

**SUBSTITUTE FOR
SENATE BILL NO. 146**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11s, 15, 18,
20, 20d, 20f, 21h, 22a, 22b, 22d, 22m, 22p, 24, 24a, 25e, 25f, 25g,
26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 31n, 32d, 32p, 35a, 39,
39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 54d, 55, 56, 61a, 61b, 61c,
61d, 61f, 62, 65, 67, 74, 74a, 81, 94, 94a, 95a, 98, 99h, 99s, 99t,
99u, 99v, 99x, 101, 102d, 104, 104d, 107, 147, 147a, 147c, 147e,
152a, and 152b (MCL 388.1604, 388.1606, 388.1608b, 388.1611,
388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1615,
388.1618, 388.1620, 388.1620d, 388.1620f, 388.1621h, 388.1622a,
388.1622b, 388.1622d, 388.1622m, 388.1622p, 388.1624, 388.1624a,
388.1625e, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c,
388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1631j, 388.1631n,

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) "Elementary pupil" means a pupil in membership in
 2 grades K to 8 in a district not maintaining classes above the
 3 eighth grade or in grades K to 6 in a district maintaining classes
 4 above the eighth grade **OR A CHILD ENROLLED AND IN REGULAR**
 5 **ATTENDANCE IN A PUBLICLY FUNDED PREKINDERGARTEN SETTING.** ~~For the~~
 6 ~~purposes of calculating universal service fund (e-rate) discounts,~~
 7 ~~"elementary pupil" includes children enrolled in a preschool~~

1 ~~program operated by a district in its facilities.~~

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

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

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

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

21 (6) "High school equivalency test preparation program" means a
22 program that has high school level courses in English language
23 arts, social studies, science, and mathematics and that prepares an
24 individual to successfully complete a high school equivalency test.

25 (7) "High school pupil" means a pupil in membership in grades
26 7 to 12, except in a district not maintaining grades above the
27 eighth grade.

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 ~~shall serve~~ **SERVES** all constituent districts within an
12 intermediate district or ~~shall serve~~ **SERVES** several districts with
13 less than 50% of the pupils residing in the operating district. In
14 addition, special education center program pupils placed part-time
15 in noncenter programs to comply with the least restrictive
16 environment provisions of section 1412 of the individuals with
17 disabilities education act, 20 USC 1412, may be considered center
18 program pupils for pupil accounting purposes for the time scheduled
19 in either a 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 ~~shall be~~ **IS**
11 adjusted as provided under section 25e for pupils who enroll after
12 the pupil membership count day in a strict discipline academy
13 operating under sections 1311b to 1311m of the revised school code,
14 MCL 380.1311b to 380.1311m. However, for a district that is a
15 community district, "membership" means the sum of the product of
16 .90 times the number of full-time equated pupils in grades K to 12
17 actually enrolled and in regular daily attendance in the community
18 district on the pupil membership count day for the current school
19 year, plus the product of .10 times the sum of the final audited
20 count from the supplemental count day of pupils in grades K to 12
21 actually enrolled and in regular daily attendance in the community
22 district for the immediately preceding school year. ~~plus the final~~
23 ~~audited count from the supplemental count day of pupils in grades K~~
24 ~~to 12 actually enrolled and in regular daily attendance in the~~
25 ~~education achievement system for the immediately preceding school~~
26 ~~year.~~ All pupil counts used in this subsection are as determined by
27 the department and calculated by adding the number of pupils

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

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

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

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

27 (d) A pupil placed by a court or state agency in an on-grounds

1 program of a juvenile detention facility, a child caring
2 institution, or a mental health institution, or a pupil funded
3 under section 53a, ~~shall be~~**IS** counted in membership in the
4 district or intermediate district approved by the department to
5 operate the program.

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

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

15 (g) A pupil enrolled in a public school academy ~~shall be~~**IS**
16 counted in membership in the public school academy.

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

1 counting pupils in membership-subsection 10.

2 (i) For a new district or public school academy beginning its
3 operation after December 31, 1994, membership for the first 2 full
4 or partial fiscal years of operation ~~shall be~~ **IS** determined as
5 follows:

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

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

24 (j) If a district is the authorizing body for a public school
25 academy, then, in the first school year in which pupils are counted
26 in membership on the pupil membership count day in the public
27 school academy, the determination of the district's membership

1 ~~shall exclude~~ **EXCLUDES** from the district's pupil count for the
2 immediately preceding supplemental count day any pupils who are
3 counted in the public school academy on that first pupil membership
4 count day who were also counted in the district on the immediately
5 preceding supplemental count day.

6 (k) For an extended school year program approved by the
7 superintendent, a pupil enrolled, but not scheduled to be in
8 regular daily attendance, on a pupil membership count day, ~~shall be~~
9 **IS** counted in membership.

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

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

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

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

27 (B) Had dropped out of school.

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

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

11 (m) An individual who has achieved a high school diploma ~~shall~~
12 ~~not be~~ **IS NOT** counted in membership. An individual who has achieved
13 a high school equivalency certificate ~~shall not be~~ **IS NOT** counted
14 in membership unless the individual is a student with a disability
15 as defined in R 340.1702 of the Michigan Administrative Code. An
16 individual participating in a job training program funded under
17 former section 107a or a jobs program funded under former section
18 107b, administered by the department of talent and economic
19 development, or participating in any successor of either of those 2
20 programs, ~~shall not be~~ **IS NOT** counted in membership.

21 (n) If a pupil counted in membership in a public school
22 academy is also educated by a district or intermediate district as
23 part of a cooperative education program, the pupil ~~shall be~~ **IS**
24 counted in membership only in the public school academy unless a
25 written agreement signed by all parties designates the party or
26 parties in which the pupil ~~shall be~~ **IS** counted in membership, and
27 the instructional time scheduled for the pupil in the district or

1 intermediate district ~~shall be~~ **IS** included in the full-time equated
2 membership determination under subdivision (q) and section 101.

3 However, for pupils receiving instruction in both a public school
4 academy and in a district or intermediate district but not as a
5 part of a cooperative education program, the following apply:

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

16 (ii) If the public school academy provides instruction for
17 less than 1/2 of the class hours required under section 101, the
18 district or intermediate district providing the remainder of the
19 hours of instruction ~~shall receive~~ **RECEIVES** as its prorated share
20 of the full-time equated membership for each of those pupils an
21 amount equal to 1 times the product of the hours of instruction the
22 district or intermediate district provides divided by the number of
23 hours required under section 101 for full-time equivalency, and the
24 remainder of the full-time membership for each of those pupils
25 ~~shall be~~ **IS** allocated to the public school academy.

26 (o) An individual less than 16 years of age as of September 1
27 of the current school year who is being educated in an alternative

1 education program ~~shall not be~~ **IS NOT** counted in membership if
2 there are also adult education participants being educated in the
3 same program or classroom.

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

6 (q) The number of class hours used to calculate full-time
7 equated memberships ~~shall~~ **MUST** be consistent with section 101. In
8 determining full-time equated memberships for pupils who are
9 enrolled in a postsecondary institution or for pupils engaged in an
10 internship or work experience under section 1279h of the revised
11 school code, MCL 380.1279h, a pupil ~~shall not be~~ **IS NOT** considered
12 to be less than a full-time equated pupil solely because of the
13 effect of his or her postsecondary enrollment or engagement in the
14 internship or work experience, including necessary travel time, on
15 the number of class hours provided by the district to the pupil.

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

1 equated memberships for pupils in grades 1 to 12. The change in the
2 counting of full-time equated memberships for pupils in
3 kindergarten that took effect for 2012-2013 is not a mandate.

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

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

21 (u) If, as a result of a disciplinary action, a district
22 determines through the district's alternative or disciplinary
23 education program that the best instructional placement for a pupil
24 is in the pupil's home or otherwise apart from the general school
25 population, if that placement is authorized in writing by the
26 district superintendent and district alternative or disciplinary
27 education supervisor, and if the district provides appropriate

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

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

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

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

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

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

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

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

26 (i) The average of the district's membership for the 3-fiscal-
27 year period ending with that fiscal year, calculated by adding the

1 district's actual membership for each of those 3 fiscal years, as
2 otherwise calculated under this subsection, and dividing the sum of
3 those 3 membership figures by 3.

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

6 (y) Full-time equated memberships for special education pupils
7 who are not enrolled in kindergarten but are enrolled in a
8 classroom program under R 340.1754 of the Michigan Administrative
9 Code ~~shall be~~ **ARE** determined by dividing the number of class hours
10 scheduled and provided per year by 450. Full-time equated
11 memberships for special education pupils who are not enrolled in
12 kindergarten but are receiving early childhood special education
13 services under R 340.1755 or R 340.1862 of the Michigan
14 Administrative Code ~~shall be~~ **ARE** determined by dividing the number
15 of hours of service scheduled and provided per year per-pupil by
16 180.

17 (z) A pupil of a district that begins its school year after
18 Labor Day who is enrolled in an intermediate district program that
19 begins before Labor Day ~~shall not be~~ **IS NOT** considered to be less
20 than a full-time pupil solely due to instructional time scheduled
21 but not attended by the pupil before Labor Day.

22 (aa) For the first year in which a pupil is counted in
23 membership on the pupil membership count day in a middle college
24 program, the membership is the average of the full-time equated
25 membership on the pupil membership count day and on the
26 supplemental count day for the current school year, as determined
27 by the department. If a pupil described in this subdivision was

1 counted in membership by the operating district on the immediately
2 preceding supplemental count day, the pupil ~~shall be~~ **IS** excluded
3 from the district's immediately preceding supplemental count for
4 the purposes of determining the district's membership.

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

9 (cc) A pupil enrolled in a district other than the pupil's
10 district of residence ~~pursuant to~~ **UNDER** section 1148(2) of the
11 revised school code, MCL 380.1148, ~~shall be~~ **IS** counted in the
12 educating district.

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

1 shall not report a pupil as being in full attendance for a month
2 unless both of the following are met:

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

6 (ii) The pupil meets the district's definition under section
7 23a of satisfactory monthly progress for that month or, if the
8 pupil does not meet that definition of satisfactory monthly
9 progress for that month, the pupil did meet that definition of
10 satisfactory monthly progress in the immediately preceding month
11 and appropriate interventions are implemented within 10 school days
12 after it is determined that the pupil does not meet that definition
13 of satisfactory monthly progress.

14 (ee) A pupil participating in a virtual course under section
15 21f ~~shall be~~ **IS** counted in membership in the district enrolling the
16 pupil.

17 (ff) If a public school academy that is not in its first or
18 second year of operation closes at the end of a school year and
19 does not reopen for the next school year, the department shall
20 adjust the membership count of the district or other public school
21 academy in which a former pupil of the closed public school academy
22 enrolls and is in regular daily attendance for the next school year
23 to ensure that the district or other public school academy receives
24 the same amount of membership aid for the pupil as if the pupil
25 were counted in the district or other public school academy on the
26 supplemental count day of the preceding school year.

27 (gg) If a special education pupil is expelled under section

1 1311 or 1311a of the revised school code, MCL 380.1311 and
2 380.1311a, and is not in attendance on the pupil membership count
3 day because of the expulsion, and if the pupil remains enrolled in
4 the district and resumes regular daily attendance during that
5 school year, the district's membership ~~shall be~~ **IS** adjusted to
6 count the pupil in membership as if he or she had been in
7 attendance on the pupil membership count day.

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

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

13 (jj) A district that borders another state or a public school
14 academy that operates at least grades 9 to 12 and is located within
15 20 miles of a border with another state may count in membership a
16 pupil who is enrolled in a course at a college or university that
17 is located in the bordering state and within 20 miles of the border
18 with this state if all of the following are met:

19 (i) The pupil would meet the definition of an eligible student
20 under the postsecondary enrollment options act, 1996 PA 160, MCL
21 388.511 to 388.524, if the course were an eligible course under
22 that act.

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

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

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

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

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

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

1 this subdivision:

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

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

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

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

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

26 ~~—— (mm) Beginning with the 2019-2020 school year, if a district,~~
27 ~~intermediate district, or public school academy charges tuition for~~

~~1 a pupil that resided out of state in the immediately preceding~~
~~2 school year, the pupil shall not be counted in membership in the~~
~~3 district, intermediate district, or public school academy.~~

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

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

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

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

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

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

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

24 (f) A pupil who has made an official written complaint or
25 whose parent or legal guardian has made an official written
26 complaint to law enforcement officials and to school officials of
27 the pupil's district of residence that the pupil has been the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (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, ~~except for pupils enrolled in the youth challenge~~
9 ~~program at the site at which the youth challenge program operated~~
10 ~~for 2015-2016,~~ if a district educates pupils who reside in another
11 district and if the primary instructional site for those pupils is
12 established by the educating district after 2009-2010 and is
13 located within the boundaries of that other district, the educating
14 district must have the approval of that other district to count
15 those pupils in membership.

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

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

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

26 (i) Fourth Wednesday in July.

27 (ii) First Wednesday in October.

1 (iii) Second Wednesday in February.

2 (iv) Fourth Wednesday in April.

3 (8) "Pupils in grades K to 12 actually enrolled and in regular
4 daily attendance" means pupils in grades K to 12 in attendance and
5 receiving instruction in all classes for which they are enrolled on
6 the pupil membership count day or the supplemental count day, as
7 applicable. Except as otherwise provided in this subsection, a
8 pupil who is absent from any of the classes in which the pupil is
9 enrolled on the pupil membership count day or supplemental count
10 day and who does not attend each of those classes during the 10
11 consecutive school days immediately following the pupil membership
12 count day or supplemental count day, except for a pupil who has
13 been excused by the district, ~~shall not be~~ **IS NOT** counted as 1.0
14 full-time equated membership. A pupil who is excused from
15 attendance on the pupil membership count day or supplemental count
16 day and who fails to attend each of the classes in which the pupil
17 is enrolled within 30 calendar days after the pupil membership
18 count day or supplemental count day ~~shall not be~~ **IS NOT** counted as
19 1.0 full-time equated membership. In addition, a pupil who was
20 enrolled and in attendance in a district, intermediate district, or
21 public school academy before the pupil membership count day or
22 supplemental count day of a particular year but was expelled or
23 suspended on the pupil membership count day or supplemental count
24 day ~~shall~~ **IS** only ~~be~~ counted as 1.0 full-time equated membership if
25 the pupil resumed attendance in the district, intermediate
26 district, or public school academy within 45 days after the pupil
27 membership count day or supplemental count day of that particular

1 year. ~~Pupils~~ **A PUPIL** not counted as 1.0 full-time equated
2 membership due to an absence from a class ~~shall be~~ **IS** counted as a
3 prorated membership for the classes the pupil attended. For
4 purposes of this subsection, "class" means a period of time in 1
5 day when pupils and a certificated teacher, a teacher engaged to
6 teach under section 1233b of the revised school code, MCL
7 380.1233b, or an individual working under a valid substitute
8 permit, authorization, or approval issued by the department, are
9 together and instruction is taking place.

10 (9) "Rule" means a rule promulgated pursuant to the
11 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
12 24.328.

13 (10) "The revised school code" means the revised school code,
14 1976 PA 451, MCL 380.1 to 380.1852.

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

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

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

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

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

1 (16) "Tuition pupil" means a pupil of school age attending
2 school in a district other than the pupil's district of residence
3 for whom tuition may be charged to the district of residence.

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

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

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

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

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

27 Sec. 8b. (1) The department shall **WORK WITH THE CENTER TO**

1 assign a district code to each public school academy that is
2 authorized under the revised school code and is eligible to receive
3 funding under this article within 30 days after a contract is
4 submitted to the department by the authorizing body of a public
5 school academy.

6 (2) If the department **OR THE CENTER** does not assign a district
7 code to a public school academy within the 30-day period described
8 in subsection (1), the district code **TO BE USED BY** the department
9 ~~shall use~~ to make payments under this article to the newly
10 authorized public school academy ~~shall be~~ **IS** a number that is
11 equivalent to the sum of the last district code assigned to a
12 public school academy located in the same county as the newly
13 authorized public school academy plus 1. However, if there is not
14 an existing public school academy located in the same county as the
15 newly authorized public school academy, then the district code **TO**
16 **BE USED BY** the department ~~shall use~~ to make payments under this
17 article to the newly authorized public school academy ~~shall be~~ **IS** a
18 5-digit number that has the county code in which the public school
19 academy is located as its first 2 digits, 9 as its third digit, 0
20 as its fourth digit, and 1 as its fifth digit. If the number of
21 public school academies in a county grows to exceed 100, **THEN** the
22 third digit in this 5-digit number ~~shall then be~~ **IS** 7 for the
23 public school academies in excess of 100. **IF THE NUMBER OF PUBLIC**
24 **SCHOOL ACADEMIES IN A COUNTY GROWS TO EXCEED 200, THEN THE THIRD**
25 **DIGIT IN THIS 5-DIGIT NUMBER IS 5 FOR THE PUBLIC SCHOOL ACADEMIES**
26 **IN EXCESS OF 200.**

27 (3) For each school of excellence that is a cyber school and

1 is authorized under part 6e of the revised school code, MCL 380.551
2 to 380.561, by a school district, intermediate school district,
3 community college other than a federal tribally controlled
4 community college, or other authorizing body that is not empowered
5 to authorize a school of excellence to operate statewide and is
6 eligible to receive funding under this article, all of the
7 following apply:

8 (a) The department shall assign a district code that includes
9 as the first 2 digits the county code in which the authorizing body
10 is located.

11 (b) If the cyber school does not provide instruction at a
12 specific location, the intermediate district that would normally
13 provide programs and services to the school district in which the
14 administrative office of the cyber school is located shall provide
15 programs and services to the cyber school. The intermediate school
16 district required to provide programs and services to a cyber
17 school under this subdivision remains the same for as long as that
18 cyber school is in operation.

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

~~to exceed \$100.00 from the water emergency reserve fund. For the~~
 fiscal year ending September 30, 2019, there is appropriated for
 the public schools of this state and certain other state purposes
 relating to education the sum of ~~\$12,876,825,200.00~~

\$12,828,425,200.00 from the state school aid fund, the sum of
 \$87,920,000.00 from the general fund, an amount not to exceed
 \$72,000,000.00 from the community district education trust fund
 created under section 12 of the Michigan trust fund act, 2000 PA
 489, MCL 12.262, an amount not to exceed ~~\$31,900,000.00~~

\$30,000,000.00 from the MPERS retirement obligation reform reserve
 fund, an amount not to exceed \$30,000,000.00 from the school mental
 health and support services fund created under section 31m, and an
 amount not to exceed \$100.00 from the water emergency reserve fund.

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020, THERE IS

APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER
STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$13,148,679,300.00

FROM THE STATE SCHOOL AID FUND, THE SUM OF \$268,000,000.00 FROM THE
GENERAL FUND, AN AMOUNT NOT TO EXCEED \$72,000,000.00 FROM THE

COMMUNITY DISTRICT EDUCATION TRUST FUND CREATED UNDER SECTION 12 OF
THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.262, AN AMOUNT NOT

TO EXCEED \$1,900,000.00 FROM THE MPERS RETIREMENT OBLIGATION

REFORM RESERVE FUND, AND AN AMOUNT NOT TO EXCEED \$100.00 FROM THE

WATER EMERGENCY RESERVE FUND. In addition, all available federal

funds are appropriated each fiscal year for the fiscal years ending
 September 30, ~~2018-2019~~ and September 30, ~~2019-2020~~.

(2) The appropriations under this section ~~shall be~~ **ARE**
 allocated as provided in this article. Money appropriated under

1 this section from the general fund ~~shall~~**MUST** be expended to fund
2 the purposes of this article before the expenditure of money
3 appropriated under this section from the state school aid fund.

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

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

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

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

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

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

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

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

1 investments.

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

6 (6) If the maximum amount appropriated under section 11 from
7 the state school aid fund for a fiscal year exceeds the amount
8 available for expenditure from the state school aid fund for that
9 fiscal year, there is appropriated from the school aid
10 stabilization fund to the state school aid fund an amount equal to
11 the projected shortfall as determined by the department of
12 treasury, but not to exceed **1/2 OF THE** available money in the
13 school aid stabilization fund. If **1/2 OF** the **AVAILABLE** money in the
14 school aid stabilization fund is insufficient to fully fund an
15 amount equal to the projected shortfall, the state budget director
16 shall notify the legislature as required under section 296(2) and
17 state payments in an amount equal to the remainder of the projected
18 shortfall ~~shall~~ **MUST** be prorated in the manner provided under
19 section 296(3).

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

24 Sec. 11j. From the appropriation in section 11, there is
25 allocated an amount not to exceed \$125,500,000.00 for ~~2018-2019~~
26 **2019-2020** for payments to the school loan bond redemption fund in
27 the department of treasury on behalf of districts and intermediate

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

4 Sec. 11k. For ~~2018-2019~~, **2019-2020**, there is appropriated from
 5 the general fund to the school loan revolving fund an amount equal
 6 to the amount of school bond loans assigned to the Michigan finance
 7 authority, not to exceed the total amount of school bond loans held
 8 in reserve as long-term assets. As used in this section, "school
 9 loan revolving fund" means that fund created in section 16c of the
 10 shared credit rating act, 1985 PA 227, MCL 141.1066c.

11 Sec. 11m. From the appropriation in section 11, there is
 12 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
 13 ~~\$18,000,000.00~~**\$43,000,000.00** and there is allocated for ~~2018-2019~~
 14 **2019-2020** an amount not to exceed ~~\$24,000,000.00~~**\$56,000,000.00** for
 15 fiscal year cash-flow borrowing costs solely related to the state
 16 school aid fund established by section 11 of article IX of the
 17 state constitution of 1963.

18 Sec. 11s. (1) From the general fund appropriation in section
 19 11, there is allocated ~~\$3,230,000.00 for 2018-2019~~**\$8,075,100.00**
 20 **FOR 2019-2020** for the purpose of providing services and programs to
 21 children who reside within the boundaries of a district with the
 22 majority of its territory located within the boundaries of a city
 23 for which an executive proclamation of emergency is issued in the
 24 current or immediately preceding 3 fiscal years under the emergency
 25 management act, 1976 PA 390, MCL 30.401 to 30.421. From the funding
 26 appropriated in section 11, there is allocated for ~~fiscal year~~
 27 ~~2018-2019-2019-2020~~ \$100.00 from the water emergency reserve fund

1 for the purposes of this section.

2 (2) From the allocation in subsection (1), there is allocated
3 to a district with the majority of its territory located within the
4 boundaries of a city in which an executive proclamation of
5 emergency is issued in the current or immediately preceding ~~3-4~~
6 fiscal years and that has at least 4,500 pupils in membership for
7 the 2016-2017 fiscal year or has at least 4,000 pupils in
8 membership for a fiscal year after 2016-2017, an amount not to
9 exceed ~~\$2,625,000.00 for 2018-2019~~ **\$2,425,000.00 FOR 2019-2020** for
10 the purpose of employing school nurses, classroom aides, and school
11 social workers. The district shall provide a report to the
12 department in a form, manner, and frequency prescribed by the
13 department. The department shall provide a copy of that report to
14 the governor, the house and senate school aid subcommittees, the
15 house and senate fiscal agencies, and the state budget director
16 within 5 days after receipt. The report ~~shall~~ **MUST** provide at least
17 the following information:

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

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

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

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

27 (3) For ~~2018-2019~~ **2019-2020** only, from the allocation in

subsection (1), there is allocated an amount not to exceed ~~\$0.00~~
~~\$4,000,000.00~~ to an intermediate district that has a constituent
 district described in subsection (2) to provide state early
 intervention services for children described in subsection (1) who
 are ~~less than 4 years of age as of September 1, 2016.~~ **BETWEEN AGE 3**
AND AGE 5. The intermediate district shall use these funds to
 provide state early intervention services that are similar to the
 services described in the early on Michigan state plan, including
 ensuring that all children described in subsection (1) who are less
 than 4 years of age as of September 1, 2016 are assessed and
 evaluated at least twice annually.

(4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2019-2020 TO THE
INTERMEDIATE DISTRICT DESCRIBED IN SUBSECTION (3) TO ENROLL
CHILDREN DESCRIBED IN SUBSECTION (1) IN SCHOOL-DAY GREAT START
READINESS PROGRAMS, REGARDLESS OF HOUSEHOLD INCOME ELIGIBILITY
REQUIREMENTS CONTAINED IN SECTION 32D. THE DEPARTMENT SHALL
ADMINISTER THIS FUNDING CONSISTENT WITH ALL OTHER PROVISIONS THAT
APPLY TO GREAT START READINESS PROGRAMS UNDER SECTIONS 32D AND 39.

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

(6) ~~(5)~~ In addition to other funding allocated and
 appropriated in this section, there is appropriated an amount not
 to exceed \$15,000,000.00 for ~~fiscal year 2018-2019~~ **2019-2020** for
 state restricted contingency funds. These contingency funds are not

1 available for expenditure until they have been transferred to a
2 section within this article under section 393(2) of the management
3 and budget act, 1984 PA 431, MCL 18.1393.

4 (7) ~~(6)~~ Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
5 payments under this section ~~shall be paid~~ on a schedule determined
6 by the department.

7 Sec. 15. (1) If a district or intermediate district fails to
8 receive its proper apportionment, the department, upon satisfactory
9 proof that the district or intermediate district was entitled
10 justly, shall apportion the deficiency in the next apportionment.
11 Subject to subsections (2) and (3), if a district or intermediate
12 district has received more than its proper apportionment, the
13 department, upon satisfactory proof, shall deduct the excess in the
14 next apportionment. Notwithstanding any other provision in this
15 article, state aid overpayments to a district, other than
16 overpayments in payments for special education or special education
17 transportation, may be recovered from any payment made under this
18 article other than a special education or special education
19 transportation payment, from the proceeds of a loan to the district
20 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
21 141.942, or from the proceeds of millage levied or pledged under
22 section 1211 of the revised school code, MCL 380.1211. State aid
23 overpayments made in special education or special education
24 transportation payments may be recovered from subsequent special
25 education or special education transportation payments, from the
26 proceeds of a loan to the district under the emergency municipal
27 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds

1 of millage levied or pledged under section 1211 of the revised
2 school code, MCL 380.1211.

3 (2) If the result of an audit conducted by or for the
4 department affects the current fiscal year membership, **THE**
5 **DEPARTMENT SHALL ADJUST** affected payments ~~shall be adjusted~~ in the
6 current fiscal year. A deduction due to an adjustment made as a
7 result of an audit conducted by or for the department, or as a
8 result of information obtained by the department from the district,
9 an intermediate district, the department of treasury, or the office
10 of auditor general, ~~shall~~ **MUST** be deducted from the district's
11 apportionments when the adjustment is finalized. At the request of
12 the district and upon the district presenting evidence satisfactory
13 to the department of the hardship, the department may grant up to
14 an additional ~~9-4~~ years for the adjustment and may advance payments
15 to the district otherwise authorized under this article if the
16 district would otherwise experience a significant hardship in
17 satisfying its financial obligations. **HOWEVER, A DISTRICT THAT HAS**
18 **PRESENTED SATISFACTORY EVIDENCE OF HARDSHIP AND IS UNDERGOING AN**
19 **EXTENDED ADJUSTMENT DURING 2018-2019 MAY CONTINUE TO USE THE PERIOD**
20 **OF EXTENDED ADJUSTMENT AS ORIGINALLY GRANTED BY THE DEPARTMENT.**

21 (3) If, based on an audit by the department or the
22 department's designee or because of new or updated information
23 received by the department, the department determines that the
24 amount paid to a district or intermediate district under this
25 article for the current fiscal year or a prior fiscal year was
26 incorrect, the department shall make the appropriate deduction or
27 payment in the district's or intermediate district's allocation in

1 the next apportionment after the adjustment is finalized. The
2 **DEPARTMENT SHALL CALCULATE THE** deduction or payment ~~shall be~~
3 ~~calculated~~ according to the law in effect in the fiscal year in
4 which the incorrect amount was paid. If the district does not
5 receive an allocation for the fiscal year or if the allocation is
6 not sufficient to pay the amount of any deduction, the amount of
7 any deduction otherwise applicable ~~shall~~ **MUST** be satisfied from the
8 proceeds of a loan to the district under the emergency municipal
9 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
10 of millage levied or pledged under section 1211 of the revised
11 school code, MCL 380.1211, as determined by the department.

12 (4) **IF THE DEPARTMENT MAKES AN ADJUSTMENT UNDER THIS SECTION**
13 **BASED IN WHOLE OR IN PART ON A MEMBERSHIP AUDIT FINDING THAT A**
14 **DISTRICT OR INTERMEDIATE DISTRICT EMPLOYED AN EDUCATOR IN VIOLATION**
15 **OF CERTIFICATION REQUIREMENTS UNDER THE REVISED SCHOOL CODE AND**
16 **RULES PROMULGATED BY THE DEPARTMENT, THE DEPARTMENT SHALL PRORATE**
17 **THE ADJUSTMENT ACCORDING TO THE PERIOD OF NONCOMPLIANCE WITH THE**
18 **CERTIFICATION REQUIREMENTS.**

19 (5) ~~(4)~~—The department may conduct audits, or may direct
20 audits by designee of the department, for the current fiscal year
21 and the immediately preceding fiscal year of all records related to
22 a program for which a district or intermediate district has
23 received funds under this article.

24 (6) ~~(5)~~—Expenditures made by the department under this article
25 that are caused by the write-off of prior year accruals may be
26 funded by revenue from the write-off of prior year accruals.

27 (7) ~~(6)~~—In addition to funds appropriated in section 11 for

1 all programs and services, there is appropriated for ~~2018-2019~~
2 **2019-2020** for obligations in excess of applicable appropriations an
3 amount equal to the collection of overpayments, but not to exceed
4 amounts available from overpayments.

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

22 (2) A district or intermediate district shall adopt an annual
23 budget in a manner that complies with the uniform budgeting and
24 accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days
25 after a district board adopts its annual operating budget for the
26 following school fiscal year, or after a district board adopts a
27 subsequent revision to that budget, the district shall make all of

1 the following available through a link on its website homepage, or
2 may make the information available through a link on its
3 intermediate district's website homepage, in a form and manner
4 prescribed by the department:

5 (a) The annual operating budget and subsequent budget
6 revisions.

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

11 (i) A chart of personnel expenditures, broken into the
12 following subcategories:

13 (A) Salaries and wages.

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

17 (C) Retirement benefit costs.

18 (D) All other personnel costs.

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

21 (A) Instruction.

22 (B) Support services.

23 (C) Business and administration.

24 (D) Operations and maintenance.

25 (c) Links to all of the following:

26 (i) The current collective bargaining agreement for each
27 bargaining unit.

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

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

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

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

12 (vi) The district's written policy establishing specific
13 categories of reimbursable expenses, as described in section
14 1254(2) of the revised school code, MCL 380.1254.

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

20 (d) The total salary and a description and cost of each fringe
21 benefit included in the compensation package for the superintendent
22 of the district and for each employee of the district whose salary
23 exceeds \$100,000.00.

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

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

1 (g) Any deficit elimination plan or enhanced deficit
2 elimination plan the district was required to submit under the
3 revised school code.

4 (h) Identification of all credit cards maintained by the
5 district as district credit cards, the identity of all individuals
6 authorized to use each of those credit cards, the credit limit on
7 each credit card, and the dollar limit, if any, for each
8 individual's authorized use of the credit card.

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

14 (3) For the information required under subsection (2)(a),
15 (2)(b)(i), and (2)(c), an intermediate district shall provide the
16 same information in the same manner as required for a district
17 under subsection (2).

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

23 (a) The department shall require that each district and
24 intermediate district have an audit of the district's or
25 intermediate district's financial and pupil accounting records
26 conducted at least annually, and at such other times as determined
27 by the department, at the expense of the district or intermediate

1 district, as applicable. The audits must be performed by a
2 certified public accountant or by the intermediate district
3 superintendent, as may be required by the department, or in the
4 case of a district of the first class by a certified public
5 accountant, the intermediate superintendent, or the auditor general
6 of the city. A district or intermediate district shall retain these
7 records for the current fiscal year and from at least the 3
8 immediately preceding fiscal years.

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

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

24 (d) The pupil and financial accounting records and reports,
25 audits, and management letters are subject to requirements
26 established in the auditing and accounting manuals approved and
27 published by the department.

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

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

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

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

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

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

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

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

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

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

27 (8) The department shall review its pupil accounting and pupil

1 auditing manuals at least annually and shall periodically update
2 those manuals to reflect changes in this article.

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

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

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

1 (12) By November 1 of each year, if a district or intermediate
2 district offers virtual learning under section 21f, or for a school
3 of excellence that is a cyber school, as defined in section 551 of
4 the revised school code, MCL 380.551, the district or intermediate
5 district shall submit to the department a report that details the
6 per-pupil costs of operating the virtual learning by vendor type
7 and virtual learning model. The report ~~shall~~**MUST** include
8 information concerning the operation of virtual learning for the
9 immediately preceding school fiscal year, including information
10 concerning summer programming. Information must be collected in a
11 form and manner determined by the department and must be collected
12 in the most efficient manner possible to reduce the administrative
13 burden on reporting entities.

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

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

23 (a) Virtual courses provided by the Michigan Virtual
24 University.

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

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

3 (d) Virtual courses created and offered by a district or
4 intermediate district.

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

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

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

18 (a) The ~~basic~~**TARGET** foundation allowance, **FORMERLY KNOWN AS**
19 **THE BASIC FOUNDATION ALLOWANCE**, is ~~\$8,409.00.~~**\$8,544.00.**

20 (b) The minimum foundation allowance is ~~\$7,871.00.~~**\$8,141.00.**

21 (2) The **DEPARTMENT SHALL CALCULATE THE** amount of each
22 district's foundation allowance ~~shall be calculated as provided in~~
23 this section, using a ~~basic~~**TARGET** foundation allowance in the
24 amount specified in subsection (1). **FOR THE PURPOSE OF THESE**
25 **CALCULATIONS, A REFERENCE TO THE TARGET FOUNDATION ALLOWANCE FOR A**
26 **PRECEDING FISCAL YEAR IS EQUIVALENT TO A REFERENCE TO THE "BASIC"**
27 **FOUNDATION ALLOWANCE FOR THAT FISCAL YEAR.**

1 (3) Except as otherwise provided in this section, the
2 **DEPARTMENT SHALL CALCULATE THE** amount of a district's foundation
3 allowance ~~shall be calculated as follows~~, using in all calculations
4 the total amount of the district's foundation allowance as
5 calculated before any proration:

6 (a) Except as otherwise provided in this subdivision, for a
7 district that had a foundation allowance for the immediately
8 preceding ~~state-fiscal~~ year that was at least equal to the minimum
9 foundation allowance for the immediately preceding ~~state-fiscal~~
10 year, but less than the ~~basic~~-**TARGET** foundation allowance for the
11 immediately preceding ~~state-fiscal~~ year, the district ~~shall receive~~
12 **RECEIVES** a foundation allowance in an amount equal to the sum of
13 the district's foundation allowance for the immediately preceding
14 ~~state-fiscal~~ year plus the difference between twice the dollar
15 amount of the adjustment from the immediately preceding ~~state~~
16 fiscal year to the current ~~state-fiscal~~ year made in the ~~basic~~
17 **TARGET** foundation allowance and [(the difference between the ~~basic~~
18 **TARGET** foundation allowance for the current ~~state-fiscal~~ year and
19 ~~basic~~-**TARGET** foundation allowance for the immediately preceding
20 ~~state-fiscal~~ year minus \$40.00) times (the difference between the
21 district's foundation allowance for the immediately preceding ~~state~~
22 fiscal year and the minimum foundation allowance for the
23 immediately preceding ~~state-fiscal~~ year) divided by the difference
24 between the ~~basic~~-**TARGET** foundation allowance for the current ~~state~~
25 fiscal year and the minimum foundation allowance for the
26 immediately preceding ~~state-fiscal~~ year.] However, the foundation
27 allowance for a district that had less than the ~~basic~~-**TARGET**

1 foundation allowance for the immediately preceding ~~state-fiscal~~
2 year ~~shall~~**MUST** not exceed the ~~basic~~**TARGET** foundation allowance
3 for the current ~~state-fiscal~~ year.

4 (b) Except as otherwise provided in this subsection, for a
5 district that in the immediately preceding ~~state-fiscal~~ year had a
6 foundation allowance in an amount equal to the amount of the ~~basic~~
7 **TARGET** foundation allowance for the immediately preceding ~~state~~
8 fiscal year, the district ~~shall receive~~**RECEIVES** a foundation
9 allowance for ~~2018-2019-2019-2020~~ in an amount equal to the ~~basic~~
10 **TARGET** foundation allowance for ~~2018-2019-2019-2020~~.

11 (c) For a district that had a foundation allowance for the
12 immediately preceding ~~state-fiscal~~ year that was greater than the
13 ~~basic~~**TARGET** foundation allowance for the immediately preceding
14 ~~state-fiscal~~ year, the district's foundation allowance is an amount
15 equal to the sum of the district's foundation allowance for the
16 immediately preceding ~~state-fiscal~~ year plus the lesser of the
17 increase in the ~~basic~~**TARGET** foundation allowance for the current
18 ~~state-fiscal~~ year, as compared to the immediately preceding ~~state~~
19 fiscal year, or the product of the district's foundation allowance
20 for the immediately preceding ~~state-fiscal~~ year times the
21 percentage increase in the United States ~~consumer price index~~
22 **CONSUMER PRICE INDEX** in the calendar year ending in the immediately
23 preceding fiscal year as reported by the May revenue estimating
24 conference conducted under section 367b of the management and
25 budget act, 1984 PA 431, MCL 18.1367b.

26 (d) For a district that has a foundation allowance that is not
27 a whole dollar amount, **THE DEPARTMENT SHALL ROUND** the district's

1 foundation allowance ~~shall be rounded up~~ to the nearest whole
2 dollar.

3 ~~—— (c) For a district that received a foundation allowance~~
4 ~~supplemental payment calculated under section 20m and paid under~~
5 ~~section 22b for 2017-2018, the district's 2017-2018 foundation~~
6 ~~allowance is considered to have been an amount equal to the sum of~~
7 ~~the district's actual 2017-2018 foundation allowance as otherwise~~
8 ~~calculated under this section plus the lesser of the per pupil~~
9 ~~amount of the district's supplemental payment for 2017-2018 as~~
10 ~~calculated under section 20m or the product of the district's~~
11 ~~foundation allowance for the immediately preceding state fiscal~~
12 ~~year times the percentage increase in the United States consumer~~
13 ~~price index in the calendar year ending in the immediately~~
14 ~~preceding fiscal year as reported by the May revenue estimating~~
15 ~~conference conducted under section 367b of the management and~~
16 ~~budget act, 1984 PA 431, MCL 18.1367b.~~

17 (4) Except as otherwise provided in this subsection, beginning
18 in 2014-2015, the state portion of a district's foundation
19 allowance is an amount equal to the district's foundation allowance
20 or the ~~basic~~ **TARGET** foundation allowance for the current ~~state~~
21 fiscal year, whichever is less, minus the local portion of the
22 district's foundation allowance. For a district described in
23 subsection (3)(c), beginning in 2014-2015, the state portion of the
24 district's foundation allowance is an amount equal to \$6,962.00
25 plus the difference between the district's foundation allowance for
26 the current ~~state~~ fiscal year and the district's foundation
27 allowance for 1998-99, minus the local portion of the district's

1 foundation allowance. For a district that has a millage reduction
2 required under section 31 of article IX of the state constitution
3 of 1963, the **DEPARTMENT SHALL CALCULATE THE** state portion of the
4 district's foundation allowance ~~shall be calculated~~ as if that
5 reduction did not occur. For a receiving district, if school
6 operating taxes continue to be levied on behalf of a dissolved
7 district that has been attached in whole or in part to the
8 receiving district to satisfy debt obligations of the dissolved
9 district under section 12 of the revised school code, MCL 380.12,
10 the taxable value per membership pupil of property in the receiving
11 district used for the purposes of this subsection does not include
12 the taxable value of property within the geographic area of the
13 dissolved district. For a community district, if school operating
14 taxes continue to be levied by a qualifying school district under
15 section 12b of the revised school code, MCL 380.12b, with the same
16 geographic area as the community district, the taxable value per
17 membership pupil of property in the community district to be used
18 for the purposes of this subsection does not include the taxable
19 value of property within the geographic area of the community
20 district.

21 (5) The allocation calculated under this section for a pupil
22 ~~shall be~~ **IS** based on the foundation allowance of the pupil's
23 district of residence. For a pupil enrolled pursuant to section 105
24 or 105c in a district other than the pupil's district of residence,
25 the allocation calculated under this section ~~shall be~~ **IS** based on
26 the lesser of the foundation allowance of the pupil's district of
27 residence or the foundation allowance of the educating district.

1 For a pupil in membership in a K-5, K-6, or K-8 district who is
2 enrolled in another district in a grade not offered by the pupil's
3 district of residence, the allocation calculated under this section
4 ~~shall be~~ **IS** based on the foundation allowance of the educating
5 district if the educating district's foundation allowance is
6 greater than the foundation allowance of the pupil's district of
7 residence. ~~The calculation under this subsection shall take into~~
8 ~~account a district's per pupil allocation under section 20m.~~

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

1 school academy is located and the state portion of that district's
2 foundation allowance, ~~shall not have that allocation~~ **IS NOT** reduced
3 as a result of the 2010 amendment to this subsection.

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

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

22 (8) Subject to subsection (4), for a district that is formed
23 or reconfigured after June 1, 2002 by consolidation of 2 or more
24 districts or by annexation, the resulting district's foundation
25 allowance under this section beginning after the effective date of
26 the consolidation or annexation ~~shall be~~ **IS** the lesser of the sum
27 of the average of the foundation allowances of each of the original

1 or affected districts, calculated as provided in this section,
 2 weighted as to the percentage of pupils in total membership in the
 3 resulting district who reside in the geographic area of each of the
 4 original or affected districts plus \$100.00 or the highest
 5 foundation allowance among the original or affected districts. This
 6 subsection does not apply to a receiving district unless there is a
 7 subsequent consolidation or annexation that affects the district.
 8 ~~The calculation under this subsection shall take into account a~~
 9 ~~district's per pupil allocation under section 20m.~~

10 (9) ~~Each~~ **THE DEPARTMENT SHALL ROUND EACH** fraction used in
 11 making calculations under this section ~~shall be rounded~~ to the
 12 fourth decimal place and **SHALL ROUND** the dollar amount of an
 13 increase in the ~~basic~~ **TARGET** foundation allowance ~~shall be rounded~~
 14 to the nearest whole dollar.

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

18 (11) To assist the legislature in determining the ~~basic~~ **TARGET**
 19 foundation allowance for the subsequent ~~state~~ fiscal year, each
 20 revenue estimating conference conducted under section 367b of the
 21 management and budget act, 1984 PA 431, MCL 18.1367b, ~~shall~~ **MUST**
 22 calculate a pupil membership factor, a revenue adjustment factor,
 23 and an index as follows:

24 (a) The pupil membership factor ~~shall be~~ **IS** computed by
 25 dividing the estimated membership in the school year ending in the
 26 current ~~state~~ fiscal year, excluding intermediate district
 27 membership, by the estimated membership for the school year ending

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

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

26 (c) The index ~~shall be~~ **IS** calculated by multiplying the pupil
27 membership factor by the revenue adjustment factor. If a consensus

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

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

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

15 (14) **FOR THE PURPOSES OF SECTION 1211 OF THE REVISED SCHOOL**
16 **CODE, MCL 380.1211, THE BASIC FOUNDATION ALLOWANCE UNDER THIS**
17 **SECTION IS CONSIDERED TO BE THE TARGET FOUNDATION ALLOWANCE UNDER**
18 **THIS SECTION.**

19 (15) ~~(14)~~ As used in this section:

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

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

27 (c) "Combined state and local revenue per membership pupil"

1 means the district's combined state and local revenue divided by
2 the district's membership excluding special education pupils.

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

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

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

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

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

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

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

7 (j) "Maximum public school academy allocation", except as
8 otherwise provided in this subdivision, means the maximum per-pupil
9 allocation as calculated by adding the highest per-pupil allocation
10 among all public school academies for the immediately preceding
11 ~~state~~-fiscal year plus the difference between twice the amount of
12 the difference between the ~~basic~~-**TARGET** foundation allowance for
13 the current ~~state~~-fiscal year and the ~~basic~~-**TARGET** foundation
14 allowance for the immediately preceding ~~state~~-fiscal year and [(the
15 amount of the difference between the ~~basic~~-**TARGET** foundation
16 allowance for the current ~~state~~-fiscal year and the ~~basic~~-**TARGET**
17 foundation allowance for the immediately preceding ~~state~~-fiscal
18 year minus \$40.00) times (the difference between the highest per-
19 pupil allocation among all public school academies for the
20 immediately preceding ~~state~~-fiscal year and the minimum foundation
21 allowance for the immediately preceding ~~state~~-fiscal year) divided
22 by the difference between the ~~basic~~-**TARGET** foundation allowance for
23 the current ~~state~~-fiscal year and the minimum foundation allowance
24 for the immediately preceding ~~state~~-fiscal year.] For the purposes
25 of this subdivision, for ~~2018-2019~~, **2019-2020**, the maximum public
26 school academy allocation is ~~\$7,871.00~~-**\$8,141.00**.

27 (k) "Membership" means the definition of that term under

1 section 6 as in effect for the particular fiscal year for which a
2 particular calculation is made.

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

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

13 (n) "Receiving district" means a district to which all or part
14 of the territory of a dissolved district is attached under section
15 12 of the revised school code, MCL 380.12.

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

20 (p) "School operating taxes" means local ad valorem property
21 taxes levied under section 1211 of the revised school code, MCL
22 380.1211, and retained for school operating purposes.

23 **(Q) "TARGET FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING**
24 **FISCAL YEAR" MEANS, FOR 2019-2020 ONLY, THE BASIC FOUNDATION**
25 **ALLOWANCE IN EFFECT FOR THE 2018-2019 FISCAL YEAR.**

26 (R) ~~(q)~~ "Tax increment financing acts" means 1975 PA 197, MCL
27 125.1651 to 125.1681, the tax increment finance authority act, 1980

PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

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

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

(a) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, total state school aid received by or paid on behalf of the district ~~pursuant to UNDER~~ this act in 1993-94 ~~shall exclude~~ **EXCLUDES** payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services to the area vocational education center. Not later than June 30, 1996, the department shall make an adjustment under this subdivision to the district's combined state and local revenue per membership

1 pupil in the 1994-95 state fiscal year and the department of
2 treasury shall make a final certification of the number of mills
3 that may be levied by the district under section 1211 of the
4 revised school code, MCL 380.1211, as a result of the adjustment
5 under this subdivision.

6 (b) If a district had an adjustment made to its 1993-94 total
7 state school aid that excluded payments made under former section
8 146 and under section 147 on behalf of the district's employees who
9 provided direct services for intermediate district center programs
10 operated by the district under sections 51 to 56, if nonresident
11 pupils attending the center programs were included in the
12 district's membership for purposes of calculating the combined
13 state and local revenue per membership pupil for 1993-94, and if
14 there is a signed agreement by all constituent districts of the
15 intermediate district ~~that~~ **AGREEING TO** an adjustment under this
16 subdivision, ~~shall be made,~~ **THE DEPARTMENT SHALL CALCULATE** the
17 foundation allowances for 1995-96 and 1996-97 of all districts that
18 had pupils attending the intermediate district center program
19 operated by the district that had the adjustment ~~shall be~~
20 ~~calculated~~ as if their combined state and local revenue per
21 membership pupil for 1993-94 included resident pupils attending the
22 center program and excluded nonresident pupils attending the center
23 program.

24 Sec. 20f. (1) From the funds appropriated in section 11, there
25 is allocated an amount not to exceed \$18,000,000.00 for ~~2018-2019~~
26 **2019-2020** for payments to eligible districts under this section.

27 (2) The funding under this subsection is from the allocation

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

5 (a) The increase in the district's foundation allowance or
6 per-pupil payment as calculated under section 20 from 2012-2013 to
7 2013-2014.

8 (b) The district's equity payment per membership pupil under
9 former section 22c for 2013-2014.

10 (c) The quotient of the district's allocation under section
11 147a for 2012-2013 divided by the district's membership pupils for
12 2012-2013 minus the quotient of the district's allocation under
13 section 147a for 2013-2014 divided by the district's membership
14 pupils for 2013-2014.

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

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

22 (a) The increase in the district's foundation allowance or
23 per-pupil payment as calculated under section 20 from 2014-2015 to
24 2015-2016.

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

27 (c) The decrease in the district's pupil performance per-pupil

1 funding under former section 22j from 2014-2015 to 2015-2016.

2 (d) The quotient of the district's allocation under section
3 31a for 2015-2016 divided by the district's membership pupils for
4 2015-2016 minus the quotient of the district's allocation under
5 section 31a for 2014-2015 divided by the district's membership
6 pupils for 2014-2015.

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

10 (a) The increase in the district's foundation allowance or
11 per-pupil payment as calculated under section 20 from 2014-2015 to
12 2015-2016.

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

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

17 (d) The quotient of the district's allocation under section
18 31a for 2015-2016 divided by the district's membership pupils for
19 2015-2016 minus the quotient of the district's allocation under
20 section 31a for 2014-2015 divided by the district's membership
21 pupils for 2014-2015.

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

26 Sec. 21h. (1) From the appropriation in section 11, there is
27 allocated \$7,000,000.00 for ~~2018-2019~~ **2019-2020** for assisting

1 districts assigned by the superintendent to participate in a
2 partnership to improve student achievement. The purpose of the
3 partnership is to identify district needs, develop intervention
4 plans, and partner with public, private, and nonprofit
5 organizations to coordinate resources and improve student
6 achievement. Assignment of a district to a partnership is at the
7 sole discretion of the superintendent.

8 (2) A district assigned to a partnership by the superintendent
9 is eligible for funding under this section if the district includes
10 at least 1 school that has been rated with a grade of "F", or
11 comparable performance rating, in the most recent state
12 accountability system rating ~~, that is not under the supervision of~~
13 ~~the state school reform/redesign office,~~ and that does all of the
14 following:

15 (a) Completes a comprehensive needs evaluation in
16 collaboration with an intermediate school district, community
17 members, education organizations, and postsecondary institutions,
18 as applicable and approved by the superintendent, within 90 days of
19 assignment to the partnership described in this section. The
20 comprehensive needs evaluation ~~shall~~ **MUST** include at least all of
21 the following:

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

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

27 (iii) A review of classroom, instructional, and operational

1 practices and curriculum to ensure alignment with research-based
2 instructional practices and state curriculum standards.

3 (b) Develops an intervention plan that has been approved by
4 the superintendent and that addresses the needs identified in the
5 comprehensive needs evaluation completed under subdivision (a). The
6 intervention plan ~~shall~~**MUST** include at least all of the following:

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

9 (ii) Specific measurable benchmarks that will be met within 18
10 months to improve student achievement and identification of
11 expected student achievement outcomes to be attained within 3 years
12 after assignment to the partnership.

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

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

26 (4) Funds allocated under this section may be used to pay for
27 district expenditures approved by the superintendent to improve

1 student achievement. Funds may be used for professional development
2 for teachers or district or school leadership, increased
3 instructional time, teacher mentors, or other expenditures that
4 directly impact student achievement and cannot be paid from
5 existing district financial resources. An eligible district shall
6 not receive funds under this section for more than 3 years.

7 Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE** payments to
8 eligible districts under this section ~~shall be paid~~ on a schedule
9 determined by the department.

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

16 Sec. 22a. (1) From the appropriation in section 11, there is
17 allocated an amount not to exceed ~~\$5,176,000,000.00 for 2017-2018~~
18 **\$5,049,000,000.00 FOR 2018-2019** and there is allocated an amount
19 not to exceed ~~\$5,107,000,000.00 for 2018-2019~~ **\$4,953,000,000.00 FOR**
20 **2019-2020** for payments to districts and qualifying public school
21 academies to guarantee each district and qualifying public school
22 academy an amount equal to its 1994-95 total state and local per
23 pupil revenue for school operating purposes under section 11 of
24 article IX of the state constitution of 1963. Pursuant to section
25 11 of article IX of the state constitution of 1963, this guarantee
26 does not apply to a district in a year in which the district levies
27 a millage rate for school district operating purposes less than it

1 levied in 1994. However, subsection (2) applies to calculating the
2 payments under this section. ~~Funds allocated under this section~~
3 ~~that are not expended in the state fiscal year for which they were~~
4 ~~allocated, as determined by the department, may be used to~~
5 ~~supplement the allocations under sections 22b and 51c in order to~~
6 ~~fully fund those calculated allocations for the same fiscal year.~~

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

12 (a) Except as otherwise provided in this subsection, the state
13 portion of a district's 1994-95 foundation allowance is an amount
14 equal to the district's 1994-95 foundation allowance or \$6,500.00,
15 whichever is less, minus the difference between the sum of the
16 product of the taxable value per membership pupil of all property
17 in the district that is nonexempt property times the district's
18 certified mills and, for a district with certified mills exceeding
19 12, the product of the taxable value per membership pupil of
20 property in the district that is commercial personal property times
21 the certified mills minus 12 mills and the quotient of the ad
22 valorem property tax revenue of the district captured under tax
23 increment financing acts divided by the district's membership. For
24 a district that has a millage reduction required under section 31
25 of article IX of the state constitution of 1963, **THE DEPARTMENT**
26 **SHALL CALCULATE** the state portion of the district's foundation
27 allowance ~~shall be calculated as if that reduction did not occur.~~

1 For a receiving district, if school operating taxes are to be
2 levied on behalf of a dissolved district that has been attached in
3 whole or in part to the receiving district to satisfy debt
4 obligations of the dissolved district under section 12 of the
5 revised school code, MCL 380.12, taxable value per membership pupil
6 of all property in the receiving district that is nonexempt
7 property and taxable value per membership pupil of property in the
8 receiving district that is commercial personal property do not
9 include property within the geographic area of the dissolved
10 district; ad valorem property tax revenue of the receiving district
11 captured under tax increment financing acts does not include ad
12 valorem property tax revenue captured within the geographic
13 boundaries of the dissolved district under tax increment financing
14 acts; and certified mills do not include the certified mills of the
15 dissolved district. For a community district, **THE DEPARTMENT SHALL**
16 **REDUCE** the allocation as otherwise calculated under this section
17 ~~shall be reduced by~~ an amount equal to the amount of local school
18 operating tax revenue that would otherwise be due to the community
19 district if not for the operation of section 386 of the revised
20 school code, MCL 380.386, and the amount of this reduction ~~shall be~~
21 **IS** offset by the increase in funding under section 22b(2).

22 (b) For a district that had a 1994-95 foundation allowance
23 greater than \$6,500.00, the state payment under this subsection
24 ~~shall be~~ **IS** the sum of the amount calculated under subdivision (a)
25 plus the amount calculated under this subdivision. The amount
26 calculated under this subdivision ~~shall~~ **MUST** be equal to the
27 difference between the district's 1994-95 foundation allowance

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

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

25 (4) A district or qualifying public school academy may use
26 funds allocated under this section in conjunction with any federal
27 funds for which the district or qualifying public school academy

1 otherwise would be eligible.

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

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

21 (7) As used in this section:

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

26 (b) "Certified mills" means the lesser of 18 mills or the
27 number of mills of school operating taxes levied by the district in

1 1993-94.

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

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

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

19 (f) "Hold harmless millage" means, for a district with a 1994-
20 95 foundation allowance greater than \$6,500.00, the number of mills
21 by which the exemption from the levy of school operating taxes on a
22 ~~homestead~~, **PRINCIPAL RESIDENCE**, qualified agricultural property,
23 qualified forest property, supportive housing property, industrial
24 personal property, commercial personal property, and property
25 occupied by a public school academy could be reduced as provided in
26 section 1211 of the revised school code, MCL 380.1211, and the
27 number of mills of school operating taxes that could be levied on

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

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

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

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

(I) "PRINCIPAL RESIDENCE", "QUALIFIED AGRICULTURAL PROPERTY", "QUALIFIED FOREST PROPERTY", "SUPPORTIVE HOUSING PROPERTY", "INDUSTRIAL PERSONAL PROPERTY", AND "COMMERCIAL PERSONAL PROPERTY" MEAN THOSE TERMS AS DEFINED IN SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211.

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

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

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

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

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

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

1 forest property, supportive housing property, industrial personal
 2 property, commercial personal property, and property occupied by a
 3 public school academy for the calendar year ending in the current
 4 ~~state~~-fiscal year. For a receiving district, if school operating
 5 taxes are to be levied on behalf of a dissolved district that has
 6 been attached in whole or in part to the receiving district to
 7 satisfy debt obligations of the dissolved district under section 12
 8 of the revised school code, MCL 380.12, mills do not include mills
 9 within the geographic area of the dissolved district.

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

21 Sec. 22b. (1) For discretionary nonmandated payments to
 22 districts under this section, there is allocated for ~~2017-2018~~
 23 ~~2018-2019~~ an amount not to exceed ~~\$3,957,000,000.00~~
 24 **\$4,223,000,000.00** from the state school aid fund and general fund
 25 appropriations in section 11 and an amount not to exceed
 26 \$72,000,000.00 from the community district education trust fund
 27 appropriation in section 11, and there is allocated for ~~2018-2019~~

1 2019-2020 an amount not to exceed ~~\$4,252,000,000.00~~
2 **\$4,530,000,000.00** from the state school aid fund and general fund
3 appropriations in section 11 and an amount not to exceed
4 \$72,000,000.00 from the community district education trust fund
5 appropriation in section 11. ~~Except for money allocated from the~~
6 ~~community district trust fund, money allocated under this section~~
7 ~~that is not expended in the state fiscal year for which it was~~
8 ~~allocated, as determined by the department, may be used to~~
9 ~~supplement the allocations under sections 22a and 51c in order to~~
10 ~~fully fund those calculated allocations for the same fiscal year.~~

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

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

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

1 380.1280b.

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

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

7 (d) Comply with section 1230g of the revised school code, MCL
8 380.1230g.

9 (e) Comply with section 21f.

10 (f) For a district or public school academy that ~~has entered~~
11 ~~into a partnership agreement with the department,~~ **OFFERS**
12 **KINDERGARTEN**, comply with section ~~22p-104~~ **(4)**.

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

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

23 (6) From the allocation in subsection (1), the department
24 shall pay up to \$1,000,000.00 in litigation costs incurred by this
25 state associated with lawsuits filed by 1 or more districts or
26 intermediate districts against this state. If the allocation under
27 this section is insufficient to fully fund all payments required

1 under this section, the payments under this subsection ~~shall~~**MUST**
2 be made in full before any proration of remaining payments under
3 this section.

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

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

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

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

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

1 upon resolution of the litigation. In addition, this state reserves
 2 the right to terminate future federal title XIX Medicaid
 3 reimbursement payments to districts if the amount or allocation of
 4 reimbursed funds is challenged in the lawsuit. As used in this
 5 subsection, "title XIX" means title XIX of the social security act,
 6 42 USC 1396 to 1396w-5.

7 Sec. 22d. (1) From the appropriation in section 11, an amount
 8 not to exceed ~~\$6,000,000.00~~ **\$7,000,000.00** is allocated for ~~2018-~~
 9 ~~2019-2019-2020~~ for supplemental payments to rural districts under
 10 this section.

11 (2) From the allocation under subsection (1), there is
 12 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
 13 \$957,300.00 for payments under this subsection to districts that
 14 meet all of the following:

15 (a) Operates grades K to 12.

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

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

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

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

22 (3) The amount of the additional funding to each eligible
 23 district under subsection (2) ~~shall be~~ **IS** determined under a
 24 spending plan developed as provided in this subsection and approved
 25 by the superintendent of public instruction. The spending plan
 26 ~~shall~~ **MUST** be developed cooperatively by the intermediate
 27 superintendents of each intermediate district in which an eligible

1 district is located. The intermediate superintendents shall review
2 the financial situation of each eligible district, determine the
3 minimum essential financial needs of each eligible district, and
4 develop and agree on a spending plan that distributes the available
5 funding under subsection (2) to the eligible districts based on
6 those financial needs. The intermediate superintendents shall
7 submit the spending plan to the superintendent of public
8 instruction for approval. Upon approval by the superintendent of
9 public instruction, the amounts specified for each eligible
10 district under the spending plan are allocated under subsection (2)
11 and ~~shall~~**MUST** be paid to the eligible districts in the same manner
12 as payments under section 22b.

13 (4) Subject to subsection (6), from the allocation in
14 subsection (1), there is allocated for ~~2018-2019~~**2019-2020** an
15 amount not to exceed ~~\$5,042,700.00~~**\$6,042,700.00** for payments under
16 this subsection to districts that have ~~7.7~~**9.7** or fewer pupils per
17 square mile as determined by the department.

18 (5) The funds allocated under subsection (4) ~~shall be~~**ARE**
19 allocated on an equal per-pupil basis.

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

22 Sec. 22m. (1) From the appropriations in section 11, there is
23 allocated for ~~2018-2019~~**2019-2020** an amount not to exceed
24 \$2,200,000.00 for supporting the integration of local data systems
25 into the Michigan data hub network based on common standards and
26 applications that are in compliance with section 19(6).

27 (2) An entity that is the fiscal agent for no more than 5

1 consortia of intermediate districts that previously received
2 funding from the technology readiness infrastructure grant under
3 former section 22i for the purpose of establishing regional data
4 hubs that are part of the Michigan data hub network is eligible for
5 funding under this section.

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

10 (4) The center, in collaboration with the Michigan data hub
11 network, shall determine the amount of funds distributed under this
12 section to each participating regional data hub within the network,
13 based upon a competitive grant process. ~~Entities~~ **THE CENTER SHALL**
14 **ENSURE THAT THE ENTITIES** receiving funding under this section ~~shall~~
15 represent geographically diverse areas in this state.

16 (5) Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
17 payments under this section ~~shall be made~~ on a schedule determined
18 by the center.

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

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

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

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

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

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

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

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

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

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

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

1 (9) Not later than January 1 of each fiscal year, the center
2 shall prepare a summary report of information provided by each
3 entity that received funds under this section that includes
4 measurable outcomes based on the objectives described under this
5 section ~~-. The report shall include -~~ **AND** a summary of compiled data
6 from each entity to provide a means to evaluate the effectiveness
7 of the project. The center shall submit the report to the house and
8 senate appropriations subcommittees on state school aid and to the
9 house and senate fiscal agencies.

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

13 (a) Amends the partnership agreement to include measurable
14 academic outcomes that will be achieved after 18 months and after
15 36 months from the date the agreement was originally signed.
16 Measurable academic outcomes under this subdivision must include
17 outcomes that put pupils on track to meet or exceed grade level
18 proficiency.

19 (b) Amends the partnership agreement to include accountability
20 measures to be imposed if the district or public school academy
21 does not achieve the measurable academic outcomes under subdivision
22 (a) for a school subject to a partnership agreement. Accountability
23 measures under this subdivision may include either the closure of
24 the school at the end of the current school year or the
25 reconstitution of the school in a final attempt to improve student
26 educational performance or to avoid interruption of the educational
27 process. For a public school academy that amends a partnership

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

11 (i) The district shall make significant changes to the
12 instructional and noninstructional programming of the school based
13 on the needs identified through a comprehensive review of data.

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

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

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

27 Sec. 24. (1) From the appropriation in section 11, there is

1 allocated ~~each fiscal year for 2017-2018 and for 2018-2019~~ **FOR**
2 **2019-2020** an amount not to exceed \$7,150,000.00 for payments to the
3 educating district or intermediate district for educating pupils
4 assigned by a court or the department of health and human services
5 to reside in or to attend a juvenile detention facility or child
6 caring institution licensed by the department of health and human
7 services and approved by the department to provide an on-grounds
8 education program. The amount of the payment under this section to
9 a district or intermediate district ~~shall be~~ **IS** calculated as
10 prescribed under subsection (2).

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

17 (a) "Added cost" means 100% of the added cost each fiscal year
18 for educating all pupils assigned by a court or the department of
19 health and human services to reside in or to attend a juvenile
20 detention facility or child caring institution licensed by the
21 department of health and human services or the department of
22 licensing and regulatory affairs and approved by the department to
23 provide an on-grounds education program. Added cost ~~shall be~~ **IS**
24 computed by deducting all other revenue received under this article
25 for pupils described in this section from total costs, as approved
26 by the department, in whole or in part, for educating those pupils
27 in the on-grounds education program or in a program approved by the

1 department that is located on property adjacent to a juvenile
 2 detention facility or child caring institution. Costs reimbursed by
 3 federal funds are not included.

4 (b) "Department's approved per-pupil allocation" for a
 5 district or intermediate district ~~shall be~~ **IS** determined by
 6 dividing the total amount allocated under this section for a fiscal
 7 year by the full-time equated membership total for all pupils
 8 approved by the department to be funded under this section for that
 9 fiscal year for the district or intermediate district.

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

19 (4) Special education pupils funded under section 53a ~~shall~~
 20 ~~not be~~ **ARE NOT** funded under this section.

21 Sec. 24a. From the appropriation in section 11, there is
 22 allocated an amount not to exceed \$1,355,700.00 for ~~2018-2019-2019-~~
 23 **2020** for payments to intermediate districts for pupils who are
 24 placed in juvenile justice service facilities operated by the
 25 department of health and human services. ~~Each~~ **THE AMOUNT OF THE**
 26 **PAYMENT TO EACH** intermediate district ~~shall receive~~ **IS** an amount
 27 equal to the state share of those costs that are clearly and

1 directly attributable to the educational programs for pupils placed
2 in facilities described in this section that are located within the
3 intermediate district's boundaries. The intermediate districts
4 receiving payments under this section shall cooperate with the
5 department of health and human services to ensure that all funding
6 allocated under this section is utilized by the intermediate
7 district and department of health and human services for
8 educational programs for pupils described in this section. Pupils
9 described in this section are not eligible to be funded under
10 section 24. However, a program responsibility or other fiscal
11 responsibility associated with these pupils ~~shall~~**MUST** not be
12 transferred from the department of health and human services to a
13 district or intermediate district unless the district or
14 intermediate district consents to the transfer.

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

18 (2) If a pupil counted in membership for the pupil membership
19 count day transfers from a district or intermediate district to
20 enroll in another district or intermediate district after the pupil
21 membership count day and before the supplemental count day and, due
22 to the pupil's enrollment and attendance status as of the pupil
23 membership count day, the pupil was not counted in membership in
24 the educating district or intermediate district, the educating
25 district or intermediate district may report the enrollment and
26 attendance information to the center through the pupil transfer
27 process within 30 days after the transfer or within 30 days after

1 the pupil membership count certification date, whichever is later.
2 Pupil transfers may be submitted no earlier than the first day
3 after the certification deadline for the pupil membership count day
4 and before the supplemental count day. Upon receipt of the transfer
5 information under this subsection indicating that a pupil has
6 enrolled and is in attendance in an educating district or
7 intermediate district as described in this subsection, the ~~pupil~~
8 ~~transfer process~~ **CENTER** shall do the following:

9 (a) Notify the district in which the pupil was previously
10 enrolled.

11 (b) Notify both the pupil auditing staff of the intermediate
12 district in which the educating district is located and the pupil
13 auditing staff of the intermediate district in which the district
14 that previously enrolled the pupil is located. The pupil auditing
15 staff shall investigate a representative sample based on required
16 audit sample sizes in the pupil auditing manual and may deny the
17 pupil membership transfer.

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

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

21 (a) Adjust the membership calculation for each district or
22 intermediate district in which the pupil was previously counted in
23 membership or that previously received an adjustment in its
24 membership calculation under this section due to a change in the
25 pupil's enrollment and attendance so that the district's or
26 intermediate district's membership is prorated to allow the
27 district or intermediate district to receive for each school day,

1 as determined by the financial calendar furnished by the center, in
2 which the pupil was enrolled and in attendance in the district or
3 intermediate district an amount equal to 1/105 of a full-time
4 equated membership claimed in the fall pupil membership count. The
5 **DEPARTMENT SHALL PAY THE** district or intermediate district ~~shall~~
6 ~~receive~~ a prorated foundation allowance in an amount equal to the
7 product of the adjustment under this subdivision for the district
8 or intermediate district multiplied by the foundation allowance or
9 per-pupil payment as calculated under section 20 for the district
10 or intermediate district. The foundation allowance or per-pupil
11 payment ~~shall be~~ **IS** adjusted by the pupil's full-time equated
12 status as affected by the membership definition under section 6(4).

13 (b) Adjust the membership calculation for the educating
14 district or intermediate district in which the pupil is enrolled
15 and is in attendance so that the district's or intermediate
16 district's membership is increased to allow the district or
17 intermediate district to receive an amount equal to the difference
18 between the full-time equated membership claimed in the fall pupil
19 membership count and the sum of the adjustments calculated under
20 subdivision (a) for each district or intermediate district in which
21 the pupil was previously enrolled and in attendance. The **DEPARTMENT**
22 **SHALL PAY THE** educating district or intermediate district ~~shall~~
23 ~~receive~~ a prorated foundation allowance in an amount equal to the
24 product of the adjustment under this subdivision for the educating
25 district or intermediate district multiplied by the per-pupil
26 payment as calculated under section 20 for the educating district
27 or intermediate district. The foundation allowance or per-pupil

1 payment ~~shall be~~ **IS** adjusted by the pupil's full-time equated
2 status as affected by the membership definition under section 6(4).

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

10 (5) If a pupil enrolls in an educating district or
11 intermediate district as described in subsection (2), the district
12 or intermediate district in which the pupil is counted in
13 membership or another educating district or intermediate district
14 that received an adjustment in its membership calculation under
15 subsection (3), if any, and the educating district or intermediate
16 district shall provide to the center and the department all
17 information they require to comply with this section.

18 (6) The portion of the full-time equated pupil membership for
19 which a pupil is enrolled in 1 or more online courses under section
20 21f that is representative of the amount that the primary district
21 paid in course costs to the course provider ~~shall not be~~ **IS NOT**
22 counted or transferred under the pupil transfer process under this
23 section.

24 ~~(7) It is the intent of the legislature that the center~~
25 ~~determine the number of pupils who did not reside in this state as~~
26 ~~of the 2018-2019 pupil membership count day but who newly enrolled~~
27 ~~in a district or intermediate district after that pupil membership~~

~~count day and before the 2018-2019 supplemental count day. It is the intent of the legislature that the center further determine the number of pupils who were counted in membership for the 2018-2019 pupil membership count day but who left this state before the 2018-2019 supplemental count day. In 2019-2020, the~~ **THE** center **ANNUALLY** shall provide a report to the senate and house appropriations subcommittees on state school aid, and to the senate and house fiscal agencies, detailing the number of pupils transferring in from outside the public school system of this state and the number of pupils transferring out of the public school system in this state between the pupil membership count day and supplemental count day as described in this subsection.

(8) As used in this section:

(a) "Educating district or intermediate district" means the district or intermediate district in which a pupil enrolls after the pupil membership count day or after an adjustment was made in another district's or intermediate district's membership calculation under this section due to the pupil's enrollment and attendance.

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

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

1 code, MCL 380.1311b to 380.1311m, as provided under this section.

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

6 (3) The total amount allocated to a strict discipline academy
7 under this section shall first be distributed as the lesser of the
8 strict discipline academy's added cost or the department's approved
9 per-pupil allocation for the strict discipline academy. Any funds
10 remaining after the first distribution shall be distributed by
11 prorating on an equal per-pupil membership basis, not to exceed a
12 strict discipline academy's added cost. However, the sum of the
13 amounts received by a strict discipline academy under this section
14 and under section 24 shall not exceed the product of the strict
15 discipline academy's per-pupil allocation calculated under section
16 20 multiplied by the strict discipline academy's full-time equated
17 membership. The department shall allocate funds to strict
18 discipline academies under this section on a monthly basis. For the
19 purposes of this subsection:

20 (a) "Added cost" means 100% of the added cost each fiscal year
21 for educating all pupils enrolled and in regular daily attendance
22 at a strict discipline academy. Added cost shall be computed by
23 deducting all other revenue received under this article for pupils
24 described in this subsection from total costs, as approved by the
25 department, in whole or in part, for educating those pupils in a
26 strict discipline academy. The department shall include all costs
27 including, but not limited to, educational costs, insurance,

1 management fees, technology costs, legal fees, auditing fees,
 2 interest, pupil accounting costs, and any other administrative
 3 costs necessary to operate the program or to comply with statutory
 4 requirements. Costs reimbursed by federal funds are not included.

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

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

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

16 (6) ~~Payments~~ **THE DEPARTMENT SHALL MAKE PAYMENTS** to districts
 17 under this section ~~shall be made~~ according to the payment schedule
 18 under section 17b.

19 Sec. 25g. (1) From the state school aid fund money
 20 appropriated in section 11, there is allocated an amount not to
 21 exceed \$750,000.00 for ~~2018-2019~~ **2019-2020** for the purposes of this
 22 section. ~~If~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, IF** the
 23 operation of the special membership counting provisions under
 24 section 6(4)(dd) and the other membership counting provisions under
 25 section 6(4) result in a pupil being counted as more than 1.0 FTE
 26 in a fiscal year, then the payment made for the pupil under
 27 sections 22a and 22b ~~shall~~ **MUST** not be based on more than 1.0 FTE

1 for that pupil, and that portion of the FTE that exceeds 1.0 ~~shall~~
 2 ~~be~~ **IS** paid under this section in an amount equal to that portion
 3 multiplied by the educating district's foundation allowance or per-
 4 pupil payment calculated under section 20.

5 (2) Special education pupils funded under section 53a ~~shall~~
 6 ~~not be~~ **ARE NOT** funded under this section.

7 (3) If the funds allocated under this section are insufficient
 8 to fully fund the adjustments under subsection (1), **THE DEPARTMENT**
 9 **SHALL PRORATE** payments under this section ~~shall be prorated on an~~
 10 equal per-pupil basis.

11 (4) ~~Payments~~ **THE DEPARTMENT SHALL MAKE PAYMENTS** to districts
 12 under this section ~~shall be made according to the payment schedule~~
 13 under section 17b.

14 Sec. 26a. From the funds appropriated in section 11, there is
 15 allocated an amount not to exceed ~~\$15,000,000.00 for 2017-2018~~
 16 **\$13,800,000.00 FOR 2018-2019** and there is allocated an amount not
 17 to exceed ~~\$15,000,000.00 for 2018-2019~~ **\$15,300,000.00 FOR 2019-2020**
 18 to reimburse districts and intermediate districts pursuant to
 19 section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL
 20 125.2692, for taxes levied in ~~2017 and 2018~~ **AND 2019**, as
 21 applicable. The **DEPARTMENT SHALL PAY THE** allocations ~~shall be made~~
 22 not later than 60 days after the department of treasury certifies
 23 to the department and to the state budget director that the
 24 department of treasury has received all necessary information to
 25 properly determine the amounts due to each eligible recipient.

26 Sec. 26b. (1) From the appropriation in section 11, there is
 27 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed

1 \$4,405,100.00 for payments to districts, intermediate districts,
 2 and community college districts for the portion of the payment in
 3 lieu of taxes obligation that is attributable to districts,
 4 intermediate districts, and community college districts under
 5 section 2154 of the natural resources and environmental protection
 6 act, 1994 PA 451, MCL 324.2154.

7 (2) If the amount appropriated under this section is not
 8 sufficient to fully pay obligations under this section, payments
 9 ~~shall be~~ **ARE** prorated on an equal basis among all eligible
 10 districts, intermediate districts, and community college districts.

11 Sec. 26c. (1) From the appropriation in section 11, there is
 12 allocated an amount not to exceed ~~\$1,600,000.00 for 2017-2018~~
 13 **\$3,400,000.00 FOR 2018-2019** and there is allocated an amount not to
 14 exceed ~~\$3,000,000.00 for 2018-2019~~ **\$8,400,000.00 FOR 2019-2020** to
 15 the promise zone fund created in subsection (3). The funds
 16 allocated under this section reflect the amount of revenue from the
 17 collection of the state education tax captured under section ~~17(2)~~
 18 **17** of the Michigan promise zone authority act, 2008 PA 549, MCL
 19 390.1677.

20 (2) Funds allocated to the promise zone fund under this
 21 section ~~shall~~ **MUST** be used solely for payments to eligible
 22 districts and intermediate districts, in accordance with section
 23 ~~17(3)~~ **17** of the Michigan promise zone authority act, 2008 PA 549,
 24 MCL 390.1677, that have a promise zone development plan approved by
 25 the department of treasury under section 7 of the Michigan promise
 26 zone authority act, 2008 PA 549, MCL 390.1667. Eligible districts
 27 and intermediate districts shall use payments made under this

1 section for reimbursement for qualified educational expenses as
 2 defined in section 3 of the Michigan promise zone authority act,
 3 2008 PA 549, MCL 390.1663.

4 (3) The promise zone fund is created as a separate account
 5 within the state school aid fund to be used solely for the purposes
 6 of the Michigan promise zone authority act, 2008 PA 549, MCL
 7 390.1661 to 390.1679. All of the following apply to the promise
 8 zone fund:

9 (a) The state treasurer shall direct the investment of the
 10 promise zone fund. The state treasurer shall credit to the promise
 11 zone fund interest and earnings from fund investments.

12 (b) Money in the promise zone fund at the close of a fiscal
 13 year ~~shall remain~~ **REMAINS** in the promise zone fund and ~~shall DOES~~
 14 not lapse to the general fund.

15 (4) Subject to subsection (2), the state treasurer may make
 16 payments from the promise zone fund to eligible districts and
 17 intermediate districts ~~pursuant to~~ **UNDER** the Michigan promise zone
 18 authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used
 19 for the purposes of a promise zone authority created under that
 20 act.

21 (5) Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
 22 payments under this section ~~shall be paid on~~ a schedule determined
 23 by the department.

24 Sec. 31a. (1) From the state school aid fund money
 25 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~
 26 **2020** an amount not to exceed ~~\$528,207,300.00~~ **\$531,207,300.00** for
 27 payments to eligible districts and eligible public school academies

1 for the purposes of ensuring that pupils are proficient in English
2 language arts by the end of grade 3, that pupils are proficient in
3 mathematics by the end of grade 8, that pupils are attending school
4 regularly, that high school graduates are career and college ready,
5 and for the purposes under subsections (7) and (8).

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

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

1 (a) Team-based leadership.

2 (b) A tiered delivery system.

3 (c) Selection and implementation of instruction,
4 interventions, and supports.

5 (d) A comprehensive screening and assessment system.

6 (e) Continuous data-based decision making.

7 (4) **FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS**
8 **ALLOCATED FOR 2019-2020 AN AMOUNT NOT TO EXCEED \$508,000,000.00 TO**
9 **CONTINUE A WEIGHTED FOUNDATION PER-PUPIL PAYMENT FOR DISTRICTS AND**
10 **PUBLIC SCHOOL ACADEMIES ENROLLING ECONOMICALLY DISADVANTAGED**
11 **PUPILS.** Except as otherwise provided in this subsection, ~~an~~
12 ~~eligible district or eligible public school academy shall receive~~
13 ~~under this section~~ for each membership pupil in the district or
14 public school academy who is determined to be economically
15 disadvantaged, as reported to the center in the form and manner
16 prescribed by the center not later than the fifth Wednesday after
17 the pupil membership count day of the immediately preceding fiscal
18 year, **THE DEPARTMENT SHALL PAY UNDER THIS SECTION TO EACH ELIGIBLE**
19 **DISTRICT OR ELIGIBLE PUBLIC SCHOOL ACADEMY** an amount per pupil
20 equal to 11.5% of the statewide weighted average foundation
21 allowance. However, **FOR** a public school academy that began
22 operations as a public school academy after the pupil membership
23 count day of the immediately preceding school year, ~~shall receive~~
24 **THE DEPARTMENT SHALL PAY** under this section for each membership
25 pupil in the public school academy ~~—~~who is determined to be
26 economically disadvantaged, as reported to the center in the form
27 and manner prescribed by the center not later than the fifth

1 Wednesday after the pupil membership count day of the current
2 fiscal year, an amount per pupil equal to 11.5% of the statewide
3 weighted average foundation allowance.

4 (5) Except as otherwise provided in this section, a district
5 or public school academy receiving funding under this section shall
6 use that money only to provide instructional programs and direct
7 noninstructional services, including, but not limited to, medical,
8 mental health, or counseling services, for at-risk pupils; for
9 school health clinics; and for the purposes of subsection (6), (7),
10 or (8). In addition, a district that is a school district of the
11 first class or a district or public school academy in which at
12 least 50% of the pupils in membership were determined to be
13 economically disadvantaged in the immediately preceding state
14 fiscal year, as determined and reported as described in subsection
15 (4), may use not more than 20% of the funds it receives under this
16 section for school security **THAT ALIGNS TO THE NEEDS ASSESSMENT AND**
17 **THE MULTI-TIERED SYSTEM OF SUPPORTS MODEL.** A district or public
18 school academy shall not use any of that money for administrative
19 costs. The instruction or direct noninstructional services provided
20 under this section may be conducted before or after regular school
21 hours or by adding extra school days to the school year. Funds
22 spent on school security under this subsection must be counted
23 toward required spending under subsection (16)(c). **IN ADDITION, A**
24 **DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL USE FUNDS UNDER THIS**
25 **SUBSECTION TO SHOW PROGRESS TOWARD MEETING THE FOLLOWING GOALS:**
26 (A) PROVIDING AT LEAST 1 TUTOR PER EVERY 100 ECONOMICALLY
27 DISADVANTAGED PUPILS ENROLLED IN THE DISTRICT OR PUBLIC SCHOOL

1 ACADEMY.

2 (B) PROVIDING AT LEAST 1 PUPIL SUPPORT POSITION, WHICH MAY
3 INCLUDE BEHAVIOR SPECIALISTS, READING SUPPORT EXPERTS, AND
4 COUNSELORS, PER EVERY 125 ECONOMICALLY DISADVANTAGED PUPILS
5 ENROLLED IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY.

6 (C) PROVIDING AT LEAST 1 SUMMER SCHOOL TEACHING POSITION PER
7 EVERY 120 ECONOMICALLY DISADVANTAGED PUPILS ENROLLED IN THE
8 DISTRICT OR PUBLIC SCHOOL ACADEMY.

9 (D) EXPANDING PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR
10 TEACHERS.

11 (E) PROVIDING ADDITIONAL SUPPORTS FOR STUDENTS ON THE
12 COMPLETION OF THE FREE APPLICATION FOR FEDERAL STUDENT FINANCIAL
13 AID (FAFSA).

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

22 (7) From the funds allocated under subsection (1), there is
23 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
24 \$6,057,300.00 to support primary health care services provided to
25 children and adolescents up to age 21. These funds ~~shall~~ **MUST** be
26 expended in a form and manner determined jointly by the department
27 and the department of health and human services. If any funds

1 allocated under this subsection are not used for the purposes of
2 this subsection for the fiscal year in which they are allocated,
3 those unused funds ~~shall~~**MUST** be used that fiscal year to avoid or
4 minimize any proration that would otherwise be required under
5 subsection (14) for that fiscal year.

6 (8) From the funds allocated under subsection (1), there is
7 allocated for ~~2018-2019~~**2019-2020** an amount not to exceed
8 \$5,150,000.00 for the state portion of the hearing and vision
9 screenings as described in section 9301 of the public health code,
10 1978 PA 368, MCL 333.9301. A local public health department shall
11 pay at least 50% of the total cost of the screenings. The frequency
12 of the screenings ~~shall~~**MUST** be as required under R 325.13091 to R
13 325.13096 and R 325.3271 to R 325.3276 of the Michigan
14 Administrative Code. Funds ~~shall~~**MUST** be awarded in a form and
15 manner approved jointly by the department and the department of
16 health and human services. Notwithstanding section 17b, **THE**
17 **DEPARTMENT SHALL MAKE** payments to eligible entities under this
18 subsection ~~shall be paid on~~ a schedule determined by the
19 department.

20 (9) Each district or public school academy receiving funds
21 under this section shall submit to the department by July 15 of
22 each fiscal year a report, in the form and manner prescribed by the
23 department, that includes a brief description of each program
24 conducted or services performed by the district or public school
25 academy using funds under this section, the amount of funds under
26 this section allocated to each of those programs or services, the
27 total number of at-risk pupils served by each of those programs or

1 services, and the data necessary for the department and the
2 department of health and human services to verify matching funds
3 for the temporary assistance for needy families program. In
4 prescribing the form and manner of the report, the department shall
5 ensure that districts are allowed to expend funds received under
6 this section on any activities that are permissible under this
7 section. If a district or public school academy does not comply
8 with this subsection, the department shall withhold an amount equal
9 to the August payment due under this section until the district or
10 public school academy complies with this subsection. If the
11 district or public school academy does not comply with this
12 subsection by the end of the state fiscal year, the withheld funds
13 ~~shall be~~ **ARE** forfeited to the school aid fund.

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

20 (11) Subject to subsections (6), (7), and (8), for schools in
21 which more than 40% of pupils are identified as at-risk, a district
22 or public school academy may use the funds it receives under this
23 section to implement **TIER 1, EVIDENCE-BASED PRACTICES IN** schoolwide
24 reforms that are guided by the district's comprehensive needs
25 assessment and are included in the district improvement plan.
26 Schoolwide reforms must include parent and community supports,
27 activities, and services, that may include the pathways to

1 potential program created by the department of health and human
2 services or the communities in schools program. **AS USED IN THIS**
3 **SUBSECTION, "TIER 1, EVIDENCE-BASED PRACTICES" MEANS RESEARCH-BASED**
4 **INSTRUCTION AND CLASSROOM INTERVENTIONS THAT ARE AVAILABLE TO ALL**
5 **LEARNERS AND EFFECTIVELY MEET THE NEEDS OF MOST PUPILS.**

6 (12) A district or public school academy that receives funds
7 under this section may use up to ~~5%~~10% of those funds to provide
8 research-based professional development and to implement a coaching
9 model that supports the multi-tiered system of supports framework.
10 Professional development may be provided to district and school
11 leadership and teachers and must be aligned to professional
12 learning standards; integrated into district, school building, and
13 classroom practices; and solely related to the following:

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

17 (b) Implementing section 1280f of the revised school code, MCL
18 380.1280f, as required under subsection (3), with fidelity.

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

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

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

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

1 revised school code, MCL 380.1279g, the district or public school
2 academy shall ensure all of the following:

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

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

20 (c) The district or public school academy shall determine the
21 proportion of at-risk pupils in grade 11 that represents the number
22 of at-risk pupils in grade 11 that are not career- and college-
23 ready as measured by the student's score on the English language
24 arts, mathematics, and science content area assessments on the
25 grade 11 summative assessment under section 1279g(2)(a) of the
26 revised school code, MCL 380.1279g, and the district or public
27 school academy shall expend that same proportion multiplied by 1/3

1 of its total at-risk funds under this section on tutoring and other
2 activities to improve scores on the college entrance examination
3 portion of the Michigan merit examination.

4 (17) From the funds allocated under subsection (1), there is
5 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
6 ~~\$18,000,000.00~~ **\$12,000,000.00** for payments to districts and public
7 school academies that otherwise received an allocation under this
8 ~~section in~~ **SUBSECTION FOR 2018-2019** and ~~that~~ **WHOSE** allocation ~~was~~
9 ~~less~~ **UNDER THIS SECTION FOR 2018-2019, EXCLUDING ANY PAYMENTS UNDER**
10 **SUBSECTION (7) OR (8), WOULD HAVE BEEN MORE** than the district's or
11 public school academy's allocation under this section ~~in 2017-2018.~~
12 **FOR 2019-2020 AS CALCULATED UNDER SUBSECTION (4) ONLY AND AS**
13 **ADJUSTED UNDER SUBSECTION (14).** The allocation for each district or
14 public school academy under this subsection is an amount equal to
15 its allocation under this section ~~in 2017-2018~~ **FOR 2018-2019** minus
16 its allocation as otherwise calculated under ~~this section for 2018-~~
17 ~~2019.~~ **SUBSECTION (4) FOR 2019-2020, AS ADJUSTED BY SUBSECTION (14),**
18 **USING IN THOSE CALCULATIONS THE 2017-2018 NUMBER OF PUPILS**
19 **DETERMINED TO BE ECONOMICALLY DISADVANTAGED. HOWEVER, IF THE**
20 **ALLOCATION AS OTHERWISE CALCULATED UNDER THIS SUBSECTION WOULD HAVE**
21 **BEEN LESS THAN \$0.00, THE ALLOCATION UNDER THIS SUBSECTION IS**
22 **\$0.00.** If necessary, and before any proration required under
23 section 296, the department shall prorate payments under this
24 subsection by reducing the amount of the allocation as otherwise
25 calculated under this subsection by an equal percentage per
26 district or public school academy.

27 (18) A district or public school academy that receives funds

1 under this section may use funds received under this section to
2 provide an anti-bullying or crisis intervention program.

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

9 (20) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),
10 FROM THE STATE SCHOOL AID FUND APPROPRIATION UNDER SECTION 11 THERE
11 IS ALLOCATED FOR 2019-2020 ONLY AN AMOUNT NOT TO EXCEED
12 \$35,000,000.00 FOR 1-TIME PAYMENTS TO DISTRICTS AND PUBLIC SCHOOL
13 ACADEMIES FOR CAPITAL IMPROVEMENTS IN SUPPORT OF PROGRAMMING AND
14 INSTRUCTION FOR AT-RISK PUPILS. THE DEPARTMENT SHALL MAKE PAYMENTS
15 UNDER THIS SUBSECTION TO DISTRICTS AND PUBLIC SCHOOL ACADEMIES IN
16 THE SAME PROPORTION AS THE SUM OF THE DISTRICT'S OR PUBLIC SCHOOL
17 ACADEMY'S PAYMENTS UNDER SUBSECTIONS (4) AND (17) REPRESENTS
18 COMPARED TO THE TOTAL PAYMENTS MADE UNDER SUBSECTIONS (4) AND (17).
19 CAPITAL IMPROVEMENTS UNDER THIS SUBSECTION MAY INCLUDE ANY TYPE OF
20 NON-ONGOING PURCHASE OR INVESTMENT THAT CAN BE USED IN SUPPORT OF
21 PROGRAMMING AND INSTRUCTION FOR AT-RISK PUPILS.

22 (21) ~~(20)~~As used in this section:

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

26 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

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

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

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

27 (c) "English language learner" means limited English

1 proficient pupils who speak a language other than English as their
2 primary language and have difficulty speaking, reading, writing, or
3 understanding English as reported to the center.

4 (d) "Statewide weighted average foundation allowance" means
5 the number that is calculated by adding together the result of each
6 district's or public school academy's foundation allowance, **NOT TO**
7 **EXCEED THE TARGET FOUNDATION ALLOWANCE FOR THE CURRENT FISCAL YEAR,**
8 or per pupil payment calculated under section 20 multiplied by the
9 number of pupils in membership in that district or public school
10 academy, and then dividing that total by the statewide number of
11 pupils in membership. ~~For the purposes of this calculation, a~~
12 ~~district's foundation allowance shall not exceed the basic~~
13 ~~foundation allowance under section 20 for the current state fiscal~~
14 ~~year.~~

15 Sec. 31b. (1) From the appropriations in section 11, there is
16 allocated an amount not to exceed \$750,000.00 for ~~2018-2019-2019-~~
17 **2020** for grants to at-risk districts for implementing a balanced
18 calendar instructional program for at least 1 of its schools.

19 (2) The department shall select districts for grants under
20 this section from among applicant districts that meet both of the
21 following:

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

23 (i) Is eligible in ~~2018-2019-2019-2020~~ for the community
24 eligibility option for free and reduced price lunch under 42 USC
25 1759a.

26 (ii) At least 50% of the pupils in membership in the district
27 met the income eligibility criteria for free breakfast, lunch, or

1 milk in the immediately preceding state fiscal year, as determined
2 under the Richard B. Russell national school lunch act, 42 USC 1751
3 to 1769j.

4 (b) The board of the district has adopted a resolution stating
5 that the district will implement for the first time a balanced
6 calendar instructional program that will begin in ~~2019-2020~~**2020-**
7 **2021** for at least 1 school operated by the district and committing
8 to providing the balanced calendar instructional program in each of
9 those schools for at least 3 school years.

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

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

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

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

24 (c) Ensuring that grant funding includes both rural and urban
25 districts.

26 (5) The amount of a grant under this section to any 1 district
27 ~~shall~~**MUST** not exceed \$750,000.00.

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

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

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

19 (9) Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
20 grant payments to districts under this section ~~shall be paid on a~~
21 schedule determined by the department.

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

27 (2) The amounts allocated from state sources under this

1 section ~~shall be~~ **ARE** used to pay the amount necessary to reimburse
2 districts for 6.0127% of the necessary costs of the state mandated
3 portion of the school lunch programs provided by those districts.
4 The **DEPARTMENT SHALL CALCULATE THE** amount due to each district
5 under this section ~~shall be computed by the department~~ using the
6 methods of calculation adopted by the Michigan supreme court in the
7 consolidated cases known as *Durant v State of Michigan*, 456 Mich
8 175 (1997).

9 (3) The payments made under this section include all state
10 payments made to districts so that each district receives at least
11 6.0127% of the necessary costs of operating the state mandated
12 portion of the school lunch program in a fiscal year.

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

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

25 (6) Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
26 payments to eligible entities other than districts under this
27 section ~~shall be paid on~~ a schedule determined by the department.

1 (7) In purchasing food for a school lunch program funded under
2 this section, **A DISTRICT OR OTHER ELIGIBLE ENTITY SHALL GIVE**
3 preference ~~shall be given~~ to food that is grown or produced by
4 Michigan businesses if it is competitively priced and of comparable
5 quality.

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

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

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

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

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

26 (4) Notwithstanding section 17b, **THE DEPARTMENT MAY MAKE**
27 payments under this section ~~may be made~~ pursuant to an agreement

1 with the department.

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

6 Sec. 31j. (1) From the general fund money appropriated in
7 section 11, there is allocated an amount not to exceed ~~\$575,000.00~~
8 **\$2,000,000.00** for ~~2018-2019-2019-2020~~ for a ~~pilot project~~ **PROGRAM**
9 to support districts **AND SPONSORS OF CHILD CARE CENTERS** in the
10 purchase of locally grown fruits and vegetables as described in
11 this section.

12 (2) ~~The department shall provide funding in an amount equal to~~
13 ~~\$125,000.00 per region to districts in prosperity regions 2, 4, 6,~~
14 ~~and 9 for the pilot project described under this section. In~~
15 ~~addition, the department shall provide funding in an amount equal~~
16 ~~to \$75,000.00 to districts in prosperity region 8 for the pilot~~
17 ~~project described under this section. From the funding to districts~~
18 ~~in subsection (1), funding~~ **FUNDING** retained by prosperity regions
19 **DISTRICTS OR THE SPONSORS OF CHILD CARE CENTERS** that administer the
20 ~~project shall~~ **PROGRAM MUST** not exceed 10%, and funding retained by
21 the department for administration ~~shall~~ **MUST** not exceed 6%. A
22 ~~prosperity region~~ **DISTRICT OR THE SPONSOR OF A CHILD CARE CENTER**
23 may enter into a memorandum of understanding with the department or
24 another ~~prosperity region,~~ **DISTRICT OR SPONSOR OF A CHILD CARE**
25 **CENTER,** or both, to administer the ~~project.~~ **PROGRAM.** If the
26 department administers the ~~project~~ **PROGRAM** for a ~~prosperity region,~~
27 **DISTRICT OR THE SPONSOR OF A CHILD CARE CENTER,** the department may

1 retain up to 10% of that ~~prosperity region's~~ **DISTRICT'S OR**
2 **SPONSOR'S** funding for administration **OR MAY DISTRIBUTE SOME OR ALL**
3 **OF THAT 10% TO PROJECT PARTNERS AS APPROPRIATE.**

4 (3) The department shall develop and implement a competitive
5 grant program for districts ~~within the identified prosperity~~
6 ~~regions~~ **AND SPONSORS OF CHILD CARE CENTERS** to assist in paying for
7 the costs incurred by the district **OR THE SPONSOR OF THE CHILD CARE**
8 **CENTER** to purchase or increase purchases of whole or minimally
9 processed fruits, vegetables, and legumes grown in this state. The
10 maximum amount that may be drawn down on a grant to a district
11 ~~shall be~~ **OR THE SPONSOR OF A CHILD CARE CENTER IS** based on the
12 number of meals served by the ~~school~~ district during the previous
13 school year under the Richard B. Russell national school lunch act,
14 42 USC 1751 to 1769j **OR MEALS SERVED BY THE SPONSOR OF THE CHILD**
15 **CARE CENTER IN THE PREVIOUS SCHOOL YEAR.** The department shall
16 collaborate with the Michigan department of agriculture and rural
17 development to provide training to newly participating schools **AND**
18 **CHILD CARE CENTERS** and electronic information on Michigan
19 agriculture.

20 (4) The goals of the ~~pilot project~~ **PROGRAM UNDER THIS SECTION**
21 include improving daily nutrition and eating habits for children
22 through the school **AND CHILD CARE** settings while investing in
23 Michigan's agricultural and related food business economy.

24 (5) A district **OR THE SPONSOR OF A CHILD CARE CENTER** that
25 receives a grant under this section shall use those funds for the
26 costs incurred by the ~~school~~ district **OR THE SPONSOR** to purchase
27 whole or minimally processed fruits, vegetables, and legumes that

1 meet all of the following:

2 (a) Are purchased on or after the date the district **OR THE**
3 **SPONSOR** received notification from the department of the amount to
4 be distributed to the district **OR THE SPONSOR** under this
5 subsection, including purchases made to launch meals in September
6 ~~2018-2019~~ for the ~~2018-2019-2019-2020~~ fiscal year.

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

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

11 (6) For Michigan-grown fruits, vegetables, and legumes that
12 satisfy the requirements of subsection (5), **THE DEPARTMENT SHALL**
13 **MAKE** matching reimbursements ~~shall be made~~ in an amount not to
14 exceed 10 cents for every school **OR CHILD CARE** meal that is served
15 as part of the United States Department of Agriculture's child
16 nutrition programs and that uses Michigan-grown fruits, vegetables,
17 and legumes.

18 (7) A district **OR THE SPONSOR OF A CHILD CARE CENTER** that
19 receives a grant for reimbursement under this section shall use the
20 grant to purchase whole or minimally processed fruits, vegetables,
21 and legumes that are grown in this state and, if minimally
22 processed, are also processed in this state.

23 (8) In awarding grants under this section, the department
24 shall work in conjunction with ~~prosperity region offices, DISTRICTS~~
25 **AND SPONSORS OF CHILD CARE CENTERS**, in consultation with Michigan-
26 based farm to school resource organizations, to develop scoring
27 criteria that assess an applicant's ability to procure Michigan-

grown products, prepare and menu Michigan-grown products, promote and market Michigan-grown products, and submit letters of intent from districts **OR THE SPONSORS OF CHILD CARE CENTERS** on plans for educational activities that promote the goals of the program.

(9) The department shall give preference to districts **OR SPONSORS OF CHILD CARE CENTERS** that propose educational activities that meet 1 or more of the following: promote healthy food activities; have clear educational objectives; involve parents or the community; connect to a school's **OR CHILD CARE CENTER'S** farm-to-school **OR FARM-TO-EARLY-CHILD-CARE** procurement activities; and market and promote the program, leading to increased pupil knowledge and consumption of Michigan-grown products. ~~Applications~~ **THE DEPARTMENT SHALL GIVE STRONGER WEIGHTING AND CONSIDERATION TO APPLICATIONS** with robust marketing and promotional activities. ~~shall receive stronger weighting and consideration.~~

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

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

(B) **THE** variety of school **OR CHILD CARE CENTER** sizes and geographic locations. ~~within the identified prosperity regions; and existing~~

(C) **EXISTING** or future collaboration opportunities between more than 1 district ~~in a prosperity region.~~ **OR CHILD CARE CENTER.**

(11) As a condition of receiving a grant under this section, a district **OR THE SPONSOR OF A CHILD CARE CENTER** shall provide or

1 direct its vendors to provide to ~~prosperity region offices~~ **THE**
 2 **DEPARTMENT** copies of monthly receipts that show the quantity of
 3 different Michigan-grown fruits, vegetables, and legumes purchased,
 4 the amount of money spent on each of these products, the name and
 5 Michigan location of the farm that grew the products, and the
 6 methods or plans to market and promote the program. The district
 7 ~~shall~~ **OR THE SPONSOR OF A CHILD CARE CENTER** also **SHALL** provide to
 8 the ~~prosperity region~~ **DEPARTMENT** monthly lunch numbers and lunch
 9 participation rates, and calendars or monthly menus noting when and
 10 how Michigan-grown products were used in meals. The district **OR THE**
 11 **SPONSOR OF THE CHILD CARE CENTER** and school **OR CHILD CARE CENTER**
 12 food service director or directors also shall agree to respond to
 13 brief online surveys and to provide a report that shows the
 14 percentage relationship of Michigan spending compared to total food
 15 spending. Not later than March 1, 2019, ~~2020~~, each ~~prosperity~~
 16 ~~region office, either on its own or in conjunction with another~~
 17 ~~prosperity region,~~ **DISTRICT OR EACH SPONSOR OF A CHILD CARE CENTER,**
 18 shall submit a report to the department on expected outcomes and
 19 related measurements for economic development and children's
 20 nutrition and readiness to learn based on progress so far. The
 21 report ~~shall~~ **MUST** include at least all of the following:

22 (a) The extent to which farmers and related businesses,
 23 including distributors and processors, see an increase in market
 24 opportunities and income generation through sales of Michigan or
 25 local products to districts **AND SPONSORS OF CHILD CARE CENTERS**. All
 26 of the following apply for purposes of this subdivision:

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

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

9 (ii) The ~~prosperity region office~~ **DISTRICT OR THE SPONSOR OF A**
10 **CHILD CARE CENTER** shall use purchasing data collected for the
11 ~~project~~ **PROGRAM** and surveys of school **AND CHILD CARE** food service
12 directors on the impact and success of the ~~project~~ **PROGRAM** as the
13 source for the data described in subparagraph (i).

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

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

24 (ii) The ~~prosperity region office~~ **DISTRICT OR THE SPONSOR OF A**
25 **CHILD CARE CENTER** shall use purchasing data collected for the
26 project, meal count and enrollment numbers, school menu calendars,
27 and surveys of school **AND CHILD CARE** food service directors as the

1 source for the data described in subparagraph (i).

2 (12) The department shall compile the reports provided by
 3 ~~prosperity region offices~~ **DISTRICTS AND SPONSORS OF CHILD CARE**
 4 **CENTERS** under subsection (11) into 1 legislative report. The
 5 department shall provide this report not later than April 1, ~~2019~~
 6 **2020** to the house and senate subcommittees responsible for school
 7 aid, the house and senate fiscal agencies, and the state budget
 8 director.

9 (13) **NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL MAKE**
 10 **PAYMENTS UNDER THIS SECTION ON A SCHEDULE DETERMINED BY THE**
 11 **DEPARTMENT.**

12 Sec. 31n. (1) From the ~~school mental health and support~~
 13 ~~services fund~~ money appropriated in section 11, there is allocated
 14 for ~~2018-2019-2019-2020~~ for the purposes of this section an amount
 15 not to exceed \$30,000,000.00 and from the general fund money
 16 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~
 17 **2020** for the purposes of this section an amount not to exceed
 18 \$1,300,000.00. ~~Not later than February 15, 2019, the~~ **THE** department
 19 and the department of health and human services shall ~~establish~~
 20 **CONTINUE** a program to distribute this funding to add licensed
 21 behavioral health providers for general education pupils, and shall
 22 **CONTINUE TO** seek federal Medicaid match funding for all eligible
 23 mental health and support services.

24 (2) ~~Not later than February 15, 2019, the~~ **THE** department and
 25 the department of health and human services shall ~~create~~ **MAINTAIN**
 26 an advisory council ~~and~~ **FOR PROGRAMS FUNDED UNDER THIS SECTION. THE**
 27 **ADVISORY COUNCIL SHALL** define goals for implementation of programs

1 funded under this section, and shall provide feedback on that
 2 implementation. At a minimum, the advisory council shall ~~include~~
 3 **CONSIST OF** representatives of state associations representing
 4 school health, school mental health, school counseling, education,
 5 health care, and other organizations, representatives from the
 6 department and the department of health and human services, and a
 7 representative from the school safety task force created under
 8 Executive Order No. 2018-5. The department and department of health
 9 and human services, working with the advisory council, shall
 10 determine an approach to increase capacity for mental health and
 11 support services in schools for general education pupils, and shall
 12 determine where that increase in capacity qualifies for federal
 13 Medicaid match funding.

14 (3) The advisory council shall develop a fiduciary agent
 15 checklist for intermediate districts to facilitate development of a
 16 plan to submit to the department and to the department of health
 17 and human services. The department and department of health and
 18 human services shall determine the requirements and format for
 19 intermediate districts to submit a plan for possible funding under
 20 subsection (5). ~~Applications~~ **THE DEPARTMENT SHALL MAKE APPLICATIONS**
 21 for funding for this program ~~shall be made~~ available to districts
 22 and intermediate districts not later than ~~March 1, 2019,~~ **DECEMBER**
 23 **1, 2019,** and **SHALL AWARD THE** funding ~~shall be awarded~~ not later
 24 than ~~April 1, 2019.~~ **FEBRUARY 1, 2020.**

25 (4) ~~Not later than January 1, 2019, the~~ **THE** department of
 26 health and human services shall seek to amend the state Medicaid
 27 plan or obtain appropriate Medicaid waivers as necessary for the

1 purpose of generating additional Medicaid match funding for school
 2 mental health and support services for general education pupils. ~~It~~
 3 ~~is the intent of the legislature~~ **THE INTENT IS** that a successful
 4 state plan amendment or other Medicaid match mechanisms will result
 5 in additional federal Medicaid match funding for both the new
 6 funding allocated under this section and for any expenses already
 7 incurred by districts and intermediate districts for mental health
 8 and support services for general education pupils.

9 (5) From the funds allocated under subsection (1), there is
 10 allocated **FOR 2019-2020** an amount not to exceed \$5,000,000.00 to be
 11 distributed to the existing network of child and adolescent health
 12 centers to place a licensed master's level behavioral health
 13 provider in schools that do not currently have services available
 14 to general education students. Existing child and adolescent health
 15 centers receiving funding under this subsection shall provide a
 16 commitment to maintain services and implement all available federal
 17 Medicaid match methodologies. The department of health and human
 18 services shall use all existing or additional federal Medicaid
 19 match opportunities to maximize funding allocated under this
 20 subsection. ~~Funds~~ **THE DEPARTMENT SHALL PROVIDE FUNDS** under this
 21 subsection ~~shall be provided~~ to existing child and adolescent
 22 health centers in the same proportion that funding under section
 23 31a(7) is provided to child and adolescent health centers located
 24 and operating in those districts.

25 (6) From the funds allocated under subsection (1), there is
 26 allocated **FOR 2019-2020** an amount not to exceed ~~\$16,500,000.00~~
 27 **\$24,500,000.00** to be distributed to intermediate districts for the

1 provision of mental health and support services to general
2 education students. From the funds allocated under this subsection,
3 the department shall distribute ~~\$294,500.00~~ **\$437,500.00** to each
4 intermediate district that submits a plan approved by the
5 department and the department of health and human services. The
6 department and department of health and human services shall work
7 cooperatively in providing oversight and assistance to intermediate
8 districts during the plan submission process and shall monitor the
9 program upon implementation. An intermediate district shall use
10 funds awarded under this subsection to provide funding to its
11 constituent districts, including public school academies that are
12 considered to be constituent districts under section 705(7) of the
13 revised school code, MCL 380.705, for the provision of mental
14 health and support services to general education students. In
15 addition to the criteria identified under subsection (7), an
16 intermediate district shall consider geography, cost, or other
17 challenges when awarding funding to its constituent districts. If
18 funding awarded to an intermediate district remains after funds are
19 provided by the intermediate district to its constituent districts,
20 the intermediate district may hire or contract for experts to
21 provide mental health and support services to general education
22 students residing within the boundaries of the intermediate
23 district.

24 (7) A district requesting funds under this section from the
25 intermediate district in which it is located shall submit an
26 application for funding for the provision of mental health and
27 support services to general education pupils. A district receiving

1 funding from the application process described in this subsection
2 shall provide services to nonpublic students upon request. An
3 intermediate district shall not discriminate against an application
4 submitted by a public school academy simply on the basis of the
5 applicant being a public school academy. ~~Grant~~ **THE DEPARTMENT SHALL**
6 **APPROVE GRANT** applications ~~shall be approved~~ based on the following
7 criteria:

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

11 (b) The district's commitment to implement all federal
12 Medicaid match methodologies and provide a local match of at least
13 20%.

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

17 (d) The extent of the district's existing partnerships with
18 community health care providers or the ability of the district to
19 establish such partnerships.

20 (e) The district's documentation of need, including gaps in
21 current mental health and support services for the general
22 education population.

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

25 (g) Whether the district will participate in ongoing
26 trainings.

27 (h) Whether the district will submit an annual report to the

1 state.

2 (i) Whether the district demonstrates a willingness to work
3 with the state to establish program and service delivery
4 benchmarks.

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

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

9 (8) Funding under this section, including any federal Medicaid
10 funds that are generated, ~~shall~~**MUST** not be used to supplant
11 existing services.

12 (9) Both of the following are allocated for ~~2018-2019-2019-~~
13 **2020** to the department of health and human services from the
14 general fund money allocated under subsection (1):

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

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

23 (10) From the funds allocated under subsection (1), there is
24 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
25 \$500,000.00 to intermediate districts on an equal per intermediate
26 district basis for the purpose of administering programs funded
27 under this section.

1 (11) The department and the department of health and human
2 services shall work with the advisory council to develop proposed
3 measurements of outcomes and performance. Those measurements shall
4 include, at a minimum, the number of pupils served, the number of
5 schools served, and where those pupils and schools were located.
6 The department and the department of health and human services
7 shall compile data necessary to measure outcomes and performance,
8 and districts and intermediate districts receiving funding under
9 this section shall provide data requested by the department and
10 department of health and human services for the measurement of
11 outcomes and performance. The department and department of health
12 and human services shall provide a report not later than December
13 1, 2019 and by December 1 annually thereafter to the house and
14 senate appropriations subcommittees on school aid and health and
15 human services, and to the house and senate fiscal agencies. At a
16 minimum, the report ~~shall~~ **MUST** include measurements of outcomes and
17 performance, proposals to increase efficacy and usefulness,
18 proposals to increase performance, and proposals to expand
19 coverage.

20 ~~—— (12) From the funds allocated in subsection (1), there is~~
21 ~~allocated for 2018-2019 an amount not to exceed \$8,000,000.00 for~~
22 ~~the behavioral health team pilot program. The department shall~~
23 ~~award funds under this subsection to intermediate school districts~~
24 ~~to create school-based behavioral health assessment teams utilizing~~
25 ~~a "train the trainer" model of training that focuses on providing~~
26 ~~age-appropriate interventions, identifying behaviors that suggest a~~
27 ~~pupil may be struggling with mental health challenges, providing~~

~~treatment and support of the pupil, and using disciplinary interventions and the criminal justice system as methods of last resort. The intermediate district may hire or contract with experts to provide training to intermediate district staff so that it may provide similar training for staff of the constituent districts. The department shall award the entire \$8,000,000.00 allocated under this subsection by allocating an equal dollar amount to each intermediate district that has its application approved under subsection (13).~~

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

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

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

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

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

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

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

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

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

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

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

1 prioritization guidelines. A child who is not 4 years of age as of
2 September 1, but who will be 4 years of age not later than December
3 1, is eligible to participate if the child's parent or legal
4 guardian seeks a waiver from the September 1 eligibility date by
5 submitting a request for enrollment in a program to the responsible
6 intermediate district, if the program has capacity on or after
7 September 1 of the school year, and if the child meets eligibility
8 and prioritization guidelines.

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

20 (3) In addition to the allocation under subsection (1), from
21 the general fund money appropriated under section 11, there is
22 allocated an amount not to exceed \$300,000.00 for ~~2018-2019-2019-~~
23 **2020** for a competitive grant to continue a longitudinal evaluation
24 of children who have participated in great start readiness
25 programs. **THIS EVALUATION MUST INCLUDE A SCIENTIFIC ANALYSIS OF THE**
26 **RELATIONSHIP BETWEEN THE EARLY CHILDHOOD PROGRAMS AND PERFORMANCE**
27 **ON THE KINDERGARTEN READINESS ASSESSMENT FUNDED UNDER SECTION 104.**

1 THE EVALUATION MUST INCLUDE A CONTROL GROUP AND A DETERMINATION OF
2 THE SPECIFIC GSRP PROGRAM IN WHICH THE KINDERGARTEN STUDENTS WERE
3 ENROLLED AND ATTENDED IN THE PREVIOUS SCHOOL YEAR AND MUST ANALYZE
4 MICHIGAN KINDERGARTEN ENTRY OBSERVATION TOOL SCORES FOR STUDENTS
5 TAKING THE MICHIGAN KINDERGARTEN ENTRY OBSERVATION TOOL IN THE
6 PILOT YEAR, YEAR 1, AND ALL YEARS GOING FORWARD.

7 (4) To be eligible for funding under this section, a program
8 ~~shall~~**MUST** prepare children for success in school through
9 comprehensive part-day, school-day, or GSRP/Head Start blended
10 programs that contain all of the following program components, as
11 determined by the department:

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

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

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

22 (d) Physical and dental health and developmental screening
23 services for all program participants.

24 (e) Referral services for families of program participants to
25 community social service agencies, including mental health
26 services, as appropriate.

27 (f) Active and continuous involvement of the parents or

1 guardians of the program participants.

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

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

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

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

19 (5) An application for funding under this section ~~shall~~**MUST**
20 provide for the following, in a form and manner determined by the
21 department:

22 (a) Ensure compliance with all program components described in
23 subsection (4).

24 (b) Except as otherwise provided in this subdivision, ensure
25 that at least 90% of the children participating in an eligible
26 great start readiness program for whom the intermediate district is
27 receiving funds under this section are children who live with

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

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

21 (i) Teachers possessing proper training. A lead teacher must
 22 have a valid teaching certificate with an early childhood (ZA or
 23 ZS) endorsement or a bachelor's or higher degree in child
 24 development or early childhood education with specialization in
 25 preschool teaching. However, if an applicant demonstrates to the
 26 department that it is unable to fully comply with this subparagraph
 27 after making reasonable efforts to comply, teachers who have

1 significant but incomplete training in early childhood education or
2 child development may be used if the applicant provides to the
3 department, and the department approves, a plan for each teacher to
4 come into compliance with the standards in this subparagraph. A
5 teacher's compliance plan must be completed within 2 years of the
6 date of employment. Progress toward completion of the compliance
7 plan ~~shall consist~~ **CONSISTS** of at least 2 courses per calendar
8 year.

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

24 (d) Include a program budget that contains only those costs
25 that are not reimbursed or reimbursable by federal funding, that
26 are clearly and directly attributable to the great start readiness
27 program, and that would not be incurred if the program were not

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

4 ~~Funds~~**AN APPLICANT SHALL NOT USE FUNDS** received under this section
5 ~~shall not be used~~ to supplant any federal funds received by the
6 applicant to serve children eligible for a federally funded
7 preschool program that has the capacity to serve those children.

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

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

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

23 (9) An intermediate district or consortium of intermediate
24 districts may retain for administrative services provided by the
25 intermediate district or consortium of intermediate districts an
26 amount not to exceed 4% of the grant amount. Expenses incurred by
27 subrecipients engaged by the intermediate district or consortium of

1 intermediate districts for directly running portions of the program
2 ~~shall be~~**ARE** considered program costs or a contracted program fee
3 for service.

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

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

1 recommending placement in an inclusive preschool setting ~~shall be~~
2 **ARE** considered to live with families with household income equal to
3 or less than 250% of the federal poverty level ~~level~~ **GUIDELINES**
4 regardless of actual family income and ~~shall be~~ **ARE** prioritized for
5 enrollment within the lowest quintile.

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

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

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

20 (a) The intermediate district or consortium notified each
21 nonparticipating licensed child care center located in the service
22 area of the intermediate district or consortium regarding the
23 center's eligibility to participate, in a manner prescribed by the
24 department.

25 (b) The intermediate district or consortium provided to each
26 nonparticipating licensed child care center located in the service
27 area of the intermediate district or consortium information

1 regarding great start readiness program requirements and a
2 description of the application and selection process for community-
3 based providers.

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

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

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

21 (a) Ensure that a great start resource center or the
22 department provides each intermediate district or consortium
23 receiving a grant under this section with the contact information
24 for each licensed child care center located in the service area of
25 the intermediate district or consortium by March 1 of each year.

26 (b) Provide, or ensure that an organization with which the
27 department contracts provides, a community-based provider with a

1 validated great start to quality rating within 90 days of the
2 provider's having submitted a request and self-assessment.

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

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

20 (16) A recipient of funds under this section shall report to
21 the center in a form and manner prescribed by the center the
22 information necessary to derive the number of children
23 participating in the program who meet the program eligibility
24 criteria under subsection (5)(b), the number of eligible children
25 not participating in the program and on a waitlist, and the total
26 number of children participating in the program by various
27 demographic groups and eligibility factors necessary to analyze

1 equitable and priority access to services for the purposes of
2 subsection (3).

3 (17) As used in this section:

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

7 **(B) "FEDERAL POVERTY GUIDELINES" MEANS THE GUIDELINES**
8 **PUBLISHED ANNUALLY IN THE FEDERAL REGISTER BY THE UNITED STATES**
9 **DEPARTMENT OF HEALTH AND HUMAN SERVICES UNDER ITS AUTHORITY TO**
10 **REVISE THE POVERTY LINE UNDER 42 USC 9902.**

11 (C) ~~(b)~~—"Part-day program" means a program that operates at
12 least 4 days per week, 30 weeks per year, for at least 3 hours of
13 teacher-child contact time per day but for fewer hours of teacher-
14 child contact time per day than a school-day program.

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

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

1 (19) From the amount ~~appropriated~~ **ALLOCATED** in subsection ~~(1)~~,
2 **(2)**, there is allocated **FOR 2019-2020** an amount not to exceed
3 \$10,000,000.00 for reimbursement of transportation costs for
4 children attending great start readiness programs funded under this
5 section. To receive reimbursement under this subsection, not later
6 than November 1, 2018, **OF EACH YEAR**, a program funded under this
7 section that provides transportation shall submit to the
8 intermediate district that is the fiscal agent for the program a
9 projected transportation budget. The amount of the reimbursement
10 for transportation under this subsection ~~shall be~~ **IS** no more than
11 the projected transportation budget or \$300.00 multiplied by the
12 number of children funded for the program under this section. If
13 the amount allocated under this subsection is insufficient to fully
14 reimburse the transportation costs for all programs that provide
15 transportation and submit the required information, **THE DEPARTMENT**
16 **SHALL PRORATE** the reimbursement ~~shall be prorated~~ in an equal
17 amount per child funded. ~~Payments shall be made~~ **THE DEPARTMENT**
18 **SHALL MAKE PAYMENTS** to the intermediate district that is the fiscal
19 agent for each program, and the intermediate district shall then
20 reimburse the program provider for transportation costs as
21 prescribed under this 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

1 intermediate district or consortia of intermediate districts all of
2 the following:

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

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

9 (c) Any other documentation or information determined
10 necessary by the department.

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

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

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

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

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

14 Sec. 32p. (1) From the appropriation in section 11, there is
15 allocated an amount not to exceed \$13,400,000.00 to intermediate
16 districts for ~~2018-2019-2019-2020~~ for the purpose of providing
17 early childhood funding to intermediate school districts to support
18 the activities under subsection (2) and subsection (4), and to
19 provide early childhood programs for children from birth through
20 age 8. The funding provided to each intermediate district under
21 this section ~~shall be~~ **IS** determined by the distribution formula
22 established by the department's office of great start to provide
23 equitable funding statewide. In order to receive funding under this
24 section, each intermediate district shall provide an application to
25 the office of great start not later than September 15 of the
26 immediately preceding fiscal year indicating the activities planned
27 to be provided.

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

8 (a) Children born healthy.

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

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

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

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

20 (a) Physical health.

21 (b) Social-emotional health.

22 (c) Family supports and basic needs.

23 (d) Parent education.

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

26 (4) From the funds allocated in subsection (1), at least
27 \$2,500,000.00 ~~shall~~ **MUST** be used for the purpose of providing home

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

21 (5) Not later than December 1 of each year, each intermediate
22 district shall provide a report to the department detailing the
23 activities actually provided during the immediately preceding
24 school year and the families and children actually served. At a
25 minimum, the report ~~shall~~**MUST** include an evaluation of the
26 services provided with additional funding under subsection (4) for
27 home visits, using the goals identified in subsection (4) as the

1 basis for the evaluation, including the degree to which school
2 readiness was improved, ~~any change in the number of pupils retained~~
3 ~~at grade level, and any change in the number of pupils receiving~~
4 ~~special education services.~~ **POSITIVE PARENTING PRACTICES WERE**
5 **IMPROVED, THERE WAS IMPROVED FAMILY ECONOMIC SELF-SUFFICIENCY, AND**
6 **COMMUNITY RESOURCES AND REFERRALS WERE UTILIZED.** The department
7 shall compile and summarize these reports and submit its summary to
8 the house and senate appropriations subcommittees on school aid and
9 to the house and senate fiscal agencies not later than February 15
10 of each year.

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

19 Sec. 35a. (1) From the appropriations in section 11, there is
20 allocated for ~~2018-2019-2019-2020~~ for the purposes of this section
21 an amount not to exceed ~~\$27,900,000.00~~ **\$41,900,000.00** from the
22 state school aid fund and an amount not to exceed \$3,500,000.00
23 from the general fund. The superintendent shall designate staff or
24 contracted employees funded under this section as critical
25 shortage. Programs funded under this section are intended to ensure
26 that this state will be ~~in the top 10 most improved states in grade~~
27 ~~4 reading proficiency by the 2019 National Assessment of~~

1 ~~Educational Progress (NAEP) and will be in the~~ A top 10 states
2 ~~overall~~ **STATE** in grade 4 reading proficiency by 2025 **ACCORDING TO**
3 **THE NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP)**.

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

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

27 (a) Phonemic awareness - segmentation, blending, and sound

1 manipulation (deletion and substitution).

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

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

4 (d) Comprehension - making meaning of text.

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

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

16 (i) Current state literacy standards for pupils in grades K to
17 3.

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

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

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

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

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

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

24 (5) From the allocations under subsection (1), there is
25 allocated an amount not to exceed \$19,900,000.00 for ~~2018-2019~~
26 **2019-2020** to districts that provide additional instructional time
27 to those pupils in grades K to 3 who have been identified by using

1 department-approved screening and diagnostic tools as needing
2 additional supports and interventions in order to be reading at
3 grade level by the end of grade 3. Additional instructional time
4 may be provided before, during, and after regular school hours or
5 as part of a year-round balanced school calendar. All of the
6 following apply to funding under this subsection:

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

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

17 (A) Team-based leadership.

18 (B) A tiered delivery system.

19 (C) Selection and implementation of instruction,
20 interventions, and supports.

21 (D) A comprehensive screening and assessment system.

22 (E) Continuous data-based decision making.

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

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

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

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

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

8 (b) ~~Funding~~ **THE DEPARTMENT SHALL DISTRIBUTE FUNDING** allocated
9 under this subsection ~~shall be distributed to~~ eligible districts on
10 an equal per-first-grade-pupil basis.

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

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

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

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

26 (i) School.

27 (ii) Grade level.

1 (iii) Gender.

2 (iv) Race.

3 (v) Ethnicity.

4 (vi) Economically disadvantaged status.

5 (vii) Disability.

6 (viii) Pupils identified as having reading deficiencies.

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

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

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

1 (ii) Whether the assessments and interventions are implemented
2 with fidelity. This portion of the report ~~shall~~**MUST** include
3 details on the total number of assessments and interventions
4 completed and the range, mean, and standard deviation.

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

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

11 (B) Average linear growth rates.

12 (C) Exit rates.

13 (D) Percentage of children who exit who also meet or exceed
14 spring benchmarks.

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

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

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

1 Michigan Education Corps and shall not condition the awarding of
2 this funding on the implementation of an independent evaluation.

3 (8) From the general fund money allocated under subsection
4 (1), there is allocated an amount not to exceed \$500,000.00 for
5 ~~2018-2019-2019-2020~~ **ONLY** for a grant to an eligible program that
6 has a goal to slow or prevent the K to 4 summer reading slide among
7 all pupils enrolled in grades K to 4, particularly those from
8 economically disadvantaged households. Funds allocated under this
9 subsection are grant funds and must be distributed by the
10 department. A program is eligible if it meets at least all of the
11 following:

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

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

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

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

23 **(C) INCORPORATES AT LEAST WEEKLY INTERACTIVE MULTILINGUAL**
24 **PARENTAL AND FAMILY ENGAGEMENT DURING THE SUMMER USING THE PARENT'S**
25 **OR GUARDIAN'S CHOICE OF MODE AND MEANS OF CONTACT INCLUDING AT**
26 **LEAST TEXT, VOICE, PUSH APP, AND ELECTRONIC MAIL, AND PROVIDES**
27 **PARENTS AND GUARDIANS WITH THE ABILITY TO REACH A BILINGUAL SUPPORT**

1 LINE OR CHAT ON ANY DAY DURING THE SUMMER.

2 (D) BUILDS ON PEDAGOGICAL AND LITERACY PRINCIPLES TO SCAFFOLD
3 FLUENCY TO IMPROVE READING COMPREHENSION USING PUPIL EXERCISES AND
4 GAMES SPECIFIC TO EACH TITLE AND DESIGNED TO BE DONE WITH A PARENT
5 OR GUARDIAN, PROVIDES A PARENT TRAINING PROGRAM GUIDE TO ALL
6 SCHOOLS, AND PROVIDES PARENTS AND GUARDIANS WITH ACCESS TO THE APP
7 TO VIEW EXERCISES IN 100+ LANGUAGES AT NO CHARGE.

8 (e) Provides at least 4, and up to 9, student-selected new
9 books to read and keep **AT NO COST TO THE STUDENT.**

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

12 ~~(g) Follows the department's top 10 in 10 goals and~~
13 ~~strategies, with an emphasis on goals 4 and 5.~~ **DOES NOT REQUIRE**
14 **SCHOOL STAFF TO PERFORM ADDITIONAL KEYING OR ENTERING OF STUDENT**
15 **DATA.**

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

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

20 (J) OFFERS THE PROGRAM TO DISTRICTS AND PUBLIC SCHOOL
21 ACADEMIES.

22 (K) DOES NOT REQUIRE STUDENTS TO HAVE INTERNET ACCESS TO
23 PARTICIPATE IN THE PROGRAM.

24 (I) ASSURES SCHOOL BUILDING STAFF ARE OFFERED TRAINING AND
25 PROFESSIONAL DEVELOPMENT ON MEANS AND METHODS TO ENGAGE CHILDREN
26 AND PARENTS AND GUARDIANS TO MITIGATE THE SUMMER READING SLIDE.

27 (9) From the state school aid fund money allocated under

subsection (1), there is allocated an amount not to exceed \$1,000,000.00 for ~~2018-2019~~ **2019-2020** to an intermediate district in which the combined total number of pupils in membership of all of its constituent districts is the fewest among all intermediate districts. All of the following apply to the funding under this subsection:

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

(i) Literacy essentials teacher and principal training modules.

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

(iii) ADULT LITERACY ESSENTIALS TRAINING, INCLUDING THE CREATION OF A RESEARCH-BASED DOCUMENT THAT OUTLINES PROCESSES AND PRACTICES DESIGNED TO INCREASE THIS STATE'S CAPACITY TO IMPROVE ADULT LITERACY AND THE CREATION OF PROFESSIONAL DEVELOPMENT TO IMPLEMENT THESE PROCESSES AND PRACTICES.

(iv) IN COLLABORATION WITH THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT, IMPROVED PROCESSES THAT CONNECT STATE RESIDENTS TO ADULT LITERACY OPPORTUNITIES, INCLUDING THE CREATION OF A STATE-SPONSORED TOLL-FREE NUMBER TO DIRECT RESIDENTS TO ADULT LITERACY EDUCATION OPPORTUNITIES AND THE CREATION OF AN EASY-TO-NAVIGATE ADULT EDUCATION RESOURCE WEBSITE, WITH LANGUAGE WRITTEN AT A GRADE 3 READING LEVEL, CONNECTING RESIDENTS TO THE TOLL-FREE

1 NUMBER AND TO ADULT LITERACY EDUCATION PROGRAMS ACROSS THIS STATE.

2 (b) Not later than September 1 of each year, the intermediate
3 district described in this subsection, in consultation with grant
4 recipients, shall submit a report to the chairs of the senate and
5 house appropriations subcommittees on state school aid and the
6 chairs of the senate and house standing committees responsible for
7 education legislation. The report described under this subdivision
8 must include student achievement results in English language arts
9 and survey results with feedback from parents and teachers
10 regarding the initiatives implemented under this subsection.

11 (C) THE INTERMEDIATE DISTRICT DESCRIBED IN THIS SUBSECTION, IN
12 PARTNERSHIP WITH AN ASSOCIATION THAT REPRESENTS INTERMEDIATE
13 DISTRICT ADMINISTRATORS IN THIS STATE, SHALL USE NOT MORE THAN
14 \$300,000.00 OF THE FUNDING ALLOCATED IN SUBSECTION (9) FOR THE
15 PURPOSE OF PROVIDING LITERACY TRAINING, MODELING, COACHING, AND
16 FEEDBACK FOR DISTRICT AND PUBLIC SCHOOL ACADEMY PRINCIPALS. THE
17 TRAINING MUST USE THE PRE-K AND K-3 ESSENTIAL INSTRUCTIONAL
18 PRACTICES IN LITERACY CREATED BY THE GENERAL EDUCATION LEADERSHIP
19 NETWORK AS THE FRAMEWORK FOR ALL TRAINING. TRAINING MUST BE
20 PROVIDED IN 5 REGIONS IN THE STATE TO PROVIDE EASY ACCESS FOR ALL
21 PRINCIPALS. IN ADDITION, TRAINING MUST BE COMPETENCY-BASED AND MUST
22 LEAD TO BOTH CREDIT TOWARD REQUIRED CONTINUING EDUCATION HOURS AND
23 A MICRO-CREDENTIAL IN LITERACY INSTRUCTION.

24 (10) IF A DISTRICT OR INTERMEDIATE DISTRICT EXPENDS ANY
25 FUNDING RECEIVED UNDER SUBSECTION (4) OR (5) FOR PROFESSIONAL
26 DEVELOPMENT IN RESEARCH-BASED EFFECTIVE READING INSTRUCTION, THE
27 DISTRICT OR INTERMEDIATE DISTRICT SHALL SELECT A PROFESSIONAL

1 DEVELOPMENT PROGRAM FROM THE LIST DESCRIBED UNDER SUBDIVISION (A).
2 ALL OF THE FOLLOWING APPLY TO THE REQUIREMENT UNDER THIS
3 SUBSECTION:

4 (A) THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS FOR
5 PROFESSIONAL DEVELOPMENT PROGRAMS IN RESEARCH-BASED EFFECTIVE
6 READING INSTRUCTION TO DEVELOP AN INITIAL APPROVED LIST OF
7 PROFESSIONAL DEVELOPMENT PROGRAMS IN RESEARCH-BASED EFFECTIVE
8 READING INSTRUCTION. THE DEPARTMENT SHALL COMPLETE AND MAKE THE
9 INITIAL APPROVED LIST PUBLIC NOT LATER THAN DECEMBER 1, 2019. AFTER
10 DECEMBER 1, 2019, THE DEPARTMENT SHALL DETERMINE IF IT WILL, ON A
11 ROLLING BASIS, APPROVE ANY NEW PROPOSALS SUBMITTED FOR ADDITION TO
12 ITS INITIAL APPROVED LIST.

13 (B) TO BE INCLUDED AS AN APPROVED PROFESSIONAL DEVELOPMENT
14 PROGRAM IN RESEARCH-BASED EFFECTIVE READING INSTRUCTION UNDER
15 SUBDIVISION (A), AN APPLICANT MUST DEMONSTRATE TO THE DEPARTMENT IN
16 WRITING THE PROGRAM'S COMPETENCY IN ALL OF THE FOLLOWING TOPICS:

17 (i) UNDERSTANDING OF PHONEMIC AWARENESS, PHONICS, FLUENCY,
18 VOCABULARY, AND COMPREHENSION.

19 (ii) APPROPRIATE USE OF ASSESSMENTS AND DIFFERENTIATED
20 INSTRUCTION.

21 (iii) SELECTION OF APPROPRIATE INSTRUCTIONAL MATERIALS.

22 (iv) APPLICATION OF RESEARCH-BASED INSTRUCTIONAL PRACTICES.

23 (C) AS USED IN THIS SUBSECTION, "EFFECTIVE READING
24 INSTRUCTION" MEANS READING INSTRUCTION SCIENTIFICALLY PROVEN TO
25 RESULT IN IMPROVEMENT IN PUPIL READING SKILLS.

26 (11) ~~(10)~~ Notwithstanding section 17b, THE DEPARTMENT SHALL
27 MAKE payments made under subsection (9) shall be made not later

~~than March 1, 2019.~~ **SUBSECTIONS (7), (8), AND (9) ON A SCHEDULE
DETERMINED BY THE DEPARTMENT.**

Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an application, in a form and manner prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. ~~The application shall not require an~~ **AN** eligible applicant **IS NOT REQUIRED** to amend the applicant's current accounting cycle or adopt this state's fiscal year accounting cycle in accounting for financial transactions under this section. The application ~~shall~~ **MUST** include all of the following:

(a) For ~~2018-2019~~ calculations, ~~the~~ **THE** estimated total number of children in the community who meet the criteria of section 32d, as provided to the applicant by the department utilizing the most recent population data available from the American Community Survey conducted by the United States Census Bureau. ~~Beginning in 2018-2019, the~~ **THE** department shall ensure that it provides updated American Community Survey population data at least once every 3 years.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served exclusively by Head Start programs operating in the community.

(c) The number of children whom the applicant has the capacity to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

(2) After notification of funding allocations, an applicant receiving funds under section 32d shall also submit an

1 implementation plan for approval, in a form and manner prescribed
2 by the department, by a date specified by the department, that
3 details how the applicant complies with the program components
4 established by the department pursuant to section 32d.

5 (3) The initial allocation to each eligible applicant under
6 section 32d ~~shall be~~ **IS** the lesser of the following:

7 (a) The sum of the number of children served in a school-day
8 program in the preceding school year multiplied by \$7,250.00 and
9 the number of children served in a GSRP/Head Start blended program
10 or a part-day program in the preceding school year multiplied by
11 \$3,625.00.

12 (b) The sum of the number of children the applicant has the
13 capacity to serve in ~~2018-2019~~ **THE CURRENT SCHOOL YEAR** in a school-
14 day program multiplied by \$7,250.00 and the number of children
15 served in a GSRP/Head Start blended program or a part-day program
16 the applicant has the capacity to serve in ~~2018-2019~~ **THE CURRENT**
17 **SCHOOL YEAR** multiplied by \$3,625.00.

18 (4) If funds remain after the allocations under subsection
19 (3), the department shall distribute the remaining funds to each
20 intermediate district or consortium of intermediate districts that
21 serves less than the state percentage benchmark determined under
22 subsection (5). ~~These~~ **THE DEPARTMENT SHALL DISTRIBUTE THESE**
23 remaining funds ~~shall be distributed~~ to each eligible applicant
24 based upon each applicant's proportionate share of the remaining
25 unserved children necessary to meet the statewide percentage
26 benchmark in intermediate districts or consortia of intermediate
27 districts serving less than the statewide percentage benchmark.

1 When all applicants have been given the opportunity to reach the
2 statewide percentage benchmark, the statewide percentage benchmark
3 may be reset, as determined by the department, until greater equity
4 of opportunity to serve eligible children across all intermediate
5 school districts has been achieved.

6 (5) For the purposes of subsection (4), ~~for the 2018-2019~~
7 ~~program year,~~ the department shall calculate a percentage of
8 children served by each intermediate district or consortium of
9 intermediate districts by dividing the number of children served in
10 the immediately preceding year by that intermediate district or
11 consortium by the total number of children within the intermediate
12 district or consortium of intermediate districts who meet the
13 criteria of section 32d as determined by the department utilizing
14 the most recent population data available from the American
15 Community Survey conducted by the United States Census Bureau. The
16 department shall compare the resulting percentage of eligible
17 children served to a statewide percentage benchmark to determine if
18 the intermediate district or consortium is eligible for additional
19 funds under subsection (4). ~~For 2018-2019, the~~ **THE** statewide
20 percentage benchmark is 60%.

21 (6) If, taking into account the total amount to be allocated
22 to the applicant as calculated under this section, an applicant
23 determines that it is able to include additional eligible children
24 in the great start readiness program without additional funds under
25 section 32d, the applicant may include additional eligible children
26 but ~~shall~~ **DOES** not receive additional funding under section 32d for
27 those children.

1 (7) The department shall review the program components under
2 section 32d and under this section at least biennially. The
3 department also shall convene a committee of internal and external
4 stakeholders at least once every 5 years to ensure that the funding
5 structure under this section reflects current system needs under
6 section 32d.

7 (8) As used in this section, "school-day program", "GSRP/Head
8 Start blended program", and "part-day program" mean those terms as
9 defined in section 32d.

10 Sec. 39a. (1) From the federal funds appropriated in section
11 11, there is allocated for ~~2018-2019-2019-2020~~ to districts,
12 intermediate districts, and other eligible entities all available
13 federal funding, estimated at ~~\$730,600,000.00~~ **\$725,600,000.00** for
14 the federal programs under the no child left behind act of 2001,
15 Public Law 107-110, or the every student succeeds act, Public Law
16 114-95. These funds are allocated as follows:

17 (a) An amount estimated at \$1,200,000.00 for ~~2018-2019-2019-~~
18 **2020** to provide students with drug- and violence-prevention
19 programs and to implement strategies to improve school safety,
20 funded from DED-OESE, drug-free schools and communities funds.

21 (b) An amount estimated at \$100,000,000.00 for ~~2018-2019-2019-~~
22 **2020** for the purpose of preparing, training, and recruiting high-
23 quality teachers and class size reduction, funded from DED-OESE,
24 improving teacher quality funds.

25 (c) An amount estimated at \$11,000,000.00 for ~~2018-2019-2019-~~
26 **2020** for programs to teach English to limited English proficient
27 (LEP) children, funded from DED-OESE, language acquisition state

1 grant funds.

2 (d) An amount estimated at \$2,800,000.00 for ~~2018-2019-2019-~~
3 **2020** for rural and low income schools, funded from DED-OESE, rural
4 and low income school funds.

5 (e) An amount estimated at \$535,000,000.00 for ~~2018-2019-2019-~~
6 **2020** to provide supplemental programs to enable educationally
7 disadvantaged children to meet challenging academic standards,
8 funded from DED-OESE, title I, disadvantaged children funds.

9 (f) An amount estimated at \$9,200,000.00 for ~~2018-2019-2019-~~
10 **2020** for the purpose of identifying and serving migrant children,
11 funded from DED-OESE, title I, migrant education funds.

12 (g) An amount estimated at \$39,000,000.00 for ~~2018-2019-2019-~~
13 **2020** for the purpose of providing high-quality extended learning
14 opportunities, after school and during the summer, for children in
15 low-performing schools, funded from DED-OESE, twenty-first century
16 community learning center funds.

17 (h) An amount estimated at \$12,000,000.00 for ~~2018-2019-2019-~~
18 **2020** to help support local school improvement efforts, funded from
19 DED-OESE, title I, local school improvement grants.

20 (i) An amount estimated at \$15,400,000.00 for ~~2018-2019-2019-~~
21 **2020** to improve the academic achievement of students, funded from
22 DED-OESE, title IV, student support and academic enrichment grants.

23 ~~—— (j) An amount estimated at \$5,000,000.00 for 2018-2019 for the~~
24 ~~remaining balance of the amount appropriated under the former~~
25 ~~section 32r, for federal funding awarded to this state under~~
26 ~~sections 14005, 14006, and 14013 of title XIV of the American~~
27 ~~recovery and reinvestment act of 2009, Public Law 111-5, for the~~

1 ~~race to the top early learning challenge grant.~~

2 (2) From the federal funds appropriated in section 11, there
3 is allocated for ~~2018-2019~~ **2019-2020** to districts, intermediate
4 districts, and other eligible entities all available federal
5 funding, estimated at ~~\$51,200,000.00 for 2018-2019~~ **\$49,100,000.00**
6 **FOR 2019-2020** for the following programs that are funded by federal
7 grants:

8 (a) An amount estimated at \$100,000.00 for ~~2018-2019~~ **2019-2020**
9 for acquired immunodeficiency syndrome education grants, funded
10 from HHS - Centers for Disease Control and Prevention, AIDS
11 funding.

12 (b) An amount estimated at \$1,900,000.00 for ~~2018-2019~~ **2019-**
13 **2020** to provide services to homeless children and youth, funded
14 from DED-OVAE, homeless children and youth funds.

15 (c) An amount estimated at \$4,000,000.00 for ~~2018-2019~~ **2019-**
16 **2020** to provide mental health, substance abuse, or violence
17 prevention services to students, funded from HHS-SAMHSA.

18 (d) An amount estimated at \$24,000,000.00 for ~~2018-2019~~ **2019-**
19 **2020** for providing career and technical education services to
20 pupils, funded from DED-OVAE, basic grants to states.

21 (e) An amount estimated at \$14,000,000.00 for ~~2018-2019~~ **2019-**
22 **2020** for the Michigan charter school subgrant program, funded from
23 DED-OII, public charter schools program funds.

24 (f) An amount estimated at ~~\$7,200,000.00 for 2018-2019~~
25 **\$5,100,000.00 FOR 2019-2020** for the purpose of promoting and
26 expanding high-quality preschool services, funded from HHS-OCC,
27 preschool development funds.

1 (3) ~~All~~ **THE DEPARTMENT SHALL DISTRIBUTE ALL** federal funds
2 allocated under this section ~~shall be distributed~~ in accordance
3 with federal law and with flexibility provisions outlined in Public
4 Law 107-116, and in the education flexibility partnership act of
5 1999, Public Law 106-25. Notwithstanding section 17b, **THE**
6 **DEPARTMENT SHALL MAKE** payments of federal funds to districts,
7 intermediate districts, and other eligible entities under this
8 section ~~shall be paid~~ on a schedule determined by the department.

9 (4) For the purposes of applying for federal grants
10 appropriated under this article, the department shall allow an
11 intermediate district to submit a consortium application on behalf
12 of 2 or more districts with the agreement of those districts as
13 appropriate according to federal rules and guidelines.

14 (5) For the purposes of funding federal title I grants under
15 this article, in addition to any other federal grants for which a
16 **THE** strict discipline academy is eligible, the department shall
17 allocate to ~~A strict discipline academy~~ **ACADEMY** out of title I,
18 part A ~~funds~~ **AN AMOUNT** equal to what a ~~THE~~ strict discipline
19 academy would have received if included and calculated under title
20 I, part D, or what it would receive under the formula allocation
21 under title I, part A, whichever is greater.

22 (6) 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-OII" means the DED Office of Innovation and
27 Improvement.

1 (d) "DED-OVAE" means the DED Office of Vocational and Adult
2 Education.

3 (e) "HHS" means the United States Department of Health and
4 Human Services.

5 (f) "HHS-OCC" means the HHS Office of Child Care.

6 (g) "HHS-SAMHSA" means the HHS Substance Abuse and Mental
7 Health Services Administration.

8 Sec. 41. (1) For a district or public school academy to be
9 eligible to receive funding under this section, the district or
10 public school academy must administer to English language learners
11 the English language proficiency assessment known as the "WIDA
12 ACCESS for English language learners" or the "WIDA Alternate
13 ACCESS". From the appropriation in section 11, there is allocated
14 an amount not to exceed \$6,000,000.00 for ~~2018-2019~~ **2019-2020** for
15 payments to eligible districts and eligible public school academies
16 for services for English language learners who have been
17 administered the WIDA ACCESS for English language learners.

18 (2) ~~Funding~~ **THE DEPARTMENT SHALL DISTRIBUTE FUNDING** allocated
19 under this section ~~shall be distributed to~~ eligible districts and
20 eligible public school academies based on the number of full-time
21 equivalent English language learners as follows:

22 (a) \$620.00 per full-time equivalent English language learner
23 who has been assessed under the WIDA ACCESS for English language
24 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA
25 Alternate ACCESS composite score between 1.0 and 1.9, or less, as
26 applicable to each assessment.

27 (b) \$410.00 per full-time equivalent English language learner

1 who has been assessed under the WIDA ACCESS for English language
2 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA
3 Alternate ACCESS composite score between 2.0 and 2.9, or less, as
4 applicable to each assessment.

5 (3) If funds allocated under this section are insufficient to
6 fully fund the payments as prescribed under subsection (2), **THE**
7 **DEPARTMENT SHALL PRORATE** payments ~~shall be prorated~~ on an equal
8 percentage basis, with the same percentage proration applied to
9 both funding categories.

10 (4) Each district or public school academy receiving funds
11 under this section shall submit to the department by July 15 of
12 each fiscal year a report, not to exceed 10 pages, on the usage by
13 the district or public school academy of funds under this section,
14 in a form and manner determined by the department, ~~which shall~~
15 ~~include~~**INCLUDING** a brief description of each program conducted or
16 services performed by the district or public school academy using
17 funds under this section and the amount of funds under this section
18 allocated to each of those programs or services. If a district or
19 public school academy does not comply with this section, the
20 department shall withhold an amount equal to the August payment due
21 under this section until the district or public school academy
22 complies with this subsection. If the district or public school
23 academy does not comply with this section by the end of the state
24 fiscal year, the withheld funds ~~shall be~~**ARE** forfeited to the
25 school aid fund.

26 (5) In order to receive funds under this section, a district
27 or public school academy shall allow access for the department or

Senate Bill No. 146 as amended May 14, 2019

1 the department's designee to audit all records related to the
2 program for which it receives those funds. The district or public
3 school academy shall reimburse this state for all disallowances
4 found in the audit.

5 (6) Beginning July 1, 2020, and every 3 years thereafter, the
6 department shall review the per-pupil distribution under subsection
7 (2), to ensure that funding levels are appropriate and make
8 recommendations for adjustments to the members of the senate and
9 house subcommittees on K-12 school aid appropriations.

10 Sec. 51a. (1) From the appropriation in section 11, there is
11 allocated an amount not to exceed ~~\$960,446,100.00 for 2017-2018~~
12 **\$1,009,296,100.00 FOR 2018-2019** and there is allocated an amount
13 not to exceed ~~\$983,196,100.00 for 2018-2019~~ **<<\$1,045,496,100.00 >>FOR**
14 **2019-2020** from state sources and all available federal funding
15 under sections 611 to 619 of part B of the individuals with
16 disabilities education act, 20 USC 1411 to 1419, estimated at
17 \$370,000,000.00 each fiscal year for ~~2017-2018-2018-2019~~ and for
18 ~~2018-2019, 2019-2020~~, plus any carryover federal funds from
19 previous year appropriations. In addition, from the general fund
20 appropriation in section 11, there is allocated to the department
21 an amount not to exceed \$500,000.00 for each fiscal year for ~~2017-~~
22 ~~2018-2018-2019~~ and for ~~2018-2019-2019-2020~~ for the purpose of
23 subsection (16). The allocations under this subsection are for the
24 purpose of reimbursing districts and intermediate districts for
25 special education programs, services, and special education
26 personnel as prescribed in article 3 of the revised school code,
27 MCL 380.1701 to 380.1761; net tuition payments made by intermediate

districts to the Michigan Schools for the Deaf and Blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals or other entities, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared ~~pursuant to~~ **UNDER** article 3 of the revised school code, MCL 380.1701 to 380.1761. Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE** payments of federal funds to districts, intermediate districts, and other eligible entities under this section ~~shall be paid on~~ a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, ~~and estimated at \$266,900,000.00 for 2017-2018~~ **\$286,800,000.00 FOR 2018-2019** and estimated at ~~\$273,100,000.00 for 2018-2019,~~ **\$297,800,000.00 FOR 2019-2020**, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection ~~shall be~~ **ARE** made as follows:

(a) The **DEPARTMENT SHALL CALCULATE THE** initial amount allocated to a district under this subsection toward fulfilling the

1 specified percentages ~~shall be calculated by~~ multiplying the
 2 district's special education pupil membership, excluding pupils
 3 described in subsection (11), times the foundation allowance under
 4 section 20 of the pupil's district of residence, ~~plus the amount of~~
 5 ~~the district's per pupil allocation under section 20m,~~ not to
 6 exceed the basic foundation allowance under section 20 for the
 7 ~~current 2018-2019~~ fiscal year **AND BEGINNING WITH 2019-2020 NOT TO**
 8 **EXCEED THE TARGET FOUNDATION ALLOWANCE FOR THE CURRENT FISCAL YEAR,**
 9 or, for a special education pupil in membership in a district that
 10 is a public school academy, times an amount equal to the amount per
 11 membership pupil calculated under section 20(6). For an
 12 intermediate district, the amount allocated under this subdivision
 13 toward fulfilling the specified percentages ~~shall be~~ **IS** an amount
 14 per special education membership pupil, excluding pupils described
 15 in subsection (11), and ~~shall be~~ **IS** calculated in the same manner
 16 as for a district, using the foundation allowance under section 20
 17 of the pupil's district of residence, not to exceed the basic
 18 foundation allowance under section 20 for the ~~current 2018-2019~~
 19 fiscal year, ~~and that district's per pupil allocation under~~
 20 ~~section 20m.~~ **AND BEGINNING WITH 2019-2020 NOT TO EXCEED THE TARGET**
 21 **FOUNDATION ALLOWANCE FOR THE CURRENT FISCAL YEAR.**

22 (b) After the allocations under subdivision (a), ~~districts and~~
 23 ~~intermediate districts~~ **THE DEPARTMENT SHALL PAY A DISTRICT OR**
 24 **INTERMEDIATE DISTRICT** for which the payments calculated under
 25 subdivision (a) do not fulfill the specified percentages ~~shall be~~
 26 ~~paid~~ the amount necessary to achieve the specified percentages for
 27 the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed ~~\$1,300,000.00~~ **\$1,200,000.00** and there is allocated **FOR 2019-2020** an amount not to exceed ~~\$1,300,000.00 for 2018-2019~~ **\$1,000,000.00** to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. ~~Adjustments-~~ **THE DEPARTMENT SHALL MAKE ADJUSTMENTS** for reductions in special education program operations or services ~~shall be made~~ in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the **DEPARTMENT SHALL PAY THE** shortfall ~~shall be paid~~ to the district or intermediate district during the fiscal year beginning on the October 1

1 following the determination and **SHALL ADJUST** payments under
2 subsection (3) ~~shall be adjusted~~ as necessary. If the department
3 determines that the sum of the amounts allocated for a fiscal year
4 to a district or intermediate district under subsection (2)(a) and
5 (b) exceeds the sum of the amount necessary to fulfill the
6 specified percentages in subsection (2), then the department shall
7 deduct the amount of the excess from the district's or intermediate
8 district's payments under this article for the fiscal year
9 beginning on the October 1 following the determination and **SHALL**
10 **ADJUST** payments under subsection (3) ~~shall be adjusted~~ as
11 necessary. However, if the amount allocated under subsection (2)(a)
12 in itself exceeds the amount necessary to fulfill the specified
13 percentages in subsection (2), there ~~shall be~~ **IS** no deduction under
14 this subsection.

15 (5) State funds ~~shall be~~ **ARE** allocated on a total approved
16 cost basis. Federal funds ~~shall be~~ **ARE** allocated under applicable
17 federal requirements, except that an amount not to exceed
18 \$3,500,000.00 may be allocated by the department each fiscal year
19 for ~~2017-2018 and for 2018-2019~~ **AND FOR 2019-2020** to districts,
20 intermediate districts, or other eligible entities on a competitive
21 grant basis for programs, equipment, and services that the
22 department determines to be designed to benefit or improve special
23 education on a statewide scale.

24 (6) From the amount allocated in subsection (1), there is
25 allocated an amount not to exceed \$2,200,000.00 each fiscal year
26 for ~~2017-2018 and for 2018-2019~~ **AND FOR 2019-2020** to reimburse 100%
27 of the net increase in necessary costs incurred by a district or

1 intermediate district in implementing the revisions in the
2 administrative rules for special education that became effective on
3 July 1, 1987. As used in this subsection, "net increase in
4 necessary costs" means the necessary additional costs incurred
5 solely because of new or revised requirements in the administrative
6 rules minus cost savings permitted in implementing the revised
7 rules. ~~Net~~ **THE DEPARTMENT SHALL DETERMINE NET** increase in necessary
8 costs ~~shall be determined~~ in a manner specified by the department.

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

11 (a) "Total approved costs of special education" ~~shall be~~ **ARE**
12 determined in a manner specified by the department and may include
13 indirect costs, but ~~shall~~ **MUST** not exceed 115% of approved direct
14 costs for section 52 and section 53a programs. The total approved
15 costs include salary and other compensation for all approved
16 special education personnel for the program, including payments for
17 ~~social security~~ **SOCIAL SECURITY** and Medicare and public school
18 employee retirement system contributions. The total approved costs
19 do not include salaries or other compensation paid to
20 administrative personnel who are not special education personnel as
21 defined in section 6 of the revised school code, MCL 380.6. Costs
22 reimbursed by federal funds, other than those federal funds
23 included in the allocation made under this article, are not
24 included. Special education approved personnel not utilized full
25 time in the evaluation of students or in the delivery of special
26 education programs, ancillary, and other related services ~~shall be~~
27 **ARE** reimbursed under this section only for that portion of time

1 actually spent providing these programs and services, with the
2 exception of special education programs and services provided to
3 youth placed in child caring institutions or juvenile detention
4 programs approved by the department to provide an on-grounds
5 education program.

6 (b) Beginning with the 2004-2005 fiscal year, a district or
7 intermediate district that employed special education support
8 services staff to provide special education support services in
9 2003-2004 or in a subsequent fiscal year and that in a fiscal year
10 after 2003-2004 receives the same type of support services from
11 another district or intermediate district shall report the cost of
12 those support services for special education reimbursement purposes
13 under this article. This subdivision does not prohibit the transfer
14 of special education classroom teachers and special education
15 classroom aides if the pupils counted in membership associated with
16 those special education classroom teachers and special education
17 classroom aides are transferred and counted in membership in the
18 other district or intermediate district in conjunction with the
19 transfer of those teachers and aides.

20 (c) If the department determines before bookclosing for a
21 fiscal year that the amounts allocated for that fiscal year under
22 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
23 will exceed expenditures for that fiscal year under subsections
24 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
25 district or intermediate district whose reimbursement for that
26 fiscal year would otherwise be affected by subdivision (b),
27 subdivision (b) does not apply to the calculation of the

1 reimbursement for that district or intermediate district and **THE**
2 **DEPARTMENT SHALL CALCULATE** reimbursement for that district or
3 intermediate district ~~shall be calculated~~ in the same manner as it
4 was for 2003-2004. If the amount of the excess allocations under
5 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 is
6 not sufficient to fully fund the calculation of reimbursement to
7 those districts and intermediate districts under this subdivision,
8 then the **DEPARTMENT SHALL PRORATE** calculations and resulting
9 reimbursement under this subdivision ~~shall be prorated~~ on an equal
10 percentage basis. Beginning in 2015-2016, the amount of
11 reimbursement under this subdivision for a fiscal year ~~shall~~ **MUST**
12 not exceed \$2,000,000.00 for any district or intermediate district.

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

25 (e) Beginning with calculations for 2004-2005, if an
26 intermediate district purchases a special education pupil
27 transportation service from a constituent district that was

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

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

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

23 (10) If a district or intermediate district uses money
24 received under this section for a purpose other than the purpose or
25 purposes for which the money is allocated, the department may
26 require the district or intermediate district to refund the amount
27 of money received. ~~Money~~ **THE DEPARTMENT SHALL DEPOSIT MONEY** that is

1 refunded ~~shall be deposited~~ in the state treasury to the credit of
2 the state school aid fund.

3 (11) From the funds allocated in subsection (1), there is
4 allocated the amount necessary, estimated at ~~\$3,200,000.00 for~~
5 ~~2017-2018,~~ **\$2,900,000.00 FOR 2018-2019** and estimated at
6 ~~\$3,400,000.00 for 2018-2019,~~ **\$2,800,000.00 FOR 2019-2020**, to pay
7 the foundation allowances for pupils described in this subsection.
8 The **DEPARTMENT SHALL CALCULATE THE** allocation to a district under
9 this subsection ~~shall be calculated by~~ multiplying the number of
10 pupils described in this subsection who are counted in membership
11 in the district times the sum of the foundation allowance under
12 section 20 of the pupil's district of residence ~~plus the amount of~~
13 ~~the district's per pupil allocation under section 20m,~~ not to
14 exceed the basic foundation allowance under section 20 for the
15 ~~current-2018-2019~~ fiscal year **AND BEGINNING WITH 2019-2020 NOT TO**
16 **EXCEED THE TARGET FOUNDATION ALLOWANCE FOR THE CURRENT FISCAL YEAR,**
17 or, for a pupil described in this subsection who is counted in
18 membership in a district that is a public school academy, times an
19 amount equal to the amount per membership pupil under section
20 20(6). ~~or, for a pupil described in this subsection who is counted~~
21 ~~in membership in the education achievement system, times an amount~~
22 ~~equal to the amount per membership pupil under section 20(7).~~ The
23 **DEPARTMENT SHALL CALCULATE THE** allocation to an intermediate
24 district under this subsection ~~shall be calculated in the same~~
25 manner as for a district, using the foundation allowance under
26 section 20 of the pupil's district of residence, not to exceed the
27 basic foundation allowance under section 20 for the ~~current-2018-~~

1 2019 fiscal year ~~, and that district's per pupil allocation under~~
 2 ~~section 20m.~~ **AND BEGINNING WITH 2019-2020 NOT TO EXCEED THE TARGET**
 3 **FOUNDATION ALLOWANCE FOR THE CURRENT FISCAL YEAR.** This subsection
 4 applies to all of the following pupils:

5 (a) Pupils described in section 53a.

6 (b) Pupils counted in membership in an intermediate district
 7 who are not special education pupils and are served by the
 8 intermediate district in a juvenile detention or child caring
 9 facility.

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

13 (12) If it is determined that funds allocated under subsection
 14 (2) or (11) or under section 51c will not be expended, funds up to
 15 the amount necessary and available may be used to supplement the
 16 allocations under subsection (2) or (11) or under section 51c in
 17 order to fully fund those allocations. After payments under
 18 subsections (2) and (11) and section 51c, the **DEPARTMENT SHALL**
 19 **EXPEND THE** remaining ~~expenditures~~ **FUNDS** from the allocation in
 20 subsection (1) ~~shall be made~~ in the following order:

21 (a) 100% of the reimbursement required under section 53a.

22 (b) 100% of the reimbursement required under subsection (6).

23 (c) 100% of the payment required under section 54.

24 (d) 100% of the payment required under subsection (3).

25 (e) 100% of the payments under section 56.

26 (13) The allocations under subsections (2), (3), and (11)
 27 ~~shall be~~ **ARE** allocations to intermediate districts only and ~~shall~~

1 ~~not be~~ **ARE NOT** allocations to districts, but instead ~~shall be~~ **ARE**
2 calculations used only to determine the state payments under
3 section 22b.

4 (14) If a public school academy that is not a cyber school, as
5 defined in section 551 of the revised school code, MCL 380.551,
6 enrolls under this section a pupil who resides outside of the
7 intermediate district in which the public school academy is located
8 and who is eligible for special education programs and services
9 according to statute or rule, or who is a child with disabilities,
10 as defined under the individuals with disabilities education act,
11 Public Law 108-446, the intermediate district in which the public
12 school academy is located and the public school academy shall enter
13 into a written agreement with the intermediate district in which
14 the pupil resides for the purpose of providing the pupil with a
15 free appropriate public education, and the written agreement ~~shall~~
16 **MUST** include at least an agreement on the responsibility for the
17 payment of the added costs of special education programs and
18 services for the pupil. If the public school academy that enrolls
19 the pupil does not enter into an agreement under this subsection,
20 the public school academy shall not charge the pupil's resident
21 intermediate district or the intermediate district in which the
22 public school academy is located the added costs of special
23 education programs and services for the pupil, and the public
24 school academy is not eligible for any payouts based on the funding
25 formula outlined in the resident or nonresident intermediate
26 district's plan. If a pupil is not enrolled in a public school
27 academy under this subsection, the provision of special education

1 programs and services and the payment of the added costs of special
2 education programs and services for a pupil described in this
3 subsection are the responsibility of the district and intermediate
4 district in which the pupil resides.

5 (15) For the purpose of receiving its federal allocation under
6 part B of the individuals with disabilities education act, Public
7 Law 108-446, a public school academy that is a cyber school, as
8 defined in section 551 of the revised school code, MCL 380.551, and
9 is in compliance with section 553a of the revised school code, MCL
10 380.553a, ~~shall directly receive~~ **RECEIVES** the federal allocation
11 under part B of the individuals with disabilities education act,
12 Public Law 108-446, from the intermediate district in which the
13 cyber school is located, as the subrecipient. If the intermediate
14 district does not distribute the funds described in this subsection
15 to the cyber school by the part B application due date of July 1,
16 the department may distribute the funds described in this
17 subsection directly to the cyber school according to the formula
18 prescribed in 34 CFR 300.705 and 34 CFR 300.816.

19 (16) For a public school academy that is a cyber school, as
20 defined in section 551 of the revised school code, MCL 380.551, and
21 is in compliance with section 553a of the revised school code, MCL
22 380.553a, that enrolls a pupil under this section, the intermediate
23 district in which the cyber school is located shall ensure that the
24 cyber school complies with sections 1701a, 1703, 1704, 1751, 1752,
25 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703,
26 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable
27 rules; and the individuals with disabilities education act, Public

1 Law 108-446. From the general fund appropriation under subsection
 2 (1), the department shall provide appropriate administrative
 3 funding to the intermediate district in which that cyber school is
 4 located for the purpose of ensuring that compliance.

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

9 (18) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),
 10 FROM THE STATE SCHOOL AID FUND APPROPRIATION UNDER SECTION 11 THERE
 11 IS ALLOCATED FOR 2019-2020 ONLY AN AMOUNT NOT TO EXCEED
 12 \$30,000,000.00 FOR 1-TIME PAYMENTS TO DISTRICTS AND INTERMEDIATE
 13 DISTRICTS FOR CAPITAL IMPROVEMENTS IN SUPPORT OF PROGRAMMING AND
 14 INSTRUCTION FOR SPECIAL EDUCATION PUPILS. THE DEPARTMENT SHALL MAKE
 15 PAYMENTS UNDER THIS SUBSECTION TO DISTRICTS AND INTERMEDIATE
 16 DISTRICTS IN THE SAME PROPORTION AS THE DISTRICT'S OR INTERMEDIATE
 17 DISTRICT'S SPECIAL EDUCATION COSTS AS REPORTED ON THE 2018 SE-4096
 18 ACTUAL COST REPORT REPRESENTS COMPARED TO THE TOTAL COSTS REPORTED
 19 STATEWIDE ON THE 2018 SE-4096 ACTUAL COST REPORT. CAPITAL
 20 IMPROVEMENTS UNDER THIS SUBSECTION MAY INCLUDE ANY TYPE OF NON-
 21 ONGOING PURCHASE OR INVESTMENT THAT CAN BE USED IN SUPPORT OF
 22 PROGRAMMING AND INSTRUCTION FOR SPECIAL EDUCATION PUPILS.

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 ~~2017-2018-2018-2019~~ and for ~~2018-2019-2019-2020~~ the amount
 27 necessary, estimated at ~~\$636,900,000.00 for 2017-2018 and~~

1 ~~\$651,000,000.00 for 2018-2019, \$663,500,000.00 FOR 2018-2019 AND~~
 2 ~~\$689,500,000.00 FOR 2019-2020,~~ for payments to reimburse districts
 3 for 28.6138% of total approved costs of special education excluding
 4 costs reimbursed under section 53a, and 70.4165% of total approved
 5 costs of special education transportation. ~~Funds allocated under~~
 6 ~~this section that are not expended in the state fiscal year for~~
 7 ~~which they were allocated, as determined by the department, may be~~
 8 ~~used to supplement the allocations under sections 22a and 22b in~~
 9 ~~order to fully fund those calculated allocations for the same~~
 10 ~~fiscal year.~~

11 Sec. 51d. (1) From the federal funds appropriated in section
 12 11, there is allocated for ~~2018-2019-2019-2020~~ all available
 13 federal funding, estimated at \$61,000,000.00, for special education
 14 programs and services that are funded by federal grants. ~~All-~~**THE**
 15 **DEPARTMENT SHALL DISTRIBUTE ALL** federal funds allocated under this
 16 section ~~shall be distributed~~ in accordance with federal law.
 17 Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE** payments of
 18 federal funds to districts, intermediate districts, and other
 19 eligible entities under this section ~~shall be paid~~ on a schedule
 20 determined by the department.

21 (2) From the federal funds allocated under subsection (1), the
 22 following amounts are allocated for ~~2018-2019-2019-2020~~:

23 (a) An amount estimated at \$14,000,000.00 for handicapped
 24 infants and toddlers, funded from DED-OSERS, handicapped infants
 25 and toddlers funds.

26 (b) An amount estimated at \$12,000,000.00 for preschool grants
 27 (Public Law 94-142), funded from DED-OSERS, handicapped preschool

1 incentive funds.

2 (c) An amount estimated at \$35,000,000.00 for special
3 education programs funded by DED-OSERS, handicapped program,
4 individuals with disabilities act funds.

5 (3) As used in this section, "DED-OSERS" means the United
6 States Department of Education Office of Special Education and
7 Rehabilitative Services.

8 Sec. 53a. (1) For districts, reimbursement for pupils
9 described in subsection (2) ~~shall be~~ **IS** 100% of the total approved
10 costs of operating special education programs and services approved
11 by the department and included in the intermediate district plan
12 adopted pursuant to article 3 of the revised school code, MCL
13 380.1701 to 380.1761, minus the district's foundation allowance
14 calculated under section 20. ~~and minus the district's per pupil~~
15 ~~allocation under section 20m.~~ For intermediate districts, **THE**
16 **DEPARTMENT SHALL CALCULATE** reimbursement for pupils described in
17 subsection (2) ~~shall be calculated~~ in the same manner as for a
18 district, using the foundation allowance under section 20 of the
19 pupil's district of residence, not to exceed the ~~basic~~ **TARGET**
20 foundation allowance under section 20 for the current fiscal year.
21 ~~, and that district's per pupil allocation under section 20m.~~

22 (2) Reimbursement under subsection (1) is for the following
23 special education pupils:

24 (a) Pupils assigned to a district or intermediate district
25 through the community placement program of the courts or a state
26 agency, if the pupil was a resident of another intermediate
27 district at the time the pupil came under the jurisdiction of the

1 court or a state agency.

2 (b) Pupils who are residents of institutions operated by the
3 department of health and human services.

4 (c) Pupils who are former residents of department of community
5 health institutions for the developmentally disabled who are placed
6 in community settings other than the pupil's home.

7 (d) Pupils enrolled in a department-approved on-grounds
8 educational program longer than 180 days, but not longer than 233
9 days, at a residential child care institution, if the child care
10 institution offered in 1991-92 an on-grounds educational program
11 longer than 180 days but not longer than 233 days.

12 (e) Pupils placed in a district by a parent for the purpose of
13 seeking a suitable home, if the parent does not reside in the same
14 intermediate district as the district in which the pupil is placed.

15 (3) Only those costs that are clearly and directly
16 attributable to educational programs for pupils described in
17 subsection (2), and that would not have been incurred if the pupils
18 were not being educated in a district or intermediate district, are
19 reimbursable under this section.

20 (4) The costs of transportation ~~shall be~~ **ARE** funded under this
21 section and ~~shall not be~~ **ARE NOT** reimbursed under section 58.

22 (5) ~~Not~~ **THE DEPARTMENT SHALL NOT ALLOCATE** more than
23 \$10,500,000.00 of the allocation for ~~2018-2019~~ **2019-2020** in section
24 51a(1) ~~shall be allocated~~ under this section.

25 Sec. 54. Each intermediate district ~~shall receive~~ **RECEIVES** an
26 amount per-pupil for each pupil in attendance at the Michigan
27 schools for the deaf and blind. The amount ~~shall be~~ **IS**

1 proportionate to the total instructional cost at each school. ~~Not~~
2 **THE DEPARTMENT SHALL NOT ALLOCATE** more than \$1,688,000.00 of the
3 allocation for ~~2018-2019-2019-2020~~ in section 51a(1) ~~shall be~~
4 ~~allocated under this section.~~

5 Sec. 54b. (1) From the general fund appropriation in section
6 11, there is allocated an amount not to exceed \$1,600,000.00 for
7 ~~2018-2019-2019-2020~~ to continue the implementation of the
8 recommendations of the special education reform task force
9 published in January 2016.

10 (2) The department shall use funds allocated under this
11 section for the purpose of piloting statewide implementation of the
12 Michigan Integrated Behavior and Learning Support Initiative
13 (MiBLSI), a nationally recognized program that includes positive
14 behavioral intervention and supports and provides a statewide
15 structure to support local initiatives for an integrated behavior
16 and reading program. With the assistance of the intermediate
17 districts involved in MiBLSI, the department shall identify a
18 number of intermediate districts to participate in the pilot that
19 is sufficient to ensure that MiBLSI can be implemented statewide
20 with fidelity and sustainability. In addition, the department shall
21 identify an intermediate district to act as a fiscal agent for
22 these funds.

23 Sec. 54d. (1) From the appropriations in section 11, there is
24 allocated an amount not to exceed ~~\$5,000,000.00~~ **\$7,150,000.00** for
25 ~~2018-2019-2019-2020~~ to intermediate districts for the purpose of
26 providing state early on services pilot programs for children from
27 birth to 3 years of age with a developmental delay or a disability,

1 or both, and their families, as described in the early on Michigan
2 state plan, as approved by the department.

3 (2) To be eligible to receive grant funding under ~~this~~
4 ~~section~~, **SUBSECTION (4)**, each intermediate district shall apply in
5 a form and manner determined by the department.

6 (3) The grant funding allocated under ~~this section shall~~
7 **SUBSECTION (4) MUST** be used to increase early on services and
8 resources available to children that demonstrate developmental
9 delays to help prepare them for success as they enter school. State
10 early on services include evaluating and providing early
11 intervention services for eligible infants and toddlers and their
12 families to address developmental delays, including those affecting
13 physical, cognitive, communication, adaptive, social, or emotional
14 development. Grant funds must not be used to supplant existing
15 services that are currently being provided.

16 (4) The **DEPARTMENT SHALL DISTRIBUTE THE** funds allocated under
17 subsection (1) ~~shall be distributed to~~ intermediate districts
18 according to the department's early on funding formula utilized to
19 distribute the federal award to Michigan under part C of the
20 individuals with disabilities education act. Funds received under
21 ~~this section~~ **SUBSECTION** must not supplant existing funds or
22 resources allocated for early on early intervention services. An
23 intermediate district receiving funds under this ~~section~~ **SUBSECTION**
24 shall maximize the capture of Medicaid funds to support early on
25 early intervention services to the extent possible.

26 (5) Each intermediate district that receives funds under ~~this~~
27 ~~section~~ **SUBSECTION (4)** shall report data and other information to

1 the department in a form, manner, and frequency prescribed by the
2 department to allow for monitoring and evaluation of the pilot
3 projects and to ensure that the children described in subsection
4 (1) received appropriate levels and types of services delivered by
5 qualified personnel, based on the individual needs of the children
6 and their families.

7 (6) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),
8 FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR
9 2019-2020 AN AMOUNT NOT TO EXCEED \$350,000.00 FOR A PILOT PROGRAM
10 TO TRAIN AT LEAST 60 EARLY ON PROVIDERS IN THE COMPONENTS OF
11 EVIDENCE-BASED PARENT-IMPLEMENTED MODELS OF INTERVENTION FOR THE
12 TREATMENT OF AUTISM. TO RECEIVE FUNDING UNDER THIS SUBSECTION, AN
13 INTERMEDIATE DISTRICT MUST APPLY FOR THE FUNDING IN THE FORM AND
14 MANNER PRESCRIBED BY THE DEPARTMENT AND MUST AGREE TO USE THE FUNDS
15 FOR TRAINING IN THESE COMPONENTS FOR EARLY ON PROVIDERS USING AN
16 EVIDENCE-BASED PROGRAM TO CONDUCT THE TRAINING. THE DEPARTMENT
17 SHALL ENSURE THAT INTERMEDIATE DISTRICTS IN MULTIPLE COUNTIES ARE
18 PROVIDED WITH FUNDING UNDER THIS SUBSECTION AND SHALL DISTRIBUTE
19 FUNDS BASED ON INTEREST IN THE PROGRAM AND NEED FOR THE TRAINING.
20 THE DEPARTMENT SHALL CONDUCT AN OUTCOME STUDY AND REPORT THE DATA
21 FINDINGS TO THE LEGISLATURE. THE DEPARTMENT MAY USE EXISTING
22 VENDORS TO CONDUCT THIS DATA COLLECTION. THE DEPARTMENT MAY USE NOT
23 MORE THAN 10% OF THE ALLOCATION UNDER THIS SUBSECTION FOR
24 ADMINISTRATION AND MANAGEMENT OF THE PILOT PROGRAM. AS USED IN THIS
25 SUBSECTION, "PARENT-IMPLEMENTED MODEL OF INTERVENTION" MEANS A
26 MODEL IN WHICH PARENTS DIRECTLY USE INDIVIDUALIZED INTERVENTION
27 PRACTICES WITH THEIR CHILDREN TO INCREASE POSITIVE LEARNING

1 OPPORTUNITIES AND THE ACQUISITION OF IMPORTANT SKILLS, AND IN WHICH
2 PARENTS LEARN TO IMPLEMENT THESE PRACTICES IN THEIR HOME OR
3 COMMUNITY, OR BOTH, THROUGH A STRUCTURED PARENT TRAINING PROGRAM.

4 (7) ~~(6)~~ Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
5 payments under this section ~~shall be paid~~ on a schedule determined
6 by the department.

7 Sec. 55. (1) From the general fund money appropriated in
8 section 11, there is allocated an amount not to exceed \$250,000.00
9 for ~~2018-2019-2019-2020~~ to the Conductive Learning Center located
10 at Aquinas College. This funding must be used to support the
11 operational costs of the conductive education model taught at the
12 Conductive Learning Center to maximize the independence and
13 mobility of children and adults with neuromotor disabilities. The
14 conductive education model funded under this section must be based
15 on the concept of neuroplasticity and the ability of people to
16 learn and improve when they are motivated, regardless of the
17 severity of their disability.

18 (2) Notwithstanding section 17b, the department shall
19 distribute the funding allocated under this section to the
20 Conductive Learning Center not later than December 1, 2018.

21 Sec. 56. (1) For the purposes of this section:

22 (a) "Membership" means for a particular fiscal year the total
23 membership for the immediately preceding fiscal year of the
24 intermediate district and the districts constituent to the
25 intermediate district.

26 (b) "Millage levied" means the millage levied for special
27 education pursuant to part 30 of the revised school code, MCL

1 380.1711 to 380.1741, including a levy for debt service
2 obligations.

3 (c) "Taxable value" means the total taxable value of the
4 districts constituent to an intermediate district, except that if a
5 district has elected not to come under part 30 of the revised
6 school code, MCL 380.1711 to 380.1741, membership and taxable value
7 of the district ~~shall not be~~ **ARE NOT** included in the membership and
8 taxable value of the intermediate district.

9 (2) From the allocation under section 51a(1), there is
10 allocated ~~an amount not to exceed \$37,758,100.00 for 2017-2018~~
11 **\$40,008,100.00 FOR 2018-2019** and an amount not to exceed
12 \$40,008,100.00 for ~~2018-2019-2019-2020~~ to reimburse intermediate
13 districts levying millages for special education pursuant to part
14 30 of the revised school code, MCL 380.1711 to 380.1741. The
15 purpose, use, and expenditure of the reimbursement ~~shall be~~ **ARE**
16 limited as if the funds were generated by these millages and
17 governed by the intermediate district plan adopted pursuant to
18 article 3 of the revised school code, MCL 380.1701 to 380.1761. As
19 a condition of receiving funds under this section, an intermediate
20 district distributing any portion of special education millage
21 funds to its constituent districts shall submit for departmental
22 approval and implement a distribution plan.

23 ~~—— (3) Reimbursement for those millages levied in 2016-2017 shall~~
24 ~~be made in 2017-2018 at an amount per 2016-2017 membership pupil~~
25 ~~computed by subtracting from \$185,000.00 the 2016-2017 taxable~~
26 ~~value behind each membership pupil and multiplying the resulting~~
27 ~~difference by the 2016-2017 millage levied, and then subtracting~~

1 ~~from that amount the 2016-2017 local community stabilization share~~
 2 ~~revenue for special education purposes behind each membership pupil~~
 3 ~~for reimbursement of personal property exemption loss under the~~
 4 ~~local community stabilization authority act, 2014 PA 86, MCL~~
 5 ~~123.1341 to 123.1362.~~

6 (3) ~~(4)~~ Except as otherwise provided in this subsection,
 7 reimbursement for those millages levied in 2017-2018 ~~shall be~~ IS
 8 made in 2018-2019 at an amount per 2017-2018 membership pupil
 9 computed by subtracting from ~~\$193,700.00~~ **\$193,800.00** the 2017-2018
 10 taxable value behind each membership pupil and multiplying the
 11 resulting difference by the 2017-2018 millage levied, and then
 12 subtracting from that amount the 2017-2018 local community
 13 stabilization share revenue for special education purposes behind
 14 each membership pupil for reimbursement of personal property
 15 exemption loss under the local community stabilization authority
 16 act, 2014 PA 86, MCL 123.1341 to 123.1362. Reimbursement in 2018-
 17 2019 for an intermediate district whose 2017-2018 allocation was
 18 affected by the operation of subsection (5) ~~shall be~~ IS an amount
 19 equal to 102.5% of the 2017-2018 allocation to that intermediate
 20 district.

21 (4) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,
 22 REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2018-2019 IS MADE IN
 23 2019-2020 AT AN AMOUNT PER 2018-2019 MEMBERSHIP PUPIL COMPUTED BY
 24 SUBTRACTING FROM \$197,700.00 THE 2018-2019 TAXABLE VALUE BEHIND
 25 EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY
 26 THE 2018-2019 MILLAGE LEVIED, AND THEN SUBTRACTING FROM THAT AMOUNT
 27 THE 2018-2019 LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR

1 SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL FOR
 2 REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL
 3 COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO
 4 123.1362. REIMBURSEMENT IN 2019-2020 FOR AN INTERMEDIATE DISTRICT
 5 WHOSE 2017-2018 ALLOCATION WAS AFFECTED BY THE OPERATION OF
 6 SUBSECTION (5) IS AN AMOUNT EQUAL TO 102.5% OF THE 2017-2018
 7 ALLOCATION TO THAT INTERMEDIATE DISTRICT.

8 (5) The **DEPARTMENT SHALL ENSURE THAT THE** amount paid to a
 9 single intermediate district under this section ~~shall~~**DOES** not
 10 exceed 62.9% of the total amount allocated under subsection (2).

11 (6) The **DEPARTMENT SHALL ENSURE THAT THE** amount paid to a
 12 single intermediate district under this section ~~shall not be~~**IS NOT**
 13 less than 75% of the amount allocated to the intermediate district
 14 under this section for the immediately preceding fiscal year.

15 Sec. 61a. (1) From the appropriation in section 11, there is
 16 allocated an amount not to exceed ~~\$36,611,300.00~~**\$38,111,300.00** for
 17 ~~2018-2019~~**2019-2020** to reimburse on an added cost basis districts,
 18 except for a district that served as the fiscal agent for a
 19 vocational education consortium in the 1993-94 school year and that
 20 has a foundation allowance as calculated under section 20 greater
 21 than the minimum foundation allowance under that section, and
 22 secondary area vocational-technical education centers for
 23 secondary-level career and technical education programs according
 24 to rules approved by the superintendent. Applications for
 25 participation in the programs ~~shall~~**MUST** be submitted in the form
 26 prescribed by the department. The department shall determine the
 27 added cost for each career and technical education program area.

1 The **DEPARTMENT SHALL PRIORITIZE THE** allocation of added cost funds
2 ~~shall be prioritized~~ based on the capital and program expenditures
3 needed to operate the career and technical education programs
4 provided; the number of pupils enrolled; the advancement of pupils
5 through the instructional program; the existence of an articulation
6 agreement with at least 1 postsecondary institution that provides
7 pupils with opportunities to earn postsecondary credit during the
8 pupil's participation in the career and technical education program
9 and transfers those credits to the postsecondary institution upon
10 completion of the career and technical education program; and the
11 program rank in student placement, job openings, and wages, and
12 shall **ENSURE THAT THE ALLOCATION DOES** not exceed 75% of the added
13 cost of any program. Notwithstanding any rule or department
14 determination to the contrary, when determining a district's
15 allocation or the formula for making allocations under this
16 section, the department shall include the participation of pupils
17 in grade 9 in all of those determinations and in all portions of
18 the formula. With the approval of the department, the board of a
19 district maintaining a secondary career and technical education
20 program may offer the program for the period from the close of the
21 school year until September 1. The program shall use existing
22 facilities and ~~shall~~ **MUST** be operated as prescribed by rules
23 promulgated by the superintendent.

24 (2) Except for a district that served as the fiscal agent for
25 a vocational education consortium in the 1993-94 school year, **THE**
26 **DEPARTMENT SHALL REIMBURSE** districts and intermediate districts
27 ~~shall be reimbursed~~ for local career and technical education

1 administration, shared time career and technical education
2 administration, and career education planning district career and
3 technical education administration. The **SUPERINTENDENT SHALL ADOPT**
4 **GUIDELINES FOR THE** definition of what constitutes administration
5 and **SHALL MAKE** reimbursement ~~shall be~~ pursuant to **THOSE** guidelines.
6 ~~adopted by the superintendent. Not~~ **THE DEPARTMENT SHALL NOT**
7 **DISTRIBUTE** more than \$800,000.00 of the allocation in subsection
8 (1) ~~shall be distributed~~ under this subsection.

9 (3) A career and technical education program funded under this
10 section may provide an opportunity for participants who are
11 eligible to be funded under section 107 to enroll in the career and
12 technical education program funded under this section if the
13 participation does not occur during regular school hours.

14 (4) In addition to the money allocated under subsections (1)
15 and (5), from the general fund money appropriated in section 11,
16 there is allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
17 \$100,000.00 to an eligible Michigan-approved 501(c)(3) organization
18 for the purposes of teaching or training restaurant management and
19 culinary arts for career and professional development. The
20 department shall oversee funds distributed to an eligible grantee
21 under this section. As used in this subsection, "eligible Michigan-
22 approved 501(c)(3) organization" means an organization that is
23 exempt from taxation under section 501(c)(3) of the internal
24 revenue code of 1986, 26 USC 501, that provides the ProStart
25 curriculum and training to state-approved career and technical
26 education programs with classification of instructional programs
27 (CIP) codes in the 12.05xx category, and that administers national

1 certification for the purpose of restaurant management and culinary
2 arts for career and professional development.

3 ~~—— (5) In addition to the funds allocated under subsections (1)~~
4 ~~and (4), from the funds appropriated in section 11, there is~~
5 ~~allocated for 2018-2019 an amount not to exceed \$1,000,000.00 for~~
6 ~~competitive grants to intermediate districts to hire career and~~
7 ~~technical education counselors. All of the following apply to this~~
8 ~~funding.~~

9 ~~—— (a) An intermediate district seeking a grant under this~~
10 ~~subsection shall apply to the department in a form and manner~~
11 ~~specified by the department.~~

12 ~~—— (b) The department shall award grants under this subsection to~~
13 ~~no more than 3 intermediate districts that received funding under~~
14 ~~this subsection in 2017-2018.~~

15 ~~—— (c) To be eligible for funding under this subsection, an~~
16 ~~intermediate district shall do all of the following:~~

17 ~~—— (i) Catalog all available K-12 and other workforce development~~
18 ~~programs and services, including job search, job training, pre-~~
19 ~~employment certifications, career awareness programs, career and~~
20 ~~technical education programs, and other related programs and~~
21 ~~services offered by districts or intermediate districts,~~
22 ~~postsecondary institutions, and other private or public service~~
23 ~~organizations.~~

24 ~~—— (ii) Develop an outreach program that educates students about~~
25 ~~career and technical education options and connects students to the~~
26 ~~services cataloged under subparagraph (i).~~

27 ~~—— (iii) Track student placement and report on student placement~~

1 ~~to the house and senate appropriations subcommittees on school aid~~
2 ~~no later than June 30, 2019 in the form and manner prescribed by~~
3 ~~the department.~~

4 Sec. 61b. (1) From the appropriation in section 11, there is
5 allocated an amount not to exceed \$8,000,000.00 ~~each fiscal year~~
6 ~~for 2017-2018 and for 2018-2019~~ **FOR 2019-2020** for CTE early/middle
7 college and CTE dual enrollment programs authorized under this
8 section and for planning grants for the development or expansion of
9 CTE early/middle college programs. The purpose of these programs is
10 to increase the number of Michigan residents with high-quality
11 degrees or credentials, and to increase the number of students who
12 are college and career ready upon high school graduation.

13 (2) From the funds allocated under subsection (1), **THE**
14 **DEPARTMENT SHALL ALLOCATE** an amount as determined under this
15 subsection ~~shall be allocated to~~ each intermediate district serving
16 as a fiscal agent for state-approved CTE early/middle college and
17 CTE dual enrollment programs in each of the prosperity regions and
18 subregions identified by the department. An intermediate district
19 shall not use more than 5% of the funds allocated under this
20 subsection for administrative costs for serving as the fiscal
21 agent.

22 (3) To be an eligible fiscal agent, an intermediate district
23 must agree to do all of the following in a form and manner
24 determined by the department:

25 (a) Distribute funds to eligible CTE early/middle college and
26 CTE dual enrollment programs in a prosperity region or subregion as
27 described in this section.

1 (b) Collaborate with the career and educational advisory
2 council that is located in the prosperity region or subregion to
3 develop a regional strategic plan under subsection (4) that aligns
4 CTE programs and services into an efficient and effective delivery
5 system for high school students.

6 (c) Implement a regional process to rank career clusters in
7 the prosperity region or subregion as described under subsection
8 (4). Regional processes ~~shall~~**MUST** be approved by the department
9 before the ranking of career clusters.

10 (d) Report CTE early/middle college and CTE dual enrollment
11 program and student data and information as prescribed by the
12 department and the center.

13 (4) A regional strategic plan must be approved by the career
14 and educational advisory council before submission to the
15 department. A regional strategic plan ~~shall~~**MUST** include, but **IS**
16 not ~~be~~ limited to, the following:

17 (a) An identification of regional employer need based on a
18 ranking of all career clusters in the prosperity region or
19 subregion ranked by 10-year job openings projections and median
20 wage for each standard occupational code in each career cluster as
21 obtained from the United States Bureau of Labor Statistics.
22 Standard occupational codes within high-ranking clusters also may
23 be further ranked by median wage. The ~~rankings shall be reviewed by~~
24 ~~the~~ career and educational advisory council located in the
25 prosperity region or subregion **SHALL REVIEW THE RANKINGS** and
26 ~~modified~~**MODIFY THEM** if necessary to accurately reflect employer
27 demand for talent in the prosperity region or subregion. A career

1 and educational advisory council shall document that it has
2 conducted this review and certify that it is accurate. These career
3 cluster rankings ~~shall~~**MUST** be determined and updated once every 4
4 years.

5 (b) An identification of educational entities in the
6 prosperity region or subregion that will provide eligible CTE
7 early/middle college and CTE dual enrollment programs including
8 districts, intermediate districts, postsecondary institutions, and
9 noncredit occupational training programs leading to an industry-
10 recognized credential.

11 (c) A strategy to inform parents and students of CTE
12 early/middle college and CTE dual enrollment programs in the
13 prosperity region or subregion.

14 (d) Any other requirements as defined by the department.

15 (5) An eligible CTE program is a program that meets all of the
16 following:

17 (a) Has been identified in the highest 5 career cluster
18 rankings in any of the 10 regional strategic plans jointly approved
19 by the Michigan talent investment agency in the department of
20 talent and economic development and the department.

21 (b) Has a coherent sequence of courses that will allow a
22 student to earn a high school diploma and achieve at least 1 of the
23 following in a specific career cluster:

24 (i) An associate degree.

25 (ii) An industry-recognized technical certification approved
26 by the Michigan talent investment agency in the department of
27 talent and economic development.

1 (iii) Up to 60 transferable college credits.

2 (iv) Participation in a registered apprenticeship, pre-
3 apprenticeship, or apprentice readiness program.

4 (c) Is aligned with the Michigan merit curriculum.

5 (d) Has an articulation agreement with at least 1
6 postsecondary institution that provides students with opportunities
7 to receive postsecondary credits during the student's participation
8 in the CTE early/middle college or CTE dual enrollment program and
9 transfers those credits to the postsecondary institution upon
10 completion of the CTE early/middle college or CTE dual enrollment
11 program.

12 (e) Provides instruction that is supervised, directed, or
13 coordinated by an appropriately certificated CTE teacher or, for
14 concurrent enrollment courses, a postsecondary faculty member.

15 (f) Provides for highly integrated student support services
16 that include at least the following:

17 (i) Teachers as academic advisors.

18 (ii) Supervised course selection.

19 (iii) Monitoring of student progress and completion.

20 (iv) Career planning services provided by a local one-stop
21 service center as described in the Michigan Works! one-stop service
22 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
23 high school counselor or advisor.

24 (g) Has courses that are taught on a college campus, are
25 college courses offered at the high school and taught by college
26 faculty, or are courses taught in combination with online
27 instruction.

1 (6) ~~Funds~~ **THE DEPARTMENT SHALL DISTRIBUTE FUNDS** to eligible
2 CTE early/middle college and CTE dual enrollment programs ~~shall be~~
3 ~~distributed as follows:~~

4 (a) The department shall determine statewide average CTE costs
5 per pupil for each CIP code program by calculating statewide
6 average costs for each CIP code program for the 3 most recent
7 fiscal years.

8 (b) ~~Distribution~~ **THE DISTRIBUTION** to each eligible CTE
9 early/middle college or CTE dual enrollment program ~~shall be~~ **IS** the
10 product of 50% of CTE costs per pupil times the current year pupil
11 enrollment of each eligible CTE early/middle college or CTE dual
12 enrollment program.

13 (7) In order to receive funds under this section, a CTE
14 early/middle college or CTE dual enrollment program shall furnish
15 to the intermediate district that is the fiscal agent identified in
16 subsection (2), in a form and manner determined by the department,
17 all information needed to administer this program and meet federal
18 reporting requirements; shall allow the department or the
19 department's designee to review all records related to the program
20 for which it receives funds; and shall reimburse the state for all
21 disallowances found in the review, as determined by the department.

22 (8) There is allocated from the funds under subsection (1) an
23 amount not to exceed \$500,000.00 ~~each fiscal year for 2017-2018 and~~
24 ~~for 2018-2019~~ **FOR 2019-2020** for grants to intermediate districts or
25 consortia of intermediate districts for the purpose of planning for
26 new or expanded early middle college programs. Applications for
27 grants ~~shall~~ **MUST** be submitted in a form and manner determined by

1 the department. The amount of a grant under this subsection ~~shall~~
2 **MUST** not exceed \$50,000.00. To be eligible for a grant under this
3 subsection, an intermediate district or consortia of intermediate
4 districts must provide matching funds equal to the grant received
5 under this subsection. Notwithstanding section 17b, **THE DEPARTMENT**
6 **SHALL MAKE** payments under this subsection ~~may be made as~~ **IN THE**
7 **MANNER** determined by the department.

8 (9) Funds distributed under this section may be used to fund
9 program expenditures that would otherwise be paid from foundation
10 allowances. A program receiving funding under section 61a may
11 receive funding under this section for allowable costs that exceed
12 the reimbursement the program received under section 61a. The
13 combined payments received by a program under section 61a and this
14 section ~~shall~~ **MUST** not exceed the total allowable costs of the
15 program. A program provider shall not use more than 5% of the funds
16 allocated under this section to the program for administrative
17 costs.

18 (10) If the allocation under subsection (1) is insufficient to
19 fully fund payments as otherwise calculated under this section, the
20 department shall prorate payments under this section on an equal
21 percentage basis.

22 (11) If pupils enrolled in a career cluster in an eligible CTE
23 early/middle college or CTE dual enrollment program qualify to be
24 reimbursed under this section, those pupils continue to qualify for
25 reimbursement until graduation, even if the career cluster is no
26 longer identified as being in the highest 5 career cluster
27 rankings.

1 (12) As used in this section:

2 (a) "Allowable costs" means those costs directly attributable
3 to the program as jointly determined by the Michigan talent
4 investment agency and the department.

5 (b) "Career and educational advisory council" means an
6 advisory council to the local workforce development boards located
7 in a prosperity region consisting of educational, employer, labor,
8 and parent representatives.

9 (c) "CIP" means classification of instructional programs.

10 (d) "CTE" means career and technical education programs.

11 (e) "CTE dual enrollment program" means a 4-year high school
12 program of postsecondary courses offered by eligible postsecondary
13 educational institutions that leads to an industry-recognized
14 certification or degree.

15 (f) "Early/middle college program" means a 5-year high school
16 program.

17 (g) "Eligible postsecondary educational institution" means
18 that term as defined in section 3 of the career and technical
19 preparation act, 2000 PA 258, MCL 388.1903.

20 Sec. 61c. (1) From the general fund appropriation in section
21 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount not to
22 exceed \$2,500,000.00 to eligible career education planning
23 districts for the CTE skilled trades initiative described in
24 subsections (2) to (5). To be eligible to receive funding under
25 this section, at least 50% of the area served by a CEPD must be
26 located in an intermediate district that did not levy a ~~vocational~~
27 ~~education~~ **AN AREA CAREER AND TECHNICAL EDUCATION** millage in

1 ~~2018-2019.~~

2 (2) To receive funding under subsection (1), each eligible
3 CEPD shall apply in a form and manner determined by the department.
4 Funding to each eligible CEPD ~~shall be~~ **IS AN AMOUNT** equal to the
5 quotient of the allocation under subsection (1) and the sum of the
6 number of career education planning districts applying for funding
7 under subsection (1) that are located in an intermediate district
8 that did not levy ~~a vocational education~~ **AN AREA CAREER AND**
9 **TECHNICAL EDUCATION** millage in ~~2018-2019.~~

10 (3) At least 50% of the funding allocated to each eligible
11 CEPD ~~shall~~ **MUST** be used to update equipment in current CTE programs
12 that have been identified in the highest 5 career cluster rankings
13 in any of the 10 regional strategic plans jointly approved by the
14 Michigan talent investment agency in the department of talent and
15 economic development and the department, for training on new
16 equipment, for professional development relating to computer
17 science or coding, or for new and emerging certified CTE programs
18 to allow CEPD administrators to provide programming in communities
19 that will enhance economic development. The funding for equipment
20 should be used to support and enhance community areas that have
21 sustained job growth, and act as a commitment to build a more
22 qualified and skilled workforce. In addition, each CEPD is
23 encouraged to explore the option of leasing equipment from local
24 private industry to encourage the use of the most advanced
25 equipment.

26 (4) ~~The~~ **A CEPD ADMINISTRATOR SHALL DETERMINE THE** allocation of
27 funds at the local level ~~shall be determined by CEPD administrators~~

1 using data from the state, region, and local sources to make well-
2 informed decisions on program equipment improvements. Grants
3 awarded by CEPD administrators for capital infrastructure ~~shall~~
4 **MUST** be used to ensure that CTE programs can deliver educational
5 programs in high-wage, high-skill, and high-demand occupations.
6 Each CEPD shall continue to ensure that program advisory boards
7 make recommendations on needed improvements for equipment that
8 support job growth and job skill development and retention for both
9 the present and the future.

10 (5) Not later than September 15 of each fiscal year, each CEPD
11 receiving funding **UNDER THIS SECTION** shall annually report to the
12 department, the senate and house appropriations subcommittees on
13 state school aid, and the senate and house fiscal agencies and
14 legislature on equipment purchased under subsection (1). In
15 addition, the report ~~shall~~**MUST** identify growth data on program
16 involvement, retention, and development of student skills.

17 (6) As used in this section:

18 (a) "CEPD" means a career education planning district
19 described in this section.

20 (b) "CTE" means career and technical education.

21 Sec. 61d. (1) From the appropriation in section 11, there is
22 allocated an amount not to exceed \$5,000,000.00 for ~~2018-2019-2019-~~
23 **2020** for additional payments to districts for career and technical
24 education programs for the purpose of increasing the number of
25 Michigan residents with high-quality degrees or credentials, and to
26 increase the number of pupils who are college- and career-ready
27 upon high school graduation.

1 (2) ~~Payments~~ **THE DEPARTMENT SHALL CALCULATE PAYMENTS** to
2 districts under this section ~~must be calculated~~ in the following
3 manner:

4 (a) A payment of \$25.00 multiplied by the number of pupils in
5 grades 9 to 12 who are counted in membership in the district and
6 are enrolled in at least 1 career and technical education program.

7 (b) An additional payment of \$25.00 multiplied by the number
8 of pupils in grades 9 to 12 who are counted in membership in the
9 district and are enrolled in at least 1 career and technical
10 education program that provides instruction in critical skills and
11 high-demand career fields.

12 (3) If the allocation under subsection (1) is insufficient to
13 fully fund payments under subsection (2), the department shall
14 prorate payments under this section on an equal per-pupil basis.

15 (4) As used in this section:

16 (a) "Career and technical education program" means a state-
17 approved career and technical education program, as determined by
18 the department.

19 (b) "Career and technical education program that provides
20 instruction in critical skills and high-demand career field" means
21 a career and technical education program classified under any of
22 the following 2-digit classification of instructional programs
23 (CIP) codes:

24 (i) 01, which refers to "agriculture, agriculture operations,
25 and related sciences".

26 (ii) 03, which refers to "natural resources and conservation".

27 (iii) 10 through 11, which refers to "communications

1 technologies/technicians and support services" and "computer and
2 information sciences and support services".

3 (iv) 14 through 15, which refers to "engineering" and
4 "engineering technologies and engineering-related fields".

5 (v) 26, which refers to "biological and biomedical sciences".

6 (vi) 46 through 48, which refers to "construction trades",
7 "mechanic and repair technologies/technicians", and "precision
8 production".

9 (vii) 51, which refers to "health professions and related
10 programs".

11 Sec. 61f. (1) From the funds appropriated under section 11,
12 there is allocated an amount not to exceed \$200,000.00 for ~~2018-~~
13 ~~2019-2019-2020~~ **ONLY** for a grant to support a program that is an
14 innovative retention and completion program designed to create a
15 seamless educational and career pathway support structure and that
16 does at least all of the following:

17 (a) Creates a pipeline from kindergarten to a college
18 credential.

19 (b) Provides coaching at all levels of K-12 education to
20 foster an environment that educates pupils on the availability and
21 positive outcomes from postsecondary education.

22 (c) Introduces career clusters to elementary school pupils,
23 career pathways to middle school pupils, and develops pupil success
24 plans for high school pupils.

25 (d) Provides family literacy sessions.

26 (e) Provides a summer bridge program to ensure seamless
27 transition from high school to postsecondary educational

1 opportunities.

2 (f) Introduces K-12 pupils to college and career opportunities
3 at postsecondary campuses and bridges those pupils into the
4 respective postsecondary institutions for coursework.

5 (g) Creates a partnership between area districts, a community
6 college, and a public university to serve pupils in the program.

7 (h) Synchronizes families and pupils to assess and understand
8 their knowledge of how to be successful in school and work.

9 (2) The department shall distribute the funds awarded under
10 subsection (1) not later than ~~February~~ **NOVEMBER** 15, 2019 to Mott
11 Community College to implement the program under this section.
12 Funds allocated under this section may be used for salaries and
13 benefits, supply and programming costs, and gap scholarships.

14 Sec. 62. (1) For the purposes of this section:

15 (a) "Membership" means for a particular fiscal year the total
16 membership for the immediately preceding fiscal year of the
17 intermediate district and the districts constituent to the
18 intermediate district or the total membership for the immediately
19 preceding fiscal year of the area vocational-technical program.

20 (b) "Millage levied" means the millage levied for area
21 vocational-technical education pursuant to sections 681 to 690 of
22 the revised school code, MCL 380.681 to 380.690, including a levy
23 for debt service obligations incurred as the result of borrowing
24 for capital outlay projects and in meeting capital projects fund
25 requirements of area vocational-technical education.

26 (c) "Taxable value" means the total taxable value of the
27 districts constituent to an intermediate district or area

1 vocational-technical education program, except that if a district
2 has elected not to come under sections 681 to 690 of the revised
3 school code, MCL 380.681 to 380.690, the membership and taxable
4 value of that district ~~shall not be~~ **ARE NOT** included in the
5 membership and taxable value of the intermediate district. However,
6 the membership and taxable value of a district that has elected not
7 to come under sections 681 to 690 of the revised school code, MCL
8 380.681 to 380.690, ~~shall be~~ **ARE** included in the membership and
9 taxable value of the intermediate district if the district meets
10 both of the following:

11 (i) The district operates the area vocational-technical
12 education program pursuant to a contract with the intermediate
13 district.

14 (ii) The district contributes an annual amount to the
15 operation of the program that is commensurate with the revenue that
16 would have been raised for operation of the program if millage were
17 levied in the district for the program under sections 681 to 690 of
18 the revised school code, MCL 380.681 to 380.690.

19 (2) From the appropriation in section 11, there is allocated
20 an amount not to exceed \$9,190,000.00 each fiscal year for ~~2017-~~
21 ~~2018 and for 2018-2019~~ **AND FOR 2019-2020** to reimburse intermediate
22 districts and area vocational-technical education programs
23 established under section 690(3) of the revised school code, MCL
24 380.690, levying millages for area vocational-technical education
25 pursuant to sections 681 to 690 of the revised school code, MCL
26 380.681 to 380.690. The purpose, use, and expenditure of the
27 reimbursement ~~shall be~~ **ARE** limited as if the funds were generated

1 by those millages.

2 ~~—— (3) Reimbursement for those millages levied in 2016-2017 shall~~
 3 ~~be made in 2017-2018 at an amount per 2016-2017 membership pupil~~
 4 ~~computed by subtracting from \$200,800.00 the 2016-2017 taxable~~
 5 ~~value behind each membership pupil and multiplying the resulting~~
 6 ~~difference by the 2016-2017 millage levied, and then subtracting~~
 7 ~~from that amount the 2016-2017 local community stabilization share~~
 8 ~~revenue for area vocational technical education behind each~~
 9 ~~membership pupil for reimbursement of personal property exemption~~
 10 ~~loss under the local community stabilization authority act, 2014 PA~~
 11 ~~86, MCL 123.1341 to 123.1362.~~

12 (3) ~~(4)~~ Reimbursement for those millages levied in 2017-2018
 13 ~~shall be~~ IS made in 2018-2019 at an amount per 2017-2018 membership
 14 pupil computed by subtracting from ~~\$205,700.00~~ **\$205,600.00** the
 15 2017-2018 taxable value behind each membership pupil and
 16 multiplying the resulting difference by the 2017-2018 millage
 17 levied, and then subtracting from that amount the 2017-2018 local
 18 community stabilization share revenue for area vocational technical
 19 education behind each membership pupil for reimbursement of
 20 personal property exemption loss under the local community
 21 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

22 (4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2018-2019 IS
 23 MADE IN 2019-2020 AT AN AMOUNT PER 2018-2019 MEMBERSHIP PUPIL
 24 COMPUTED BY SUBTRACTING FROM \$210,600.00 THE 2018-2019 TAXABLE
 25 VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING
 26 DIFFERENCE BY THE 2018-2019 MILLAGE LEVIED, AND THEN SUBTRACTING
 27 FROM THAT AMOUNT THE 2018-2019 LOCAL COMMUNITY STABILIZATION SHARE

1 REVENUE FOR AREA VOCATIONAL TECHNICAL EDUCATION BEHIND EACH
2 MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION
3 LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA
4 86, MCL 123.1341 TO 123.1362.

5 (5) The **DEPARTMENT SHALL ENSURE THAT THE** amount paid to a
6 single intermediate district under this section ~~shall not~~ **DOES NOT**
7 exceed 38.4% of the total amount allocated under subsection (2).

8 (6) The **DEPARTMENT SHALL ENSURE THAT THE** amount paid to a
9 single intermediate district under this section ~~shall not be~~ **IS NOT**
10 less than 75% of the amount allocated to the intermediate district
11 under this section for the immediately preceding fiscal year.

12 Sec. 65. (1) From the appropriation under section 11, there is
13 allocated an amount not to exceed \$400,000.00 for ~~2018-2019-2019-~~
14 **2020** for a pre-college engineering K-12 educational program that is
15 focused on the development of a diverse future Michigan workforce,
16 that serves multiple communities within southeast Michigan, that
17 enrolls pupils from multiple districts, and that received funds
18 appropriated for this purpose in the appropriations act that
19 provided the Michigan strategic fund budget for 2014-2015.

20 (2) To be eligible for funding under this section, a program
21 must have the ability to expose pupils to, and motivate and prepare
22 pupils for, science, technology, engineering, and mathematics
23 careers and postsecondary education with special attention given to
24 groups of pupils who are at-risk and underrepresented in technical
25 professions and careers.

26 Sec. 67. (1) From the general fund amount appropriated in
27 section 11, there is allocated an amount not to exceed

1 \$3,000,000.00 for ~~2018-2019~~ **2019-2020** for college access programs.

2 The programs funded under this section are intended to inform
3 students of college and career options and to provide resources
4 intended to increase the number of pupils who are adequately
5 prepared with the information needed to make informed decisions on
6 college and career. The funds appropriated under this section are
7 intended to be used to increase the number of Michigan residents
8 with high-quality degrees or credentials. Funds appropriated under
9 this section ~~shall~~ **MUST** not be used to supplant funding for
10 counselors already funded by districts.

11 (2) The talent investment agency of the department of talent
12 and economic development shall administer funds allocated under
13 this section in collaboration with the Michigan college access
14 network. These funds may be used for any of the following purposes:

15 (a) Michigan college access network operations, programming,
16 and services to local college access networks.

17 (b) Local college access networks, which are community-based
18 college access/success partnerships committed to increasing the
19 college participation and completion rates within geographically
20 defined communities through a coordinated strategy.

21 (c) The Michigan college advising program, a program intended
22 to place trained, recently graduated college advisors in high
23 schools that serve significant numbers of low-income and first-
24 generation college-going pupils. State funds used for this purpose
25 may not exceed 33% of the total funds available under this
26 subsection.

27 (d) Subgrants of up to \$5,000.00 to districts with

1 comprehensive high schools that establish a college access team and
2 implement specific strategies to create a college-going culture in
3 a high school in a form and manner approved by the Michigan college
4 access network and the Michigan talent investment agency.

5 (e) The Michigan college access portal, an online one-stop
6 portal to help pupils and families plan and apply for college.

7 (f) Public awareness and outreach campaigns to encourage low-
8 income and first-generation college-going pupils to take necessary
9 steps toward college and to assist pupils and families in
10 completing a timely and accurate free application for federal
11 student aid.

12 (g) Subgrants to postsecondary institutions to recruit, hire,
13 and train college student mentors and college advisors to assist
14 high school pupils in navigating the postsecondary planning and
15 enrollment process.

16 (3) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),
17 FROM THE GENERAL FUND MONEY ALLOCATED UNDER SECTION 11, THERE IS
18 ALLOCATED FOR 2019-2020 AN AMOUNT NOT TO EXCEED \$80,000.00 FOR THE
19 COLLEGE BOARD CAREER FINDER DISTRICT PILOT. THE MICHIGAN COLLEGE
20 ACCESS NETWORK SHALL IMPLEMENT THIS PILOT PROJECT IN COLLABORATION
21 WITH THE COLLEGE BOARD.

22 (4) ~~(3)~~For the purposes of this section, "college" means any
23 postsecondary educational opportunity that leads to a career,
24 including, but not limited to, a postsecondary degree, industry-
25 recognized technical certification, or registered apprenticeship.

26 SEC. 67A. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN
27 SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 2018-2019 AN

1 AMOUNT NOT TO EXCEED \$500,000.00 AND FOR 2019-2020 AN AMOUNT NOT TO
2 EXCEED \$1,500,000.00 TO EXPAND AN ELIGIBLE WEB-BASED CAREER
3 PREPARATION AND READINESS PLATFORM TO PROSPERITY REGIONS BEYOND
4 WHERE THE PLATFORM IS CURRENTLY BEING UTILIZED. FUNDING UNDER THIS
5 SECTION WILL NOT BE ALLOCATED AFTER 2019-2020.

6 (2) IN ORDER TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, A
7 CAREER PREPARATION AND READINESS PLATFORM CHOSEN BY THE DEPARTMENT
8 MUST MEET ALL OF THE FOLLOWING:

9 (A) HAS A PARTNERSHIP WITH INTERMEDIATE DISTRICTS, COMMUNITY
10 COLLEGES, WORKFORCE DEVELOPMENT AGENCIES, AND COMMUNITY EMPLOYERS.

11 (B) ASSESSES STUDENT SKILLS, ABILITIES, AND PREFERENCES TO
12 MATCH THEM WITH CAREERS OF INTEREST.

13 (C) ALLOWS STUDENTS TO EXPLORE CAREERS WITH ACCESS TO MORE
14 THAN 600 CAREER PROFILES, INCLUDING, BUT NOT LIMITED TO, CAREER
15 DESCRIPTIONS, EDUCATION AND TRAINING REQUIREMENTS, AND EARNING
16 INFORMATION.

17 (D) CONNECTS WITH LOCAL COMPANIES THROUGH COMPANY PROFILES
18 THAT INCLUDE, BUT ARE NOT LIMITED TO, DESCRIPTION, LOCATION, CAREER
19 OPPORTUNITIES, AND WORK-BASED LEARNING ACTIVITIES.

20 (E) ALLOWS STUDENTS TO EXPERIENCE CAREERS FIRSTHAND BY
21 SEARCHING FOR JOB SHADOWING, MOCK INTERVIEWS, COMPANY TOURS,
22 COMPANY EVENTS, AND INTERNSHIP OPPORTUNITIES OFFERED BY EMPLOYERS
23 IN A STUDENT'S AREA.

24 (F) PROVIDES STUDENTS WITH STEP-BY-STEP HELP TO DEVELOP A JOB
25 SEARCH PLAN, WRITE A RESUME AND COVER LETTER, AND PREPARE FOR JOB
26 INTERVIEWS.

27 (G) PROVIDES STUDENTS WITH AN UNDERSTANDING OF THE EDUCATION

1 AND TRAINING REQUIRED FOR A PARTICULAR CAREER, A COMPARISON OF
 2 SCHOOL DATA AND PROFILES, AND ACCESS TO COLLEGE PREPARATION,
 3 SCHOLARSHIP, AND FINANCIAL AID INFORMATION.

4 (3) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL MAKE
 5 PAYMENTS UNDER THIS SECTION ON A SCHEDULE DETERMINED BY THE
 6 DEPARTMENT.

7 Sec. 74. (1) From the amount appropriated in section 11, there
 8 is allocated an amount not to exceed ~~\$3,754,900.00 for 2018-2019~~
 9 **\$3,772,900.00 FOR 2019-2020** for the purposes of this section.

10 (2) From the allocation in subsection (1), there is allocated
 11 for each fiscal year the amount necessary for payments to state
 12 supported colleges or universities and intermediate districts
 13 providing school bus driver safety instruction ~~pursuant to~~ **UNDER**
 14 section 51 of the pupil transportation act, 1990 PA 187, MCL
 15 257.1851. The **DEPARTMENT SHALL MAKE** payments ~~shall be~~ in an amount
 16 determined by the department not to exceed the actual cost of
 17 instruction and driver compensation for each public or nonpublic
 18 school bus driver attending a course of instruction. For the
 19 purpose of computing compensation, the hourly rate allowed each
 20 school bus driver ~~shall~~ **MUST** not exceed the hourly rate received
 21 for driving a school bus. ~~Reimbursement~~ **THE DEPARTMENT SHALL MAKE**
 22 **REIMBURSEMENT** compensating the driver during the course of
 23 instruction ~~shall be made by the department to the college or~~
 24 university or intermediate district providing the course of
 25 instruction.

26 (3) From the allocation in subsection (1), there is allocated
 27 ~~for 2018-2019~~ **2019-2020** the amount necessary to pay the reasonable

1 costs of nonspecial education auxiliary services transportation
2 provided ~~pursuant to~~ **UNDER** section 1323 of the revised school code,
3 MCL 380.1323. Districts funded under this subsection ~~shall not~~ **DO**
4 **NOT** receive funding under any other section of this article for
5 nonspecial education auxiliary services transportation.

6 (4) From the funds allocated in subsection (1), there is
7 allocated an amount not to exceed ~~\$1,729,900.00 for 2018-2019~~
8 **\$1,747,900.00 FOR 2019-2020** for reimbursement to districts and
9 intermediate districts for costs associated with the inspection of
10 school buses and pupil transportation vehicles by the department of
11 state police as required under section 715a of the Michigan vehicle
12 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
13 transportation act, 1990 PA 187, MCL 257.1839. The department of
14 state police shall prepare a statement of costs attributable to
15 each district for which bus inspections are provided and submit it
16 to the department and to an intermediate district serving as
17 fiduciary in a time and manner determined jointly by the department
18 and the department of state police. Upon review and approval of the
19 statement of cost, the department shall forward to the designated
20 intermediate district serving as fiduciary the amount of the
21 reimbursement on behalf of each district and intermediate district
22 for costs detailed on the statement within 45 days after receipt of
23 the statement. The designated intermediate district shall make
24 payment in the amount specified on the statement to the department
25 of state police within 45 days after receipt of the statement. The
26 total reimbursement of costs under this subsection ~~shall~~ **MUST** not
27 exceed the amount allocated under this subsection. Notwithstanding

1 section 17b, **THE DEPARTMENT SHALL MAKE** payments to eligible
2 entities under this subsection ~~shall be paid~~ on a schedule
3 prescribed by the department.

4 Sec. 74a. (1) From the funds appropriated in section 11, there
5 is allocated an amount not to exceed \$810,000.00 for 2018-2019 to
6 an eligible intermediate district to implement a statewide school
7 bus driver safety program.

8 (2) An intermediate district is eligible to receive funds
9 under this section if the intermediate district meets all of the
10 following:

11 (a) The total combined membership of its constituent districts
12 is at least 7,000 and not more than 8,000.

13 (b) The intermediate district is located in prosperity region
14 4.

15 (c) The intermediate district consists of 2 formerly
16 independent intermediate districts that consolidated into 1
17 intermediate district.

18 (3) A statewide school bus driver safety program funded under
19 this section must provide transportation staff training on how to
20 respond to acts of violence by using the model known as ~~Alert,~~
21 ~~Lockdown, Inform, Counter, Evacuate (A.L.I.C.E.) for school~~
22 ~~buses.~~ **PROACTIVE RESPONSE TRAINING FOR SCHOOL BUS DRIVERS.**

23 (4) Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
24 payments ~~made~~ under this section ~~shall be provided~~ to an eligible
25 intermediate district not later than March 1, 2019.

26 Sec. 81. (1) From the appropriation in section 11, there is
27 allocated for ~~2018-2019-2019-2020~~ **2019-2020** to the intermediate districts the

1 sum necessary, but not to exceed ~~\$68,453,000.00~~ **\$69,138,000.00**, to
2 provide state aid to intermediate districts under this section.

3 (2) The amount allocated under this section to each
4 intermediate district is an amount equal to ~~102%~~ **101%** of the amount
5 allocated to the intermediate district under this section for ~~2017-~~
6 ~~2018. Funding 2018-2019. AN INTERMEDIATE DISTRICT SHALL USE FUNDING~~
7 provided under this section ~~shall be used~~ to comply with
8 requirements of this article and the revised school code that are
9 applicable to intermediate districts, and for which funding is not
10 provided elsewhere in this article, and to provide technical
11 assistance to districts as authorized by the intermediate school
12 board.

13 (3) Intermediate districts receiving funds under this section
14 ~~shall~~ collaborate with the department to develop expanded
15 professional development opportunities for teachers to update and
16 expand their knowledge and skills needed to support the Michigan
17 merit curriculum.

18 (4) From the allocation in subsection (1), there is allocated
19 to an intermediate district, formed by the consolidation or
20 annexation of 2 or more intermediate districts or the attachment of
21 a total intermediate district to another intermediate school
22 district or the annexation of all of the constituent K-12 districts
23 of a previously existing intermediate school district which has
24 disorganized, an additional allotment of \$3,500.00 each fiscal year
25 for each intermediate district included in the new intermediate
26 district for 3 years following consolidation, annexation, or
27 attachment.

1 (5) In order to receive funding under this section, an
2 intermediate district shall do all of the following:

3 (a) Demonstrate to the satisfaction of the department that the
4 intermediate district employs at least 1 person who is trained in
5 pupil accounting and auditing procedures, rules, and regulations.

6 (b) Demonstrate to the satisfaction of the department that the
7 intermediate district employs at least 1 person who is trained in
8 rules, regulations, and district reporting procedures for the
9 individual-level student data that serves as the basis for the
10 calculation of the district and high school graduation and dropout
11 rates.

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

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

17 (e) Comply with section 1230g of the revised school code, MCL
18 380.1230g.

19 Sec. 94. (1) From the general fund appropriation in section
20 11, there is allocated to the department for ~~2017-2018 an amount~~
21 ~~not to exceed \$750,000.00 and there is allocated to the department~~
22 ~~for 2018-2019-2019-2020~~ an amount not to exceed \$1,000,000.00 for
23 efforts to increase the number of pupils who participate and
24 succeed in advanced placement and international baccalaureate
25 programs, and ~~, beginning in 2018-2019,~~ to support the college-
26 level examination program (CLEP).

27 (2) From the funds allocated under this section, the

1 department shall award funds to cover all or part of the costs of
2 advanced placement test fees or international baccalaureate test
3 fees and international baccalaureate registration fees for low-
4 income pupils who take an advanced placement or an international
5 baccalaureate test ~~, and, beginning in 2018-2019,~~ **AND** CLEP fees for
6 low-income pupils who take a CLEP test.

7 (3) The department shall only award funds under this section
8 if the department determines that all of the following criteria are
9 met:

10 (a) Each pupil for whom payment is made meets eligibility
11 requirements of the federal advanced placement test fee program
12 under section 1701 of the no child left behind act of 2001, Public
13 Law 107-110, or under a corresponding provision of the every
14 student succeeds act, Public Law 114-95.

15 (b) The tests are administered by the college board, the
16 international baccalaureate organization, or another test provider
17 approved by the department.

18 (c) The pupil for whom payment is made pays at least \$5.00
19 toward the cost of each test for which payment is made.

20 (4) The department shall establish procedures for awarding
21 funds under this section.

22 (5) Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
23 payments under this section ~~shall be made~~ on a schedule determined
24 by the department.

25 Sec. 94a. (1) There is created within the state budget office
26 in the department of technology, management, and budget the center
27 for educational performance and information. The center shall do

1 all of the following:

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

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

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

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

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

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

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

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

27 (f) Provide public reports to the ~~citizens~~**RESIDENTS** of this

1 state to allow them to assess allocation of resources and the
2 return on their investment in the education system of this state.

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

4 (2) Each state department, officer, or agency that collects
5 information from districts, intermediate districts, or
6 postsecondary institutions as required under state or federal law
7 shall make arrangements with the center to ensure that the state
8 department, officer, or agency is in compliance with subsection
9 (1). This subsection does not apply to information collected by the
10 department of treasury under the uniform budgeting and accounting
11 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
12 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
13 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
14 388.1939; or section 1351a of the revised school code, MCL
15 380.1351a.

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

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

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

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

27 (c) Enables the matching of individual teacher and student

1 records so that an individual student may be matched with those
2 teachers providing instruction to that student.

3 (d) Enables the matching of individual teachers with
4 information about their certification and the institutions that
5 prepared and recommended those teachers for state certification.

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

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

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

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

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

18 (ii) Contains student-level enrollment, demographic, and
19 program participation information.

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

23 (iv) Has the capacity to communicate with higher education
24 data systems.

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

27 (i) Contains yearly test records of individual students for

assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.

(ii) Contains student-level transcript information, including information on courses completed and grades earned.

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

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

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

(A) Enrollment in remedial coursework.

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

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

(5) From the general fund appropriation in section 11, there is allocated an amount not to exceed ~~\$16,356,700.00 for 2018-2019~~ **\$16,457,200.00 FOR 2019-2020** to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2018-2019-2019-2020~~ the amount necessary, estimated at \$193,500.00, to support the operations of the center and to establish a P-20 longitudinal data system necessary for state and federal reporting purposes. The center shall cooperate

1 with the department to ensure that this state is in compliance with
2 federal law and is maximizing opportunities for increased federal
3 funding to improve education in this state.

4 (6) From the funds allocated in subsection (5), the center may
5 use an amount determined by the center for competitive grants for
6 ~~2018-2019-2019-2020~~ to support collaborative efforts on the P-20
7 longitudinal data system. All of the following apply to grants
8 awarded under this subsection:

9 (a) The center shall award competitive grants to eligible
10 intermediate districts or a consortium of intermediate districts
11 based on criteria established by the center.

12 (b) Activities funded under the grant ~~shall~~**MUST** support the
13 P-20 longitudinal data system portal and may include portal
14 hosting, hardware and software acquisition, maintenance,
15 enhancements, user support and related materials, and professional
16 learning tools and activities aimed at improving the utility of the
17 P-20 longitudinal data system.

18 (c) An applicant that received a grant under this subsection
19 for the immediately preceding fiscal year ~~shall receive~~**HAS**
20 priority for funding under this section. However, after 3 fiscal
21 years of continuous funding, an applicant is required to compete
22 openly with new applicants.

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

27 (8) The center may bill departments as necessary in order to

1 fulfill reporting requirements of state and federal law. The center
2 may also enter into agreements to supply custom data, analysis, and
3 reporting to other principal executive departments, state agencies,
4 local units of government, and other individuals and organizations.
5 The center may receive and expend funds in addition to those
6 authorized in subsection (5) to cover the costs associated with
7 salaries, benefits, supplies, materials, and equipment necessary to
8 provide such data, analysis, and reporting services.

9 (9) As used in this section:

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

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

13 Sec. 95a. (1) The educator evaluation reserve fund is created
14 as a separate account within the state school aid fund.

15 (2) The state treasurer may receive money or other assets from
16 any source for deposit into the educator evaluation reserve fund.
17 The state treasurer shall direct the investment of the educator
18 evaluation reserve fund. The state treasurer shall credit to the
19 educator evaluation reserve fund interest and earnings from the
20 educator evaluation reserve fund.

21 (3) Money in the educator evaluation reserve fund at the close
22 of the fiscal year ~~shall remain in the educator evaluation reserve~~
23 ~~fund and shall not lapse~~ **LAPSES** to the state school aid fund. ~~or to~~
24 ~~the general fund.~~ The department of treasury ~~shall be~~ **IS** the
25 administrator of the educator evaluation reserve fund for auditing
26 purposes.

27 (4) From the appropriations in section 11, there is allocated

1 to the educator evaluation reserve fund for 2014-2015 an amount not
2 to exceed \$12,100,000.00 from the state school aid fund and an
3 amount not to exceed \$2,700,000.00 from the general fund. Subject
4 to ~~subsections (5) and (6)~~, **SUBSECTION (5)**, the department shall
5 expend the money in the educator evaluation reserve fund for
6 implementing evaluation systems for public school teachers and
7 school administrators.

8 (5) ~~Funds~~ **THE DEPARTMENT SHALL NOT EXPEND FUNDS** in the
9 educator evaluation reserve fund ~~shall not be expended~~ unless the
10 state budget office has approved the department's spending plan.

11 **SEC. 97. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION**
12 **11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED**
13 **\$5,000,000.00 FOR 2019-2020 ONLY TO EXPAND AN EXISTING ADVANCED 911**
14 **STATE CONTRACT FOR THE SOLE PURPOSE OF IMPLEMENTING A STATEWIDE**
15 **PILOT SECURE SCHOOLS PROGRAM AND PANIC BUTTON APP PHONE APPLICATION**
16 **SYSTEM IN PUBLIC AND NONPUBLIC SCHOOLS THAT OPERATE ANY OF GRADES K**
17 **TO 12.**

18 (2) THE PANIC BUTTON APP PHONE APPLICATION SYSTEM FUNDED UNDER
19 THIS SECTION MUST BE ABLE TO DO ALL OF THE FOLLOWING
20 SIMULTANEOUSLY:

21 (A) ALLOW AUTHORIZED USERS TO PLACE A VOICE CALL TO 911.

22 (B) PROVIDE INTELLIGENT NOTIFICATIONS VIA TEXT AND ELECTRONIC
23 MAIL.

24 (C) PROVIDE PUSH NOTIFICATIONS THAT CONTAIN INFORMATION
25 REGARDING THE IDENTITY AND LOCATION OF THE REPORTING PARTY,
26 RESPONSE TYPE REQUIRED BASED ON INCIDENT TYPE, AND ADDITIONAL
27 LOCATION DETAILS TO RELEVANT COMMUNITIES TO WHICH USERS BELONG

1 INCLUDING, BUT NOT LIMITED TO, BOTH OF THE FOLLOWING, AS APPLICABLE
2 BASED ON THE LOCATION AND CATEGORY OF THE EMERGENCY EVENT:

3 (i) KEY STAKEHOLDERS.

4 (ii) AUTHORIZED USERS, INCLUDING, BUT NOT LIMITED TO, ALL OF
5 THE FOLLOWING:

6 (A) SCHOOL STAFF.

7 (B) SCHOOL RESOURCE OFFICERS.

8 (C) 911.

9 (D) FIRST RESPONDER AGENCIES.

10 (D) ALLOW 911, SCHOOL OFFICIALS, AND FIRST RESPONDER AGENCIES
11 TO SEND MESSAGES TO PANIC BUTTON APP USERS BOTH DURING AND AFTER
12 EMERGENCY EVENTS IN ORDER TO FACILITATE ONGOING COMMUNICATIONS AND
13 COORDINATION.

14 (3) THE SECURE SCHOOLS PROGRAM FUNDED UNDER THIS SECTION MUST
15 INTEGRATE WITH THIS STATE'S CURRENT SUPPLEMENTAL 911 DATABASE TO
16 MAINTAIN INFORMATION VOLUNTARILY PROVIDED BY INDIVIDUALS AND
17 FACILITY MANAGERS VIA A SECURE WEB APPLICATION. ANY INFORMATION
18 SUBMITTED BY A DISTRICT UNDER THE SECURE SCHOOLS PROGRAM,
19 INCLUDING, BUT NOT LIMITED TO, FLOORPLANS, AUTOMATED EXTERNAL
20 DEFIBRILLATOR INFORMATION, SCHOOL SAFETY PLANS, REUNIFICATION
21 PLANS, AND ENTRY OR EXIT POINTS MUST AUTOMATICALLY APPEAR TO 911
22 WHENEVER THE PANIC BUTTON APP IS ACTIVATED.

23 (4) FUNDS ALLOCATED UNDER THIS SECTION MAY BE USED TO DEFRAY
24 THE INITIAL COSTS ASSOCIATED WITH THE IMPLEMENTATION OF THE SECURE
25 SCHOOLS PROGRAM, INCLUDING INSTALLATION, TRAINING, AND MAINTENANCE
26 COSTS. A GRANT RECIPIENT MAY CARRY A PORTION OF A GRANT PAYMENT
27 UNDER THIS SECTION INTO 2020-2021 TO SUPPORT ONGOING COSTS. AFTER

1 2020-2021, ANY ONGOING COSTS MUST BE SUPPORTED SOLELY BY THE GRANT
2 RECIPIENT.

3 (5) THE DEPARTMENT SHALL DISTRIBUTE FUNDS UNDER THIS SECTION
4 IN 2 PAYMENTS. THE FIRST PAYMENT MUST BE MADE BY OCTOBER 1, 2019
5 AND THE SECOND PAYMENT MUST BE MADE BY DECEMBER 30, 2019.

6 Sec. 98. (1) From the general fund money appropriated in
7 section 11, there is allocated an amount not to exceed
8 \$7,387,500.00 for ~~2018-2019~~ **2019-2020** for the purposes described in
9 this section. The Michigan Virtual University shall provide a
10 report to the legislature not later than November 1 of each year
11 that includes its mission, its plans, and proposed benchmarks it
12 must meet, ~~which shall include~~ **INCLUDING** a plan to achieve the
13 organizational priorities identified in this section, in order to
14 receive full funding for ~~2019-2020.~~ **2020-2021**. Not later than March
15 1 of each year, the Michigan Virtual University shall provide an
16 update to the house and senate appropriations subcommittees on
17 school aid to show the progress being made to meet the benchmarks
18 identified.

19 (2) The Michigan Virtual University shall operate the Michigan
20 Virtual Learning Research Institute. The Michigan Virtual Learning
21 Research Institute shall do all of the following:

22 (a) Support and accelerate innovation in education through the
23 following activities:

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

26 (ii) Research, design, and recommend virtual education
27 delivery models for use by pupils and teachers that include age-

1 appropriate multimedia instructional content.

2 (iii) Research, develop, and recommend annually to the
3 department criteria by which cyber schools and virtual course
4 providers should be monitored and evaluated to ensure a quality
5 education for their pupils.

6 (iv) Based on pupil completion and performance data reported
7 to the department or the center ~~for educational performance and~~
8 ~~information~~ from cyber schools and other virtual course providers
9 operating in this state, analyze the effectiveness of virtual
10 learning delivery models in preparing pupils to be college- and
11 career-ready and publish a report that highlights enrollment
12 totals, completion rates, and the overall impact on pupils. The
13 ~~report shall be submitted~~ **MICHIGAN VIRTUAL LEARNING RESEARCH**
14 **INSTITUTE SHALL SUBMIT THE REPORT** to the house and senate
15 appropriations subcommittees on state school aid, the state budget
16 director, the house and senate fiscal agencies, the department,
17 districts, and intermediate districts not later than March 31 of
18 each year.

19 (v) Provide an extensive professional development program to
20 at least 30,000 educational personnel, including teachers, school
21 administrators, and school board members, that focuses on the
22 effective integration of virtual learning into curricula and
23 instruction. The Michigan Virtual Learning Research Institute is
24 encouraged to work with the MiSTEM advisory council created under
25 section 99s to coordinate professional development of teachers in
26 applicable fields. In addition, the Michigan Virtual Learning
27 Research Institute and external stakeholders are encouraged to

1 coordinate with the department for professional development in this
2 state. Not later than December 1 of each year, the Michigan Virtual
3 Learning Research Institute shall submit a report to the house and
4 senate appropriations subcommittees on state school aid, the state
5 budget director, the house and senate fiscal agencies, and the
6 department on the number of teachers, school administrators, and
7 school board members who have received professional development
8 services from the Michigan Virtual University. The report ~~shall~~
9 **MUST** also identify barriers and other opportunities to encourage
10 the adoption of virtual learning in the public education system.

11 (vi) Identify and share best practices for planning,
12 implementing, and evaluating virtual and blended education delivery
13 models with intermediate districts, districts, and public school
14 academies to accelerate the adoption of innovative education
15 delivery models statewide.

16 (b) Provide leadership for this state's system of virtual
17 learning education by doing the following activities:

18 (i) Develop and report policy recommendations to the governor
19 and the legislature that accelerate the expansion of effective
20 virtual learning in this state's schools.

21 (ii) Provide a clearinghouse for research reports, academic
22 studies, evaluations, and other information related to virtual
23 learning.

24 (iii) Promote and distribute the most current instructional
25 design standards and guidelines for virtual teaching.

26 (iv) In collaboration with the department and interested
27 colleges and universities in this state, support implementation and

1 improvements related to effective virtual learning instruction.

2 (v) Pursue public/private partnerships that include districts
3 to study and implement competency-based technology-rich virtual
4 learning models.

5 (vi) Create a statewide network of school-based mentors
6 serving as liaisons between pupils, virtual instructors, parents,
7 and school staff, as provided by the department or the center, and
8 provide mentors with research-based training and technical
9 assistance designed to help more pupils be successful virtual
10 learners.

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

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

18 (ix) Provide an internet-based platform that educators can use
19 to create student-centric learning tools and resources for sharing
20 in the state's open educational resource repository and facilitate
21 a user network that assists educators in using the content creation
22 platform and state repository for open educational resources. As
23 part of this initiative, the Michigan Virtual University shall work
24 collaboratively with districts and intermediate districts to
25 establish a plan to make available virtual resources that align to
26 Michigan's K-12 curriculum standards for use by students,
27 educators, and parents.

1 (x) Create and maintain a public statewide catalog of virtual
2 learning courses being offered by all public schools and community
3 colleges in this state. The Michigan Virtual Learning Research
4 Institute shall identify and develop a list of nationally
5 recognized best practices for virtual learning and use this list to
6 support reviews of virtual course vendors, courses, and
7 instructional practices. The Michigan Virtual Learning Research
8 Institute shall also provide a mechanism for intermediate districts
9 to use the identified best practices to review content offered by
10 constituent districts. The Michigan Virtual Learning Research
11 Institute shall review the virtual course offerings of the Michigan
12 Virtual University, and make the results from these reviews
13 available to the public as part of the statewide catalog. The
14 Michigan Virtual Learning Research Institute shall ensure that the
15 statewide catalog is made available to the public on the Michigan
16 Virtual University website and shall allow the ability to link it
17 to each district's website as provided for in section 21f. The
18 statewide catalog ~~shall~~**MUST** also contain all of the following:

19 (A) The number of enrollments in each virtual course in the
20 immediately preceding school year.

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

24 (C) The pass rate for each virtual course.

25 (xi) Support registration, payment services, and transcript
26 functionality for the statewide catalog and train key stakeholders
27 on how to use new features.

1 (xii) Collaborate with key stakeholders to examine district
2 level accountability and teacher effectiveness issues related to
3 virtual learning under section 21f and make findings and
4 recommendations publicly available.

5 (xiii) Provide a report on the activities of the Michigan
6 Virtual Learning Research Institute.

7 (3) To further enhance its expertise and leadership in virtual
8 learning, the Michigan Virtual University shall continue to operate
9 the Michigan Virtual School as a statewide laboratory and quality
10 model of instruction by implementing virtual and blended learning
11 solutions for Michigan schools in accordance with the following
12 parameters:

13 (a) The Michigan Virtual School must maintain its
14 accreditation status from recognized national and international
15 accrediting entities.

16 (b) The Michigan Virtual University shall use no more than
17 \$1,000,000.00 of the amount allocated under this section to
18 subsidize the cost paid by districts for virtual courses.

19 (c) In providing educators responsible for the teaching of
20 virtual courses as provided for in this section, the Michigan
21 Virtual School shall follow the requirements to request and assess,
22 and the department of state police shall provide, a criminal
23 history check and criminal records check under sections 1230 and
24 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
25 the same manner as if the Michigan Virtual School were a school
26 district under those sections.

27 (4) From the funds allocated under subsection (1), the

1 Michigan Virtual University shall allocate up to \$500,000.00 to
2 support the expansion of new online and blended educator
3 professional development programs.

4 (5) If the course offerings are included in the statewide
5 catalog of virtual courses under subsection (2)(b)(x), the Michigan
6 Virtual School operated by the Michigan Virtual University may
7 offer virtual course offerings, including, but not limited to, all
8 of the following:

9 (a) Information technology courses.

10 (b) College level equivalent courses, as defined in section
11 1471 of the revised school code, MCL 380.1471.

12 (c) Courses and dual enrollment opportunities.

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

14 (e) High school equivalency test preparation courses for
15 adjudicated youth.

16 (f) Special interest courses.

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

19 (6) If a home-schooled or nonpublic school student is a
20 resident of a district that subscribes to services provided by the
21 Michigan Virtual School, the student may use the services provided
22 by the Michigan Virtual School to the district without charge to
23 the student beyond what is charged to a district pupil using the
24 same services.

25 (7) Not later than December 1 of each fiscal year, the
26 Michigan Virtual University shall provide a report to the house and
27 senate appropriations subcommittees on state school aid, the state

1 budget director, the house and senate fiscal agencies, and the
2 department that includes at least all of the following information
3 related to the Michigan Virtual School for the preceding state
4 fiscal year:

5 (a) A list of the districts served by the Michigan Virtual
6 School.

7 (b) A list of virtual course titles available to districts.

8 (c) The total number of virtual course enrollments and
9 information on registrations and completions by course.

10 (d) The overall course completion rate percentage.

11 (8) In addition to the information listed in subsection (7),
12 the report under subsection (7) ~~shall~~**MUST** also include a plan to
13 serve at least 600 schools with courses from the Michigan Virtual
14 School or with content available through the internet-based
15 platform identified in subsection (2)(b)(ix).

16 (9) The governor may appoint an advisory group for the
17 Michigan Virtual Learning Research Institute established under
18 subsection (2). The members of the advisory group ~~shall~~serve at
19 the pleasure of the governor and ~~shall serve~~ without compensation.
20 The purpose of the advisory group is to make recommendations to the
21 governor, the legislature, and the president and board of the
22 Michigan Virtual University that will accelerate innovation in this
23 state's education system in a manner that will prepare elementary
24 and secondary students to be career and college ready and that will
25 promote the goal of increasing the percentage of ~~citizens~~**RESIDENTS**
26 of this state with high-quality degrees and credentials to at least
27 60% by ~~2025~~**2030**.

1 (10) Not later than November 1 of each year, the Michigan
2 Virtual University shall submit to the house and senate
3 appropriations subcommittees on state school aid, the state budget
4 director, and the house and senate fiscal agencies a detailed
5 budget for that fiscal year that includes a breakdown on its
6 projected costs to deliver virtual educational services to
7 districts and a summary of the anticipated fees to be paid by
8 districts for those services. Not later than March 1 each year, the
9 Michigan Virtual University shall submit to the house and senate
10 appropriations subcommittees on state school aid, the state budget
11 director, and the house and senate fiscal agencies a breakdown on
12 its actual costs to deliver virtual educational services to
13 districts and a summary of the actual fees paid by districts for
14 those services based on audited financial statements for the
15 immediately preceding fiscal year.

16 (11) As used in this section:

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

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

27 (c) "Virtual course" means a course of study that is capable

Senate Bill No. 146 as amended May 14, 2019

of generating a credit or a grade and that is provided in an interactive learning environment in which the majority of the curriculum is delivered using the internet and in which pupils are separated from their instructor or teacher of record by time or location, or both.

Sec. 99h. (1) From the state school aid fund appropriation in section 11, there is allocated ~~an amount not to exceed \$3,000,000.00 for 2017-2018 and an amount not to exceed \$4,500,000.00~~ **<<\$4,700,000.00>>** for ~~2018-2019~~ **2019-2020** for competitive

grants to districts and intermediate districts, and from the general fund appropriation in section 11, there is allocated an amount not to exceed \$300,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019~~ **FOR 2019-2020** for competitive grants to nonpublic schools that provide pupils in grades K to 12 with expanded opportunities to improve mathematics, science, and technology skills by participating in events hosted by a science and technology development program known as FIRST (for inspiration and recognition of science and technology) Robotics, including JR FIRST Lego League, FIRST Lego League, FIRST Tech challenge, and FIRST Robotics competition, or ~~, beginning in 2018-2019,~~ other competitive robotics programs, including **VEX AND** those hosted by the Robotics Education and Competition (REC) Foundation. Programs funded under this section are intended to increase the number of pupils demonstrating proficiency in science and mathematics on the state assessments and to increase the number of pupils who are college- and career-ready upon high school graduation. Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE** grant

1 payments to districts, nonpublic schools, and intermediate
2 districts under this section ~~shall be paid~~ on a schedule determined
3 by the department. The department shall set maximum grant awards
4 for each different level of competition in a manner that both
5 maximizes the number of teams that will be able to receive funds
6 and expands the geographical distribution of teams.

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

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

19 (a) Grants to districts, nonpublic schools, or intermediate
20 districts to pay for stipends not to exceed \$1,500.00 for 1 coach
21 per team.

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

1 costs of participating in an event.

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

8 (4) A nonpublic school that receives a grant under this
9 section may use the funds for either robotics or Science Olympiad
10 programs.

11 (5) To be eligible to receive funds under this section, a
12 nonpublic school must be a nonpublic school registered with the
13 department and must meet all applicable state reporting
14 requirements for nonpublic schools.

15 ~~—— (6) The funds allocated under this section for 2017-2018 are a~~
16 ~~work project appropriation, and any unexpended funds for 2017-2018~~
17 ~~are carried forward into 2018-2019. The purpose of the work project~~
18 ~~is to continue support of FIRST Robotics and must not be used to~~
19 ~~support other robotics competitions. The estimated completion date~~
20 ~~of the work project is September 30, 2020.~~

21 Sec. 99s. (1) From the funds appropriated under section 11,
22 there is allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
23 \$7,634,300.00 from the state school aid fund appropriation and an
24 amount not to exceed \$300,000.00 from the general fund
25 appropriation for Michigan science, technology, engineering, and
26 mathematics (MiSTEM) programs. In addition, from the federal funds
27 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~

1 2020 an amount estimated at ~~\$3,500,000.00~~ **\$235,000.00** from DED-
2 OESE, title II, mathematics and science partnership grants. **THE**
3 **MISTEM NETWORK MAY RECEIVE FUNDS FROM PRIVATE SOURCES. IF THE**
4 **MISTEM NETWORK RECEIVES FUNDS FROM PRIVATE SOURCES, THE MISTEM**
5 **NETWORK SHALL EXPEND THOSE FUNDS IN ALIGNMENT WITH THE STATEWIDE**
6 **STEM STRATEGY.** Programs funded under this section are intended to
7 increase the number of pupils demonstrating proficiency in science
8 and mathematics on the state assessments and to increase the number
9 of pupils who are college- and career-ready upon high school
10 graduation. Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
11 payments under this section ~~shall be paid~~ on a schedule determined
12 by the department.

13 (2) All of the following apply to the MiSTEM advisory council:

14 (a) The MiSTEM advisory council is created. The MiSTEM
15 advisory council shall provide to the governor, legislature,
16 department of talent and economic development, and department
17 recommendations designed to improve and promote innovation in STEM
18 education and to prepare students for careers in science,
19 technology, engineering, and mathematics.

20 (b) The MiSTEM advisory council created under subdivision (a)
21 ~~shall consist~~ **CONSISTS** of the following members:

22 (i) The governor shall appoint 11 voting members who are
23 representative of business sectors that are important to Michigan's
24 economy and rely on a STEM-educated workforce, nonprofit
25 organizations and associations that promote STEM education, K-12
26 and postsecondary education entities involved in STEM-related
27 career education, or other sectors as considered appropriate by the

1 governor. Each of these members ~~shall serve~~ **SERVES** at the pleasure
2 of the governor and for a term determined by the governor.

3 (ii) The senate majority leader shall appoint 2 members of the
4 senate to serve as nonvoting, ex-officio members of the MiSTEM
5 advisory council, including 1 majority party member and 1 minority
6 party member.

7 (iii) The speaker of the house of representatives shall
8 appoint 2 members of the house of representatives to serve as
9 nonvoting, ex-officio members of the MiSTEM advisory council,
10 including 1 majority party member and 1 minority party member.

11 (iv) **THE GOVERNOR SHALL APPOINT 1 STATE OFFICER OR EMPLOYEE TO**
12 **SERVE AS A NONVOTING, EX-OFFICIO MEMBER OF THE MISTEM ADVISORY**
13 **COUNCIL.**

14 (c) Each member of the MiSTEM advisory council ~~shall serve~~
15 **SERVES** without compensation.

16 (d) The MiSTEM advisory council annually shall review and make
17 recommendations to the governor, the legislature, and the
18 department concerning changes to the statewide strategy adopted by
19 the council for delivering STEM education-related opportunities to
20 pupils. The MiSTEM advisory council shall use funds received under
21 this subsection to ensure that its members or their designees are
22 trained in the Change the Equation STEMworks rating system program
23 for the purpose of rating STEM programs.

24 (e) The MiSTEM advisory council shall make specific funding
25 recommendations for the funds allocated under subsection (3) by
26 December 15 of each fiscal year. Each specific funding
27 recommendation ~~shall~~ **MUST** be for a program approved by the MiSTEM

1 advisory council. To be eligible for MiSTEM advisory council
2 approval, a program must satisfy all of the following:

3 (i) Align with this state's academic standards.

4 (ii) Have STEMworks certification.

5 (iii) Provide project-based experiential learning, student
6 programming, or educator professional learning experiences.

7 (iv) Focus predominantly on classroom-based STEM experiences
8 or professional learning experiences.

9 (f) The MiSTEM advisory council shall approve programs that
10 represent all network regions and include a diverse array of
11 options for students and educators and at least 1 program in each
12 of the following areas:

13 (i) Robotics.

14 (ii) Computer science or coding.

15 (iii) Engineering or bioscience.

16 (g) The MiSTEM advisory council is encouraged to work with the
17 MiSTEM network to develop locally and regionally developed programs
18 and professional development **LEARNING** experiences for the programs
19 on the list of approved programs.

20 (h) If the MiSTEM advisory council is unable to make specific
21 funding recommendations by December 15 of a fiscal year, the
22 department shall award and distribute the funds allocated under
23 subsection (3) on a competitive grant basis that at least follows
24 the statewide STEM strategy plan and rating system recommended by
25 the MiSTEM advisory council. Each grant must provide STEM
26 education-related opportunities for pupils.

27 (i) The MiSTEM advisory council shall work with the executive

1 director of the MiSTEM network to implement the statewide STEM
2 strategy adopted by the MiSTEM advisory council.

3 (3) From the state school aid fund money allocated under
4 subsection (1), there is allocated for ~~2018-2019-2019-2020~~ an
5 amount not to exceed \$3,050,000.00 for the purpose of funding
6 programs under this section for ~~2018-2019, 2019-2020~~, as
7 recommended by the MiSTEM advisory council.

8 (4) From the school aid fund allocation under subsection (1),
9 there is allocated an amount not to exceed \$3,834,300.00 for ~~2018-~~
10 ~~2019-2019-2020~~ to support the activities and programs of the MiSTEM
11 network regions. In addition, from the federal funds allocated
12 under subsection (1), there is allocated for ~~2018-2019-2019-2020~~ an
13 amount estimated at ~~\$3,500,000.00~~ **\$235,000.00** from DED-OESE, title
14 II, mathematics and science partnership grants, for the purposes of
15 this subsection. ~~Beginning in 2018-2019, the~~ **FROM THE MONEY**
16 **ALLOCATED UNDER THIS SUBSECTION, THE DEPARTMENT SHALL AWARD THE**
17 fiscal agent for each MiSTEM network region ~~shall receive~~
18 \$200,000.00 for the base operations of each region. The **DEPARTMENT**
19 **SHALL DISTRIBUTE THE** remaining funds ~~will be distributed to each~~
20 fiscal agent in an equal amount per pupil, based on the number of K
21 to 12 pupils enrolled in districts within each region in the ~~prior~~
22 **IMMEDIATELY PRECEDING** fiscal year.

23 (5) A MiSTEM network region shall do all of the following:

24 (a) Collaborate with the career and educational advisory
25 council that is located in the MiSTEM region to develop a regional
26 strategic plan for STEM education that creates a robust regional
27 STEM culture, that empowers STEM teachers, that integrates business

1 and education into the STEM network, and that ensures high-quality
2 STEM experiences for pupils. At a minimum, a regional STEM
3 strategic plan should do all of the following:

4 (i) Identify regional employer need for STEM.

5 (ii) Identify processes for regional employers and educators
6 to create guided pathways for STEM careers that include internships
7 or externships, apprenticeships, and other experiential engagements
8 for pupils.

9 (iii) Identify educator professional development
10 opportunities, including internships or externships and
11 apprenticeships, that integrate this state's science standards into
12 high-quality STEM experiences that engage pupils.

13 (b) Facilitate regional STEM events such as educator and
14 employer networking and STEM career fairs to raise STEM awareness.

15 (c) Contribute to the MiSTEM website and engage in other
16 MiSTEM network functions to further the mission of STEM in this
17 state in coordination with the MiSTEM advisory council and its
18 executive director.

19 (d) Facilitate application and implementation of state and
20 federal funds under this subsection and any other grants or funds
21 for the MiSTEM network region.

22 (e) Work with districts to provide STEM programming and
23 professional development. **LEARNING.**

24 (f) Coordinate recurring discussions and work with the career
25 and educational advisory council to ensure that feedback and best
26 practices are being shared, including funding, program,
27 professional learning opportunities, and regional strategic plans.

1 (6) From the school aid funds allocated under subsection (1),
2 the department shall distribute for ~~2018-2019~~ **2019-2020** an amount
3 not to exceed \$750,000.00, in a form and manner determined by the
4 department, to those network regions able to provide curriculum and
5 professional development support to assist districts in
6 implementing the Michigan merit curriculum components for
7 mathematics and science.

8 (7) In order to receive state or federal funds under
9 subsection (4) or (6), **OR TO RECEIVE FUNDS FROM PRIVATE SOURCES AS**
10 **AUTHORIZED UNDER SUBSECTION (1)**, a grant recipient ~~shall~~ **MUST** allow
11 access for the department or the department's designee to audit all
12 records related to the program for which it receives those funds.
13 The grant recipient shall reimburse the state for all disallowances
14 found in the audit.

15 (8) In order to receive state funds under subsection (4) or
16 (6), a grant recipient ~~shall~~ **MUST** provide at least a 10% local
17 match from local public or private resources for the funds received
18 under this subsection.

19 (9) Not later than July 1, 2019 and July 1 of each year
20 thereafter, a MiSTEM network region that receives funds under
21 subsection (4) shall report to the executive director of the MiSTEM
22 network in a form and manner prescribed by the executive director
23 on performance measures developed by the MiSTEM network regions and
24 approved by the executive director. The performance measures ~~shall~~
25 **MUST** be designed to ensure that the activities of the MiSTEM
26 network are improving student academic outcomes.

27 (10) Not more than 5% of a MiSTEM network region grant under

subsection (4) or (6) may be retained by a fiscal agent for serving as the fiscal agent of a MiSTEM network region.

(11) From the general fund allocation under subsection (1), there is allocated an amount not to exceed \$300,000.00 to the department of ~~technology, management, and budget~~ **TALENT AND ECONOMIC DEVELOPMENT** to support the functions of the executive director and executive assistant for the MiSTEM network, and for administrative, training, and travel costs related to the MiSTEM advisory council. The executive director and executive assistant for the MiSTEM network shall do all of the following:

(a) Serve as a liaison among and between the department, the department of ~~technology, management, and budget~~, **TALENT AND ECONOMIC DEVELOPMENT**, the MiSTEM advisory council, ~~the Michigan mathematics and science centers network~~, the governor's **FUTURE talent investment board**, ~~the general education leadership network~~, ~~and~~ **COUNCIL**, the MiSTEM regions, **AND ANY OTHER RELEVANT ORGANIZATION OR ENTITY** in a manner that creates a robust statewide STEM culture, that empowers STEM teachers, that integrates business and education into the STEM network, and that ensures high-quality STEM experiences for pupils.

(b) Coordinate the implementation of a marketing campaign, including, but not limited to, a website that includes dashboards of outcomes, to build STEM awareness and communicate STEM needs and opportunities to pupils, parents, educators, and the business community.

(c) Work with the department and the MiSTEM advisory council to coordinate, award, and monitor MiSTEM state and federal grants

1 to the MiSTEM network regions and conduct reviews of grant
 2 recipients, including, but not limited to, pupil experience and
 3 feedback.

4 (d) Report to the governor, the legislature, the department,
 5 and the MiSTEM advisory council annually on the activities and
 6 performance of the MiSTEM network regions.

7 (e) Coordinate recurring discussions and work with regional
 8 staff to ensure that a network or loop of feedback and best
 9 practices are shared, including funding, programming, professional
 10 learning opportunities, discussion of MiSTEM strategic vision, and
 11 regional objectives.

12 (f) Coordinate major grant application efforts with the MiSTEM
 13 advisory council to assist regional staff with grant applications
 14 on a local level. The MiSTEM advisory council shall leverage
 15 private and nonprofit relationships to coordinate and align private
 16 funds in addition to funds appropriated under this section.

17 (g) Train state and regional staff in the STEMworks rating
 18 system, in collaboration with the MiSTEM advisory council and the
 19 department.

20 (h) ~~Collaborate with the MiSTEM network to hire~~ **HIRE** MiSTEM
 21 network region staff **IN COLLABORATION WITH THE NETWORK REGION**
 22 **FISCAL AGENT.**

23 (12) As used in this section:

24 (a) "Career and educational advisory council" means an
 25 advisory council to the local workforce development boards located
 26 in a prosperity region consisting of educational, employer, labor,
 27 and parent representatives.

1 (b) "DED" means the United States Department of Education.

2 (c) "DED-OESE" means the DED Office of Elementary and
3 Secondary Education.

4 (d) "STEM" means science, technology, engineering, and
5 mathematics delivered in an integrated fashion using cross-
6 disciplinary learning experiences that can include language arts,
7 performing and fine arts, and career and technical education.

8 Sec. 99t. (1) From the general fund appropriation under
9 section 11, there is allocated an amount not to exceed
10 \$1,500,000.00 for ~~2018-2019~~**2019-2020 ONLY** to purchase statewide
11 access to an online algebra tool that meets all of the following:

12 (a) Provides students statewide with complete access to videos
13 aligned with state standards including study guides and workbooks
14 that are aligned with the videos.

15 (b) Provides students statewide with access to a personalized
16 online algebra learning tool including adaptive diagnostics.

17 (c) Provides students statewide with dynamic algebra practice
18 assessments that emulate the state assessment with immediate
19 feedback and help solving problems.

20 (d) Provides students statewide with online access to algebra
21 help 24 hours a day and 7 days a week from study experts, teachers,
22 and peers on a moderated social networking platform.

23 (e) Provides an online algebra professional development
24 network for teachers.

25 (f) Is already provided under a statewide contract in at least
26 1 other state that has a population of at least 18,000,000 but not
27 more than 19,000,000 according to the most recent decennial census

1 and is offered in that state in partnership with a public
2 university.

3 (2) The department shall purchase the online algebra tool that
4 was chosen under this section in 2016-2017.

5 (3) A grantee receiving funding under this section shall
6 comply with the requirements of section 19b.

7 Sec. 99u. (1) From the general fund appropriation under
8 section 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount
9 not to exceed \$1,500,000.00 to purchase statewide access to an
10 online mathematics tool that meets all of the following:

11 (a) Provides students statewide with complete access to
12 mathematics support aligned with state standards through a program
13 that has all of the following elements:

14 (i) Student motivation.

15 (ii) Valid and reliable assessments.

16 (iii) Personalized learning pathways.

17 (iv) Highly qualified, live teachers available all day and all
18 year.

19 (v) Twenty-four-hour reporting.

20 (vi) Content built for rigorous mathematics.

21 (b) Has a record of improving student mathematics scores in at
22 least 5 other states.

23 (c) Received funding under this section in 2017-2018.

24 (2) A grantee that receives funding under this section shall
25 comply with the requirements of section 19b.

26 (3) In addition to the funds allocated under subsection (1),
27 from the general fund appropriation in section 11, there is

1 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
2 \$500,000.00 for a software-based solution designed to teach Spanish
3 language literacy to students in pre-kindergarten through first
4 grade. A program funded under this subsection ~~shall~~**MUST** be a grant
5 to the eligible provider that promotes bilingualism and biliteracy,
6 and is based on research that shows how students who become
7 proficient readers in their first language have an easier time
8 making the transition to reading proficiency in a second language.
9 A provider of programming under subsection (1) is the eligible
10 provider of programming under this subsection.

11 (4) In addition to the funds allocated under subsection (1),
12 from the general fund money appropriated in section 11, there is
13 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
14 \$1,000,000.00 for a ~~pilot~~ program to provide explicit, targeted
15 literacy instruction within an individualized learning path that
16 continually adjusts to a pupil's needs. A program funded under this
17 subsection ~~shall~~**MUST** be a grant to the eligible provider that
18 promotes literacy by teaching critical language and literacy
19 concepts such as reading and listening comprehension, basic
20 vocabulary, academic language, grammar, phonological awareness,
21 phonics, and fluency. A ~~pilot~~ program funded under this subsection
22 ~~shall~~**MUST** cover both the remainder of ~~2018-2019-2019-2020~~ and also
23 the entire ~~2019-2020-2020-2021~~ school year. A provider of
24 programming under subsection (1) is the eligible provider of
25 programming under this subsection.

26 (5) Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
27 payments ~~made~~ under this section ~~shall be made~~ not later than March

1 1, 2019.

2 Sec. 99v. From the general fund appropriation in section 11,
3 there is allocated an amount not to exceed \$25,000.00 for ~~2018-2019~~
4 **2019-2020 ONLY** for a grant to be distributed by the department to a
5 provider that develops and scales effective innovations to support
6 educators, administrators, and policymakers in creating seamless
7 transitions throughout the K-14 system for all students, especially
8 the underserved. A grantee must have expertise in K-12 services,
9 online course programs, digital platform services, leadership
10 networks, and higher education, and work to develop a mathematics
11 pathways alignment. A grantee that receives a grant under this
12 section shall facilitate a 2-day math workshop with high school and
13 college faculty focused on sharing information about high-impact
14 practices, defining the problem or problems, and using data and
15 planning strategies to address those problems. In addition, the
16 grantee shall use funds to conduct 3 virtual check-ins during which
17 the working groups will report on progress and identify challenges
18 and questions, with the grantee providing guidance and resources as
19 appropriate.

20 Sec. 99x. (1) From the general fund money appropriated under
21 section 11, there is allocated for ~~2018-2019-2019-2020 ONLY~~ an
22 amount not to exceed \$300,000.00 for Teach for America to host a
23 summer training institute in the city of Detroit, recruit teachers
24 into a master teacher fellowship, and retain a committed alumni
25 community. A program funded under this section must provide
26 coaching and professional development, with the goal to produce
27 highly effective teachers that move pupils beyond their growth

1 benchmarks.

2 (2) Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
 3 payments made under this section ~~shall be made~~ not later than March
 4 ~~1,~~ **NOVEMBER 15, 2019.**

5 **SEC. 99Z. (1) FROM THE GENERAL FUND MONEY APPROPRIATED UNDER**
 6 **SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO**
 7 **EXCEED \$300,000.00 FOR 2019-2020 ONLY FOR FUNDING A PROGRAM THAT**
 8 **PROVIDES TEACHER STEM PROFESSIONAL DEVELOPMENT AND WORKSHOPS, AND**
 9 **ENABLES HIGH SCHOOL STUDENTS TO INCORPORATE INNOVATION AND**
 10 **ENGINEERING INTO THE DESIGN OF A WIDE VARIETY OF COMPLEX VEHICLES.**
 11 **TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, A PROGRAM MUST**
 12 **PROVIDE AN UNDERWATER INNOVATIVE VEHICLE DESIGN CHALLENGE, AN**
 13 **AUTONOMOUS INNOVATIVE VEHICLE DESIGN CHALLENGE, A MINI INNOVATIVE**
 14 **VEHICLE DESIGN CHALLENGE, AND A FULL-SCALE INNOVATIVE VEHICLE**
 15 **DESIGN CHALLENGE.**

16 (2) **NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL MAKE**
 17 **PAYMENTS UNDER THIS SECTION NOT LATER THAN NOVEMBER 15, 2019.**

18 Sec. 101. (1) To be eligible to receive state aid under this
 19 article, not later than the fifth Wednesday after the pupil
 20 membership count day and not later than the fifth Wednesday after
 21 the supplemental count day, each district superintendent shall
 22 submit **AND CERTIFY** to the center and the intermediate
 23 superintendent, in the form and manner prescribed by the center,
 24 the number of pupils enrolled and in regular daily attendance in
 25 the district as of the pupil membership count day and as of the
 26 supplemental count day, as applicable, for the current school year.
 27 In addition, a district maintaining school during the entire year 7

1 ~~as provided under section 1561 of the revised school code, MCL~~
 2 ~~380.1561,~~ shall submit **AND CERTIFY** to the center and the
 3 intermediate superintendent, in the form and manner prescribed by
 4 the center, the number of pupils enrolled and in regular daily
 5 attendance in the district for the current school year pursuant to
 6 rules promulgated by the superintendent. Not later than the sixth
 7 Wednesday after the pupil membership count day and not later than
 8 the sixth Wednesday after the supplemental count day, the district
 9 shall ~~certify~~ **RESOLVE ANY PUPIL MEMBERSHIP CONFLICTS WITH ANOTHER**
 10 **DISTRICT, CORRECT ANY DATA ISSUES, AND RECERTIFY** the data in a form
 11 and manner prescribed by the center and file the certified data
 12 with the intermediate superintendent. If a district fails to submit
 13 and certify the attendance data, as required under this subsection,
 14 the center shall notify the department and **THE DEPARTMENT SHALL**
 15 **WITHHOLD** state aid due to be distributed under this article ~~shall~~
 16 ~~be withheld~~ from the defaulting district immediately, beginning
 17 with the next payment after the failure and continuing with each
 18 payment until the district complies with this subsection. If a
 19 district does not comply with this subsection by the end of the
 20 fiscal year, the district forfeits the amount withheld. A person
 21 who willfully falsifies a figure or statement in the certified and
 22 sworn copy of enrollment ~~shall be punished in the manner~~ **IS SUBJECT**
 23 **TO PENALTY AS** prescribed by section 161.

24 (2) To be eligible to receive state aid under this article,
 25 not later than the twenty-fourth Wednesday after the pupil
 26 membership count day and not later than the twenty-fourth Wednesday
 27 after the supplemental count day, an intermediate district shall

submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to submit the audited data as required under this subsection, **THE DEPARTMENT SHALL WITHHOLD** state aid due to be distributed under this article ~~shall be withheld from~~ the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) Except as otherwise provided in subsections (11) and (12), all of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours and ~~, beginning in 2010-2011, the required minimum number of 180~~ days of pupil instruction. ~~Beginning in 2014-2015, the required minimum number of days of pupil instruction is 175. However, all of the following apply to these requirements:~~

~~—— (i) If a collective bargaining agreement that provides a complete school calendar was in effect for employees of a district as of July 1, 2013, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement. If a district entered into a collective bargaining agreement on or after July 1, 2013 and if~~

~~that collective bargaining agreement did not provide for at least 175 days of pupil instruction beginning in 2014-2015, then the department shall withhold from the district's total state school aid an amount equal to 5% of the funding the district receives in 2014-2015 under sections 22a and 22b.~~

~~—— (ii) A district may apply for a waiver under subsection (9) from the requirements of this subdivision.~~

~~—— (b) Beginning in 2016-2017, the required minimum number of days of pupil instruction is 180. If a collective bargaining agreement that provides a complete school calendar was in effect for employees of a district as of the effective date of the amendatory act that added this subdivision, JUNE 24, 2014, and if that school calendar is not in compliance with this subdivision, then this subdivision does not apply to that district until after the expiration of that collective bargaining agreement. A district may apply for a waiver under subsection (9) from the requirements of this subdivision.~~

(B) ~~(e)~~ Except as otherwise provided in this article, a district failing to comply with the required minimum hours and days of pupil instruction under this subsection ~~shall forfeit~~ **FORFEITS** from its total state aid allocation an amount determined by applying a ratio of the number of hours or days the district was in noncompliance in relation to the required minimum number of hours and days under this subsection. Not later than August 1, the board of each district shall either certify to the department that the district was in full compliance with this section regarding the number of hours and days of pupil instruction in the previous

1 school year, or report to the department, in a form and manner
 2 prescribed by the center, each instance of noncompliance. If the
 3 district did not provide at least the required minimum number of
 4 hours and days of pupil instruction under this subsection, **THE**
 5 **DEPARTMENT SHALL MAKE** the deduction of state aid ~~shall be made in~~
 6 the following fiscal year from the first payment of state school
 7 aid. A district is not subject to forfeiture of funds under this
 8 subsection for a fiscal year in which a forfeiture was already
 9 imposed under subsection (6).

10 (C) ~~(d)~~ Hours or days lost because of strikes or teachers'
 11 conferences ~~shall not be~~ **ARE NOT** counted as hours or days of pupil
 12 instruction.

13 ~~—— (e) If a collective bargaining agreement that provides a~~
 14 ~~complete school calendar is in effect for employees of a district~~
 15 ~~as of October 19, 2009, and if that school calendar is not in~~
 16 ~~compliance with this subsection, then this subsection does not~~
 17 ~~apply to that district until after the expiration of that~~
 18 ~~collective bargaining agreement.~~

19 (D) ~~(f)~~ Except as otherwise provided in subdivisions ~~(g)~~ and
 20 ~~(h)~~, **(E) AND (F), IF** a district ~~not having~~ **DOES NOT HAVE** at least
 21 75% of the district's membership in attendance on any day of pupil
 22 instruction, ~~shall receive~~ **THE DEPARTMENT SHALL PAY THE DISTRICT**
 23 state aid in that proportion of 1/180 that the actual percent of
 24 attendance bears to ~~the specified percentage.~~ **75%.**

25 (E) ~~(g)~~ If a district adds 1 or more days of pupil instruction
 26 to the end of its instructional calendar for a school year to
 27 comply with subdivision (a) because the district otherwise would

1 fail to provide the required minimum number of days of pupil
2 instruction even after the operation of subsection (4) due to
3 conditions not within the control of school authorities, then
4 subdivision ~~(f)~~-(D) does not apply for any day of pupil instruction
5 that is added to the end of the instructional calendar. Instead,
6 for any of those days, if the district does not have at least 60%
7 of the district's membership in attendance on that day, **THE**
8 **DEPARTMENT SHALL PAY** the district ~~shall receive~~ state aid in that
9 proportion of 1/180 that the actual percentage of attendance bears
10 to ~~the specified percentage. 60%~~. For any day of pupil instruction
11 added to the instructional calendar as described in this
12 subdivision, the district shall report to the department the
13 percentage of the district's membership that is in attendance, in
14 the form and manner prescribed by the department.

15 (F) ~~(h)~~At the request of a district that operates a
16 department-approved alternative education program and that does not
17 provide instruction for pupils in all of grades K to 12, the
18 superintendent shall grant a waiver from the requirements of
19 subdivision ~~(f)~~-(D). The waiver ~~shall indicate~~ **MUST PROVIDE** that
20 an eligible district is subject to the proration provisions of
21 subdivision ~~(f)~~-(D) only if the district does not have at least 50%
22 of the district's membership in attendance on any day of pupil
23 instruction. In order to be eligible for this waiver, a district
24 must maintain records to substantiate its compliance with the
25 following requirements:

26 (i) The district offers the minimum hours of pupil instruction
27 as required under this section.

1 (ii) For each enrolled pupil, the district uses appropriate
2 academic assessments to develop an individual education plan that
3 leads to a high school diploma.

4 (iii) The district tests each pupil to determine academic
5 progress at regular intervals and records the results of those
6 tests in that pupil's individual education plan.

7 **(G)** ~~(i)~~ All of the following apply to a waiver granted under
8 subdivision ~~(h)~~ **(F)** :

9 (i) If the waiver is for a blended model of delivery, a waiver
10 that is granted for the 2011-2012 fiscal year or a subsequent
11 fiscal year remains in effect unless it is revoked by the
12 superintendent.

13 (ii) If the waiver is for a 100% online model of delivery and
14 the educational program for which the waiver is granted makes
15 educational services available to pupils for a minimum of at least
16 1,098 hours during a school year and ensures that each pupil
17 participates in the educational program for at least 1,098 hours
18 during a school year, a waiver that is granted for the 2011-2012
19 fiscal year or a subsequent fiscal year remains in effect unless it
20 is revoked by the superintendent.

21 (iii) A waiver that is not a waiver described in subparagraph
22 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
23 to remain in effect.

24 **(H)** ~~(j)~~ The superintendent shall promulgate rules for the
25 implementation of this subsection.

26 (4) Except as otherwise provided in this subsection, the first
27 6 days or the equivalent number of hours for which pupil

1 instruction is not provided because of conditions not within the
2 control of school authorities, such as severe storms, fires,
3 epidemics, utility power unavailability, water or sewer failure, or
4 health conditions as defined by the city, county, or state health
5 authorities, ~~shall be~~ **ARE** counted as hours and days of pupil
6 instruction. With the approval of the superintendent of public
7 instruction, the department shall count as hours and days of pupil
8 instruction for a fiscal year not more than 3 additional days or
9 the equivalent number of additional hours for which pupil
10 instruction is not provided in a district due to unusual and
11 extenuating occurrences resulting from conditions not within the
12 control of school authorities such as those conditions described in
13 this subsection. Subsequent such hours or days ~~shall not be~~ **ARE NOT**
14 counted as hours or days of pupil instruction.

15 (5) A district ~~shall~~ **DOES** not forfeit part of its state aid
16 appropriation because it adopts or has in existence an alternative
17 scheduling program for pupils in kindergarten if the program
18 provides at least the number of hours required under subsection (3)
19 for a full-time equated membership for a pupil in kindergarten as
20 provided under section 6(4).

21 (6) In addition to any other penalty or forfeiture under this
22 section, if at any time the department determines that 1 or more of
23 the following have occurred in a district, the district ~~shall~~
24 ~~forfeit~~ **FORFEITS** in the current fiscal year beginning in the next
25 payment to be calculated by the department a proportion of the
26 funds due to the district under this article that is equal to the
27 proportion below the required minimum number of hours and days of

1 pupil instruction under subsection (3), as specified in the
2 following:

3 (a) The district fails to operate its schools for at least the
4 required minimum number of hours and days of pupil instruction
5 under subsection (3) in a school year, including hours and days
6 counted under subsection (4).

7 (b) The board of the district takes formal action not to
8 operate its schools for at least the required minimum number of
9 hours and days of pupil instruction under subsection (3) in a
10 school year, including hours and days counted under subsection (4).

11 (7) In providing the minimum number of hours and days of pupil
12 instruction required under subsection (3), a district shall use the
13 following guidelines, and a district shall maintain records to
14 substantiate its compliance with the following guidelines:

15 (a) Except as otherwise provided in this subsection, a pupil
16 must be scheduled for at least the required minimum number of hours
17 of instruction, excluding study halls, or at least the sum of 90
18 hours plus the required minimum number of hours of instruction,
19 including up to 2 study halls.

20 (b) The time a pupil is assigned to any tutorial activity in a
21 block schedule may be considered instructional time, unless that
22 time is determined in an audit to be a study hall period.

23 (c) Except as otherwise provided in this subdivision, a pupil
24 in grades 9 to 12 for whom a reduced schedule is determined to be
25 in the individual pupil's best educational interest must be
26 scheduled for a number of hours equal to at least 80% of the
27 required minimum number of hours of pupil instruction to be

1 considered a full-time equivalent pupil. A pupil in grades 9 to 12
2 who is scheduled in a 4-block schedule may receive a reduced
3 schedule under this subsection if the pupil is scheduled for a
4 number of hours equal to at least 75% of the required minimum
5 number of hours of pupil instruction to be considered a full-time
6 equivalent pupil.

7 (d) If a pupil in grades 9 to 12 who is enrolled in a
8 cooperative education program or a special education pupil cannot
9 receive the required minimum number of hours of pupil instruction
10 solely because of travel time between instructional sites during
11 the school day, that travel time, up to a maximum of 3 hours per
12 school week, ~~shall be~~ **IS** considered to be pupil instruction time
13 for the purpose of determining whether the pupil is receiving the
14 required minimum number of hours of pupil instruction. However, if
15 a district demonstrates to the satisfaction of the department that
16 the travel time limitation under this subdivision would create
17 undue costs or hardship to the district, the department may
18 consider more travel time to be pupil instruction time for this
19 purpose.

20 (e) In grades 7 through 12, instructional time that is part of
21 a ~~junior reserve officer training corps~~ **JUNIOR RESERVE OFFICER**
22 **TRAINING CORPS** (JROTC) program ~~shall be~~ **IS** considered to be pupil
23 instruction time regardless of whether the instructor is a
24 certificated teacher if all of the following are met:

25 (i) The instructor has met all of the requirements established
26 by the United States Department of Defense and the applicable
27 branch of the armed services for serving as an instructor in the

~~junior reserve officer training corps~~ **JUNIOR RESERVE OFFICER
TRAINING CORPS** program.

(ii) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) Except as otherwise provided in subsections (11) and (12), the department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent shall waive for a district the minimum number of hours and days of pupil instruction requirement of subsection (3) for a department-approved alternative education program or another innovative program approved by the department, including a 4-day school week. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture ~~shall be~~ **IS** calculated based upon a comparison of the number of hours and days of pupil instruction actually provided to the minimum number of hours and days of pupil instruction required under subsection (3). ~~Pupils~~ **A DISTRICT SHALL REPORT PUPILS** enrolled in a department-approved alternative education program under this subsection ~~shall be reported to the center in a~~

1 form and manner determined by the center. All of the following
2 apply to a waiver granted under this subsection:

3 (a) If the waiver is for a blended model of delivery, a waiver
4 that is granted for the 2011-2012 fiscal year or a subsequent
5 fiscal year remains in effect unless it is revoked by the
6 superintendent.

7 (b) If the waiver is for a 100% online model of delivery and
8 the educational program for which the waiver is granted makes
9 educational services available to pupils for a minimum of at least
10 1,098 hours during a school year and ensures that each pupil is on
11 track for course completion at proficiency level, a waiver that is
12 granted for the 2011-2012 fiscal year or a subsequent fiscal year
13 remains in effect unless it is revoked by the superintendent.

14 (c) A waiver that is not a waiver described in subdivision (a)
15 or (b) is valid for 1 fiscal year and must be renewed annually to
16 remain in effect.

17 ~~—— (d) For 2018-2019 only, the department shall grant a waiver to~~
18 ~~a district that applies for a waiver for a blended model of~~
19 ~~delivery after the department's application deadline if the~~
20 ~~district meets the other requirements for a waiver under this~~
21 ~~subsection.~~

22 (10) ~~Until 2014-2015, a~~ A district may count up to 38 hours of
23 qualifying professional development for teachers as hours of pupil
24 instruction. ~~However, if a collective bargaining agreement that~~
25 ~~provides for the counting of up to 38 hours of qualifying~~
26 ~~professional development for teachers as pupil instruction is in~~
27 ~~effect for employees of a district as of July 1, 2013, then until~~

~~the school year that begins after the expiration of that collective bargaining agreement a district may count up to the contractually specified number of hours of qualifying professional development for teachers as hours of pupil instruction. Professional development provided online is allowable and encouraged, as long as the instruction has been approved by the district. The department shall issue a list of approved online professional development providers, which shall include the Michigan Virtual School. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:~~

~~—— (a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.~~

~~—— (b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.~~

~~—— (c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.~~

~~—— (d) Integrating technology into classroom instruction.~~

~~—— (e) Maintaining teacher certification.~~ **ALL OF THE FOLLOWING**

APPLY TO THE COUNTING OF QUALIFYING PROFESSIONAL DEVELOPMENT AS

PUPIL INSTRUCTION UNDER THIS SUBSECTION:

(A) IF QUALIFYING PROFESSIONAL DEVELOPMENT EXCEEDS 5 HOURS IN A SINGLE DAY, THAT DAY MAY BE COUNTED AS A DAY OF PUPIL INSTRUCTION.

(B) AT LEAST 8 HOURS OF THE QUALIFYING PROFESSIONAL DEVELOPMENT COUNTED AS HOURS OF PUPIL INSTRUCTION UNDER THIS

1 SUBSECTION MUST BE RECOMMENDED BY A DISTRICTWIDE PROFESSIONAL
2 DEVELOPMENT ADVISORY COMMITTEE APPOINTED BY THE DISTRICT BOARD. THE
3 ADVISORY COMMITTEE MUST BE COMPOSED OF TEACHERS EMPLOYED BY THE
4 DISTRICT WHO REPRESENT A VARIETY OF GRADES AND SUBJECT MATTER
5 SPECIALIZATIONS, INCLUDING SPECIAL EDUCATION; NONTEACHING STAFF;
6 PARENTS; AND ADMINISTRATORS. THE MAJORITY MEMBERSHIP OF THE
7 COMMITTEE SHALL BE COMPOSED OF TEACHING STAFF.

8 (C) PROFESSIONAL DEVELOPMENT PROVIDED ONLINE IS ALLOWABLE AND
9 ENCOURAGED, AS LONG AS THE INSTRUCTION HAS BEEN APPROVED BY THE
10 DISTRICT. THE DEPARTMENT SHALL ISSUE A LIST OF APPROVED ONLINE
11 PROFESSIONAL DEVELOPMENT PROVIDERS, WHICH MUST INCLUDE THE MICHIGAN
12 VIRTUAL SCHOOL.

13 (D) QUALIFYING PROFESSIONAL DEVELOPMENT MAY ONLY BE COUNTED AS
14 HOURS OF PUPIL INSTRUCTION FOR THE PUPILS OF THOSE TEACHERS
15 SCHEDULED TO PARTICIPATE IN THE QUALIFYING PROFESSIONAL
16 DEVELOPMENT.

17 (E) FOR PROFESSIONAL DEVELOPMENT TO BE CONSIDERED QUALIFYING
18 PROFESSIONAL DEVELOPMENT UNDER THIS SUBSECTION, THE PROFESSIONAL
19 DEVELOPMENT MUST MEET ALL OF THE FOLLOWING:

20 (i) IS ALIGNED TO THE SCHOOL OR DISTRICT IMPROVEMENT PLAN FOR
21 THE SCHOOL OR DISTRICT IN WHICH THE PROFESSIONAL DEVELOPMENT IS
22 BEING PROVIDED.

23 (ii) IS LINKED TO 1 OR MORE CRITERIA IN THE EVALUATION TOOL
24 DEVELOPED OR ADOPTED BY THE DISTRICT OR INTERMEDIATE DISTRICT UNDER
25 SECTION 1249 OF THE REVISED SCHOOL CODE, MCL 380.1249.

26 (iii) HAS BEEN APPROVED BY THE DEPARTMENT AS COUNTING FOR
27 STATE CONTINUING EDUCATION CLOCK HOURS. THE NUMBER OF HOURS OF

1 PROFESSIONAL DEVELOPMENT COUNTED AS HOURS OF PUPIL INSTRUCTION MAY
2 NOT EXCEED THE NUMBER OF STATE CONTINUING EDUCATION CLOCK HOURS FOR
3 WHICH THE QUALIFYING PROFESSIONAL DEVELOPMENT WAS APPROVED.

4 (iv) TAKES PLACE AFTER THE FIRST SCHEDULED DAY OF SCHOOL FOR
5 THE SCHOOL YEAR ENDING IN THE FISCAL YEAR AND BEFORE THE LAST
6 SCHEDULED DAY OF SCHOOL FOR THAT SCHOOL YEAR. NO MORE THAN 10 HOURS
7 OF QUALIFYING PROFESSIONAL DEVELOPMENT MAY BE DELIVERED IN A SINGLE
8 MONTH.

9 (v) AT LEAST 75% OF TEACHERS SCHEDULED TO PARTICIPATE IN THE
10 PROFESSIONAL DEVELOPMENT ARE IN ATTENDANCE.

11 (11) Subsections (3) and (8) do not apply to a school of
12 excellence that is a cyber school, as defined in section 551 of the
13 revised school code, MCL 380.551, and is in compliance with section
14 553a of the revised school code, MCL 380.553a.

15 (12) Subsections (3) and (8) do not apply to eligible pupils
16 enrolled in a dropout recovery program that meets the requirements
17 of section 23a. As used in this subsection, "eligible pupil" means
18 that term as defined in section 23a.

19 (13) ~~Beginning in 2013, at~~ AT least every 2 years the
20 superintendent shall review the waiver standards set forth in the
21 pupil accounting and auditing manuals to ensure that the waiver
22 standards and waiver process continue to be appropriate and
23 responsive to changing trends in online learning. The
24 superintendent shall solicit and consider input from stakeholders
25 as part of this review.

26 Sec. 102d. (1) From the funds appropriated in section 11,
27 there is allocated an amount not to exceed \$1,500,000.00 for ~~2018-~~

1 ~~2019-2019-2020~~ for reimbursements to districts, intermediate
 2 districts, and authorizing bodies of public school academies for
 3 the licensing of school data analytical tools as described under
 4 this section. The reimbursement is for districts, intermediate
 5 districts, and authorizing bodies of public school academies that
 6 choose to use a school data analytical tool to assist the district,
 7 intermediate district, or authorizing body of a public school
 8 academy and that enter into a licensing agreement for a school data
 9 analytical tool with 1 of the vendors approved by the department of
 10 technology, management, and budget under subsection (2). Funds
 11 allocated under this section are intended to provide districts,
 12 intermediate districts, and authorizing bodies of public school
 13 academies with financial forecasting and transparency reporting
 14 tools to help improve the financial health of districts and to
 15 improve communication with the public., ~~resulting in increased fund~~
 16 ~~balances for districts and intermediate districts.~~

17 (2) A vendor approved under this section for ~~2017-2018-2018-~~
 18 ~~2019~~ is approved for use by a district, intermediate district, or
 19 authorizing body of a public school academy and for reimbursement
 20 for ~~2018-2019.~~ **2019-2020.**

21 (3) ~~Funds~~ **THE DEPARTMENT SHALL PAY FUNDS** allocated under this
 22 section ~~shall be paid to~~ districts, intermediate districts, and
 23 authorizing bodies of public school academies as a reimbursement
 24 for already having a licensing agreement or for entering into a
 25 licensing agreement not later than December 1, ~~2018-2019~~ with a
 26 vendor approved under subsection (2) to implement a school data
 27 analytical tool. Reimbursement will be prorated for the portion of

Senate Bill No. 146 as amended May 14, 2019

the state fiscal year not covered by the licensing agreement.

However, a licensing agreement that takes effect after October 1, 2018-2019 and before December 1, 2018-2019 will not be prorated if the term of the agreement is at least 1 year. Reimbursement under this section ~~shall~~ **MUST** be made as follows:

(a) All districts, intermediate districts, and authorizing bodies of public school academies seeking reimbursement shall submit requests not later than December 1, 2018-2019 indicating the cost paid for the school data analytical tool.

(b) ~~<<The~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, THE>>** department shall determine the sum of the funding requests under subdivision (a) and, if there are sufficient funds, shall pay ~~<<~~ **>>1/2** of the costs submitted under subdivision (a). **<<HOWEVER, SUBJECT TO SUBDIVISION (D), FOR A DISTRICT WITH FEWER THAN 1,000 PUPILS, THE DEPARTMENT SHALL PAY THE GREATER OF THE COSTS SUBMITTED UNDER SUBDIVISION (A) NOT TO EXCEED \$1,000.00, OR, IF THE COSTS EXCEED \$1,000.00, 1/2 OF THE COSTS SUBMITTED UNDER SUBDIVISION (A).>>** If there are insufficient funds to pay ~~<<~~

~~1/2 of the costs submitted under (a),>>~~ **THE AMOUNTS AS CALCULATED UNDER THIS SUBDIVISION, then THE DEPARTMENT SHALL MAKE** reimbursement ~~shall be made on~~ an equal percentage basis.

(c) Funds remaining after the calculation and payment under subdivision (b) ~~shall~~ **MUST** be distributed on an equal per-pupil basis, with an intermediate district's pupils considered to be the sum of the pupil memberships of the constituent districts for which the intermediate district is purchasing the school data analytical tool, and with an authorizing body's pupils considered to be the sum of the pupil memberships of the public school academies authorized by the authorizing body for which the authorizing body is purchasing the school data analytical tool.

(d) The reimbursement to a district, intermediate district, or authorizing body of a public school academy ~~shall~~ **MUST** not be

Senate Bill No. 146 as amended May 14, 2019

greater than the amount paid for a data analytics application.

(e) ~~A-SUBJECT TO SUBSECTION (4), THE DEPARTMENT SHALL NOT REIMBURSE A~~ district, intermediate district, or authorizing body of a public school academy ~~shall not be reimbursed for the purchase of~~ more than 1 software application.

(4) If an intermediate district purchases both a school data analytical tool specifically for intermediate district finances and a school data analytical tool for those constituent districts that opt in, the intermediate district ~~shall~~ **MAY** be reimbursed for both purchases under this section.

(5) If an intermediate district makes available to 1 or more of its constituent districts a school data analytical tool funded under this section, **THE DEPARTMENT SHALL NOT REIMBURSE** that constituent district ~~shall not be reimbursed~~ under this section for the purchase of that school data analytical tool if the constituent district has opted in for that tool. << **THE DEPARTMENT SHALL NOT REIMBURSE A CONSTITUENT DISTRICT FOR THE PURCHASE OF A SEPARATE SCHOOL DATA ANALYTICAL TOOL IF THAT CONSTITUENT DISTRICT IS LOCATED IN AN INTERMEDIATE DISTRICT THAT MAKES A SCHOOL DATA ANALYTICAL TOOL AVAILABLE FOR THAT CONSTITUENT DISTRICT AND THAT CONSTITUENT DISTRICT USES THAT ISD-OFFERED TOOL.**>>

(6) If an authorizing body of a public school academy makes available to 1 or more public school academies a school data analytical tool funded under this section, **THE DEPARTMENT SHALL NOT REIMBURSE** the public school academy ~~shall not be reimbursed~~ under this section for the purchase of a school data analytical tool if the public school academy opted in for that tool. << **THE DEPARTMENT SHALL NOT REIMBURSE A PUBLIC SCHOOL ACADEMY FOR THE PURCHASE OF A SEPARATE SCHOOL DATA ANALYTICAL TOOL IF ITS AUTHORIZING BODY MAKES A SCHOOL DATA ANALYTICAL TOOL AVAILABLE TO THAT PUBLIC SCHOOL ACADEMY AND THAT PUBLIC SCHOOL ACADEMY USES THE TOOL OFFERED BY ITS AUTHORIZER.**>>

(7) Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE** payments under this section ~~shall be made on~~ a schedule determined by the department.

Sec. 104. (1) In order to receive state aid under this article, a district shall comply with sections 1249, 1278a, 1278b,

1 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
2 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
3 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
4 the state school aid fund money appropriated in section 11, there
5 is allocated for ~~2017-2018 an amount not to exceed \$29,709,400.00~~
6 ~~and there is allocated for 2018-2019~~ **2019-2020** an amount not to
7 exceed ~~\$32,509,400.00~~ **\$31,009,400.00** for payments on behalf of
8 districts for costs associated with complying with those provisions
9 of law. In addition, from the federal funds appropriated in section
10 11, there is allocated ~~each fiscal year for 2017-2018 and for 2018-~~
11 ~~2019~~ **FOR 2019-2020** an amount estimated at \$6,250,000.00, funded
12 from DED-OESE, title VI, state assessment funds, and from DED-
13 OSERS, section 504 of part B of the individuals with disabilities
14 education act, Public Law 94-142, plus any carryover federal funds
15 from previous year appropriations, for the purposes of complying
16 with the ~~federal no child left behind act of 2001, Public Law 107-~~
17 ~~110, or the every student succeeds act, Public Law 114-95.~~

18 (2) The results of each test administered as part of the
19 Michigan student test of educational progress (M-STEP), including
20 tests administered to high school students, ~~shall~~ **MUST** include an
21 item analysis that lists all items that are counted for individual
22 pupil scores and the percentage of pupils choosing each possible
23 response. The department shall work with the center to identify the
24 number of students enrolled at the time assessments are given by
25 each district. In calculating the percentage of pupils assessed for
26 a district's scorecard, the department shall use only the number of
27 pupils enrolled in the district at the time the district

1 administers the assessments and shall exclude pupils who enroll in
2 the district after the district administers the assessments.

3 (3) ~~All~~ **THE DEPARTMENT SHALL DISTRIBUTE** federal funds
4 allocated under this section ~~shall be distributed~~ in accordance
5 with federal law and with flexibility provisions outlined in Public
6 Law 107-116, and in the education flexibility partnership act of
7 1999, Public Law 106-25.

8 (4) ~~From the funds allocated in subsection (1), there is~~
9 ~~allocated an amount not to exceed \$1,000,000.00 for 2017-2018 and~~
10 ~~an amount not to exceed \$1,500,000.00 for 2018-2019 to an~~
11 ~~intermediate district described in this subsection to implement a~~
12 ~~Michigan kindergarten entry observation tool in 2017-2018 and 2018-~~
13 ~~2019. The funding under this subsection is allocated to an~~
14 ~~intermediate district in prosperity region 9 with at least 3,000~~
15 ~~kindergarten pupils enrolled in its constituent districts to~~
16 ~~continue participation in the Maryland Ohio pilot and cover the~~
17 ~~costs of implementing the observation tool, including a contract~~
18 ~~with a university for implementation of the observation tool also~~
19 ~~referred to as the kindergarten readiness assessment. The~~
20 ~~intermediate district shall continue implementation of the Michigan~~
21 ~~kindergarten entry observation (MKEO) and the kindergarten~~
22 ~~readiness assessment shall be conducted in all kindergarten~~
23 ~~classrooms in districts located in prosperity regions 4, 5, and 9~~
24 ~~beginning in August 2018 and, beginning August 1, 2019, in~~
25 ~~districts located in prosperity regions 2, 3, 4, 5, 6, 7, 8, and 9.~~
26 ~~A constituent district of an intermediate district located within~~
27 ~~these prosperity regions shall administer the Maryland Ohio tool~~

~~1 within each kindergarten classroom to either the full census of~~
~~2 kindergarten pupils or a representative sample of not less than 35%~~
~~3 of the enrolled kindergarten pupils in each classroom. The~~
~~4 intermediate district receiving the funding allocated under this~~
~~5 subsection shall work with other intermediate districts to~~
~~6 implement the Michigan kindergarten entry observation, engage with~~
~~7 the office of great start and the department, and provide a report~~
~~8 to the legislature on the demonstrated readiness of kindergarten~~
~~9 pupils within the participating intermediate districts. That~~
~~10 intermediate district may share this funding with the other~~
~~11 affected intermediate districts and districts. Allowable costs~~
~~12 under this subsection include those incurred in July, August, and~~
~~13 September 2017 as well as those incurred in 2017-2018. As used in~~
~~14 this subsection, "kindergarten" may include a classroom for young~~
~~15 5-year-olds, commonly referred to as "young 5s" or "developmental~~
~~16 kindergarten". The department shall approve the language and~~
~~17 literacy domain within the Maryland Ohio tool, also referred to as~~
~~18 the "Kindergarten Readiness Assessment", for use by districts as an~~
~~19 initial assessment that may be delivered to all kindergarten~~
~~20 students to assist with identifying any possible area of concern~~
~~21 for a student in English language arts.~~**FROM THE FUNDS ALLOCATED IN**
22 SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
23 \$2,500,000.00 TO AN INTERMEDIATE DISTRICT DESCRIBED IN THIS
24 SUBSECTION FOR STATEWIDE IMPLEMENTATION OF THE MICHIGAN
25 KINDERGARTEN ENTRY OBSERVATION TOOL (MKEO) BEGINNING IN THE FALL OF
26 2019, UTILIZING THE MARYLAND-OHIO OBSERVATIONAL TOOL, ALSO REFERRED
27 TO AS THE KINDERGARTEN READINESS ASSESSMENT, AS PILOTED UNDER THIS

1 SUBSECTION IN 2017-2018 AND IMPLEMENTED IN 2018-2019. THE FUNDING
2 IN THIS SUBSECTION IS ALLOCATED TO AN INTERMEDIATE DISTRICT IN
3 PROSPERITY REGION 9 WITH AT LEAST 3,000 KINDERGARTEN PUPILS
4 ENROLLED IN ITS CONSTITUENT DISTRICTS. ALL OF THE FOLLOWING APPLY
5 TO THE IMPLEMENTATION OF THE KINDERGARTEN ENTRY OBSERVATION TOOL
6 UNDER THIS SUBSECTION:

7 (A) THE DEPARTMENT, IN COLLABORATION WITH ALL INTERMEDIATE
8 DISTRICTS AND THE CENTER, SHALL ENSURE THAT THE MICHIGAN
9 KINDERGARTEN ENTRY OBSERVATION TOOL IS ADMINISTERED IN EACH
10 KINDERGARTEN CLASSROOM TO EITHER THE FULL CENSUS OF KINDERGARTEN
11 PUPILS ENROLLED IN THE CLASSROOM OR TO A REPRESENTATIVE SAMPLE OF
12 NOT LESS THAN 35% OF THE TOTAL KINDERGARTEN PUPILS ENROLLED IN EACH
13 CLASSROOM. IF A DISTRICT ELECTS TO ADMINISTER THE MICHIGAN
14 KINDERGARTEN ENTRY OBSERVATION TOOL TO A RANDOM SAMPLE OF PUPILS
15 WITHIN EACH CLASSROOM, THE INTERMEDIATE DISTRICT SHALL SELECT THE
16 PUPILS WHO WILL RECEIVE THE ASSESSMENT. BEGINNING IN 2019-2020, THE
17 OBSERVATION TOOL MUST BE ADMINISTERED NO LATER THAN NOVEMBER 1 OF
18 EACH YEAR.

19 (B) THE INTERMEDIATE DISTRICT THAT RECEIVES FUNDING UNDER THIS
20 SUBSECTION, IN COLLABORATION WITH ALL OTHER INTERMEDIATE DISTRICTS,
21 SHALL IMPLEMENT A "TRAIN THE TRAINER" PROFESSIONAL DEVELOPMENT
22 MODEL ON THE USAGE OF THE MICHIGAN KINDERGARTEN ENTRY OBSERVATION
23 TOOL. THIS TRAINING MODEL MUST PROVIDE TRAINING TO INTERMEDIATE
24 DISTRICT STAFF SO THAT THEY MAY PROVIDE SIMILAR TRAINING FOR STAFF
25 OF THEIR CONSTITUENT DISTRICTS. THIS TRAINING MODEL MUST ALSO
26 ENSURE THAT THE TOOL PRODUCES RELIABLE DATA AND THAT THERE ARE A
27 SUFFICIENT NUMBER OF TRAINERS TO TRAIN ALL KINDERGARTEN TEACHERS

1 STATEWIDE.

2 (C) BY MARCH 1 OF EACH YEAR, THE DEPARTMENT AND THE
3 INTERMEDIATE DISTRICT THAT RECEIVES FUNDING UNDER THIS SUBSECTION
4 SHALL REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES
5 ON SCHOOL AID, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
6 BUDGET DIRECTOR ON THE RESULTS OF THE STATEWIDE IMPLEMENTATION,
7 INCLUDING, BUT NOT LIMITED TO, AN EVALUATION OF THE DEMONSTRATED
8 READINESS OF KINDERGARTEN PUPILS STATEWIDE AND THE EFFECTIVENESS OF
9 OTHER STATE AND FEDERAL EARLY CHILDHOOD PROGRAMS, INCLUDING THE
10 GREAT START READINESS PROGRAM AND HEAD START. BY SEPTEMBER 1 EACH
11 YEAR, THE DEPARTMENT AND THE CENTER SHALL PROVIDE DISTRICTS AND
12 PUBLIC SCHOOL ACADEMIES WITH ENROLLMENT DATA FOR PUPILS WHO WERE
13 ENROLLED IN A PUBLICLY FUNDED EARLY CHILDHOOD PROGRAM IN THE YEAR
14 BEFORE KINDERGARTEN, INCLUDING THE INDIVIDUAL GREAT START READINESS
15 PROGRAM, THE INDIVIDUAL HEAD START PROGRAM, THE INDIVIDUAL EARLY
16 CHILDHOOD SPECIAL EDUCATION PROGRAM, OR THE INDIVIDUAL PROGRAM FOR
17 YOUNG 5-YEAR-OLDS IN WHICH EACH TESTED CHILD WAS ENROLLED.
18 PARTICIPATING DISTRICTS 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.

1 (E) AS USED IN THIS SUBSECTION:

2 (i) "KINDERGARTEN" INCLUDES A CLASSROOM FOR YOUNG 5-YEAR-OLDS,
3 COMMONLY REFERRED TO AS "YOUNG 5S" OR "DEVELOPMENTAL KINDERGARTEN".

4 (ii) "REPRESENTATIVE SAMPLE" MEANS A SAMPLE CAPABLE OF
5 PRODUCING VALID AND RELIABLE ASSESSMENT INFORMATION ON ALL OR MAJOR
6 SUBGROUPS OF KINDERGARTEN PUPILS IN A DISTRICT.

7 ~~— (5) The department shall continue to make the kindergarten~~
8 ~~entry assessment developed by the department and field tested in~~
9 ~~2015-2016 available to districts in 2017-2018.~~

10 (5) ~~(6)~~ The department may recommend, but may not require,
11 districts to allow pupils to use an external keyboard with tablet
12 devices for online M-STEP testing, including, but not limited to,
13 open-ended test items such as constructed response or equation
14 builder items.

15 (6) ~~(7)~~ Notwithstanding section 17b, **THE DEPARTMENT SHALL MAKE**
16 payments on behalf of districts, intermediate districts, and other
17 eligible entities under this section ~~shall be paid~~
18 on a schedule determined by the department.

19 (7) ~~(8)~~ From the allocation in subsection (1), there is
20 allocated ~~an amount not to exceed \$3,200,000.00 for 2017-2018 and~~
21 an amount not to exceed \$500,000.00 for ~~2018-2019~~ **2019-2020** for the
22 ~~development or selection~~ **OPERATION** of an online reporting tool to
23 provide student-level assessment data in a secure environment to
24 educators, parents, and pupils immediately after assessments are
25 scored. The department and the center shall ensure that any data
26 collected by the online reporting tool do not provide individually
27 identifiable student data to the federal government.

1 (8) ~~(9)~~As used in this section:

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

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

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

7 Sec. 104d. (1) From the state school aid fund money
8 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~
9 **2020** an amount not to exceed \$9,200,000.00 for providing
10 reimbursement to districts that purchase a computer-adaptive test,
11 or that purchase 1 or more diagnostic tools or screening tools for
12 pupils in grades K to 3 that are intended to increase reading
13 proficiency by grade 4, or that purchase benchmark assessments for
14 pupils in grades K to 8.

15 (2) In order to receive reimbursement under this section for
16 the purchase of a computer-adaptive test, the computer-adaptive
17 test must provide for at least all of the following:

18 (a) Internet-delivered, standards-based assessment using a
19 computer-adaptive model to target the instructional level of each
20 pupil.

21 (b) Unlimited testing opportunities throughout the 2018-2019
22 school year.

23 (c) Valid and reliable diagnostic assessment data.

24 (d) Adjustment of testing difficulty based on previous answers
25 to test questions.

26 (e) Immediate feedback to pupils and teachers.

27 (3) In order to receive reimbursement under this section for

1 the purchase of 1 or more diagnostic tools or screening tools for
 2 pupils in grades K to 3, each of the tools must meet all of the
 3 following:

4 (a) Be reliable.

5 (b) Be valid.

6 (c) Be useful. As used in this subdivision, "useful" means
 7 that a tool is easy to administer and requires a short time to
 8 complete and that results are linked to intervention.

9 (4) In order to receive funding under this section for the
 10 purchase of benchmark assessments for pupils in grades K to 8, the
 11 benchmark assessments must meet all of the following:

12 (a) Be aligned to the state standards of this state.

13 (b) Complement this state's summative assessment system.

14 (c) Be administered at least once a year before the
 15 administration of any summative assessment to monitor pupil
 16 progress.

17 (d) Provide information on pupil achievement with regard to
 18 learning the content required in a given year or grade span.

19 ~~Reimbursement~~ **THE DEPARTMENT SHALL MAKE REIMBURSEMENT**
 20 under this section ~~shall be made~~ to eligible districts that
 21 purchase a computer-adaptive test or 1 or more diagnostic tools,
 22 screening tools, or benchmark assessments described in this section
 23 by October 15, ~~2018 and shall~~ **2019. THE REIMBURSEMENT MUST** be made
 24 on an equal per-pupil basis according to the available funding,
 25 based on the number of pupils for whom assessments were purchased.

26 (6) In order to receive reimbursement under this section, a
 27 district ~~shall~~ **MUST** demonstrate to the satisfaction of the

1 department that each qualifying computer-adaptive test, diagnostic
2 tool, screening tool, or benchmark assessment was purchased by the
3 district by December 1, ~~2018-2019~~ and ~~shall~~**MUST** report to the
4 department which tests, tools, and assessments the district
5 purchased.

6 (7) Not later than February 1, ~~2019, 2020~~, the department
7 shall compile the data provided by districts under subsection (6)
8 and report to the house and senate appropriations subcommittees on
9 school aid and the house and senate fiscal agencies the number of
10 districts that purchased each test, tool, and assessment.

11 (8) ~~Districts~~**A DISTRICT** seeking reimbursement under this
12 section for a benchmark assessment shall commit to using the same
13 benchmark assessment for no less than 3 years without switching to
14 another benchmark assessment.

15 Sec. 107. (1) From the appropriation in section 11, there is
16 allocated an amount not to exceed \$30,000,000.00 for ~~2018-2019~~
17 **2019-2020** for adult education programs authorized under this
18 section. Except as otherwise provided under subsections (14) and
19 (15), funds allocated under this section are restricted for adult
20 education programs as authorized under this section only. A
21 recipient of funds under this section shall not use those funds for
22 any other purpose.

23 (2) To be eligible for funding under this section, an eligible
24 adult education provider shall employ certificated teachers and
25 qualified administrative staff and shall offer continuing education
26 opportunities for teachers to allow them to maintain certification.

27 (3) To be eligible to be a participant funded under this

1 section, an individual ~~shall~~**MUST** be enrolled in an adult basic
2 education program, an adult secondary education program, an adult
3 English as a second language program, a high school equivalency
4 test preparation program, or a high school completion program, that
5 meets the requirements of this section, and for which instruction
6 is provided, and the individual ~~shall~~**MUST** be at least 18 years of
7 age and the individual's graduating class ~~shall~~**MUST** have
8 graduated.

9 (4) By April 1 of each fiscal year, the intermediate districts
10 within a prosperity region or subregion shall determine which
11 intermediate district will serve as the prosperity region's or
12 subregion's fiscal agent for the next fiscal year and shall notify
13 the department in a form and manner determined by the department.
14 The department shall approve or disapprove of the prosperity
15 region's or subregion's selected fiscal agent. From the funds
16 allocated under subsection (1), an amount as determined under this
17 subsection ~~shall be~~**IS** allocated to each intermediate district
18 serving as a fiscal agent for adult education programs in each of
19 the prosperity regions or subregions identified by the department.
20 An intermediate district shall not use more than 5% of the funds
21 allocated under this subsection for administration costs for
22 serving as the fiscal agent. ~~Beginning in 2014-2015, 67% of the~~
23 ~~allocation provided to each intermediate district serving as a~~
24 ~~fiscal agent shall be based on the proportion of total funding~~
25 ~~formerly received by the adult education providers in that~~
26 ~~prosperity region or subregion in 2013-2014, and 33% shall be~~
27 ~~allocated based on the factors in subdivisions (a), (b), and (c).~~

1 ~~For 2018-2019, 33% of the allocation provided to each intermediate~~
2 ~~district serving as a fiscal agent shall be based upon the~~
3 ~~proportion of total funding formerly received by the adult~~
4 ~~education providers in that prosperity region in 2013-2014 and 67%~~
5 ~~of the allocation shall be based upon the factors in subdivisions~~
6 ~~(a), (b), and (c). However, if the allocation to an intermediate~~
7 ~~district as calculated under the preceding sentence is less than~~
8 ~~the amount received by the intermediate district under this~~
9 ~~subsection for 2017-2018, the intermediate district shall instead~~
10 ~~receive in 2018-2019 an amount equal to what the intermediate~~
11 ~~district received in 2017-2018. Beginning in 2019-2020, the~~
12 ~~allocation provided to each intermediate district serving as a~~
13 ~~fiscal agent shall be~~ **IS AN AMOUNT** ~~equal to what the intermediate~~
14 ~~district received in 2018-2019. The funding factors for this~~
15 ~~section are as follows:~~

16 (a) Sixty percent of this portion of the funding ~~shall be~~ **IS**
17 distributed based upon the proportion of the state population of
18 individuals between the ages of 18 and 24 that are not high school
19 graduates that resides in each of the prosperity regions or
20 subregions, as reported by the most recent 5-year estimates from
21 the American Community Survey (ACS) from the United States Census
22 Bureau.

23 (b) Thirty-five percent of this portion of the funding ~~shall~~
24 ~~be~~ **IS** distributed based upon the proportion of the state population
25 of individuals age 25 or older who are not high school graduates
26 that resides in each of the prosperity regions or subregions, as
27 reported by the most recent 5-year estimates from the American

1 Community Survey (ACS) from the United States Census Bureau.

2 (c) Five percent of this portion of the funding ~~shall be~~ **IS**
3 distributed based upon the proportion of the state population of
4 individuals age 18 or older who lack basic English language
5 proficiency that resides in each of the prosperity regions or
6 subregions, as reported by the most recent 5-year estimates from
7 the American Community Survey (ACS) from the United States Census
8 Bureau.

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

12 (a) Distribute funds to adult education programs in a
13 prosperity region or subregion as described in this section.

14 (b) Collaborate with the career and educational advisory
15 council, which is an advisory council of the workforce development
16 boards located in the prosperity region or subregion, or its
17 successor, to develop a regional strategy that aligns adult
18 education programs and services into an efficient and effective
19 delivery system for adult education learners, with special
20 consideration for providing contextualized learning and career
21 pathways and addressing barriers to education and employment.

22 (c) Collaborate with the career and educational advisory
23 council, which is an advisory council of the workforce development
24 boards located in the prosperity region or subregion, or its
25 successor, to create a local process and criteria that will
26 identify eligible adult education providers to receive funds
27 allocated under this section based on location, demand for

1 services, past performance, quality indicators as identified by the
2 department, and cost to provide instructional services. The fiscal
3 agent shall determine all local processes, criteria, and provider
4 determinations. However, the local processes, criteria, and
5 provider services must be approved by the department before funds
6 may be distributed to the fiscal agent.

7 (d) Provide oversight to its adult education providers
8 throughout the program year to ensure compliance with the
9 requirements of this section.

10 (e) Report adult education program and participant data and
11 information as prescribed by the department.

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

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

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

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

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

27 (ii) The participant fails to show progress on 2 successive

1 assessments after having completed at least 450 hours of
2 instruction.

3 (d) A participant in an adult secondary education program is
4 eligible for reimbursement until 1 of the following occurs:

5 (i) The participant's reading and mathematics proficiency are
6 assessed above the twelfth grade level.

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

9 (e) A funding recipient enrolling a participant in an English
10 as a second language program is eligible for funding according to
11 subsection (9) until the participant meets 1 of the following:

12 (i) The participant is assessed as having attained basic
13 English proficiency as determined by a department-approved
14 assessment.

15 (ii) The participant fails to show progress on 2 successive
16 department-approved assessments after having completed at least 450
17 hours of instruction. The department shall provide information to a
18 funding recipient regarding appropriate assessment instruments for
19 this program.

20 (7) A high school equivalency test preparation program
21 operated on a year-round or school year basis may be funded under
22 this section, subject to all of the following:

23 (a) The program enrolls adults who do not have a high school
24 diploma or a high school equivalency certificate.

25 (b) The program ~~shall administer~~ **ADMINISTERS** a pre-test
26 approved by the department before enrolling an individual to
27 determine the individual's literacy levels, ~~shall administer~~

1 **ADMINISTERS** a high school equivalency practice test to determine
2 the individual's potential for success on the high school
3 equivalency test, and ~~shall administer~~ **ADMINISTERS** a post-test upon
4 completion of the program in compliance with the state-approved
5 assessment policy.

6 (c) A funding recipient ~~shall receive~~ **RECEIVES** funding
7 according to subsection (9) for a participant, and a participant
8 may be enrolled in the program until 1 of the following occurs:

9 (i) The participant achieves a high school equivalency
10 certificate.

11 (ii) The participant fails to show progress on 2 successive
12 department-approved assessments used to determine readiness to take
13 a high school equivalency test after having completed at least 450
14 hours of instruction.

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

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

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

23 (c) A funding recipient ~~shall receive~~ **RECEIVES** funding
24 according to subsection (9) for a participant in a course offered
25 under this subsection until 1 of the following occurs:

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

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

4 (9) ~~A-**THE DEPARTMENT SHALL MAKE PAYMENTS TO A**~~ funding
5 recipient ~~shall receive payments~~ under this section in accordance
6 with all of the following:

7 (a) Statewide allocation criteria, including 3-year average
8 enrollments, census data, and local needs.

9 (b) Participant completion of the adult basic education
10 objectives by achieving an educational gain as determined by the
11 national reporting system levels; for achieving basic English
12 proficiency, as determined by the department; for achieving a high
13 school equivalency certificate or passage of 1 or more individual
14 high school equivalency tests; for attainment of a high school
15 diploma or passage of a course required for a participant to attain
16 a high school diploma; for enrollment in a postsecondary
17 institution, or for entry into or retention of employment, as
18 applicable.

19 (c) Participant completion of core indicators as identified in
20 the innovation and opportunity act.

21 (d) Allowable expenditures.

22 (10) A person who is not eligible to be a participant funded
23 under this section may receive adult education services upon the
24 payment of tuition. In addition, a person who is not eligible to be
25 served in a program under this section due to the program
26 limitations specified in subsection (6), (7), or (8) may continue
27 to receive adult education services in that program upon the

1 payment of tuition. The ~~tuition level shall be determined by the~~
2 local or intermediate district conducting the program **SHALL**
3 **DETERMINE THE TUITION AMOUNT.**

4 (11) An individual who is an inmate in a state correctional
5 facility ~~shall not be~~ **IS NOT** counted as a participant under this
6 section.

7 (12) A funding recipient shall not commingle money received
8 under this section or from another source for adult education
9 purposes with any other funds and shall establish a separate ledger
10 account for funds received under this section. This subsection does
11 not prohibit a district from using general funds of the district to
12 support an adult education or community education program.

13 (13) A funding recipient receiving funds under this section
14 may establish a sliding scale of tuition rates based upon a
15 participant's family income. A funding recipient may charge a
16 participant tuition to receive adult education services under this
17 section from that sliding scale of tuition rates on a uniform
18 basis. The amount of tuition charged per participant ~~shall~~ **MUST** not
19 exceed the actual operating cost per participant minus any funds
20 received under this section per participant. A funding recipient
21 may not charge a participant tuition under this section if the
22 participant's income is at or below 200% of the federal poverty
23 guidelines published by the United States Department of Health and
24 Human Services.

25 (14) In order to receive funds under this section, a funding
26 recipient shall furnish to the department, in a form and manner
27 determined by the department, all information needed to administer

1 this program and meet federal reporting requirements; shall allow
 2 the department or the department's designee to review all records
 3 related to the program for which it receives funds; and shall
 4 reimburse the state for all disallowances found in the review, as
 5 determined by the department. In addition, a funding recipient
 6 shall agree to pay to a career and technical education program
 7 under section 61a the amount of funding received under this section
 8 in the proportion of career and technical education coursework used
 9 to satisfy adult basic education programming, as billed to the
 10 funding recipient by programs operating under section 61a. In
 11 addition to the funding allocated under subsection (1), there is
 12 allocated **FOR 2019-2020** an amount not to exceed \$500,000.00 to
 13 reimburse funding recipients for administrative and instructional
 14 expenses associated with commingling programming under this section
 15 and section 61a. ~~Payments made~~ **THE DEPARTMENT SHALL MAKE PAYMENTS**
 16 **UNDER THIS SUBSECTION** to each funding recipient ~~shall be~~ in the
 17 same proportion as funding calculated and allocated under
 18 subsection (4).

19 (15) From the amount appropriated in subsection (1), an amount
 20 not to exceed \$4,000,000.00 ~~shall be~~ **IS** allocated for ~~2018-2019~~
 21 **2019-2020** for grants to adult education or career technical center
 22 programs that connect adult education participants with employers
 23 as provided under this subsection. The **DEPARTMENT SHALL DETERMINE**
 24 **THE AMOUNT OF THE** grant to each program ~~shall be up to~~ **UNDER THIS**
 25 **SUBSECTION, NOT TO EXCEED** \$350,000.00. To be eligible for funding
 26 under this subsection, a program must provide a collaboration
 27 linking adult education programs within the county, the area career

1 technical center, and local employers. To receive funding under
 2 this subsection, an eligible program ~~shall~~**MUST** satisfy all of the
 3 following:

4 (a) ~~Shall connect~~**CONNECT** adult education participants **WHO ARE**
 5 **ACTIVELY WORKING TOWARD EARNING A HIGH SCHOOL DIPLOMA OR A HIGH**
 6 **SCHOOL EQUIVALENCY CERTIFICATE** directly with employers by linking
 7 adult education, career and technical skills, and workforce
 8 development.

9 (b) ~~Shall require~~**REQUIRE** adult education staff to work with
 10 Michigan Works! agency to identify a cohort of participants who are
 11 most prepared to successfully enter the workforce. Participants
 12 identified under this subsection ~~shall~~**MUST** be dually enrolled in
 13 adult education programming, **ACTIVELY WORKING TOWARD EARNING A HIGH**
 14 **SCHOOL DIPLOMA OR A HIGH SCHOOL EQUIVALENCY CERTIFICATE**, and **IN** at
 15 least 1 technical course at the area career and technical center.

16 (c) ~~Shall have~~**EMPLOY** an individual staffed as an adult
 17 education navigator who will serve as a caseworker for each
 18 participant identified under subdivision (b). The navigator shall
 19 work with adult education staff and potential employers to design
 20 an educational program best suited to the personal and employment
 21 needs of the participant and shall work with human service agencies
 22 or other entities to address any barrier in the way of participant
 23 access.

24 (16) A program that was a pilot program in 2017-2018 and that
 25 was funded under this section in 2017-2018 ~~shall be~~**IS** funded in
 26 ~~2018-2019-2019-2020~~ unless the program ceases operation. The
 27 intermediate district in which that pilot program was funded ~~shall~~

1 ~~be~~ IS the fiscal agent for that program and shall apply for that
2 program's funding under subsection (15).

3 (17) Each program funded under subsection (15) will receive
4 funding for 3 years. After 3 years of operations and funding, a
5 program must reapply for funding.

6 (18) Not later than December 1, ~~2019~~, **2020**, a program funded
7 under subsection (15) shall provide a report to the senate and
8 house appropriations subcommittees on school aid, to the senate and
9 house fiscal agencies, and to the state budget director identifying
10 the number of participants, graduation rates, and a measure of
11 transition to employment.

12 (19) The department shall approve at least 3 high school
13 equivalency tests and determine whether a high school equivalency
14 certificate meets the requisite standards for high school
15 equivalency in this state.

16 (20) As used in this section:

17 (a) "Career and educational advisory council" means an
18 advisory council to the local workforce development boards located
19 in a prosperity region consisting of educational, employer, labor,
20 and parent representatives.

21 (b) "Career pathway" means a combination of rigorous and high-
22 quality education, training, and other services that comply with
23 all of the following:

24 (i) Aligns with the skill needs of industries in the economy
25 of this state or in the regional economy involved.

26 (ii) Prepares an individual to be successful in any of a full
27 range of secondary or postsecondary education options, including

1 apprenticeships registered under the act of August 16, 1937
2 (commonly known as the "national apprenticeship act"), 29 USC 50 et
3 seq.

4 (iii) Includes counseling to support an individual in
5 achieving the individual's education and career goals.

6 (iv) Includes, as appropriate, education offered concurrently
7 with and in the same context as workforce preparation activities
8 and training for a specific occupation or occupational cluster.

9 (v) Organizes education, training, and other services to meet
10 the particular needs of an individual in a manner that accelerates
11 the educational and career advancement of the individual to the
12 extent practicable.

13 (vi) Enables an individual to attain a secondary school
14 diploma or its recognized equivalent, and at least 1 recognized
15 postsecondary credential.

16 (vii) Helps an individual enter or advance within a specific
17 occupation or occupational cluster.

18 (c) "Department" means the department of talent and economic
19 development.

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

26 Sec. 147. (1) The allocation for ~~2018-2019~~ **2019-2020** for the
27 public school employees' retirement system pursuant to the public

1 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
2 to 38.1437, ~~shall be~~ **IS** made using the individual projected benefit
3 entry age normal cost method of valuation and risk assumptions
4 adopted by the public school employees retirement board and the
5 department of technology, management, and budget.

6 (2) The annual level percentage of payroll contribution rates
7 for the ~~2018-2019-2019-2020~~ fiscal year, as determined by the
8 retirement system, are estimated as follows:

9 (a) For public school employees who first worked for a public
10 school reporting unit before July 1, 2010 and who are enrolled in
11 the health premium subsidy, the annual level percentage of payroll
12 contribution rate is estimated at ~~38.39%, 39.91%~~, with ~~26.18%~~
13 **27.50%** paid directly by the employer.

14 (b) For public school employees who first worked for a public
15 school reporting unit on or after July 1, 2010 and who are enrolled
16 in the health premium subsidy, the annual level percentage of
17 payroll contribution rate is estimated at ~~36.60%, 36.96%~~, with
18 ~~24.39% 24.55%~~ paid directly by the employer.

19 (c) For public school employees who first worked for a public
20 school reporting unit on or after July 1, 2010 and who participate
21 in the personal healthcare fund, the annual level percentage of
22 payroll contribution rate is estimated at ~~36.24%, 36.44%~~, with
23 24.03% paid directly by the employer.

24 (d) For public school employees who first worked for a public
25 school reporting unit on or after September 4, 2012, who elect
26 defined contribution, and who participate in the personal
27 healthcare fund, the annual level percentage of payroll

1 contribution rate is estimated at ~~33.17%~~, **33.37%** with 20.96% paid
2 directly by the employer.

3 (e) For public school employees who first worked for a public
4 school reporting unit before July 1, 2010, who elect defined
5 contribution, and who are enrolled in the health premium subsidy,
6 the annual level percentage of payroll contribution rate is
7 estimated at ~~33.53%~~, **33.89%** with ~~21.32%~~ **21.48%** paid directly by the
8 employer.

9 (f) For public school employees who first worked for a public
10 school reporting unit before July 1, 2010, who elect defined
11 contribution, and who participate in the personal healthcare fund,
12 the annual level percentage of payroll contribution rate is
13 estimated at ~~33.17%~~, **33.37%**, with 20.96% paid directly by the
14 employer.

15 (g) For public school employees who first worked for a public
16 school reporting unit before July 1, 2010 and who participate in
17 the personal healthcare fund, the annual level percentage of
18 payroll contribution rate is estimated at ~~38.03%~~, **39.39%**, with
19 ~~25.82%~~ **26.98%** paid directly by the employer.

20 (h) For public school employees who first worked for a public
21 school reporting unit after January 31, 2018 and who elect to
22 become members of the MPSERS plan, the annual level percentage of
23 payroll contribution rate is estimated at ~~39.37%~~, **39.57%** with
24 27.16% paid directly by the employer.

25 (3) In addition to the employer payments described in
26 subsection (2), the employer shall pay the applicable contributions
27 to the Tier 2 plan, as determined by the public school employees

1 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

2 (4) The contribution rates in subsection (2) reflect an
3 amortization period of ~~20-19~~ years for ~~2018-2019-2019-2020~~. The
4 public school employees' retirement system board shall notify each
5 district and intermediate district by February 28 of each fiscal
6 year of the estimated contribution rate for the next fiscal year.

7 Sec. 147a. (1) From the appropriation in section 11, there is
8 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
9 \$100,000,000.00 for payments to participating districts. A
10 participating district that receives money under this subsection
11 shall use that money solely for the purpose of offsetting a portion
12 of the retirement contributions owed by the district for the fiscal
13 year in which it is received. The amount allocated to each
14 participating district under this subsection ~~shall be~~ **IS** based on
15 each participating district's percentage of the total statewide
16 payroll for all participating districts for the immediately
17 preceding fiscal year. As used in this subsection, "participating
18 district" means a district that is a reporting unit of the Michigan
19 public school employees' retirement system under the public school
20 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
21 38.1437, and that reports employees to the Michigan public school
22 employees' retirement system for the applicable fiscal year.

23 (2) In addition to the allocation under subsection (1), from
24 the state school aid fund money appropriated under section 11,
25 there is allocated an amount not to exceed ~~\$88,091,000.00 for 2018-~~
26 ~~2019-~~ **\$171,986,000.00 FOR 2019-2020** for payments to participating
27 districts and intermediate districts and from the general fund

1 money appropriated under section 11, there is allocated an amount
 2 not to exceed ~~\$48,000.00 for 2018-2019~~ **\$83,000.00 FOR 2019-2020** for
 3 payments to participating district libraries. The amount allocated
 4 to each participating entity under this subsection ~~shall be~~ **IS**
 5 based on each participating entity's percentage of the total
 6 statewide payroll for that type of participating entity for the
 7 immediately preceding fiscal year. A participating entity that
 8 receives money under this subsection shall use that money solely
 9 for the purpose of offsetting a portion of the normal cost
 10 contribution rate. As used in this subsection:

11 (a) "District library" means a district library established
 12 under the district library establishment act, 1989 PA 24, MCL
 13 397.171 to 397.196.

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

21 Sec. 147c. From the appropriation in section 11, there is
 22 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
 23 ~~\$1,032,000,000.00~~ **\$1,030,400,000.00** from the state school aid fund
 24 for payments to districts and intermediate districts that are
 25 participating entities of the Michigan public school employees'
 26 retirement system. In addition, from the general fund money
 27 appropriated in section 11, there is allocated for ~~2018-2019~~ **2019-**

1 2020 an amount not to exceed ~~\$700,000.00~~ **\$500,000.00** for payments
2 to district libraries that are participating entities of the
3 Michigan public school employees' retirement system. All of the
4 following apply to funding under this subsection:

5 (a) For ~~2018-2019,~~ **2019-2020**, the amounts allocated under this
6 subsection are estimated to provide an average MPSERS rate cap per
7 pupil amount of ~~\$690.00~~ **\$693.00** and are estimated to provide a rate
8 cap per pupil for districts ranging between \$4.00 and
9 ~~\$3,000.00.~~ **\$4,000.00.**

10 (b) Payments made under this subsection ~~shall be~~ **ARE** equal to
11 the difference between the unfunded actuarial accrued liability
12 contribution rate as calculated pursuant to section 41 of the
13 public school employees retirement act of 1979, 1980 PA 300, MCL
14 38.1341, as calculated without taking into account the maximum
15 employer rate of 20.96% included in section 41 of the public school
16 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
17 maximum employer rate of 20.96% included in section 41 of the
18 public school employees retirement act of 1979, 1980 PA 300, MCL
19 38.1341.

20 (c) The amount allocated to each participating entity under
21 this subsection ~~shall be~~ **IS** based on each participating entity's
22 proportion of the total covered payroll for the immediately
23 preceding fiscal year for the same type of participating entities.
24 A participating entity that receives funds under this subsection
25 shall use the funds solely for the purpose of retirement
26 contributions as specified in subdivision (d).

27 (d) Each participating entity receiving funds under this

1 subsection shall forward an amount equal to the amount allocated
2 under subdivision (c) to the retirement system in a form, manner,
3 and time frame determined by the retirement system.

4 (e) Funds allocated under this subsection should be considered
5 when comparing a district's growth in total state aid funding from
6 1 fiscal year to the next.

7 (f) Not later than December 20, ~~2018~~, **2019**, the department
8 shall publish and post on its website an estimated MPSEERS rate cap
9 per pupil for each district.

10 (g) ~~It is the intent of the legislature that any~~ **THE OFFICE OF**
11 **RETIREMENT SERVICE SHALL FIRST APPLY** funds allocated under this
12 subsection ~~are first applied to~~ pension contributions ~~, and, if any~~
13 funds remain after that payment, **SHALL APPLY** those remaining funds
14 ~~shall be applied to~~ other postemployment benefit contributions.

15 (h) As used in this subsection:

16 (i) "District library" means a district library established
17 under the district library establishment act, 1989 PA 24, MCL
18 397.171 to 397.196.

19 (ii) "MPSEERS rate cap per pupil" means an amount equal to the
20 quotient of the district's payment under this subsection divided by
21 the district's pupils in membership.

22 (iii) "Participating entity" means a district, intermediate
23 district, or district library that is a reporting unit of the
24 Michigan public school employees' retirement system under the
25 public school employees retirement act of 1979, 1980 PA 300, MCL
26 38.1301 to 38.1437, and that reports employees to the Michigan
27 public school employees' retirement system for the applicable

1 fiscal year.

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

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

8 Sec. 147e. (1) From the appropriation in section 11, there is
9 allocated for 2018-2019 an amount not to exceed ~~\$31,900,000.00~~
10 **\$30,000,000.00** from the MPERS retirement obligation reform reserve
11 fund, **AND THERE IS ALLOCATED FOR 2019-2020 AN AMOUNT NOT TO EXCEED**
12 **\$1,900,000.00 FROM THE MPERS RETIREMENT OBLIGATION REFORM RESERVE**
13 **FUND** and ~~\$5,700,000.00~~ **\$40,671,000.00** from the state school aid
14 fund for payments to participating entities.

15 (2) The payment to each participating entity under this
16 section ~~shall be~~ **IS** the sum of the amounts under this subsection as
17 follows:

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

25 (b) Beginning October 1, 2017, an amount equal to the
26 contributions made by a participating entity for a qualified
27 participant who is only a Tier 2 qualified participant under

1 section 81d of the public school employees retirement act of 1979,
2 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning
3 February 1, 2018, not to exceed 1%, of the qualified participant's
4 compensation.

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

12 (3) As used in this section:

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

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

23 (c) "Qualified participant" means that term as defined under
24 section 124 of the public school employees retirement act of 1979,
25 1980 PA 300, MCL 38.1424.

26 Sec. 152a. (1) As required by the court in the consolidated
27 cases known as *Adair v State of Michigan*, 486 Mich 468 (2010), from

1 the state school aid fund money appropriated in section 11, there
2 is allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
3 \$38,000,500.00 to be used solely for the purpose of paying
4 necessary costs related to the state-mandated collection,
5 maintenance, and reporting of data to this state.

6 (2) From the allocation in subsection (1), the department
7 shall make payments to districts and intermediate districts in an
8 equal amount per-pupil based on the total number of pupils in
9 membership in each district and intermediate district. The
10 department shall not make any adjustment to these payments after
11 the final installment payment under section 17b is made.

12 Sec. 152b. (1) From the general fund money appropriated under
13 section 11, there is allocated ~~an amount not to exceed~~
14 ~~\$2,500,000.00 for 2017-2018 and~~ an amount not to exceed \$250,000.00
15 **EACH FISCAL YEAR** for 2018-2019 **AND FOR 2019-2020** to reimburse
16 actual costs incurred by nonpublic schools in complying with a
17 health, safety, or welfare requirement mandated by a law or
18 administrative rule of this state.

19 (2) By January 1 of each applicable fiscal year, the
20 department shall publish a form for reporting actual costs incurred
21 by a nonpublic school in complying with a health, safety, or
22 welfare requirement mandated under state law containing each
23 health, safety, or welfare requirement mandated by a law or
24 administrative rule of this state applicable to a nonpublic school
25 and with a reference to each relevant provision of law or
26 administrative rule for the requirement. The **DEPARTMENT SHALL POST**
27 **THE** form ~~shall be posted on~~ the department's website in electronic

1 form.

2 (3) By June 30 of each applicable fiscal year, a nonpublic
3 school seeking reimbursement for actual costs incurred in complying
4 with a health, safety, or welfare requirement under a law or
5 administrative rule of this state during each applicable school
6 year shall submit a completed form described in subsection (2) to
7 the department. This section does not require a nonpublic school to
8 submit a form described in subsection (2). A nonpublic school is
9 not eligible for reimbursement under this section if the nonpublic
10 school does not submit the form described in subsection (2) in a
11 timely manner.

12 (4) By August 15 of each applicable fiscal year, the
13 department shall distribute funds to each nonpublic school that
14 submits a completed form described under subsection (2) in a timely
15 manner. The superintendent shall determine the amount of funds to
16 be paid to each nonpublic school in an amount that does not exceed
17 the nonpublic school's actual costs in complying with a health,
18 safety, or welfare requirement under a law or administrative rule
19 of this state. The superintendent shall calculate a nonpublic
20 school's actual cost in accordance with this section.

21 (5) If the funds allocated under this section are insufficient
22 to fully fund payments as otherwise calculated under this section,
23 the department shall distribute funds under this section on a
24 prorated or other equitable basis as determined by the
25 superintendent.

26 (6) The department may review the records of a nonpublic
27 school submitting a form described in subsection (2) only for the

1 limited purpose of verifying the nonpublic school's compliance with
2 this section. If a nonpublic school does not allow the department
3 to review records under this subsection, the nonpublic school is
4 not eligible for reimbursement under this section.

5 (7) The funds appropriated under this section are for purposes
6 related to education, are considered to be incidental to the
7 operation of a nonpublic school, are noninstructional in character,
8 and are intended for the public purpose of ensuring the health,
9 safety, and welfare of the children in nonpublic schools and to
10 reimburse nonpublic schools for costs described in this section.

11 (8) Funds allocated under this section are not intended to aid
12 or maintain any nonpublic school, support the attendance of any
13 student at a nonpublic school, employ any person at a nonpublic
14 school, support the attendance of any student at any location where
15 instruction is offered to a nonpublic school student, or support
16 the employment of any person at any location where instruction is
17 offered to a nonpublic school student.

18 (9) For purposes of this section, "actual cost" means the
19 hourly wage for the employee or employees performing a task or
20 tasks required to comply with a health, safety, or welfare
21 requirement under a law or administrative rule of this state
22 identified by the department under subsection (2) and is to be
23 calculated in accordance with the form published by the department
24 under subsection (2), which shall include a detailed itemization of
25 costs. The nonpublic school shall not charge more than the hourly
26 wage of its lowest-paid employee capable of performing a specific
27 task regardless of whether that individual is available and

1 regardless of who actually performs a specific task. Labor costs
2 under this subsection ~~shall~~**MUST** be estimated and charged in
3 increments of 15 minutes or more, with all partial time increments
4 rounded down. When calculating costs under subsection (4), fee
5 components ~~shall~~**MUST** be itemized in a manner that expresses both
6 the hourly wage and the number of hours charged. The nonpublic
7 school may not charge any applicable labor charge amount to cover
8 or partially cover the cost of health or fringe benefits. A
9 nonpublic school shall not charge any overtime wages in the
10 calculation of labor costs.

11 (10) For the purposes of this section, the actual cost
12 incurred by a nonpublic school for taking daily student attendance
13 ~~shall be~~**IS** considered an actual cost in complying with a health,
14 safety, or welfare requirement under a law or administrative rule
15 of this state. Training fees, inspection fees, and criminal
16 background check fees are considered actual costs in complying with
17 a health, safety, or welfare requirement under a law or
18 administrative rule of this state.

19 (11) The funds allocated under this section for 2017-2018 are
20 a work project appropriation, and any unexpended funds for 2017-
21 2018 are carried forward into 2018-2019. The purpose of the work
22 project is to continue to reimburse nonpublic schools for actual
23 costs incurred in complying with a health, safety, or welfare
24 requirement mandated by a law or administrative rule of this state.
25 The estimated completion date of the work project is September 30,
26 ~~2020-2021~~.

27 (12) The funds allocated under this section for 2018-2019 are

1 a work project appropriation, and any unexpended funds for 2018-
2 2019 are carried forward into 2019-2020. The purpose of the work
3 project is to continue to reimburse nonpublic schools for actual
4 costs incurred in complying with a health, safety, or welfare
5 requirement mandated by a law or administrative rule of this state.
6 The estimated completion date of the work project is September 30,
7 ~~2020-2021~~.

8 (13) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2019-2020 ARE
9 A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2019-
10 2020 ARE CARRIED FORWARD INTO 2020-2021. THE PURPOSE OF THE WORK
11 PROJECT IS TO CONTINUE TO REIMBURSE NONPUBLIC SCHOOLS FOR ACTUAL
12 COSTS INCURRED IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE
13 REQUIREMENT MANDATED BY A LAW OR ADMINISTRATIVE RULE OF THIS STATE.
14 THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,
15 2021.

16 Enacting section 1. In accordance with section 30 of article
17 IX of the state constitution of 1963, total state spending on
18 school aid under article I of the state school aid act of 1979,
19 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2018 PA 265,
20 2018 PA 586, and this amendatory act, from state sources for fiscal
21 year 2018-2019 is estimated at \$13,048,345,300.00 and state
22 appropriations for school aid to be paid to local units of
23 government for fiscal year 2018-2019 are estimated at
24 \$12,831,100,000.00. In accordance with section 30 of article IX of
25 the state constitution of 1963, total state spending on school aid
26 under article I of the state school aid act of 1979, 1979 PA 94,
27 MCL 388.1601 to 388.1772, as amended by this amendatory act, from

1 state sources for fiscal year 2019-2020 is estimated at
2 \$13,490,579,400.00 and state appropriations for school aid to be
3 paid to local units of government for fiscal year 2019-2020 are
4 estimated at \$13,261,779,600.00.

5 Enacting section 2. Sections 20m, 22n, 24c, 25h, 32q, 35b,
6 61g, 61h, 64b, 64d, 74a, 95b, 99w, 99y, 104f, 153, and 166 of the
7 state school aid act of 1979, 1979 PA 94, MCL 388.1620m, 388.1622n,
8 388.1624c, 388.1625h, 388.1632q, 388.1635b, 388.1661g, 388.1661h,
9 388.1664b, 388.1664d, 388.1674a, 388.1695b, 388.1699w, 388.1704f,
10 388.1753, and 388.1766, are repealed effective October 1, 2019.

11 Enacting section 3. (1) Except as otherwise provided in
12 subsection (2), this amendatory act takes effect October 1, 2019.

13 (2) Sections 11, 11m, 22a, 22b, 26a, 26c, 51a, 51c, 56, 62,
14 67a, 74a, 95a, 147e, and 152b of the state school aid act of 1979,
15 MCL 388.1611, 388.1611m, 388.1622a, 388.1622b, 388.1626a,
16 388.1626c, 388.1651a, 388.1651c, 388.1656, 388.1662, 388.1667a,
17 388.1674a, 388.1695a, 388.1747e, and 388.1652b, as amended by this
18 amendatory act, take effect upon enactment of this amendatory act.