

# HOUSE BILL NO. 4043

January 24, 2023, Introduced by Reps. Schuette, Meerman and Fink and referred to the Committee on Education.

A bill to establish a learning loss recovery grant program; to establish a learning loss recovery fund; to provide for certain grants; to prescribe conditions for the use of grant funds; to prescribe for the use of money in the learning loss recovery fund; to provide for the administration of the learning loss recovery grant program; to provide for the administration of the learning loss recovery fund; to prescribe certain powers and duties of certain state officers, agencies, and departments; and to make appropriations to the learning loss recovery fund.

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

1           Sec. 1. As used in this act:

2           (a) "As a result of the COVID-19 pandemic" includes, but is  
3 not limited to, any of the following outcomes as a result of the  
4 COVID-19 pandemic:

5           (i) Mandated school closures.

6           (ii) Voluntary school closures due to staff shortages.

7           (iii) Voluntary school closures due to staff preferences.

8           (iv) Voluntary school closures due to illness outbreaks.

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

10          (c) "Fund" means the learning loss recovery fund created in  
11 section 3(2).

12          (d) "Grant program" means the learning loss recovery grant  
13 program created in section 3(1), but does not include grant  
14 programs in other states referenced in section 3(19).

15          (e) "Marketplace" means the learning loss recovery marketplace  
16 created in subsection (17).

17          (f) "Nonpublic school" means that term as defined in section 5  
18 of the revised school code, 1976 PA 451, MCL 380.5.

19          (g) "Public school" means that term as defined in section 5 of  
20 the revised school code, 1976 PA 451, MCL 380.5.

21          (h) "Public school academy" means that term as defined in  
22 section 5 of the revised school code, 1976 PA 451, MCL 380.5.

23          Sec. 3. (1) The department shall create the learning loss  
24 recovery grant program. From funding appropriated to the fund for  
25 the grant program, the department shall distribute grants, as  
26 provided in this act, to eligible students for the purpose of  
27 recovering losses to learning for eligible students whose education  
28 has been disrupted as a result of the COVID-19 pandemic.

29          (2) The learning loss recovery fund is created in the state

1 treasury. The state treasurer shall deposit money and other assets  
2 received from any source in the fund. The state treasurer shall  
3 direct the investment of money in the fund and credit interest and  
4 earnings from the investments to the fund.

5 (3) The department is the administrator of the fund for audits  
6 of the fund.

7 (4) The department shall expend money from the fund on  
8 appropriation only for the following purposes:

9 (a) Making grant distributions as provided in this act.

10 (b) Contracting with private vendors that will aid in the  
11 administration of the grant program.

12 (c) Paying reasonable expenses for staff services to  
13 administer and enforce the requirements under this act related to  
14 the grant program and the fund.

15 (5) By not later than 7 days after the effective date of this  
16 act, the department shall issue a request for proposals for the  
17 selection of private vendors that will aid in the administration of  
18 the grant program in accordance with this act. The department shall  
19 select vendors within a timeline that allows for compliance with  
20 the deadlines otherwise included in this act.

21 (6) A student who was enrolled in or attending a public school  
22 or nonpublic school in this state for at least the equivalent of 2  
23 semesters or 1 full school year during the period beginning on  
24 March 9, 2020 and ending on April 1, 2022 is an eligible student  
25 under this act.

26 (7) Subject to subsection (11), to receive a grant through the  
27 grant program, an eligible student must apply for the grant in a  
28 form and manner prescribed by the department. All of the following  
29 apply to a grant application described in this subsection:

1 (a) Grant applications may be submitted by the parent or legal  
2 guardian of an eligible student. However, the eligible student is  
3 considered the primary applicant even if his or her parent or legal  
4 guardian submits the application as described in this subdivision.

5 (b) For purposes of an income portion of an application  
6 described in this subsection, if an eligible student is a child for  
7 whom his or her parents or legal guardians have a custodial,  
8 noncustodial, or shared custody arrangement, both parents' or legal  
9 guardians' incomes are applicable and must be listed separately in  
10 the application and the department shall consider the average of  
11 both incomes.

12 (c) For multihousehold applications, the eligible student  
13 shall indicate his or her primary household on the application.

14 (d) For applications with only 1 household listed on the  
15 application, the listed household is the primary household for  
16 purposes of disbursement under this act.

17 (e) Applicable income information on the application must be  
18 based on the 2020 tax year. The department shall define a list of  
19 alternative forms of proof of income for applicants who do not have  
20 access to or did not file a tax return for 2020, including, but not  
21 limited to, any of the following alternative forms of proof:

22 (i) A tax statement from an earlier year.

23 (ii) Three or more recent paystubs.

24 (iii) Proof of enrollment in a social safety net program, such  
25 as the Temporary Assistance for Needy Families program or the  
26 Women, Infants, and Children program. For applicants whose income  
27 is verified by proof of enrollment in a social safety net program,  
28 the income for that applicant must be set to the highest amount  
29 that would qualify the applicant for that benefit under current

1 law.

2 (8) Except as otherwise provided in this subsection and  
3 subject to subsections (9), (10), (12), and (13), money in the fund  
4 must be distributed through the grant program in consecutive  
5 funding rounds, as determined by the department. Any money  
6 described in this subsection not distributed due to lack of  
7 qualified applicants in a funding round may be distributed in the  
8 next funding round. If money in the fund is not distributed due to  
9 lack of qualified applicants in 3 funding rounds, the department  
10 may administer additional funding rounds on a reasonable and  
11 similar timeline as the 3 previous funding rounds.

12 (9) Not less than 40% of the money distributed in each funding  
13 round described in subsection (8) must be awarded to applicants  
14 living at or below the federal poverty guidelines. As used in this  
15 subsection, "federal poverty guidelines" means that term as defined  
16 in section 32d of the state school aid act of 1979, 1979 PA 94, MCL  
17 388.1632d.

18 (10) Except as otherwise provided in this act, money in the  
19 fund must be distributed as follows:

20 (a) Subject to subdivision (d), 50% of the money must be  
21 distributed in round 1 described in subsection (8).

22 (b) Subject to subdivision (d), 25% of the money must be  
23 distributed in round 2 described in subsection (8).

24 (c) Subject to subdivision (d), 25% of the money must be  
25 distributed in round 3 described in subsection (8).

26 (d) If 4 or more funding rounds are added by the department  
27 under subsection (8), the department shall determine the percentage  
28 of money in the fund that is to be distributed in all funding  
29 rounds.

1 (11) Applications, as described in subsection (7), for grants  
2 for each funding round described in subsection (8) must be open as  
3 follows:

4 (a) April 1, 2022 to May 15, 2023 for round 1.

5 (b) May 16, 2022 to June 30, 2023 for round 2.

6 (c) July 1, 2022 to August 15, 2023 for round 3.

7 (d) If 4 or more funding rounds are added by the department  
8 under subsection (8), the department shall determine the dates for  
9 which applications for those rounds will be open.

10 (12) Grants through the grant program must be distributed to  
11 eligible students as follows:

12 (a) Grant disbursements for funding round 1 described in  
13 subsection (8) must be distributed by not later than June 1, 2023.

14 (b) Grant disbursements for funding round 2 described in  
15 subsection (8) must be distributed by not later than July 15, 2023.

16 (c) Grant disbursements for funding round 3 described in  
17 subsection (8) must be distributed by not later than September 1,  
18 2023.

19 (d) If 4 or more funding rounds are added by the department  
20 under subsection (8), the department shall determine the dates of  
21 distribution for grant disbursements for those funding rounds.

22 (13) In distributing grants through the grant program, the  
23 department shall, for distributions in each funding round described  
24 in subsection (8), give higher priority in distribution to  
25 applicants with the lowest learning retention scores. An  
26 applicant's learning retention score is the result of the equation  
27 in subdivision (d). An applicant's learning retention score must be  
28 determined as follows:

29 (a) The applicant's household poverty score must be

1 determined. An applicant's household poverty score is determined by  
2 assigning a whole number to the percentage of the federal poverty  
3 guidelines in which the applicant's household is.

4 (b) The number of days the applicant's school has operated  
5 without an in-person option during the period beginning on March 1,  
6 2020 and ending on the date the application period began for the  
7 funding round during which the application will be considered as  
8 described in subsection (11) must be multiplied by 0.5. For  
9 purposes of this subdivision, for cyber schools, as that term is  
10 defined in section 551 of the revised school code, 1976 PA 451, MCL  
11 380.551, or for a designated full-time virtual program, the number  
12 of days the school or program operated without an in-person option  
13 is 0.

14 (c) The result from subdivision (b) must be added to the  
15 number of days the eligible student's school was closed without a  
16 virtual education option being made available.

17 (d) The poverty score under subdivision (a) must be divided by  
18 the result in subdivision (c).

19 (14) The total amount of all grants awarded through the grant  
20 program distributed to each eligible student under this act must  
21 not exceed \$1,500.00.

22 (15) A grant awarded through the grant program must be  
23 distributed via an electronic account that is assigned to the  
24 primary household that is indicated on the application for a grant  
25 under this act.

26 (16) A grant awarded through the grant program may only be  
27 used to purchase educational supplies, opportunities, and  
28 supportive services that a parent or legal guardian identifies to  
29 be reasonably likely to help address a lost or disrupted

1 educational experience for his or her child who is an eligible  
2 student, excluding tuition and expenses related to attendance at a  
3 nonpublic school. All purchases made with a grant received from the  
4 grant program must be made through the marketplace. The marketplace  
5 must, to the extent possible, include access for all of the  
6 following services:

7 (a) Tutoring.

8 (b) Enrollment as an eligible student in an eligible course  
9 under the postsecondary enrollment options act, 1996 PA 160, MCL  
10 388.511 to 388.524. As used in this subdivision, "eligible course"  
11 and "eligible student" mean those terms as defined in section 3 of  
12 the postsecondary enrollment options act, 1996 PA 160, MCL 388.513.

13 (c) Tuition or expenses related to trade courses, classes, or  
14 apprenticeships.

15 (d) Software.

16 (e) Before- or after-school educational programs.

17 (f) Day camps, including camps for academics, music, and arts.

18 (g) Tuition at learning extension centers.

19 (h) Expenses related to establishing or administering learning  
20 pods.

21 (i) Purchase of curricula and materials.

22 (j) Educational, learning, or study skills services.

23 (17) The private vendors chosen under subsection (5) to aid in  
24 the administration of the grant program shall establish an online  
25 learning loss recovery marketplace for the purpose of connecting  
26 grant recipients with eligible supplies, opportunities, and  
27 services as described in subsection (16).

28 (18) The private vendors chosen under subsection (5) to aid in  
29 the administration of the grant program shall create a verification

1 process through which vendors whose products and services comply  
2 with the requirements of this act are added to the marketplace. A  
3 vendor must apply for inclusion on the marketplace in a form and  
4 manner prescribed by the department.

5 (19) Vendors who are already approved to provide services  
6 through a substantially similar grant program in another state as  
7 the grant program must automatically be approved for addition to  
8 the marketplace. The approval or denial of other vendors not  
9 otherwise described in this subsection for inclusion on the  
10 marketplace must occur on a rolling basis. However, an approval or  
11 denial for the inclusion of a vendor on the marketplace must be  
12 completed by not later than 7 days after the date an application  
13 for inclusion on the marketplace is submitted.

14 (20) A recipient of a grant from the grant program shall use  
15 the money as provided in this act within 12 months after the date  
16 of the disbursement of the grant. Any money remaining in an  
17 electronic account described in subsection (15) after the 12 months  
18 must be redeposited into the fund and used for future rounds of  
19 distribution under this act.

20 (21) The department shall not grant or deny an eligible  
21 student money under this act solely because of the eligible  
22 student's prior enrollment in a public school academy or nonpublic  
23 school.

24 (22) By not later than January 30, 2024, and every January 30  
25 each year thereafter, the department shall publish a review of the  
26 fund and the grant program. The review must be made publicly  
27 available on the department's website and submitted to the  
28 governor, the senate majority leader, the speaker of the house of  
29 representatives, the standing committees of the senate and house of

1 representatives with primary responsibility over issues pertaining  
2 to the department of education, the appropriations committees of  
3 the senate and house of representatives, and the appropriations  
4 subcommittees of the senate and house of representatives with  
5 primary responsibility over issues pertaining to the department of  
6 education. The review must include, but is not limited to, all of  
7 the following:

8 (a) The amount disbursed in each funding round under this act.

9 (b) The amount remaining in the fund as of the date of the  
10 review.

11 (c) The number of students who received a grant through the  
12 grant program as of the date of the review.

13 (d) The number of households that received grants through the  
14 grant program as of the date of the review.

15 (e) The average number of grants approved through the grant  
16 program, as of the date of the review, per household and a  
17 breakdown of how many households received 1, 2, 3, or 4 or more  
18 grants through the grant program.

19 (f) The administration costs associated with the grant program  
20 and the fund.

21 (g) Whether the administration costs described in subdivision  
22 (f) could be reduced by issuing a request for proposals.

23 (h) Any other information that significantly impacts the  
24 department's administration of the fund.

25 (23) By not later than March 30, 2023, the department shall  
26 make a COVID-19 school disruption audit publicly available on its  
27 website and list the audit URL on grant program applications. The  
28 department shall update the audit before the opening date of each  
29 funding round described in subsection (11). The audit must include,

1 but is not limited to, all of the following:

2 (a) The number of days that each school, listed by building,  
3 in this state was closed without a virtual or alternative education  
4 option available to students during the period beginning on March  
5 9, 2020 and ending on the date the audit or audit update is posted  
6 publicly under this subsection.

7 (b) The number of days that each school, listed by building,  
8 in this state made available only a virtual educational option to  
9 students during the period beginning on March 9, 2020 and ending on  
10 the date the audit or audit update is posted publicly under this  
11 subsection.

12 Sec. 5. The legislature shall appropriate \$500,000,000.00 in  
13 available federal funding to the fund to be used as provided under  
14 this act.