

## FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

House Bill No. 5503, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 11, 11a, 11j, 11k, 11m, 11s, 11x, 15, 20, 20d, 21h, 22a, 22b, 22d, 22k, 22l, 22m, 22p, 23g, 23i, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27a, 27b, 27c, 27d, 27g, 27m, 27n, 27o, 27p, 28, 29, 30d, 30e, 31a, 31d, 31f, 31j, 31n, 31p, 31aa, 32d, 32n, 32p, 33, 35a, 35d, 35j, 39, 39a, 41, 41b, 51a, 51c, 51d, 51e, 51g, 53a, 54, 54b, 54d, 56, 61a, 61b, 61c, 61d, 61s, 62, 65, 67, 67f, 74, 81, 94, 94a, 95b, 97a, 97i, 97k, 98, 98d, 99a, 99b, 99e, 99g, 99h, 99s, 99t, 99u, 99x, 99aa, 99gg, 99hh, 104, 104h, 107, 147, 147a, 147c, 147e, 152a, 152b, and 163 (MCL 388.1603, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1611x, 388.1615, 388.1620, 388.1620d, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622k, 388.1622l, 388.1622m, 388.1622p, 388.1623g, 388.1623i, 388.1624, 388.1624a, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1626d, 388.1627a, 388.1627b, 388.1627c, 388.1627d, 388.1627g, 388.1627m, 388.1627n, 388.1627o, 388.1627p, 388.1628, 388.1629, 388.1630d, 388.1630e, 388.1631a, 388.1631d, 388.1631f, 388.1631j, 388.1631n, 388.1631p, 388.1631aa, 388.1632d, 388.1632n, 388.1632p, 388.1633, 388.1635a, 388.1635d, 388.1635j, 388.1639, 388.1639a, 388.1641, 388.1641b, 388.1651a, 388.1651c, 388.1651d, 388.1651e, 388.1651g, 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1661d, 388.1661s, 388.1662, 388.1665, 388.1667, 388.1667f, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695b, 388.1697a, 388.1697i, 388.1697k, 388.1698, 388.1698d, 388.1699a, 388.1699b, 388.1699e, 388.1699g, 388.1699h, 388.1699s, 388.1699t, 388.1699u, 388.1699x, 388.1699aa, 388.1699gg, 388.1699hh, 388.1704, 388.1704h, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1752a, 388.1752b, and 388.1763), sections 3, 11a, 11j, 11k, 11m, 11s, 11x, 15, 20d, 21h, 22a, 22b, 22d, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27a, 27b, 27c, 28, 31d, 31f, 31j, 31n, 31p, 31aa, 32d, 32n, 32p, 35a, 35d, 39, 39a, 41b, 51d, 51e, 51g, 53a, 54, 54b, 54d, 56, 61a, 61b, 61c, 61d, 62, 65, 67, 74, 81, 94, 97a, 98, 99h, 99s, 99t, 99u, 99x, 99aa, 104, 104h, 107, 147,



147c, 147e, 152a, 152b, and 163 as amended and sections 22k, 23g, 23i, 27g, 27m, 27n, 27o, 27p, 29, 30d, 30e, 33, 35j, 67f, 97i, 98d, 99a, 99b, 99e, 99g, 99gg, and 99hh as added by 2023 PA 103, sections 11, 20, 22l, 31a, 41, 51a, 51c, 61s, 94a, 95b, 97k, and 147a as amended by 2023 PA 320, and section 27d as added by 2022 PA 144, and by adding sections 27f, 27r, 27s, 27t, 31gg, 51h, 54f, 55, 67b, 67d, 94e, 97m, 99, 99c, 99bb, 99nn, 147g, and 164j; and to repeal acts and parts of acts.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

(attached)

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled

"AN ACT to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts", by amending sections 11 and 31aa (MCL 388.1611 and 388.1631aa), as amended by 2024 PA 120, and by adding section 97h.



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Conferees for the House

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H05206'24 (H-2) CR-1 cs

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**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~~



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

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

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

10 Sec. 31aa. (1) From the state school aid fund money  
 11 appropriated in section 11, there is allocated ~~\$25,000,000.00~~  
 12 **\$150,000,000.00** for 2024-2025, and from the general fund money  
 13 appropriated in section 11, there is allocated \$1,500,000.00 for  
 14 2024-2025 only, to provide payments to districts, intermediate  
 15 districts, nonpublic schools, and the Michigan Schools for the Deaf  
 16 and Blind that opt in and agree to receive funding under this  
 17 section, for activities to improve student mental health and  
 18 improve student safety. **It is the intent of the legislature that,**  
 19 **for 2025-2026, the allocation from the state school aid fund money**  
 20 **appropriated in section 11 for purposes described in this section**  
 21 **will be \$25,000,000.00, and that, for 2025-2026, the allocation**  
 22 **from the state school aid fund money and general fund money**  
 23 **appropriated in section 11 for purposes described in this section**  
 24 **will not be used to make continued payments related to support**  
 25 **staff hired or contracted for using funds received under this**  
 26 **section.** The allowable expenditures of funds under this section are  
 27 as follows:

28 (a) Hiring or contracting for support staff for student mental  
 29 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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