

**SUBSTITUTE FOR
HOUSE BILL NO. 5503**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 11 and 31aa (MCL 388.1611 and 388.1631aa), as
amended by 2024 PA 120, and by adding section 97h.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30, 2024,~~
2 ~~there is appropriated for the public schools of this state and~~
3 ~~certain other state purposes relating to education the sum of~~
4 ~~\$18,418,357,800.00 from the state school aid fund, the sum of~~
5 ~~\$87,900,000.00 from the general fund, an amount not to exceed~~
6 ~~\$72,000,000.00 from the community district education trust fund~~
7 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
8 ~~489, MCL 12.262, an amount not to exceed \$245,000,000.00 from the~~



~~1 school consolidation and infrastructure fund created under section~~
~~2 11x, an amount not to exceed \$125,000,000.00 from the school~~
~~3 transportation fund created under section 22k, an amount not to~~
~~4 exceed \$71,000,000.00 from the enrollment stabilization fund~~
~~5 created under section 29, an amount not to exceed \$90,000,000.00~~
~~6 from the school meals reserve fund created under section 30e, an~~
~~7 amount not to exceed \$18,000,000.00 from the great start readiness~~
~~8 program reserve fund created under section 32e, and an amount not~~
~~9 to exceed \$240,650,000.00 from the MPSERS retirement obligation~~
~~10 reform reserve fund created under section 147b.~~ For the fiscal year
 11 ending September 30, 2025, there is appropriated for the public
 12 schools of this state and certain other state purposes relating to
 13 education the sum of ~~\$17,643,551,300.00~~ **\$17,769,551,300.00** from the
 14 state school aid fund, the sum of \$78,830,600.00 from the general
 15 fund, an amount not to exceed \$41,000,000.00 from the community
 16 district education trust fund created under section 12 of the
 17 Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to
 18 exceed \$125,000,000.00 from the school transportation fund created
 19 under section 22k, an amount not to exceed \$71,000,000.00 from the
 20 enrollment stabilization fund created under section 29, an amount
 21 not to exceed \$30,000,000.00 from the school meals reserve fund
 22 created under section 30e, an amount not to exceed \$18,000,000.00
 23 from the great start readiness program reserve fund created under
 24 section 32e, an amount not to exceed \$334,100,000.00 from the
 25 MPSERS retirement obligation reform reserve fund created under
 26 section 147b, and an amount not to exceed \$30,000,000.00 from the
 27 educator fellowship public provider fund created in section 27d. In
 28 addition, all available federal funds are only appropriated as
 29 allocated in this article for the fiscal ~~years~~ **year** ending



~~September 30, 2024 and September 30, 2025.~~

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

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

Sec. 31aa. (1) From the state school aid fund money appropriated in section 11, there is allocated ~~\$25,000,000.00~~ **\$150,000,000.00** for 2024-2025, and from the general fund money appropriated in section 11, there is allocated \$1,500,000.00 for 2024-2025 only, to provide payments to districts, intermediate districts, nonpublic schools, and the Michigan Schools for the Deaf and Blind that opt in and agree to receive funding under this section, for activities to improve student mental health and improve student safety. **It is the intent of the legislature that, for 2025-2026, the allocation from the state school aid fund money appropriated in section 11 for purposes described in this section will be \$25,000,000.00, and that, for 2025-2026, the allocation from the state school aid fund money and general fund money appropriated in section 11 for purposes described in this section will not be used to make continued payments related to support staff hired or contracted for using funds received under this section.** The allowable expenditures of funds under this section are as follows:

(a) Hiring or contracting for support staff for student mental health needs, including, but not limited to, school psychologists,



1 social workers, counselors, and school nurses.

2 (b) Purchasing and implementing mental health screening tools.

3 (c) Purchasing a statewide, integrated technology platform,
4 such as bhworks, that streamlines behavioral health documentation
5 and care coordination.

6 (d) Providing school-based mental health personnel access to
7 consultation with behavioral health clinicians to respond to
8 complex student mental health needs.

9 (e) Purchasing and implementing an online behavioral health
10 tool moderated and led by licensed behavioral health professionals.

11 (f) Hiring or contracting a behavioral health coordinator.

12 (g) Evidence-based trainings to support mental health.

13 (h) Costs associated with collaboration between school
14 employees, families, and community partners to address the
15 academic, behavioral, and social needs of all students through
16 collaborative partnerships, resource coordination, data collection,
17 and data sharing.

18 (i) Costs associated with conducting a systematic school
19 mental health needs assessment and resource mapping that identifies
20 programmatic and systemic needs and helps staff determine
21 priorities and create action plans.

22 (j) Coordination with local law enforcement.

23 (k) Training for school staff on threat assessment.

24 (l) Training for school staff and students on threat response.

25 (m) Training for school staff on crisis communication.

26 (n) Safety infrastructure, including, but not limited to,
27 cameras, door blocks, hardened vestibules, window screening, and
28 technology necessary to operate buzzer systems. This may also
29 include firearm detection software that integrates to existing



1 security cameras to detect and alert school personnel and first
2 responders to visible firearms on school property.

3 (o) Age-appropriate training for students and families on
4 responsible firearm ownership, including safe handling and safe
5 storage of firearms.

6 (p) School resource officers.

7 (q) Student Safety Management System, the information
8 technology platform and related services to improve student safety
9 by mitigating cyberbullying, school violence, human trafficking,
10 and self-harm that supports students from grades K to 12.

11 (r) A secure platform, administered by the department of state
12 police, for school officials, emergency responders, and emergency
13 management coordinators to house all school safety-related items,
14 including, but not limited to, EOP templates, EOP guidance,
15 reference documents, and security assessments. The platform should
16 use existing password-protected access control methods schools
17 currently utilize and, to the extent possible, be capable of
18 integrating with existing platforms or technologies used by
19 districts for school safety. Through permissions-based access
20 control, the platform should be able to relay information clearly
21 and in real time to each person or entity necessary to provide a
22 unified response to a safety incident, or to take appropriate
23 action in response to an anticipated disruption to the normal
24 functions of the surrounding community.

25 (s) Emergency infrastructure needs to respond to an immediate
26 threat to the health or safety of students and staff in the
27 district, intermediate district, nonpublic school, or the Michigan
28 Schools for the Deaf and Blind. A district, intermediate district,
29 nonpublic school, or the Michigan Schools for the Deaf and Blind



1 shall not expend funds for this purpose without first obtaining
2 approval from the department. In making a determination of
3 approval, the department shall, at a minimum, assess whether the
4 district, intermediate district, nonpublic school, or the Michigan
5 Schools for the Deaf and Blind is responding to an immediate threat
6 to the health or safety of students and staff, and whether the
7 district, intermediate district, nonpublic school, or the Michigan
8 Schools for the Deaf and Blind has other sources of funding that
9 should be utilized first.

10 (t) A contract with a vendor for a comprehensive safety and
11 security assessment or a comprehensive safety and security event
12 assessment in schools operated by the district, intermediate
13 district, nonpublic school, or the Michigan Schools for the Deaf
14 and Blind.

15 (u) An emergency response system.

16 (2) By not later than December 31 of each fiscal year, from
17 the state school aid fund money allocated in subsection (1), the
18 department shall make payments to districts, intermediate
19 districts, and the Michigan Schools for the Deaf and Blind that opt
20 in and agree to receive funding in an equal amount per pupil based
21 on the total number of pupils in membership in each district,
22 intermediate district, and the Michigan Schools for the Deaf and
23 Blind that opts in and agrees to receive funding. By December 31 of
24 each fiscal year, from the general fund money allocated in
25 subsection (1), the department shall make payments to nonpublic
26 schools that opt in and agree to receive funding in an equal amount
27 per pupil based on the total number of pupils in membership in each
28 nonpublic school that opts in and agrees to receive funding, using
29 pupil counts determined by the department. The department shall



1 ensure that the amount per pupil paid to nonpublic schools does not
2 exceed the amount per pupil paid to districts and intermediate
3 districts. Districts, intermediate districts, the Michigan Schools
4 for the Deaf and Blind, and nonpublic schools may opt in and agree
5 to receive funding in a form and manner determined by the
6 department.

7 (3) Recipients of funding under this section must provide a
8 final expense report to the department by June 1 of each fiscal
9 year. If the department determines that the eligible recipient has
10 misused the funds allocated under this section, the eligible
11 recipient shall reimburse the department for the amount of state
12 funding misused.

13 (4) The department shall use the information received under
14 subsection (3) to compile a report that includes the number of
15 recipients that have hired school resource officers using funds
16 received under this section and any supporting information provided
17 by the recipients. By not later than August 1, 2025, and each
18 August 1 thereafter, the department shall provide the report
19 compiled under this subsection to the senate and house
20 appropriations subcommittees on school aid, the senate and house
21 fiscal agencies, the senate and house policy offices, the state
22 budget office, and the Michigan commission on law enforcement
23 standards.

24 (5) ~~(4)~~ Districts receiving funds under this section must
25 coordinate with intermediate ~~school~~ districts to avoid duplication
26 of services and to streamline delivery of services to students.

27 (6) ~~(5)~~ Notwithstanding section 17b, the department shall make
28 payments under this section on a schedule determined by the
29 department.



1 (7) ~~(6)~~—As provided under section 18a, recipients may expend
2 funds under this section until the end of the fiscal year
3 immediately following the fiscal year in which the funds are
4 received.

5 **Sec. 97h. (1) From the state school aid fund money**
6 **appropriated in section 11, there is allocated an amount not to**
7 **exceed \$1,000,000.00 for 2024-2025 only to an intermediate district**
8 **to partner with the department to create or partner with an**
9 **existing program and support a tip line for students to anonymously**
10 **report improperly stored firearms that are accessible to a minor.**

11 **(2) The department shall develop educational materials related**
12 **to improperly stored firearms, and how to report improperly stored**
13 **firearms, and distribute the educational materials to districts and**
14 **intermediate districts.**

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

18 **(4) As used in this section, "improperly stored firearm" means**
19 **a firearm that is not stored in accordance with the requirements of**
20 **section 9 of 1927 PA 372, MCL 28.429.**

21 Enacting section 1. In accordance with section 30 of article
22 IX of the state constitution of 1963, total state spending on
23 school aid under article I of the state school aid act of 1979,
24 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2024 PA 120 and
25 this amendatory act, from state sources for fiscal year 2024-2025
26 is estimated at \$18,497,481,900.00 and state appropriations for
27 school aid to be paid to local units of government for fiscal year
28 2024-2025 are estimated at \$17,054,443,900.00.

29 Enacting section 2. This amendatory act takes effect October



1 1, 2024.



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