act, 1996 PA 160, MCL  
9 388.511 to 388.524, if the course were an eligible course under  
10 that act.

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

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

22 (iv) The district or public school academy pays for a portion  
23 of the pupil's tuition at the college or university in an amount  
24 equal to the eligible charges that the district or public school  
25 academy would pay to an eligible postsecondary institution under  
26 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511  
27 to 388.524, as if the course were an eligible course under that  
28 act.

29 (v) The district or public school academy awards high school



1 credit to a pupil who successfully completes a course as described  
2 in this subdivision.

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

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

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

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

29 (A) 5% of the district's or public school academy's membership



1 for pupils not counted in membership under section 166b.

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

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

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

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

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

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

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

22 (d) A pupil enrolled in a district other than the pupil's  
23 district of residence under an intermediate district schools of  
24 choice pilot program as described in section 91a or former section  
25 91 if the intermediate district and its constituent districts have  
26 been exempted from section 105.

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



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

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

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

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

29 (h) A pupil enrolled in an alternative education program



1 operated by a district other than his or her district of residence  
2 who meets 1 or more of the following:

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

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

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

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

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

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

18 (k) An expelled pupil who has been denied reinstatement by the  
19 expelling district and is reinstated by another school board under  
20 section 1311 or 1311a of the revised school code, MCL 380.1311 and  
21 380.1311a.

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

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

29 (n) A pupil enrolled in a district other than the pupil's



1 district of residence pursuant to section 1148(2) of the revised  
2 school code, MCL 380.1148.

3 (o) A pupil who enrolls in a district other than the pupil's  
4 district of residence as a result of the pupil's school not making  
5 adequate yearly progress under the no child left behind act of  
6 2001, Public Law 107-110, or the every student succeeds act, Public  
7 Law 114-95.

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

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

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

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

- 24 (i) Fourth Wednesday in July.  
25 (ii) First Wednesday in October.  
26 (iii) Second Wednesday in February.  
27 (iv) Fourth Wednesday in April.

28 (8) "Pupils in grades K to 12 actually enrolled and in regular  
29 daily attendance" means pupils in grades K to 12 in attendance and



1 receiving instruction in all classes for which they are enrolled on  
2 the pupil membership count day or the supplemental count day, as  
3 applicable. Except as otherwise provided in this subsection, a  
4 pupil who is absent from any of the classes in which the pupil is  
5 enrolled on the pupil membership count day or supplemental count  
6 day and who does not attend each of those classes during the 10  
7 consecutive school days immediately following the pupil membership  
8 count day or supplemental count day, except for a pupil who has  
9 been excused by the district, is not counted as 1.0 full-time  
10 equated membership. A pupil who is excused from attendance on the  
11 pupil membership count day or supplemental count day and who fails  
12 to attend each of the classes in which the pupil is enrolled within  
13 30 calendar days after the pupil membership count day or  
14 supplemental count day is not counted as 1.0 full-time equated  
15 membership. In addition, a pupil who was enrolled and in attendance  
16 in a district, intermediate district, or public school academy  
17 before the pupil membership count day or supplemental count day of  
18 a particular year but was expelled or suspended on the pupil  
19 membership count day or supplemental count day is only counted as  
20 1.0 full-time equated membership if the pupil resumed attendance in  
21 the district, intermediate district, or public school academy  
22 within 45 days after the pupil membership count day or supplemental  
23 count day of that particular year. A pupil not counted as 1.0 full-  
24 time equated membership due to an absence from a class is counted  
25 as a prorated membership for the classes the pupil attended. For  
26 purposes of this subsection, "class" means a period of time in 1  
27 day when pupils and a certificated teacher, a teacher engaged to  
28 teach under section 1233b of the revised school code, MCL  
29 380.1233b, or an individual working under a valid substitute



1 permit, authorization, or approval issued by the department, are  
2 together and instruction is taking place.

3 (9) "Rule" means a rule promulgated pursuant to the  
4 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
5 24.328.

6 (10) "The revised school code" means the revised school code,  
7 1976 PA 451, MCL 380.1 to 380.1852.

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

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

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

15 (14) "Superintendent", unless the context clearly refers to a  
16 district or intermediate district superintendent, means the  
17 superintendent of public instruction described in section 3 of  
18 article VIII of the state constitution of 1963.

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

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



1 district after the pupil has been assigned to a school district.

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

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

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

15 (20) "Total state aid" or "total state school aid", **except as**  
16 **otherwise provided in this article**, means the total combined amount  
17 of all funds due to a district, intermediate district, or other  
18 entity under this article.

19 Sec. 11. (1) For the fiscal year ending September 30, 2020,  
20 there is appropriated for the public schools of this state and  
21 certain other state purposes relating to education the sum of  
22 ~~\$13,287,765,000.00~~ **\$12,660,530,800.00** from the state school aid  
23 fund, the sum of ~~\$62,620,000.00~~ **\$273,600,000.00** from the general  
24 fund, an amount not to exceed ~~\$75,400,000.00~~ **\$75,900,000.00** from  
25 the community district education trust fund created under section  
26 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, **-an**  
27 **amount not to exceed \$9,717,800.00 from the talent investment fund**  
28 **created under section 8a of the higher education loan authority**  
29 **act, 1975 PA 222, MCL 390.1158a**, an amount not to exceed



1 ~~\$1,900,000.00~~ **\$31,900,000.00** from the MPSEERS retirement obligation  
 2 reform reserve fund, and an amount not to exceed \$100.00 from the  
 3 water emergency reserve fund. In addition, all available federal  
 4 funds are appropriated for the fiscal year ending September 30,  
 5 2020.

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

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

14 **Sec. 11d. (1) For 2019-2020, the department shall deduct an**  
 15 **amount equal to \$175.00 per membership pupil from each district's**  
 16 **total state school aid. A district may choose to apply this**  
 17 **reduction to funding the district receives under any provision of**  
 18 **this act, other than sections 11j, 22a, 26a, 26b, 26c, 31d, 31f,**  
 19 **51a(2), 51a(11), 51c, 53a, 147c, 147e(2) (a), and 152a, even if the**  
 20 **reduction chosen by the district results in a program being reduced**  
 21 **or discontinued.**

22 (2) If the department, after applying the deduction calculated  
 23 in subsection (1), determines that this state has overpaid the  
 24 amount of total state school aid to a district, the department  
 25 shall establish as a receivable the amount of overpayment and shall  
 26 recoup the amount from the district in subsequent monthly  
 27 apportionments of total state school aid. The full amount of  
 28 overpayment must be recouped within 1 fiscal year.

29 (3) If a district has pledged remaining total state school aid



1 for 2019-2020 for the fulfillment of requirements related to the  
 2 repayment of state aid anticipation notes or the equivalent loan  
 3 instrument not offered by this state, and if the district presents  
 4 evidence satisfactory to the department that the deduction  
 5 calculated in subsection (1) would cause hardship for the district  
 6 in fulfilling its pledged loan repayment requirements, the  
 7 department shall establish as a receivable in the current fiscal  
 8 year the amount of the deduction calculated in subsection (1) and  
 9 shall recoup the amount from the district in subsequent monthly  
 10 apportionments of total state school aid. The full amount of the  
 11 deduction calculated in subsection (1) must be recouped within 1  
 12 fiscal year.

13 (4) As used in this section, "total state school aid" means  
 14 the total combined amount of all state funds allocated to a  
 15 district under this act, except for funds allocated to a district  
 16 under sections 11j, 22a, 26a, 26b, 26c, 31d, 31f, 51a(2), 51a(11),  
 17 51c, 53a, 147c, 147e(2)(a), and 152a.

18 Sec. 11m. From the appropriation in section 11, ~~there is~~  
 19 ~~allocated for 2018-2019 an amount not to exceed \$57,000,000.00 and~~  
 20 there is allocated for 2019-2020 an amount not to exceed  
 21 ~~\$66,000,000.00~~ \$7,000,000.00 for fiscal year cash-flow borrowing  
 22 costs solely related to the state school aid fund established by  
 23 section 11 of article IX of the state constitution of 1963.

24 Sec. 11p. (1) In addition to the funds appropriated under  
 25 section 11, for 2019-2020 only, there is appropriated an amount not  
 26 to exceed \$512,000,000.00 from the federal funding awarded to this  
 27 state from the coronavirus relief fund under the coronavirus aid,  
 28 relief, and economic security act, Public Law 116-136.

29 (2) From the funds appropriated under this section, the



1 department shall pay to each district an amount equal to \$350.00  
2 for each pupil in membership for 2019-2020 only.

3 (3) A district receiving funds under this section must comply  
4 with all requirements corresponding to the receipt of funds under  
5 the coronavirus aid, relief, and economic security act, Public Law  
6 116-136, and 2 CFR part 200, as applicable, including, but not  
7 limited to, any certifications, assurances, and accountability and  
8 transparency provisions. The department may require any  
9 documentation necessary to ensure compliance with federal  
10 requirements.

11 (4) Any funds received under this act and expended by a  
12 district in any manner that does not adhere to the coronavirus aid,  
13 relief, and economic security act, Public Law 116-136, or 2 CFR  
14 part 200, as applicable, must be returned to this state. If it is  
15 determined that a district receiving funds under this act expends  
16 any funds received under this act for a purpose that is not  
17 consistent with the requirements of the coronavirus aid, relief,  
18 and economic security act, Public Law 116-136, or 2 CFR part 200,  
19 as applicable, the state budget director is authorized to withhold  
20 payment of state funds, in part or in whole, payable to that  
21 district from any state appropriation under this act.

22 (5) The appropriation in this section from the federal funding  
23 awarded to this state from the coronavirus relief fund under the  
24 coronavirus aid, relief, and economic security act, Public Law 116-  
25 136, reduces to \$0.00 the coronavirus relief fund appropriations  
26 authorized in the same amount and for the same purpose under  
27 section 302 of 2020 PA 67.

28 (6) A district shall accrue the payments received under this  
29 section to the school fiscal year ending June 30, 2020.



1           Sec. 11q. (1) Pursuant to section 352 of the management and  
2 budget act, 1984 PA 431, MCL 18.1352, for the fiscal year ending  
3 September 30, 2020 only, there is appropriated from the  
4 countercyclical budget and economic stabilization fund created  
5 under section 351 of the management and budget act, 1984 PA 431,  
6 MCL 18.1351, to the state school aid fund the sum of  
7 \$287,156,500.00. The annual growth rate for the current calendar  
8 year was estimated to be less than 0% at the most recent consensus  
9 revenue estimated conference. The amount appropriated in this  
10 subsection represents the maximum appropriation allowed under  
11 section 352(2) of the management and budget act, 1984 PA 431, MCL  
12 18.1352.

13           (2) Following the appropriation in subsection (1), pursuant to  
14 section 358 of the management and budget act, 1984 PA 431, MCL  
15 18.1358, for the fiscal year ending September 30, 2020 only, there  
16 is appropriated from the countercyclical budget and economic  
17 stabilization fund created under section 351 of the management and  
18 budget act, 1984 PA 431, MCL 18.1351, to the state school aid fund  
19 the sum of \$62,843,500.00.

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

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

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

24           (2) The department shall calculate the amount of each  
25 district's foundation allowance as provided in this section, using  
26 a target foundation allowance in the amount specified in subsection  
27 (1). For the purpose of these calculations, a reference to the  
28 target foundation allowance for a preceding fiscal year is  
29 equivalent to a reference to the "basic" foundation allowance for



1 that fiscal year.

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

7 (a) Except as otherwise provided in this subdivision, for a  
8 district that had a foundation allowance for the immediately  
9 preceding fiscal year that was at least equal to the minimum  
10 foundation allowance for the immediately preceding fiscal year, but  
11 less than the target foundation allowance for the immediately  
12 preceding fiscal year, the district receives a foundation allowance  
13 in an amount equal to the sum of the district's foundation  
14 allowance for the immediately preceding fiscal year plus the  
15 difference between twice the dollar amount of the adjustment from  
16 the immediately preceding fiscal year to the current fiscal year  
17 made in the target foundation allowance and [(the difference  
18 between the target foundation allowance for the current fiscal year  
19 and target foundation allowance for the immediately preceding  
20 fiscal year minus \$40.00) times (the difference between the  
21 district's foundation allowance for the immediately preceding  
22 fiscal year and the minimum foundation allowance for the  
23 immediately preceding fiscal year) divided by the difference  
24 between the target foundation allowance for the current fiscal year  
25 and the minimum foundation allowance for the immediately preceding  
26 fiscal year.] However, the foundation allowance for a district that  
27 had less than the target foundation allowance for the immediately  
28 preceding fiscal year must not exceed the target foundation  
29 allowance for the current fiscal year.



1 (b) Except as otherwise provided in this subsection, for a  
2 district that in the immediately preceding fiscal year had a  
3 foundation allowance in an amount equal to the amount of the target  
4 foundation allowance for the immediately preceding fiscal year, the  
5 district receives a foundation allowance for 2019-2020 in an amount  
6 equal to the target foundation allowance for 2019-2020.

7 (c) For a district that had a foundation allowance for the  
8 immediately preceding fiscal year that was greater than the target  
9 foundation allowance for the immediately preceding fiscal year, the  
10 district's foundation allowance is an amount equal to the sum of  
11 the district's foundation allowance for the immediately preceding  
12 fiscal year plus the lesser of the increase in the target  
13 foundation allowance for the current fiscal year, as compared to  
14 the immediately preceding fiscal year, or the product of the  
15 district's foundation allowance for the immediately preceding  
16 fiscal year times the percentage increase in the United States  
17 Consumer Price Index in the calendar year ending in the immediately  
18 preceding fiscal year as reported by the May revenue estimating  
19 conference conducted under section 367b of the management and  
20 budget act, 1984 PA 431, MCL 18.1367b.

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

24 (4) Except as otherwise provided in this subsection, beginning  
25 in 2014-2015, the state portion of a district's foundation  
26 allowance is an amount equal to the district's foundation allowance  
27 or the target foundation allowance for the current fiscal year,  
28 whichever is less, minus the local portion of the district's  
29 foundation allowance. For a district described in subsection



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

25 (5) The allocation calculated under this section for a pupil  
26 is based on the foundation allowance of the pupil's district of  
27 residence. For a pupil enrolled pursuant to section 105 or 105c in  
28 a district other than the pupil's district of residence, the  
29 allocation calculated under this section is based on the lesser of



1 the foundation allowance of the pupil's district of residence or  
 2 the foundation allowance of the educating district. For a pupil in  
 3 membership in a K-5, K-6, or K-8 district who is enrolled in  
 4 another district in a grade not offered by the pupil's district of  
 5 residence, the allocation calculated under this section is based on  
 6 the foundation allowance of the educating district if the educating  
 7 district's foundation allowance is greater than the foundation  
 8 allowance of the pupil's district of residence.

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



1 ~~the 2010 amendment to this subsection.~~ **minimum foundation allowance**  
 2 **specified in subsection (1)**. Notwithstanding section 101, for a  
 3 public school academy that begins operations after the pupil  
 4 membership count day, the amount per membership pupil calculated  
 5 under this subsection must be adjusted by multiplying that amount  
 6 per membership pupil by the number of hours of pupil instruction  
 7 provided by the public school academy after it begins operations,  
 8 as determined by the department, divided by the minimum number of  
 9 hours of pupil instruction required under section 101(3). The  
 10 result of this calculation must not exceed the amount per  
 11 membership pupil otherwise calculated under this subsection.

12 (7) Except as otherwise provided in this subsection, for  
 13 pupils in membership, other than special education pupils, in a  
 14 community district, the allocation calculated under this section is  
 15 an amount per membership pupil other than special education pupils  
 16 in the community district equal to the foundation allowance of the  
 17 qualifying school district, as described in section 12b of the  
 18 revised school code, MCL 380.12b, that is located within the same  
 19 geographic area as the community district.

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



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

4 (9) The department shall round each fraction used in making  
5 calculations under this section to the fourth decimal place and  
6 shall round the dollar amount of an increase in the target  
7 foundation allowance to the nearest whole dollar.

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

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

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

27 (b) The revenue adjustment factor is computed by dividing the  
28 sum of the estimated total state school aid fund revenue for the  
29 subsequent fiscal year plus the estimated total state school aid



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

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

23 (12) Payments to districts and public school academies are not  
24 made under this section. Rather, the calculations under this  
25 section are used to determine the amount of state payments under  
26 section 22b.

27 (13) If an amendment to section 2 of article VIII of the state  
28 constitution of 1963 allowing state aid to some or all nonpublic  
29 schools is approved by the voters of this state, each foundation



1 allowance or per-pupil payment calculation under this section may  
2 be reduced.

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

7 (15) As used in this section:

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

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

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

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

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

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

26 (g) "Local portion of the district's foundation allowance"  
27 means an amount that is equal to the difference between (the sum of  
28 the product of the taxable value per membership pupil of all  
29 property in the district that is nonexempt property times the



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

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

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

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



1 ~~year minus \$40.00) times (the difference between the highest per-~~  
 2 ~~pupil allocation among all public school academies for the~~  
 3 ~~immediately preceding fiscal year and the minimum foundation~~  
 4 ~~allowance for the immediately preceding fiscal year) divided by the~~  
 5 ~~difference between the target foundation allowance for the current~~  
 6 ~~fiscal year and the minimum foundation allowance for the~~  
 7 ~~immediately preceding fiscal year.] For the purposes of this~~  
 8 ~~subdivision, for 2019-2020, the maximum public school academy~~  
 9 ~~allocation is \$8,111.00.~~

10 (j) ~~(k)~~ "Membership" means the definition of that term under  
 11 section 6 as in effect for the particular fiscal year for which a  
 12 particular calculation is made.

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

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

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

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



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

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

7           (q) ~~(r)~~ "Tax increment financing acts" means parts 2, 3, 4,  
8 and 6 of the recodified tax increment financing act, 2018 PA 57,  
9 MCL 125.4201 to 125.4420 and 125.4602 to 125.4629, or the  
10 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651  
11 to 125.2670.

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

18           Sec. 22a. (1) From the appropriation in section 11, there is  
19 allocated ~~an amount not to exceed \$5,057,000,000.00 for 2018-2019~~  
20 ~~and there is allocated an amount not to exceed \$4,943,000,000.00~~  
21 **\$4,916,000,000.00** for 2019-2020 for payments to districts and  
22 qualifying public school academies to guarantee each district and  
23 qualifying public school academy an amount equal to its 1994-95  
24 total state and local per pupil revenue for school operating  
25 purposes under section 11 of article IX of the state constitution  
26 of 1963. Pursuant to section 11 of article IX of the state  
27 constitution of 1963, this guarantee does not apply to a district  
28 in a year in which the district levies a millage rate for school  
29 district operating purposes less than it levied in 1994. However,



1 subsection (2) applies to calculating the payments under this  
2 section.

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

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



1 membership pupil of property in the receiving district that is  
2 commercial personal property do not include property within the  
3 geographic area of the dissolved district; ad valorem property tax  
4 revenue of the receiving district captured under tax increment  
5 financing acts does not include ad valorem property tax revenue  
6 captured within the geographic boundaries of the dissolved district  
7 under tax increment financing acts; and certified mills do not  
8 include the certified mills of the dissolved district. For a  
9 community district, the department shall reduce the allocation as  
10 otherwise calculated under this section by an amount equal to the  
11 amount of local school operating tax revenue that would otherwise  
12 be due to the community district if not for the operation of  
13 section 386 of the revised school code, MCL 380.386, and the amount  
14 of this reduction is offset by the increase in funding under  
15 section 22b(2).

16 (b) For a district that had a 1994-95 foundation allowance  
17 greater than \$6,500.00, the state payment under this subsection is  
18 the sum of the amount calculated under subdivision (a) plus the  
19 amount calculated under this subdivision. The amount calculated  
20 under this subdivision must be equal to the difference between the  
21 district's 1994-95 foundation allowance minus \$6,500.00 and the  
22 current year hold harmless school operating taxes per pupil. If the  
23 result of the calculation under subdivision (a) is negative, the  
24 negative amount is an offset against any state payment calculated  
25 under this subdivision. If the result of a calculation under this  
26 subdivision is negative, there is not a state payment or a  
27 deduction under this subdivision. The taxable values per membership  
28 pupil used in the calculations under this subdivision are as  
29 adjusted by ad valorem property tax revenue captured under tax



1 increment financing acts divided by the district's membership. For  
2 a receiving district, if school operating taxes are to be levied on  
3 behalf of a dissolved district that has been attached in whole or  
4 in part to the receiving district to satisfy debt obligations of  
5 the dissolved district under section 12 of the revised school code,  
6 MCL 380.12, ad valorem property tax revenue captured under tax  
7 increment financing acts do not include ad valorem property tax  
8 revenue captured within the geographic boundaries of the dissolved  
9 district under tax increment financing acts.

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

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

20 (5) Except as otherwise provided in this subsection, for a  
21 district that is formed or reconfigured after June 1, 2000 by  
22 consolidation of 2 or more districts or by annexation, the  
23 resulting district's 1994-95 foundation allowance under this  
24 section beginning after the effective date of the consolidation or  
25 annexation is the average of the 1994-95 foundation allowances of  
26 each of the original or affected districts, calculated as provided  
27 in this section, weighted as to the percentage of pupils in total  
28 membership in the resulting district in the fiscal year in which  
29 the consolidation takes place who reside in the geographic area of



1 each of the original districts. If an affected district's 1994-95  
 2 foundation allowance is less than the 1994-95 basic foundation  
 3 allowance, the amount of that district's 1994-95 foundation  
 4 allowance is considered for the purpose of calculations under this  
 5 subsection to be equal to the amount of the 1994-95 basic  
 6 foundation allowance. This subsection does not apply to a receiving  
 7 district unless there is a subsequent consolidation or annexation  
 8 that affects the district.

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

10 (7) As used in this section:

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

15 (b) "Certified mills" means the lesser of 18 mills or the  
 16 number of mills of school operating taxes levied by the district in  
 17 1993-94.

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

20 (d) "Current year hold harmless school operating taxes per  
 21 pupil" means the per pupil revenue generated by multiplying a  
 22 district's 1994-95 hold harmless millage by the district's current  
 23 year taxable value per membership pupil. For a receiving district,  
 24 if school operating taxes are to be levied on behalf of a dissolved  
 25 district that has been attached in whole or in part to the  
 26 receiving district to satisfy debt obligations of the dissolved  
 27 district under section 12 of the revised school code, MCL 380.12,  
 28 taxable value per membership pupil does not include the taxable  
 29 value of property within the geographic area of the dissolved



1 district.

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

6 (f) "Hold harmless millage" means, for a district with a 1994-  
7 95 foundation allowance greater than \$6,500.00, the number of mills  
8 by which the exemption from the levy of school operating taxes on a  
9 principal residence, qualified agricultural property, qualified  
10 forest property, supportive housing property, industrial personal  
11 property, commercial personal property, and property occupied by a  
12 public school academy could be reduced as provided in section 1211  
13 of the revised school code, MCL 380.1211, and the number of mills  
14 of school operating taxes that could be levied on all property as  
15 provided in section 1211(2) of the revised school code, MCL  
16 380.1211, as certified by the department of treasury for the 1994  
17 tax year. For a receiving district, if school operating taxes are  
18 to be levied on behalf of a dissolved district that has been  
19 attached in whole or in part to the receiving district to satisfy  
20 debt obligations of the dissolved district under section 12 of the  
21 revised school code, MCL 380.12, school operating taxes do not  
22 include school operating taxes levied within the geographic area of  
23 the dissolved district.

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

27 (h) "Nonexempt property" means property that is not a  
28 principal residence, qualified agricultural property, qualified  
29 forest property, supportive housing property, industrial personal



1 property, commercial personal property, or property occupied by a  
2 public school academy.

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

8 (j) "Qualifying public school academy" means a public school  
9 academy that was in operation in the 1994-95 school year and is in  
10 operation in the current fiscal year.

11 (k) "Receiving district" means a district to which all or part  
12 of the territory of a dissolved district is attached under section  
13 12 of the revised school code, MCL 380.12.

14 (l) "School operating taxes" means local ad valorem property  
15 taxes levied under section 1211 of the revised school code, MCL  
16 380.1211, and retained for school operating purposes as defined in  
17 section 20.

18 (m) "Tax increment financing acts" means ~~1975 PA 197, MCL~~  
19 ~~125.1651 to 125.1681, the tax increment finance authority act, 1980~~  
20 ~~PA 450, MCL 125.1801 to 125.1830, the local development financing~~  
21 ~~act, 1986 PA 281, MCL 125.2151 to 125.2174, **parts 2, 3, 4, and 6 of**~~  
22 ~~**the recodified tax increment financing act, 2018 PA 57, MCL**~~  
23 ~~**125.4201 to 125.4420 and 125.4602 to 125.4629, or**~~ the brownfield  
24 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.  
25 ~~, or the corridor improvement authority act, 2005 PA 280, MCL~~  
26 ~~125.2871 to 125.2899.~~

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

29 (i) For the number of mills by which the exemption from the



1 levy of school operating taxes on a principal residence, qualified  
 2 agricultural property, qualified forest property, supportive  
 3 housing property, industrial personal property, commercial personal  
 4 property, and property occupied by a public school academy may be  
 5 reduced as provided in section 1211 of the revised school code, MCL  
 6 380.1211, the taxable value of principal residence, qualified  
 7 agricultural property, qualified forest property, supportive  
 8 housing property, industrial personal property, commercial personal  
 9 property, and property occupied by a public school academy for the  
 10 calendar year ending in the current fiscal year. For a receiving  
 11 district, if school operating taxes are to be levied on behalf of a  
 12 dissolved district that has been attached in whole or in part to  
 13 the receiving district to satisfy debt obligations of the dissolved  
 14 district under section 12 of the revised school code, MCL 380.12,  
 15 mills do not include mills within the geographic area of the  
 16 dissolved district.

17 (ii) For the number of mills of school operating taxes that may  
 18 be levied on all property as provided in section 1211(2) of the  
 19 revised school code, MCL 380.1211, the taxable value of all  
 20 property for the calendar year ending in the current fiscal year.  
 21 For a receiving district, if school operating taxes are to be  
 22 levied on behalf of a dissolved district that has been attached in  
 23 whole or in part to the receiving district to satisfy debt  
 24 obligations of the dissolved district under section 12 of the  
 25 revised school code, MCL 380.12, school operating taxes do not  
 26 include school operating taxes levied within the geographic area of  
 27 the dissolved district.

28 Sec. 22b. (1) For discretionary nonmandated payments to  
 29 districts under this section, there is allocated for 2019-2020 an



1 amount not to exceed ~~\$4,480,600,000.00~~ **\$4,499,100,000.00** from the  
2 state school aid fund and general fund appropriations in section 11  
3 and an amount not to exceed ~~\$75,400,000.00~~ **\$75,900,000.00** from the  
4 community district education trust fund appropriation in section  
5 11.

6 (2) Subject to subsection (3) and section 296, the allocation  
7 to a district under this section is an amount equal to the sum of  
8 the amounts calculated under sections 20, 51a(2), 51a(3), and  
9 51a(11), minus the sum of the allocations to the district under  
10 sections 22a and 51c. For a community district, the allocation as  
11 otherwise calculated under this section is increased by an amount  
12 equal to the amount of local school operating tax revenue that  
13 would otherwise be due to the community district if not for the  
14 operation of section 386 of the revised school code, MCL 380.386,  
15 and this increase must be paid from the community district  
16 education trust fund allocation in subsection (1) in order to  
17 offset the absence of local school operating revenue in a community  
18 district in the funding of the state portion of the foundation  
19 allowance under section 20(4).

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

22 (a) Comply with section 1280b of the revised school code, MCL  
23 380.1280b.

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

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

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



1 380.1230g.

2 (e) Comply with section 21f.

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

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

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

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

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

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



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

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

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

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



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

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

25 Sec. 26c. (1) From the appropriation in section 11, ~~there is~~  
 26 ~~allocated an amount not to exceed \$3,400,000.00 for 2018-2019 and~~  
 27 ~~there is allocated an amount not to exceed \$8,400,000.00~~  
 28 **\$7,400,000.00** for 2019-2020 to the promise zone fund created in  
 29 subsection (3). The funds allocated under this section reflect the



1 amount of revenue from the collection of the state education tax  
2 captured under section 17 of the Michigan promise zone authority  
3 act, 2008 PA 549, MCL 390.1677.

4 (2) Funds allocated to the promise zone fund under this  
5 section must be used solely for payments to eligible districts and  
6 intermediate districts, in accordance with section 17 of the  
7 Michigan promise zone authority act, 2008 PA 549, MCL 390.1677,  
8 that have a promise zone development plan approved by the  
9 department of treasury under section 7 of the Michigan promise zone  
10 authority act, 2008 PA 549, MCL 390.1667. Eligible districts and  
11 intermediate districts shall use payments made under this section  
12 for reimbursement for qualified educational expenses as defined in  
13 section 3 of the Michigan promise zone authority act, 2008 PA 549,  
14 MCL 390.1663.

15 (3) The promise zone fund is created as a separate account  
16 within the state school aid fund to be used solely for the purposes  
17 of the Michigan promise zone authority act, 2008 PA 549, MCL  
18 390.1661 to 390.1679. All of the following apply to the promise  
19 zone fund:

20 (a) The state treasurer shall direct the investment of the  
21 promise zone fund. The state treasurer shall credit to the promise  
22 zone fund interest and earnings from fund investments.

23 (b) Money in the promise zone fund at the close of a fiscal  
24 year remains in the promise zone fund and does not lapse to the  
25 general fund.

26 (4) Subject to subsection (2), the state treasurer may make  
27 payments from the promise zone fund to eligible districts and  
28 intermediate districts under the Michigan promise zone authority  
29 act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used for the



1 purposes of a promise zone authority created under that act.

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

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

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

24 (3) The department shall develop and implement a competitive  
25 grant program for districts within the identified prosperity  
26 regions to assist in paying for the costs incurred by the district  
27 to purchase or increase purchases of whole or minimally processed  
28 fruits, vegetables, and legumes grown in this state. The maximum  
29 amount that may be drawn down on a grant to a district ~~shall~~**must**



1 be based on the number of meals served by the school district  
 2 during the previous school year under the Richard B. Russell  
 3 national school lunch act, 42 USC 1751 to 1769j. The department  
 4 shall collaborate with the Michigan department of agriculture and  
 5 rural development to provide training to newly participating  
 6 schools and electronic information on Michigan agriculture.

7 (4) The goals of the ~~pilot~~ project include improving daily  
 8 nutrition and eating habits for children through the school  
 9 settings while investing in Michigan's agricultural and related  
 10 food business economy.

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

15 (a) ~~Are **Were** purchased on or after the date the district~~  
 16 ~~received notification from the department of the amount to be~~  
 17 ~~distributed to the district under this subsection, including~~  
 18 ~~purchases made to launch meals in September 2018 for the 2018-2019~~  
 19 ~~fiscal year.~~ **for the 2019-2020 fiscal year, including purchases to**  
 20 **launch meals in August 2019 and September 2019.**

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

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

25 (6) For Michigan-grown fruits, vegetables, and legumes that  
 26 satisfy the requirements of subsection (5), matching reimbursements  
 27 ~~shall~~ **must** be made in an amount not to exceed 10 cents for every  
 28 school meal that is served as part of the United States Department  
 29 of Agriculture's child nutrition programs and that uses Michigan-



1 grown fruits, vegetables, and legumes.

2 (7) A district that receives a grant for reimbursement under  
3 this section shall use the grant to purchase whole or minimally  
4 processed fruits, vegetables, and legumes that are grown in this  
5 state and, if minimally processed, are also processed in this  
6 state.

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

15 (9) The department shall give preference to districts that  
16 propose educational activities that meet 1 or more of the  
17 following: promote healthy food activities; have clear educational  
18 objectives; involve parents or the community; connect to a school's  
19 farm-to-school procurement activities; and market and promote the  
20 program, leading to increased pupil knowledge and consumption of  
21 Michigan-grown products. Applications with robust marketing and  
22 promotional activities shall receive stronger weighting and  
23 consideration.

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

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

29 (b) **The** variety of school sizes and geographic locations



1 within the identified prosperity regions. ~~and~~

2 (c) The existing or future collaboration opportunities between  
3 more than 1 district in a prosperity region.

4 ~~(11) As a condition of receiving a grant under this section, a~~  
5 ~~district shall provide or direct its vendors to provide to~~  
6 ~~prosperity region offices copies of monthly receipts that show the~~  
7 ~~quantity of different Michigan-grown fruits, vegetables, and~~  
8 ~~legumes purchased, the amount of money spent on each of these~~  
9 ~~products, the name and Michigan location of the farm that grew the~~  
10 ~~products, and the methods or plans to market and promote the~~  
11 ~~program. The district shall also provide to the prosperity region~~  
12 ~~monthly lunch numbers and lunch participation rates, and calendars~~  
13 ~~or monthly menus noting when and how Michigan-grown products were~~  
14 ~~used in meals. The district and school food service director or~~  
15 ~~directors also shall agree to respond to brief online surveys and~~  
16 ~~to provide a report that shows the percentage relationship of~~  
17 ~~Michigan spending compared to total food spending. Not later than~~  
18 ~~March 1, 2019, each prosperity region office, either on its own or~~  
19 ~~in conjunction with another prosperity region, shall submit a~~  
20 ~~report to the department on expected outcomes and related~~  
21 ~~measurements for economic development and children's nutrition and~~  
22 ~~readiness to learn based on progress so far. The report shall~~  
23 ~~include at least all of the following:~~

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

29 ~~(i) The data used to determine the amount of this increase~~



1 ~~shall be the total dollar amount of Michigan or local fruits,~~  
 2 ~~vegetables, and legumes purchased by schools, along with the number~~  
 3 ~~of different types of products purchased; school food purchasing~~  
 4 ~~trends identified along with products that are of new and growing~~  
 5 ~~interest among food service directors; the number of businesses~~  
 6 ~~impacted; and the percentage of total food budget spent on~~  
 7 ~~Michigan-grown fruits, vegetables, and legumes.~~

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

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

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

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

25 ~~(12) The department shall compile the reports provided by~~  
 26 ~~prosperity region offices under subsection (11) into 1 legislative~~  
 27 ~~report. The department shall provide this report not later than~~  
 28 ~~April 1, 2019 to the house and senate subcommittees responsible for~~  
 29 ~~school aid, the house and senate fiscal agencies, and the state~~



1 ~~budget director.~~

2       Sec. 32d. (1) From the funds appropriated in section 11, there  
 3 is allocated to eligible intermediate districts and consortia of  
 4 intermediate districts for great start readiness programs an amount  
 5 not to exceed \$249,600,000.00 for 2019-2020. An intermediate  
 6 district or consortium shall use funds allocated under this section  
 7 for great start readiness programs to provide part-day, school-day,  
 8 or GSRP/Head Start blended comprehensive free compensatory  
 9 classroom programs designed to improve the readiness and subsequent  
 10 achievement of educationally disadvantaged children who meet the  
 11 participant eligibility and prioritization guidelines as defined by  
 12 the department. For a child to be eligible to participate in a  
 13 program under this section, the child must be at least 4, but less  
 14 than 5, years of age as of September 1 of the school year in which  
 15 the program is offered and must meet those eligibility and  
 16 prioritization guidelines. A child who is not 4 years of age as of  
 17 September 1, but who will be 4 years of age not later than December  
 18 1, is eligible to participate if the child's parent or legal  
 19 guardian seeks a waiver from the September 1 eligibility date by  
 20 submitting a request for enrollment in a program to the responsible  
 21 intermediate district, if the program has capacity on or after  
 22 September 1 of the school year, and if the child meets eligibility  
 23 and prioritization guidelines.

24       (2) From the funds allocated under subsection (1), an amount  
 25 not to exceed \$247,600,000.00 is allocated to intermediate  
 26 districts or consortia of intermediate districts based on the  
 27 formula in section 39. An intermediate district or consortium of  
 28 intermediate districts receiving funding under this section shall  
 29 act as the fiduciary for the great start readiness programs. In



1 order to be eligible to receive funds allocated under this  
2 subsection from an intermediate district or consortium of  
3 intermediate districts, a district, a consortium of districts, or a  
4 public or private for-profit or nonprofit legal entity or agency  
5 shall comply with this section and section 39.

6 (3) In addition to the allocation under subsection (1), from  
7 the general fund money appropriated under section 11, there is  
8 allocated an amount not to exceed \$350,000.00 for 2019-2020 for a  
9 competitive grant to continue a longitudinal evaluation of children  
10 who have participated in great start readiness programs. This  
11 evaluation must include a comparative analysis of the relationship  
12 between great start readiness programs and performance on the  
13 kindergarten readiness assessment funded under section 104. The  
14 evaluation must use children wait-listed under this section for  
15 comparison, must include a determination of the specific great  
16 start readiness program in which the kindergarten students were  
17 enrolled and attended in the previous school year, and must analyze  
18 Michigan kindergarten entry observation tool scores for students  
19 taking the Michigan kindergarten entry observation tool each year  
20 and produce a report as required under section 104. For 2019-2020,  
21 the performance data on the kindergarten readiness assessment must  
22 be submitted to the center at the same time as the spring Michigan  
23 student data system collection. Beginning in 2020-2021, the  
24 performance data on the kindergarten readiness assessment must be  
25 submitted to the center at the same time as the fall Michigan  
26 student data system collection. The responsibility for the analysis  
27 required under this subsection may be added to the requirements  
28 that the department currently has with its competitively designated  
29 current grantee.



1 (4) To be eligible for funding under this section, a program  
2 must prepare children for success in school through comprehensive  
3 part-day, school-day, or GSRP/Head Start blended programs that  
4 contain all of the following program components, as determined by  
5 the department:

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

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

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

16 (d) Physical and dental health and developmental screening  
17 services for all program participants.

18 (e) Referral services for families of program participants to  
19 community social service agencies, including mental health  
20 services, as appropriate.

21 (f) Active and continuous involvement of the parents or  
22 guardians of the program participants.

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

26 (h) Participation in a school readiness advisory committee  
27 convened as a workgroup of the great start collaborative that  
28 provides for the involvement of classroom teachers, parents or  
29 guardians of program participants, and community, volunteer, and



1 social service agencies and organizations, as appropriate. The  
2 advisory committee annually shall review and make recommendations  
3 regarding the program components listed in this subsection. The  
4 advisory committee also shall make recommendations to the great  
5 start collaborative regarding other community services designed to  
6 improve all children's school readiness.

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

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

11 (5) An application for funding under this section must provide  
12 for the following, in a form and manner determined by the  
13 department:

14 (a) Ensure compliance with all program components described in  
15 subsection (4).

16 (b) Except as otherwise provided in this subdivision, ensure  
17 that at least 90% of the children participating in an eligible  
18 great start readiness program for whom the intermediate district is  
19 receiving funds under this section are children who live with  
20 families with a household income that is equal to or less than 250%  
21 of the federal poverty guidelines. If the intermediate district  
22 determines that all eligible children are being served and that  
23 there are no children on the waiting list who live with families  
24 with a household income that is equal to or less than 250% of the  
25 federal poverty guidelines, the intermediate district may then  
26 enroll children who live with families with a household income that  
27 is equal to or less than 300% of the federal poverty guidelines.  
28 The enrollment process must consider income and risk factors, such  
29 that children determined with higher need are enrolled before



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

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

11 (i) Teachers possessing proper training. A lead teacher must  
 12 have a valid teaching certificate with an early childhood (ZA or  
 13 ZS) endorsement or a bachelor's or higher degree in child  
 14 development or early childhood education with specialization in  
 15 preschool teaching. However, if an applicant demonstrates to the  
 16 department that it is unable to fully comply with this subparagraph  
 17 after making reasonable efforts to comply, teachers who have  
 18 significant but incomplete training in early childhood education or  
 19 child development may be used if the applicant provides to the  
 20 department, and the department approves, a plan for each teacher to  
 21 come into compliance with the standards in this subparagraph. A  
 22 teacher's compliance plan must be completed within 2 years of the  
 23 date of employment. Progress toward completion of the compliance  
 24 plan consists of at least 2 courses per calendar year.

25 (ii) Paraprofessionals possessing proper training in early  
 26 childhood education, including an associate's degree in early  
 27 childhood education or child development or the equivalent, or a  
 28 child development associate (CDA) credential. However, if an  
 29 applicant demonstrates to the department that it is unable to fully



1 comply with this subparagraph after making reasonable efforts to  
2 comply, the applicant may use paraprofessionals who have completed  
3 at least 1 course that earns college credit in early childhood  
4 education or child development if the applicant provides to the  
5 department, and the department approves, a plan for each  
6 paraprofessional to come into compliance with the standards in this  
7 subparagraph. A paraprofessional's compliance plan must be  
8 completed within 2 years of the date of employment. Progress toward  
9 completion of the compliance plan consists of at least 2 courses or  
10 60 clock hours of training per calendar year.

11 (d) Include a program budget that contains only those costs  
12 that are not reimbursed or reimbursable by federal funding, that  
13 are clearly and directly attributable to the great start readiness  
14 program, and that would not be incurred if the program were not  
15 being offered. Eligible costs include transportation costs. The  
16 program budget must indicate the extent to which these funds will  
17 supplement other federal, state, local, or private funds. An  
18 applicant shall not use funds received under this section to  
19 supplant any federal funds received by the applicant to serve  
20 children eligible for a federally funded preschool program that has  
21 the capacity to serve those children.

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

26 (7) For a grant recipient that enrolls pupils in a GSRP/Head  
27 Start blended program, the grant recipient shall ensure that all  
28 Head Start and GSRP policies and regulations are applied to the  
29 blended slots, with adherence to the highest standard from either



1 program, to the extent allowable under federal law.

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

8 (9) An intermediate district or consortium of intermediate  
9 districts may retain for administrative services provided by the  
10 intermediate district or consortium of intermediate districts an  
11 amount not to exceed 4% of the grant amount. Expenses incurred by  
12 subrecipients engaged by the intermediate district or consortium of  
13 intermediate districts for directly running portions of the program  
14 are considered program costs or a contracted program fee for  
15 service. **Subrecipients operating with a federally approved indirect  
16 rate for other early childhood programs may include indirect costs,  
17 not to exceed the federal 10% de minimis.**

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

21 (11) Each grant recipient shall enroll children identified  
22 under subsection (5)(b) according to how far the child's household  
23 income is below 250% of the federal poverty guidelines by ranking  
24 each applicant child's household income from lowest to highest and  
25 dividing the applicant children into quintiles based on how far the  
26 child's household income is below 250% of the federal poverty  
27 guidelines, and then enrolling children in the quintile with the  
28 lowest household income before enrolling children in the quintile  
29 with the next lowest household income until slots are completely



1 filled. If the grant recipient determines that all eligible  
 2 children are being served and that there are no children on the  
 3 waiting list who live with families with a household income that is  
 4 equal to or less than 250% of the federal poverty guidelines, the  
 5 grant recipient may then enroll children who live with families  
 6 with a household income that is equal to or less than 300% of the  
 7 federal poverty guidelines. The enrollment process must consider  
 8 income and risk factors, such that children determined with higher  
 9 need are enrolled before children with lesser need. For purposes of  
 10 this subsection, all age-eligible children served in foster care or  
 11 who are experiencing homelessness or who have individualized  
 12 education programs recommending placement in an inclusive preschool  
 13 setting are considered to live with families with household income  
 14 equal to or less than 250% of the federal poverty guidelines  
 15 regardless of actual family income and are prioritized for  
 16 enrollment within the lowest quintile.

17 (12) An intermediate district or consortium of intermediate  
 18 districts receiving a grant under this section shall allow parents  
 19 of eligible children who are residents of the intermediate district  
 20 or within the consortium to choose a program operated by or  
 21 contracted with another intermediate district or consortium of  
 22 intermediate districts and shall enter into a written agreement  
 23 regarding payment, in a manner prescribed by the department.

24 (13) An intermediate district or consortium of intermediate  
 25 districts receiving a grant under this section shall conduct a  
 26 local process to contract with interested and eligible public and  
 27 private for-profit and nonprofit community-based providers that  
 28 meet all requirements of subsection (4) for at least 30% of its  
 29 total allocation. For the purposes of this 30% allocation, an



1 intermediate district or consortium of intermediate districts may  
2 count children served by a Head Start grantee or delegate in a  
3 blended Head Start and great start readiness school-day program.  
4 Children served in a program funded only through Head Start are not  
5 counted toward this 30% allocation. The intermediate district or  
6 consortium shall report to the department, in a manner prescribed  
7 by the department, a detailed list of community-based providers by  
8 provider type, including private for-profit, private nonprofit,  
9 community college or university, Head Start grantee or delegate,  
10 and district or intermediate district, and the number and  
11 proportion of its total allocation allocated to each provider as  
12 subrecipient. If the intermediate district or consortium is not  
13 able to contract for at least 30% of its total allocation, the  
14 grant recipient shall notify the department and, if the department  
15 verifies that the intermediate district or consortium attempted to  
16 contract for at least 30% of its total allocation and was not able  
17 to do so, then the intermediate district or consortium may retain  
18 and use all of its allocation as provided under this section. To be  
19 able to use this exemption, the intermediate district or consortium  
20 shall demonstrate to the department that the intermediate district  
21 or consortium increased the percentage of its total allocation for  
22 which it contracts with a community-based provider and the  
23 intermediate district or consortium shall submit evidence  
24 satisfactory to the department, and the department must be able to  
25 verify this evidence, demonstrating that the intermediate district  
26 or consortium took measures to contract for at least 30% of its  
27 total allocation as required under this subsection, including, but  
28 not limited to, at least all of the following measures:

29 (a) The intermediate district or consortium notified each



1 nonparticipating licensed child care center located in the service  
2 area of the intermediate district or consortium regarding the  
3 center's eligibility to participate, in a manner prescribed by the  
4 department.

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

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

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

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

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



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

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

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

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

25 (16) A recipient of funds under this section shall report to  
26 the center in a form and manner prescribed by the center the  
27 information necessary to derive the number of children  
28 participating in the program who meet the program eligibility  
29 criteria under subsection (5) (b), the number of eligible children



1 not participating in the program and on a waitlist, and the total  
2 number of children participating in the program by various  
3 demographic groups and eligibility factors necessary to analyze  
4 equitable and priority access to services for the purposes of  
5 subsection (3).

6 (17) As used in this section:

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

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

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

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

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



1 department.

2 (19) From the amount allocated in subsection (2), there is  
3 allocated for 2019-2020 an amount not to exceed \$10,000,000.00 for  
4 reimbursement of transportation costs for children attending great  
5 start readiness programs funded under this section. To receive  
6 reimbursement under this subsection, not later than November 1, of  
7 each year, a program funded under this section that provides  
8 transportation shall submit to the intermediate district that is  
9 the fiscal agent for the program a projected transportation budget.  
10 The amount of the reimbursement for transportation under this  
11 subsection is no more than the projected transportation budget or  
12 \$300.00 multiplied by the number of children funded for the program  
13 under this section. If the amount allocated under this subsection  
14 is insufficient to fully reimburse the transportation costs for all  
15 programs that provide transportation and submit the required  
16 information, the department shall prorate the reimbursement in an  
17 equal amount per child funded. The department shall make payments  
18 to the intermediate district that is the fiscal agent for each  
19 program, and the intermediate district shall then reimburse the  
20 program provider for transportation costs as prescribed under this  
21 subsection.

22 (20) Subject to, and from the funds allocated under,  
23 subsection (19), the department shall reimburse a program for  
24 transportation costs related to parent- or guardian-accompanied  
25 transportation provided by transportation service companies, buses,  
26 or other public transportation services. To be eligible for  
27 reimbursement under this subsection, a program must submit to the  
28 intermediate district or consortia of intermediate districts all of  
29 the following:



1 (a) The names of families provided with transportation support  
2 along with a documented reason for the need for transportation  
3 support and the type of transportation provided.

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

7 (c) Any other documentation or information determined  
8 necessary by the department.

9 (21) The department shall implement a process to review and  
10 approve age-appropriate comprehensive classroom level quality  
11 assessments for GSRP grantees that support the early childhood  
12 standards of quality for prekindergarten children adopted by the  
13 state board. The department shall make available to intermediate  
14 districts at least 2 classroom level quality assessments that were  
15 approved in 2018.

16 (22) An intermediate district that is a GSRP grantee may  
17 approve the use of a supplemental curriculum that aligns with and  
18 enhances the age-appropriate educational curriculum in the  
19 classroom. If the department objects to the use of a supplemental  
20 curriculum approved by an intermediate district, the superintendent  
21 shall establish a review committee independent of the department.  
22 The review committee shall meet within 60 days of the department  
23 registering its objection in writing and provide a final  
24 determination on the validity of the objection within 60 days of  
25 the review committee's first meeting.

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



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

6 (25) A great start readiness program or a GSRP/Head Start  
 7 blended program funded under this section is permitted to utilize  
 8 AmeriCorps Pre-K Reading Corps members in classrooms implementing  
 9 research-based early literacy intervention strategies.

10 Sec. 51a. (1) From the appropriation in section 11, ~~there is~~  
 11 ~~allocated an amount not to exceed \$1,008,996,100.00 for 2018-2019~~  
 12 ~~and there is allocated an amount not to exceed \$1,045,196,100.00~~  
 13 **\$1,023,996,100.00** for 2019-2020 from state sources and all  
 14 available federal funding under sections 611 to 619 of part B of  
 15 the individuals with disabilities education act, 20 USC 1411 to  
 16 1419, estimated at \$370,000,000.00 ~~each fiscal year for 2018-2019~~  
 17 ~~and for 2019-2020~~, plus any carryover federal funds from previous  
 18 year appropriations. ~~In addition, from the general fund~~  
 19 ~~appropriation in section 11, there is allocated to the department~~  
 20 ~~an amount not to exceed \$500,000.00 for 2018-2019 for the purpose~~  
 21 ~~of subsection (16).~~ The allocations under this subsection are for  
 22 the purpose of reimbursing districts and intermediate districts for  
 23 special education programs, services, and special education  
 24 personnel as prescribed in article 3 of the revised school code,  
 25 MCL 380.1701 to 380.1761; net tuition payments made by intermediate  
 26 districts to the Michigan Schools for the Deaf and Blind; and  
 27 special education programs and services for pupils who are eligible  
 28 for special education programs and services according to statute or  
 29 rule. For meeting the costs of special education programs and



1 services not reimbursed under this article, a district or  
 2 intermediate district may use money in general funds or special  
 3 education funds, not otherwise restricted, or contributions from  
 4 districts to intermediate districts, tuition payments, gifts and  
 5 contributions from individuals or other entities, or federal funds  
 6 that may be available for this purpose, as determined by the  
 7 intermediate district plan prepared under article 3 of the revised  
 8 school code, MCL 380.1701 to 380.1761. Notwithstanding section 17b,  
 9 the department shall make payments of federal funds to districts,  
 10 intermediate districts, and other eligible entities under this  
 11 section on a schedule determined by the department.

12 (2) From the funds allocated under subsection (1), there is  
 13 allocated the amount necessary, estimated at ~~\$286,800,000.00~~ for  
 14 ~~2018-2019 and estimated at \$297,800,000.00~~ **\$286,900,000.00** for  
 15 2019-2020, for payments toward reimbursing districts and  
 16 intermediate districts for 28.6138% of total approved costs of  
 17 special education, excluding costs reimbursed under section 53a,  
 18 and 70.4165% of total approved costs of special education  
 19 transportation. Allocations under this subsection are made as  
 20 follows:

21 (a) The department shall calculate the initial amount  
 22 allocated to a district under this subsection toward fulfilling the  
 23 specified percentages by multiplying the district's special  
 24 education pupil membership, excluding pupils described in  
 25 subsection (11), times the foundation allowance under section 20 of  
 26 the pupil's district of residence, ~~not to exceed the basic~~  
 27 ~~foundation allowance under section 20 for the 2018-2019 fiscal year~~  
 28 ~~and beginning with 2019-2020~~ not to exceed the target foundation  
 29 allowance for the current fiscal year, or, for a special education



1 pupil in membership in a district that is a public school academy,  
 2 times an amount equal to the amount per membership pupil calculated  
 3 under section 20(6). For an intermediate district, the amount  
 4 allocated under this subdivision toward fulfilling the specified  
 5 percentages is an amount per special education membership pupil,  
 6 excluding pupils described in subsection (11), and is calculated in  
 7 the same manner as for a district, using the foundation allowance  
 8 under section 20 of the pupil's district of residence, ~~not to~~  
 9 ~~exceed the basic foundation allowance under section 20 for the~~  
 10 ~~2018-2019 fiscal year and beginning with 2019-2020~~ not to exceed  
 11 the target foundation allowance for the current fiscal year.

12 (b) After the allocations under subdivision (a), the  
 13 department shall pay a district or intermediate district for which  
 14 the payments calculated under subdivision (a) do not fulfill the  
 15 specified percentages the amount necessary to achieve the specified  
 16 percentages for the district or intermediate district.

17 (3) From the funds allocated under subsection (1), ~~there is~~  
 18 ~~allocated for 2018-2019 an amount not to exceed \$1,200,000.00 and~~  
 19 there is allocated for 2019-2020 an amount not to exceed  
 20 \$1,000,000.00 to make payments to districts and intermediate  
 21 districts under this subsection. If the amount allocated to a  
 22 district or intermediate district for a fiscal year under  
 23 subsection (2)(b) is less than the sum of the amounts allocated to  
 24 the district or intermediate district for 1996-97 under sections 52  
 25 and 58, there is allocated to the district or intermediate district  
 26 for the fiscal year an amount equal to that difference, adjusted by  
 27 applying the same proration factor that was used in the  
 28 distribution of funds under section 52 in 1996-97 as adjusted to  
 29 the district's or intermediate district's necessary costs of



1 special education used in calculations for the fiscal year. This  
2 adjustment is to reflect reductions in special education program  
3 operations or services between 1996-97 and subsequent fiscal years.  
4 The department shall make adjustments for reductions in special  
5 education program operations or services in a manner determined by  
6 the department and shall include adjustments for program or service  
7 shifts.

8 (4) If the department determines that the sum of the amounts  
9 allocated for a fiscal year to a district or intermediate district  
10 under subsection (2)(a) and (b) is not sufficient to fulfill the  
11 specified percentages in subsection (2), then the department shall  
12 pay the shortfall to the district or intermediate district during  
13 the fiscal year beginning on the October 1 following the  
14 determination and shall adjust payments under subsection (3) as  
15 necessary. If the department determines that the sum of the amounts  
16 allocated for a fiscal year to a district or intermediate district  
17 under subsection (2)(a) and (b) exceeds the sum of the amount  
18 necessary to fulfill the specified percentages in subsection (2),  
19 then the department shall deduct the amount of the excess from the  
20 district's or intermediate district's payments under this article  
21 for the fiscal year beginning on the October 1 following the  
22 determination and shall adjust payments under subsection (3) as  
23 necessary. However, if the amount allocated under subsection (2)(a)  
24 in itself exceeds the amount necessary to fulfill the specified  
25 percentages in subsection (2), there is no deduction under this  
26 subsection.

27 (5) State funds are allocated on a total approved cost basis.  
28 Federal funds are allocated under applicable federal requirements,  
29 except that an amount not to exceed \$3,500,000.00 may be allocated



1 by the department ~~each fiscal year for 2018-2019 and for 2019-2020~~  
 2 to districts, intermediate districts, or other eligible entities on  
 3 a competitive grant basis for programs, equipment, and services  
 4 that the department determines to be designed to benefit or improve  
 5 special education on a statewide scale.

6 (6) From the amount allocated in subsection (1), there is  
 7 allocated an amount not to exceed \$2,200,000.00 ~~each fiscal year~~  
 8 ~~for 2018-2019 and for 2019-2020~~ to reimburse 100% of the net  
 9 increase in necessary costs incurred by a district or intermediate  
 10 district in implementing the revisions in the administrative rules  
 11 for special education that became effective on July 1, 1987. As  
 12 used in this subsection, "net increase in necessary costs" means  
 13 the necessary additional costs incurred solely because of new or  
 14 revised requirements in the administrative rules minus cost savings  
 15 permitted in implementing the revised rules. The department shall  
 16 determine net increase in necessary costs in a manner specified by  
 17 the department.

18 (7) For purposes of sections 51a to 58, all of the following  
 19 apply:

20 (a) "Total approved costs of special education" are determined  
 21 in a manner specified by the department and may include indirect  
 22 costs, but must not exceed 115% of approved direct costs for  
 23 section 52 and section 53a programs. The total approved costs  
 24 include salary and other compensation for all approved special  
 25 education personnel for the program, including payments for Social  
 26 Security and Medicare and public school employee retirement system  
 27 contributions. The total approved costs do not include salaries or  
 28 other compensation paid to administrative personnel who are not  
 29 special education personnel as **that term is** defined in section 6 of



1 the revised school code, MCL 380.6. Costs reimbursed by federal  
2 funds, other than those federal funds included in the allocation  
3 made under this article, are not included. Special education  
4 approved personnel not utilized full time in the evaluation of  
5 students or in the delivery of special education programs,  
6 ancillary, and other related services are reimbursed under this  
7 section only for that portion of time actually spent providing  
8 these programs and services, with the exception of special  
9 education programs and services provided to youth placed in child  
10 caring institutions or juvenile detention programs approved by the  
11 department to provide an on-grounds education program.

12 (b) Beginning with the 2004-2005 fiscal year, a district or  
13 intermediate district that employed special education support  
14 services staff to provide special education support services in  
15 2003-2004 or in a subsequent fiscal year and that in a fiscal year  
16 after 2003-2004 receives the same type of support services from  
17 another district or intermediate district shall report the cost of  
18 those support services for special education reimbursement purposes  
19 under this article. This subdivision does not prohibit the transfer  
20 of special education classroom teachers and special education  
21 classroom aides if the pupils counted in membership associated with  
22 those special education classroom teachers and special education  
23 classroom aides are transferred and counted in membership in the  
24 other district or intermediate district in conjunction with the  
25 transfer of those teachers and aides.

26 (c) If the department determines before bookclosing for a  
27 fiscal year that the amounts allocated for that fiscal year under  
28 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56  
29 will exceed expenditures for that fiscal year under subsections



1 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a  
2 district or intermediate district whose reimbursement for that  
3 fiscal year would otherwise be affected by subdivision (b),  
4 subdivision (b) does not apply to the calculation of the  
5 reimbursement for that district or intermediate district and the  
6 department shall calculate reimbursement for that district or  
7 intermediate district in the same manner as it was for 2003-2004.  
8 If the amount of the excess allocations under subsections (2), (3),  
9 (6), and (11) and sections 53a, 54, and 56 is not sufficient to  
10 fully fund the calculation of reimbursement to those districts and  
11 intermediate districts under this subdivision, then the department  
12 shall prorate calculations and resulting reimbursement under this  
13 subdivision on an equal percentage basis. Beginning in 2015-2016,  
14 the amount of reimbursement under this subdivision for a fiscal  
15 year must not exceed \$2,000,000.00 for any district or intermediate  
16 district.

17 (d) Reimbursement for ancillary and other related services, as  
18 defined by R 340.1701c of the Michigan Administrative Code, is not  
19 provided when those services are covered by and available through  
20 private group health insurance carriers or federal reimbursed  
21 program sources unless the department and district or intermediate  
22 district agree otherwise and that agreement is approved by the  
23 state budget director. Expenses, other than the incidental expense  
24 of filing, must not be borne by the parent. In addition, the filing  
25 of claims must not delay the education of a pupil. A district or  
26 intermediate district is responsible for payment of a deductible  
27 amount and for an advance payment required until the time a claim  
28 is paid.

29 (e) Beginning with calculations for 2004-2005, if an



1 intermediate district purchases a special education pupil  
2 transportation service from a constituent district that was  
3 previously purchased from a private entity; if the purchase from  
4 the constituent district is at a lower cost, adjusted for changes  
5 in fuel costs; and if the cost shift from the intermediate district  
6 to the constituent does not result in any net change in the revenue  
7 the constituent district receives from payments under sections 22b  
8 and 51c, then upon application by the intermediate district, the  
9 department shall direct the intermediate district to continue to  
10 report the cost associated with the specific identified special  
11 education pupil transportation service and shall adjust the costs  
12 reported by the constituent district to remove the cost associated  
13 with that specific service.

14 (8) A pupil who is enrolled in a full-time special education  
15 program conducted or administered by an intermediate district or a  
16 pupil who is enrolled in the Michigan schools for the deaf and  
17 blind is not included in the membership count of a district, but is  
18 counted in membership in the intermediate district of residence.

19 (9) Special education personnel transferred from 1 district to  
20 another to implement the revised school code are entitled to the  
21 rights, benefits, and tenure to which the person would otherwise be  
22 entitled had that person been employed by the receiving district  
23 originally.

24 (10) If a district or intermediate district uses money  
25 received under this section for a purpose other than the purpose or  
26 purposes for which the money is allocated, the department may  
27 require the district or intermediate district to refund the amount  
28 of money received. The department shall deposit money that is  
29 refunded in the state treasury to the credit of the state school



1 aid fund.

2 (11) From the funds allocated in subsection (1), there is  
 3 allocated the amount necessary, ~~estimated at \$3,100,000.00 for~~  
 4 ~~2018-2019 and estimated at \$2,900,000.00~~ **\$3,100,000.00** for 2019-  
 5 2020, to pay the foundation allowances for pupils described in this  
 6 subsection. The department shall calculate the allocation to a  
 7 district under this subsection by multiplying the number of pupils  
 8 described in this subsection who are counted in membership in the  
 9 district times the sum of the foundation allowance under section 20  
 10 of the pupil's district of residence ~~not to exceed the basic~~  
 11 ~~foundation allowance under section 20 for the 2018-2019 fiscal year~~  
 12 ~~and beginning with 2019-2020~~ not to exceed the target foundation  
 13 allowance for the current fiscal year, or, for a pupil described in  
 14 this subsection who is counted in membership in a district that is  
 15 a public school academy, times an amount equal to the amount per  
 16 membership pupil under section 20(6). The department shall  
 17 calculate the allocation to an intermediate district under this  
 18 subsection in the same manner as for a district, using the  
 19 foundation allowance under section 20 of the pupil's district of  
 20 residence ~~, not to exceed the basic foundation allowance under~~  
 21 ~~section 20 for the 2018-2019 fiscal year and beginning with 2019-~~  
 22 ~~2020~~ not to exceed the target foundation allowance for the current  
 23 fiscal year. This subsection applies to all of the following  
 24 pupils:

25 (a) Pupils described in section 53a.

26 (b) Pupils counted in membership in an intermediate district  
 27 who are not special education pupils and are served by the  
 28 intermediate district in a juvenile detention or child caring  
 29 facility.



1 (c) Pupils with an emotional impairment counted in membership  
 2 by an intermediate district and provided educational services by  
 3 the department of health and human services.

4 (12) If it is determined that funds allocated under subsection  
 5 (2) or (11) or under section 51c will not be expended, funds up to  
 6 the amount necessary and available may be used to supplement the  
 7 allocations under subsection (2) or (11) or under section 51c in  
 8 order to fully fund those allocations. After payments under  
 9 subsections (2) and (11) and section 51c, the department shall  
 10 expend the remaining funds from the allocation in subsection (1) in  
 11 the following order:

- 12 (a) 100% of the reimbursement required under section 53a.
- 13 (b) 100% of the reimbursement required under subsection (6).
- 14 (c) 100% of the payment required under section 54.
- 15 (d) 100% of the payment required under subsection (3).
- 16 (e) 100% of the payments under section 56.

17 (13) The allocations under subsections (2), (3), and (11) are  
 18 allocations to intermediate districts only and are not allocations  
 19 to districts, but instead are calculations used only to determine  
 20 the state payments under section 22b.

21 (14) If a public school academy that is not a cyber school, as  
 22 **that term is** defined in section 551 of the revised school code, MCL  
 23 380.551, enrolls under this section a pupil who resides outside of  
 24 the intermediate district in which the public school academy is  
 25 located and who is eligible for special education programs and  
 26 services according to statute or rule, or who is a child with  
 27 disabilities, as defined under the individuals with disabilities  
 28 education act, Public Law 108-446, the intermediate district in  
 29 which the public school academy is located and the public school



1 academy shall enter into a written agreement with the intermediate  
2 district in which the pupil resides for the purpose of providing  
3 the pupil with a free appropriate public education, and the written  
4 agreement must include at least an agreement on the responsibility  
5 for the payment of the added costs of special education programs  
6 and services for the pupil. If the public school academy that  
7 enrolls the pupil does not enter into an agreement under this  
8 subsection, the public school academy shall not charge the pupil's  
9 resident intermediate district or the intermediate district in  
10 which the public school academy is located the added costs of  
11 special education programs and services for the pupil, and the  
12 public school academy is not eligible for any payouts based on the  
13 funding formula outlined in the resident or nonresident  
14 intermediate district's plan. If a pupil is not enrolled in a  
15 public school academy under this subsection, the provision of  
16 special education programs and services and the payment of the  
17 added costs of special education programs and services for a pupil  
18 described in this subsection are the responsibility of the district  
19 and intermediate district in which the pupil resides.

20 (15) For the purpose of receiving its federal allocation under  
21 part B of the individuals with disabilities education act, Public  
22 Law 108-446, a public school academy that is a cyber school, as  
23 **that term is** defined in section 551 of the revised school code, MCL  
24 380.551, and is in compliance with section 553a of the revised  
25 school code, MCL 380.553a, directly receives the federal allocation  
26 under part B of the individuals with disabilities education act,  
27 Public Law 108-446, from the intermediate district in which the  
28 cyber school is located, as the subrecipient. If the intermediate  
29 district does not distribute the funds described in this subsection



1 to the cyber school by the part B application due date of July 1,  
 2 the department may distribute the funds described in this  
 3 subsection directly to the cyber school according to the formula  
 4 prescribed in 34 CFR 300.705 and 34 CFR 300.816.

5 (16) For a public school academy that is a cyber school, as  
 6 **that term is** defined in section 551 of the revised school code, MCL  
 7 380.551, and is in compliance with section 553a of the revised  
 8 school code, MCL 380.553a, that enrolls a pupil under this section,  
 9 the intermediate district in which the cyber school is located  
 10 shall ensure that the cyber school complies with sections 1701a,  
 11 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code,  
 12 MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756,  
 13 and 380.1757; applicable rules; and the individuals with  
 14 disabilities education act, Public Law 108-446. ~~From the general~~  
 15 ~~fund appropriation under subsection (1), for 2018-2019 only the~~  
 16 ~~department shall provide appropriate administrative funding to the~~  
 17 ~~intermediate district in which that cyber school is located for the~~  
 18 ~~purpose of ensuring that compliance.~~

19 (17) For the purposes of this section, the department or the  
 20 center shall only require a district or intermediate district to  
 21 report information that is not already available from the financial  
 22 information database maintained by the center.

23 Sec. 51c. As required by the court in the consolidated cases  
 24 known as *Durant v State of Michigan*, 456 Mich 175 (1997), from the  
 25 allocation under section 51a(1), there is allocated ~~each fiscal~~  
 26 ~~year for 2018-2019 and for 2019-2020~~ the amount necessary,  
 27 estimated at ~~\$663,500,000.00 for 2018-2019 and \$689,100,000.00~~  
 28 **\$678,600,000.00** for 2019-2020, for payments to reimburse districts  
 29 for 28.6138% of total approved costs of special education excluding



1 costs reimbursed under section 53a, and 70.4165% of total approved  
2 costs of special education transportation.

3       Sec. 61a. (1) From the ~~appropriation~~ **state school aid fund**  
4 **money appropriated** in section 11, there is allocated an amount not  
5 to exceed ~~\$37,611,300.00~~ **\$27,893,500.00** for 2019-2020, **and from the**  
6 **talent investment fund money appropriated in section 11, there is**  
7 **allocated an amount not to exceed \$9,717,800.00 for 2019-2020**, to  
8 reimburse on an added cost basis districts, except for a district  
9 that served as the fiscal agent for a vocational education  
10 consortium in the 1993-94 school year and that has a foundation  
11 allowance as calculated under section 20 greater than the minimum  
12 foundation allowance under that section, and secondary area  
13 vocational-technical education centers for secondary-level career  
14 and technical education programs according to rules approved by the  
15 superintendent. Applications for participation in the programs must  
16 be submitted in the form prescribed by the department. The  
17 department shall determine the added cost for each career and  
18 technical education program area. The department shall prioritize  
19 the allocation of added cost funds based on the capital and program  
20 expenditures needed to operate the career and technical education  
21 programs provided; the number of pupils enrolled; the advancement  
22 of pupils through the instructional program; the existence of an  
23 articulation agreement with at least 1 postsecondary institution  
24 that provides pupils with opportunities to earn postsecondary  
25 credit during the pupil's participation in the career and technical  
26 education program and transfers those credits to the postsecondary  
27 institution upon completion of the career and technical education  
28 program; and the program rank in student placement, job openings,  
29 and wages, and shall ensure that the allocation does not exceed 75%



1 of the added cost of any program. Notwithstanding any rule or  
2 department determination to the contrary, when determining a  
3 district's allocation or the formula for making allocations under  
4 this section, the department shall include the participation of  
5 pupils in grade 9 in all of those determinations and in all  
6 portions of the formula. With the approval of the department, the  
7 board of a district maintaining a secondary career and technical  
8 education program may offer the program for the period from the  
9 close of the school year until September 1. The program shall use  
10 existing facilities and must be operated as prescribed by rules  
11 promulgated by the superintendent.

12 (2) Except for a district that served as the fiscal agent for  
13 a vocational education consortium in the 1993-94 school year, the  
14 department shall reimburse districts and intermediate districts for  
15 local career and technical education administration, shared time  
16 career and technical education administration, and career education  
17 planning district career and technical education administration.  
18 The superintendent shall adopt guidelines for the definition of  
19 what constitutes administration and shall make reimbursement  
20 pursuant to those guidelines. The department shall not distribute  
21 more than \$800,000.00 of the allocation in subsection (1) under  
22 this subsection.

23 (3) A career and technical education program funded under this  
24 section may provide an opportunity for participants who are  
25 eligible to be funded under section 107 to enroll in the career and  
26 technical education program funded under this section if the  
27 participation does not occur during regular school hours.

28 Sec. 94a. (1) There is created within the state budget office  
29 in the department of technology, management, and budget the center



1 for educational performance and information. The center shall do  
2 all of the following:

3 (a) Coordinate the collection of all data required by state  
4 and federal law from districts, intermediate districts, and  
5 postsecondary institutions.

6 (b) Create, maintain, and enhance this state's P-20  
7 longitudinal data system and ensure that it meets the requirements  
8 of subsection (4).

9 (c) Collect data in the most efficient manner possible in  
10 order to reduce the administrative burden on reporting entities,  
11 including, but not limited to, electronic transcript services.

12 (d) Create, maintain, and enhance this state's web-based  
13 educational portal to provide information to school leaders,  
14 teachers, researchers, and the public in compliance with all  
15 federal and state privacy laws. Data must include, but are not  
16 limited to, all of the following:

17 (i) Data sets that link teachers to student information,  
18 allowing districts to assess individual teacher impact on student  
19 performance and consider student growth factors in teacher and  
20 principal evaluation systems.

21 (ii) Data access or, if practical, data sets, provided for  
22 regional data hubs that, in combination with local data, can  
23 improve teaching and learning in the classroom.

24 (iii) Research-ready data sets for researchers to perform  
25 research that advances this state's educational performance.

26 (e) Provide data in a useful manner to allow state and local  
27 policymakers to make informed policy decisions.

28 (f) Provide public reports to the residents of this state to  
29 allow them to assess allocation of resources and the return on



1 their investment in the education system of this state.

2 (g) Other functions as assigned by the state budget director.

3 (2) Each state department, officer, or agency that collects  
 4 information from districts, intermediate districts, or  
 5 postsecondary institutions as required under state or federal law  
 6 shall make arrangements with the center to ensure that the state  
 7 department, officer, or agency is in compliance with subsection  
 8 (1). This subsection does not apply to information collected by the  
 9 department of treasury under the uniform budgeting and accounting  
 10 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal  
 11 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond  
 12 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to  
 13 388.1939; or section 1351a of the revised school code, MCL  
 14 380.1351a.

15 (3) The center may enter into any interlocal agreements  
 16 necessary to fulfill its functions.

17 (4) The center shall ensure that the P-20 longitudinal data  
 18 system required under subsection (1)(b) meets all of the following:

19 (a) Includes data at the individual student level from  
 20 preschool through postsecondary education and into the workforce.

21 (b) Supports interoperability by using standard data  
 22 structures, data formats, and data definitions to ensure linkage  
 23 and connectivity in a manner that facilitates the exchange of data  
 24 among agencies and institutions within the state and between  
 25 states.

26 (c) Enables the matching of individual teacher and student  
 27 records so that an individual student may be matched with those  
 28 teachers providing instruction to that student.

29 (d) Enables the matching of individual teachers with



1 information about their certification and the institutions that  
2 prepared and recommended those teachers for state certification.

3 (e) Enables data to be easily generated for continuous  
4 improvement and decision-making, including timely reporting to  
5 parents, teachers, and school leaders on student achievement.

6 (f) Ensures the reasonable quality, validity, and reliability  
7 of data contained in the system.

8 (g) Provides this state with the ability to meet federal and  
9 state reporting requirements.

10 (h) For data elements related to preschool through grade 12  
11 and postsecondary, meets all of the following:

12 (i) Contains a unique statewide student identifier that does  
13 not permit a student to be individually identified by users of the  
14 system, except as allowed by federal and state law.

15 (ii) Contains student-level enrollment, demographic, and  
16 program participation information.

17 (iii) Contains student-level information about the points at  
18 which students exit, transfer in, transfer out, drop out, or  
19 complete education programs.

20 (iv) Has the capacity to communicate with higher education data  
21 systems.

22 (i) For data elements related to preschool through grade 12  
23 only, meets all of the following:

24 (i) Contains yearly test records of individual students for  
25 assessments approved by DED-OESE for accountability purposes under  
26 section 1111(b) of the elementary and secondary education act of  
27 1965, 20 USC 6311, including information on individual students not  
28 tested, by grade and subject.

29 (ii) Contains student-level transcript information, including



1 information on courses completed and grades earned.

2 (iii) Contains student-level college readiness test scores.

3 (j) For data elements related to postsecondary education only:

4 (i) Contains data that provide information regarding the extent  
5 to which individual students transition successfully from secondary  
6 school to postsecondary education, including, but not limited to,  
7 all of the following:

8 (A) Enrollment in remedial coursework.

9 (B) Completion of 1 year's worth of college credit applicable  
10 to a degree within 2 years of enrollment.

11 (ii) Contains data that provide other information determined  
12 necessary to address alignment and adequate preparation for success  
13 in postsecondary education.

14 (5) From the general fund appropriation in section 11, there  
15 is allocated an amount not to exceed ~~\$16,457,200.00~~ **\$16,045,800.00**  
16 for 2019-2020 to the department of technology, management, and  
17 budget to support the operations of the center. In addition, from  
18 the federal funds appropriated in section 11, there is allocated  
19 for 2019-2020 the amount necessary, estimated at \$193,500.00, to  
20 support the operations of the center and to establish a P-20  
21 longitudinal data system necessary for state and federal reporting  
22 purposes. The center shall cooperate with the department to ensure  
23 that this state is in compliance with federal law and is maximizing  
24 opportunities for increased federal funding to improve education in  
25 this state.

26 (6) From the funds allocated in subsection (5), the center may  
27 use an amount determined by the center for competitive grants for  
28 2019-2020 to support collaborative efforts on the P-20 longitudinal  
29 data system. All of the following apply to grants awarded under



1 this subsection:

2 (a) The center shall award competitive grants to eligible  
3 intermediate districts or a consortium of intermediate districts  
4 based on criteria established by the center.

5 (b) Activities funded under the grant must support the P-20  
6 longitudinal data system portal and may include portal hosting,  
7 hardware and software acquisition, maintenance, enhancements, user  
8 support and related materials, and professional learning tools and  
9 activities aimed at improving the utility of the P-20 longitudinal  
10 data system.

11 (c) An applicant that received a grant under this subsection  
12 for the immediately preceding fiscal year has priority for funding  
13 under this section. However, after 3 fiscal years of continuous  
14 funding, an applicant is required to compete openly with new  
15 applicants.

16 (7) Funds allocated under this section that are not expended  
17 in the fiscal year in which they were allocated may be carried  
18 forward to a subsequent fiscal year and are appropriated for the  
19 purposes for which the funds were originally allocated.

20 (8) The center may bill departments as necessary in order to  
21 fulfill reporting requirements of state and federal law. The center  
22 may also enter into agreements to supply custom data, analysis, and  
23 reporting to other principal executive departments, state agencies,  
24 local units of government, and other individuals and organizations.  
25 The center may receive and expend funds in addition to those  
26 authorized in subsection (5) to cover the costs associated with  
27 salaries, benefits, supplies, materials, and equipment necessary to  
28 provide such data, analysis, and reporting services.

29 (9) As used in this section:



1 (a) "DED-OESE" means the United States Department of Education  
2 Office of Elementary and Secondary Education.

3 (b) "State education agency" means the department.

4 Sec. 95b. (1) ~~From the general fund appropriation under~~  
5 ~~section 11, there is allocated to the department an amount not to~~  
6 ~~exceed \$2,500,000.00 for 2018-2019 for the~~ **The** department ~~to adopt~~  
7 ~~a~~ **shall continue the** model value-added growth and projection  
8 analytics system and ~~to~~ incorporate that model into its reporting  
9 requirements under the every student succeeds act, Public Law 114-  
10 95. **It is the intent of the legislature to fund the model under**  
11 **this section for 2021-2022 only if at least 50% of districts that**  
12 **are not public school academies opt in to student-teacher linkages**  
13 **provided by the model value-added growth and projection analytics**  
14 **system and there is verification that the value-added reporting**  
15 **platform continued hosting and delivery of historical reporting as**  
16 **determined based on the report under subsection (5).** The adopted  
17 model ~~shall~~ **described in this subsection must** do at least all of  
18 the following:

19 (a) Utilize existing assessments and any future assessments  
20 that are suitable for measuring student growth.

21 (b) Report student growth measures at the district, school,  
22 teacher, and subgroup levels.

23 (c) Recognize the growth of tested students, including those  
24 who may have missing assessment data.

25 (d) Include all available prior standardized assessment data  
26 that meet inclusion criteria across grades, subjects, and state and  
27 local assessments.

28 (e) Allow student growth results to be disaggregated.

29 (f) Provide individual student projections showing the



1 probability of a student reaching specific performance levels on  
 2 future assessments. **Given school closures and extended**  
 3 **cancellations related to COVID-19, the data under this subdivision**  
 4 **may be used to inform decisions about student placement or students**  
 5 **that could benefit from additional supports or interventions.**

6 (g) Demonstrate any prior success with this state's  
 7 assessments through the Michigan council of educator effectiveness  
 8 teacher evaluation pilot.

9 (h) Demonstrate prior statewide implementation in at least 2  
 10 other states for at least 10 years.

11 (i) Have a native roster verification system built into the  
 12 value-added reporting platform that has been implemented statewide  
 13 in at least 2 other states.

14 (j) Have a "Help/Contact Us" ticketing system built into the  
 15 value-added reporting platform.

16 (k) **Given school closures that have occurred pursuant to an**  
 17 **executive order issued by the governor, the value-added reporting**  
 18 **platform must provide continued hosting and delivery of reporting**  
 19 **and offer the department additional supports in the areas of**  
 20 **research, analysis, web reporting, and training.**

21 (l) **The department and the platform vendor shall provide**  
 22 **statewide training for educators to understand the reporting that**  
 23 **details the impact to student learning and growth.**

24 (2) The department shall provide internet-based electronic  
 25 student growth and projection reporting based on the model ~~adopted~~  
 26 under subsection (1) to educators at the school, district, and  
 27 state levels. The model ~~shall~~ **must** include role-based permissions  
 28 that allow educators to access information about the performance of  
 29 the students within their immediate responsibility in accordance



1 with applicable privacy laws.

2 (3) The model ~~adopted~~ under subsection (1) must not be a  
3 mandatory part of teacher evaluation or educator pay-for-  
4 performance systems.

5 (4) The model ~~adopted~~ under subsection (1) must be a model  
6 that received funding under this section in ~~2017-2018~~.**2018-2019**.

7 **(5) By March 31, 2021, the department shall work with the**  
8 **center to provide a report to the senate and house appropriations**  
9 **subcommittees on state school aid and the senate and house fiscal**  
10 **agencies regarding the number of districts that are not public**  
11 **school academies that opted in to student-teacher linkages in their**  
12 **use of the model value-added growth and projection analytics system**  
13 **under this section. The report under this subsection must also**  
14 **include verification that the value-added reporting platform**  
15 **continued hosting and delivery of historical reporting and specify**  
16 **any additional research and analysis offered to the department.**

17 Sec. 99h. (1) From the state school aid fund ~~appropriation~~  
18 **money appropriated** in section 11, there is allocated an amount not  
19 to exceed ~~\$4,700,000.00~~ **\$3,900,000.00** for 2019-2020 for competitive  
20 grants to districts and intermediate districts ~~—~~that provide  
21 pupils in grades K to 12 with expanded opportunities to improve  
22 mathematics, science, and technology skills by participating in  
23 events hosted by a science and technology development program known  
24 as FIRST (for inspiration and recognition of science and  
25 technology) Robotics, including JR FIRST Lego League, FIRST Lego  
26 League, FIRST Tech challenge, and FIRST Robotics competition, or  
27 other competitive robotics programs, including VEX and those hosted  
28 by the Robotics Education and Competition (REC) Foundation.  
29 Programs funded under this section are intended to increase the



1 number of pupils demonstrating proficiency in science and  
2 mathematics on the state assessments and to increase the number of  
3 pupils who are college- and career-ready upon high school  
4 graduation. Notwithstanding section 17b, the department shall make  
5 grant payments to districts and intermediate districts under this  
6 section on a schedule determined by the department. The department  
7 shall set maximum grant awards for each different level of  
8 competition in a manner that both maximizes the number of teams  
9 that will be able to receive funds and expands the geographical  
10 distribution of teams.

11 (2) A district or intermediate district applying for a grant  
12 under this section shall submit an application in a form and manner  
13 ~~determined~~ **prescribed** by the department. To be eligible for a  
14 grant, a district or intermediate district shall demonstrate in its  
15 application that the district or intermediate district has  
16 established a partnership for the purposes of the robotics program  
17 with at least 1 sponsor, business entity, higher education  
18 institution, or technical school, shall submit a spending plan, and  
19 shall pay at least 25% of the cost of the robotics program.

20 (3) The department shall distribute the grant funding under  
21 this section for the following purposes:

22 (a) Grants to districts or intermediate districts to pay for  
23 stipends not to exceed \$1,500.00 for 1 coach per team.

24 (b) Grants to districts or intermediate districts for event  
25 registrations, materials, travel costs, and other expenses  
26 associated with the preparation for and attendance at robotics  
27 events and competitions. Each grant recipient shall provide a local  
28 match from other private or local funds for the funds received  
29 under this subdivision equal to at least 50% of the costs of



1 participating in an event.

2 (c) Grants to districts or intermediate districts for awards  
3 to teams that advance to the state and world championship  
4 competitions. The department shall determine an equal amount per  
5 team for those teams that advance to the state championship and a  
6 second equal award amount to those teams that advance to the world  
7 championship.

8 (4) ~~(6)~~—The funds allocated under this section for ~~2018-2019~~  
9 **2019-2020** are a work project appropriation, and any unexpended  
10 funds for ~~2018-2019-2019-2020~~ are carried forward into ~~2019-2020-~~  
11 **2020-2021**. The purpose of the work project is to continue support  
12 of FIRST Robotics and must not be used to support other robotics  
13 competitions. The estimated completion date of the work project is  
14 September 30, ~~2021-2022~~.

15 Sec. 104. (1) In order to receive state aid under this  
16 article, a district shall comply with sections 1249, 1278a, 1278b,  
17 ~~1279,~~ 1279g, and 1280b of the revised school code, MCL 380.1249,  
18 380.1278a, 380.1278b, ~~380.1279,~~ 380.1279g, and 380.1280b, and 1970  
19 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from  
20 the state school aid fund money appropriated in section 11, there  
21 is allocated for 2019-2020 an amount not to exceed ~~\$32,009,400.00~~  
22 **\$26,009,400.00** for payments on behalf of districts for costs  
23 associated with complying with those provisions of law. In  
24 addition, from the federal funds appropriated in section 11, there  
25 is allocated for 2019-2020 an amount estimated at \$6,250,000.00,  
26 funded from DED-OESE, title VI, state assessment funds, and from  
27 DED-OSERS, section 504 of part B of the individuals with  
28 disabilities education act, Public Law 94-142, plus any carryover  
29 federal funds from previous year appropriations, for the purposes



1 of complying with the every student succeeds act, Public Law 114-  
2 95.

3 (2) The results of each test administered as part of the  
4 Michigan student test of educational progress (M-STEP), including  
5 tests administered to high school students, must include an item  
6 analysis that lists all items that are counted for individual pupil  
7 scores and the percentage of pupils choosing each possible  
8 response. The department shall work with the center to identify the  
9 number of students enrolled at the time assessments are given by  
10 each district. In calculating the percentage of pupils assessed for  
11 a district's scorecard, the department shall use only the number of  
12 pupils enrolled in the district at the time the district  
13 administers the assessments and shall exclude pupils who enroll in  
14 the district after the district administers the assessments.

15 (3) The department shall distribute federal funds allocated  
16 under this section in accordance with federal law and with  
17 flexibility provisions outlined in Public Law 107-116, and in the  
18 education flexibility partnership act of 1999, Public Law 106-25.

19 (4) From the funds allocated in subsection (1), there is  
20 allocated an amount not to exceed \$2,500,000.00 to an intermediate  
21 district described in this subsection for statewide implementation  
22 of the Michigan kindergarten entry observation tool (MKEO)  
23 beginning in the fall of 2019, utilizing the Maryland-Ohio  
24 observational tool, also referred to as the Kindergarten Readiness  
25 Assessment, as piloted under this subsection in 2017-2018 and  
26 implemented in 2018-2019 and 2019-2020. The funding in this  
27 subsection is allocated to an intermediate district in prosperity  
28 region 9 with at least 3,000 kindergarten pupils enrolled in its  
29 constituent districts. All of the following apply to the



1 implementation of the kindergarten entry observation tool under  
2 this subsection:

3 (a) The department, in collaboration with all intermediate  
4 districts, shall ensure that the Michigan kindergarten entry  
5 observation tool is administered in each kindergarten classroom to  
6 either the full census of kindergarten pupils enrolled in the  
7 classroom or to a representative sample of not less than 35% of the  
8 total kindergarten pupils enrolled in each classroom. If a district  
9 elects to administer the Michigan kindergarten entry observation  
10 tool to a random sample of pupils within each classroom, the  
11 district's intermediate district shall select the pupils who will  
12 receive the assessment based on the same random method. Beginning  
13 in 2020, the observation tool must be administered within 45 days  
14 after the start of the school year.

15 (b) The intermediate district that receives funding under this  
16 subsection, in collaboration with all other intermediate districts,  
17 shall implement a "train the trainer" professional development  
18 model on the usage of the Michigan kindergarten entry observation  
19 tool. This training model must provide training to intermediate  
20 district staff so that they may provide similar training for staff  
21 of their constituent districts. This training model must also  
22 ensure that the tool produces reliable data and that there are a  
23 sufficient number of trainers to train all kindergarten teachers  
24 statewide.

25 (c) By March 1, 2021, and each year thereafter, the department  
26 and the intermediate district that receives funding under this  
27 subsection shall report to the house and senate appropriations  
28 subcommittees on school aid, the house and senate fiscal agencies,  
29 and the state budget director on the results of the statewide



1 implementation, including, but not limited to, an evaluation of the  
2 demonstrated readiness of kindergarten pupils statewide and the  
3 effectiveness of state and federal early childhood programs that  
4 are designed for school readiness under this state's authority,  
5 including the great start readiness program and the great start  
6 readiness/Head Start blended program, as referenced under section  
7 32d. By September 1, 2021, and each year thereafter, the department  
8 and the center shall provide a method for districts and public  
9 school academies with kindergarten enrollment to look up and verify  
10 their student enrollment data for pupils who were enrolled in a  
11 publicly funded early childhood program in the year before  
12 kindergarten, including the individual great start readiness  
13 program, individual great start readiness/Head Start blended  
14 program, individual title I preschool program, individual section  
15 31a preschool program, individual early childhood special education  
16 program, or individual developmental kindergarten or program for  
17 young 5-year-olds in which each tested child was enrolled. A  
18 participating district shall analyze the data to determine whether  
19 high-performing children were enrolled in any specific early  
20 childhood program and, if so, report that finding to the department  
21 and to the intermediate district that receives funding under this  
22 subsection.

23 (d) The department shall approve the language and literacy  
24 domain within the Kindergarten Readiness Assessment for use by  
25 districts as an initial assessment that may be delivered to all  
26 kindergarten pupils to assist with identifying any possible area of  
27 concern for a pupil in English language arts.

28 (e) As used in this subsection:

29 (i) "Kindergarten" includes a classroom for young 5-year-olds,



1 commonly referred to as "young 5s" or "developmental kindergarten".

2 (ii) "Representative sample" means a sample capable of  
3 producing valid and reliable assessment information on all or major  
4 subgroups of kindergarten pupils in a district.

5 (5) The department may recommend, but may not require,  
6 districts to allow pupils to use an external keyboard with tablet  
7 devices for online M-STEP testing, including, but not limited to,  
8 open-ended test items such as constructed response or equation  
9 builder items.

10 (6) Notwithstanding section 17b, the department shall make  
11 payments on behalf of districts, intermediate districts, and other  
12 eligible entities under this section on a schedule determined by  
13 the department.

14 (7) From the allocation in subsection (1), there is allocated  
15 an amount not to exceed \$500,000.00 for 2019-2020 for the operation  
16 of an online reporting tool to provide student-level assessment  
17 data in a secure environment to educators, parents, and pupils  
18 immediately after assessments are scored. The department and the  
19 center shall ensure that any data collected by the online reporting  
20 tool do not provide individually identifiable student data to the  
21 federal government.

22 (8) As used in this section:

23 (a) "DED" means the United States Department of Education.

24 (b) "DED-OESE" means the DED Office of Elementary and  
25 Secondary Education.

26 (c) "DED-OSERS" means the DED Office of Special Education and  
27 Rehabilitative Services.

28 Sec. 147c. From the ~~appropriation~~ **state school aid fund money**  
29 **appropriated** in section 11, there is allocated for 2019-2020 an



1 amount not to exceed ~~\$1,030,400,000.00~~ from the state school aid  
2 fund **\$1,000,400,000.00, and from the MPSERS retirement obligation**  
3 **reform reserve fund money appropriated in section 11, there is**  
4 **allocated for 2019-2020 an amount not to exceed \$30,000,000.00,** for  
5 payments to districts and intermediate districts that are  
6 participating entities of the Michigan public school employees'  
7 retirement system. In addition, from the general fund money  
8 appropriated in section 11, there is allocated for 2019-2020 an  
9 amount not to exceed \$500,000.00 for payments to district libraries  
10 that are participating entities of the Michigan public school  
11 employees' retirement system. All of the following apply to funding  
12 under this subsection:

13 (a) For 2019-2020, the amounts allocated under this subsection  
14 are estimated to provide an average MPSERS rate cap per pupil  
15 amount of \$693.00 and are estimated to provide a rate cap per pupil  
16 for districts ranging between \$4.00 and \$4,000.00.

17 (b) Payments made under this subsection are equal to the  
18 difference between the unfunded actuarial accrued liability  
19 contribution rate as calculated pursuant to section 41 of the  
20 public school employees retirement act of 1979, 1980 PA 300, MCL  
21 38.1341, as calculated without taking into account the maximum  
22 employer rate of 20.96% included in section 41 of the public school  
23 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the  
24 maximum employer rate of 20.96% included in section 41 of the  
25 public school employees retirement act of 1979, 1980 PA 300, MCL  
26 38.1341.

27 (c) The amount allocated to each participating entity under  
28 this subsection is based on each participating entity's proportion  
29 of the total covered payroll for the immediately preceding fiscal



1 year for the same type of participating entities. A participating  
2 entity that receives funds under this subsection shall use the  
3 funds solely for the purpose of retirement contributions as  
4 specified in subdivision (d).

5 (d) Each participating entity receiving funds under this  
6 subsection shall forward an amount equal to the amount allocated  
7 under subdivision (c) to the retirement system in a form, manner,  
8 and time frame determined by the retirement system.

9 (e) Funds allocated under this subsection should be considered  
10 when comparing a district's growth in total state aid funding from  
11 1 fiscal year to the next.

12 (f) Not later than December 20, 2019, the department shall  
13 publish and post on its website an estimated MPERS rate cap per  
14 pupil for each district.

15 (g) The office of retirement services shall first apply funds  
16 allocated under this subsection to pension contributions and, if  
17 any funds remain after that payment, shall apply those remaining  
18 funds to other postemployment benefit contributions.

19 (h) As used in this section:

20 (i) "District library" means a district library established  
21 under the district library establishment act, 1989 PA 24, MCL  
22 397.171 to 397.196.

23 (ii) "MPERS rate cap per pupil" means an amount equal to the  
24 quotient of the district's payment under this subsection divided by  
25 the district's pupils in membership.

26 (iii) "Participating entity" means a district, intermediate  
27 district, or district library that is a reporting unit of the  
28 Michigan public school employees' retirement system under the  
29 public school employees retirement act of 1979, 1980 PA 300, MCL



1 38.1301 to 38.1437, and that reports employees to the Michigan  
2 public school employees' retirement system for the applicable  
3 fiscal year.

4 (iv) "Retirement board" means the board that administers the  
5 retirement system under the public school employees retirement act  
6 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

7 (v) "Retirement system" means the Michigan public school  
8 employees' retirement system under the public school employees  
9 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

10 Sec. 147e. (1) From the appropriation in section 11, ~~there is~~  
11 ~~allocated for 2018-2019 an amount not to exceed \$30,000,000.00 from~~  
12 ~~the MPERS retirement obligation reform reserve fund, and there is~~  
13 allocated for 2019-2020 an amount not to exceed \$1,900,000.00 from  
14 the MPERS retirement obligation reform reserve fund and  
15 ~~\$40,671,000.00~~ **\$26,471,000.00** from the state school aid fund for  
16 payments to participating entities.

17 (2) The payment to each participating entity under this  
18 section is the sum of the amounts under this subsection as follows:

19 (a) An amount equal to the contributions made by a  
20 participating entity for the additional contribution made to a  
21 qualified participant's Tier 2 account in an amount equal to the  
22 contribution made by the qualified participant not to exceed 3% of  
23 the qualified participant's compensation as provided for under  
24 section 131(6) of the public school employees retirement act of  
25 1979, 1980 PA 300, MCL 38.1431.

26 (b) Beginning October 1, 2017, an amount equal to the  
27 contributions made by a participating entity for a qualified  
28 participant who is only a Tier 2 qualified participant under  
29 section 81d of the public school employees retirement act of 1979,



1 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning  
2 February 1, 2018, not to exceed 1%, of the qualified participant's  
3 compensation.

4 (c) An amount equal to the increase in employer normal cost  
5 contributions under section 41b(2) of the public school employees  
6 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member  
7 that was hired after February 1, 2018 and chose to participate in  
8 Tier 1, compared to the employer normal cost contribution for a  
9 member under section 41b(1) of the public school employees  
10 retirement act of 1979, 1980 PA 300, MCL 38.1341b.

11 (3) As used in this section:

12 (a) "Member" means that term as defined under the public  
13 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301  
14 to 38.1437.

15 (b) "Participating entity" means a district, intermediate  
16 district, or community college that is a reporting unit of the  
17 Michigan public school employees' retirement system under the  
18 public school employees retirement act of 1979, 1980 PA 300, MCL  
19 38.1301 to 38.1437, and that reports employees to the Michigan  
20 public school employees' retirement system for the applicable  
21 fiscal year.

22 (c) "Qualified participant" means that term as defined under  
23 section 124 of the public school employees retirement act of 1979,  
24 1980 PA 300, MCL 38.1424.

25 Sec. 201. (1) Subject to the conditions set forth in this  
26 article, the amounts listed in this section are appropriated for  
27 community colleges for the fiscal year ending September 30, 2020,  
28 from the funds indicated in this section. The following is a  
29 summary of the appropriations in this section **and section 201c:**



1 (a) The gross appropriation is \$414,719,000.00. After  
2 deducting total interdepartmental grants and intradepartmental  
3 transfers in the amount of \$0.00, the adjusted gross appropriation  
4 is \$414,719,000.00.

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

7 (i) Total federal revenues, ~~\$0.00~~-\$36,273,400.00.

8 (ii) Total local revenues, \$0.00.

9 (iii) Total private revenues, \$0.00.

10 (iv) Total other state restricted revenues,  
11 ~~\$414,719,000.00~~-\$378,445,600.00.

12 (v) State general fund/general purpose money, \$0.00.

13 (2) Subject to subsection (3), the amount appropriated for  
14 community college operations is ~~\$325,473,400.00~~-\$289,200,000.00,  
15 allocated as follows:

16 (a) The appropriation for Alpena Community College is  
17 ~~\$5,772,600.00~~, ~~\$5,696,800.00~~-\$5,127,800.00, \$5,058,300.00 for  
18 operations, ~~\$56,500.00~~-\$50,200.00 for performance funding, and  
19 \$19,300.00 for costs incurred under the North American Indian  
20 tuition waiver.

21 (b) The appropriation for Bay de Noc Community College is  
22 ~~\$5,740,700.00~~, ~~\$5,548,600.00~~-\$5,112,800.00, \$4,926,700.00 for  
23 operations, ~~\$54,200.00~~-\$48,200.00 for performance funding, and  
24 \$137,900.00 for costs incurred under the North American Indian  
25 tuition waiver.

26 (c) The appropriation for Delta College is ~~\$15,201,400.00~~,  
27 ~~\$15,058,600.00~~-\$13,502,300.00, \$13,371,000.00 for operations,  
28 ~~\$101,900.00~~-\$90,400.00 for performance funding, and \$40,900.00 for  
29 costs incurred under the North American Indian tuition waiver.



1 (d) The appropriation for Glen Oaks Community College is  
2 ~~\$2,652,400.00, \$2,616,600.00~~ **\$2,355,300.00, \$2,323,300.00** for  
3 operations, ~~\$34,600.00~~ **\$30,800.00** for performance funding, and  
4 \$1,200.00 for costs incurred under the North American Indian  
5 tuition waiver.

6 (e) The appropriation for Gogebic Community College is  
7 ~~\$4,933,600.00, \$4,828,700.00~~ **\$4,387,500.00, \$4,287,700.00** for  
8 operations, ~~\$45,000.00~~ **\$39,900.00** for performance funding, and  
9 \$59,900.00 for costs incurred under the North American Indian  
10 tuition waiver.

11 (f) The appropriation for Grand Rapids Community College is  
12 ~~\$19,013,400.00, \$18,628,700.00~~ **\$16,909,400.00, \$16,540,900.00** for  
13 operations, ~~\$144,400.00~~ **\$128,200.00** for performance funding, and  
14 \$240,300.00 for costs incurred under the North American Indian  
15 tuition waiver.

16 (g) The appropriation for Henry Ford College is  
17 ~~\$22,574,700.00, \$22,382,000.00~~ **\$20,049,300.00, \$19,873,500.00** for  
18 operations, ~~\$151,100.00~~ **\$134,200.00** for performance funding, and  
19 \$41,600.00 for costs incurred under the North American Indian  
20 tuition waiver.

21 (h) The appropriation for Jackson College is ~~\$12,802,900.00,~~  
22 ~~\$12,679,800.00~~ **\$11,373,300.00, \$11,258,700.00** for operations,  
23 ~~\$76,400.00~~ **\$67,900.00** for performance funding, and \$46,700.00 for  
24 costs incurred under the North American Indian tuition waiver.

25 (i) The appropriation for Kalamazoo Valley Community College  
26 is ~~\$13,155,900.00, \$13,009,500.00~~ **\$11,687,700.00, \$11,551,400.00**  
27 for operations, ~~\$90,400.00~~ **\$80,300.00** for performance funding, and  
28 \$56,000.00 for costs incurred under the North American Indian  
29 tuition waiver.



1 (j) The appropriation for Kellogg Community College is  
2 ~~\$10,346,500.00, \$10,199,600.00~~ **\$9,195,800.00, \$9,056,400.00** for  
3 operations, ~~\$67,500.00~~ **\$60,000.00** for performance funding, and  
4 \$79,400.00 for costs incurred under the North American Indian  
5 tuition waiver.

6 (k) The appropriation for Kirtland Community College is  
7 ~~\$3,393,000.00, \$3,311,600.00~~ **\$3,016,600.00, \$2,940,500.00** for  
8 operations, ~~\$46,800.00~~ **\$41,500.00** for performance funding, and  
9 \$34,600.00 for costs incurred under the North American Indian  
10 tuition waiver.

11 (l) The appropriation for Lake Michigan College is  
12 ~~\$5,714,000.00, \$5,663,300.00~~ **\$5,074,900.00, \$5,028,600.00** for  
13 operations, ~~\$39,400.00~~ **\$35,000.00** for performance funding, and  
14 \$11,300.00 for costs incurred under the North American Indian  
15 tuition waiver.

16 (m) The appropriation for Lansing Community College is  
17 ~~\$33,005,900.00, \$32,652,300.00~~ **\$29,324,000.00, \$28,992,800.00** for  
18 operations, ~~\$199,700.00~~ **\$177,300.00** for performance funding, and  
19 \$153,900.00 for costs incurred under the North American Indian  
20 tuition waiver.

21 (n) The appropriation for Macomb Community College is  
22 ~~\$34,312,100.00, \$34,043,100.00~~ **\$30,470,600.00, \$30,227,700.00** for  
23 operations, ~~\$233,000.00~~ **\$206,900.00** for performance funding, and  
24 \$36,000.00 for costs incurred under the North American Indian  
25 tuition waiver.

26 (o) The appropriation for Mid Michigan Community College is  
27 ~~\$5,324,500.00, \$5,100,400.00~~ **\$4,743,500.00, \$4,528,800.00** for  
28 operations, ~~\$84,000.00~~ **\$74,600.00** for performance funding, and  
29 \$140,100.00 for costs incurred under the North American Indian



1 tuition waiver.

2 (p) The appropriation for Monroe County Community College is  
3 ~~\$4,747,100.00, \$4,706,500.00~~ **\$4,215,200.00, \$4,179,000.00** for  
4 operations, ~~\$39,700.00~~ **\$35,300.00** for performance funding, and  
5 \$900.00 for costs incurred under the North American Indian tuition  
6 waiver.

7 (q) The appropriation for Montcalm Community College is  
8 ~~\$3,576,300.00, \$3,541,400.00~~ **\$3,176,100.00, \$3,144,500.00** for  
9 operations, ~~\$29,200.00~~ **\$25,900.00** for performance funding, and  
10 \$5,700.00 for costs incurred under the North American Indian  
11 tuition waiver.

12 (r) The appropriation for C.S. Mott Community College is  
13 ~~\$16,453,400.00, \$16,325,800.00~~ **\$14,610,900.00, \$14,496,100.00** for  
14 operations, ~~\$114,200.00~~ **\$101,400.00** for performance funding, and  
15 \$13,400.00 for costs incurred under the North American Indian  
16 tuition waiver.

17 (s) The appropriation for Muskegon Community College is  
18 ~~\$9,366,400.00, \$9,230,500.00~~ **\$8,325,300.00, \$8,195,900.00** for  
19 operations, ~~\$58,600.00~~ **\$52,100.00** for performance funding, and  
20 \$77,300.00 for costs incurred under the North American Indian  
21 tuition waiver.

22 (t) The appropriation for North Central Michigan College is  
23 ~~\$3,567,200.00, \$3,358,100.00~~ **\$3,187,300.00, \$2,981,700.00** for  
24 operations, ~~\$31,200.00~~ **\$27,700.00** for performance funding, and  
25 \$177,900.00 for costs incurred under the North American Indian  
26 tuition waiver.

27 (u) The appropriation for Northwestern Michigan College is  
28 ~~\$9,813,800.00, \$9,503,400.00~~ **\$8,741,600.00, \$8,438,400.00** for  
29 operations, ~~\$63,700.00~~ **\$56,500.00** for performance funding, and



1 \$246,700.00 for costs incurred under the North American Indian  
2 tuition waiver.

3 (v) The appropriation for Oakland Community College is  
4 ~~\$22,235,400.00, \$22,033,100.00~~ **\$19,746,000.00, \$19,563,700.00** for  
5 operations, ~~\$178,600.00~~ **\$158,600.00** for performance funding, and  
6 \$23,700.00 for costs incurred under the North American Indian  
7 tuition waiver.

8 (w) The appropriation for Schoolcraft College is  
9 ~~\$13,263,200.00, \$13,080,600.00~~ **\$11,784,200.00, \$11,614,500.00** for  
10 operations, ~~\$115,600.00~~ **\$102,700.00** for performance funding, and  
11 \$67,000.00 for costs incurred under the North American Indian  
12 tuition waiver.

13 (x) The appropriation for Southwestern Michigan College is  
14 ~~\$7,019,100.00, \$6,932,700.00~~ **\$6,236,900.00, \$6,155,700.00** for  
15 operations, ~~\$46,700.00~~ **\$41,500.00** for performance funding, and  
16 \$39,700.00 for costs incurred under the North American Indian  
17 tuition waiver.

18 (y) The appropriation for St. Clair County Community College  
19 is ~~\$7,393,700.00, \$7,329,600.00~~ **\$6,566,000.00, \$6,508,200.00** for  
20 operations, ~~\$55,600.00~~ **\$49,300.00** for performance funding, and  
21 \$8,500.00 for costs incurred under the North American Indian  
22 tuition waiver.

23 (z) The appropriation for Washtenaw Community College is  
24 ~~\$13,886,900.00, \$13,730,300.00~~ **\$12,334,000.00, \$12,191,500.00** for  
25 operations, ~~\$125,600.00~~ **\$111,500.00** for performance funding, and  
26 \$31,000.00 for costs incurred under the North American Indian  
27 tuition waiver.

28 (aa) The appropriation for Wayne County Community College is  
29 ~~\$17,601,900.00, \$17,459,700.00~~ **\$15,630,100.00, \$15,502,900.00** for



1 operations, ~~\$133,700.00~~ **\$118,700.00** for performance funding, and  
 2 \$8,500.00 for costs incurred under the North American Indian  
 3 tuition waiver.

4 (bb) The appropriation for West Shore Community College is  
 5 ~~\$2,605,400.00, \$2,566,100.00~~ **\$2,315,600.00, \$2,278,500.00** for  
 6 operations, ~~\$19,500.00~~ **\$17,300.00** for performance funding, and  
 7 \$19,800.00 for costs incurred under the North American Indian  
 8 tuition waiver.

9 (3) The amount appropriated in subsection (2) for community  
 10 college operations is ~~\$325,473,400.00~~ **\$289,200,000.00** and is  
 11 appropriated from the state school aid fund.

12 (4) From the appropriations described in subsection (1), both  
 13 of the following apply:

14 (a) Subject to section 207a, the amount appropriated for  
 15 fiscal year 2019-2020 to offset certain fiscal year 2019-2020  
 16 retirement contributions is \$1,733,600.00, appropriated from the  
 17 state school aid fund.

18 (b) For fiscal year 2019-2020, there is allocated an amount  
 19 not to exceed \$12,212,000.00 for payments to participating  
 20 community colleges, appropriated from the state school aid fund. A  
 21 community college that receives money under this subdivision shall  
 22 use that money solely for the purpose of offsetting the normal cost  
 23 contribution rate.

24 (5) From the appropriations described in subsection (1),  
 25 subject to section 207b, the amount appropriated for payments to  
 26 community colleges that are participating entities of the  
 27 retirement system is \$73,100,000.00, appropriated from the state  
 28 school aid fund.

29 (6) From the appropriations described in subsection (1),



1 subject to section 207c, the amount appropriated for renaissance  
2 zone tax reimbursements is \$2,200,000.00, appropriated from the  
3 state school aid fund.

4 (7) If the department of technology, management, and budget  
5 determines that this state has overpaid the amount of operations  
6 and performance funding allocated to a community college under this  
7 article, the department shall establish as a receivable the amount  
8 of overpayment and shall recoup the amount from the community  
9 college in subsequent monthly apportionments of operations and  
10 performance funding. The full amount of overpayment must be  
11 recouped within 1 fiscal year.

12 Sec. 201c. (1) In addition to the funds appropriated under  
13 section 201, for the fiscal year ending September 30, 2020 only,  
14 there is appropriated an amount not to exceed \$36,273,400.00 from  
15 the federal funding awarded to this state from the coronavirus  
16 relief fund under the coronavirus aid, relief, and economic  
17 security act, Public Law 116-136.

18 (2) From the amount appropriated under subsection (1), each  
19 community college is allocated the following:

- 20 (a) Alpena Community College, \$644,800.00.  
21 (b) Bay de Noc Community College, \$627,900.00.  
22 (c) Delta College, \$1,699,100.00.  
23 (d) Glen Oaks Community College, \$297,100.00.  
24 (e) Gogebic Community College, \$546,100.00.  
25 (f) Grand Rapids Community College, \$2,104,000.00.  
26 (g) Henry Ford College, \$2,525,400.00.  
27 (h) Jackson College, \$1,429,600.00.  
28 (i) Kalamazoo Valley Community College, \$1,468,200.00.  
29 (j) Kellogg Community College, \$1,150,700.00.



- 1 (k) Kirtland Community College, \$376,400.00.
- 2 (l) Lake Michigan College, \$639,100.00.
- 3 (m) Lansing Community College, \$3,681,900.00.
- 4 (n) Macomb Community College, \$3,841,500.00.
- 5 (o) Mid Michigan Community College, \$581,000.00.
- 6 (p) Monroe County Community College, \$531,900.00.
- 7 (q) Montcalm Community College, \$400,200.00.
- 8 (r) C.S. Mott Community College, \$1,842,500.00.
- 9 (s) Muskegon Community College, \$1,041,100.00.
- 10 (t) North Central Michigan College, \$379,900.00.
- 11 (u) Northwestern Michigan College, \$1,072,200.00.
- 12 (v) Oakland Community College, \$2,489,400.00.
- 13 (w) Schoolcraft College, \$1,479,000.00.
- 14 (x) Southwestern Michigan College, \$782,200.00.
- 15 (y) St. Clair County Community College, \$827,700.00.
- 16 (z) Washtenaw Community College, \$1,552,900.00.
- 17 (aa) Wayne County Community College, \$1,971,800.00.
- 18 (bb) West Shore Community College, \$289,800.00.
- 19 (3) A community college receiving funds under this section
- 20 must comply with all requirements applicable to the receipt of
- 21 funds under the coronavirus aid, relief, and economic security act,
- 22 Public Law 116-136, and 2 CFR part 200, as applicable, including,
- 23 but not limited to, any certifications, assurances, and
- 24 accountability and transparency provisions. The department of
- 25 treasury may require any documentation necessary to ensure
- 26 compliance with federal requirements.
- 27 (4) Any funds received under this section and expended by a
- 28 community college in any manner that does not comply with the
- 29 coronavirus aid, relief, and economic security act, Public Law 116-



1 136, or 2 CFR part 200, as applicable, must be returned to this  
 2 state. If it is determined that a community college receiving funds  
 3 under this section expends any funds received under this section  
 4 for a purpose that is not consistent with the requirements of the  
 5 coronavirus aid, relief, and economic security act, Public Law 116-  
 6 136, or 2 CFR part 200, as applicable, the state budget director is  
 7 authorized to withhold payment of state funds, in part or in whole,  
 8 payable from any state appropriation under this act.

9 (5) The appropriation in this section from the federal funding  
 10 awarded to this state from the coronavirus relief fund under the  
 11 coronavirus aid, relief, and economic security act, Public Law 116-  
 12 136, reduces to \$0.00 the coronavirus relief fund appropriations  
 13 authorized in the same amounts and for the same purposes under  
 14 section 302 of 2020 PA 67.

15 (6) A community college with a fiscal year ending June 30  
 16 shall accrue the payments received under this section to that  
 17 community college's fiscal year ending June 30, 2020.

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

23 (a) The gross appropriation is \$1,691,395,000.00.—After  
 24 deducting total interdepartmental grants and intradepartmental  
 25 transfers in the amount of \$0.00, the adjusted gross appropriation  
 26 is \$1,691,395,000.00.

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

29 (i) Total federal revenues, ~~\$134,026,400.00.~~ **\$297,753,000.00.**



1 (ii) Total local revenues, \$0.00.

2 (iii) Total private revenues, \$0.00.

3 (iv) Total other state restricted revenues,  
4 ~~\$349,419,300.00~~ **\$185,692,700.00**.

5 (v) State general fund/general purpose money,  
6 \$1,207,949,300.00.

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

9 (a) The appropriation for Central Michigan University is  
10 ~~\$89,227,800.00, \$87,096,900.00~~ **\$79,406,800.00, \$77,335,600.00** for  
11 operations, ~~\$532,800.00~~ **\$473,100.00** for performance funding, and  
12 \$1,598,100.00 for costs incurred under the North American Indian  
13 tuition waiver.

14 (b) The appropriation for Eastern Michigan University is  
15 ~~\$77,556,000.00, \$76,816,500.00~~ **\$68,897,800.00, \$68,207,300.00** for  
16 operations, ~~\$437,200.00~~ **\$388,200.00** for performance funding, and  
17 \$302,300.00 for costs incurred under the North American Indian  
18 tuition waiver.

19 (c) The appropriation for Ferris State University is  
20 ~~\$56,032,800.00, \$54,732,400.00~~ **\$49,865,900.00, \$48,598,300.00** for  
21 operations, ~~\$293,100.00~~ **\$260,300.00** for performance funding, and  
22 \$1,007,300.00 for costs incurred under the North American Indian  
23 tuition waiver.

24 (d) The appropriation for Grand Valley State University is  
25 ~~\$73,388,500.00, \$71,780,400.00~~ **\$65,284,000.00, \$63,735,600.00** for  
26 operations, ~~\$533,100.00~~ **\$473,400.00** for performance funding, and  
27 \$1,075,000.00 for costs incurred under the North American Indian  
28 tuition waiver.

29 (e) The appropriation for Lake Superior State University is



1 ~~\$14,361,000.00, \$13,349,300.00~~ **\$12,858,400.00, \$11,853,200.00** for  
2 operations, ~~\$57,700.00~~ **\$51,200.00** for performance funding, and  
3 \$954,000.00 for costs incurred under the North American Indian  
4 tuition waiver.

5 (f) The appropriation for Michigan State University is  
6 ~~\$353,872,800.00, \$285,805,100.00~~ **\$321,670,300.00, \$253,773,700.00**  
7 for operations, ~~\$1,526,600.00~~ **\$1,355,500.00** for performance  
8 funding, \$1,467,700.00 for costs incurred under the North American  
9 Indian tuition waiver, \$34,937,300.00 for MSU AgBioResearch, and  
10 \$30,136,100.00 for MSU Extension.

11 (g) The appropriation for Michigan Technological University is  
12 ~~\$50,568,100.00, \$49,835,300.00~~ **\$44,953,000.00, \$44,250,000.00** for  
13 operations, ~~\$266,300.00~~ **\$236,500.00** for performance funding, and  
14 \$466,500.00 for costs incurred under the North American Indian  
15 tuition waiver.

16 (h) The appropriation for Northern Michigan University is  
17 ~~\$48,909,100.00, \$47,576,200.00~~ **\$43,550,900.00, \$42,244,100.00** for  
18 operations, ~~\$232,900.00~~ **\$206,800.00** for performance funding, and  
19 \$1,100,000.00 for costs incurred under the North American Indian  
20 tuition waiver.

21 (i) The appropriation for Oakland University is  
22 ~~\$53,432,500.00, \$52,719,900.00~~ **\$47,476,000.00, \$46,811,300.00** for  
23 operations, ~~\$427,500.00~~ **\$379,600.00** for performance funding, and  
24 \$285,100.00 for costs incurred under the North American Indian  
25 tuition waiver.

26 (j) The appropriation for Saginaw Valley State University is  
27 ~~\$30,807,700.00, \$30,456,500.00~~ **\$27,380,000.00, \$27,043,100.00** for  
28 operations, ~~\$127,300.00~~ **\$113,000.00** for performance funding, and  
29 \$223,900.00 for costs incurred under the North American Indian



1 tuition waiver.

2 (k) The appropriation for University of Michigan - Ann Arbor  
3 is ~~\$322,773,600.00, \$320,255,800.00~~ **\$286,689,000.00,**  
4 **\$284,363,300.00** for operations, ~~\$1,714,300.00~~ **\$1,522,200.00** for  
5 performance funding, and \$803,500.00 for costs incurred under the  
6 North American Indian tuition waiver.

7 (l) The appropriation for University of Michigan - Dearborn is  
8 ~~\$26,327,200.00, \$25,986,400.00~~ **\$23,394,600.00, \$23,074,000.00** for  
9 operations, ~~\$180,600.00~~ **\$160,400.00** for performance funding, and  
10 \$160,200.00 for costs incurred under the North American Indian  
11 tuition waiver.

12 (m) The appropriation for University of Michigan - Flint is  
13 ~~\$23,893,200.00, \$23,493,800.00~~ **\$21,246,400.00, \$20,860,700.00** for  
14 operations, ~~\$122,400.00~~ **\$108,700.00** for performance funding, and  
15 \$277,000.00 for costs incurred under the North American Indian  
16 tuition waiver.

17 (n) The appropriation for Wayne State University is  
18 ~~\$203,413,900.00, \$202,112,700.00~~ **\$180,663,300.00, \$179,461,100.00**  
19 for operations, ~~\$884,000.00~~ **\$785,000.00** for performance funding,  
20 and \$417,200.00 for costs incurred under the North American Indian  
21 tuition waiver.

22 (o) The appropriation for Western Michigan University is  
23 ~~\$112,290,100.00, \$110,976,000.00~~ **\$99,791,300.00, \$98,538,400.00** for  
24 operations, ~~\$546,200.00~~ **\$485,000.00** for performance funding, and  
25 \$767,900.00 for costs incurred under the North American Indian  
26 tuition waiver.

27 (3) The amount appropriated in subsection (2) for public  
28 universities is ~~\$1,536,854,300.00,~~ **\$1,373,127,700.00,** appropriated  
29 from the following:



1 (a) State school aid fund, ~~\$343,168,300.00~~ **\$179,441,700.00**.

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 \$145,283,200.00, allocated as follows:

23 (a) State competitive scholarships,

24 ~~\$38,361,700.00~~ **\$29,861,700.00**.

25 (b) Tuition grants, ~~\$38,021,500.00~~ **\$42,021,500.00**.

26 (c) Tuition incentive program, ~~\$64,300,000.00~~ **\$68,800,000.00**.

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

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



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

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

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

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

9 (9) For fiscal year 2019-2020 only, in addition to the  
10 allocation under subsection (4), from the appropriations described  
11 in subsection (1), there is allocated an amount not to exceed  
12 \$1,234,000.00 for payments to participating public universities,  
13 appropriated from the state school aid fund. A university that  
14 receives money under this subsection shall use that money solely  
15 for the purpose of offsetting the normal cost contribution rate. As  
16 used in this subsection, "participating public universities" means  
17 public universities that are a reporting unit of the Michigan  
18 public school employees' retirement system under the public school  
19 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
20 38.1437, and that pay contributions to the Michigan public school  
21 employees' retirement system for the state fiscal year.

22 **(10) If the department of technology, management, and budget**  
23 **determines that this state has overpaid the amount of operations**  
24 **and performance funding allocated to a university under this**  
25 **article, the department shall establish as a receivable the amount**  
26 **of overpayment and shall recoup the amount from the university in**  
27 **subsequent monthly apportionments of operations and performance**  
28 **funding. The full amount of overpayment must be recouped within 1**  
29 **fiscal year.**



1           Sec. 236g. (1) In addition to the funds appropriated under  
2 section 236, for the fiscal year ending September 30, 2020 only,  
3 there is appropriated an amount not to exceed \$163,726,600.00 from  
4 the federal funding awarded to this state from the coronavirus  
5 relief fund under the coronavirus aid, relief, and economic  
6 security act, Public Law 116-136.

7           (2) From the amount appropriated under subsection (1), each  
8 public university is allocated the following:

- 9           (a) Central Michigan University, \$9,821,000.00.  
10           (b) Eastern Michigan University, \$8,658,200.00.  
11           (c) Ferris State University, \$6,166,900.00.  
12           (d) Grand Valley State University, \$8,104,500.00.  
13           (e) Lake Superior State University, \$1,502,600.00.  
14           (f) Michigan State University, \$32,202,500.00.  
15           (g) Michigan Technological University, \$5,615,100.00.  
16           (h) Northern Michigan University, \$5,358,200.00.  
17           (i) Oakland University, \$5,956,500.00.  
18           (j) Saginaw Valley State University, \$3,427,700.00.  
19           (k) University of Michigan - Ann Arbor, \$36,084,600.00.  
20           (l) University of Michigan - Dearborn, \$2,932,600.00.  
21           (m) University of Michigan - Flint, \$2,646,800.00.  
22           (n) Wayne State University, \$22,750,600.00.  
23           (o) Western Michigan University, \$12,498,800.00.

24           (3) A university receiving funds under this section must  
25 comply with all requirements applicable to the receipt of funds  
26 under the coronavirus aid, relief, and economic security act,  
27 Public Law 116-136, and 2 CFR part 200, as applicable, including,  
28 but not limited to, any certifications, assurances, and  
29 accountability and transparency provisions. The department of



1 treasury may require any documentation necessary to ensure  
2 compliance with federal requirements.

3 (4) Any funds received under this section and expended by a  
4 university in any manner that does not comply with the coronavirus  
5 aid, relief, and economic security act, Public Law 116-136, or 2  
6 CFR part 200, as applicable, must be returned to this state. If it  
7 is determined that a university receiving funds under this section  
8 expends any funds received under this section for a purpose that is  
9 not consistent with the requirements of the coronavirus aid,  
10 relief, and economic security act, Public Law 116-136, or 2 CFR  
11 part 200, as applicable, the state budget director is authorized to  
12 withhold payment of state funds, in part or in whole, payable from  
13 any state appropriation under this act.

14 (5) The appropriation in this section from the federal funding  
15 awarded to this state from the coronavirus relief fund under the  
16 coronavirus aid, relief, and economic security act, Public Law 116-  
17 136, reduces to \$0.00 the coronavirus relief fund appropriations  
18 authorized in the same amounts and for the same purposes under  
19 section 302 of 2020 PA 67.

20 (6) A university with a fiscal year ending June 30 shall  
21 accrue the payments received under this section to that  
22 university's fiscal year ending June 30, 2020.

23 Sec. 256. (1) The funds appropriated in section 236 for the  
24 tuition incentive program must be distributed as provided in this  
25 section and pursuant to the administrative procedures for the  
26 tuition incentive program of the department of treasury.

27 (2) As used in this section:

28 (a) "Phase I" means the first part of the tuition incentive  
29 program defined as the academic period of 80 semester or 120 term



1 credits, or less, leading to an associate degree or certificate.  
2 Students must be enrolled in a certificate or associate degree  
3 program and taking classes within the program of study for a  
4 certificate or associate degree. Tuition will not be covered for  
5 courses outside of a certificate or associate degree program.

6 (b) "Phase II" means the second part of the tuition incentive  
7 program that provides assistance in the third and fourth year of 4-  
8 year degree programs.

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

10 (d) "High school equivalency certificate" means that term as  
11 defined in section 4.

12 (3) An individual must meet the following basic criteria and  
13 financial thresholds to be eligible for tuition incentive program  
14 benefits:

15 (a) To be eligible for phase I, an individual must meet all of  
16 the following criteria:

17 (i) Apply for certification to the department any time after he  
18 or she begins the sixth grade but before August 31 of the school  
19 year in which he or she graduates from high school or before  
20 achieving a high school equivalency certificate. **However, an**  
21 **individual who graduated or achieved a high school equivalency**  
22 **certificate after March 15, 2020 and before September 1, 2020 may**  
23 **apply for certification to the department any time before August**  
24 **31, 2021.**

25 (ii) Be less than 20 years of age at the time he or she  
26 graduates from high school with a diploma or certificate of  
27 completion or achieves a high school equivalency certificate or,  
28 for students attending a 5-year middle college approved by the  
29 Michigan department of education, be less than 21 years of age when



1 he or she graduates from high school.

2 (iii) Be a United States citizen and a resident of this state  
3 according to institutional criteria.

4 (iv) Be at least a half-time student, earning less than 80  
5 semester or 120 term credits at a participating educational  
6 institution within 4 years of high school graduation or achievement  
7 of a high school equivalency certificate. All program eligibility  
8 expires 6 years from high school graduation or achievement of a  
9 high school equivalency certificate.

10 (v) Meet the satisfactory academic progress policy of the  
11 educational institution he or she attends.

12 (b) To be eligible for phase II, an individual must meet  
13 either of the following criteria in addition to the criteria in  
14 subdivision (a):

15 (i) Complete at least 56 transferable semester or 84  
16 transferable term credits.

17 (ii) Obtain an associate degree or certificate at a  
18 participating institution.

19 (c) To be eligible for phase I or phase II, an individual must  
20 be financially eligible as determined by the department. An  
21 individual is financially eligible for the tuition incentive  
22 program if he or she was eligible for Medicaid from this state for  
23 24 months within the 36 consecutive months before application. The  
24 department shall accept certification of Medicaid eligibility only  
25 from the department of health and human services for the purposes  
26 of verifying if a person is Medicaid eligible for 24 months within  
27 the 36 consecutive months before application. Certification of  
28 eligibility may begin in the sixth grade.

29 (4) For phase I, the department shall provide payment on



1 behalf of a person eligible under subsection (3). The department  
2 shall only accept standard per-credit hour tuition billings and  
3 shall reject billings that are excessive or outside the guidelines  
4 for the type of educational institution.

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

6 (a) Payments for associate degree or certificate programs must  
7 not be made for more than 80 semester or 120 term credits for any  
8 individual student at any participating institution.

9 (b) For persons enrolled at a Michigan community college, the  
10 department shall pay the current in-district tuition and mandatory  
11 fees. For persons residing in an area that is not included in any  
12 community college district, the out-of-district tuition rate may be  
13 authorized.

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

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

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

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



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

3 (7) The department shall work closely with participating  
4 institutions to develop an application and eligibility  
5 determination process that will provide the highest level of  
6 participation and ensure that all requirements of the program are  
7 met.

8 (8) Applications for the tuition incentive program may be  
9 approved at any time after the student begins the sixth grade. If a  
10 determination of financial eligibility is made, that determination  
11 is valid as long as the student meets all other program  
12 requirements and conditions.

13 (9) Except as otherwise provided in section 3(d) of the  
14 Michigan reconnect grant act, **2020 PA 84, MCL 390.1703**, and section  
15 17 of the Michigan reconnect grant recipient act, **2020 PA 68, MCL**  
16 **390.1717**, each institution shall ensure that all known available  
17 restricted grants for tuition and fees are used prior to billing  
18 the tuition incentive program for any portion of a student's  
19 tuition and fees.

20 (10) The department shall ensure that the tuition incentive  
21 program is well publicized and that eligible Medicaid clients are  
22 provided information on the program. The department shall provide  
23 the necessary funding and staff to fully operate the program.

24 (11) Any unexpended and unencumbered funds remaining on  
25 September 30, 2020 from the amounts appropriated in section 236 for  
26 the tuition incentive program for fiscal year 2019-2020 do not  
27 lapse on September 30, 2020, but continue to be available for  
28 expenditure for tuition incentive program funds under a work  
29 project account.



1 (12) The department of treasury shall collaborate with the  
2 center to use the P-20 longitudinal data system to report the  
3 following information for each qualified postsecondary institution:

4 (a) The number of phase I students in the most recently  
5 completed academic year who in any academic year received a tuition  
6 incentive program award and who successfully completed a degree or  
7 certificate program. Cohort graduation rates for phase I students  
8 shall be calculated using the established success rate methodology  
9 developed by the center in collaboration with the postsecondary  
10 institutions.

11 (b) The number of students in the most recently completed  
12 academic year who in any academic year received a Pell grant at the  
13 reporting institution and who successfully completed a degree or  
14 certificate program. Cohort graduation rates for students who  
15 received Pell grants must be calculated using the established  
16 success rate methodology developed by the center in collaboration  
17 with the postsecondary institutions.

18 (13) If a qualified postsecondary institution does not report  
19 the data necessary to comply with subsection (12) to the P-20  
20 longitudinal data system, the institution shall report, in a form  
21 and manner satisfactory to the department of treasury and the  
22 center, all of the information needed to comply with subsection  
23 (12) by December 1 2020.

24 (14) Beginning in fiscal year 2020-2021, if a qualified  
25 postsecondary institution does not report the data necessary to  
26 complete the reporting in subsection (12) to the P-20 longitudinal  
27 data system by October 15 for the prior academic year, the  
28 department of treasury shall not award phase I tuition incentive  
29 program funding to otherwise eligible students enrolled in that



1 institution until the data are submitted.

2 Enacting section 1. (1) In accordance with section 30 of  
3 article IX of the state constitution of 1963, total state spending  
4 on school aid under article I of the state school aid act of 1979,  
5 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2019 PA 58,  
6 2019 PA 162, and this amendatory act, from state sources for fiscal  
7 year 2019-2020 is estimated at \$13,051,648,700.00 and state  
8 appropriations for school aid to be paid to local units of  
9 government for fiscal year 2019-2020 are estimated at  
10 \$12,845,578,900.00.

11 (2) In accordance with section 30 of article IX of the state  
12 constitution of 1963, total state spending from state sources for  
13 community colleges for fiscal year 2019-2020 under article II of  
14 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to  
15 388.1830, is estimated at \$378,445,600.00 and the amount of that  
16 state spending from state sources to be paid to local units of  
17 government for fiscal year 2019-2020 is estimated at  
18 \$378,445,600.00.

19 (3) In accordance with section 30 of article IX of the state  
20 constitution of 1963, total state spending from state sources for  
21 higher education for fiscal year 2019-2020 under article III of the  
22 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891,  
23 is estimated at \$1,393,642,000.00 and the amount of that state  
24 spending from state sources to be paid to local units of government  
25 for fiscal year 2019-2020 is estimated at \$0.00.

26 Enacting section 2. Section 97 of the state school aid act of  
27 1979, 1979 PA 94, MCL 388.1697, is repealed.

