

SUBSTITUTE FOR
HOUSE BILL NO. 4313

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 11s,
15, 18, 18c, 20, 20d, 20f, 20m, 21g, 22a, 22b, 22d, 22g, 24, 24a,
24c, 25f, 25g, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 32d, 32p, 35a,
39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 56, 61a, 61b, 61c, 62,
64b, 67, 74, 81, 94, 94a, 98, 99h, 99s, 99t, 102d, 104, 104c, 104d,
107, 147, 147a, 147c, 152a, 152b, 166b, 201, 201a, 203, 206, 207a,
207b, 207c, 209, 210b, 210e, 217, 223, 224, 225, 226, 229, 229a,
230, 236, 236a, 236b, 236c, 237b, 241, 244, 245, 251, 252, 254,
256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 274c, 275,
276, 277, 278, 279, 280, 281, 282, 283, 284, and 286a (MCL
388.1603, 388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a,

388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1611s, 388.1615,
 388.1618, 388.1618c, 388.1620, 388.1620d, 388.1620f, 388.1620m,
 388.1621g, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1624,
 388.1624a, 388.1624c, 388.1625f, 388.1625g, 388.1626a, 388.1626b,
 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1632d,
 388.1632p, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a,
 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1656,
 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1667,
 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h,
 388.1699s, 388.1699t, 388.1702d, 388.1704, 388.1704c, 388.1704d,
 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1752b,
 388.1766b, 388.1801, 388.1801a, 388.1803, 388.1806, 388.1807a,
 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1810e, 388.1817,
 388.1823, 388.1824, 388.1825, 388.1826, 388.1829, 388.1829a,
 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1837b,
 388.1841, 388.1844, 388.1845, 388.1851, 388.1852, 388.1854,
 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a,
 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1874c,
 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880,
 388.1881, 388.1882, 388.1883, 388.1884, and 388.1886a), sections 3,
 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 20d, 20f, 22a, 22b, 22d,
 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 32d,
 32p, 35a, 39, 39a, 41, 51c, 51d, 53a, 54, 56, 61b, 62, 64b, 67, 74,
 81, 94, 94a, 99s, 102d, 104, 104d, 107, 147, 147a, 147c, 152a,
 166b, 201, 201a, 203, 206, 207a, 207b, 207c, 209, 210b, 217, 223,
 224, 225, 226, 229a, 230, 236, 236a, 236b, 236c, 237b, 241, 251,
 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274,

274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 11s, 20m, 21g, 31b, 54b, 152b, 210e, and 286a as added by 2016 PA 249, sections 8b, 229, and 244 as amended by 2015 PA 85, section 18c as amended by 2012 PA 201, sections 20, 61a, 61c, 98, 99h, 99t, and 104c as amended by 2016 PA 313, section 51a as amended by 2016 PA 534, and section 245 as amended by 2014 PA 196, and by adding sections 22m, 64d, 95b, 164g, 164h, 239b, 249, 250, and 274d; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. ~~(1) "Achievement authority" means the education~~
 2 ~~achievement authority, the public body corporate and special~~
 3 ~~authority initially created under section 5 of article III and~~
 4 ~~section 28 of article VII of the state constitution of 1963 and the~~
 5 ~~urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to~~
 6 ~~124.512, by an interlocal agreement effective August 11, 2011,~~
 7 ~~between the school district of the city of Detroit and the board of~~
 8 ~~regents of Eastern Michigan University, a state public university.~~

9 ~~—— (2) "Achievement school" means a public school within the~~
 10 ~~education achievement system operated, managed, authorized,~~
 11 ~~established, or overseen by the achievement authority.~~

12 (1) ~~(3)~~—"Average daily attendance", for the purposes of
 13 complying with federal law, means 92% of the pupils counted in
 14 membership on the pupil membership count day, as defined in section
 15 6(7) .

16 (2) ~~(4)~~—"Board" means the governing body of a district or
 17 public school academy.

18 (3) ~~(5)~~—"Center" means the center for educational performance

1 and information created in section 94a.

2 (4) ~~(6)~~ "Community district" means a school district organized
3 under part 5b of the revised school code.

4 (5) ~~(7)~~ "Cooperative education program" means a written
5 voluntary agreement between and among districts to provide certain
6 educational programs for pupils in certain groups of districts. The
7 written agreement shall be approved by all affected districts at
8 least annually and shall specify the educational programs to be
9 provided and the estimated number of pupils from each district who
10 will participate in the educational programs.

11 (6) ~~(8)~~ "Department", except in section 107, means the
12 department of education.

13 (7) ~~(9)~~ "District" means a local school district established
14 under the revised school code or, except in sections 6(4), 6(6),
15 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school
16 academy. ~~Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a,~~
17 ~~105, 105c, and 166b, district also includes the education~~
18 ~~achievement system.~~ Except in section 20, district also includes a
19 community district.

20 (8) ~~(10)~~ "District of residence", except as otherwise provided
21 in this subsection, means the district in which a pupil's custodial
22 parent or parents or legal guardian resides. For a pupil described
23 in section 24b, the pupil's district of residence is the district
24 in which the pupil enrolls under that section. For a pupil
25 described in section 6(4)(d), the pupil's district of residence
26 shall be considered to be the district or intermediate district in
27 which the pupil is counted in membership under that section. For a

1 pupil under court jurisdiction who is placed outside the district
2 in which the pupil's custodial parent or parents or legal guardian
3 resides, the pupil's district of residence shall be considered to
4 be the educating district or educating intermediate district.

5 (9) ~~(11)~~ "District superintendent" means the superintendent of
6 a district ~~, OR~~ the chief administrator of a public school academy.
7 ~~, or the chancellor of the achievement authority.~~

8 Sec. 4. ~~(1) "Education achievement system" means the~~
9 ~~achievement authority and all achievement schools.~~

10 (1) ~~(2)~~ "Elementary pupil" means a pupil in membership in
11 grades K to 8 in a district not maintaining classes above the
12 eighth grade or in grades K to 6 in a district maintaining classes
13 above the eighth grade. For the purposes of calculating universal
14 service fund (e-rate) discounts, "elementary pupil" includes
15 children enrolled in a preschool program operated by a district in
16 its facilities.

17 (2) ~~(3)~~ "Extended school year" means an educational program
18 conducted by a district in which pupils must be enrolled but not
19 necessarily in attendance on the pupil membership count day in an
20 extended year program. The mandatory clock hours shall be completed
21 by each pupil not more than 365 calendar days after the pupil's
22 first day of classes for the school year prescribed. The department
23 shall prescribe pupil, personnel, and other reporting requirements
24 for the educational program.

25 (3) ~~(4)~~ "Fiscal year" means the state fiscal year that
26 commences October 1 and continues through September 30.

27 (4) ~~(5)~~ "High school equivalency certificate" means a

1 certificate granted for the successful completion of a high school
2 equivalency test.

3 **(5)** ~~(6)~~—"High school equivalency test" means the G.E.D. test
4 developed by the GED Testing Service, the Test Assessing Secondary
5 Completion (TASC) developed by CTS/McGraw-Hill, the HISET test
6 developed by the Education Testing Service (ETS), or another
7 comparable test approved by the department of talent and economic
8 development.

9 **(6)** ~~(7)~~—"High school equivalency test preparation program"
10 means a program that has high school level courses in English
11 language arts, social studies, science, and mathematics and that
12 prepares an individual to successfully complete a high school
13 equivalency test.

14 **(7)** ~~(8)~~—"High school pupil" means a pupil in membership in
15 grades 7 to 12, except in a district not maintaining grades above
16 the eighth grade.

17 Sec. 6. (1) "Center program" means a program operated by a
18 district or by an intermediate district for special education
19 pupils from several districts in programs for pupils with autism
20 spectrum disorder, pupils with severe cognitive impairment, pupils
21 with moderate cognitive impairment, pupils with severe multiple
22 impairments, pupils with hearing impairment, pupils with visual
23 impairment, and pupils with physical impairment or other health
24 impairment. Programs for pupils with emotional impairment housed in
25 buildings that do not serve regular education pupils also qualify.
26 Unless otherwise approved by the department, a center program
27 either shall serve all constituent districts within an intermediate

1 district or shall serve several districts with less than 50% of the
2 pupils residing in the operating district. In addition, special
3 education center program pupils placed part-time in noncenter
4 programs to comply with the least restrictive environment
5 provisions of section 612 of part B of the individuals with
6 disabilities education act, 20 USC 1412, may be considered center
7 program pupils for pupil accounting purposes for the time scheduled
8 in either a center program or a noncenter program.

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

12 (3) "District and high school graduation report" means a
13 report of the number of pupils, excluding adult education
14 participants, in the district for the immediately preceding school
15 year, adjusted for those pupils who have transferred into or out of
16 the district or high school, who leave high school with a diploma
17 or other credential of equal status.

18 (4) "Membership", except as otherwise provided in this
19 article, means for a district, a public school academy, ~~the~~
20 ~~education achievement system,~~ or an intermediate district the sum
21 of the product of .90 times the number of full-time equated pupils
22 in grades K to 12 actually enrolled and in regular daily attendance
23 on the pupil membership count day for the current school year, plus
24 the product of .10 times the final audited count from the
25 supplemental count day for the immediately preceding school year. A
26 district's, public school academy's, or intermediate district's
27 membership shall be adjusted as provided under section 25e for

1 pupils who enroll after the pupil membership count day in a strict
2 discipline academy operating under sections 1311b to 1311m of the
3 revised school code, MCL 380.1311b to 380.1311m. ~~However, for a~~
4 ~~district that is a community district in its first year of~~
5 ~~operation, "membership" means the sum of the product of .90 times~~
6 ~~the number of full-time equated pupils in grades K to 12 actually~~
7 ~~enrolled and in regular daily attendance in the community district~~
8 ~~on the pupil membership count day for the current school year, plus~~
9 ~~the product of .10 times the final audited count from the~~
10 ~~supplemental count day of pupils in grades K to 12 actually~~
11 ~~enrolled and in regular daily attendance in a qualifying school~~
12 ~~district as defined in section 5 of the revised school code, MCL~~
13 ~~380.5, for the immediately preceding school year. All pupil counts~~
14 ~~used in this subsection are as determined by the department and~~
15 ~~calculated by adding the number of pupils registered for attendance~~
16 ~~plus pupils received by transfer and minus pupils lost as defined~~
17 ~~by rules promulgated by the superintendent, and as corrected by a~~
18 ~~subsequent department audit. For the purposes of this section and~~
19 ~~section 6a, for a school of excellence 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, a pupil's participation in the cyber school's educational~~
23 ~~program is considered regular daily attendance; for the education~~
24 ~~achievement system, a pupil's participation in a virtual~~
25 ~~educational program of the education achievement system or of an~~
26 ~~achievement school is considered regular daily attendance; and for~~
27 ~~a district a pupil's participation in a virtual course as defined~~

1 ~~in section 21f is considered regular daily attendance.~~ The amount
2 of the foundation allowance for a pupil in membership is determined
3 under section 20. In making the calculation of membership, all of
4 the following, as applicable, apply to determining the membership
5 of a district, a public school academy, ~~the education achievement~~
6 ~~system,~~ or an intermediate district:

7 (a) Except as otherwise provided in this subsection, and
8 pursuant to subsection (6), a pupil shall be counted in membership
9 in the pupil's educating district or districts. ~~An~~ **EXCEPT AS**
10 **OTHERWISE PROVIDED IN THIS SUBSECTION, AN** individual pupil shall
11 not be counted for more than a total of 1.0 full-time equated
12 membership.

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

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

26 (d) A pupil placed by a court or state agency in an on-grounds
27 program of a juvenile detention facility, a child caring

1 institution, or a mental health institution, or a pupil funded
2 under section 53a, shall be counted in membership in the district
3 or intermediate district approved by the department to operate the
4 program.

5 (e) A pupil enrolled in the Michigan ~~schools for the deaf and~~
6 ~~blind~~ **SCHOOLS FOR THE DEAF AND BLIND** shall be counted in membership
7 in the pupil's intermediate district of residence.

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

14 (g) A pupil enrolled in a public school academy shall be
15 counted in membership in the public school academy.

16 (h) ~~A pupil enrolled in an achievement school shall be counted~~
17 ~~in membership in the education achievement system.~~ **FOR THE PURPOSES**
18 **OF THIS SECTION AND SECTION 6A, FOR A SCHOOL OF EXCELLENCE THAT IS**
19 **A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL**
20 **CODE, MCL 380.551, AND IS IN COMPLIANCE WITH SECTION 553A OF THE**
21 **REVISED SCHOOL CODE, MCL 380.553A, A PUPIL'S PARTICIPATION IN THE**
22 **CYBER SCHOOL'S EDUCATIONAL PROGRAM IS CONSIDERED REGULAR DAILY**
23 **ATTENDANCE, AND FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY, A PUPIL'S**
24 **PARTICIPATION IN A VIRTUAL COURSE AS DEFINED IN SECTION 21F IS**
25 **CONSIDERED REGULAR DAILY ATTENDANCE.**

26 (i) For a new district or public school academy beginning its
27 operation after December 31, 1994, ~~or for the education achievement~~

~~system or an achievement school,~~ membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

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

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

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who

1 were also counted in the district on the immediately preceding
2 supplemental count day.

3 ~~(k) In a district, a public school academy, the education~~
4 ~~achievement system, or an intermediate district operating~~ **FOR** an
5 extended school year program approved by the superintendent, a
6 pupil enrolled, but not scheduled to be in regular daily
7 attendance, on a pupil membership count day, shall be counted **IN**
8 **MEMBERSHIP.**

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

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

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

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

26 (B) Had dropped out of school.

27 (C) Is less than 22 years of age as of September 1 of the

1 current school year.

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

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

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

1 or intermediate district shall be 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 ~~or the education achievement system~~ and in a district or
5 intermediate district but not as a part of a cooperative education
6 program, the following apply:

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

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

1 academy. ~~or the education achievement system.~~

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

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

9 (q) The number of class hours used to calculate full-time
10 equated memberships shall be consistent with section 101. In
11 determining full-time equated memberships for pupils who are
12 enrolled in a postsecondary institution, a pupil shall not be
13 considered to be less than a full-time equated pupil solely because
14 of the effect of his or her postsecondary enrollment, including
15 necessary travel time, on the number of class hours provided by the
16 district to the pupil.

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

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

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

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

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

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

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

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

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

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

23 (v) If a pupil was enrolled in a public school academy on the
24 pupil membership count day, if the public school academy's contract
25 with its authorizing body is revoked or the public school academy
26 otherwise ceases to operate, and if the pupil enrolls in a district
27 ~~or the education achievement system~~ within 45 days after the pupil

1 membership count day, the department shall adjust the district's ~~or~~
2 ~~the education achievement system's~~ pupil count for the pupil
3 membership count day to include the pupil in the count.

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

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

1 under this subdivision is the greater of the following:

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

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

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

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

25 (aa) For the first year in which a pupil is counted in
26 membership on the pupil membership count day in a middle college
27 program, the membership is the average of the full-time equated

1 membership on the pupil membership count day and on the
2 supplemental count day for the current school year, as determined
3 by the department. If a pupil described in this subdivision was
4 counted in membership by the operating district on the immediately
5 preceding supplemental count day, the pupil shall be excluded from
6 the district's immediately preceding supplemental count for the
7 purposes of determining the district's membership.

8 (bb) A district ~~, a~~ OR public school academy ~~, or the~~
9 ~~education achievement system~~ that educates a pupil who attends a
10 United States Olympic Education Center may count the pupil in
11 membership regardless of whether or not the pupil is a resident of
12 this state.

13 (cc) A pupil enrolled in a district other than the pupil's
14 district of residence pursuant to section 1148(2) of the revised
15 school code, MCL 380.1148, shall be counted in the educating
16 district. ~~or the education achievement system.~~

17 (dd) For a pupil enrolled in a dropout recovery program that
18 meets the requirements of section 23a, the pupil shall be counted
19 as 1/12 of a full-time equated membership for each month that the
20 district operating the program reports that the pupil was enrolled
21 in the program and was in full attendance. However, if the special
22 membership counting provisions under this subdivision and the
23 operation of the other membership counting provisions under this
24 subsection result in a pupil being counted as more than 1.0 FTE in
25 a fiscal year, the payment made for the pupil under sections 22a
26 and 22b shall not be based on more than 1.0 FTE for that pupil, and
27 any portion of an FTE for that pupil that exceeds 1.0 shall instead

1 be paid under section 25g. The district operating the program shall
2 report to the center the number of pupils who were enrolled in the
3 program and were in full attendance for a month not later than 30
4 days after the end of the month. A district shall not report a
5 pupil as being in full attendance for a month unless both of the
6 following are met:

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

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

18 (ee) A pupil participating in a virtual course under section
19 21f shall be counted in membership in the district enrolling the
20 pupil.

21 (ff) If a public school academy that is not in its first or
22 second year of operation closes at the end of a school year and
23 does not reopen for the next school year, the department shall
24 adjust the membership count of the district or ~~the education~~
25 ~~achievement system~~ **OTHER PUBLIC SCHOOL ACADEMY** in which a former
26 pupil of the **CLOSED** public school academy enrolls and is in regular
27 daily attendance for the next school year to ensure that the

district or ~~the education achievement system~~ **OTHER PUBLIC SCHOOL ACADEMY** receives the same amount of membership aid for the pupil as if the pupil were counted in the district or ~~the education achievement system~~ **OTHER PUBLIC SCHOOL ACADEMY** on the supplemental count day of the preceding school year.

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

(hh) A pupil enrolled in a community district shall be counted in membership in the community district. ~~For a community district in its first fiscal year of operations only, until the department is able to calculate the community district's membership, the department shall consider the community district's membership to be the same as the membership for the immediately preceding fiscal year for a district with the same boundaries as the community district that had membership for that fiscal year.~~

(II) A PUPIL ENROLLED IN A MIDDLE COLLEGE PROGRAM MAY BE COUNTED FOR MORE THAN A TOTAL OF 1.0 FULL-TIME EQUATED MEMBERSHIP IF THE PUPIL IS ENROLLED IN MORE THAN THE MINIMUM NUMBER OF INSTRUCTIONAL DAYS AND HOURS REQUIRED UNDER SECTION 101 AND THE PUPIL IS EXPECTED TO COMPLETE THE 5-YEAR PROGRAM WITH BOTH A HIGH SCHOOL DIPLOMA AND AT LEAST 60 TRANSFERABLE COLLEGE CREDITS OR IS

1 **EXPECTED TO EARN AN ASSOCIATE'S DEGREE IN FEWER THAN 5 YEARS.**

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

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

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

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

13 (c) A pupil enrolled in a public school academy. ~~or the~~
14 ~~education achievement system.~~

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

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

23 (f) A pupil who has made an official written complaint or
24 whose parent or legal guardian has made an official written
25 complaint to law enforcement officials and to school officials of
26 the pupil's district of residence that the pupil has been the
27 victim of a criminal sexual assault or other serious assault, if

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

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

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

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

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

27 (i) The pupil has been suspended or expelled from his or her

1 district of residence for any reason, including, but not limited
2 to, a suspension or expulsion under section 1310, 1311, or 1311a of
3 the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

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

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

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

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

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

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

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

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

26 (n) A pupil enrolled in a district other than the pupil's
27 district of residence pursuant to section 1148(2) of the revised

1 school code, MCL 380.1148.

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

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

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

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

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

25 (i) Fourth Wednesday in July.

26 (ii) First Wednesday in October.

27 (iii) Second Wednesday in February.

1 (iv) Fourth Wednesday in April.

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

1 particular year. Pupils not counted as 1.0 full-time equated
2 membership due to an absence from a class shall be 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 or legally qualified
6 substitute teacher are together and instruction is taking place.

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

10 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
11 380.1852.

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

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

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

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

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

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

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

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

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

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

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

26 Sec. 8b. (1) The department shall assign a district code to
27 each public school academy that is authorized under the revised

1 school code and is eligible to receive funding under this article
2 within 30 days after a contract is submitted to the department by
3 the authorizing body of a public school academy.

4 (2) If the department does not assign a district code to a
5 public school academy within the 30-day period described in
6 subsection (1), the district code the department shall use to make
7 payments under this article to the newly authorized public school
8 academy shall be a number that is equivalent to the sum of the last
9 district code assigned to a public school academy located in the
10 same county as the newly authorized public school academy plus 1.
11 However, if there is not an existing public school academy located
12 in the same county as the newly authorized public school academy,
13 then the district code the department shall use to make payments
14 under this article to the newly authorized public school academy
15 shall be a 5-digit number that has the county code in which the
16 public school academy is located as its first 2 digits, 9 as its
17 third digit, 0 as its fourth digit, and 1 as its fifth digit. If
18 the number of public school academies in a county grows to exceed
19 100, the third digit in this 5-digit number shall then be 7 for the
20 public school academies in excess of 100.

21 (3) For each school of excellence that is a cyber school and
22 is authorized under part 6e of the revised school code, MCL 380.551
23 to 380.561, by a school district, intermediate school district,
24 community college other than a federal tribally controlled
25 community college, or other authorizing body that is not empowered
26 to authorize a school of excellence to operate statewide and is
27 eligible to receive funding under this article, ~~the~~ **ALL OF THE**

1 FOLLOWING APPLY:

2 (A) THE department shall assign a district code that includes
3 as the first 2 digits the county code in which the authorizing body
4 is located.

5 (B) IF THE CYBER SCHOOL DOES NOT PROVIDE INSTRUCTION AT A
6 SPECIFIC LOCATION, THE INTERMEDIATE DISTRICT THAT WOULD NORMALLY
7 PROVIDE PROGRAMS AND SERVICES TO THE SCHOOL DISTRICT IN WHICH THE
8 ADMINISTRATIVE OFFICE OF CYBER SCHOOL IS LOCATED SHALL PROVIDE
9 PROGRAMS AND SERVICES TO THE CYBER SCHOOL. THE INTERMEDIATE SCHOOL
10 DISTRICT REQUIRED TO PROVIDE PROGRAMS AND SERVICES TO A CYBER
11 SCHOOL UNDER THIS SUBDIVISION REMAINS THE SAME FOR AS LONG AS THAT
12 CYBER SCHOOL IS IN OPERATION.

13 Sec. 11. (1) ~~For the fiscal year ending September 30, 2016,~~
14 ~~there is appropriated for the public schools of this state and~~
15 ~~certain other state purposes relating to education the sum of~~
16 ~~\$11,905,439,300.00 from the state school aid fund and the sum of~~
17 ~~\$55,100,000.00 from the general fund.~~ For the fiscal year ending
18 September 30, 2017, there is appropriated for the public schools of
19 this state and certain other state purposes relating to education
20 the sum of ~~\$12,052,309,300.00~~ **\$12,035,809,300.00** from the state
21 school aid fund, the sum of \$218,900,000.00 from the general fund,
22 an amount not to exceed \$72,000,000.00 from the community district
23 education trust fund created under section 12 of the Michigan trust
24 fund act, 2000 PA 489, MCL 12.262, and an amount not to exceed
25 \$100.00 from the water emergency reserve fund. **FOR THE FISCAL YEAR**
26 **ENDING SEPTEMBER 30, 2018, THERE IS APPROPRIATED FOR THE PUBLIC**
27 **SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO**

1 EDUCATION THE SUM OF \$12,295,507,100.00 FROM THE STATE SCHOOL AID
 2 FUND, THE SUM OF \$215,000,000.00 FROM THE GENERAL FUND, AN AMOUNT
 3 NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION
 4 TRUST FUND CREATED UNDER SECTION 12 OF THE MICHIGAN TRUST FUND ACT,
 5 2000 PA 489, MCL 12.262, AND AN AMOUNT NOT TO EXCEED \$100.00 FROM
 6 THE WATER EMERGENCY RESERVE FUND. In addition, all ~~other~~-available
 7 federal funds are appropriated each fiscal year for the fiscal
 8 years ending ~~September 30, 2016 and September 30, 2017~~ **AND**
 9 **SEPTEMBER 30, 2018.**

10 (2) The appropriations under this section shall be allocated
 11 as provided in this article. Money appropriated under this section
 12 from the general fund shall be expended to fund the purposes of
 13 this article before the expenditure of money appropriated under
 14 this section from the state school aid fund.

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

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

21 (2) The state treasurer may receive money or other assets from
 22 any source for deposit into the school aid stabilization fund. The
 23 state treasurer shall deposit into the school aid stabilization
 24 fund all of the following:

25 (a) Unexpended and unencumbered state school aid fund revenue
 26 for a fiscal year that remains in the state school aid fund as of
 27 the bookclosing for that fiscal year.

1 (b) Money statutorily dedicated to the school aid
2 stabilization fund.

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

4 (3) Money available in the school aid stabilization fund may
5 not be expended without a specific appropriation from the school
6 aid stabilization fund. Money in the school aid stabilization fund
7 shall be expended only for purposes for which state school aid fund
8 money may be expended.

9 (4) The state treasurer shall direct the investment of the
10 school aid stabilization fund. The state treasurer shall credit to
11 the school aid stabilization fund interest and earnings from fund
12 investments.

13 (5) Money in the school aid stabilization fund at the close of
14 a fiscal year shall remain in the school aid stabilization fund and
15 shall not lapse to the unreserved school aid fund balance or the
16 general fund.

17 (6) If the maximum amount appropriated under section 11 from
18 the state school aid fund for a fiscal year exceeds the amount
19 available for expenditure from the state school aid fund for that
20 fiscal year, there is appropriated from the school aid
21 stabilization fund to the state school aid fund an amount equal to
22 the projected shortfall as determined by the department of
23 treasury, but not to exceed available money in the school aid
24 stabilization fund. If the money in the school aid stabilization
25 fund is insufficient to fully fund an amount equal to the projected
26 shortfall, the state budget director shall notify the legislature
27 as required under section 296(2) and state payments in an amount

equal to the remainder of the projected shortfall shall be prorated in the manner provided under section 296(3).

(7) For 2016-2017 **AND FOR 2017-2018**, in addition to the appropriations in section 11, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this article.

Sec. 11j. From the appropriation in section 11, ~~there is allocated an amount not to exceed \$10,500,000.00 for 2015-2016 and~~ there is allocated an amount not to exceed ~~\$126,500,000.00~~ **\$125,500,000.00** for ~~2016-2017~~ **2017-2018** for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 296 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 11k. For ~~2016-2017~~, **2017-2018**, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the appropriation in section 11, ~~there is allocated for 2015-2016 an amount not to exceed \$1,000,000.00 and~~ there is allocated for 2016-2017 an amount not to exceed ~~\$3,000,000.00~~ **\$5,500,000.00** **AND THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$6,500,000.00** for fiscal year cash-flow borrowing costs solely related to the state school aid fund

1 established by section 11 of article IX of the state constitution
2 of 1963.

3 Sec. 11r. (1) From the appropriation in section 11, there is
4 allocated for 2014-2015 an amount not to exceed \$4,000,000.00 to be
5 deposited into the distressed districts emergency grant fund
6 created under this section for the purpose of funding grants under
7 this section.

8 (2) The distressed districts emergency grant fund is created
9 as a separate account within the state school aid fund. The state
10 treasurer may receive money or other assets from any source for
11 deposit into the distressed districts emergency grant fund. The
12 state treasurer shall direct the investment of the distressed
13 districts emergency grant fund and shall credit to the distressed
14 districts emergency grant fund interest and earnings from the fund.

15 (3) Subject to subsection (4), a district is eligible to
16 receive a grant from the distressed districts emergency grant fund
17 if either of the following applies:

18 (a) The district has adopted a resolution authorizing the
19 voluntary dissolution of the district approved by the state
20 treasurer under section 12 of the revised school code, MCL 380.12,
21 but the dissolution has not yet taken effect under that section.

22 (b) The district is a receiving district under section 12 of
23 the revised school code, MCL 380.12, and the district enrolls
24 pupils who were previously enrolled in a district that was
25 dissolved under section 12 of the revised school code, MCL 380.12,
26 in the immediately preceding school year.

27 (4) A district receiving funds under section 20g is not

1 eligible to receive funds under this section.

2 (5) The amount of a grant under this section shall be
3 determined by the state treasurer after consultation with the
4 superintendent of public instruction, but shall not exceed the
5 estimated amount of remaining district costs in excess of available
6 revenues, including, but not limited to, payroll, benefits,
7 retirement system contributions, pupil transportation, food
8 services, special education, building security, and other costs
9 necessary to allow the district to operate schools directly and
10 provide public education services until the end of the current
11 school fiscal year. For a district that meets the eligibility
12 criteria under subsection (3)(b), the amount of the grant shall be
13 determined in the same manner as transition costs under section
14 20g.

15 (6) Before disbursing funds under this section, the state
16 treasurer shall notify the house and senate appropriations
17 subcommittees on school aid and the house and senate fiscal
18 agencies. The notification shall include, but not be limited to,
19 the district receiving funds under this section, the amount of the
20 funds awarded under this section, an explanation of the district
21 conditions that necessitate funding under this section, and the
22 intended use of funds disbursed under this section.

23 (7) Except as otherwise provided in subsection (8), money in
24 the distressed districts emergency grant fund at the close of a
25 fiscal year shall remain in the distressed districts emergency
26 grant fund and shall not lapse to the state school aid fund or to
27 the general fund.

1 (8) For ~~2015-2016 only, an amount not to exceed \$2,800,000.00~~
2 **2016-2017 ONLY, THE REMAINING BALANCE IN THE WORK PROJECT THAT WAS**
3 **ESTABLISHED UNDER THIS SECTION FOR 2014-2015, ESTIMATED AT**
4 **\$1,000,000.00**, shall be lapsed from the distressed districts
5 emergency grant fund to the state school aid fund.

6 Sec. 11s. (1) From the general fund appropriation in section
7 11, there is allocated \$10,142,500.00 for 2016-2017 **AND THERE IS**
8 **ALLOCATED \$8,730,000.00 FOR 2017-2018** for the purpose of providing
9 services and programs to children who reside within the boundaries
10 of a district with the majority of its territory located within the
11 boundaries of a city for which an executive proclamation of
12 emergency is issued in the current or immediately preceding ~~fiscal~~
13 ~~year~~ **2 FISCAL YEARS** under the emergency management act, 1976 PA
14 390, MCL 30.401 to 30.421. From the funding appropriated in section
15 11, there is allocated \$100.00 from the water emergency reserve
16 fund **FOR EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018** for the
17 purposes of this section.

18 (2) From the allocation in subsection (1), there is allocated
19 to a district with the majority of its territory located within the
20 boundaries of a city in which an executive proclamation of
21 emergency is issued in the current or immediately preceding ~~fiscal~~
22 ~~year~~ **2 FISCAL YEARS** and that has at least ~~5,000~~ **4,500** pupils in
23 membership for the ~~current~~ **2016-2017** fiscal year **OR HAS AT LEAST**
24 **4,000 PUPILS IN MEMBERSHIP FOR A FISCAL YEAR AFTER 2016-2017**, an
25 amount not to exceed \$1,292,500.00 **FOR 2016-2017 AND AN AMOUNT NOT**
26 **TO EXCEED \$2,625,000.00 FOR 2017-2018** for the purpose of employing
27 school nurses and school social workers. The district shall provide

1 a report to the department in a form, manner, and frequency
2 ~~approved~~ **PRESCRIBED** by the department. The department shall provide
3 a copy of that report to the governor, the house and senate school
4 aid subcommittees, the house and senate fiscal agencies, and the
5 state budget director within 5 days after receipt. The report shall
6 provide at least the following information:

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

9 (b) A description of the services provided to pupils by those
10 personnel.

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

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

16 (3) From the allocation in subsection (1), there is allocated
17 to an intermediate district that has a constituent district
18 described in subsection (2) an amount not to exceed \$1,195,000.00
19 **FOR 2016-2017 AND AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR 2017-**
20 **2018** to augment staff for the purpose of providing additional early
21 childhood services and for nutritional services to children
22 described in subsection (1), regardless of location of school of
23 attendance. ~~The~~ **FOR 2016-2017, THE** early childhood services to be
24 provided under this subsection are state early intervention
25 services as described in subsection (4) and early literacy
26 services. **BEGINNING WITH 2017-2018, THE EARLY CHILDHOOD SERVICES TO**
27 **BE PROVIDED UNDER THIS SUBSECTION ARE 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. In

addition, funds allocated under this subsection may also be expended to provide informational resources to parents, educators, and the community, and to coordinate services with other local agencies. The intermediate district shall provide a report to the department in a form, manner, and frequency approved by the department. The department shall provide a copy of that report to the governor, the house and senate school aid subcommittees, the house and senate fiscal agencies, and the state budget director within 5 days after receipt. The report shall provide at least the following information:

(a) How many personnel were hired using the funds appropriated in this subsection.

(b) A description of the services provided to children by those personnel.

(c) What types of additional nutritional services were provided.

(d) How many children received each type of service identified in subdivisions (b) and (c).

(e) What types of informational resources and coordination efforts were provided.

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

1 (4) ~~From~~ **FOR 2016-2017 ONLY, FROM** the allocation in subsection
2 (1), there is allocated an amount not to exceed \$6,155,000.00 to
3 intermediate districts described in subsection (3) to provide state
4 early intervention services for children described in subsection
5 (1) who are less than 4 years of age as of September 1, 2016. The
6 intermediate district shall use these funds to provide state early
7 intervention services that are similar to the services described in
8 the early on Michigan state plan, including ensuring that all
9 children described in subsection (1) who are less than 4 years of
10 age as of September 1, 2016 are assessed and evaluated at least
11 twice annually.

12 (5) From the allocation in subsection (1), there is allocated
13 an amount not to exceed \$1,500,000.00 **FOR 2016-2017 AND AN AMOUNT**
14 **NOT TO EXCEED \$3,000,000.00 FOR 2017-2018** to intermediate districts
15 described in subsection (3) to enroll children described in
16 subsection (1) in school-day great start readiness programs,
17 regardless of household income eligibility requirements contained
18 in section 39. The department shall administer this funding
19 consistent with all other provisions of the great start readiness
20 programs contained in section 32d and section 39.

21 (6) **FOR 2017-2018 ONLY, FROM THE ALLOCATION IN SUBSECTION (1),**
22 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$605,000.00 FOR**
23 **NUTRITIONAL SERVICES TO CHILDREN DESCRIBED IN SUBSECTION (1).**

24 (7) ~~(6)~~—In addition to other funding allocated and
25 appropriated in this section, there is appropriated an amount not
26 to exceed \$15,000,000.00 **EACH FISCAL YEAR** for 2016-2017 **AND FOR**
27 **2017-2018** for state restricted contingency funds. These contingency

1 funds are not available for expenditure until they have been
2 transferred to a section within this article under section 393(2)
3 of the management and budget act, 1984 PA 431, MCL 18.1393.

4 **(8) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**
5 **SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

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

1 school code, MCL 380.1211.

2 (2) If the result of an audit conducted by or for the
3 department affects the current fiscal year membership, affected
4 payments shall be adjusted in the current fiscal year. A deduction
5 due to an adjustment made as a result of an audit conducted by or
6 for the department, or as a result of information obtained by the
7 department from the district, an intermediate district, the
8 department of treasury, or the office of auditor general, shall be
9 deducted from the district's apportionments when the adjustment is
10 finalized. At the request of the district and upon the district
11 presenting evidence satisfactory to the department of the hardship,
12 the department may grant up to an additional 4~~—~~9 years for the
13 adjustment and may advance payments to the district otherwise
14 authorized under this article if the district would otherwise
15 experience a significant hardship in satisfying its financial
16 obligations. **AT THE REQUEST OF A DISTRICT AND UPON THE DISTRICT
17 PRESENTING EVIDENCE SATISFACTORY TO THE DEPARTMENT OF THE HARDSHIP,
18 THE DEPARTMENT MAY WAIVE ALL OR A PORTION OF THE ADJUSTMENTS UNDER
19 THIS SUBSECTION IF THE DEPARTMENT DETERMINES THAT ALL OF THE
20 FOLLOWING APPLY:**

21 (A) THE DISTRICT WOULD OTHERWISE EXPERIENCE A SIGNIFICANT
22 HARDSHIP IN SATISFYING ITS FINANCIAL OBLIGATIONS.

23 (B) THE DISTRICT WOULD OTHERWISE EXPERIENCE A SIGNIFICANT
24 HARDSHIP IN SATISFYING ITS RESPONSIBILITY TO PROVIDE INSTRUCTION TO
25 ITS PUPILS.

26 (C) THE DISTRICT HAS TAKEN SUFFICIENT CORRECTIVE ACTION TO
27 ENSURE THAT THE CIRCUMSTANCE OR CIRCUMSTANCES THAT NECESSITATED THE

1 **ADJUSTMENT UNDER THIS SUBSECTION DO NOT RECUR.**

2 (3) If, based on an audit by the department or the
3 department's designee or because of new or updated information
4 received by the department, the department determines that the
5 amount paid to a district or intermediate district under this
6 article for the current fiscal year or a prior fiscal year was
7 incorrect, the department shall make the appropriate deduction or
8 payment in the district's or intermediate district's allocation in
9 the next apportionment after the adjustment is finalized. The
10 deduction or payment shall be calculated according to the law in
11 effect in the fiscal year in which the incorrect amount was paid.
12 If the district does not receive an allocation for the fiscal year
13 or if the allocation is not sufficient to pay the amount of any
14 deduction, the amount of any deduction otherwise applicable shall
15 be satisfied from the proceeds of a loan to the district under the
16 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942,
17 or from the proceeds of millage levied or pledged under section
18 1211 of the revised school code, MCL 380.1211, as determined by the
19 department.

20 (4) The department may conduct audits, or may direct audits by
21 designee of the department, for the current fiscal year and the
22 immediately preceding 3 fiscal years of all records related to a
23 program for which a district or intermediate district has received
24 funds under this article.

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

1 (6) In addition to funds appropriated in section 11 for all
2 programs and services, there is appropriated for ~~2016-2017-2017-~~
3 **2018** for obligations in excess of applicable appropriations an
4 amount equal to the collection of overpayments, but not to exceed
5 amounts available from overpayments.

6 Sec. 18. (1) Except as provided in another section of this
7 article, each district or other entity shall apply the money
8 received by the district or entity under this article to salaries
9 and other compensation of teachers and other employees, tuition,
10 transportation, lighting, heating, ventilation, water service, the
11 purchase of textbooks, other supplies, and any other school
12 operating expenditures defined in section 7. However, not more than
13 20% of the total amount received by a district under sections 22a
14 and 22b or received by an intermediate district under section 81
15 may be transferred by the board to either the capital projects fund
16 or to the debt retirement fund for debt service. The money shall
17 not be applied or taken for a purpose other than as provided in
18 this 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 pie charts:

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 benefits 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 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 be available to the public in compliance
13 with the freedom of information act, 1976 PA 442, MCL 15.231 to
14 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 also contain the website
2 address where the department can access the report required under
3 section 620 of the revised school code, MCL 380.620. The department
4 shall ensure that the prescribed Michigan public school accounting
5 manual chart of accounts includes standard conventions to
6 distinguish expenditures by allowable fund function and object. The
7 functions shall include at minimum categories for instruction,
8 pupil support, instructional staff support, general administration,
9 school administration, business administration, transportation,
10 facilities operation and maintenance, facilities acquisition, and
11 debt service; and shall include object classifications of salary,
12 benefits, including categories for active employee health
13 expenditures, purchased services, supplies, capital outlay, and
14 other. Districts shall report the required level of detail
15 consistent with the manual as part of the comprehensive annual
16 financial report.

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

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

25 (8) The department shall review its pupil accounting and pupil
26 auditing manuals at least annually and shall periodically update
27 those manuals to reflect changes in this article.

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

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

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

26 (12) ~~Not later than~~ **BY** November 1 ~~, 2016,~~ **OF EACH YEAR,** if a
27 district or intermediate district offers virtual learning under

1 section 21f, the district or intermediate district shall submit to
2 the department a report that details the per-pupil costs of
3 operating the virtual learning by vendor type. The report shall
4 include at least all of the following information concerning the
5 operation of virtual learning for the **IMMEDIATELY PRECEDING** school
6 fiscal year: ~~ending June 30, 2016:~~

7 (a) The name of the district operating the virtual learning
8 and of each district that enrolled students in the virtual
9 learning.

10 (b) The total number of students enrolled in the virtual
11 learning and the total number of membership pupils enrolled in the
12 virtual learning.

13 (c) For each pupil who is enrolled in a district other than
14 the district offering virtual learning, the name of that district.

15 (d) The district in which the pupil was enrolled before
16 enrolling in the district offering virtual learning.

17 (e) The number of participating students who had previously
18 dropped out of school.

19 (f) The number of participating students who had previously
20 been expelled from school.

21 (g) The total cost to enroll a student in the program. This
22 cost shall be reported on a per-pupil, per-course, per-semester or
23 trimester basis by vendor type. The total shall include costs
24 broken down by cost for content development, content licensing,
25 training, virtual instruction and instructional support, personnel,
26 hardware and software, payment to each virtual learning provider,
27 and other costs associated with operating virtual learning.

1 (h) The name of each virtual education provider contracted by
2 the district and the state in which each virtual education provider
3 is headquartered.

4 (13) ~~Not later than~~ **BY** March 31 ~~, 2017,~~ **OF EACH YEAR,** the
5 department shall submit to the house and senate appropriations
6 subcommittees on state school aid, the state budget director, and
7 the house and senate fiscal agencies a report summarizing the per-
8 pupil costs by vendor type of virtual courses available under
9 section 21f.

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

12 (a) Virtual courses provided by the Michigan Virtual
13 University.

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

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

19 (d) Virtual courses created and offered by a district or
20 intermediate district.

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

24 Sec. 18c. Any contract, mortgage, loan, or other instrument of
25 indebtedness entered into by a public school academy ~~, the~~
26 ~~achievement authority, or an achievement school~~ receiving funds
27 under this ~~act~~ **ARTICLE** and a third party does not constitute an

obligation, either general, special, or moral, of this state or of an authorizing body. The full faith and credit or the taxing power of this state or any agency of this state, or the full faith and credit of an authorizing body, shall not be pledged for the payment of any contract, mortgage, loan, or other instrument of indebtedness entered into by a public school academy, the achievement authority, or an achievement school.

Sec. 20. (1) For ~~2016-2017,~~ **2017-2018**, both of the following apply:

(a) The basic foundation allowance is ~~\$8,229.00.~~ **\$8,329.00.**

(b) The minimum foundation allowance is ~~\$7,511.00.~~ **\$7,611.00.**

(2) The amount of each district's foundation allowance shall be calculated as provided in this section, using a basic foundation allowance in the amount specified in subsection (1).

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

(a) Except as otherwise provided in this ~~subdivision,~~ **SUBSECTION**, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the minimum foundation allowance for the immediately preceding state fiscal year, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of

1 the adjustment from the immediately preceding state fiscal year to
2 the current state fiscal year made in the basic foundation
3 allowance and [(the difference between the basic foundation
4 allowance for the current state fiscal year and basic foundation
5 allowance for the immediately preceding state fiscal year minus
6 ~~\$20.00~~—**\$17.00**) times (the difference between the district's
7 foundation allowance for the immediately preceding state fiscal
8 year and the minimum foundation allowance for the immediately
9 preceding state fiscal year) divided by the difference between the
10 basic foundation allowance for the current state fiscal year and
11 the minimum foundation allowance for the immediately preceding
12 state fiscal year.] However, the foundation allowance for a
13 district that had less than the basic foundation allowance for the
14 immediately preceding state fiscal year shall not exceed the basic
15 foundation allowance for the current state fiscal year. **FOR 2017-**
16 **2018, FOR A DISTRICT THAT HAD A FOUNDATION ALLOWANCE FOR THE**
17 **IMMEDIATELY PRECEDING STATE FISCAL YEAR THAT WAS AT LEAST EQUAL TO**
18 **THE MINIMUM FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING**
19 **STATE FISCAL YEAR BUT LESS THAN THE BASIC FOUNDATION ALLOWANCE FOR**
20 **THE IMMEDIATELY PRECEDING FISCAL YEAR, THE DISTRICT SHALL RECEIVE A**
21 **FOUNDATION ALLOWANCE IN AN AMOUNT EQUAL TO THE DISTRICT'S**
22 **FOUNDATION ALLOWANCE FOR 2016-2017 PLUS \$100.00.**

23 (b) Except as otherwise provided in this subsection, for a
24 district that in the immediately preceding state fiscal year had a
25 foundation allowance in an amount equal to the amount of the basic
26 foundation allowance for the immediately preceding state fiscal
27 year, the district shall receive a foundation allowance for ~~2016-~~

1 ~~2017-2017-2018~~ in an amount equal to the basic foundation allowance
2 for ~~2016-2017-2017-2018~~.

3 (c) ~~For~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR** a
4 district that had a foundation allowance for the immediately
5 preceding state fiscal year that was greater than the basic
6 foundation allowance for the immediately preceding state fiscal
7 year, the district's foundation allowance is an amount equal to the
8 sum of the district's foundation allowance for the immediately
9 preceding state fiscal year plus the lesser of the increase in the
10 basic foundation allowance for the current state fiscal year, as
11 compared to the immediately preceding state fiscal year, or the
12 product of the district's foundation allowance for the immediately
13 preceding state fiscal year times the percentage increase in the
14 United States consumer price index in the calendar year ending in
15 the immediately preceding fiscal year as reported by the May
16 revenue estimating conference conducted under section 367b of the
17 management and budget act, 1984 PA 431, MCL 18.1367b. **FOR 2017-**
18 **2018, FOR A DISTRICT THAT HAD A FOUNDATION ALLOWANCE FOR THE**
19 **IMMEDIATELY PRECEDING STATE FISCAL YEAR THAT WAS GREATER THAN THE**
20 **BASIC FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE**
21 **FISCAL YEAR, THE DISTRICT SHALL RECEIVE A FOUNDATION ALLOWANCE IN**
22 **AN AMOUNT EQUAL TO THE DISTRICT'S FOUNDATION ALLOWANCE FOR 2016-**
23 **2017 PLUS \$100.00.**

24 (d) For a district that has a foundation allowance that is not
25 a whole dollar amount, the district's foundation allowance shall be
26 rounded up to the nearest whole dollar.

27 (4) Except as otherwise provided in this subsection, beginning

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

1 include the taxable value of property within the geographic area of
2 the community district.

3 (5) The allocation calculated under this section for a pupil
4 shall be based on the foundation allowance of the pupil's district
5 of residence. For a pupil enrolled pursuant to section 105 or 105c
6 in a district other than the pupil's district of residence, the
7 allocation calculated under this section shall be based on the
8 lesser of the foundation allowance of the pupil's district of
9 residence or the foundation allowance of the educating district.
10 For a pupil in membership in a K-5, K-6, or K-8 district who is
11 enrolled in another district in a grade not offered by the pupil's
12 district of residence, the allocation calculated under this section
13 shall be based on the foundation allowance of the educating
14 district if the educating district's foundation allowance is
15 greater than the foundation allowance of the pupil's district of
16 residence. The calculation under this subsection shall take into
17 account a district's per-pupil allocation under section 20m.

18 (6) Except as otherwise provided in this subsection, for
19 pupils in membership, other than special education pupils, in a
20 public school academy, the allocation calculated under this section
21 is an amount per membership pupil other than special education
22 pupils in the public school academy equal to the foundation
23 allowance of the district in which the public school academy is
24 located or the state maximum public school academy allocation,
25 whichever is less. ~~For~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS**
26 **SUBSECTION, FOR** pupils in membership, other than special education
27 pupils, in a public school academy that is a cyber school and is

1 authorized by a school district, the allocation calculated under
2 this section is an amount per membership pupil other than special
3 education pupils in the public school academy equal to the
4 foundation allowance of the district that authorized the public
5 school academy or the state maximum public school academy
6 allocation, whichever is less. However, a public school academy
7 that had an allocation under this subsection before 2009-2010 that
8 was equal to the sum of the local school operating revenue per
9 membership pupil other than special education pupils for the
10 district in which the public school academy is located and the
11 state portion of that district's foundation allowance shall not
12 have that allocation reduced as a result of the 2010 amendment to
13 this subsection. Notwithstanding section 101, for a public school
14 academy that begins operations after the pupil membership count
15 day, the amount per membership pupil calculated under this
16 subsection shall be adjusted by multiplying that amount per
17 membership pupil by the number of hours of pupil instruction
18 provided by the public school academy after it begins operations,
19 as determined by the department, divided by the minimum number of
20 hours of pupil instruction required under section 101(3). The
21 result of this calculation shall not exceed the amount per
22 membership pupil otherwise calculated under this subsection.

23 ~~—— (7) Except as otherwise provided in this subsection, for~~
24 ~~pupils attending an achievement school and in membership in the~~
25 ~~education achievement system, other than special education pupils,~~
26 ~~the allocation calculated under this section is an amount per~~
27 ~~membership pupil other than special education pupils equal to the~~

~~foundation allowance of the district in which the achievement school is located, not to exceed the basic foundation allowance. Notwithstanding section 101, for an achievement school that begins operation after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the achievement school after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection. For the purposes of this subsection, if a public school is transferred from a district to the state school reform/redesign district or the achievement authority under section 1280c of the revised school code, MCL 380.1280c, that public school is considered to be an achievement school within the education achievement system and not a school that is part of a district, and a pupil attending that public school is considered to be in membership in the education achievement system and not in membership in the district that operated the school before the transfer.~~

(7) ~~(8)~~ Except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a community district, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the community district equal to the foundation allowance of the qualifying school district, as described in section 12b of the

1 revised school code, MCL 380.12b, that is located within the same
2 geographic area as the community district.

3 (8) ~~(9)~~—Subject to subsection (4), for a district that is
4 formed or reconfigured after June 1, 2002 by consolidation of 2 or
5 more districts or by annexation, the resulting district's
6 foundation allowance under this section beginning after the
7 effective date of the consolidation or annexation shall be the
8 lesser of the sum of the average of the foundation allowances of
9 each of the original or affected districts, calculated as provided
10 in this section, weighted as to the percentage of pupils in total
11 membership in the resulting district who reside in the geographic
12 area of each of the original or affected districts plus \$100.00 or
13 the highest foundation allowance among the original or affected
14 districts. This subsection does not apply to a receiving district
15 unless there is a subsequent consolidation or annexation that
16 affects the district. The calculation under this subsection shall
17 take into account a district's per-pupil allocation under section
18 20m.

19 (9) ~~(10)~~—Each fraction used in making calculations under this
20 section shall be rounded to the fourth decimal place and the dollar
21 amount of an increase in the basic foundation allowance shall be
22 rounded to the nearest whole dollar.

23 (10) ~~(11)~~—State payments related to payment of the foundation
24 allowance for a special education pupil are not calculated under
25 this section but are instead calculated under section 51a.

26 (11) ~~(12)~~—To assist the legislature in determining the ~~basic~~
27 **MINIMUM** foundation allowance for the subsequent state fiscal year,

1 each revenue estimating conference conducted under section 367b of
2 the management and budget act, 1984 PA 431, MCL 18.1367b, shall
3 calculate a pupil membership factor, a revenue adjustment factor,
4 and an index as follows:

5 (a) The pupil membership factor shall be computed by dividing
6 the estimated membership in the school year ending in the current
7 state fiscal year, excluding intermediate district membership, by
8 the estimated membership for the school year ending in the
9 subsequent state fiscal year, excluding intermediate district
10 membership. If a consensus membership factor is not determined at
11 the revenue estimating conference, the principals of the revenue
12 estimating conference shall report their estimates to the house and
13 senate subcommittees responsible for school aid appropriations not
14 later than 7 days after the conclusion of the revenue conference.

15 (b) The revenue adjustment factor shall be computed by
16 dividing the sum of the estimated total state school aid fund
17 revenue for the subsequent state fiscal year plus the estimated
18 total state school aid fund revenue for the current state fiscal
19 year, adjusted for any change in the rate or base of a tax the
20 proceeds of which are deposited in that fund and excluding money
21 transferred into that fund from the countercyclical budget and
22 economic stabilization fund under the management and budget act,
23 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
24 total school aid fund revenue for the current state fiscal year
25 plus the estimated total state school aid fund revenue for the
26 immediately preceding state fiscal year, adjusted for any change in
27 the rate or base of a tax the proceeds of which are deposited in

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

6 (c) The index shall be calculated by multiplying the pupil
7 membership factor by the revenue adjustment factor. If a consensus
8 index is not determined at the revenue estimating conference, the
9 principals of the revenue estimating conference shall report their
10 estimates to the house and senate subcommittees responsible for
11 school aid appropriations not later than 7 days after the
12 conclusion of the revenue conference.

13 (12) ~~(13)~~ Payments to districts ~~AND~~ public school academies
14 ~~, or the education achievement system~~ shall not be made under this
15 section. Rather, the calculations under this section shall be used
16 to determine the amount of state payments under section 22b.

17 (13) ~~(14)~~ If an amendment to section 2 of article VIII of the
18 state constitution of 1963 allowing state aid to some or all
19 nonpublic schools is approved by the voters of this state, each
20 foundation allowance or per-pupil payment calculation under this
21 section may be reduced.

22 (15) As used in this section:

23 (a) "Certified mills" means the lesser of 18 mills or the
24 number of mills of school operating taxes levied by the district in
25 1993-94.

26 (b) "Combined state and local revenue" means the aggregate of
27 the district's state school aid received by or paid on behalf of

1 the district under this section and the district's local school
2 operating revenue.

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

6 (d) "Current state fiscal year" means the state fiscal year
7 for which a particular calculation is made.

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

12 (f) "Immediately preceding state fiscal year" means the state
13 fiscal year immediately preceding the current state fiscal year.

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

25 (h) "Local school operating revenue" means school operating
26 taxes levied under section 1211 of the revised school code, MCL
27 380.1211. For a receiving district, if school operating taxes are

1 to be levied on behalf of a dissolved district that has been
2 attached in whole or in part to the receiving district to satisfy
3 debt obligations of the dissolved district under section 12 of the
4 revised school code, MCL 380.12, local school operating revenue
5 does not include school operating taxes levied within the
6 geographic area of the dissolved district.

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

10 (j) "Maximum public school academy allocation", except as
11 otherwise provided in this subdivision, means the maximum per-pupil
12 allocation as calculated by adding the highest per-pupil allocation
13 among all public school academies for the immediately preceding
14 state fiscal year plus the difference between twice the amount of
15 the difference between the basic foundation allowance for the
16 current state fiscal year and the basic foundation allowance for
17 the immediately preceding state fiscal year and [(the amount of the
18 difference between the basic foundation allowance for the current
19 state fiscal year and the basic foundation allowance for the
20 immediately preceding state fiscal year minus ~~\$20.00~~ **\$17.00**) times
21 (the difference between the highest per-pupil allocation among all
22 public school academies for the immediately preceding state fiscal
23 year and the minimum foundation allowance for the immediately
24 preceding state fiscal year) divided by the difference between the
25 basic foundation allowance for the current state fiscal year and
26 the minimum foundation allowance for the immediately preceding
27 state fiscal year.] For the purposes of this subdivision, for ~~2016-~~

1 ~~2017,~~**2017-2018**, the maximum public school academy allocation is
2 ~~\$7,511.00.~~**\$7,611.00.**

3 (k) "Membership" means the definition of that term under
4 section 6 as in effect for the particular fiscal year for which a
5 particular calculation is made.

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

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

16 (n) "Receiving district" means a district to which all or part
17 of the territory of a dissolved district is attached under section
18 12 of the revised school code, MCL 380.12.

19 (o) "School operating purposes" means the purposes included in
20 the operation costs of the district as prescribed in sections 7 and
21 18 and purposes authorized under section 1211 of the revised school
22 code, MCL 380.1211.

23 (p) "School operating taxes" means local ad valorem property
24 taxes levied under section 1211 of the revised school code, MCL
25 380.1211, and retained for school operating purposes.

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

1 PA 450, MCL 125.1801 to 125.1830, the local development financing
2 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
3 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
4 or the corridor improvement authority act, 2005 PA 280, MCL
5 125.2871 to 125.2899.

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

12 Sec. 20d. In making the final determination required under
13 former section 20a of a district's combined state and local revenue
14 per membership pupil in 1993-94 and in making calculations under
15 section 20 for ~~2016-2017~~, **A SUBSEQUENT FISCAL YEAR**, the department
16 and the department of treasury shall comply with all of the
17 following:

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

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

7 (b) If a district had an adjustment made to its 1993-94 total
8 state school aid that excluded payments made under former section
9 146 and under section 147 on behalf of the district's employees who
10 provided direct services for intermediate district center programs
11 operated by the district under ~~article 5,~~ **SECTIONS 51 TO 56**, if
12 nonresident pupils attending the center programs were included in
13 the district's membership for purposes of calculating the combined
14 state and local revenue per membership pupil for 1993-94, and if
15 there is a signed agreement by all constituent districts of the
16 intermediate district that an adjustment under this subdivision
17 shall be made, the foundation allowances for 1995-96 and 1996-97 of
18 all districts that had pupils attending the intermediate district
19 center program operated by the district that had the adjustment
20 shall be calculated as if their combined state and local revenue
21 per membership pupil for 1993-94 included resident pupils attending
22 the center program and excluded nonresident pupils attending the
23 center 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 ~~2016-2017~~
26 **2017-2018** 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 ~~for 2016-2017~~ if the sum of the following is less than
22 \$25.00:

23 (a) The increase in the district's foundation allowance or
24 per-pupil payment as calculated under section 20 from 2014-2015 to
25 2015-2016.

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

1 (c) The decrease in the district's pupil performance per-pupil
2 funding under **FORMER** section 22j from 2014-2015 to 2015-2016.

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

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

11 (a) The increase in the district's foundation allowance or
12 per-pupil payment as calculated under section 20 from 2014-2015 to
13 2015-2016.

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

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

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

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

27 Sec. 20m. (1) Foundation allowance supplemental payments for

1 ~~2016-2017-2017-2018~~ to districts that in the 2015-2016 fiscal year
2 had a foundation allowance greater than \$8,169.00 shall be
3 calculated under this section.

4 (2) The per-pupil allocation to each district under this
5 section shall be the difference between the dollar amount of the
6 adjustment from the ~~immediately preceding-2015-2016~~ state fiscal
7 year to the current state fiscal year in the basic foundation
8 allowance minus the dollar amount of the adjustment from the
9 ~~immediately preceding-2015-2016~~ fiscal year to the current state
10 fiscal year in a qualifying district's foundation allowance.

11 (3) If a district's local revenue per pupil does not exceed
12 the sum of its foundation allowance under section 20 plus the per-
13 pupil allocation under subsection (2), the total payment to the
14 district calculated under this section shall be the product of the
15 per-pupil allocation under subsection (2) multiplied by the
16 district's membership excluding special education pupils. If a
17 district's local revenue per pupil exceeds the foundation allowance
18 under section 20 but does not exceed the sum of the foundation
19 allowance under section 20 plus the per-pupil allocation under
20 subsection (2), the total payment to the district calculated under
21 this section shall be the product of the difference between the sum
22 of the foundation allowance under section 20 plus the per-pupil
23 allocation under subsection (2) minus the local revenue per pupil
24 multiplied by the district's membership excluding special education
25 pupils. If a district's local revenue per pupil exceeds the sum of
26 the foundation allowance under section 20 plus the per-pupil
27 allocation under subsection (2), there is no payment calculated

1 under this section for the district.

2 (4) Payments to districts shall not be made under this
3 section. Rather, the calculations under this section shall be made
4 and used to determine the amount of state payments under section
5 22b.

6 Sec. 21g. (1) From the general fund appropriation in section
7 11, there is allocated an amount not to exceed ~~\$500,000.00 for~~
8 ~~2016-2017~~ **\$100.00 FOR 2017-2018** for a grant to a public-private
9 partnership, led by the Michigan Center of Innovation in Education,
10 a Michigan-based nonprofit organization that is exempt from federal
11 taxes under section 501(c)(3) of the internal revenue code, 26 USC
12 501(c)(3), in partnership with the Michigan Association of
13 Intermediate School Administrators, and in coordination with the
14 department and the center, ~~to develop and pilot a competency-based~~
15 ~~transcript and marketplace~~ **TO EXPAND COMPETENCY-BASED EDUCATION**
16 **PROGRAMS** to provide enhanced choice to pupils and parents for the
17 completion of the requirements for **KINDERGARTEN THROUGH** a high
18 school diploma under the Michigan merit standard under sections
19 1278a and 1278b of the revised school code, MCL 380.1278a and
20 380.1278b.

21 (2) The partnership under subsection (1) shall do all of the
22 following:

23 ~~—— (a) Establish an articulation framework for Michigan academic,~~
24 ~~technical, and global competencies of prekindergarten through high~~
25 ~~school diploma requirements, including providing for career and~~
26 ~~technical and dual enrollment opportunities.~~

27 ~~—— (b) Establish assessment criteria for measuring these~~

~~competencies and awarding universally recognized credentials,
micro-credentials, credits, and micro-credits for demonstrated
competencies independent of state-administered assessments.~~

~~—— (c) Identify a means of accrediting education service
providers as competency-based credentialing organizations to
facilitate any-time, any-pace, any-way, any-place learning such
that credentials, micro-credentials, credits, and micro-credits can
be earned inside and outside traditional classroom settings.~~

~~—— (d) Develop and pilot a pupil-owned transcript that satisfies
postsecondary institution requirements for admission and allows
pupils to accumulate credentials, micro-credentials, credits, and
micro-credits required for high school graduation, postsecondary
matriculation, and early career success.~~

~~—— (e) Establish and pilot a marketplace of accredited education
service providers to provide enhanced choice for pupils and parents
when selecting credentials, micro-credentials, credits, and micro-
credits needed to satisfy Michigan high school diploma
requirements, including career and technical and dual enrollment
opportunities.~~

~~—— (3) Accredited education service providers shall include, but
are not limited to, the following:~~

~~—— (a) Districts and public career and technical programs.~~

~~—— (b) Preschool, after-school, and other qualifying programs.~~

~~—— (c) Museums, historical societies, science centers, and other
community education organizations.~~

~~—— (d) Business and civic organizations and other institutions
providing internship and apprenticeship opportunities.~~

~~1 (e) Community colleges, trade schools, and universities
2 offering dual enrollment opportunities.~~

~~3 (4) The transcript and marketplace shall do all of the
4 following:~~

~~5 (a) Use Michigan-specific academic standards when defining
6 academic competencies.~~

~~7 (b) Use industry standards for the competency assessment.~~

~~8 (c) Use industry standards for articulating and transcribing
9 of credentials, micro-credentials, credits, and micro-credits.~~

~~10 (d) Offer its services at no cost to pupils or parents.~~

~~11 (5) Not more than 50% of the funds awarded to a grantee under
12 this section shall be initially distributed to the grantee. To
13 receive the remaining distribution of funds, the grantee shall
14 provide to the department a progress report on the development and
15 piloting of the competency-based transcript and marketplace
16 described in this section, and the department shall only release
17 the remaining funds if, upon review of this progress report, the
18 department determines that sufficient progress has been made by the
19 grantee.~~

**20 (A) WORK WITH THE CENTER TO TRANSFORM THE TRANSCRIPT SYSTEM
21 FUNDED UNDER THIS SECTION AS IT WAS IN EFFECT FOR 2016-2017 INTO A
22 TALENT TRANSCRIPT THAT PROPERLY REPRESENTS CAREER-READY
23 COMPETENCIES.**

**24 (B) WORK WITH WORKFORCE INTELLIGENCE NETWORK AND TALENT 2025
25 TO FACILITATE THE EXPANSION OF THE MI BRIGHT FUTURE MARKETPLACE TO
26 ADDITIONAL PROSPERITY REGIONS.**

27 (C) WORK WITH THE MICHIGAN ELEMENTARY AND MIDDLE SCHOOL

1 PRINCIPALS ASSOCIATION AND THE DEPARTMENT TO IMPLEMENT A TOP 10
2 EARLY LITERACY CHALLENGE AND DATA DASHBOARD.

3 (D) WORK WITH THE DEPARTMENT AND A CONSORTIUM OF DISTRICTS AND
4 INTERMEDIATE DISTRICTS TO DEMONSTRATE THE POTENTIAL OF A STUDENT
5 PROGRESS ASSESSMENT PROGRAM TO FACILITATE A STATEWIDE SHIFT TO
6 COMPETENCY-BASED EDUCATION.

7 (3) ~~(6) Upon completion of the pilot described in this~~
8 ~~section,~~ **NOT LATER THAN MARCH 31, 2018,** the grantee shall provide a
9 report to the house and senate appropriations subcommittees on
10 school aid detailing the project's expenditures, pupils served,
11 successes and challenges, and feasibility for expanding the project
12 statewide.

13 Sec. 22a. (1) From the appropriation in section 11, there is
14 allocated ~~an amount not to exceed \$5,260,000,000.00 for 2015-2016~~
15 ~~and an amount not to exceed \$5,205,000,000.00~~ **\$5,199,000,000.00** for
16 2016-2017 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
17 **\$5,178,000,000.00 FOR 2017-2018** for payments to districts and
18 qualifying public school academies to guarantee each district and
19 qualifying public school academy an amount equal to its 1994-95
20 total state and local per pupil revenue for school operating
21 purposes under section 11 of article IX of the state constitution
22 of 1963. Pursuant to section 11 of article IX of the state
23 constitution of 1963, this guarantee does not apply to a district
24 in a year in which the district levies a millage rate for school
25 district operating purposes less than it levied in 1994. However,
26 subsection (2) applies to calculating the payments under this
27 section. Funds allocated under this section that are not expended

1 in the state fiscal year for which they were allocated, as
2 determined by the department, may be used to supplement the
3 allocations under sections 22b and 51c in order to fully fund those
4 calculated allocations for the same fiscal year.

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

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

1 district to satisfy debt obligations of the dissolved district
2 under section 12 of the revised school code, MCL 380.12, taxable
3 value per membership pupil of all property in the receiving
4 district that is nonexempt property and taxable value per
5 membership pupil of property in the receiving district that is
6 commercial personal property do not include property within the
7 geographic area of the dissolved district; ad valorem property tax
8 revenue of the receiving district captured under tax increment
9 financing acts does not include ad valorem property tax revenue
10 captured within the geographic boundaries of the dissolved district
11 under tax increment financing acts; and certified mills do not
12 include the certified mills of the dissolved district. **FOR A**
13 **COMMUNITY DISTRICT, THE ALLOCATION AS OTHERWISE CALCULATED UNDER**
14 **THIS SECTION SHALL BE REDUCED BY AN AMOUNT EQUAL TO THE AMOUNT OF**
15 **LOCAL SCHOOL OPERATING TAX REVENUE THAT WOULD OTHERWISE BE DUE TO**
16 **THE COMMUNITY DISTRICT IF NOT FOR THE OPERATION OF SECTION 386 OF**
17 **THE REVISED SCHOOL CODE, MCL 380.386, AND THE AMOUNT OF THIS**
18 **REDUCTION SHALL BE OFFSET BY THE INCREASE IN FUNDING UNDER SECTION**
19 **22B(2) IN ORDER TO OFFSET THE ABSENCE OF LOCAL SCHOOL OPERATING**
20 **REVENUE IN A COMMUNITY DISTRICT IN THE FUNDING OF THE STATE PORTION**
21 **OF THE FOUNDATION ALLOWANCE UNDER SECTION 22B.**

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 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 be equal to the difference
27 between the district's 1994-95 foundation allowance minus \$6,500.00

1 and the current year hold harmless school operating taxes per
2 pupil. If the result of the calculation under subdivision (a) is
3 negative, the negative amount shall be an offset against any state
4 payment calculated under this subdivision. If the result of a
5 calculation under this subdivision is negative, there shall not be
6 a state payment or a deduction under this subdivision. The taxable
7 values per membership pupil used in the calculations under this
8 subdivision are as adjusted by ad valorem property tax revenue
9 captured under tax increment financing acts divided by the
10 district's membership. For a receiving district, if school
11 operating taxes are to be levied on behalf of a dissolved district
12 that has been attached in whole or in part to the receiving
13 district to satisfy debt obligations of the dissolved district
14 under section 12 of the revised school code, MCL 380.12, ad valorem
15 property tax revenue captured under tax increment financing acts do
16 not include ad valorem property tax revenue captured within the
17 geographic boundaries of the dissolved district under tax increment
18 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 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 considered for the
16 purpose of calculations under this subsection to be equal to the
17 amount of the 1994-95 basic foundation allowance. This subsection
18 does not apply to a receiving district unless there is a subsequent
19 consolidation or annexation that affects the district.

20 (6) Payments under this section are subject to section
21 ~~25f.~~ **25G.**

22 (7) As used in this section:

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

27 (b) "Certified mills" means the lesser of 18 mills or the

1 number of mills of school operating taxes levied by the district in
2 1993-94.

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

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

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

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

1 of school operating taxes that could be levied on all property as
2 provided in section 1211(2) of the revised school code, MCL
3 380.1211, as certified by the department of treasury for the 1994
4 tax year. For a receiving district, if school operating taxes are
5 to be levied on behalf of a dissolved district that has been
6 attached in whole or in part to the receiving district to satisfy
7 debt obligations of the dissolved district under section 12 of the
8 revised school code, MCL 380.12, school operating taxes do not
9 include school operating taxes levied within the geographic area of
10 the dissolved district.

11 (g) "Homestead", "qualified agricultural property", "qualified
12 forest property", "supportive housing property", "industrial
13 personal property", and "commercial personal property" mean those
14 terms as defined in section 1211 of the revised school code, MCL
15 380.1211.

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

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

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

27 (k) "Receiving district" means a district to which all or part

1 of the territory of a dissolved district is attached under section
2 12 of the revised school code, MCL 380.12.

3 (l) "School operating taxes" means local ad valorem property
4 taxes levied under section 1211 of the revised school code, MCL
5 380.1211, and retained for school operating purposes as defined in
6 section 20.

7 (m) "Tax increment financing acts" means 1975 PA 197, MCL
8 125.1651 to 125.1681, the tax increment finance authority act, 1980
9 PA 450, MCL 125.1801 to 125.1830, the local development financing
10 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
11 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
12 or the corridor improvement authority act, 2005 PA 280, MCL
13 125.2871 to 125.2899.

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

16 (i) For the number of mills by which the exemption from the
17 levy of school operating taxes on a homestead, qualified
18 agricultural property, qualified forest property, supportive
19 housing property, industrial personal property, commercial personal
20 property, and property occupied by a public school academy may be
21 reduced as provided in section 1211 of the revised school code, MCL
22 380.1211, the taxable value of homestead, qualified agricultural
23 property, qualified forest property, supportive housing property,
24 industrial personal property, commercial personal property, and
25 property occupied by a public school academy for the calendar year
26 ending in the current state fiscal year. For a receiving district,
27 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, mills do not include mills within the geographic area of the dissolved district.

(ii) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal 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.

Sec. 22b. (1) For discretionary nonmandated payments to districts under this section, ~~there is allocated from the appropriation in section 11 an amount not to exceed \$3,692,000,000.00 for 2015-2016, and there is allocated for 2016-2017 an amount not to exceed \$3,828,000,000.00~~ **\$3,844,000,000.00** from the state school aid fund and general fund appropriations in section 11 and an amount not to exceed \$72,000,000.00 from the community district education trust fund appropriation in section 11, **AND THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$3,953,000,000.00 FROM THE STATE SCHOOL AID FUND AND GENERAL FUND APPROPRIATIONS IN SECTION 11 AND AN AMOUNT NOT TO EXCEED**

1 **\$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND**

2 **APPROPRIATION IN SECTION 11.** Except for money allocated from the
3 community district trust fund, money allocated under this section
4 that is not expended in the state fiscal year for which it was
5 allocated, as determined by the department, may be used to
6 supplement the allocations under sections 22a and 51c in order to
7 fully fund those calculated allocations for the same fiscal year.

8 (2) Subject to subsection (3) and section 296, the allocation
9 to a district under this section shall be an amount equal to the
10 sum of the amounts calculated under sections 20, 20m, 51a(2),
11 51a(3), and 51a(11), minus the sum of the allocations to the
12 district under sections 22a and 51c. **FOR A COMMUNITY DISTRICT, THE**
13 **ALLOCATION AS OTHERWISE CALCULATED UNDER THIS SECTION SHALL BE**
14 **INCREASED BY AN AMOUNT EQUAL TO THE AMOUNT OF LOCAL SCHOOL**
15 **OPERATING TAX REVENUE THAT WOULD OTHERWISE BE DUE TO THE COMMUNITY**
16 **DISTRICT IF NOT FOR THE OPERATION OF SECTION 386 OF THE REVISED**
17 **SCHOOL CODE, MCL 380.386, AND THIS INCREASE SHALL BE PAID FROM THE**
18 **COMMUNITY DISTRICT EDUCATION TRUST FUND ALLOCATION IN SUBSECTION**
19 **(1) IN ORDER TO OFFSET THE ABSENCE OF LOCAL SCHOOL OPERATING**
20 **REVENUE IN A COMMUNITY DISTRICT IN THE FUNDING OF THE STATE PORTION**
21 **OF THE FOUNDATION ALLOWANCE UNDER SECTION 20(4).**

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

24 (a) Comply with section 1280b of the revised school code, MCL
25 380.1280b.

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

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

4 (d) Comply with section 1230g of the revised school code, MCL
5 380.1230g.

6 (e) Comply with section 21f.

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

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

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

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

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

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

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

1 action to the court of appeals, and the court of appeals shall have
2 and shall exercise jurisdiction over the claim.

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

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

1 Sec. 22d. (1) From the appropriation in section 11, an amount
2 not to exceed \$5,000,000.00 is allocated for ~~2016-2017~~**2017-2018**
3 for supplemental payments to rural districts under this section.

4 (2) From the allocation under subsection (1), there is
5 allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
6 \$957,300.00 for payments under this subsection to districts that
7 meet all of the following:

8 (a) Operates grades K to 12.

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

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

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

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

15 (3) The amount of the additional funding to each eligible
16 district under subsection (2) shall be determined under a spending
17 plan developed as provided in this subsection and approved by the
18 superintendent of public instruction. The spending plan shall be
19 developed cooperatively by the intermediate superintendents of each
20 intermediate district in which an eligible district is located. The
21 intermediate superintendents shall review the financial situation
22 of each eligible district, determine the minimum essential
23 financial needs of each eligible district, and develop and agree on
24 a spending plan that distributes the available funding under
25 subsection (2) to the eligible districts based on those financial
26 needs. The intermediate superintendents shall submit the spending
27 plan to the superintendent of public instruction for approval. Upon

1 approval by the superintendent of public instruction, the amounts
2 specified for each eligible district under the spending plan are
3 allocated under subsection (2) and shall be paid to the eligible
4 districts in the same manner as payments under section 22b.

5 (4) Subject to subsection (6), from the allocation in
6 subsection (1), there is allocated for ~~2016-2017~~**2017-2018** an
7 amount not to exceed \$4,042,700.00 for payments under this
8 subsection to districts that have 7.3 or fewer pupils per square
9 mile as determined by the department.

10 (5) The funds allocated under subsection (4) shall be
11 allocated on an equal per-pupil basis.

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

14 Sec. 22g. (1) From the funds appropriated in section 11, there
15 is allocated for 2016-2017 ~~only~~ an amount not to exceed \$500,000.00
16 **AND FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$1,000,000.00** for
17 competitive assistance grants to districts and intermediate
18 districts.

19 (2) Funds received under this section may be used for
20 reimbursement of transition costs associated with the dissolution,
21 consolidation, or annexation of districts or intermediate
22 districts. Grant funding shall be available for dissolutions,
23 consolidations, or annexations that occur on or after June 1, 2016.
24 Districts may spend funds allocated under this section over 3
25 fiscal years.

26 (3) In addition to the amount allocated under subsection (1),
27 from the funds appropriated in section 11, there is allocated for

1 2016-2017 **ONLY** an amount not to exceed \$2,500,000.00 for grants to
2 districts or intermediate districts that received a grant under
3 this section as it was in effect for 2015-2016 for reimbursement of
4 remaining transition costs associated with a dissolution,
5 consolidation, or annexation that was approved during 2015-2016 by
6 the school electors of the applicable district or intermediate
7 district.

8 (4) **NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**
9 **SHALL BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

10 SEC. 22M. (1) **FROM THE APPROPRIATIONS IN SECTION 11, THERE IS**
11 **ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$1,200,000.00 FOR**
12 **SUPPORTING THE INTEGRATION OF LOCAL DATA SYSTEMS INTO THE MICHIGAN**
13 **DATA HUB NETWORK BASED ON COMMON STANDARDS AND APPLICATIONS THAT**
14 **ARE IN COMPLIANCE WITH SECTION 19(7) .**

15 (2) **AN ENTITY THAT IS THE FISCAL AGENT FOR NO MORE THAN 5**
16 **CONSORTIA OF INTERMEDIATE DISTRICTS THAT PREVIOUSLY RECEIVED**
17 **FUNDING FROM THE TECHNOLOGY READINESS INFRASTRUCTURE GRANT UNDER**
18 **FORMER SECTION 22I FOR THE PURPOSE OF ESTABLISHING REGIONAL DATA**
19 **HUBS THAT ARE PART OF THE MICHIGAN DATA HUB NETWORK IS ELIGIBLE FOR**
20 **FUNDING UNDER THIS SECTION.**

21 (3) **THE CENTER SHALL WORK WITH AN ADVISORY COMMITTEE COMPOSED**
22 **OF REPRESENTATIVES FROM INTERMEDIATE DISTRICTS WITHIN EACH OF THE**
23 **DATA HUB REGIONS TO COORDINATE THE ACTIVITIES OF THE MICHIGAN DATA**
24 **HUB NETWORK.**

25 (4) **THE CENTER, IN COLLABORATION WITH THE MICHIGAN DATA HUB**
26 **NETWORK, SHALL DETERMINE THE AMOUNT OF FUNDS DISTRIBUTED UNDER THIS**
27 **SECTION TO EACH REGIONAL DATA HUB WITHIN THE NETWORK, BASED UPON**

1 DOCUMENTED NEED PROVIDED TO THE CENTER IN A FORM AND MANNER
2 DETERMINED BY THE CENTER.

3 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
4 SHALL BE MADE ON A SCHEDULE DETERMINED BY THE CENTER.

5 (6) TO RECEIVE FUNDING UNDER THIS SECTION, A REGIONAL DATA HUB
6 MUST HAVE A GOVERNANCE MODEL THAT ENSURES LOCAL CONTROL OF DATA,
7 DATA SECURITY, AND STUDENT PRIVACY ISSUES. THE INTEGRATION OF DATA
8 WITHIN EACH OF THE REGIONAL DATA HUBS SHALL PROVIDE FOR THE
9 ACTIONABLE USE OF DATA BY DISTRICTS AND INTERMEDIATE DISTRICTS
10 THROUGH COMMON REPORTS AND DASHBOARDS AND FOR EFFICIENTLY PROVIDING
11 INFORMATION TO MEET STATE AND FEDERAL REPORTING PURPOSES.

12 (7) PARTICIPATION BY A DATA HUB REGION OR AN INTERMEDIATE
13 DISTRICT IN THE MICHIGAN DATA HUB NETWORK UNDER THIS SECTION IS
14 VOLUNTARY AND IS NOT REQUIRED.

15 Sec. 24. (1) From the appropriation in section 11, there is
16 allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed
17 \$8,000,000.00 for payments to the educating district or
18 intermediate district for educating pupils assigned by a court or
19 the department of health and human services to reside in or to
20 attend a juvenile detention facility or child caring institution
21 licensed by the department of health and human services and
22 approved by the department to provide an on-grounds education
23 program. The amount of the payment under this section to a district
24 or intermediate district shall be calculated as prescribed under
25 subsection (2).

26 (2) The total amount allocated under this section shall be
27 allocated by paying to the educating district or intermediate

1 district an amount equal to the lesser of the district's or
2 intermediate district's added cost or the department's approved
3 per-pupil allocation for the district or intermediate district. For
4 the purposes of this subsection:

5 (a) "Added cost" means 100% of the added cost each fiscal year
6 for educating all pupils assigned by a court or the department of
7 health and human services to reside in or to attend a juvenile
8 detention facility or child caring institution licensed by the
9 department of health and human services or the department of
10 licensing and regulatory affairs and approved by the department to
11 provide an on-grounds education program. Added cost shall be
12 computed by deducting all other revenue received under this article
13 for pupils described in this section from total costs, as approved
14 by the department, in whole or in part, for educating those pupils
15 in the on-grounds education program or in a program approved by the
16 department that is located on property adjacent to a juvenile
17 detention facility or child caring institution. Costs reimbursed by
18 federal funds are not included.

19 (b) "Department's approved per-pupil allocation" for a
20 district or intermediate district shall be determined by dividing
21 the total amount allocated under this section for a fiscal year by
22 the full-time equated membership total for all pupils approved by
23 the department to be funded under this section for that fiscal year
24 for the district or intermediate district.

25 (3) A district or intermediate district educating pupils
26 described in this section at a residential child caring institution
27 may operate, and receive funding under this section for, a

1 department-approved on-grounds educational program for those pupils
2 that is longer than 181 days, but not longer than 233 days, if the
3 child caring institution was licensed as a child caring institution
4 and offered in 1991-92 an on-grounds educational program that was
5 longer than 181 days but not longer than 233 days and that was
6 operated by a district or intermediate district.

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

9 Sec. 24a. From the appropriation in section 11, ~~there is~~
10 ~~allocated an amount not to exceed \$1,301,000.00 for 2015-2016 and~~
11 ~~there is allocated an amount not to exceed \$1,328,100.00 for 2016-~~
12 ~~2017-~~**\$1,339,000.00 FOR 2017-2018** for payments to intermediate
13 districts for pupils who are placed in juvenile justice service
14 facilities operated by the department of health and human services.
15 Each intermediate district shall receive an amount equal to the
16 state share of those costs that are clearly and directly
17 attributable to the educational programs for pupils placed in
18 facilities described in this section that are located within the
19 intermediate district's boundaries. The intermediate districts
20 receiving payments under this section shall cooperate with the
21 department of health and human services to ensure that all funding
22 allocated under this section is utilized by the intermediate
23 district and department of health and human services for
24 educational programs for pupils described in this section. Pupils
25 described in this section are not eligible to be funded under
26 section 24. However, a program responsibility or other fiscal
27 responsibility associated with these pupils shall not be

1 transferred from the department of health and human services to a
2 district or intermediate district unless the district or
3 intermediate district consents to the transfer.

4 Sec. 24c. From the appropriation in section 11, there is
5 allocated an amount not to exceed ~~\$1,632,400.00 for 2016-2017~~
6 **\$1,528,400.00 FOR 2017-2018** for payments to districts for pupils
7 who are enrolled in a nationally administered community-based
8 education and youth mentoring program, known as the youth challenge
9 program, that is administered by the department of military and
10 veterans affairs. Both of the following apply to a district
11 receiving payments under this section:

12 (a) The district shall contract with the department of
13 military and veterans affairs to ensure that all funding allocated
14 under this section is utilized by the district and the department
15 of military and veterans affairs for the youth challenge program.

16 (b) The district may retain for its administrative expenses an
17 amount not to exceed 3% of the amount of the payment the district
18 receives under this section.

19 Sec. 25f. (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 ~~2016-2017~~**2017-2018** for payments to strict
22 discipline academies established under sections 1311b to 1311m of
23 the revised school code, MCL 380.1311b to 380.1311m, as provided
24 under this section.

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

1 as prescribed under that section.

2 (3) The total amount allocated to a strict discipline academy
3 under this section is an amount equal to the lesser of the strict
4 discipline academy's added cost or the department's approved per-
5 pupil allocation for the strict discipline academy. However, the
6 sum of the amounts received by a strict discipline academy under
7 this section and under section 24 shall not exceed the product of
8 the strict discipline academy's per-pupil allocation calculated
9 under section 20 multiplied by the strict discipline academy's
10 full-time equated membership. The department shall allocate funds
11 to strict discipline academies under this section on a monthly
12 basis. For the purposes of this subsection:

13 (a) "Added cost" means 100% of the added cost each fiscal year
14 for educating all pupils enrolled and in regular daily attendance
15 at a strict discipline academy. Added cost shall be computed by
16 deducting all other revenue received under this article for pupils
17 described in this subsection from total costs, as approved by the
18 department, in whole or in part, for educating those pupils in a
19 strict discipline academy. The department shall include all costs
20 including, but not limited to, educational costs, insurance,
21 management fees, technology costs, legal fees, auditing fees,
22 interest, pupil accounting costs, and any other administrative
23 costs necessary to operate the program or to comply with statutory
24 requirements. Costs reimbursed by federal funds are not included.

25 (b) "Department's approved per-pupil allocation" for a strict
26 discipline academy shall be determined by dividing the total amount
27 allocated under this subsection for a fiscal year by the full-time

1 equated membership total for all pupils approved by the department
2 to be funded under this subsection for that fiscal year for the
3 strict discipline academy.

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

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

9 (6) Payments to districts under this section shall be made
10 according to the payment schedule under section 17b.

11 Sec. 25g. (1) From the state school aid fund money
12 appropriated in section 11, there is allocated an amount not to
13 exceed \$750,000.00 for ~~2016-2017~~**2017-2018** for the purposes of this
14 section. If the operation of the special membership counting
15 provisions under section 6(4)(dd) and the other membership counting
16 provisions under section 6(4) result in a pupil being counted as
17 more than 1.0 FTE in a fiscal year, then the payment made for the
18 pupil under sections 22a and 22b shall not be based on more than
19 1.0 FTE for that pupil, and that portion of the FTE that exceeds
20 1.0 shall be paid under this section in an amount equal to that
21 portion multiplied by the educating district's foundation allowance
22 or per-pupil payment calculated under section 20.

23 (2) Special education pupils funded under section 53a shall
24 not be funded under this section.

25 (3) If the funds allocated under this section are insufficient
26 to fully fund the adjustments under subsection (1), payments under
27 this section shall be prorated on an equal per-pupil basis.

1 (4) Payments to districts under this section shall be made
2 according to the payment schedule under section 17b.

3 Sec. 26a. From the funds appropriated in section 11, ~~there is~~
4 ~~allocated an amount not to exceed \$20,000,000.00 for 2015-2016 and~~
5 ~~there is allocated an amount not to exceed \$20,000,000.00~~
6 **\$18,000,000.00 EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018** to
7 reimburse districts and intermediate districts pursuant to section
8 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,
9 for taxes levied in ~~2015 and 2016~~ **AND 2017** as applicable. The
10 allocations shall be made not later than 60 days after the
11 department of treasury certifies to the department and to the state
12 budget director that the department of treasury has received all
13 necessary information to properly determine the amounts due to each
14 eligible recipient.

15 Sec. 26b. (1) From the appropriation in section 11, there is
16 allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed
17 \$4,405,100.00 for payments to districts, intermediate districts,
18 and community college districts for the portion of the payment in
19 lieu of taxes obligation that is attributable to districts,
20 intermediate districts, and community college districts pursuant to
21 section 2154 of the natural resources and environmental protection
22 act, 1994 PA 451, MCL 324.2154.

23 (2) If the amount appropriated under this section is not
24 sufficient to fully pay obligations under this section, payments
25 shall be prorated on an equal basis among all eligible districts,
26 intermediate districts, and community college districts.

27 Sec. 26c. (1) From the appropriation in section 11, ~~there is~~

1 ~~allocated an amount not to exceed \$278,000.00 for 2015-2016 and~~
2 ~~there is allocated an amount not to exceed \$1,000,000.00 for 2016-~~
3 ~~2017-~~**\$1,500,000.00 FOR 2017-2018** to the promise zone fund created
4 in subsection (3).

5 (2) Funds allocated to the promise zone fund under this
6 section shall be used solely for payments to eligible districts and
7 intermediate districts that have a promise zone development plan
8 approved by the department of treasury under section 7 of the
9 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

10 (3) The promise zone fund is created as a separate account
11 within the state school aid fund to be used solely for the purposes
12 of the Michigan promise zone authority act, 2008 PA 549, MCL
13 390.1661 to 390.1679. All of the following apply to the promise
14 zone fund:

15 (a) The state treasurer shall direct the investment of the
16 promise zone fund. The state treasurer shall credit to the promise
17 zone fund interest and earnings from fund investments.

18 (b) Money in the promise zone fund at the close of a fiscal
19 year shall remain in the promise zone fund and shall not lapse to
20 the general fund.

21 (4) Subject to subsection (2), the state treasurer may make
22 payments from the promise zone fund to eligible districts and
23 intermediate districts pursuant to the Michigan promise zone
24 authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used
25 for the purposes of a promise zone authority created under that
26 act.

27 **(5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**

1 **SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

2 Sec. 31a. (1) From the state school aid fund money
3 appropriated in section 11, there is allocated for ~~2016-2017-2017-~~
4 **2018** an amount not to exceed ~~\$389,695,500.00~~ **\$518,807,300.00** for
5 payments to eligible districts ~~, AND~~ eligible public school
6 academies ~~, and the education achievement system for the purposes~~
7 of ensuring that pupils are proficient in ~~reading~~ **ENGLISH LANGUAGE**
8 **ARTS** by the end of grade 3, ~~and THAT PUPILS ARE PROFICIENT IN~~
9 **MATHEMATICS BY THE END OF GRADE 8, THAT PUPILS ARE ATTENDING SCHOOL**
10 **REGULARLY**, that high school graduates are career and college ready,
11 and for the purposes under subsections ~~(7) and (8).~~ **(8) AND (9).**

12 ~~—— (2) For a district or public school academy, or the education~~
13 ~~achievement system, to be eligible to receive funding under this~~
14 ~~section, other than funding under subsection (7) or (8), the sum of~~
15 ~~the district's or public school academy's or the education~~
16 ~~achievement system's combined state and local revenue per~~
17 ~~membership pupil in the current state fiscal year, as calculated~~
18 ~~under section 20, must be less than or equal to the basic~~
19 ~~foundation allowance under section 20 for the current state fiscal~~
20 ~~year.~~

21 **(2) FOR A DISTRICT THAT HAS COMBINED STATE AND LOCAL REVENUE**
22 **PER MEMBERSHIP PUPIL UNDER SECTIONS 20 AND 20M THAT IS GREATER THAN**
23 **THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT**
24 **FISCAL YEAR, THE ALLOCATION UNDER THIS SECTION SHALL BE AN AMOUNT**
25 **EQUAL TO 50% OF THE ALLOCATION FOR WHICH IT WOULD OTHERWISE BE**
26 **ELIGIBLE UNDER THIS SECTION BEFORE ANY PRORATION UNDER SUBSECTION**
27 **(13).**

1 (3) For a district or public school academy ~~that operates~~
 2 ~~grades K to 3, or the education achievement system,~~ to be eligible
 3 to receive funding under this section, other than funding under
 4 subsection ~~(7) or (8),~~ **(8) OR (9)**, the district or public school
 5 academy ~~, or the education achievement system,~~ must implement, for
 6 at least grades ~~K to 3,~~ **K TO 8 OR, IF THE DISTRICT OR PUBLIC SCHOOL**
 7 **ACADEMY DOES NOT OPERATE ALL OF GRADES K TO 8, FOR ALL OF THE**
 8 **GRADES IT OPERATES,** a multi-tiered system of supports that is an
 9 evidence-based model that uses data-driven problem solving to
 10 integrate academic and behavioral instruction and that uses
 11 intervention delivered to all pupils in varying intensities based
 12 on pupil needs. This multi-tiered system of supports must provide
 13 at least all of the following essential elements:

14 (a) Implements effective instruction for all learners.

15 (b) Intervenes early.

16 (c) Provides a multi-tiered model of instruction and
 17 intervention that provides the following:

18 (i) A core curriculum and classroom interventions available to
 19 all pupils that meet the needs of most pupils.

20 (ii) Targeted group interventions.

21 (iii) Intense individual interventions.

22 (d) Monitors pupil progress to inform instruction.

23 (e) Uses data to make instructional decisions.

24 (f) Uses assessments including universal screening,
 25 diagnostics, and progress monitoring.

26 (g) Engages families and the community.

27 (h) Implements evidence-based, scientifically validated,

1 instruction and intervention.

2 (i) Implements instruction and intervention practices with
3 fidelity.

4 (j) Uses a collaborative problem-solving model.

5 (4) Except as otherwise provided in this subsection, an
6 eligible district or eligible public school academy ~~or the~~
7 ~~education achievement system~~ shall receive under this section for
8 each membership pupil in the district or public school academy ~~or~~
9 ~~the education achievement system who met the income eligibility~~
10 ~~criteria for free breakfast, lunch, or milk, as determined under~~
11 ~~the Richard B. Russell national school lunch act, 42 USC 1751 to~~
12 ~~1769, and~~ **WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED**, as
13 reported to the ~~department~~ **CENTER** in the form and manner prescribed
14 by the ~~department~~ **CENTER** not later than the fifth Wednesday after
15 the pupil membership count day of the immediately preceding fiscal
16 year, ~~and adjusted not later than December 31 of the immediately~~
17 ~~preceding fiscal year,~~ an amount per pupil equal to 11.5% of the
18 ~~sum of the district's~~ **STATEWIDE WEIGHTED AVERAGE** foundation
19 allowance. ~~or the public school academy's or the education~~
20 ~~achievement system's per pupil amount calculated under section 20~~
21 ~~plus the amount of the district's per-pupil allocation under~~
22 ~~section 20m, not to exceed the basic foundation allowance under~~
23 ~~section 20 for the current state fiscal year, or of the public~~
24 ~~school academy's or the education achievement system's per~~
25 ~~membership pupil amount calculated under section 20 for the current~~
26 ~~state fiscal year.~~ However, a public school academy that began
27 operations as a public school academy, ~~an achievement school that~~

~~began operations as an achievement school, or a community district that first enrolls pupils, after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy, in the education achievement system, or in the community district who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and~~ **WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED,** as reported to the department **CENTER IN THE FORM AND MANNER PRESCRIBED BY THE CENTER** not later than the fifth Wednesday after the pupil membership count day of the current fiscal year, ~~and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's, the education achievement system's, or the community district's per membership pupil amount calculated under section 20 for the current state fiscal year.~~ **STATEWIDE WEIGHTED AVERAGE FOUNDATION ALLOWANCE.**

(5) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A DISTRICT OR PUBLIC SCHOOL ACADEMY RECEIVING FUNDS UNDER THIS SECTION SHALL USE THOSE FUNDS FOR PROGRAMS AND ACTIVITIES DESIGNED TO ACHIEVE ALL OF THE FOLLOWING:

(A) THE CHRONIC ABSENTEEISM RATE FOR ECONOMICALLY DISADVANTAGED PUPILS AND ENGLISH LANGUAGE LEARNERS ENROLLED IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY IS NOT MORE THAN THE CHRONIC ABSENTEEISM RATE FOR PUPILS ENROLLED IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY WHO ARE NOT IN EITHER OF THESE CATEGORIES, AS DEFINED AND CALCULATED BY THE CENTER.

(B) THE PROPORTION OF ECONOMICALLY DISADVANTAGED PUPILS AND

1 ENGLISH LANGUAGE LEARNERS WHO ARE IN THE BOTTOM 30% IN PERFORMANCE
2 ON THE GRADE 3 ENGLISH LANGUAGE ARTS STATE ASSESSMENT AMONG PUPILS
3 ENROLLED IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY DOES NOT EXCEED
4 THE PROPORTION OF PUPILS WHO ARE NOT IN EITHER OF THESE CATEGORIES
5 WHO ARE IN THE BOTTOM 30% IN PERFORMANCE ON THE GRADE 3 ENGLISH
6 LANGUAGE ARTS STATE ASSESSMENT AMONG PUPILS ENROLLED IN THE
7 DISTRICT OR PUBLIC SCHOOL ACADEMY, AS CALCULATED AND REPORTED BY
8 THE DEPARTMENT IN THE TOP 30-BOTTOM 30 ANALYSIS REPORT UNDER
9 SUBSECTION (10).

10 (C) THE PROPORTION OF ECONOMICALLY DISADVANTAGED PUPILS AND
11 ENGLISH LANGUAGE LEARNERS WHO ARE IN THE BOTTOM 30% IN PERFORMANCE
12 ON THE GRADE 8 MATHEMATICS STATE ASSESSMENT AMONG PUPILS ENROLLED
13 IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY DOES NOT EXCEED THE
14 PROPORTION OF PUPILS WHO ARE NOT IN EITHER OF THESE CATEGORIES WHO
15 ARE IN THE BOTTOM 30% IN PERFORMANCE ON THE GRADE 8 MATHEMATICS
16 STATE ASSESSMENT AMONG PUPILS ENROLLED IN THE DISTRICT OR PUBLIC
17 SCHOOL ACADEMY, AS CALCULATED AND REPORTED BY THE DEPARTMENT IN THE
18 TOP 30-BOTTOM 30 ANALYSIS REPORT UNDER SUBSECTION (10).

19 (D) AT LEAST 65% OF PUPILS IN GRADES 9 TO 12 HAVE ENROLLED IN
20 CAREER AND TECHNICAL EDUCATION PROGRAMMING, ADVANCED PLACEMENT OR
21 INTERNATIONAL BACCALAUREATE COURSES, OR DUAL ENROLLMENT OR
22 CONCURRENT ENROLLMENT COURSES DESCRIBED IN SECTION 64B AND AT LEAST
23 80% OF THOSE PUPILS HAVE SUCCESSFULLY COMPLETED THE COURSES.

24 (6) ~~(5)~~ Except as otherwise provided in this section, a
25 district or public school academy ~~or the education achievement~~
26 ~~system,~~ receiving funding under this section shall use that money
27 only to provide instructional programs and direct noninstructional

1 services, including, but not limited to, medical, mental health, or
 2 counseling services, for at-risk pupils; for school health clinics;
 3 and for the purposes of subsection ~~(6), (7), (8), or (11).~~ **(9) AND**
 4 **ONLY IN A WAY THAT IS CONSISTENT WITH SUBSECTION (5).** In addition,
 5 a district that is a school district of the first class or a
 6 district or public school academy in which at least 50% of the
 7 pupils in membership ~~met the income eligibility criteria for free~~
 8 ~~breakfast, lunch, or milk~~ **WERE DETERMINED TO BE ECONOMICALLY**
 9 **DISADVANTAGED** in the immediately preceding state fiscal year, as
 10 determined and reported as described in subsection ~~(4), or the~~
 11 ~~education achievement system if it meets this requirement,~~ **(3)**, may
 12 use not more than 20% of the funds it receives under this section
 13 for school security. A district, ~~the~~ **OR** public school academy, ~~or~~
 14 ~~the education achievement system~~ shall not use any of that money
 15 for administrative costs. The instruction or direct
 16 noninstructional services provided under this section may be
 17 conducted before or after regular school hours or by adding extra
 18 school days to the school year.

19 **(7)** ~~(6)~~ A district or public school academy that receives
 20 funds under this section and that operates a school breakfast
 21 program under section 1272a of the revised school code, MCL
 22 380.1272a, ~~or the education achievement system if it operates a~~
 23 ~~school breakfast program,~~ shall use from the funds received under
 24 this section an amount, not to exceed \$10.00 per pupil for whom the
 25 district or public school academy ~~or the education achievement~~
 26 ~~system~~ receives funds under this section, necessary to pay for
 27 costs associated with the operation of the school breakfast

1 program.

2 **(8)** ~~(7)~~ From the funds allocated under subsection (1), there
3 is allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
4 \$5,557,300.00 to support child and adolescent health centers. These
5 grants shall be awarded for 5 consecutive years beginning with
6 2003-2004 in a form and manner approved jointly by the department
7 and the department of health and human services. Each grant
8 recipient shall remain in compliance with the terms of the grant
9 award or shall forfeit the grant award for the duration of the 5-
10 year period after the noncompliance. To continue to receive funding
11 for a child and adolescent health center under this section a grant
12 recipient shall ensure that the child and adolescent health center
13 has an advisory committee and that at least one-third of the
14 members of the advisory committee are parents or legal guardians of
15 school-aged children. A child and adolescent health center program
16 shall recognize the role of a child's parents or legal guardian in
17 the physical and emotional well-being of the child. Funding under
18 this subsection shall be used to support child and adolescent
19 health center services provided to children up to age 21. If any
20 funds allocated under this subsection are not used for the purposes
21 of this subsection for the fiscal year in which they are allocated,
22 those unused funds shall be used that fiscal year to avoid or
23 minimize any proration that would otherwise be required under
24 subsection ~~(12)~~**(13)** for that fiscal year.

25 **(9)** ~~(8)~~ From the funds allocated under subsection (1), there
26 is allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
27 \$5,150,000.00 for the state portion of the hearing and vision

1 screenings as described in section 9301 of the public health code,
 2 1978 PA 368, MCL 333.9301. A local public health department shall
 3 pay at least 50% of the total cost of the screenings. The frequency
 4 of the screenings shall be as required under R 325.13091 to R
 5 325.13096 and R 325.3271 to R 325.3276 of the Michigan
 6 ~~administrative code.~~ **ADMINISTRATIVE CODE.** Funds shall be awarded in
 7 a form and manner approved jointly by the department and the
 8 department of health and human services. Notwithstanding section
 9 17b, payments to eligible entities under this subsection shall be
 10 paid on a schedule determined by the department.

11 **(10) THE DEPARTMENT SHALL CALCULATE AND PUBLISH A TOP 30-**
 12 **BOTTOM 30 ANALYSIS REPORT ANNUALLY TO DETERMINE EACH DISTRICT'S**
 13 **PERFORMANCE IN THE METRICS DESCRIBED IN SUBSECTION (5) (B) AND (C) .**
 14 **IN ADDITION, THE DEPARTMENT SHALL PUBLISH EACH DISTRICT'S**
 15 **PERFORMANCE FOR EACH OF THE METRICS DESCRIBED IN SUBSECTION (5) NO**
 16 **LATER THAN DECEMBER 30 OF EACH YEAR OR 1 MONTH AFTER FULLY AUDITED**
 17 **STATE ASSESSMENT DATA IS RECEIVED BY THE DEPARTMENT, WHICHEVER IS**
 18 **LATER.**

19 **(11)** ~~(9)~~ Each district or public school academy receiving
 20 funds under this section ~~and the education achievement system shall~~
 21 submit to the department by July 15 of each fiscal year a report,
 22 ~~not to exceed 10 pages, on the usage by the district or public~~
 23 ~~school academy or the education achievement system of funds under~~
 24 ~~this section, which report shall include~~ **IN THE FORM AND MANNER**
 25 **PRESCRIBED BY THE DEPARTMENT, THAT INCLUDES** a brief description of
 26 each program conducted or services performed by the district or
 27 public school academy ~~or the education achievement system using~~

1 funds under this section, the amount of funds under this section
 2 allocated to each of those programs or services, the total number
 3 of at-risk pupils served by each of those programs or services, and
 4 the data necessary for the department and the department of health
 5 and human services to verify matching funds for the temporary
 6 assistance for needy families program. **IN PRESCRIBING THE FORM AND**
 7 **MANNER OF THE REPORT, THE DEPARTMENT SHALL ENSURE THAT DISTRICTS**
 8 **ARE ALLOWED TO EXPEND FUNDS RECEIVED UNDER THIS SECTION ON ANY**
 9 **ACTIVITIES THAT ARE PERMISSIBLE UNDER THIS SECTION. FROM THESE**
 10 **REPORTS, THE DEPARTMENT SHALL PUBLISH A SUMMARY OF PROGRAMS**
 11 **CONDUCTED OR SERVICES PERFORMED IN DISTRICTS AND PUBLIC SCHOOL**
 12 **ACADEMIES THAT DEMONSTRATE SIGNIFICANT IMPROVEMENTS ON THE METRICS**
 13 **DESCRIBED IN SUBSECTION (5), AS DETERMINED BY THE DEPARTMENT.** If a
 14 district or public school academy ~~or the education achievement~~
 15 ~~system~~ does not comply with this subsection, the department shall
 16 withhold an amount equal to the August payment due under this
 17 section until the district or public school academy ~~or the~~
 18 ~~education achievement system~~ complies with this subsection. If the
 19 district or public school academy ~~or the education achievement~~
 20 ~~system~~ does not comply with this subsection by the end of the state
 21 fiscal year, the withheld funds shall be forfeited to the school
 22 aid fund.

23 **(12)** ~~(10)~~ In order to receive funds under this section, a
 24 district or public school academy ~~or the education achievement~~
 25 ~~system~~ shall allow access for the department or the department's
 26 designee to audit all records related to the program for which it
 27 receives those funds. The district or public school academy ~~or the~~

1 ~~education achievement system~~ shall reimburse the state for all
2 disallowances found in the audit.

3 ~~—— (11) Subject to subsections (6), (7), and (8), a district may~~
4 ~~use up to 100% of the funds it receives under this section to~~
5 ~~implement schoolwide reform in schools with 40% or more of their~~
6 ~~pupils identified as at-risk pupils by providing instructional or~~
7 ~~noninstructional services consistent with the school improvement~~
8 ~~plan.~~

9 **(13)** ~~(12)~~ If necessary, and before any proration required
10 under section 296, the department shall prorate payments under this
11 section by reducing the amount of the ~~per pupil payment under this~~
12 ~~section by a dollar amount calculated by determining the amount by~~
13 ~~which the amount necessary to fully fund the requirements of this~~
14 ~~section exceeds the maximum amount allocated under this section and~~
15 ~~then dividing that amount by the total statewide number of pupils~~
16 ~~who met the income eligibility criteria for free breakfast, lunch,~~
17 ~~or milk in the immediately preceding fiscal year, as described in~~
18 ~~subsection (4).~~ **ALLOCATION AS OTHERWISE CALCULATED UNDER THIS**
19 **SECTION BY AN EQUAL PERCENTAGE PER DISTRICT.**

20 **(14)** ~~(13)~~ If a district is formed by consolidation after June
21 1, 1995, and if 1 or more of the original districts were not
22 eligible before the consolidation for an additional allowance under
23 this section, the amount of the additional allowance under this
24 section for the consolidated district shall be based on the number
25 of pupils described in subsection (1) enrolled in the consolidated
26 district who reside in the territory of an original district that
27 was eligible before the consolidation for an additional allowance

~~under this section. In addition, if~~ **IF** a district is dissolved pursuant to section 12 of the revised school code, MCL 380.12, the intermediate district to which the dissolved school district was constituent shall determine the estimated number of pupils that ~~meet the income eligibility criteria for free breakfast, lunch, or milk, as described under subsection (4),~~ **ARE ECONOMICALLY DISADVANTAGED AND THAT ARE** enrolled in each of the other districts within the intermediate district and provide that estimate to the department for the purposes of distributing funds under this section within 60 days after the school district is declared dissolved.

~~———— (14) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets any of the following criteria:~~

~~———— (a) Is a victim of child abuse or neglect.~~

~~———— (b) Is a pregnant teenager or teenage parent.~~

~~———— (c) Has a family history of school failure, incarceration, or substance abuse.~~

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

~~———— (e) Is a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics, as demonstrated on local assessments.~~

~~———— (f) The pupil is enrolled in a priority or priority successor school, as defined in the elementary and secondary education act of~~

1 ~~2001 flexibility waiver approved by the United States Department of~~
2 ~~Education.~~

3 ~~—— (g) In the absence of state or local assessment data, the~~
4 ~~pupil meets at least 2 of the following criteria, as documented in~~
5 ~~a form and manner approved by the department:~~

6 ~~—— (i) The pupil is eligible for free or reduced price breakfast,~~
7 ~~lunch, or milk.~~

8 ~~—— (ii) The pupil is absent more than 10% of enrolled days or 10~~
9 ~~school days during the school year.~~

10 ~~—— (iii) The pupil is homeless.~~

11 ~~—— (iv) The pupil is a migrant.~~

12 ~~—— (v) The pupil is an English language learner.~~

13 ~~—— (vi) The pupil is an immigrant who has immigrated within the~~
14 ~~immediately preceding 3 years.~~

15 ~~—— (vii) The pupil did not complete high school in 4 years and is~~
16 ~~still continuing in school as identified in the Michigan cohort~~
17 ~~graduation and dropout report.~~

18 ~~—— (15) Beginning in 2018-2019, if a district, public school~~
19 ~~academy, or the education achievement system does not demonstrate~~
20 ~~to the satisfaction of the department that at least 50% of at-risk~~
21 ~~pupils are proficient in English language arts by the end of grade~~
22 ~~3 as measured by the state assessment for the immediately preceding~~
23 ~~school year and demonstrate to the satisfaction of the department~~
24 ~~improvement over each of the 3 immediately preceding school years~~
25 ~~in the percentage of at-risk pupils that are career- and college-~~
26 ~~ready as determined by proficiency on the English language arts,~~
27 ~~mathematics, and science content area assessments on the grade 11~~

~~summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g, the district, public school academy, or education achievement system shall ensure all of the following:~~

~~—— (a) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represents the number of pupils in grade 3 that are not proficient in English language arts by the end of grade 3, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other methods of improving grade 3 English language arts proficiency.~~

~~—— (b) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represent the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.~~

~~—— (16) As used in subsection (15), "total at-risk pupils" means the sum of the number of pupils in grade 3 that are not proficient in English language arts by the end of third grade as measured on the state assessment and the number of pupils in grade 11 that are~~

~~not career and college ready as measured by the student's score on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g.~~

(15) BEGINNING IN 2018-2019, IF A DISTRICT OR PUBLIC SCHOOL ACADEMY HAS NOT ACHIEVED ALL OF THE METRICS IN SUBSECTION (5) OR MADE SATISFACTORY PROGRESS AS DETERMINED BY THE SUPERINTENDENT, THE SUPERINTENDENT SHALL ASSIGN A TEAM OF PERSONS WITH EXPERTISE IN COMPREHENSIVE SCHOOL AND DISTRICT REFORM TO PARTNER WITH THE DISTRICT OR PUBLIC SCHOOL ACADEMY, THE INTERMEDIATE DISTRICT IN WHICH IT IS LOCATED, COMMUNITY ORGANIZATIONS, LOCAL EMPLOYERS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS AS DETERMINED BY THE SUPERINTENDENT TO CONDUCT AN EVALUATION THAT INCLUDES AT LEAST ALL OF THE FOLLOWING:

(A) REVIEWING THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S IMPLEMENTATION AND UTILIZATION OF ITS MULTI-TIERED SYSTEM OF SUPPORTS AND ENSURING THAT THE SYSTEM IS BEING USED TO APPROPRIATELY INFORM INSTRUCTION OF AT-RISK PUPILS AND MAKE RECOMMENDATIONS FOR CHANGES.

(B) CONDUCTING AN ACADEMIC PERFORMANCE AUDIT THAT INCLUDES RECOMMENDATIONS FOR CHANGES IF NECESSARY FOR AT LEAST ALL OF THE FOLLOWING:

(i) DISTRICT AND SCHOOL BUILDING LEADERSHIP AND EDUCATOR CAPACITY TO SUBSTANTIALLY IMPROVE STUDENT OUTCOMES.

(ii) CLASSROOM, INSTRUCTIONAL, AND OPERATIONAL PRACTICES AND CURRICULUM AND ALIGNMENT WITH RESEARCH-BASED INSTRUCTIONAL PRACTICES AND STATE CURRICULUM STANDARDS.

1 (C) REVIEWING THE DISTRICT'S USE OF FINANCIAL RESOURCES WITH
2 RECOMMENDATIONS TO MORE EFFECTIVELY USE THOSE RESOURCES TO IMPROVE
3 ACADEMIC ACHIEVEMENT FOR AT-RISK PUPILS.

4 (D) ASSURANCE THAT EVALUATION COSTS WILL BE PAID FROM THE
5 FUNDS RECEIVED UNDER THIS SECTION ONLY AFTER AN AGREEMENT
6 SPECIFYING THE ROLES AND RESPONSIBILITIES OF THE PARTNERS AND
7 ESTABLISHING 18-MONTH BENCHMARKS HAS BEEN SIGNED BY THE PARTNERS
8 AND APPROVED BY THE STATE SUPERINTENDENT.

9 (16) ~~(17)~~ A district or public school academy that receives
10 funds under this section ~~or the education achievement system may~~
11 use funds received under this section to provide an anti-bullying
12 or crisis intervention program.

13 (17) ~~(18)~~ The department shall collaborate with the department
14 of health and human services to prioritize assigning Pathways to
15 Potential Success coaches to elementary schools that have a high
16 percentage of pupils in grades K to 3 who are not ~~reading at grade~~
17 ~~level~~. PROFICIENT IN ENGLISH LANGUAGE ARTS, BASED UPON STATE
18 ASSESSMENTS FOR PUPILS IN THOSE GRADES.

19 (18) IT IS THE INTENT OF THE LEGISLATURE THAT BEGINNING IN
20 2018-2019, A PORTION OF THE FUNDS ALLOCATED UNDER THIS SECTION
21 SHALL BE USED TO REIMBURSE DISTRICTS THAT PROVIDE TRANSPORTATION OR
22 TRANSPORTATION VOUCHERS OR PASSES TO PUPILS ENROLLED IN A DISTRICT
23 OTHER THAN THEIR RESIDENT DISTRICT OR A PUBLIC SCHOOL ACADEMY.

24 (19) AS USED IN THIS SECTION:

25 (A) "AT-RISK PUPIL" MEANS A PUPIL WHO IS ECONOMICALLY
26 DISADVANTAGED OR AN ENGLISH LANGUAGE LEARNER FOR WHOM THE DISTRICT
27 HAS DOCUMENTATION THAT THE PUPIL MEETS ANY OF THE FOLLOWING

1 CRITERIA:

2 (i) THE PUPIL DID NOT ACHIEVE PROFICIENCY ON THE ENGLISH
3 LANGUAGE ARTS STATE ASSESSMENT FOR GRADE 3 OR IS AT RISK OF NOT
4 ACHIEVING PROFICIENCY, AS DETERMINED BY THE DISTRICT OR PUBLIC
5 SCHOOL ACADEMY USING DATA PROVIDED AS PART OF THE MULTI-TIERED
6 SYSTEM OF SUPPORTS DESCRIBED IN SUBSECTION (2) .

7 (ii) THE PUPIL DID NOT ACHIEVE PROFICIENCY ON THE MATHEMATICS
8 STATE ASSESSMENT FOR GRADE 8 OR IS AT RISK OF NOT ACHIEVING
9 PROFICIENCY, AS DETERMINED BY THE DISTRICT OR PUBLIC SCHOOL ACADEMY
10 USING DATA PROVIDED AS PART OF THE MULTI-TIERED SYSTEM OF SUPPORTS
11 DESCRIBED IN SUBSECTION (2) .

12 (iii) THE PUPIL IS CHRONICALLY ABSENT AS DEFINED BY AND
13 REPORTED TO THE CENTER.

14 (B) "ECONOMICALLY DISADVANTAGED" MEANS A PUPIL WHO HAS BEEN
15 DETERMINED ELIGIBLE FOR FREE OR REDUCED-PRICE MEALS AS DETERMINED
16 UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751
17 TO 1769; WHO IS IN A HOUSEHOLD RECEIVING SUPPLEMENTAL NUTRITION
18 ASSISTANCE PROGRAM OR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
19 ASSISTANCE; OR WHO IS HOMELESS, MIGRANT, OR IN FOSTER CARE, AS
20 REPORTED TO THE CENTER.

21 (C) "ENGLISH LANGUAGE LEARNER" MEANS LIMITED ENGLISH
22 PROFICIENT PUPILS WHO SPEAK A LANGUAGE OTHER THAN ENGLISH AS THEIR
23 PRIMARY LANGUAGE AND HAVE DIFFICULTY SPEAKING, READING, WRITING, OR
24 UNDERSTANDING ENGLISH AS REPORTED TO THE CENTER.

25 (D) "STATEWIDE WEIGHTED AVERAGE FOUNDATION ALLOWANCE" MEANS
26 THE NUMBER THAT IS CALCULATED BY ADDING TOGETHER THE RESULT OF EACH
27 DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S FOUNDATION ALLOWANCE OR PER

1 PUPIL PAYMENT CALCULATED UNDER SECTION 20 MULTIPLIED BY THE NUMBER
 2 OF PUPILS IN MEMBERSHIP IN THAT DISTRICT OR PUBLIC SCHOOL ACADEMY,
 3 AND THEN DIVIDING THAT TOTAL BY THE STATEWIDE NUMBER OF PUPILS IN
 4 MEMBERSHIP. FOR THE PURPOSES OF THIS CALCULATION, A DISTRICT'S
 5 FOUNDATION ALLOWANCE SHALL NOT EXCEED THE BASIC FOUNDATION
 6 ALLOWANCE UNDER SECTION 20 FOR THE CURRENT STATE FISCAL YEAR.

7 Sec. 31b. (1) From the appropriations in section 11, there is
 8 allocated an amount not to exceed \$1,500,000.00 for ~~2016-2017~~**2017-**
 9 **2018** for grants to at-risk districts for implementing a ~~year-round~~
 10 **BALANCED CALENDAR** instructional program for at least 1 of its
 11 schools.

12 (2) The department shall select districts for grants under
 13 this section from among applicant districts that meet both of the
 14 following:

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

16 (i) Is eligible in ~~2016-2017~~**2017-2018** for the community
 17 eligibility option for free and reduced price lunch under 42 USC
 18 1759a.

19 (ii) At least 50% of the pupils in membership in the district
 20 met the income eligibility criteria for free breakfast, lunch, or
 21 milk in the immediately preceding state fiscal year, as determined
 22 under the Richard B. Russell national school lunch act, 42 USC 1751
 23 to 1769i.

24 (b) The board of the district has adopted a resolution stating
 25 that the district will implement for the first time a ~~year-round~~
 26 **BALANCED CALENDAR** instructional ~~calendar~~**PROGRAM** that will begin in
 27 ~~2017-2018~~**2018-2019** for at least 1 school operated by the district

1 and committing to providing the ~~year-round~~ **BALANCED CALENDAR**
2 instructional ~~calendar~~ **PROGRAM** in each of those schools for at
3 least 3 school years.

4 (3) A district seeking a grant under this section shall apply
5 to the department in the form and manner prescribed by the
6 department not later than December 1, ~~2016.~~ **2017**. The department
7 shall select districts for grants and make notification not later
8 than February 1, ~~2017.~~ **2018**.

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

12 (a) Giving priority to districts that, ~~as of June 30, 2016,~~ **IN**
13 **THE IMMEDIATELY PRECEDING FISCAL YEAR**, had lower general fund
14 balances as a percentage of revenues.

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

18 (c) Ensuring that grant funding includes both rural and urban
19 districts.

20 (5) The amount of a grant under this section to any 1 district
21 shall not exceed \$750,000.00.

22 (6) A grant payment under this section to a district shall be
23 used for necessary modifications to instructional facilities and
24 other nonrecurring costs of preparing for the operation of a ~~year-~~
25 ~~round~~ **BALANCED CALENDAR** instructional program as approved by the
26 department.

27 (7) A district receiving a grant under this section is not

1 required to provide more than the minimum number of days and hours
2 of pupil instruction prescribed under section 101, but shall spread
3 at least those minimum amounts of pupil instruction over the entire
4 year in each of its schools in which a ~~year-round~~ **BALANCED CALENDAR**
5 instructional calendar is implemented. The district shall commit to
6 providing the ~~year-round~~ **BALANCED CALENDAR** instructional calendar
7 in each of those schools for at least 3 school years.

8 (8) For a district receiving a grant under this section,
9 excessive heat is considered to be a condition not within the
10 control of school authorities for the purpose of days or hours
11 being counted as days or hours of pupil instruction under section
12 101(4).

13 (9) Notwithstanding section 17b, grant payments to districts
14 under this section shall be paid on a schedule determined by the
15 department.

16 Sec. 31d. (1) From the appropriations in section 11, there is
17 allocated an amount not to exceed \$22,495,100.00 for ~~2016-2017~~
18 **2017-2018** for the purpose of making payments to districts and other
19 eligible entities under this section.

20 (2) The amounts allocated from state sources under this
21 section shall be used to pay the amount necessary to reimburse
22 districts for 6.0127% of the necessary costs of the state mandated
23 portion of the school lunch programs provided by those districts.
24 The amount due to each district under this section shall be
25 computed by the department using the methods of calculation adopted
26 by the Michigan supreme court in the consolidated cases known as
27 Durant v State of Michigan, ~~Michigan supreme court docket no.~~

1 ~~104458-104492-456~~ **MICH 175 (1997) .**

2 (3) The payments made under this section include all state
3 payments made to districts so that each district receives at least
4 6.0127% of the necessary costs of operating the state mandated
5 portion of the school lunch program in a fiscal year.

6 (4) The payments made under this section to districts and
7 other eligible entities that are not required under section 1272a
8 of the revised school code, MCL 380.1272a, to provide a school
9 lunch program shall be in an amount not to exceed \$10.00 per
10 eligible pupil plus 5 cents for each free lunch and 2 cents for
11 each reduced price lunch provided, as determined by the department.

12 (5) From the federal funds appropriated in section 11, there
13 is allocated for ~~2016-2017~~ **2017-2018** all available federal funding,
14 estimated at ~~\$510,000,000.00~~ **\$520,000,000.00** for the national
15 school lunch program and all available federal funding, estimated
16 at \$3,200,000.00 for the emergency food assistance program.

17 (6) Notwithstanding section 17b, payments to eligible entities
18 other than districts under this section shall be paid on a schedule
19 determined by the department.

20 (7) In purchasing food for a school lunch program funded under
21 this section, preference shall be given to food that is grown or
22 produced by Michigan businesses if it is competitively priced and
23 of comparable quality.

24 Sec. 31f. (1) From the appropriations in section 11, ~~there is~~
25 ~~allocated an amount not to exceed \$2,500,000.00 for 2015-2016 and~~
26 ~~there is allocated an amount not to exceed \$2,500,000.00 for 2016-~~
27 ~~2017~~ **\$4,500,000.00 EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018**

1 for the purpose of making payments to districts to reimburse for
2 the cost of providing breakfast.

3 (2) The funds allocated under this section for school
4 breakfast programs shall be made available to all eligible
5 applicant districts that meet all of the following criteria:

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

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

11 (3) The payment for a district under this section is at a per
12 meal rate equal to the lesser of the district's actual cost or 100%
13 of the statewide average cost of a breakfast served, as determined
14 and approved by the department, less federal reimbursement,
15 participant payments, and other state reimbursement. The statewide
16 average cost shall be determined by the department using costs as
17 reported in a manner approved by the department for the preceding
18 school year.

19 (4) Notwithstanding section 17b, payments under this section
20 may be made pursuant to an agreement with the department.

21 (5) In purchasing food for a school breakfast program funded
22 under this section, preference shall be given to food that is grown
23 or produced by Michigan businesses if it is competitively priced
24 and of comparable quality.

25 Sec. 32d. (1) From the funds appropriated in section 11, there
26 is allocated to eligible intermediate districts and consortia of
27 intermediate districts for great start readiness programs an amount

1 not to exceed \$243,600,000.00 for ~~2016-2017.~~ **2017-2018.** Funds
2 allocated under this section for great start readiness programs
3 shall be used to provide part-day, school-day, or ~~GSRP/head start~~
4 **GSRP/HEAD START** blended comprehensive free compensatory classroom
5 programs designed to improve the readiness and subsequent
6 achievement of educationally disadvantaged children who meet the
7 participant eligibility and prioritization guidelines as defined by
8 the department. For a child to be eligible to participate in a
9 program under this section, the child shall be at least 4, but less
10 than 5, years of age as of September 1 of the school year in which
11 the program is offered and shall meet those eligibility and
12 prioritization guidelines.

13 (2) Funds allocated under subsection (1) shall be allocated to
14 intermediate districts or consortia of intermediate districts based
15 on the formula in section 39. An intermediate district or
16 consortium of intermediate districts receiving funding under this
17 section shall act as the fiduciary for the great start readiness
18 programs. In order to be eligible to receive funds allocated under
19 this subsection from an intermediate district or consortium of
20 intermediate districts, a district, a consortium of districts, or a
21 public or private for-profit or nonprofit legal entity or agency
22 shall comply with this section and section 39.

23 (3) In addition to the allocation under subsection (1), from
24 the general fund money appropriated under section 11, there is
25 allocated an amount not to exceed \$300,000.00 for ~~2016-2017~~ **2017-**
26 **2018** for a competitive grant to continue a longitudinal evaluation
27 of children who have participated in great start readiness

1 programs. **AN ENTITY THAT HAS AN APPROVED GREAT START READINESS**
2 **PROGRAM CURRICULUM IS NOT ELIGIBLE FOR A GRANT UNDER THIS**
3 **SUBSECTION.**

4 (4) To be eligible for funding under this section, a program
5 shall prepare children for success in school through comprehensive
6 part-day, school-day, or ~~GSRP/head start~~ **GSRP/HEAD START** blended
7 programs that contain all of the following program components, as
8 determined by the department:

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

13 (b) An age-appropriate educational curriculum that is in
14 compliance with the early childhood standards of quality for
15 prekindergarten children adopted by the state board, **INCLUDING, BUT**
16 **NOT LIMITED TO, THE CONNECT4LEARNING CURRICULUM.**

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

19 (d) Physical and dental health and developmental screening
20 services for all program participants.

21 (e) Referral services for families of program participants to
22 community social service agencies, including mental health
23 services, as appropriate.

24 (f) Active and continuous involvement of the parents or
25 guardians of the program participants.

26 (g) A plan to conduct and report annual great start readiness
27 program evaluations and continuous improvement plans using criteria

1 approved by the department.

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

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

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

16 (5) An application for funding under this section shall
17 provide for the following, in a form and manner determined by the
18 department:

19 (a) Ensure compliance with all program components described in
20 subsection (4).

21 (b) Except as otherwise provided in this subdivision, ensure
22 that ~~at least 90%~~ **ALL** of the children participating in an eligible
23 great start readiness program for whom the intermediate district is
24 receiving funds under this section are children who live with
25 families with a household income that is equal to or less than 250%
26 of the federal poverty level. ~~If the intermediate district~~
27 ~~determines that all eligible children are being served and that~~

1 ~~there are no children on the waiting list under section 39(1)(d)~~
2 ~~who live with families with a household income that is equal to or~~
3 ~~less than 250% of the federal poverty level, the intermediate~~
4 ~~district may then enroll children who live with families with a~~
5 ~~household income that is equal to or less than 300% of the federal~~
6 ~~poverty level.~~ The enrollment process shall consider income and
7 risk factors, such that children determined with higher need are
8 enrolled before children with lesser need. For purposes of this
9 subdivision, all age-eligible children served in foster care or who
10 are experiencing homelessness or who have individualized education
11 plans recommending placement in an inclusive preschool setting
12 shall be considered to live with families with household income
13 equal to or less than 250% of the federal poverty level regardless
14 of actual family income and shall be prioritized for enrollment
15 within the lowest quintile.

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

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

1 come into compliance with the standards in this subparagraph. A
2 teacher's compliance plan must be completed within 2 years of the
3 date of employment. Progress toward completion of the compliance
4 plan shall consist of at least 2 courses per calendar year.

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

20 (d) Include a program budget that contains only those costs
21 that are not reimbursed or reimbursable by federal funding, that
22 are clearly and directly attributable to the great start readiness
23 program, and that would not be incurred if the program were not
24 being offered. Eligible costs include transportation costs. The
25 program budget shall indicate the extent to which these funds will
26 supplement other federal, state, local, or private funds. Funds
27 received under this section shall not be used to supplant any

1 federal funds received by the applicant to serve children eligible
2 for a federally funded preschool program that has the capacity to
3 serve those children.

4 (6) For a grant recipient that enrolls pupils in a school-day
5 program funded under this section, each child enrolled in the
6 school-day program shall be counted as described in section 39 for
7 purposes of determining the amount of the grant award.

8 (7) For a grant recipient that enrolls pupils in a ~~GSRP/head~~
9 ~~start~~**GSRP/HEAD START** blended program, the grant recipient shall
10 ensure that all ~~head-start~~**HEAD START** and GSRP policies and
11 regulations are applied to the blended slots, with adherence to the
12 highest standard from either program, to the extent allowable under
13 federal law.

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

20 (9) An intermediate district or consortium of intermediate
21 districts may retain for administrative services provided by the
22 intermediate district or consortium of intermediate districts an
23 amount not to exceed 4% of the grant amount. Expenses incurred by
24 subrecipients engaged by the intermediate district or consortium of
25 intermediate districts for directly running portions of the program
26 shall be considered program costs or a contracted program fee for
27 service.

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

4 (11) Each grant recipient shall enroll children identified
5 under subsection (5)(b) according to how far the child's household
6 income is below 250% of the federal poverty level by ranking each
7 applicant child's household income from lowest to highest and
8 dividing the applicant children into quintiles based on how far the
9 child's household income is below 250% of the federal poverty
10 level, and then enrolling children in the quintile with the lowest
11 household income before enrolling children in the quintile with the
12 next lowest household income. ~~until slots are completely filled. If~~
13 ~~the grant recipient determines that all eligible children are being~~
14 ~~served and that there are no children on the waiting list under~~
15 ~~section 39(1)(d) who live with families with a household income~~
16 ~~that is equal to or less than 250% of the federal poverty level,~~
17 ~~the grant recipient may then enroll children who live with families~~
18 ~~with a household income that is equal to or less than 300% of the~~
19 ~~federal poverty level.~~ The enrollment process shall consider income
20 and risk factors, such that children determined with higher need
21 are enrolled before children with lesser need. For purposes of this
22 subdivision, all age-eligible children served in foster care or who
23 are experiencing homelessness or who have individualized education
24 plans recommending placement in an inclusive preschool setting
25 shall be considered to live with families with household income
26 equal to or less than 250% of the federal poverty level regardless
27 of actual family income and shall be prioritized for enrollment

1 within the lowest quintile.

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

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

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

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

23 (b) The intermediate district or consortium provided to each
24 nonparticipating licensed child care center located in the service
25 area of the intermediate district or consortium information
26 regarding great start readiness program requirements and a
27 description of the application and selection process for community-

1 based providers.

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

6 (14) If an intermediate district or consortium of intermediate
7 districts receiving a grant under this section fails to submit
8 satisfactory evidence to demonstrate its effort to contract for at
9 least 30% of its total ~~slot~~-allocation, as required under
10 subsection (1), the department shall reduce the ~~slots allocated~~
11 **ALLOCATION** to the intermediate district or consortium by a
12 percentage equal to the difference between the percentage of an
13 intermediate district's or consortium's total ~~slot~~-allocation
14 awarded to community-based providers and 30% of its total ~~slot~~
15 allocation.

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

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

25 (b) Provide, or ensure that an organization with which the
26 department contracts provides, a community-based provider with a
27 validated great start to quality rating within 90 days of the

1 provider's having submitted a request and self-assessment.

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

10 (d) Not later than December 1 of each year, compile the
11 results of the information reported by each intermediate district
12 or consortium under subsection (10) and report to the legislature a
13 list by intermediate district or consortium with the number and
14 percentage of each intermediate district's or consortium's total
15 ~~slot~~ allocation allocated to community-based providers by provider
16 type, including private for-profit, private nonprofit, community
17 college or university, ~~head-start~~ **HEAD START** grantee or delegate,
18 and district or intermediate district.

19 (16) A recipient of funds under this section shall report to
20 the department in a form and manner prescribed by the department
21 the number of children participating in the program who meet the
22 income eligibility criteria under subsection (5)(b) and the total
23 number of children participating in the program. For children
24 participating in the program who meet the income eligibility
25 criteria specified under subsection (5)(b), a recipient shall also
26 report whether or not a parent is available to provide care based
27 on employment status. For the purposes of this subsection,

1 "employment status" shall be defined by the department of health
2 and human services in a manner consistent with maximizing the
3 amount of spending that may be claimed for temporary assistance for
4 needy families maintenance of effort purposes.

5 (17) As used in this section:

6 (a) ~~"GSRP/head start"~~ **"GSRP/HEAD START** blended program" means a
7 part-day program funded under this section and a head start
8 program, which are combined for a school-day program.

9 (b) "Part-day program" means a program that operates at least
10 4 days per week, 30 weeks per year, for at least 3 hours of
11 teacher-child contact time per day but for fewer hours of teacher-
12 child contact time per day than a school-day program.

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

18 (18) An intermediate district or consortium of intermediate
19 districts receiving funds under this section shall establish **AND**
20 **CHARGE TUITION ACCORDING TO** a sliding scale of tuition rates based
21 upon household income for children participating in an eligible
22 great start readiness program who live with families with a
23 household income that is more than 250% of the federal poverty
24 level to be used by all of its providers, as approved by the
25 department. ~~A grant recipient shall charge tuition according to~~
26 ~~that sliding scale of tuition rates on a uniform basis for any~~
27 ~~child who does not meet the income eligibility requirements under~~

1 ~~this section.~~

2 (19) From the amount appropriated in subsection (1), there is
 3 allocated an amount not to exceed \$10,000,000.00 for reimbursement
 4 of transportation costs for children attending great start
 5 readiness programs funded under this section. To receive
 6 reimbursement under this subsection, not later than November 1,
 7 ~~2016, 2017~~, a program funded under this section that provides
 8 transportation shall submit to the intermediate district that is
 9 the fiscal agent for the program a projected transportation budget.
 10 The amount of the reimbursement for transportation under this
 11 subsection shall be no more than the projected transportation
 12 budget or ~~\$150.00~~ **\$300.00** multiplied by the number of ~~slots~~
 13 **CHILDREN** funded for the program under this section. If the amount
 14 allocated under this subsection is insufficient to fully reimburse
 15 the transportation costs for all programs that provide
 16 transportation and submit the required information, the
 17 reimbursement shall be prorated in an equal amount per ~~slot~~ **CHILD**
 18 funded. Payments shall be made to the intermediate district that is
 19 the fiscal agent for each program, and the intermediate district
 20 shall then reimburse the program provider for transportation costs
 21 as prescribed under this subsection.

22 Sec. 32p. (1) From the ~~school aid fund~~ appropriation in
 23 section 11, there is allocated an amount not to exceed
 24 \$13,400,000.00 to intermediate districts for ~~2016-2017~~ **2017-2018**
 25 for the purpose of providing early childhood funding to
 26 intermediate school districts to support the activities under
 27 subsection (2) and subsection (4), and to provide early childhood

1 programs for children from birth through age 8. The funding
2 provided to each intermediate district under this section shall be
3 determined by the distribution formula established by the
4 department's office of great start to provide equitable funding
5 statewide. In order to receive funding under this section, each
6 intermediate district shall provide an application to the office of
7 great start not later than September 15 of the immediately
8 preceding fiscal year indicating the activities planned to be
9 provided.

10 (2) Each intermediate district or consortium of intermediate
11 districts that receives funding under this section shall convene a
12 local great start collaborative and a parent coalition. The goal of
13 each great start collaborative and parent coalition shall be to
14 ensure the coordination and expansion of local early childhood
15 infrastructure and programs that allow every child in the community
16 to achieve the following outcomes:

17 (a) Children born healthy.

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

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

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

24 (3) Each local great start collaborative and parent coalition
25 shall convene workgroups to make recommendations about community
26 services designed to achieve the outcomes described in subsection
27 (2) and to ensure that its local great start system includes the

1 following supports for children from birth through age 8:

2 (a) Physical health.

3 (b) Social-emotional health.

4 (c) Family supports and basic needs.

5 (d) Parent education.

6 (e) Early education, including the child's ~~vocabulary~~
7 development **OF SKILLS LINKED TO SUCCESS IN FOUNDATIONAL LITERACY,**
8 and care.

9 (4) From the funds allocated in subsection (1), at least
10 \$2,500,000.00 shall be used for the purpose of providing home
11 visits to at-risk children and their families. The home visits
12 shall be conducted as part of a locally coordinated, family-
13 centered, evidence-based, data-driven home visit strategic plan
14 that is approved by the department. The goals of the home visits
15 funded under this subsection shall be to improve school readiness
16 using evidence-based methods, including ~~vocabulary development, A~~
17 **FOCUS ON DEVELOPMENTALLY APPROPRIATE OUTCOMES FOR EARLY LITERACY,**
18 to reduce the number of pupils retained in grade level, and to
19 reduce the number of pupils requiring special education services.
20 The department shall coordinate the goals of the home visit
21 strategic plans approved under this subsection with other state
22 agency home visit programs in a way that strengthens Michigan's
23 home visiting infrastructure and maximizes federal funds available
24 for the purposes of at-risk family home visits. The coordination
25 among departments and agencies is intended to avoid duplication of
26 state services and spending, and should emphasize efficient service
27 delivery of home visiting programs.

1 (5) Not later than December 1 of each year, each intermediate
2 district shall provide a report to the department detailing the
3 activities actually provided during the immediately preceding
4 school year and the families and children actually served. At a
5 minimum, the report shall include an evaluation of the services
6 provided with additional funding under subsection (4) for home
7 visits, using the goals identified in subsection (4) as the basis
8 for the evaluation, including the degree to which school readiness
9 was improved, any change in the number of pupils retained at grade
10 level, and any change in the number of pupils receiving special
11 education services. The department shall compile and summarize
12 these reports and submit its summary to the house and senate
13 appropriations subcommittees on school aid and to the house and
14 senate fiscal agencies not later than February 15 of each year.

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

23 Sec. 35a. (1) ~~From the appropriations in section 11, there is~~
24 ~~allocated for 2015-2016 for the purposes of this section an amount~~
25 ~~not to exceed \$19,000,000.00 from the state school aid fund~~
26 ~~appropriation and an amount not to exceed \$1,500,000.00 from the~~
27 ~~general fund appropriation. From the appropriations in section 11,~~

1 there is allocated for ~~2016-2017 for the purposes of this section~~
 2 **2017-2018** an amount not to exceed ~~\$22,900,000.00 from the state~~
 3 ~~school aid fund and an amount not to exceed \$1,000,000.00 from the~~
 4 ~~general fund.~~**\$25,400,000.00 FOR PROGRAMS TO ENSURE PUPILS ARE**
 5 **READING AT GRADE LEVEL BY THE END OF GRADE 3.**

6 ~~—— (2) From the allocations under subsection (1), there is~~
 7 ~~allocated an amount not to exceed \$950,000.00 each fiscal year for~~
 8 ~~2015-2016 and for 2016-2017 for professional development purposes~~
 9 ~~under this subsection. The 2016-2017 allocation represents the~~
 10 ~~second of 2 years of funding for the purposes of this subsection.~~
 11 ~~All of the following apply to funding under this subsection:~~

12 **(2) (a)** ~~The department shall award grants to districts~~**A**
 13 **DISTRICT THAT RECEIVES FUNDS UNDER THIS SECTION MAY USE FUNDS** to
 14 support professional development for educators in a department-
 15 approved research-based training program related to current state
 16 literacy standards for pupils in grades K to 3. The professional
 17 development shall also include training in the use of screening and
 18 diagnostic tools, progress monitoring, and intervention methods
 19 used to address barriers to learning and delays in learning that
 20 are diagnosed through the use of these tools. ~~The department shall~~
 21 ~~determine the amount of the grant awards.~~

22 ~~—— (b) In addition to other methods of professional development~~
 23 ~~delivery, the department shall collaborate with the Michigan~~
 24 ~~Virtual University to provide this training online to all educators~~
 25 ~~of pupils in grades K to 3.~~

26 ~~—— (c) The funds allocated under this subsection for 2015-2016~~
 27 ~~are a work project appropriation, and any unexpended funds for~~

~~2015-2016 are carried forward into 2016-2017. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2017.~~

~~—— (d) The funds allocated under this subsection for 2016-2017 are a work project appropriation, and any unexpended funds for 2016-2017 are carried forward into 2017-2018. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2018.~~

~~—— (3) From the allocations under subsection (1), there is allocated an amount not to exceed \$1,450,000.00 each fiscal year for 2015-2016 and for 2016-2017 for grants under this subsection. The 2016-2017 allocation represents the second of 2 years of funding. All of the following apply to grants under this subsection:~~

~~(3) (a) The department shall award grants to districts~~
DISTRICT THAT RECEIVES FUNDS UNDER THIS SECTION MAY USE THE FUNDS
to administer department-approved screening and diagnostic tools to monitor the development of early literacy and early reading skills of pupils in grades K to 3 and to support research-based professional development for educators in administering screening and diagnostic tools and in data interpretation of the results obtained through the use of those tools for the purpose of implementing a multi-tiered system of support to improve reading proficiency among pupils in grades K to 3. ~~The department shall award grants to eligible districts in an amount determined by the~~

1 ~~department.~~

2 ~~—— (b) A department-approved screening and diagnostic tool~~
 3 ~~administered by a district using funding under this section must~~
 4 ~~include all of the following components: phonemic awareness,~~
 5 ~~phonics, fluency, and comprehension. Further, all of the following~~
 6 ~~sub-skills must be assessed within each of these components:~~

7 ~~(A) (i) Phonemic awareness - segmentation, blending, and sound~~
 8 ~~manipulation (deletion and substitution).~~

9 ~~(B) (ii) Phonics - decoding (reading) and encoding (spelling).~~

10 ~~(C) (iii) Fluency - reading rate, accuracy, and expression.~~

11 ~~(D) (iv) Comprehension - making meaning of text.~~

12 ~~—— (c) In addition to other methods of professional development~~
 13 ~~delivery, the department shall collaborate with the Michigan~~
 14 ~~Virtual University to provide this training online to all educators~~
 15 ~~of pupils in grades K to 3.~~

16 ~~—— (d) The funds allocated under this subsection for 2015-2016~~
 17 ~~are a work project appropriation, and any unexpended funds for~~
 18 ~~2015-2016 are carried forward into 2016-2017. The purpose of the~~
 19 ~~work project is to continue to implement the professional~~
 20 ~~development training described in this subsection. The estimated~~
 21 ~~completion date of the work project is September 30, 2017.~~

22 ~~—— (e) The funds allocated under this subsection for 2016-2017~~
 23 ~~are a work project appropriation, and any unexpended funds for~~
 24 ~~2016-2017 are carried forward into 2017-2018. The purpose of the~~
 25 ~~work project is to continue to implement the professional~~
 26 ~~development training described in this subsection. The estimated~~
 27 ~~completion date of the work project is September 30, 2018.~~

~~(4) From the allocations under subsection (1), there is allocated an amount not to exceed \$3,000,000.00 each fiscal year for 2015-2016 and for 2016-2017~~

A DISTRICT THAT RECEIVES FUNDS

UNDER THIS SECTION MAY USE THE FUNDS for the purpose of providing early literacy coaches ~~at intermediate districts~~ to assist teachers in developing and implementing instructional strategies for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3. ~~All of the following apply to funding under this subsection:~~

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

(A) ~~(i)~~ Current state literacy standards for pupils in grades K to 3.

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

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

~~— (b) From the allocation under this subsection, the department shall award grants to intermediate districts for the support of~~

~~early literacy coaches. An intermediate district must provide matching funds for at least 50% of the cost of the literacy coach.~~

~~The department shall provide this funding in the following manner:~~

~~—— (i) Each intermediate district shall be awarded grant funding to support the cost of 1 early literacy coach in an equal amount per early literacy coach, not to exceed \$37,500.00.~~

~~—— (ii) After distribution of the grant funding under subparagraph (i), the department shall distribute the remainder of grant funding for additional early literacy coaches in an amount not to exceed \$37,500.00 per early literacy coach. The number of funded early literacy coaches for each intermediate district shall be based on the percentage of the total statewide number of pupils in grades K to 3 who meet the income eligibility standards for the federal free and reduced-price lunch programs who are enrolled in districts in the intermediate district. For each additional early literacy coach funded under this subparagraph, the department shall not make an award to an intermediate district under this subparagraph in an amount that is less than the amount necessary to pay 1/2 of the total cost of that additional early literacy coach.~~

~~—— (c) The funds allocated under this subsection for 2015-2016 are a work project appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-2017. The purpose of the work project is to continue to provide early literacy coaches as described in this subsection. The estimated completion date of the work project is September 30, 2017.~~

~~—— (d) The funds allocated under this subsection for 2016-2017 are a work project appropriation, and any unexpended funds for~~

~~2016-2017 are carried forward into 2017-2018. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2018.~~

~~(5) From the allocations under subsection (1), there is allocated an amount not to exceed \$13,600,000.00 for 2015-2016 and an amount not to exceed \$17,500,000.00 for 2016-2017 to districts that~~ **A DISTRICT THAT RECEIVES FUNDING UNDER THIS SECTION MAY USE THE FUNDS TO** provide additional instructional time to those pupils in grades K to 3 who have been identified by using department-approved screening and diagnostic tools as needing additional supports and interventions in order to be reading at grade level by the end of grade 3. Additional instructional time may be provided before, during, and after regular school hours or as part of a year-round balanced school calendar. ~~All of the following apply to funding under this subsection:~~

(6) ~~(a)~~ In order to be eligible to receive funding **UNDER THIS SECTION**, a district shall demonstrate to the satisfaction of the department that the district has done all of the following:

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

(i) ~~(A)~~ Implements effective instruction for all learners.

- 1 (ii) ~~(B)~~—Intervenes early.
- 2 (iii) ~~(C)~~—Provides a multi-tiered model of instruction and
3 intervention that provides the following: a core curriculum and
4 classroom interventions available to all pupils that meet the needs
5 of most pupils; targeted group interventions; and intense
6 individual interventions.
- 7 (iv) ~~(D)~~—Monitors pupil progress to inform instruction.
- 8 (v) ~~(E)~~—Uses data to make instructional decisions.
- 9 (vi) ~~(F)~~—Uses assessments including universal screening,
10 diagnostics, and progress monitoring.
- 11 (vii) ~~(G)~~—Engages families and the community.
- 12 (viii) ~~(H)~~—Implements evidence-based, scientifically
13 validated, instruction and intervention.
- 14 (ix) ~~(I)~~—Implements instruction and intervention practices
15 with fidelity.
- 16 (x) ~~(J)~~—Uses a collaborative problem-solving model.
- 17 (B) ~~(ii)~~—Used department-approved research-based diagnostic
18 tools to identify individual pupils in need of additional
19 instructional time.
- 20 (C) ~~(iii)~~—Used a reading instruction method that focuses on
21 the 5 fundamental building blocks of reading: phonics, phonemic
22 awareness, fluency, vocabulary, and comprehension and content
23 knowledge.
- 24 (D) ~~(iv)~~—Provided teachers of pupils in grades K to 3 with
25 research-based professional development in diagnostic data
26 interpretation.
- 27 (7) ~~(b)~~—Funding allocated under this ~~subsection~~**SECTION** shall

1 be distributed to eligible districts by multiplying the number of
2 full-time-equivalent pupils in grade 1 in the district by
3 ~~\$165.00.~~**\$245.00.**

4 **(8)** ~~(c)~~ If the funds allocated under this ~~subsection~~**SECTION**
5 are insufficient to fully fund the payments under this subsection,
6 payments under this subsection shall be prorated on an equal per-
7 pupil basis based on grade 1 pupils.

8 ~~—— (6) From the general fund money allocated in subsection (1),~~
9 ~~the department shall allocate the amount of \$1,000,000.00 each~~
10 ~~fiscal year for 2015-2016 and for 2016-2017 to the Michigan~~
11 ~~Education Corps. All of the following apply to funding under this~~
12 ~~subsection:~~

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

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

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

~~5 (iii) Whether the literacy improvement of children
6 participating in the Michigan Reading Corps is consistent with
7 expectations. This portion of the report shall detail at least all
8 of the following:~~

~~9 (A) Growth rate by grade level, in comparison to targeted
10 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 Michigan Reading Corps on organizations
16 and stakeholders, including, but not limited to, school
17 administrators, 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 (7) From the general fund money allocated under subsection
23 (1), there is allocated to the department an amount not to exceed
24 \$500,000.00 for 2015-2016 for the adoption of a certification test
25 to ensure that all newly certificated elementary teachers have the
26 skills to deliver evidence-based literacy instruction.~~

27 Sec. 39. (1) An eligible applicant receiving funds under

1 section 32d shall submit an application, in a form and manner
2 prescribed by the department, by a date specified by the department
3 in the immediately preceding state fiscal year. The application
4 shall include ~~a comprehensive needs assessment using aggregated~~
5 ~~data from the applicant's entire service area and a community~~
6 ~~collaboration plan that is endorsed by the local great start~~
7 ~~collaborative and is part of the community's great start strategic~~
8 ~~plan that includes, but is not limited to, great start readiness~~
9 ~~program and head start providers, and shall identify all of the~~
10 following:

11 (a) The estimated total number of children in the community
12 who meet the criteria of section 32d, ~~and how that calculation was~~
13 ~~made.~~ **AS PROVIDED TO THE APPLICANT BY THE DEPARTMENT UTILIZING THE**
14 **MOST RECENT POPULATION DATA AVAILABLE FROM THE AMERICAN COMMUNITY**
15 **SURVEY CONDUCTED BY THE UNITED STATES CENSUS BUREAU FOR 2017-2018**
16 **CALCULATIONS. BEGINNING IN 2018-2019, THE DEPARTMENT SHALL ENSURE**
17 **THAT IT PROVIDES UPDATED AMERICAN COMMUNITY SURVEY POPULATION DATA**
18 **AT LEAST ONCE EVERY 3 YEARS.**

19 (b) The estimated number of children in the community who meet
20 the criteria of section 32d and are being served ~~by other early~~
21 ~~childhood development programs operating in the community, and how~~
22 ~~that calculation was made.~~ **EXCLUSIVELY BY HEAD START PROGRAMS**
23 **OPERATING IN THE COMMUNITY.**

24 (c) The number of slots ~~CHILDREN WHOM~~ the applicant ~~will be~~
25 ~~able to fill with children~~ **HAS THE CAPACITY TO SERVE** who meet the
26 criteria of section 32d including a verification of physical
27 facility and staff resources capacity.

~~1 (d) The estimated number of slots that will remain unfilled
2 and children who meet the criteria of section 32d who will remain
3 unserved after the applicant and community early childhood programs
4 have met their funded enrollments. The applicant shall maintain a
5 waiting list of identified unserved eligible children who would be
6 served when openings are available.~~

7 (2) After notification of funding allocations, an applicant
8 receiving funds under section 32d shall also submit an
9 implementation plan for approval, in a form and manner prescribed
10 by the department, by a date specified by the department, that
11 details how the applicant complies with the program components
12 established by the department pursuant to section 32d.

~~13 (3) The number of prekindergarten children construed to be in
14 need of special readiness assistance under section 32d shall be
15 calculated for each applicant in the following manner: 1/2 of the
16 percentage of the applicant's pupils in grades 1 to 5 in all
17 districts served by the applicant who are eligible for free lunch,
18 as determined using the district's pupil membership count as of the
19 pupil membership count day in the school year prior to the fiscal
20 year for which the calculation is made, under the Richard B.
21 Russell national school lunch act, 42 USC 1751 to 1769i, shall be
22 multiplied by the average kindergarten enrollment of the districts
23 served by the applicant on the pupil membership count day of the 2
24 immediately preceding fiscal years. Each child construed to be in
25 need constitutes 1 slot.~~

26 (3) ~~(4)~~ The initial allocation ~~for each fiscal year~~ to each
27 eligible applicant under section 32d shall be determined by

~~1 multiplying the number of slots determined by the formula under~~
~~2 subsection (3) or the number of slots the applicant indicates it~~
~~3 will be able to fill under subsection (1)(c), whichever is less, by~~
~~4 \$3,625.00 and shall be distributed among applicants in decreasing~~
~~5 order of concentration of eligible children as determined by the~~
~~6 formula under subsection (3). If the number of slots an applicant~~
~~7 indicates it will be able to fill under subsection (1)(c) includes~~
~~8 children able to be served in a school-day program, then the number~~
~~9 of slots for a school-day program shall be doubled for the purposes~~
~~10 of making this calculation. A district may contract with a head~~
~~11 start agency to serve children enrolled in head start with a~~
~~12 school-day program by blending head start funds with a part-day~~
~~13 great start readiness program allocation. All head start and great~~
~~14 start readiness program policies and regulations apply to the~~
~~15 blended program.~~**THE LESSER OF THE FOLLOWING:**

**(A) THE SUM OF THE NUMBER OF CHILDREN SERVED IN A SCHOOL-DAY
PROGRAM IN THE PRECEDING SCHOOL YEAR MULTIPLIED BY \$7,250.00 AND
THE NUMBER OF CHILDREN SERVED IN A GSRP/HEAD START BLENDED PROGRAM
OR A PART-DAY PROGRAM IN THE PRECEDING SCHOOL YEAR MULTIPLIED BY
\$3,625.00.**

**(B) THE SUM OF THE NUMBER OF CHILDREN THE APPLICANT HAS THE
CAPACITY TO SERVE IN 2017-2018 IN A SCHOOL-DAY PROGRAM MULTIPLIED
BY \$7,250.00 AND THE NUMBER OF CHILDREN SERVED IN A GSRP/HEAD START
BLENDED PROGRAM OR A PART-DAY PROGRAM THE APPLICANT HAS THE
CAPACITY TO SERVE IN 2017-2018 MULTIPLIED BY \$3,625.00.**

~~26 ——— (5) If funds allocated for eligible applicants under section~~
~~27 32d remain after the initial allocation under subsection (4), the~~

~~allocation under this subsection shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). The allocation shall be determined by multiplying the number of slots in each district within the applicant's service area filled in the immediately preceding fiscal year or the number of slots the applicant indicates it will be able to fill under subsection (1)(c), whichever is less, minus the number of slots for which the applicant received funding in subsection (4) by \$3,625.00.~~

~~(4) (6) If funds allocated for eligible applicants under section 32d remain after the allocations under subsections (4) and (5), remaining funds shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of slots the applicant indicates it will be able to fill under subsection (1)(c) exceeds the number of slots for which funds have been received under subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of slots the applicant indicates it will be able to fill under subsection (1)(c) less the number of slots for which funds have been received under subsections (4) and (5) by \$3,625.00 until the funds allocated for eligible applicants in section 32d are distributed.~~

SUBSECTION (3), THE DEPARTMENT SHALL DISTRIBUTE THE REMAINING FUNDS TO EACH INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS THAT SERVES LESS THAN THE STATE PERCENTAGE BENCHMARK DETERMINED UNDER SUBSECTION (5). THESE REMAINING FUNDS

1 SHALL BE DISTRIBUTED TO EACH ELIGIBLE APPLICANT BASED UPON EACH
2 APPLICANT'S PROPORTIONATE SHARE OF THE REMAINING UNSERVED CHILDREN
3 NECESSARY TO MEET THE STATEWIDE PERCENTAGE BENCHMARK IN
4 INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS
5 SERVING LESS THAN THE STATE PERCENTAGE BENCHMARK. WHEN ALL
6 APPLICANTS HAVE BEEN GIVEN THE OPPORTUNITY TO REACH THE STATEWIDE
7 PERCENTAGE BENCHMARK, THE STATEWIDE PERCENTAGE BENCHMARK MAY BE
8 RESET, AS DETERMINED BY THE DEPARTMENT, UNTIL GREATER EQUITY OF
9 OPPORTUNITY TO SERVE ELIGIBLE CHILDREN ACROSS ALL INTERMEDIATE
10 SCHOOL DISTRICTS HAS BEEN ACHIEVED.

11 (5) FOR THE PURPOSES OF SUBSECTION (4), THE DEPARTMENT SHALL
12 CALCULATE A PERCENTAGE OF CHILDREN SERVED BY EACH INTERMEDIATE
13 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS BY DIVIDING THE
14 NUMBER OF CHILDREN SERVED IN THE IMMEDIATELY PRECEDING YEAR BY THAT
15 INTERMEDIATE DISTRICT OR CONSORTIUM BY THE TOTAL NUMBER OF CHILDREN
16 WITHIN THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE
17 DISTRICTS WHO MEET THE CRITERIA OF SECTION 32D AS DETERMINED BY THE
18 DEPARTMENT UTILIZING THE MOST RECENT POPULATION DATA AVAILABLE FROM
19 THE AMERICAN COMMUNITY SURVEY CONDUCTED BY THE UNITED STATES CENSUS
20 BUREAU FOR THE 2017-2018 PROGRAM YEAR. THE DEPARTMENT SHALL COMPARE
21 THE RESULTING PERCENTAGE OF ELIGIBLE CHILDREN SERVED TO A STATEWIDE
22 PERCENTAGE BENCHMARK TO DETERMINE IF THE INTERMEDIATE DISTRICT OR
23 CONSORTIUM IS ELIGIBLE FOR ADDITIONAL FUNDS UNDER SUBSECTION (4).
24 FOR 2017-2018, THE STATEWIDE PERCENTAGE BENCHMARK IS 60%.

25 (6) ~~(7)~~—If, taking into account the total amount to be
26 allocated to the applicant as calculated under this section, an
27 applicant determines that it is able to include additional eligible

1 children in the great start readiness program without additional
 2 funds under section 32d, the applicant may include additional
 3 eligible children but shall not receive additional funding under
 4 section 32d for those children.

5 **(7) THE DEPARTMENT SHALL REVIEW THE PROGRAM COMPONENTS UNDER**
 6 **SECTION 32D AND UNDER THIS SECTION AT LEAST BIENNIALY. THE**
 7 **DEPARTMENT ALSO SHALL CONVENE A COMMITTEE OF INTERNAL AND EXTERNAL**
 8 **STAKEHOLDERS AT LEAST ONCE EVERY 5 YEARS TO ENSURE THAT THE FUNDING**
 9 **STRUCTURE UNDER THIS SECTION REFLECTS CURRENT SYSTEM NEEDS UNDER**
 10 **SECTION 32D.**

11 **(8) AS USED IN THIS SECTION, "SCHOOL-DAY PROGRAM", "GSRP/HEAD**
 12 **START BLENDED PROGRAM", AND "PART-DAY PROGRAM" MEAN THOSE TERMS AS**
 13 **DEFINED IN SECTION 32D.**

14 Sec. 39a. (1) From the federal funds appropriated in section
 15 11, there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-**
 16 **2018** to districts, intermediate districts, and other eligible
 17 entities all available federal funding, estimated at
 18 ~~\$821,939,900.00~~ **\$744,039,900.00 FOR 2016-2017 AND \$731,600,000.00**
 19 **FOR 2017-2018** for the federal programs under the no child left
 20 behind act of 2001, Public Law 107-110, or the every student
 21 succeeds act, Public Law 114-95. These funds are allocated as
 22 follows:

23 (a) An amount estimated at ~~\$2,000,000.00~~ **\$1,200,000.00 EACH**
 24 **FISCAL YEAR** to provide students with drug- and violence-prevention
 25 programs and to implement strategies to improve school safety,
 26 funded from DED-OESE, drug-free schools and communities funds.

27 (b) An amount estimated at \$111,111,900.00 **FOR 2016-2017 AND**

1 **\$100,000,000.00 FOR 2017-2018** for the purpose of preparing,
2 training, and recruiting high-quality teachers and class size
3 reduction, funded from DED-OESE, improving teacher quality funds.

4 (c) An amount estimated at \$12,200,000.00 **FOR 2016-2017 AND**
5 **\$11,000,000.00 FOR 2017-2018** for programs to teach English to
6 limited English proficient (LEP) children, funded from DED-OESE,
7 language acquisition state grant funds.

8 (d) An amount estimated at \$250,000.00 **FOR 2016-2017 ONLY** for
9 the Michigan charter school subgrant program, funded from DED-OESE,
10 charter school funds.

11 (e) An amount estimated at \$3,000,000.00 **FOR 2016-2017 AND**
12 **\$2,800,000.00 FOR 2017-2018** for rural and low income schools,
13 funded from DED-OESE, rural and low income school funds.

14 (f) An amount estimated at ~~\$565,000,000.00~~ **\$535,000,000.00**
15 **EACH FISCAL YEAR** to provide supplemental programs to enable
16 educationally disadvantaged children to meet challenging academic
17 standards, funded from DED-OESE, title I, disadvantaged children
18 funds. **IT IS THE INTENT OF THE LEGISLATURE THAT BEGINNING IN 2018-**
19 **2019, A PORTION OF THE FUNDS ALLOCATED UNDER THIS SUBDIVISION SHALL**
20 **BE USED TO REIMBURSE DISTRICTS THAT PROVIDE TRANSPORTATION OR**
21 **TRANSPORTATION VOUCHERS OR PASSES TO PUPILS ENROLLED IN A DISTRICT**
22 **OTHER THAN THEIR RESIDENT DISTRICT OR A PUBLIC SCHOOL ACADEMY.**

23 (g) An amount estimated at \$8,878,000.00 **FOR 2016-2017 AND**
24 **\$9,200,000.00 FOR 2017-2018** for the purpose of identifying and
25 serving migrant children, funded from DED-OESE, title I, migrant
26 education funds.

27 (h) An amount estimated at \$39,000,000.00 **EACH FISCAL YEAR** for

the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds.

(i) An amount estimated at ~~\$24,600,000.00~~ **\$18,000,000.00 EACH FISCAL YEAR** to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(j) An amount estimated at ~~\$55,900,000.00~~ **\$15,400,000.00 EACH FISCAL YEAR** to improve the academic achievement of students, funded from DED-OESE, title IV, student support and academic enrichment grants.

(2) From the federal funds appropriated in section 11, there is allocated for 2016-2017 **AND FOR 2017-2018** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at \$30,800,000.00 **FOR 2016-2017 AND \$30,000,000.00 FOR 2017-2018** for the following programs that are funded by federal grants:

(a) An amount estimated at \$200,000.00 **FOR 2016-2017 AND \$100,000.00 FOR 2017-2018** for acquired immunodeficiency syndrome education grants, funded from HHS - Centers for Disease Control and Prevention, AIDS funding.

(b) An amount estimated at \$2,600,000.00 **FOR 2016-2017 AND \$1,900,000.00 FOR 2017-2018** to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at \$4,000,000.00 **EACH FISCAL YEAR** to provide mental health, substance abuse, or violence prevention

1 services to students, funded from HHS-SAMHSA.

2 (d) An amount estimated at \$24,000,000.00 **EACH FISCAL YEAR** for
3 providing career and technical education services to pupils, funded
4 from DED-OVAE, basic grants to states.

5 (3) All federal funds allocated under this section shall be
6 distributed in accordance with federal law and with flexibility
7 provisions outlined in Public Law 107-116, and in the education
8 flexibility partnership act of 1999, Public Law 106-25.

9 Notwithstanding section 17b, payments of federal funds to
10 districts, intermediate districts, and other eligible entities
11 under this section shall be paid on a schedule determined by the
12 department.

13 (4) For the purposes of applying for federal grants
14 appropriated under this article, the department shall allow an
15 intermediate district to submit a consortium application on behalf
16 of 2 or more districts with the agreement of those districts as
17 appropriate according to federal rules and guidelines.

18 (5) For the purposes of funding federal title I grants under
19 this article, in addition to any other federal grants for which a
20 strict discipline academy is eligible, the department shall
21 allocate to strict discipline academies out of title I, part A
22 funds equal to what a strict discipline academy would have received
23 if included and calculated under title I, part D, or what it would
24 receive under the formula allocation under title I, part A,
25 whichever is greater.

26 (6) As used in this section:

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

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

3 (c) "DED-OVAE" means the DED Office of Vocational and Adult
4 Education.

5 (d) "HHS" means the United States Department of Health and
6 Human Services.

7 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental
8 Health Services Administration.

9 Sec. 41. From the appropriation in section 11, there is
10 allocated an amount not to exceed \$1,200,000.00 for ~~2016-2017-2017-~~
11 **2018** to applicant districts and intermediate districts offering
12 programs of instruction for pupils of limited English-speaking
13 ability under section 1153 of the revised school code, MCL
14 380.1153. Reimbursement shall be on a per-pupil basis and shall be
15 based on the number of pupils of limited English-speaking ability
16 in membership on the pupil membership count day. Funds allocated
17 under this section shall be used solely for instruction in
18 speaking, reading, writing, or comprehension of English. A pupil
19 shall not be counted under this section or instructed in a program
20 under this section for more than 3 years.

21 Sec. 51a. (1) From the appropriation in section 11, there is
22 allocated ~~an amount not to exceed \$945,246,100.00 for 2015-2016 and~~
23 ~~an amount not to exceed \$973,046,100.00~~ **\$945,046,100.00** for 2016-
24 2017 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$963,146,100.00**
25 **FOR 2017-2018** from state sources and all available federal funding
26 under sections 611 to 619 of part B of the individuals with
27 disabilities education act, 20 USC 1411 to 1419, estimated at

1 \$370,000,000.00 each fiscal year ~~for 2015-2016 and for 2016-2017~~
 2 **AND FOR 2017-2018**, plus any carryover federal funds from previous
 3 year appropriations. The allocations under this subsection are for
 4 the purpose of reimbursing districts and intermediate districts for
 5 special education programs, services, and special education
 6 personnel as prescribed in article 3 of the revised school code,
 7 MCL 380.1701 to 380.1766; net tuition payments made by intermediate
 8 districts to the Michigan ~~schools for the deaf and blind~~; **SCHOOLS**
 9 **FOR THE DEAF AND BLIND**; and special education programs and services
 10 for pupils who are eligible for special education programs and
 11 services according to statute or rule. For meeting the costs of
 12 special education programs and services not reimbursed under this
 13 article, a district or intermediate district may use money in
 14 general funds or special education funds, not otherwise restricted,
 15 or contributions from districts to intermediate districts, tuition
 16 payments, gifts and contributions from individuals or other
 17 entities, or federal funds that may be available for this purpose,
 18 as determined by the intermediate district plan prepared pursuant
 19 to article 3 of the revised school code, MCL 380.1701 to 380.1766.
 20 Notwithstanding section 17b, payments of federal funds to
 21 districts, intermediate districts, and other eligible entities
 22 under this section shall be paid on a schedule determined by the
 23 department.

24 (2) From the funds allocated under subsection (1), there is
 25 allocated the amount necessary, ~~estimated at \$263,500,000.00 for~~
 26 ~~2015-2016 and estimated at \$271,600,000.00~~ **\$261,400,000.00** for
 27 2016-2017 **AND ESTIMATED AT \$266,000,000.00 FOR 2017-2018**, for

1 payments toward reimbursing districts and intermediate districts
2 for 28.6138% of total approved costs of special education,
3 excluding costs reimbursed under section 53a, and 70.4165% of total
4 approved costs of special education transportation. Allocations
5 under this subsection shall be made as follows:

6 (a) The initial amount allocated to a district under this
7 subsection toward fulfilling the specified percentages shall be
8 calculated by multiplying the district's special education pupil
9 membership, excluding pupils described in subsection (11), times
10 the foundation allowance under section 20 of the pupil's district
11 of residence plus the amount of the district's per-pupil allocation
12 under section 20m, not to exceed the basic foundation allowance
13 under section 20 for the current fiscal year, or, for a special
14 education pupil in membership in a district that is a public school
15 academy, times an amount equal to the amount per membership pupil
16 calculated under section 20(6) or, **UNTIL THE END OF THE 2016-2017**
17 **FISCAL YEAR,** for a pupil described in this subsection who is
18 counted in membership in the education achievement system, times an
19 amount equal to the amount per membership pupil under section
20 20(7). For an intermediate district, the amount allocated under
21 this subdivision toward fulfilling the specified percentages shall
22 be an amount per special education membership pupil, excluding
23 pupils described in subsection (11), and shall be calculated in the
24 same manner as for a district, using the foundation allowance under
25 section 20 of the pupil's district of residence, not to exceed the
26 basic foundation allowance under section 20 for the current fiscal
27 year, and that district's per-pupil allocation under section 20m.

1 (b) After the allocations under subdivision (a), districts and
2 intermediate districts for which the payments calculated under
3 subdivision (a) do not fulfill the specified percentages shall be
4 paid the amount necessary to achieve the specified percentages for
5 the district or intermediate district.

6 (3) From the funds allocated under subsection (1), ~~there is~~
7 ~~allocated for 2015-2016 an amount not to exceed \$1,000,000.00 and~~
8 there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018**
9 an amount not to exceed ~~\$1,100,000.00~~ **\$1,000,000.00** to make
10 payments to districts and intermediate districts under this
11 subsection. If the amount allocated to a district or intermediate
12 district for a fiscal year under subsection (2) (b) is less than the
13 sum of the amounts allocated to the district or intermediate
14 district for 1996-97 under sections 52 and 58, there is allocated
15 to the district or intermediate district for the fiscal year an
16 amount equal to that difference, adjusted by applying the same
17 proration factor that was used in the distribution of funds under
18 section 52 in 1996-97 as adjusted to the district's or intermediate
19 district's necessary costs of special education used in
20 calculations for the fiscal year. This adjustment is to reflect
21 reductions in special education program operations or services
22 between 1996-97 and subsequent fiscal years. Adjustments for
23 reductions in special education program operations or services
24 shall be made in a manner determined by the department and shall
25 include adjustments for program or service shifts.

26 (4) If the department determines that the sum of the amounts
27 allocated for a fiscal year to a district or intermediate district

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

18 (5) State funds shall be allocated on a total approved cost
19 basis. Federal funds shall be allocated under applicable federal
20 requirements, except that an amount not to exceed \$3,500,000.00 may
21 be allocated by the department each fiscal year ~~for 2015-2016 and~~
22 for 2016-2017 **AND FOR 2017-2018** to districts, intermediate
23 districts, or other eligible entities on a competitive grant basis
24 for programs, equipment, and services that the department
25 determines to be designed to benefit or improve special education
26 on a statewide scale.

27 (6) From the amount allocated in subsection (1), there is

1 allocated an amount not to exceed \$2,200,000.00 each fiscal year
2 ~~for 2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse 100%
3 of the net increase in necessary costs incurred by a district or
4 intermediate district in implementing the revisions in the
5 administrative rules for special education that became effective on
6 July 1, 1987. As used in this subsection, "net increase in
7 necessary costs" means the necessary additional costs incurred
8 solely because of new or revised requirements in the administrative
9 rules minus cost savings permitted in implementing the revised
10 rules. Net increase in necessary costs shall be determined in a
11 manner specified by the department.

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

14 (a) "Total approved costs of special education" shall be
15 determined in a manner specified by the department and may include
16 indirect costs, but shall not exceed 115% of approved direct costs
17 for section 52 and section 53a programs. The total approved costs
18 include salary and other compensation for all approved special
19 education personnel for the program, including payments for social
20 security and Medicare and public school employee retirement system
21 contributions. The total approved costs do not include salaries or
22 other compensation paid to administrative personnel who are not
23 special education personnel as defined in section 6 of the revised
24 school code, MCL 380.6. Costs reimbursed by federal funds, other
25 than those federal funds included in the allocation made under this
26 article, are not included. Special education approved personnel not
27 utilized full time in the evaluation of students or in the delivery

1 of special education programs, ancillary, and other related
2 services shall be reimbursed under this section only for that
3 portion of time actually spent providing these programs and
4 services, with the exception of special education programs and
5 services provided to youth placed in child caring institutions or
6 juvenile detention programs approved by the department to provide
7 an on-grounds education program.

8 (b) Beginning with the 2004-2005 fiscal year, a district or
9 intermediate district that employed special education support
10 services staff to provide special education support services in
11 2003-2004 or in a subsequent fiscal year and that in a fiscal year
12 after 2003-2004 receives the same type of support services from
13 another district or intermediate district shall report the cost of
14 those support services for special education reimbursement purposes
15 under this article. This subdivision does not prohibit the transfer
16 of special education classroom teachers and special education
17 classroom aides if the pupils counted in membership associated with
18 those special education classroom teachers and special education
19 classroom aides are transferred and counted in membership in the
20 other district or intermediate district in conjunction with the
21 transfer of those teachers and aides.

22 (c) If the department determines before bookclosing for a
23 fiscal year that the amounts allocated for that fiscal year under
24 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
25 will exceed expenditures for that fiscal year under subsections
26 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
27 district or intermediate district whose reimbursement for that

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

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

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

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

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

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

25 (10) If a district or intermediate district uses money
26 received under this section for a purpose other than the purpose or
27 purposes for which the money is allocated, the department may

1 require the district or intermediate district to refund the amount
2 of money received. Money that is refunded shall be deposited in the
3 state treasury to the credit of the state school aid fund.

4 (11) From the funds allocated in subsection (1), there is
5 allocated the amount necessary, estimated at ~~\$3,800,000.00 for~~
6 ~~2015-2016 and estimated at \$3,700,000.00 for 2016-2017,~~

7 **\$3,600,000.00 EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018,** to
8 pay the foundation allowances for pupils described in this

9 subsection. The allocation to a district under this subsection

10 shall be calculated by multiplying the number of pupils described

11 in this subsection who are counted in membership in the district

12 times the sum of the foundation allowance under section 20 of the

13 pupil's district of residence plus the amount of the district's

14 per-pupil allocation under section 20m, not to exceed the basic

15 foundation allowance under section 20 for the current fiscal year,

16 or, for a pupil described in this subsection who is counted in

17 membership in a district that is a public school academy, times an

18 amount equal to the amount per membership pupil under section 20(6)

19 or, **UNTIL THE END OF THE 2016-2017 FISCAL YEAR,** for a pupil

20 described in this subsection who is counted in membership in the

21 education achievement system, times an amount equal to the amount

22 per membership pupil under section 20(7). The allocation to an

23 intermediate district under this subsection shall be calculated in

24 the same manner as for a district, using the foundation allowance

25 under section 20 of the pupil's district of residence, not to

26 exceed the basic foundation allowance under section 20 for the

27 current fiscal year, and that district's per-pupil allocation under

1 section 20m. This subsection applies to all of the following
2 pupils:

3 (a) Pupils described in section 53a.

4 (b) Pupils counted in membership in an intermediate district
5 who are not special education pupils and are served by the
6 intermediate district in a juvenile detention or child caring
7 facility.

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

11 (12) If it is determined that funds allocated under subsection
12 (2) or (11) or under section 51c will not be expended, funds up to
13 the amount necessary and available may be used to supplement the
14 allocations under subsection (2) or (11) or under section 51c in
15 order to fully fund those allocations. After payments under
16 subsections (2) and (11) and section 51c, the remaining
17 expenditures from the allocation in subsection (1) shall be made in
18 the following order:

19 (a) 100% of the reimbursement required under section 53a.

20 (b) 100% of the reimbursement required under subsection (6).

21 (c) 100% of the payment required under section 54.

22 (d) 100% of the payment required under subsection (3).

23 (e) 100% of the payments under section 56.

24 (13) The allocations under subsections (2), (3), and (11)
25 shall be allocations to intermediate districts only and shall not
26 be allocations to districts, but instead shall be calculations used
27 only to determine the state payments under section 22b.

1 (14) If a public school academy enrolls pursuant to this
2 section a pupil who resides outside of the intermediate district in
3 which the public school academy is located and who is eligible for
4 special education programs and services according to statute or
5 rule, or who is a child with disabilities, as defined under the
6 individuals with disabilities education act, Public Law 108-446,
7 the provision of special education programs and services and the
8 payment of the added costs of special education programs and
9 services for the pupil are the responsibility of the district and
10 intermediate district in which the pupil resides unless the
11 enrolling district or intermediate district has a written agreement
12 with the district or intermediate district in which the pupil
13 resides or the public school academy for the purpose of providing
14 the pupil with a free appropriate public education and the written
15 agreement includes at least an agreement on the responsibility for
16 the payment of the added costs of special education programs and
17 services for the pupil.

18 (15) Beginning in 2016-2017, a district, public school
19 academy, or intermediate district that fails to comply with
20 subsection (14) or with the requirements of federal regulations
21 regarding the treatment of public school academies and public
22 school academy pupils for the purposes of special education, 34 CFR
23 300.209, forfeits from its total state aid an amount equal to 10%
24 of its total state aid.

25 (16) For the purposes of this section, the department or the
26 center shall only require a district or intermediate district to
27 report information that is not already available from the financial

1 information database maintained by the center.

2 Sec. 51c. As required by the court in the consolidated cases
3 known as Durant v State of Michigan, ~~Michigan supreme court docket~~
4 ~~no. 104458-104492, 456 MICH 175 (1997)~~ from the allocation under
5 section 51a(1), there is allocated each fiscal year for ~~2015-2016~~
6 ~~and for 2016-2017~~ **AND FOR 2017-2018** the amount necessary, estimated
7 at ~~\$624,800,000.00 for 2015-2016 and estimated at \$644,500,000.00~~
8 **\$626,900,000.00 for 2016-2017 AND \$640,400,000.00 FOR 2017-2018,**
9 for payments to reimburse districts for 28.6138% of total approved
10 costs of special education excluding costs reimbursed under section
11 53a, and 70.4165% of total approved costs of special education
12 transportation. Funds allocated under this section that are not
13 expended in the state fiscal year for which they were allocated, as
14 determined by the department, may be used to supplement the
15 allocations under sections 22a and 22b in order to fully fund those
16 calculated allocations for the same fiscal year.

17 Sec. 51d. (1) From the federal funds appropriated in section
18 11, there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-**
19 **2018,** all available federal funding, estimated at ~~\$71,000,000.00,~~
20 **\$61,000,000.00 EACH FISCAL YEAR,** for special education programs and
21 services that are funded by federal grants. All federal funds
22 allocated under this section shall be distributed in accordance
23 with federal law. Notwithstanding section 17b, payments of federal
24 funds to districts, intermediate districts, and other eligible
25 entities under this section shall be paid on a schedule determined
26 by the department.

27 (2) From the federal funds allocated under subsection (1), the

1 following amounts are allocated **EACH FISCAL YEAR** for 2016-2017 **AND**
2 **FOR 2017-2018:**

3 (a) An amount estimated at \$14,000,000.00 **EACH FISCAL YEAR** for
4 handicapped infants and toddlers, funded from DED-OSERS,
5 handicapped infants and toddlers funds.

6 (b) An amount estimated at \$12,000,000.00 **EACH FISCAL YEAR** for
7 preschool grants (Public Law 94-142), funded from DED-OSERS,
8 handicapped preschool incentive funds.

9 (c) An amount estimated at ~~\$45,000,000.00~~ **\$35,000,000.00 EACH**
10 **FISCAL YEAR** for special education programs funded by DED-OSERS,
11 handicapped program, individuals with disabilities act funds.

12 (3) As used in this section, "DED-OSERS" means the United
13 States Department of Education Office of Special Education and
14 Rehabilitative Services.

15 Sec. 53a. (1) For districts, reimbursement for pupils
16 described in subsection (2) shall be 100% of the total approved
17 costs of operating special education programs and services approved
18 by the department and included in the intermediate district plan
19 adopted pursuant to article 3 of the revised school code, MCL
20 380.1701 to 380.1766, minus the district's foundation allowance
21 calculated under section 20 and minus the district's per-pupil
22 allocation under section 20m. For intermediate districts,
23 reimbursement for pupils described in subsection (2) shall be
24 calculated in the same manner as for a district, using the
25 foundation allowance under section 20 of the pupil's district of
26 residence, not to exceed the basic foundation allowance under
27 section 20 for the current fiscal year, and that district's per-

1 pupil allocation under section 20m.

2 (2) Reimbursement under subsection (1) is for the following
3 special education pupils:

4 (a) Pupils assigned to a district or intermediate district
5 through the community placement program of the courts or a state
6 agency, if the pupil was a resident of another intermediate
7 district at the time the pupil came under the jurisdiction of the
8 court or a state agency.

9 (b) Pupils who are residents of institutions operated by the
10 department of health and human services.

11 (c) Pupils who are former residents of department of community
12 health institutions for the developmentally disabled who are placed
13 in community settings other than the pupil's home.

14 (d) Pupils enrolled in a department-approved on-grounds
15 educational program longer than 180 days, but not longer than 233
16 days, at a residential child care institution, if the child care
17 institution offered in 1991-92 an on-grounds educational program
18 longer than 180 days but not longer than 233 days.

19 (e) Pupils placed in a district by a parent for the purpose of
20 seeking a suitable home, if the parent does not reside in the same
21 intermediate district as the district in which the pupil is placed.

22 (3) Only those costs that are clearly and directly
23 attributable to educational programs for pupils described in
24 subsection (2), and that would not have been incurred if the pupils
25 were not being educated in a district or intermediate district, are
26 reimbursable under this section.

27 (4) The costs of transportation shall be funded under this

1 section and shall not be reimbursed under section 58.

2 (5) Not more than \$10,500,000.00 of the allocation for ~~2016-~~
3 ~~2017-2017-2018~~ in section 51a(1) shall be allocated under this
4 section.

5 Sec. 54. Each intermediate district shall receive an amount
6 per-pupil for each pupil in attendance at the Michigan ~~schools for~~
7 ~~the deaf and blind.~~ **SCHOOLS FOR THE DEAF AND BLIND.** The amount
8 shall be proportionate to the total instructional cost at each
9 school. Not more than \$1,688,000.00 of the allocation for ~~2016-2017~~
10 ~~2017-2018~~ in section 51a(1) shall be allocated under this section.

11 Sec. 54b. (1) From the general fund appropriation in section
12 11, there is allocated an amount not to exceed ~~\$1,125,000.00 for~~
13 ~~2016-2017 to begin~~ **\$1,600,000.00 FOR 2017-2018 TO CONTINUE THE**
14 implementation of the recommendations of the special education
15 reform task force published in January 2016.

16 (2) ~~From the allocation in subsection (1), there is allocated~~
17 ~~for 2016-2017 an amount not to exceed \$625,000.00~~ **EXCEPT AS**
18 **PROVIDED IN SUBSECTION (3), THE DEPARTMENT SHALL USE FUNDS**
19 **ALLOCATED UNDER THIS SECTION** for the purpose of piloting statewide
20 implementation of the Michigan Integrated Behavior and Learning
21 Support Initiative (MiBLSI), a nationally recognized program that
22 includes positive behavioral intervention and supports and provides
23 a statewide structure to support local initiatives for an
24 integrated behavior and reading program. With the assistance of the
25 intermediate districts involved in MiBLSI, the department shall
26 identify ~~at least 3~~ **A NUMBER OF** intermediate districts to
27 participate in the pilot **THAT IS SUFFICIENT** to ensure that MiBLSI

1 can be implemented statewide with fidelity and sustainability. In
2 addition, the department shall identify an intermediate district to
3 act as a fiscal agent for these funds.

4 (3) ~~From the allocation in subsection (1), there is allocated~~
5 ~~for 2016-2017 an amount not to exceed \$500,000.00~~ **IN ADDITION TO**
6 **THE PURPOSE UNDER SUBSECTION (2), THE DEPARTMENT SHALL USE FUNDS**
7 **ALLOCATED UNDER THIS SECTION** for the purpose of providing training
8 to intermediate districts and districts related to the safe
9 implementation of emergency restraints and seclusion. The
10 department shall develop and implement a training program that is
11 based on the state board's adopted standards and on any other
12 legislation enacted by the legislature regarding the emergency use
13 of seclusion and restraint.

14 Sec. 56. (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.

19 (b) "Millage levied" means the millage levied for special
20 education pursuant to part 30 of the revised school code, MCL
21 380.1711 to 380.1743, including a levy for debt service
22 obligations.

23 (c) "Taxable value" means the total taxable value of the
24 districts constituent to an intermediate district, except that if a
25 district has elected not to come under part 30 of the revised
26 school code, MCL 380.1711 to 380.1743, membership and taxable value
27 of the district shall not be included in the membership and taxable

1 value of the intermediate district.

2 (2) From the allocation under section 51a(1), there is
3 allocated an amount not to exceed \$37,758,100.00 each fiscal year
4 ~~for 2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse
5 intermediate districts levying millages for special education
6 pursuant to part 30 of the revised school code, MCL 380.1711 to
7 380.1743. The purpose, use, and expenditure of the reimbursement
8 shall be limited as if the funds were generated by these millages
9 and governed by the intermediate district plan adopted pursuant to
10 article 3 of the revised school code, MCL 380.1701 to 380.1766. As
11 a condition of receiving funds under this section, an intermediate
12 district distributing any portion of special education millage
13 funds to its constituent districts shall submit for departmental
14 approval and implement a distribution plan.

15 ~~—— (3) Reimbursement for those millages levied in 2014-2015 shall~~
16 ~~be made in 2015-2016 at an amount per 2014-2015 membership pupil~~
17 ~~computed by subtracting from \$175,300.00 the 2014-2015 taxable~~
18 ~~value behind each membership pupil and multiplying the resulting~~
19 ~~difference by the 2014-2015 millage levied.~~

20 (3) ~~(4)~~ Reimbursement for those millages levied in 2015-2016
21 shall be made in 2016-2017 at an amount per 2015-2016 membership
22 pupil computed by subtracting from ~~\$179,600.00~~ **\$180,900.00** the
23 2015-2016 taxable value behind each membership pupil and
24 multiplying the resulting difference by the 2015-2016 millage
25 levied.

26 (4) **REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2016-2017 SHALL**
27 **BE MADE IN 2017-2018 AT AN AMOUNT PER 2016-2017 MEMBERSHIP PUPIL**

1 COMPUTED BY SUBTRACTING FROM \$182,600.00 THE 2016-2017 TAXABLE
2 VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING
3 DIFFERENCE BY THE 2016-2017 MILLAGE LEVIED, AND THEN SUBTRACTING
4 FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY STABILIZATION SHARE
5 REVENUE FOR SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL
6 FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE
7 LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL
8 123.1341 TO 123.1362.

9 (5) The amount paid to a single intermediate district under
10 this section shall not exceed 62.9% of the total amount allocated
11 under subsection (2).

12 (6) The amount paid to a single intermediate district under
13 this section shall not be less than 75% of the amount allocated to
14 the intermediate district under this section for the immediately
15 preceding fiscal year.

16 Sec. 61a. (1) From the appropriation in section 11, there is
17 allocated an amount not to exceed \$36,611,300.00 for ~~2016-2017~~
18 **2017-2018** to reimburse on an added cost basis districts, except for
19 a district that served as the fiscal agent for a vocational
20 education consortium in the 1993-94 school year and that has a
21 foundation allowance as calculated under section 20 greater than
22 the minimum foundation allowance under that section, and secondary
23 area vocational-technical education centers for secondary-level
24 career and technical education programs according to rules approved
25 by the superintendent. Applications for participation in the
26 programs shall be submitted in the form prescribed by the
27 department. The department shall determine the added cost for each

1 career and technical education program area. The allocation of
2 added cost funds shall be prioritized based on the capital and
3 program expenditures needed to operate the career and technical
4 education programs provided; the number of pupils enrolled; the
5 advancement of pupils through the instructional program; the
6 existence of an articulation agreement with at least 1
7 postsecondary institution that provides pupils with opportunities
8 to earn postsecondary credit during the pupil's participation in
9 the career and technical education program and transfers those
10 credits to the postsecondary institution upon completion of the
11 career and technical education program; and the program rank in
12 student placement, job openings, and wages, and shall not exceed
13 75% of the added cost of any program. Notwithstanding any rule or
14 department determination to the contrary, when determining a
15 district's allocation or the formula for making allocations under
16 this section, the department shall include the participation of
17 pupils in grade 9 in all of those determinations and in all
18 portions of the formula. With the approval of the department, the
19 board of a district maintaining a secondary career and technical
20 education program may offer the program for the period from the
21 close of the school year until September 1. The program shall use
22 existing facilities and shall 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,
26 districts and intermediate districts shall be reimbursed for local
27 career and technical education administration, shared time career

1 and technical education administration, and career education
2 planning district career and technical education administration.
3 The definition of what constitutes administration and reimbursement
4 shall be pursuant to guidelines adopted by the superintendent. Not
5 more than \$800,000.00 of the allocation in subsection (1) shall be
6 distributed under this subsection.

7 (3) A career and technical education program funded under this
8 section may provide an opportunity for participants who are
9 eligible to be funded under section 107 to enroll in the career and
10 technical education program funded under this section if the
11 participation does not occur during regular school hours.

12 ~~—— (4) In addition to the money allocated under subsection (1),~~
13 ~~from the general fund money appropriated in section 11, there is~~
14 ~~allocated for 2016-2017 an amount not to exceed \$79,000.00 to an~~
15 ~~eligible Michigan-approved 501(c)(3) organization for the purposes~~
16 ~~of teaching or training restaurant management and culinary arts for~~
17 ~~career and professional development. The department shall oversee~~
18 ~~funds distributed to an eligible grantee under this section. As~~
19 ~~used in this subsection, "eligible Michigan-approved 501(c)(3)~~
20 ~~organization" means an organization that is exempt from taxation~~
21 ~~under section 501(c)(3) of the internal revenue code of 1986, 26~~
22 ~~USC 501, that provides the ProStart curriculum and training to~~
23 ~~state-approved career and technical education programs with~~
24 ~~classification of instructional programs (CIP) codes in the 12.05xx~~
25 ~~category, and that administers national certification for the~~
26 ~~purpose of restaurant management and culinary arts for career and~~
27 ~~professional development.~~

1 (4) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1) ,
2 FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN
3 AMOUNT NOT TO EXCEED \$1,000,000.00 FOR COMPETITIVE GRANTS TO
4 INTERMEDIATE DISTRICTS TO HIRE CAREER AND TECHNICAL EDUCATION
5 COUNSELORS. ALL OF THE FOLLOWING APPLY TO THIS FUNDING:

6 (A) AN INTERMEDIATE DISTRICT SEEKING A GRANT UNDER THIS
7 SUBSECTION SHALL APPLY TO THE DEPARTMENT IN A FORM AND MANNER
8 SPECIFIED BY THE DEPARTMENT.

9 (B) THE DEPARTMENT SHALL AWARD GRANTS UNDER THIS SUBSECTION ON
10 A COMPETITIVE BASIS TO NO MORE THAN 3 INTERMEDIATE DISTRICTS BUT
11 SHALL GIVE PRIORITY TO THE INTERMEDIATE DISTRICT THAT HAS THE
12 GREATEST NUMBER OF PUPILS ENROLLED IN ITS CONSTITUENT DISTRICTS AND
13 SHALL ENSURE THAT GRANTS ARE EQUITABLY DISTRIBUTED TO THE VARIOUS
14 GEOGRAPHIC AREAS OF THIS STATE AND TO URBAN AND RURAL AREAS.

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, 2018 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 \$1,000,000.00 for 2015-2016 and~~
6 ~~there is allocated an amount not to exceed \$9,000,000.00~~
7 **\$8,000,000.00** for 2016-2017 **AND AN AMOUNT NOT TO EXCEED \$0.00 FOR**
8 **2017-2018** for CTE early/middle college and CTE dual enrollment
9 programs authorized under this section **AND FOR PLANNING GRANTS FOR**
10 **THE DEVELOPMENT OR EXPANSION OF CTE EARLY/MIDDLE COLLEGE PROGRAMS.**
11 The purpose of these programs is to increase the number of Michigan
12 residents with high-quality degrees or credentials, and to increase
13 the number of students who are college and career ready upon high
14 school graduation.

15 (2) From the funds allocated under subsection (1), an amount
16 as determined under this subsection shall be allocated to each
17 intermediate district serving as a fiscal agent for state-approved
18 CTE early/middle college and CTE dual enrollment programs in each
19 of the prosperity regions and subregions identified by the
20 department. An intermediate district shall not use more than 5% of
21 the funds allocated under this subsection for administrative costs
22 for serving as the fiscal agent.

23 (3) To be an eligible fiscal agent, an intermediate district
24 must agree to do all of the following in a form and manner
25 determined by the department:

26 (a) Distribute funds to eligible CTE early/middle college and
27 CTE dual enrollment programs in a prosperity region or subregion as

1 described in this section.

2 (b) Collaborate with the talent district career council that
3 is located in the prosperity region or subregion to develop a
4 regional strategic plan under subsection (4) that aligns CTE
5 programs and services into an efficient and effective delivery
6 system for high school students.

7 (c) Implement a regional process to rank career clusters in
8 the prosperity region or subregion as described under subsection
9 (4). Regional processes shall be approved by the department before
10 the ranking of career clusters.

11 (d) Report CTE early/middle college and CTE dual enrollment
12 program and student data and information as prescribed by the
13 department.

14 (4) A regional strategic plan must be approved by the talent
15 district career council before submission to the department. A
16 regional strategic plan shall include, but not be limited to, the
17 following:

18 (a) An identification of regional employer need based on a
19 ranking of all career clusters in the prosperity region or
20 subregion ranked by 10-year job openings projections and median
21 wage for each standard occupational code in each career cluster as
22 obtained from the United States Bureau of Labor Statistics.
23 Standard occupational codes within high-ranking clusters also may
24 be further ranked by median wage. The rankings shall be reviewed by
25 the talent district career council located in the prosperity region
26 or subregion and modified if necessary to accurately reflect
27 employer demand for talent in the prosperity region or subregion. A

1 talent district career council shall document that it has conducted
2 this review and certify that it is accurate. These career cluster
3 rankings shall be determined and updated once every 4 years.

4 (b) An identification of educational entities in the
5 prosperity region or subregion that will provide eligible CTE
6 early/middle college and CTE dual enrollment programs including
7 districts, intermediate districts, postsecondary institutions, and
8 noncredit occupational training programs leading to an industry-
9 recognized credential.

10 (c) A strategy to inform parents and students of CTE
11 early/middle college and CTE dual enrollment programs in the
12 prosperity region or subregion.

13 (d) Any other requirements as defined by the department.

14 (5) An eligible CTE program is a program that meets all of the
15 following:

16 (a) Has been identified in the highest 5 career cluster
17 rankings in any of the 10 regional strategic plans jointly approved
18 by the Michigan talent investment agency in the department of
19 talent and economic development and the department.

20 (b) Has a coherent sequence of courses that will allow a
21 student to earn a high school diploma and achieve at least 1 of the
22 following in a specific career cluster:

23 (i) An associate degree.

24 (ii) An industry-recognized technical certification approved
25 by the Michigan talent investment agency in the department of
26 talent and economic development.

27 (iii) Up to 60 transferable college credits.

1 (iv) Participation in a registered apprenticeship.

2 (c) Is aligned with the Michigan merit curriculum.

3 (d) Has an articulation agreement with at least 1
4 postsecondary institution that provides students with opportunities
5 to receive postsecondary credits during the student's participation
6 in the CTE early/middle college or CTE dual enrollment program and
7 transfers those credits to the postsecondary institution upon
8 completion of the CTE early/middle college or CTE dual enrollment
9 program.

10 (e) Provides instruction that is supervised, directed, or
11 coordinated by an appropriately certificated CTE teacher or, for
12 concurrent enrollment courses, a postsecondary faculty member.

13 (f) Provides for highly integrated student support services
14 that include at least the following:

15 (i) Teachers as academic advisors.

16 (ii) Supervised course selection.

17 (iii) Monitoring of student progress and completion.

18 (iv) Career planning services provided by a local one-stop
19 service center as described in the Michigan works one-stop service
20 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
21 high school counselor or advisor.

22 (g) Has courses that are taught on a college campus, are
23 college courses offered at the high school and taught by college
24 faculty, or are courses taught in combination with online
25 instruction.

26 (6) Funds to eligible CTE early/middle college and CTE dual
27 enrollment programs shall be distributed as follows:

1 (a) The department shall ~~calculate~~ **DETERMINE** statewide average
 2 CTE costs per pupil for each CIP code program by ~~dividing total~~
 3 ~~prior year~~ **CALCULATING** statewide **AVERAGE** costs for each CIP code
 4 program by ~~prior year pupils for each CIP code program.~~ **FOR THE 3**
 5 **MOST RECENT FISCAL YEARS.**

6 (b) Distribution to each eligible CTE early/middle college or
 7 CTE dual enrollment program shall be the product of 50% of CTE
 8 costs per pupil times the current year pupil enrollment of each
 9 eligible CTE early/middle college or CTE dual enrollment program.

10 (7) In order to receive funds under this section, a CTE
 11 early/middle college or CTE dual enrollment program shall furnish
 12 to the intermediate district that is the fiscal agent identified in
 13 subsection (1), in a form and manner determined by the department,
 14 all information needed to administer this program and meet federal
 15 reporting requirements; shall allow the department or the
 16 department's designee to review all records related to the program
 17 for which it receives funds; and shall reimburse the state for all
 18 disallowances found in the review, as determined by the department.

19 (8) There is allocated from the funds under subsection (1) an
 20 amount not to exceed \$500,000.00 ~~each fiscal year for 2015-2016 and~~
 21 ~~for 2016-2017~~ **FOR 2017-2018** for grants to intermediate districts or
 22 consortia of intermediate districts for the purpose of planning for
 23 new or expanded early middle college programs. Applications for
 24 grants shall be submitted in a form and manner determined by the
 25 department. The amount of a grant under this subsection shall not
 26 exceed \$50,000.00. To be eligible for a grant under this
 27 subsection, an intermediate district or consortia of intermediate

1 districts must provide matching funds equal to the grant received
2 under this subsection. Notwithstanding section 17b, payments under
3 this subsection may be made as determined by the department.

4 (9) Funds distributed under this section may be used to fund
5 program expenditures that would otherwise be paid from foundation
6 allowances. A program receiving funding under section 61a may
7 receive funding under this section for allowable costs that exceed
8 the reimbursement the program received under section 61a. The
9 combined payments received by a program under section 61a and this
10 section shall not exceed the total allowable costs of the program.
11 A program provider shall not use more than 5% of the funds
12 allocated under this section to the program for administrative
13 costs.

14 (10) If the allocation under subsection (1) is insufficient to
15 fully fund payments as otherwise calculated under this section, the
16 department shall prorate payments under this section on an equal
17 percentage basis.

18 (11) If pupils enrolled in a career cluster in an eligible CTE
19 early/middle college or CTE dual enrollment program qualify to be
20 reimbursed under this section, those pupils continue to qualify for
21 reimbursement until graduation, even if the career cluster is no
22 longer identified as being in the highest 5 career cluster
23 rankings.

24 ~~—— (12) It is the intent of the legislature to provide funds in~~
25 ~~2017-2018 to reimburse districts with early/middle college programs~~
26 ~~for the added costs of providing both a high school diploma and an~~
27 ~~associate's degree, industry-recognized certification, up to 60~~

~~transferable college credits, or participation in a registered apprenticeship in less than 5 years.~~

(12) ~~(13)~~ As used in this section:

(a) "Allowable costs" means those costs directly attributable to the program as jointly determined by the Michigan talent investment agency and the department.

(b) "CIP" means classification of instructional programs.

(c) "CTE" means career and technical education programs.

(d) "CTE dual enrollment program" means a 4-year high school program of postsecondary courses offered by eligible postsecondary educational institutions that leads to an industry-recognized certification or degree.

(e) "Early/middle college program" means a 5-year high school program.

(f) "Eligible postsecondary educational institution" means that term as defined in section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903.

(g) "Talent district career council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.

Sec. 61c. (1) From the ~~general fund~~ appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$3,000,000.00 to career education planning districts~~ **\$10,000,000.00 FOR PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS OR CONSORTIA OF DISTRICTS AND INTERMEDIATE DISTRICTS** for the CTE ~~skilled trades initiative~~ **EQUIPMENT AND INNOVATION COMPETITIVE**

1 **GRANT PROGRAM FUNDED** under this section.

2 (2) To be eligible to receive ~~funding~~ **A COMPETITIVE GRANT**
3 under this section, ~~each CEPD~~ **AN APPLICANT** shall apply in a form
4 and manner determined by the department. ~~Funding to each CEPD shall~~
5 ~~be equal to the quotient of the allocation under subsection (1) and~~
6 ~~the sum of the number of career education planning districts~~
7 ~~applying for funding under this section.~~ **THE AMOUNT OF A GRANT**
8 **AWARDED UNDER THIS SECTION SHALL BE AT LEAST \$250,000.00 BUT SHALL**
9 **NOT EXCEED \$1,000,000.00 AND SHALL BE USED FOR THE PURCHASE OR**
10 **LEASE FROM PRIVATE INDUSTRY PARTNERS OF EQUIPMENT AND FOR RELATED**
11 **CAPACITY BUILDING ACTIVITIES. A GRANT APPLICATION FOR A GRANT UNDER**
12 **THIS SECTION SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING**
13 **INFORMATION:**

14 (A) A DESCRIPTION OF HOW THE PROPOSED CAPITAL INFRASTRUCTURE
15 INITIATIVE WILL PROVIDE INCREASED CAREER OPPORTUNITIES FOR STUDENTS
16 AND ADULT LEARNERS IN HIGH-WAGE, HIGH-SKILL, AND HIGH-DEMAND
17 OCCUPATIONS.

18 (B) DEMONSTRATED EVIDENCE OF EMPLOYER DEMAND FOR THE
19 INITIATIVE AND RELATED CTE TRAINING INCLUDING DOCUMENTATION OF
20 INDUSTRY INVOLVEMENT IN THE INITIATIVE THAT WILL ALLOW FOR WORK-
21 BASED LEARNING OPPORTUNITIES, APPRENTICESHIPS, TEACHER EXTERNSHIPS,
22 OR A COMBINATION OF THESE.

23 (C) A BUDGET FOR THE INITIATIVE, INCLUDING DEMONSTRATED
24 COMMITMENT OF LOCAL OR REGIONAL PARTNERS TO SUSTAIN THE INITIATIVE
25 BEYOND THE INITIAL GRANT FUNDING.

26 (D) A DESCRIPTION OF HOW THE PROPOSED INITIATIVE ALIGNS WITH
27 OTHER CTE AND COMMUNITY COLLEGE PROGRAMS AND HOW THE EQUIPMENT WILL

1 BE UTILIZED BY INITIATIVE PARTNERS.

2 (E) OTHER INFORMATION AS REQUESTED BY THE DEPARTMENT AND THE
3 DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.

4 ~~—— (3) The funding allocated to each CEPD shall be used to update~~
5 ~~equipment in current CTE programs that are supporting and driving~~
6 ~~economic development in their individual communities, or for new~~
7 ~~and emerging certified CTE programs to allow CEPD administrators to~~
8 ~~provide programming in communities that will enhance economic~~
9 ~~development. The funding for equipment should be used to support~~
10 ~~and enhance community areas that have sustained job growth, and act~~
11 ~~as a commitment to build a more qualified and skilled workforce.~~

12 ~~—— (4) The allocation of funds at the local level shall be~~
13 ~~determined by CEPD administrators using data from the state,~~
14 ~~region, and local sources to make well-informed decisions on~~
15 ~~program equipment improvements. Grants awarded by CEPD~~
16 ~~administrators for capital infrastructure shall be used to ensure~~
17 ~~that CTE programs can deliver educational programs in high-wage,~~
18 ~~high-skill, and high-demand occupations. Each CEPD shall continue~~
19 ~~to ensure that program advisory boards make recommendations on~~
20 ~~needed improvements for equipment that support job growth and job~~
21 ~~skill development and retention for both the present and the~~
22 ~~future.~~

23 (3) THE DEPARTMENT SHALL EVALUATE GRANT APPLICATIONS UNDER
24 THIS SECTION IN COLLABORATION WITH THE DEPARTMENT OF TALENT AND
25 ECONOMIC DEVELOPMENT. A MEMBER OF THE GOVERNOR'S TALENT INVESTMENT
26 BOARD MAY SERVE IN AN ADVISORY CAPACITY IN THE EVALUATION PROCESS
27 AS DETERMINED BY THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.

1 THE DEPARTMENT SHALL GIVE PRIORITY TO GRANT APPLICATIONS FOR THE
 2 LEASE OF EQUIPMENT FROM PRIVATE INDUSTRY PARTNERS TO ENCOURAGE THE
 3 USE OF THE MOST ADVANCED EQUIPMENT.

4 (4) ~~(5) Not later than September~~ **DECEMBER** 15 of each fiscal
 5 year, each ~~CEPD~~ **GRANT RECIPIENT** receiving funding under this
 6 section shall ~~annually~~ report to the department, **THE DEPARTMENT OF**
 7 **TALENT AND ECONOMIC DEVELOPMENT**, the senate and house
 8 appropriations subcommittees on state school aid, ~~and the senate~~
 9 and house fiscal agencies, and ~~legislature~~ **THE STATE BUDGET**
 10 **DIRECTOR** on equipment purchased under this section **IN THE**
 11 **IMMEDIATELY PRECEDING SCHOOL YEAR.** ~~In addition, the~~ **THE** report
 12 shall identify growth data on program involvement, retention, and
 13 development of student **AND ADULT LEARNER** skills.

14 (5) ~~(6) In addition to the funds allocated~~ **FROM THE ALLOCATION**
 15 under subsection (1), ~~from the funds appropriated under section 11,~~
 16 there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed
 17 ~~\$200,000.00~~ **\$1,000,000.00** to a ~~district with fewer than 1,200~~
 18 ~~pupils in membership to support a~~ **DISTRICTS FOR A COMPETITIVE GRANT**
 19 **TO** mechatronics ~~program~~ **PROGRAMS** that operated in ~~2015-2016~~ **2016-**
 20 **2017** for updating mechatronics program equipment. ~~To be eligible to~~
 21 ~~receive a grant under this subsection, a program shall be a~~
 22 ~~flexible learning program that offered in 2015-2016 both classroom~~
 23 ~~and hands-on training in mechatronics in at least 2 sites.~~

24 (6) ~~(7) As used in this section, "CEPD" means a career~~
 25 ~~education planning district described in this section.~~ **"CTE" MEANS**
 26 **CAREER AND TECHNOLOGY EDUCATION.**

27 Sec. 62. (1) For the purposes of this section:

1 (a) "Membership" means for a particular fiscal year the total
2 membership for the immediately preceding fiscal year of the
3 intermediate district and the districts constituent to the
4 intermediate district or the total membership for the immediately
5 preceding fiscal year of the area vocational-technical program.

6 (b) "Millage levied" means the millage levied for area
7 vocational-technical education pursuant to sections 681 to 690 of
8 the revised school code, MCL 380.681 to 380.690, including a levy
9 for debt service obligations incurred as the result of borrowing
10 for capital outlay projects and in meeting capital projects fund
11 requirements of area vocational-technical education.

12 (c) "Taxable value" means the total taxable value of the
13 districts constituent to an intermediate district or area
14 vocational-technical education program, except that if a district
15 has elected not to come under sections 681 to 690 of the revised
16 school code, MCL 380.681 to 380.690, the membership and taxable
17 value of that district shall not be included in the membership and
18 taxable value of the intermediate district. However, the membership
19 and taxable value of a district that has elected not to come under
20 sections 681 to 690 of the revised school code, MCL 380.681 to
21 380.690, shall be included in the membership and taxable value of
22 the intermediate district if the district meets both of the
23 following:

24 (i) The district operates the area vocational-technical
25 education program pursuant to a contract with the intermediate
26 district.

27 (ii) The district contributes an annual amount to the

1 operation of the program that is commensurate with the revenue that
 2 would have been raised for operation of the program if millage were
 3 levied in the district for the program under sections 681 to 690 of
 4 the revised school code, MCL 380.681 to 380.690.

5 (2) From the appropriation in section 11, there is allocated
 6 an amount not to exceed \$9,190,000.00 each fiscal year for ~~2015-~~
 7 ~~2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse intermediate
 8 districts and area vocational-technical education programs
 9 established under section 690(3) of the revised school code, MCL
 10 380.690, levying millages for area vocational-technical education
 11 pursuant to sections 681 to 690 of the revised school code, MCL
 12 380.681 to 380.690. The purpose, use, and expenditure of the
 13 reimbursement shall be limited as if the funds were generated by
 14 those millages.

15 ~~—— (3) Reimbursement for the millages levied in 2014-2015 shall~~
 16 ~~be made in 2015-2016 at an amount per 2014-2015 membership pupil~~
 17 ~~computed by subtracting from \$192,200.00 the 2014-2015 taxable~~
 18 ~~value behind each membership pupil and multiplying the resulting~~
 19 ~~difference by the 2014-2015 millage levied.~~

20 (3) ~~(4)~~ Reimbursement for the millages levied in 2015-2016
 21 shall be made in 2016-2017 at an amount per 2015-2016 membership
 22 pupil computed by subtracting from ~~\$196,300.00~~ **\$198,400.00** the
 23 2015-2016 taxable value behind each membership pupil and
 24 multiplying the resulting difference by the 2015-2016 millage
 25 levied.

26 (4) **REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2016-2017 SHALL**
 27 **BE MADE IN 2017-2018 AT AN AMOUNT PER 2016-2017 MEMBERSHIP PUPIL**

1 COMPUTED BY SUBTRACTING FROM \$198,400.00 THE 2016-2017 TAXABLE
 2 VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING
 3 DIFFERENCE BY THE 2016-2017 MILLAGE LEVIED, AND THEN SUBTRACTING
 4 FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY STABILIZATION SHARE
 5 REVENUE FOR AREA VOCATIONAL-TECHNICAL EDUCATION BEHIND EACH
 6 MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION
 7 LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA
 8 86, MCL 123.1341 TO 123.1362.

9 (5) The amount paid to a single intermediate district under
 10 this section shall not exceed 38.4% of the total amount allocated
 11 under subsection (2).

12 (6) The amount paid to a single intermediate district under
 13 this section shall not be less than 75% of the amount allocated to
 14 the intermediate district under this section for the immediately
 15 preceding fiscal year.

16 Sec. 64b. (1) From the appropriation in section 11, there is
 17 allocated an amount not to exceed \$1,750,000.00 ~~each fiscal year~~
 18 ~~for 2015-2016 and for 2016-2017~~ **FOR 2017-2018** for supplemental
 19 payments to districts that support the attendance of district
 20 pupils in grades 9 to 12 under the postsecondary enrollment options
 21 act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and
 22 technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913,
 23 consistent with section 21b, or that support the attendance of
 24 district pupils in a concurrent enrollment program if the district
 25 meets the requirements under subsection (3). Programs funded under
 26 this section are intended to increase the number of pupils who are
 27 college- and career-ready upon high school graduation.

1 (2) To be eligible for payments under this section for
2 supporting the attendance of district pupils under the
3 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
4 388.524, or under the career and technical preparation act, 2000 PA
5 258, MCL 388.1901 to 388.1913, a district shall do all of the
6 following:

7 (a) Provide information to all high school pupils on
8 postsecondary enrollment options, including enrollment eligibility,
9 the institutions and types of courses that are eligible for
10 participation, the decision-making process for granting academic
11 credit, and an explanation of eligible charges that will be paid by
12 the district.

13 (b) Enter into a written agreement with a postsecondary
14 institution before the enrollment of district pupils.

15 (c) Agree to pay all eligible charges pursuant to section 21b.

16 (d) Award high school credit for the postsecondary course if
17 the pupil successfully completes the course.

18 (3) To be eligible for payments under this section for pupils
19 enrolled in a concurrent enrollment program, a district shall do
20 all of the following:

21 (a) Provide information to all high school pupils on
22 postsecondary enrollment options, including enrollment eligibility,
23 the institutions and types of courses that are eligible for
24 participation, the decision-making process for granting academic
25 credit, and an explanation of eligible charges that will be paid by
26 the district.

27 (b) Enter into a written agreement with a postsecondary

1 institution establishing the concurrent enrollment program before
2 the enrollment of district pupils in a postsecondary course through
3 the postsecondary institution.

4 (c) Ensure that the course is taught by either a high school
5 teacher or postsecondary faculty pursuant to standards established
6 by the postsecondary institution with which the district has
7 entered into a written agreement to operate the concurrent
8 enrollment program.

9 (d) Ensure that the written agreement provides that the
10 postsecondary institution agrees not to charge the pupil for any
11 cost of the program.

12 (e) Ensure that the course is taught in the local district or
13 intermediate district.

14 (f) Ensure that the pupil is awarded both high school and
15 college credit at a community college or state public university in
16 this state upon successful completion of the course as outlined in
17 the agreement with the postsecondary institution.

18 (4) Funds shall be awarded to eligible districts under this
19 section in the following manner:

20 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
21 credit-bearing course in which a pupil enrolls during the ~~2015-2016~~
22 ~~or 2016-2017~~ **CURRENT** school year, ~~as applicable,~~ as described under
23 either subsection (2) or (3).

24 (b) An additional payment of \$30.00 per-pupil per course
25 identified in subdivision (a), if the pupil successfully completes,
26 and is awarded both high school and postsecondary credit for, the
27 course during the ~~2015-2016 or 2016-2017~~ **CURRENT** school year. ~~as~~

1 ~~applicable.~~

2 (5) A district requesting payment under this section shall
3 submit an application to the department in the form and manner
4 prescribed by the department. Notwithstanding section 17b, payments
5 under this section shall be made on a schedule determined by the
6 department.

7 SEC. 64D. (1) FROM THE GENERAL FUND APPROPRIATION UNDER
8 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
9 \$1,000,000.00 FOR 2017-2018 FOR A COMPETITIVE GRANT TO PROVIDE
10 INFORMATION TECHNOLOGY EDUCATION OPPORTUNITIES TO STUDENTS
11 ATTENDING SCHOOLS IN GRADES K-12, CAREER AND TECHNICAL CENTERS AND
12 CAREER ACADEMIES, AND COMMUNITY COLLEGES AND UNIVERSITIES. FUNDS
13 ALLOCATED UNDER THIS SECTION SHALL BE AWARDED TO A SINGLE PROVIDER
14 AND USED FOR INSTRUCTION IN INFORMATION TECHNOLOGY SKILLS AND
15 COMPETENCIES THAT ARE ESSENTIAL FOR THE WORKPLACE AND REQUESTED BY
16 EMPLOYERS AND SHALL ALLOW PARTICIPATING STUDENTS AND FACULTIES TO
17 SECURE BROAD-BASED INFORMATION TECHNOLOGY CERTIFICATIONS AND, IF
18 APPLICABLE, COLLEGE CREDIT.

19 (2) THE DEPARTMENT SHALL SELECT THE PROVIDER USING A
20 COMPETITIVE REQUEST FOR PROPOSALS PROCESS. PROPOSALS SUBMITTED
21 UNDER THIS SUBSECTION SHALL INCLUDE AT LEAST THE FOLLOWING
22 COMPONENTS:

23 (A) RESEARCH- AND SKILL-DEVELOPMENT-BASED INFORMATION
24 TECHNOLOGY CURRICULUM.

25 (B) ONLINE ACCESS TO THE CURRICULUM.

26 (C) INSTRUCTIONAL SOFTWARE FOR CLASSROOM AND STUDENT USE.

27 (D) A PROGRAM THAT INCLUDES CODING CURRICULUM AND MATERIALS

1 THAT ARE ALIGNED TO THE COMPUTER SCIENCE AP EXAMINATION AND GRANTS
2 A CERTIFICATE UPON COMPLETION OF THE PROGRAM.

3 (E) COMPONENTS FOR ELEMENTARY AND MIDDLE SCHOOLS ON
4 COMPUTATIONAL THINKING SKILLS DEVELOPMENT USING THE LATEST GAMING
5 SOFTWARE.

6 (F) A PROCESS FOR STUDENTS TO OBTAIN CERTIFICATIONS OF SKILLS
7 AND COMPETENCIES IN A BROAD BASE OF INFORMATION-TECHNOLOGY-RELATED
8 SKILL AREAS.

9 (G) PROFESSIONAL DEVELOPMENT FOR FACULTY.

10 (H) IMPLEMENTATION AND PROGRAM SUPPORT, INCLUDING, BUT NOT
11 LIMITED TO, INTEGRATION WITH CURRENT CURRICULUM STANDARDS.

12 (I) METHODS FOR STUDENTS TO EARN COLLEGE CREDIT.

13 (3) THE DEPARTMENT SHALL GIVE PRIORITY TO PROPOSALS BY
14 PROVIDERS THAT HAVE PREVIOUSLY DEMONSTRATED SUCCESS IN THIS STATE
15 IN PROVIDING HIGH-QUALITY INFORMATION TECHNOLOGY EDUCATION
16 OPPORTUNITIES TO STUDENTS.

17 (4) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2017-2018 ARE A
18 WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2017-2018
19 ARE TO BE CARRIED FORWARD INTO 2018-2019. THE PURPOSE OF THE WORK
20 PROJECT IS TO CONTINUE TO PROVIDE INFORMATION TECHNOLOGY EDUCATION
21 OPPORTUNITIES DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION
22 DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2020.

23 Sec. 67. (1) From the general fund amount appropriated in
24 section 11, there is allocated an amount not to exceed
25 ~~\$3,050,000.00 for 2016-2017~~ **\$3,000,000.00 FOR 2017-2018** for college
26 ~~and career preparation activities.~~ **ACCESS PROGRAMS.** The programs
27 funded under this section are intended to inform students of

1 college and career options and to provide ~~a wide array of tools and~~
2 resources intended to increase the number of pupils who are
3 adequately prepared with the information needed to make informed
4 decisions on college and career. The funds appropriated under this
5 section are intended to be used to increase the number of Michigan
6 residents with high-quality degrees or credentials. Funds
7 appropriated under this section shall not be used to supplant
8 funding for counselors already funded by districts.

9 (2) ~~From the amount allocated in subsection (1), an amount not~~
10 ~~to exceed \$3,000,000.00 shall be used for the college access~~
11 ~~program.~~ The talent investment agency of the department of talent
12 and economic development shall administer ~~these funds~~ **ALLOCATED**
13 **UNDER THIS SECTION** in collaboration with the Michigan college
14 access network. These funds may be used for any of the following
15 purposes:

16 (a) Michigan college access network operations, programming,
17 and services to local college access networks.

18 (b) Local college access networks, which are community-based
19 college access/success partnerships committed to increasing the
20 college participation and completion rates within geographically
21 defined communities through a coordinated strategy.

22 (c) The Michigan college advising program, a program intended
23 to place trained, recently graduated college advisors in high
24 schools that serve significant numbers of low-income and first-
25 generation college-going pupils. State funds used for this purpose
26 may not exceed 33% of the total funds available under this
27 subsection.

1 (d) Subgrants of up to \$5,000.00 to districts with
2 comprehensive high schools that establish a college access team and
3 implement specific strategies to create a college-going culture in
4 a high school in a form and manner approved by the Michigan college
5 access network and the Michigan talent investment agency.

6 (e) The Michigan college access portal, an online one-stop
7 portal to help pupils and families plan and apply for college.

8 (f) Public awareness and outreach campaigns to encourage low-
9 income and first-generation college-going pupils to take necessary
10 steps toward college and to assist pupils and families in
11 completing a timely and accurate free application for federal
12 student aid.

13 (g) Subgrants to postsecondary institutions to recruit, hire,
14 and train college student mentors and college advisors to assist
15 high school pupils in navigating the postsecondary planning and
16 enrollment process.

17 ~~—— (3) From the amount allocated in subsection (1), an amount not~~
18 ~~to exceed \$50,000.00 shall be used for an outreach program to~~
19 ~~provide information to pupils, parents, and educators on dual~~
20 ~~enrollment and other opportunities available to high school pupils~~
21 ~~to earn postsecondary credits, industry-recognized technical~~
22 ~~certifications, and participation in registered apprenticeships at~~
23 ~~no cost.~~

24 **(3)** ~~(4)~~ For the purposes of this section, "college" means any
25 postsecondary educational opportunity that leads to a career,
26 including, but not limited to, a postsecondary degree, industry-
27 recognized technical certification, or registered apprenticeship.

1 Sec. 74. (1) From the amount appropriated in section 11, there
2 is allocated an amount not to exceed ~~\$3,320,600.00 for 2016-2017~~
3 **\$3,330,300.00 FOR 2017-2018** for the purposes of this section.

4 (2) From the allocation in subsection (1), there is allocated
5 for each fiscal year the amount necessary for payments to state
6 supported colleges or universities and intermediate districts
7 providing school bus driver safety instruction pursuant to section
8 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
9 payments shall be in an amount determined by the department not to
10 exceed the actual cost of instruction and driver compensation for
11 each public or nonpublic school bus driver attending a course of
12 instruction. For the purpose of computing compensation, the hourly
13 rate allowed each school bus driver shall not exceed the hourly
14 rate received for driving a school bus. Reimbursement compensating
15 the driver during the course of instruction shall be made by the
16 department to the college or university or intermediate district
17 providing the course of instruction.

18 (3) From the allocation in subsection (1), there is allocated
19 for ~~2016-2017~~**2017-2018** the amount necessary to pay the reasonable
20 costs of nonspecial education auxiliary services transportation
21 provided pursuant to section 1323 of the revised school code, MCL
22 380.1323. Districts funded under this subsection shall not receive
23 funding under any other section of this article for nonspecial
24 education auxiliary services transportation.

25 (4) From the funds allocated in subsection (1), there is
26 allocated an amount not to exceed ~~\$1,695,600.00 for 2016-2017~~
27 **\$1,705,300.00 FOR 2017-2018** for reimbursement to districts and

1 intermediate districts for costs associated with the inspection of
2 school buses and pupil transportation vehicles by the department of
3 state police as required under section 715a of the Michigan vehicle
4 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
5 transportation act, 1990 PA 187, MCL 257.1839. The department of
6 state police shall prepare a statement of costs attributable to
7 each district for which bus inspections are provided and submit it
8 to the department and to an intermediate district serving as
9 fiduciary in a time and manner determined jointly by the department
10 and the department of state police. Upon review and approval of the
11 statement of cost, the department shall forward to the designated
12 intermediate district serving as fiduciary the amount of the
13 reimbursement on behalf of each district and intermediate district
14 for costs detailed on the statement within 45 days after receipt of
15 the statement. The designated intermediate district shall make
16 payment in the amount specified on the statement to the department
17 of state police within 45 days after receipt of the statement. The
18 total reimbursement of costs under this subsection shall not exceed
19 the amount allocated under this subsection. Notwithstanding section
20 17b, payments to eligible entities under this subsection shall be
21 paid on a schedule prescribed by the department.

22 Sec. 81. (1) From the appropriation in section 11, there is
23 allocated for ~~2016-2017~~ **2017-2018** to the intermediate districts the
24 sum necessary, but not to exceed \$67,108,000.00 to provide state
25 aid to intermediate districts under this section.

26 (2) ~~From the allocation in subsection (1), there is allocated~~
27 ~~for 2016-2017 an amount not to exceed \$67,108,000.00 for~~

~~allocations~~ **THE AMOUNT ALLOCATED UNDER THIS SECTION** to each intermediate district ~~in~~ **IS** an amount equal to 100% of the amount allocated to the intermediate district under this ~~subsection for 2015-2016.~~ **SECTION FOR 2016-2017.** Funding provided under this section shall be used to comply with requirements of this article and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this article, and to provide technical assistance to districts as authorized by the intermediate school board.

(3) Intermediate districts receiving funds under ~~subsection (2)~~ **THIS SECTION**, shall collaborate with the department to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan merit curriculum.

(4) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(5) In order to receive funding under ~~subsection (2)~~, **THIS SECTION**, an intermediate district shall do all of the following:

(a) Demonstrate to the satisfaction of the department that the

1 intermediate district employs at least 1 person who is trained in
2 pupil accounting and auditing procedures, rules, and regulations.

3 (b) Demonstrate to the satisfaction of the department that the
4 intermediate district employs at least 1 person who is trained in
5 rules, regulations, and district reporting procedures for the
6 individual-level student data that serves as the basis for the
7 calculation of the district and high school graduation and dropout
8 rates.

9 (c) Comply with sections 1278a and 1278b of the revised school
10 code, MCL 380.1278a and 380.1278b.

11 (d) Furnish data and other information required by state and
12 federal law to the center and the department in the form and manner
13 specified by the center or the department, as applicable.

14 (e) Comply with section 1230g of the revised school code, MCL
15 380.1230g.

16 (f) Comply with section 761 of the revised school code, MCL
17 380.761.

18 Sec. 94. (1) From the general fund appropriation in section
19 11, there is allocated to the department for ~~2016-2017~~**2017-2018** an
20 amount not to exceed \$250,000.00 for efforts to increase the number
21 of pupils who participate and succeed in advanced placement and
22 international baccalaureate programs.

23 (2) From the funds allocated under this section, the
24 department shall award funds to cover all or part of the costs of
25 advanced placement test fees or international baccalaureate test
26 fees and international baccalaureate registration fees for low-
27 income pupils who take an advanced placement or an international

1 baccalaureate test. Payments shall not exceed \$20.00 per test
2 completed or \$150.00 per international baccalaureate registration
3 fees per pupil registered.

4 (3) The department shall only award funds under this section
5 if the department determines that all of the following criteria are
6 met:

7 (a) Each pupil for whom payment is made meets eligibility
8 requirements of the federal advanced placement test fee program
9 under section 1701 of the no child left behind act of 2001, Public
10 Law 107-110, or under a corresponding provision of the every
11 student succeeds act, Public Law 114-95.

12 (b) The tests are administered by the college board, the
13 international baccalaureate organization, or another test provider
14 approved by the department.

15 (c) The pupil for whom payment is made pays at least \$5.00
16 toward the cost of each test for which payment is made.

17 (4) The department shall establish procedures for awarding
18 funds under this section.

19 (5) Notwithstanding section 17b, payments under this section
20 shall be made on a schedule determined by the department.

21 Sec. 94a. (1) There is created within the state budget office
22 in the department of technology, management, and budget the center
23 for educational performance and information. The center shall do
24 all of the following:

25 (a) Coordinate the collection of all data required by state
26 and federal law from districts, intermediate districts, and
27 postsecondary institutions.

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

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

7 (d) Create, maintain, and enhance this state's web-based
8 educational portal to provide information to school leaders,
9 teachers, researchers, and the public in compliance with all
10 federal and state privacy laws. Data shall include, but are not
11 limited to, all of the following:

12 (i) Data sets that link teachers to student information,
13 allowing districts to assess individual teacher impact on student
14 performance and consider student growth factors in teacher and
15 principal evaluation systems.

16 (ii) Data access or, if practical, data sets, provided for
17 regional data ~~warehouses~~ **HUBS** that, in combination with local data,
18 can improve teaching and learning in the classroom.

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

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

23 (f) Provide public reports to the citizens of this state to
24 allow them to assess allocation of resources and the return on
25 their investment in the education system of this state.

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

27 (2) Each state department, officer, or agency that collects

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

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

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

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

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

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

26 (d) Enables the matching of individual teachers with
27 information about their certification and the institutions that

1 prepared and recommended those teachers for state certification.

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

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

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

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

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

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

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

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

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

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

1 (ii) Contains student-level transcript information, including
2 information on courses completed and grades earned.

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

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

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

9 (A) Enrollment in remedial coursework.

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

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

15 (5) From the general fund appropriation in section 11, there
16 is allocated an amount not to exceed ~~\$12,173,200.00 for 2016-2017~~
17 **\$14,216,000.00 FOR 2017-2018** to the department of technology,
18 management, and budget to support the operations of the center. In
19 addition, from the federal funds appropriated in section 11 there
20 is allocated for ~~2016-2017~~**2017-2018** the amount necessary,
21 estimated at \$193,500.00, to support the operations of the center
22 and to establish a P-20 longitudinal data system necessary for
23 state and federal reporting purposes. The center shall cooperate
24 with the department to ensure that this state is in compliance with
25 federal law and is maximizing opportunities for increased federal
26 funding to improve education in this state.

27 (6) From the funds allocated in subsection (5), the center may

1 use an amount determined by the center for competitive grants for
2 ~~2016-2017~~**2017-2018** to support collaborative efforts on the P-20
3 longitudinal data system. All of the following apply to grants
4 awarded under this subsection:

5 (a) The center shall award competitive grants to eligible
6 intermediate districts or a consortium of intermediate districts
7 based on criteria established by the center.

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

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

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

23 (8) The center may bill departments as necessary in order to
24 fulfill reporting requirements of state and federal law. The center
25 may also enter into agreements to supply custom data, analysis, and
26 reporting to other principal executive departments, state agencies,
27 local units of government, and other individuals and organizations.

1 The center may receive and expend funds in addition to those
2 authorized in subsection (5) to cover the costs associated with
3 salaries, benefits, supplies, materials, and equipment necessary to
4 provide such data, analysis, and reporting services.

5 (9) As used in this section:

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

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

9 **SEC. 95B. (1) FROM THE GENERAL FUND APPROPRIATION UNDER**
10 **SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO**
11 **EXCEED \$2,500,000.00 FOR 2017-2018 FOR THE DEPARTMENT TO DEVELOP A**
12 **MODEL VALUE-ADDED GROWTH AND PROJECTION ANALYTICS SYSTEM TO SUPPORT**
13 **EDUCATOR AND ADMINISTRATOR EVALUATIONS AS REQUIRED UNDER SECTIONS**
14 **1249, 1249A, AND 1249B OF THE REVISED SCHOOL CODE, MCL 380.1249 TO**
15 **380.1249B. THE ADOPTED MODEL SHALL DO AT LEAST ALL OF THE**
16 **FOLLOWING:**

17 (A) REPORT STUDENT GROWTH MEASURES AT THE DISTRICT, SCHOOL,
18 TEACHER, AND SUBGROUP LEVELS.

19 (B) RECOGNIZE THE GROWTH OF TESTED STUDENTS, INCLUDING THOSE
20 WHO MAY HAVE MISSING ASSESSMENT DATA.

21 (C) INCLUDE ALL AVAILABLE PRIOR STANDARDIZED ASSESSMENT DATA
22 THAT MEET INCLUSION CRITERIA ACROSS GRADES, SUBJECTS, AND STATE AND
23 LOCAL ASSESSMENTS.

24 (D) ALLOW STUDENT GROWTH RESULTS TO BE DISAGGREGATED.

25 (E) PROVIDE INDIVIDUAL STUDENT PROJECTIONS SHOWING THE
26 PROBABILITY OF A STUDENT REACHING SPECIFIC PERFORMANCE LEVELS ON
27 FUTURE ASSESSMENTS.

1 (F) DEMONSTRATE ANY PRIOR SUCCESS WITH THIS STATE'S
2 ASSESSMENTS THROUGH THE MICHIGAN COUNCIL OF EDUCATOR EFFECTIVENESS
3 TEACHER EVALUATION PILOT.

4 (2) THE DEPARTMENT SHALL PROVIDE INTERNET-BASED ELECTRONIC
5 STUDENT GROWTH AND PROJECTION REPORTING BASED ON THE MODEL ADOPTED
6 UNDER SUBSECTION (1) TO EDUCATORS AT THE SCHOOL, DISTRICT, AND
7 STATE LEVELS. THE MODEL SHALL INCLUDE ROLE-BASED PERMISSIONS THAT
8 ALLOW EDUCATORS TO ACCESS INFORMATION ABOUT THE PERFORMANCE OF THE
9 STUDENTS WITHIN THEIR IMMEDIATE RESPONSIBILITY IN ACCORDANCE WITH
10 APPLICABLE PRIVACY LAWS.

11 Sec. 98. (1) From the general fund money appropriated in
12 section 11, there is allocated an amount not to exceed
13 \$7,387,500.00 for ~~2016-2017~~**2017-2018** for the purposes described in
14 this section. The Michigan Virtual University shall provide a
15 report to the legislature not later than November 1, ~~2016~~**2017** that
16 includes its mission, its plans, and proposed benchmarks it must
17 meet, which shall include a plan to achieve a 50% increase in
18 documented improvement in each requirement of the Michigan Virtual
19 Learning Research Institute and Michigan Virtual School, and all
20 other organizational priorities identified in this section, in
21 order to receive full funding for ~~2017-2018~~**2018-2019**. Not later
22 than March 1, ~~2017~~**2018**, the Michigan Virtual University shall
23 provide an update to the house and senate appropriations
24 subcommittees on school aid to show the progress being made to meet
25 the benchmarks identified.

26 (2) The Michigan Virtual University shall operate the Michigan
27 Virtual Learning Research Institute. The Michigan Virtual Learning

1 Research Institute shall do all of the following:

2 (a) Support and accelerate innovation in education through the
3 following activities:

4 (i) Test, evaluate, and recommend as appropriate new
5 technology-based instructional tools and resources.

6 (ii) Research, design, and recommend virtual education
7 delivery models for use by pupils and teachers that include age-
8 appropriate multimedia instructional content.

9 (iii) Research, develop, and recommend annually to the
10 department criteria by which cyber schools and virtual course
11 providers should be monitored and evaluated to ensure a quality
12 education for their pupils.

13 (iv) Based on pupil completion and performance data reported
14 to the department or the center for educational performance and
15 information from cyber schools and other virtual course providers
16 operating in this state, analyze the effectiveness of virtual
17 learning delivery models in preparing pupils to be college- and
18 career-ready and publish a report that highlights enrollment
19 totals, completion rates, and the overall impact on pupils. The
20 report shall be submitted to the house and senate appropriations
21 subcommittees on state school aid, the state budget director, the
22 house and senate fiscal agencies, the department, districts, and
23 intermediate districts not later than March 31, ~~2017~~.**2018**.

24 (v) ~~Before August 31, 2017, provide~~ **PROVIDE** an extensive
25 professional development program to at least 30,000 educational
26 personnel, including teachers, school administrators, and school
27 board members, that focuses on the effective integration of virtual

1 learning into curricula and instruction. The Michigan Virtual
2 Learning Research Institute is encouraged to work with the MiSTEM
3 advisory council created under section 99s to coordinate
4 professional development of teachers in applicable fields. In
5 addition, the Michigan Virtual Learning Research Institute and
6 external stakeholders are encouraged to coordinate with the
7 department for professional development in this state. Not later
8 than December 1, ~~2017~~, **2018**, the Michigan Virtual Learning Research
9 Institute shall submit a report to the house and senate
10 appropriations subcommittees on state school aid, the state budget
11 director, the house and senate fiscal agencies, and the department
12 on the number and percentage of teachers, school administrators,
13 and school board members who have received professional development
14 services from the Michigan Virtual University. The report shall
15 also identify barriers and other opportunities to encourage the
16 adoption of virtual learning in the public education system.

17 (vi) Identify and share best practices for planning,
18 implementing, and evaluating virtual and blended education delivery
19 models with intermediate districts, districts, and public school
20 academies to accelerate the adoption of innovative education
21 delivery models statewide.

22 (b) Provide leadership for this state's system of virtual
23 learning education by doing the following activities:

24 (i) Develop and report policy recommendations to the governor
25 and the legislature that accelerate the expansion of effective
26 virtual learning in this state's schools.

27 (ii) Provide a clearinghouse for research reports, academic

1 studies, evaluations, and other information related to virtual
2 learning.

3 (iii) Promote and distribute the most current instructional
4 design standards and guidelines for virtual teaching.

5 (iv) In collaboration with the department and interested
6 colleges and universities in this state, support implementation and
7 improvements related to effective virtual learning instruction.

8 (v) Pursue public/private partnerships that include districts
9 to study and implement competency-based technology-rich virtual
10 learning models.

11 (vi) Create a statewide network of school-based mentors
12 serving as liaisons between pupils, virtual instructors, parents,
13 and school staff, as provided by the department or the center, and
14 provide mentors with research-based training and technical
15 assistance designed to help more pupils be successful virtual
16 learners.

17 (vii) Convene focus groups and conduct annual surveys of
18 teachers, administrators, pupils, parents, and others to identify
19 barriers and opportunities related to virtual learning.

20 (viii) Produce an annual consumer awareness report for schools
21 and parents about effective virtual education providers and
22 education delivery models, performance data, cost structures, and
23 research trends.

24 (ix) Research and establish an internet-based platform that
25 educators can use to create student-centric learning tools and
26 resources and facilitate a user network that assists educators in
27 using the platform. As part of this initiative, the Michigan

1 Virtual University shall work collaboratively with districts and
2 intermediate districts to establish a plan to make available
3 virtual resources that align to Michigan's K-12 curriculum
4 standards for use by students, educators, and parents.

5 (x) Create and maintain a public statewide catalog of virtual
6 learning courses being offered by all public schools and community
7 colleges in this state. The Michigan Virtual Learning Research
8 Institute shall identify and develop a list of nationally
9 recognized best practices for virtual learning and use this list to
10 support reviews of virtual course vendors, courses, and
11 instructional practices. The Michigan Virtual Learning Research
12 Institute shall also provide a mechanism for intermediate districts
13 to use the identified best practices to review content offered by
14 constituent districts. The Michigan Virtual Learning Research
15 Institute shall review the virtual course offerings of the Michigan
16 Virtual University, and make the results from these reviews
17 available to the public as part of the statewide catalog. The
18 Michigan Virtual Learning Research Institute shall ensure that the
19 statewide catalog is made available to the public on the Michigan
20 Virtual University website and shall allow the ability to link it
21 to each district's website as provided for in section 21f. The
22 statewide catalog shall also contain all of the following:

23 (A) The number of enrollments in each virtual course in the
24 immediately preceding school year.

25 (B) The number of enrollments that earned 60% or more of the
26 total course points for each virtual course in the immediately
27 preceding school year.

1 (C) The completion rate for each virtual course.

2 (xi) Develop prototype and pilot registration, payment
3 services, and transcript functionality to the statewide catalog and
4 train key stakeholders on how to use new features.

5 (xii) Collaborate with key stakeholders to examine district
6 level accountability and teacher effectiveness issues related to
7 virtual learning under section 21f and make findings and
8 recommendations publicly available.

9 (xiii) Provide a report on the activities of the Michigan
10 Virtual Learning Research Institute.

11 (3) To further enhance its expertise and leadership in virtual
12 learning, the Michigan Virtual University shall continue to operate
13 the Michigan Virtual School as a statewide laboratory and quality
14 model of instruction by implementing virtual and blended learning
15 solutions for Michigan schools in accordance with the following
16 parameters:

17 (a) The Michigan Virtual School must maintain its
18 accreditation status from recognized national and international
19 accrediting entities.

20 (b) The Michigan Virtual University shall use no more than
21 \$1,000,000.00 of the amount allocated under this section to
22 subsidize the cost paid by districts for virtual courses.

23 (c) In providing educators responsible for the teaching of
24 virtual courses as provided for in this section, the Michigan
25 Virtual School shall follow the requirements to request and assess,
26 and the department of state police shall provide, a criminal
27 history check and criminal records check under sections 1230 and

1 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
2 the same manner as if the Michigan Virtual School were a school
3 district under those sections.

4 **(4) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE**
5 **MICHIGAN VIRTUAL UNIVERSITY, WORKING COLLABORATIVELY WITH THE**
6 **MICHIGAN ASSOCIATION OF INTERMEDIATE SCHOOL ADMINISTRATORS, SHALL**
7 **ALLOCATE UP TO \$500,000.00 TO SUPPORT THE EXPANSION OF NEW ONLINE**
8 **AND BLENDED EDUCATOR PROFESSIONAL DEVELOPMENT PROGRAMS.**

9 **(5) ~~(4)~~**—If the course offerings are included in the statewide
10 catalog of virtual courses under subsection (2)(b)(ix), the
11 Michigan Virtual School operated by the Michigan Virtual University
12 may offer virtual course offerings, including, but not limited to,
13 all of the following:

14 (a) Information technology courses.

15 (b) College level equivalent courses, as defined in section
16 1471 of the revised school code, MCL 380.1471.

17 (c) Courses and dual enrollment opportunities.

18 (d) Programs and services for at-risk pupils.

19 (e) High school equivalency test preparation courses for
20 adjudicated youth.

21 (f) Special interest courses.

22 (g) Professional development programs for teachers, school
23 administrators, other school employees, and school board members.

24 **(6) ~~(5)~~**—If a home-schooled or nonpublic school student is a
25 resident of a district that subscribes to services provided by the
26 Michigan Virtual School, the student may use the services provided
27 by the Michigan Virtual School to the district without charge to

1 the student beyond what is charged to a district pupil using the
2 same services.

3 **(7)** ~~(6)~~—Not later than December 1 of each fiscal year, the
4 Michigan Virtual University shall provide a report to the house and
5 senate appropriations subcommittees on state school aid, the state
6 budget director, the house and senate fiscal agencies, and the
7 department that includes at least all of the following information
8 related to the Michigan Virtual School for the preceding state
9 fiscal year:

10 (a) A list of the districts served by the Michigan Virtual
11 School.

12 (b) A list of virtual course titles available to districts.

13 (c) The total number of virtual course enrollments and
14 information on registrations and completions by course.

15 (d) The overall course completion rate percentage.

16 **(8)** ~~(7)~~—In addition to the information listed in subsection
17 ~~(6)~~, **(7)**, the report under subsection ~~(6)~~ **(7)** shall also include a
18 plan to serve at least 600 schools with courses from the Michigan
19 Virtual School or with content available through the internet-based
20 platform identified in subsection (2) (b) *(ix)*.

21 **(9)** ~~(8)~~—The governor may appoint an advisory group for the
22 Michigan Virtual Learning Research Institute established under
23 subsection (2). The members of the advisory group shall serve at
24 the pleasure of the governor and shall serve without compensation.
25 The purpose of the advisory group is to make recommendations to the
26 governor, the legislature, and the president and board of the
27 Michigan Virtual University that will accelerate innovation in this

1 state's education system in a manner that will prepare elementary
2 and secondary students to be career and college ready and that will
3 promote the goal of increasing the percentage of citizens of this
4 state with high-quality degrees and credentials to at least 60% by
5 2025.

6 **(10)** ~~(9)~~ Not later than November 1, ~~2016,~~ **2017**, the Michigan
7 Virtual University shall submit to the house and senate
8 appropriations subcommittees on state school aid, the state budget
9 director, and the house and senate fiscal agencies a detailed
10 budget for the ~~2016-2017~~ **2017-2018** fiscal year that includes a
11 breakdown on its projected costs to deliver virtual educational
12 services to districts and a summary of the anticipated fees to be
13 paid by districts for those services. Not later than March 1 each
14 year, the Michigan Virtual University shall submit to the house and
15 senate appropriations subcommittees on state school aid, the state
16 budget director, and the house and senate fiscal agencies a
17 breakdown on its actual costs to deliver virtual educational
18 services to districts and a summary of the actual fees paid by
19 districts for those services based on audited financial statements
20 for the immediately preceding fiscal year.

21 **(11)** ~~(10)~~ As used in this section:

22 (a) "Blended learning" means a hybrid instructional delivery
23 model where pupils are provided content, instruction, and
24 assessment, in part at a supervised educational facility away from
25 home where the pupil and a teacher with a valid Michigan teaching
26 certificate are in the same physical location and in part through
27 internet-connected learning environments with some degree of pupil

1 control over time, location, and pace of instruction.

2 (b) "Cyber school" means a full-time instructional program of
3 virtual courses for pupils that may or may not require attendance
4 at a physical school location.

5 (c) "Virtual course" means a course of study that is capable
6 of generating a credit or a grade and that is provided in an
7 interactive learning environment in which the majority of the
8 curriculum is delivered using the internet and in which pupils are
9 separated from their instructor or teacher of record by time or
10 location, or both.

11 Sec. 99h. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed \$2,500,000.00 for ~~2016-2017-2017-~~
13 **2018** for competitive grants to districts that provide pupils in
14 grades K to 12 with expanded opportunities to improve mathematics,
15 science, and technology skills by participating in events hosted by
16 a science and technology development program known as FIRST (for
17 inspiration and recognition of science and technology) Robotics,
18 including JR FIRST Lego League, FIRST Lego League, FIRST tech
19 challenge, and FIRST Robotics competition. Programs funded under
20 this section are intended to increase the number of pupils
21 demonstrating proficiency in science and mathematics on the state
22 assessments and to increase the number of pupils who are college-
23 and career-ready upon high school graduation. Notwithstanding
24 section 17b, grant payments to districts under this section shall
25 be paid on a schedule determined by the department. The department
26 shall set maximum grant awards for each different level of
27 competition in a manner that both maximizes the number of teams

1 that will be able to receive funds and expands the geographical
2 distribution of teams.

3 (2) A district applying for a grant under this section shall
4 submit an application in a form and manner determined by the
5 department. To be eligible for a grant, a district shall
6 demonstrate in its application that the district has established a
7 partnership for the purposes of the FIRST Robotics program with at
8 least 1 sponsor, business entity, higher education institution, or
9 technical school, shall submit a spending plan, and shall pay at
10 least 25% of the cost of the FIRST Robotics program.

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

13 (a) Grants to districts to pay for stipends not to exceed
14 \$1,500.00 for 1 coach per team.

15 (b) Grants to districts for event registrations, materials,
16 travel costs, and other expenses associated with the preparation
17 for and attendance at FIRST Robotics events and competitions. Each
18 grant recipient shall provide a local match from other private or
19 local funds for the funds received under this subdivision equal to
20 at least 50% of the costs of participating in an event.

21 (c) Grants to districts for awards to teams that advance to
22 the state and world championship competitions. The department shall
23 determine an equal amount per team for those teams that advance to
24 the state championship and a second equal award amount to those
25 teams that advance to the world championship.

26 ~~———— (4) The funds allocated under this section are a work project~~
27 ~~appropriation, and any unexpended funds for 2016-2017 are carried~~

~~forward into 2017-2018. The purpose of the work project is to
continue to implement the projects described under subsection (1).
The estimated completion date of the work project is September 30,
2019.~~

Sec. 99s. (1) From the funds appropriated under section 11,
there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed
~~\$3,000,000.00~~ **\$4,850,000.00** from the state school aid fund
appropriation and an amount not to exceed ~~\$1,300,000.00~~ **\$950,000.00**
from the general fund appropriation for Michigan science,
technology, engineering, and mathematics (MiSTEM) programs. In
addition, from the federal funds appropriated in section 11, there
is allocated for ~~2016-2017~~ **2017-2018** an amount estimated at
~~\$5,249,300.00~~ **\$4,700,000.00** from DED-OESE, title II, mathematics
and science partnership grants. 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, PAYMENTS
UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE
DEPARTMENT.**

(2) From the general fund allocation in subsection (1), there
is allocated an amount not to exceed \$50,000.00 to the department
for administrative, training, and travel costs related to the
MiSTEM advisory council. All of the following apply to the MiSTEM
advisory council funded under this subsection:

(a) The MiSTEM advisory council is created. The MiSTEM
advisory council shall provide to the governor, legislature,

1 department of talent and economic development, and department
2 recommendations designed to improve and promote innovation in STEM
3 education and to prepare students for careers in science,
4 technology, engineering, and mathematics.

5 (b) The MiSTEM advisory council created under subdivision (a)
6 shall consist of the following members:

7 (i) The governor shall appoint 11 voting members who are
8 representative of business sectors that are important to Michigan's
9 economy and rely on a STEM-educated workforce, nonprofit
10 organizations and associations that promote STEM education, K-12
11 and postsecondary education entities involved in STEM-related
12 career education, or other sectors as considered appropriate by the
13 governor. Each of these members shall serve at the pleasure of the
14 governor and for a term determined by the governor.

15 (ii) The senate majority leader shall appoint 2 members of the
16 senate to serve as nonvoting, ~~ex-officio~~ **EX OFFICIO** members of the
17 MiSTEM advisory council, including 1 majority party member and 1
18 minority party member.

19 (iii) The speaker of the house of representatives shall
20 appoint 2 members of the house of representatives to serve as
21 nonvoting, ~~ex-officio~~ **EX OFFICIO** members of the MiSTEM advisory
22 council, including 1 majority party member and 1 minority party
23 member.

24 (c) Each member of the MiSTEM advisory council shall serve
25 without compensation.

26 (d) The MiSTEM advisory council **ANNUALLY** shall ~~recommend~~
27 **REVIEW AND MAKE RECOMMENDATIONS** to the governor, the legislature,

1 and the department ~~a~~ **CONCERNING CHANGES TO THE** statewide strategy
 2 **ADOPTED BY THE COUNCIL** for delivering STEM education-related
 3 opportunities to pupils. ~~and objective criteria for determining~~
 4 ~~preferred STEM programs.~~ The MiSTEM advisory council shall use
 5 funds received under this subsection to ~~purchase training for~~
 6 **ENSURE THAT** its members or their designees ~~from~~ **ARE TRAINED IN** the
 7 Change the Equation STEMworks rating system program for the purpose
 8 of rating STEM programs.

9 (e) ~~Not later than October 15 of each fiscal year, the MiSTEM~~
 10 ~~advisory council shall provide STEM quality ratings for programs~~
 11 ~~recommended for funding under subsection (3).~~ The MiSTEM advisory
 12 council shall make specific funding recommendations for the funds
 13 allocated under subsection (3) by December 15 of each fiscal year.
 14 The amount of each grant recommended shall not exceed \$250,000.00.

15 (f) If the MiSTEM advisory council is unable to make specific
 16 funding recommendations by December 15 of a fiscal year, the
 17 department shall distribute the funds allocated under subsection
 18 (3) on a competitive grant basis that at least follows the ~~quality~~
 19 ~~guidelines and priority areas~~ **STATEWIDE STEM STRATEGY PLAN AND**
 20 **RATING SYSTEM** recommended by the MiSTEM advisory council. Each
 21 grant shall not exceed \$250,000.00 and must provide STEM education-
 22 related opportunities for pupils.

23 (g) The MiSTEM advisory council shall work with ~~directors of~~
 24 ~~mathematics and science centers~~ **THE EXECUTIVE DIRECTOR OF THE**
 25 **MISTEM CENTERS NETWORK** funded under subsection (4) to ~~connect~~
 26 ~~educators with businesses, workforce developers, economic~~
 27 ~~developers, community colleges, and universities.~~ **IMPLEMENT THE**

STATEWIDE STEM STRATEGY ADOPTED BY THE MISTEM ADVISORY COUNCIL.

(3) From the ~~general~~-**STATE SCHOOL AID** fund money allocated under subsection (1), there is allocated for ~~2016-2017~~-**2017-2018** an amount not to exceed ~~\$1,000,000.00~~-**\$2,850,000.00** for the purpose of funding programs under this section for ~~2016-2017~~, **2017-2018**, as recommended by the MiSTEM advisory council.

(4) From the state school aid fund allocation under subsection (1), there is allocated for ~~2016-2017~~-**2017-2018** an amount not to exceed ~~\$2,750,000.00~~-**\$2,000,000.00**, **AND FROM THE GENERAL FUND**

ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$750,000.00, to support the activities and programs of ~~mathematics and science centers.~~ **THE MISTEM CENTERS**

NETWORK. In addition, from the federal funds allocated under subsection (1), there is allocated for ~~2016-2017~~-**2017-2018** an amount estimated at ~~\$5,249,300.00~~-**\$4,700,000.00** from DED-OESE, title II, mathematics and science partnership grants, for the purposes of this subsection. All of the following apply to the programs and funding under this subsection:

~~—— (a) Within a service area designated locally, approved by the department, and consistent with the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, an established mathematics and science center shall provide 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.~~

~~1 (b) The department shall not award a state grant under this
2 subsection to more than 1 mathematics and science center located in
3 a designated region as prescribed in the 2007 master plan unless
4 each of the grants serves a distinct target population or provides
5 a service that does not duplicate another program in the designated
6 region.~~

~~7 (c) As part of the technical assistance process, the
8 department shall provide minimum standard guidelines that may be
9 used by the mathematics and science center for providing fair
10 access for qualified pupils and professional staff as prescribed in
11 this subsection.~~

~~12 (d) Allocations under this subsection to support the
13 activities and programs of mathematics and science centers shall be
14 continuing support grants to all 33 established mathematics and
15 science centers. For 2016-2017, each established mathematics and
16 science center shall receive state funding in an amount equal to
17 100% of the amount it was allocated under former section 99 for
18 2014-2015. If a center declines state funding or a center closes,
19 the remaining money available under this subsection shall be
20 distributed to the remaining centers, as determined by the
21 department.~~

~~22 (e) From the funds allocated under this subsection, the
23 department shall distribute for 2016-2017 an amount not to exceed
24 \$750,000.00 in a form and manner determined by the department to
25 those centers able to provide curriculum and professional
26 development support to assist districts in implementing the
27 Michigan merit curriculum components for mathematics and science.~~

~~Funding under this subdivision is in addition to funding allocated under subdivision (d).~~

(A) FROM THE GENERAL FUND MONEY ALLOCATED UNDER THIS SUBSECTION, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 TO THE DEPARTMENT TO SUPPORT THE FUNCTIONS OF THE EXECUTIVE DIRECTOR OF THE MISTEM CENTERS NETWORK. FROM THESE FUNDS, THE SUPERINTENDENT SHALL EMPLOY AN EXECUTIVE DIRECTOR OF THE MISTEM CENTERS NETWORK WITH THE ADVICE OF THE MISTEM ADVISORY COUNCIL. THE DEPARTMENT SHALL ASSIST THE EXECUTIVE DIRECTOR IN PERFORMING HIS OR HER DUTIES AS NECESSARY. THE EXECUTIVE DIRECTOR SHALL DO ALL OF THE FOLLOWING:

(i) COORDINATE THE DEVELOPMENT OF A NEW MASTER PLAN FOR THE REGIONAL MISTEM CENTERS THAT IS CONSISTENT WITH THE STATEWIDE STEM STRATEGY DEVELOPED BY THE MISTEM ADVISORY COUNCIL AND ENSURES SERVICES TO ALL DISTRICTS.

(ii) SERVE AS A LIAISON AMONG AND BETWEEN THE DEPARTMENT, THE MISTEM ADVISORY COUNCIL, AND THE REGIONAL MISTEM CENTERS 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.

(iii) COORDINATE A CAMPAIGN TO BUILD STEM AWARENESS AND COMMUNICATE STEM NEEDS AND OPPORTUNITIES TO PUPILS, PARENTS, EDUCATORS, AND THE BUSINESS COMMUNITY.

(iv) DISTRIBUTE AND MONITOR MISTEM CENTERS NETWORK GRANTS TO THE REGIONAL MISTEM CENTERS.

(v) REPORT TO THE GOVERNOR, THE LEGISLATURE, AND THE MISTEM ADVISORY COUNCIL ANNUALLY ON THE ACTIVITIES AND PERFORMANCE OF THE

1 REGIONAL MISTEM CENTERS.

2 (B) FROM THE GENERAL FUND MONEY ALLOCATED UNDER THIS
3 SUBSECTION, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00
4 TO THE DEPARTMENT TO PAY FOR COSTS TO TRANSITION FROM THE EXISTING
5 33 MATHEMATICS AND SCIENCE CENTERS TO A NETWORK OF 10 REGIONAL
6 MISTEM CENTERS THAT ARE ALIGNED WITH THE PROSPERITY REGIONS. THE
7 TRANSITION SHALL BE COMPLETED NO LATER THAN MARCH 31, 2018. THE
8 DEPARTMENT SHALL DEVELOP AND IMPLEMENT A TRANSITION PLAN FOR THIS
9 TRANSITION CONTAINING AT LEAST ALL OF THE FOLLOWING:

10 (i) IDENTIFICATION OF A FISCAL AGENT AND LOCATION FOR EACH OF
11 THE REGIONAL MISTEM CENTERS. SUBJECT TO SUBSECTION (5), AN
12 INTERMEDIATE DISTRICT, COMMUNITY COLLEGE, OR STATE PUBLIC
13 UNIVERSITY MAY SERVE AS A FISCAL AGENT.

14 (ii) IDENTIFICATION OF AT LEAST 1 FULL-TIME EMPLOYEE POSITION
15 AT EACH OF THE REGIONAL MISTEM CENTERS TO SERVE AS THE DIRECTOR OF
16 THE CENTER.

17 (C) FROM THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THERE IS
18 ALLOCATED AN AMOUNT NOT TO EXCEED \$2,000,000.00 TO THE MISTEM
19 CENTERS NETWORK FOR GRANTS OF UP TO \$200,000.00 EACH TO A TOTAL OF
20 10 REGIONAL MISTEM CENTERS. A REGIONAL MISTEM CENTER SHALL DO ALL
21 OF THE FOLLOWING:

22 (i) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT
23 IS LOCATED IN THE PROSPERITY REGION TO DEVELOP A REGIONAL STRATEGIC
24 PLAN FOR STEM EDUCATION THAT CREATES A ROBUST REGIONAL STEM
25 CULTURE, THAT EMPOWERS STEM TEACHERS, THAT INTEGRATES BUSINESS AND
26 EDUCATION INTO THE STEM NETWORK, AND THAT ENSURES HIGH-QUALITY STEM
27 EXPERIENCES FOR PUPILS. AT A MINIMUM, A REGIONAL STEM STRATEGIC

1 PLAN SHOULD DO ALL OF THE FOLLOWING:

2 (A) IDENTIFY REGIONAL EMPLOYER NEED FOR STEM USING THE
3 METHODOLOGY DESCRIBED IN SECTION 61B(4) (A) .

4 (B) IDENTIFY PROCESSES FOR REGIONAL EMPLOYERS AND EDUCATORS TO
5 CREATE GUIDED PATHWAYS FOR STEM CAREERS THAT INCLUDE INTERNSHIPS OR
6 EXTERNSHIPS, APPRENTICESHIPS, AND OTHER EXPERIENTIAL ENGAGEMENTS
7 FOR PUPILS.

8 (C) IDENTIFY EDUCATOR PROFESSIONAL DEVELOPMENT OPPORTUNITIES,
9 INCLUDING INTERNSHIPS OR EXTERNSHIPS AND APPRENTICESHIPS, THAT
10 INTEGRATE THIS STATE'S SCIENCE CONTENT STANDARDS INTO HIGH-QUALITY
11 STEM EXPERIENCES THAT ENGAGE PUPILS.

12 (ii) FACILITATE REGIONAL STEM EVENTS SUCH AS EDUCATOR AND
13 EMPLOYER NETWORKING AND STEM CAREER FAIRS TO RAISE STEM AWARENESS.

14 (iii) CONTRIBUTE TO THE MISTEM WEBSITE AND ENGAGE IN OTHER
15 STATEWIDE FUNCTIONS TO FURTHER THE MISSION OF STEM IN THIS STATE.

16 (D) ~~(f)~~—In order to receive state or federal funds under this
17 subsection, a grant recipient shall allow access for the department
18 or the department's designee to audit all records related to the
19 program for which it receives those funds. The grant recipient
20 shall reimburse the state for all disallowances found in the audit.

21 ~~—(g) Not later than September 30, 2017, the department shall~~
22 ~~work with the MiSTEM advisory council to revise the comprehensive~~
23 ~~master plan described in subdivision (a) to ensure that the~~
24 ~~comprehensive master plan is in compliance with the statewide~~
25 ~~strategy developed by the council under subsection (2) (d). The~~
26 ~~comprehensive master plan shall include a review of the feasibility~~
27 ~~of consolidating and reducing the number of mathematics and science~~

1 ~~centers.~~

2 ~~—— (h) The department shall give preference in awarding the~~
 3 ~~federal grants allocated under this subsection to eligible existing~~
 4 ~~mathematics and science centers.~~

5 (E) ~~(i)~~ In order to receive state funds under this subsection,
 6 a grant recipient **REGIONAL MISTEM CENTER** shall provide at least a
 7 10% local match from local public or private resources for the
 8 funds received under this subsection.

9 (F) ~~(j)~~ Not later than **JULY 1, 2019 AND** July 1 of each year
 10 **THEREAFTER**, a ~~mathematics and science~~ **REGIONAL MISTEM** center that
 11 receives funds under this subsection shall report to the ~~department~~
 12 **EXECUTIVE DIRECTOR OF THE MISTEM CENTERS NETWORK** in a form and
 13 manner prescribed by the ~~department on the following performance~~
 14 ~~measures:~~

15 ~~—— (i) Statistical change in pre- and post-assessment scores for~~
 16 ~~students who enrolled in mathematics and science activities~~
 17 ~~provided to districts by the mathematics and science center.~~

18 ~~—— (ii) Statistical change in pre- and post-assessment scores for~~
 19 ~~teachers who enrolled in professional development activities~~
 20 ~~provided by the mathematics and science center.~~ **EXECUTIVE DIRECTOR**

21 **ON PERFORMANCE MEASURES DEVELOPED BY THE REGIONAL MISTEM CENTERS**
 22 **AND APPROVED BY THE EXECUTIVE DIRECTOR. THE PERFORMANCE MEASURES**
 23 **SHALL BE DESIGNED TO ENSURE THAT THE ACTIVITIES OF THE MISTEM**
 24 **CENTERS NETWORK ARE IMPROVING STUDENT ACADEMIC OUTCOMES.**

25 (5) ~~(k)~~ As used in this subsection: **SECTION:**

26 (A) ~~(i)~~ "DED" means the United States Department of Education.

27 (B) ~~(ii)~~ "DED-OESE" means the DED Office of Elementary and

1 Secondary Education.

2 (C) "STEM" MEANS SCIENCE, TECHNOLOGY, ENGINEERING, AND
3 MATHEMATICS.

4 (D) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL
5 TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY
6 REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT
7 REPRESENTATIVES.

8 ~~—— (5) From the allocations under subsection (1), there is~~
9 ~~allocated an amount not to exceed \$250,000.00 for 2016-2017 for~~
10 ~~competitive grants to districts that provide pupils in grades K to~~
11 ~~12 with expanded opportunities in science education and skills by~~
12 ~~participating in events and competitions hosted by Science~~
13 ~~Olympiad. All of the following apply to the grant funding under~~
14 ~~this subsection:~~

15 ~~—— (a) A district applying for a grant under this subsection~~
16 ~~shall submit an application in the form and manner determined by~~
17 ~~the department not later than November 15, 2016. The department~~
18 ~~shall select districts for grants and make notification not later~~
19 ~~than December 15, 2016. To be eligible for a grant, a district~~
20 ~~shall pay at least 25% of the cost of participating in the Science~~
21 ~~Olympiad program.~~

22 ~~—— (b) The department shall distribute the grant funding~~
23 ~~allocated under this subsection for the following purposes:~~

24 ~~—— (i) Grants to districts of up to \$800.00 per new elementary~~
25 ~~team.~~

26 ~~—— (ii) Grants to districts of up to \$400.00 per established~~
27 ~~elementary team.~~

1 ~~—— (iii) Grants to districts of up to \$1,600.00 per new secondary~~
2 ~~team.~~

3 ~~—— (iv) Grants to districts of up to \$800.00 per established~~
4 ~~secondary team.~~

5 (6) From the general fund allocation under subsection (1),
6 there is allocated an amount not to exceed ~~\$250,000.00 for 2016-~~
7 ~~2017-~~**\$150,000.00 FOR 2017-2018** for a grant to the Van Andel
8 Education Institute for the purposes of advancing and promoting
9 science education and increasing the number of students who choose
10 to pursue careers in science or science-related fields. Funds
11 allocated under this subsection shall be used to provide
12 professional development for science teachers in using student-
13 driven, inquiry-based instruction.

14 Sec. 99t. (1) From the general fund appropriation under
15 section 11, there is allocated an amount not to exceed
16 ~~\$1,500,000.00 for 2016-2017-~~**\$1,000,000.00 FOR 2017-2018** to purchase
17 statewide access to an online algebra tool that meets all of the
18 following:

19 (a) Provides students statewide with complete access to videos
20 aligned with state standards including study guides and workbooks
21 that are aligned with the videos.

22 (b) Provides students statewide with access to a personalized
23 online algebra learning tool including adaptive diagnostics.

24 (c) Provides students statewide with dynamic algebra practice
25 assessments that emulate the state assessment with immediate
26 feedback and help solving problems.

27 (d) Provides students statewide with online access to algebra

1 help 24 hours a day and 7 days a week from study experts, teachers,
2 and peers on a moderated social networking platform.

3 (e) Provides an online algebra professional development
4 network for teachers.

5 (f) Is already provided under a statewide contract in at least
6 1 other state that has a population of at least 18,000,000 but not
7 more than 19,000,000 according to the most recent decennial census
8 and is offered in that state in partnership with a public
9 university.

10 (G) IS THE ONLINE ALGEBRA TOOL CHOSEN BY THE DEPARTMENT UNDER
11 THIS SECTION AS THIS SECTION WAS IN EFFECT IN 2016-2017.

12 ~~— (2) The department shall choose the online algebra tool by~~
13 ~~October 1, 2016.~~

14 (2) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS
15 ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$100.00 TO PURCHASE
16 STATEWIDE ACCESS TO AN ONLINE MATHEMATICS TOOL THAT MEETS ALL OF
17 THE FOLLOWING:

18 (A) PROVIDES STUDENTS STATEWIDE WITH COMPLETE ACCESS TO
19 MATHEMATICS SUPPORT ALIGNED WITH STATE STANDARDS THROUGH A PROGRAM
20 THAT HAS ALL OF THE FOLLOWING ELEMENTS:

21 (i) STUDENT MOTIVATION.

22 (ii) VALID AND RELIABLE ASSESSMENTS.

23 (iii) PERSONALIZED LEARNING PATHWAYS.

24 (iv) HIGHLY QUALIFIED, LIVE TEACHERS AVAILABLE ALL DAY AND ALL
25 YEAR.

26 (v) TWENTY-FOUR-HOUR REPORTING.

27 (vi) CONTENT BUILT FOR RIGOROUS MATHEMATICS.

(B) HAS A RECORD OF IMPROVING STUDENT MATHEMATICS SCORES IN AT LEAST 5 OTHER STATES.

Sec. 102d. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed \$1,500,000.00 for ~~2016-~~ ~~2017-~~**2017-2018** for reimbursements to districts and intermediate districts for the licensing of school data analytical tools as described under this section. The reimbursement is for districts and intermediate districts that choose to use a school data analytical tool to assist the district or intermediate district and that enter into a licensing agreement for a school data analytical tool with 1 of the vendors approved by the department of technology, management, and budget under subsection (2). Funds allocated under this section are intended to provide districts and intermediate districts with financial forecasting and transparency reporting tools to help improve the financial health of districts and to improve communication with the public, resulting in increased fund balances for districts and intermediate districts.

(2) Not later than October 15, ~~2016-~~**2017**, the department of technology, management, and budget shall review vendors for school data analytical tools and provide districts and intermediate districts with a list of up to 2 approved vendors that districts and intermediate districts may use to be eligible for a reimbursement paid under this section. In addition, a vendor approved under this section for ~~2015-2016-~~**2016-2017** is considered to be approved for use by a district or intermediate district and for reimbursement for ~~2016-2017-~~**2017-2018**. An approved school data analytical tool supplied by the vendor must meet at least all of

1 the following:

2 (a) Analyzes financial data.

3 (b) Analyzes academic data.

4 (c) Provides early warning indicators of financial stress.

5 (d) Has the capability to provide peer district comparisons of
6 both financial and academic data.

7 (e) Has the capability to provide financial projections for at
8 least 3 subsequent fiscal years.

9 (3) Funds allocated under this section shall be paid to
10 districts and intermediate districts as a reimbursement for already
11 having a licensing agreement or for entering into a licensing
12 agreement not later than December 1, ~~2016~~**2017** with a vendor
13 approved under subsection (2) to implement a school data analytical
14 tool. Reimbursement will be prorated for the portion of the state
15 fiscal year not covered by the licensing agreement. However, a
16 licensing agreement that takes effect after October 1, ~~2016~~**2017**
17 and before December 1, ~~2016~~**2017** will not be prorated if the term
18 of the agreement is at least 1 year. Reimbursement under this
19 section shall be made as follows:

20 (a) All districts and intermediate districts seeking
21 reimbursement shall submit requests not later than December 1, ~~2016~~
22 **2017** indicating the cost paid for the financial data analytical
23 tool.

24 (b) The department shall determine the sum of the funding
25 requests under subdivision (a) and, if there are sufficient funds,
26 shall pay 1/2 of the costs submitted under subdivision (a). If
27 there are insufficient funds to pay 1/2 of the costs submitted

1 under (a), then reimbursement shall be made on an equal percentage
2 basis.

3 (c) Funds remaining after the calculation and payment under
4 subdivision (b) shall be distributed on an equal per-pupil basis,
5 with an intermediate district's pupils considered to be the sum of
6 the pupil memberships of the constituent districts for which the
7 intermediate district is purchasing the financial data analytical
8 tool.

9 (d) The reimbursement to a district or intermediate district
10 shall not be greater than the amount paid for a data analytics
11 application.

12 (e) A district or intermediate district shall not be
13 reimbursed for the purchase of more than 1 software application.

14 (4) Notwithstanding section 17b, payments under this section
15 shall be made on a schedule determined by the department.

16 Sec. 104. (1) In order to receive state aid under this
17 article, a district shall comply with sections 1249, 1278a, 1278b,
18 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
19 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
20 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
21 the state school aid fund money appropriated in section 11, there
22 is allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
23 ~~\$33,894,400.00~~**\$33,709,400.00** for payments on behalf of districts
24 for costs associated with complying with those provisions of law.
25 In addition, from the federal funds appropriated in section 11,
26 there is allocated for ~~2016-2017~~**2017-2018** an amount estimated at
27 \$6,250,000.00, funded from DED-OESE, title VI, state assessment

1 funds, and from DED-OSERS, section 504 of part B of the individuals
2 with disabilities education act, Public Law 94-142, plus any
3 carryover federal funds from previous year appropriations, for the
4 purposes of complying with the federal no child left behind act of
5 2001, Public Law 107-110, or the every student succeeds act, Public
6 Law 114-95.

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

19 (3) All federal funds allocated under this section shall be
20 distributed in accordance with federal law and with flexibility
21 provisions outlined in Public Law 107-116, and in the education
22 flexibility partnership act of 1999, Public Law 106-25.

23 ~~———— (4) From the allocation in subsection (1), there is allocated~~
24 ~~an amount not to exceed \$185,000.00 for the implementation of a~~
25 ~~kindergarten readiness assessment pilot project in 2016-2017. The~~
26 ~~funding would be allocated to an intermediate district located in a~~
27 ~~prosperity region with 2 or more subregions to participate in the~~

~~Maryland Ohio pilot and cover the cost of a contract with a university for implementation of version 1.75 of the kindergarten readiness assessment tool. The kindergarten readiness assessment pilot shall assess an estimated 4,000 children, and the designated intermediate district shall work with other intermediate districts to implement the pilot project, engage with the office of great start and the department, and provide a report to the legislature on the efficacy and usefulness of a kindergarten readiness assessment. Allowable costs under this pilot program include those incurred in August and September 2016.~~

(4) ~~(5)~~—The department shall continue to make the kindergarten entry assessment developed by the department and field tested in 2015-2016 available to districts in ~~2016-2017.~~**2017-2018.**

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

(6) ~~(7)~~—Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(7) ~~(8)~~ ~~From the allocation in subsection (1), there is allocated an amount not to exceed \$3,200,000.00 for the development or selection of~~ **THE DEPARTMENT, IN COLLABORATION WITH THE CENTER, SHALL DEVELOP OR SELECT** an online reporting tool to provide student-level assessment data in a secure environment to educators,

1 parents, and pupils immediately after assessments are scored **AND**
2 **SHALL ENSURE THAT ASSESSMENT DATA ARE MADE ACCESSIBLE ALONGSIDE**
3 **OTHER EDUCATION OUTCOME DATA FOR USE IN PROFESSIONAL DEVELOPMENT**
4 **ACTIVITIES FOR DISTRICTS AND INTERMEDIATE DISTRICTS THROUGH THE**
5 **MISCHOOL DATA PORTAL.** The department and the center shall ensure
6 that any data collected by the online reporting tool do not provide
7 individually identifiable student data to the federal government.

8 ~~—— (9) From the allocation in subsection (1), there is allocated~~
9 ~~an amount not to exceed \$5,600,000.00 for the purpose of~~
10 ~~implementing a summative assessment system pursuant to section~~
11 ~~104e.~~

12 **(8) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED**
13 **AN AMOUNT NOT TO EXCEED \$1,100,000.00 FOR THE IMPLEMENTATION OF AN**
14 **ASSESSMENT DIGITAL LITERACY PREPARATION PILOT PROJECT FOR PUPILS**
15 **ENROLLED IN GRADES K TO 8. THE DEPARTMENT SHALL ENSURE THAT A PILOT**
16 **PROJECT FUNDED UNDER THIS SUBSECTION SATISFIES ALL OF THE**
17 **FOLLOWING:**

18 **(A) IS AVAILABLE TO DISTRICTS IN THE 2017-2018 SCHOOL YEAR.**

19 **(B) FOCUSES ON ENSURING PUPILS HAVE THE NECESSARY SKILLS**
20 **REQUIRED FOR STATE ONLINE ASSESSMENTS BY ASSESSING PUPIL DIGITAL**
21 **LITERACY SKILL LEVELS AND PROVIDING TEACHERS WITH A DIGITAL**
22 **CURRICULUM TARGETED AT AREAS OF DETERMINED WEAKNESS.**

23 **(C) ALLOWS PUPILS TO ENGAGE WITH THE DIGITAL CURRICULUM IN AN**
24 **INDEPENDENT OR TEACHER-FACILITATED MODALITY.**

25 **(D) INCLUDES TRAINING AND PROFESSIONAL DEVELOPMENT FOR**
26 **TEACHERS.**

27 **(E) IS IMPLEMENTED IN AT LEAST 220 DISTRICTS THAT OPERATE**

1 GRADES K TO 8 AND THAT REPRESENT A DIVERSE GEOGRAPHY AND SOCIO-
2 ECONOMIC DEMOGRAPHIC.

3 (9) FUNDING UNDER SUBSECTION (8) SHALL BE ALLOCATED TO A
4 DISTRICT THAT OPERATES AT LEAST GRADES K TO 8 AND HAS A PARTNERSHIP
5 WITH A THIRD PARTY THAT IS EXPERIENCED IN THE ASSESSMENT OF DIGITAL
6 LITERACY AND THE PREPARATION OF DIGITAL LITERACY SKILLS AND HAS
7 DEMONSTRABLE EXPERIENCE SERVING DISTRICTS IN THIS STATE AND LOCAL
8 EDUCATION AGENCIES IN OTHER STATES. THE DISTRICT, ALONG WITH ITS
9 THIRD-PARTY PARTNER, SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE
10 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE AND SENATE
11 FISCAL AGENCIES ON THE EFFICACY AND USEFULNESS OF THE ASSESSMENT
12 DIGITAL LITERACY PREPARATION PILOT PROJECT NO LATER THAN SEPTEMBER
13 30, 2018.

14 (10) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER SUBSECTION
15 (8) SHALL BE MADE IN A MANNER DETERMINED BY THE DEPARTMENT.

16 (11) ~~(10)~~As used in this section:

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

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

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

22 Sec. 104c. (1) In order to receive state aid under this
23 article, a district shall administer the state assessments
24 described in this section.

25 (2) For the purposes of this section, the department shall
26 develop for use in the spring of 2015-2016 the Michigan student
27 test of educational progress (M-STEP) assessments in English

1 language arts and mathematics. These assessments shall be aligned
2 to state standards.

3 (3) For the purposes of this section, the department shall
4 implement a summative assessment system that is proven to be valid
5 and reliable for administration to pupils as provided under this
6 subsection. The summative assessment system shall meet all of the
7 following requirements:

8 (a) The summative assessment system shall measure student
9 proficiency on the current state standards, shall measure student
10 growth for consecutive grade levels in which students are assessed
11 in the same subject area in both grade levels, and shall be capable
12 of measuring individual student performance.

13 (b) The summative assessments for English language arts and
14 mathematics shall be administered to all public school pupils in
15 grades 3 to 11, including those pupils as required by the federal
16 individuals with disabilities education act, Public Law 108-446,
17 and by title I of the federal elementary and secondary education
18 act.

19 (c) The summative assessments for science shall be
20 administered to all public school pupils in at least grades 4 and
21 7, including those pupils as required by the federal individuals
22 with disabilities education act, Public Law 108-446, and by title I
23 of the federal elementary and secondary education act.

24 (d) The summative assessments for social studies shall be
25 administered to all public school pupils in at least grades 5 and
26 8, including those pupils as required by the federal individuals
27 with disabilities education act, Public Law 108-446, and by title I

1 of the federal elementary and secondary education act.

2 (e) The content of the summative assessments shall be aligned
3 to state standards.

4 (f) The pool of questions for the summative assessments shall
5 be subject to a transparent review process for quality, bias, and
6 sensitive issues involving educator review and comment. The
7 department shall post samples from tests or retired tests featuring
8 questions from this pool for review by the public.

9 (g) The summative assessment system shall ensure that
10 students, parents, and teachers are provided with reports that
11 convey individual student proficiency and growth on the assessment
12 and that convey individual student domain-level performance in each
13 subject area, including representative questions, and individual
14 student performance in meeting state standards.

15 (h) The summative assessment system shall be capable of
16 providing, and the department shall ensure that students, parents,
17 teachers, administrators, and community members are provided with,
18 reports that convey aggregate student proficiency and growth data
19 by teacher, grade, school, and district.

20 (i) The summative assessment system shall ensure the
21 capability of reporting the available data to support educator
22 evaluations.

23 (j) The summative assessment system shall ensure that the
24 reports provided to districts containing individual student data
25 are available within 60 days after completion of the assessments.

26 (k) The summative assessment system shall ensure that access
27 to individually identifiable student data meets all of the

1 following:

2 (i) Is in compliance with 20 USC 1232g, commonly referred to
3 as the family educational rights and privacy act of 1974.

4 (ii) Except as may be provided for in an agreement with a
5 vendor to provide assessment services, as necessary to support
6 educator evaluations pursuant to subdivision (i), or for research
7 or program evaluation purposes, is available only to the student;
8 to the student's parent or legal guardian; and to a school
9 administrator or teacher, to the extent that he or she has a
10 legitimate educational interest.

11 (l) The summative assessment system shall ensure that the
12 assessments are pilot tested before statewide implementation.

13 (m) The summative assessment system shall ensure that
14 assessments are designed so that the maximum total combined length
15 of time that schools are required to set aside for a pupil to
16 answer all test questions on all assessments that are part of the
17 system for the pupil's grade level does not exceed that maximum
18 total combined length of time for the previous statewide assessment
19 system or 9 hours, whichever is less. This subdivision does not
20 limit the amount of time a district may allow a pupil to complete a
21 test.

22 (n) The total cost of executing the summative assessment
23 system statewide each year, including, but not limited to, the cost
24 of contracts for administration, scoring, and reporting, shall not
25 exceed an amount equal to 2 times the cost of executing the
26 previous statewide assessment after adjustment for inflation.

27 **(4) IN AN EFFORT TO DEVELOP A COHESIVE STATE ASSESSMENT**

1 SYSTEM, THE DEPARTMENT SHALL IMPLEMENT A REQUEST FOR INFORMATION
2 PROCESS FOR A COMMON FORMATIVE ASSESSMENT SYSTEM THAT IS FULLY
3 ALIGNED TO THIS STATE'S CONTENT STANDARDS FOR ENGLISH LANGUAGE ARTS
4 AND MATHEMATICS. THE DEPARTMENT MAY USE INFORMATION COMPILED FROM A
5 REQUEST FOR PROPOSAL IN 2016-2017 TO SATISFY THIS REQUEST.

6 (5) ~~(4)~~—Beginning in the 2015-2016 school year, the department
7 shall field test assessments in the fall and spring of each school
8 year to measure English language arts and mathematics in each of
9 grades K to 2 for full implementation when the assessments have
10 been successfully field tested. This full implementation shall
11 occur not later than the 2018-2019 school year. These assessments
12 are necessary to determine a pupil's proficiency level before grade
13 3.

14 (6) IN AN EFFORT TO ADD AND ADMINISTER STATEWIDE BENCHMARK
15 ASSESSMENTS IN ENGLISH LANGUAGE ARTS AND MATHEMATICS TO THE CURRENT
16 ASSESSMENT SYSTEM, THE DEPARTMENT SHALL BEGIN TO DEVELOP AND
17 IMPLEMENT PILOT PROGRAMS OR FIELD TESTING OF TEST CONTENT FOR THE
18 STATEWIDE USE OF BENCHMARK ASSESSMENTS FOR GRADES 3 TO 8 UP TO 3
19 TIMES PER YEAR BEGINNING IN THE 2018-2019 SCHOOL YEAR. THESE
20 BENCHMARK ASSESSMENTS SHALL BE FULLY ALIGNED TO THIS STATE'S STATE
21 CONTENT STANDARDS FOR ENGLISH LANGUAGE ARTS AND MATHEMATICS AND MAY
22 BE COMPUTER-ADAPTIVE IN NATURE.

23 (7) ~~(5)~~—This section does not prohibit districts from adopting
24 interim assessments.

25 (8) ~~(6)~~—As used in this section, "English language arts" means
26 that term as defined in section 104b.

27 Sec. 104d. (1) From the state school aid fund money

1 appropriated in section 11, there is allocated for ~~2016-2017~~**2017-**
2 **2018** an amount not to exceed \$4,000,000.00 for providing
3 reimbursement to districts that purchase a computer-adaptive test,
4 or that purchase 1 or more diagnostic tools, screening tools, or
5 benchmark assessments for pupils in grades K to 3 that are intended
6 to increase reading proficiency by grade 4.

7 (2) In order to receive reimbursement under this section for
8 the purchase of a computer-adaptive test, the computer-adaptive
9 test must provide for at least all of the following:

10 (a) Internet-delivered, standards-based assessment using a
11 computer-adaptive model to target the instructional level of each
12 pupil.

13 (b) Unlimited testing opportunities throughout the ~~2016-2017~~
14 **2017-2018** school year.

15 (c) Valid and reliable diagnostic assessment data.

16 (d) Adjustment of testing difficulty based on previous answers
17 to test questions.

18 (e) Immediate feedback to pupils and teachers.

19 (3) In order to receive reimbursement under this section for
20 the purchase of 1 or more diagnostic tools or screening tools for
21 pupils in grades K to 3, each of the tools must meet all of the
22 following:

23 (a) Be reliable.

24 (b) Be valid.

25 (c) Be useful. As used in this subdivision, "useful" means
26 that a tool is easy to administer and requires a short time to
27 complete and that results are linked to intervention.

1 (4) In order to receive funding under this section for the
2 purchase of 1 or more benchmark assessments for pupils in grades K
3 to 3, each of the benchmark assessments must meet all of the
4 following:

5 (a) Be aligned to the state standards of this state.

6 (b) Complement this state's summative assessment system.

7 (c) Be administered at least once a year before the
8 administration of any summative assessment to monitor pupil
9 progress.

10 (d) Provide information on pupil achievement with regard to
11 learning the content required in a given year or grade span.

12 (5) Reimbursement under this section shall be made to eligible
13 districts that purchase a computer-adaptive test or 1 or more
14 diagnostic tools, screening tools, or benchmark assessments
15 described in this section by October 15, ~~2016~~**2017** and shall be
16 made on an equal per-pupil basis according to the available
17 funding, based on the number of pupils for whom assessments were
18 purchased.

19 (6) In order to receive reimbursement under this section, a
20 district shall demonstrate to the satisfaction of the department
21 that each qualifying computer-adaptive test, diagnostic tool,
22 screening tool, or benchmark assessment was purchased by the
23 district by December 1, ~~2016~~**2017**.

24 Sec. 107. (1) From the appropriation in section 11, there is
25 allocated an amount not to exceed \$25,000,000.00 for ~~2016-2017~~
26 **2017-2018** for adult education programs authorized under this
27 section. Except as otherwise provided under subsections (14) and

1 (15), funds allocated under this section are restricted for adult
2 education programs as authorized under this section only. A
3 recipient of funds under this section shall not use those funds for
4 any other purpose.

5 (2) To be eligible for funding under this section, an eligible
6 adult education provider shall employ certificated teachers and
7 qualified administrative staff and shall offer continuing education
8 opportunities for teachers to allow them to maintain certification.

9 (3) To be eligible to be a participant funded under this
10 section, an individual shall be enrolled in an adult basic
11 education program, an adult secondary education program, an adult
12 English as a second language program, a high school equivalency
13 test preparation program, or a high school completion program, that
14 meets the requirements of this section, and for which instruction
15 is provided, and shall meet either of the following:

16 (a) Has attained 20 years of age.

17 (b) Has attained 18 years of age and the individual's
18 graduating class has graduated.

19 (4) By April 1 of each fiscal year, the intermediate districts
20 within a prosperity region or subregion shall determine which
21 intermediate district will serve as the prosperity region's or
22 subregion's fiscal agent for the next fiscal year and shall notify
23 the department in a form and manner determined by the department.
24 The department shall approve or disapprove of the prosperity
25 region's or subregion's selected fiscal agent. From the funds
26 allocated under subsection (1), an amount as determined under this
27 subsection shall be allocated to each intermediate district serving

1 as a fiscal agent for adult education programs in each of the
2 prosperity regions or subregions identified by the department. An
3 intermediate district shall not use more than 5% of the funds
4 allocated under this subsection for administration costs for
5 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
6 allocation provided to each intermediate district serving as a
7 fiscal agent shall be based on the proportion of total funding
8 formerly received by the adult education providers in that
9 prosperity region or subregion in 2013-2014, and 33% shall be
10 allocated based on the factors in subdivisions (a), (b), and (c).
11 For 2017-2018, 33% of the allocation provided to each intermediate
12 district serving as a fiscal agent shall be based upon the
13 proportion of total funding formerly received by the adult
14 education providers in that prosperity region in 2013-2014 and 67%
15 of the allocation shall be based upon the factors in subdivisions
16 (a), (b), and (c). Beginning in 2018-2019, 100% of the allocation
17 provided to each intermediate district serving as a fiscal agent
18 shall be based on the factors in subdivisions (a), (b), and (c).
19 The funding factors for this section are as follows:

20 (a) Sixty percent of this portion of the funding shall be
21 distributed based upon the proportion of the state population of
22 individuals between the ages of 18 and 24 that are not high school
23 graduates that resides in each of the prosperity regions or
24 subregions, as reported by the most recent 5-year estimates from
25 the American community survey (ACS) from the United States Census
26 Bureau.

27 (b) Thirty-five percent of this portion of the funding shall

1 be distributed based upon the proportion of the state population of
2 individuals age 25 or older who are not high school graduates that
3 resides in each of the prosperity regions or subregions, as
4 reported by the most recent 5-year estimates from the American
5 community survey (ACS) from the United States Census Bureau.

6 (c) Five percent of this portion of the funding shall be
7 distributed based upon the proportion of the state population of
8 individuals age 18 or older who lack basic English language
9 proficiency that resides in each of the prosperity regions or
10 subregions, as reported by the most recent 5-year estimates from
11 the American community survey (ACS) from the United States Census
12 Bureau.

13 (5) To be an eligible fiscal agent, an intermediate district
14 must agree to do the following in a form and manner determined by
15 the department:

16 (a) Distribute funds to adult education programs in a
17 prosperity region or subregion as described in this section.

18 (b) Collaborate with the talent district career council, which
19 is an advisory council of the workforce development boards located
20 in the prosperity region or subregion, or its successor, to develop
21 a regional strategy that aligns adult education programs and
22 services into an efficient and effective delivery system for adult
23 education learners, with special consideration for providing
24 contextualized learning and career pathways and addressing barriers
25 to education and employment.

26 (c) Collaborate with the talent district career council, which
27 is an advisory council of the workforce development boards located

1 in the prosperity region or subregion, or its successor, to create
2 a local process and criteria that will identify eligible adult
3 education providers to receive funds allocated under this section
4 based on location, demand for services, past performance, quality
5 indicators as identified by the department, and cost to provide
6 instructional services. The fiscal agent shall determine all local
7 processes, criteria, and provider determinations. However, the
8 local processes, criteria, and provider services must be approved
9 by the department before funds may be distributed to the fiscal
10 agent.

11 (d) Provide oversight to its adult education providers
12 throughout the program year to ensure compliance with the
13 requirements of this section.

14 (e) Report adult education program and participant data and
15 information as prescribed by the department.

16 (6) An adult basic education program, an adult secondary
17 education program, or an adult English as a second language program
18 operated on a year-round or school year basis may be funded under
19 this section, subject to all of the following:

20 (a) The program enrolls adults who are determined by a
21 department-approved assessment, in a form and manner prescribed by
22 the department, to be below twelfth grade level in reading or
23 mathematics, or both, or to lack basic English proficiency.

24 (b) The program tests individuals for eligibility under
25 subdivision (a) before enrollment and upon completion of the
26 program in compliance with the state-approved assessment policy.

27 (c) A participant in an adult basic education program is

1 eligible for reimbursement until 1 of the following occurs:

2 (i) The participant's reading and mathematics proficiency are
3 assessed at or above the ninth grade level.

4 (ii) The participant fails to show progress on 2 successive
5 assessments after having completed at least 450 hours of
6 instruction.

7 (d) A participant in an adult secondary education program is
8 eligible for reimbursement until 1 of the following occurs:

9 (i) The participant's reading and mathematics proficiency are
10 assessed above the twelfth grade level.

11 (ii) The participant fails to show progress on 2 successive
12 assessments after having at least 450 hours of instruction.

13 (e) A funding recipient enrolling a participant in an English
14 as a second language program is eligible for funding according to
15 subsection (9) until the participant meets 1 of the following:

16 (i) The participant is assessed as having attained basic
17 English proficiency as determined by a department-approved
18 assessment.

19 (ii) The participant fails to show progress on 2 successive
20 department-approved assessments after having completed at least 450
21 hours of instruction. The department shall provide information to a
22 funding recipient regarding appropriate assessment instruments for
23 this program.

24 (7) A high school equivalency test preparation program
25 operated on a year-round or school year basis may be funded under
26 this section, subject to all of the following:

27 (a) The program enrolls adults who do not have a high school

1 diploma or a high school equivalency certificate.

2 (b) The program shall administer a pre-test approved by the
3 department before enrolling an individual to determine the
4 individual's literacy levels, shall administer a high school
5 equivalency practice test to determine the individual's potential
6 for success on the high school equivalency test, and shall
7 administer a post-test upon completion of the program in compliance
8 with the state-approved assessment policy.

9 (c) A funding recipient shall receive funding according to
10 subsection (9) for a participant, and a participant may be enrolled
11 in the program until 1 of the following occurs:

12 (i) The participant achieves a high school equivalency
13 certificate.

14 (ii) The participant fails to show progress on 2 successive
15 department-approved assessments used to determine readiness to take
16 a high school equivalency test after having completed at least 450
17 hours of instruction.

18 (8) A high school completion program operated on a year-round
19 or school year basis may be funded under this section, subject to
20 all of the following:

21 (a) The program enrolls adults who do not have a high school
22 diploma.

23 (b) The program tests participants described in subdivision
24 (a) before enrollment and upon completion of the program in
25 compliance with the state-approved assessment policy.

26 (c) A funding recipient shall receive funding according to
27 subsection (9) for a participant in a course offered under this

1 subsection until 1 of the following occurs:

2 (i) The participant passes the course and earns a high school
3 diploma.

4 (ii) The participant fails to earn credit in 2 successive
5 semesters or terms in which the participant is enrolled after
6 having completed at least 900 hours of instruction.

7 (9) A funding recipient shall receive payments under this
8 section in accordance with all of the following:

9 (a) Statewide allocation criteria, including 3-year average
10 enrollments, census data, and local needs.

11 (b) Participant completion of the adult basic education
12 objectives by achieving an educational gain as determined by the
13 national reporting system levels; for achieving basic English
14 proficiency, as determined by the department; for achieving a high
15 school equivalency certificate or passage of 1 or more individual
16 high school equivalency tests; for attainment of a high school
17 diploma or passage of a course required for a participant to attain
18 a high school diploma; for enrollment in a postsecondary
19 institution, or for entry into or retention of employment, as
20 applicable.

21 (c) Participant completion of core indicators as identified in
22 the innovation and opportunity act.

23 (d) Allowable expenditures.

24 (10) A person who is not eligible to be a participant funded
25 under this section may receive adult education services upon the
26 payment of tuition. In addition, a person who is not eligible to be
27 served in a program under this section due to the program

1 limitations specified in subsection (6), (7), or (8) may continue
2 to receive adult education services in that program upon the
3 payment of tuition. The tuition level shall be determined by the
4 local or intermediate district conducting the program.

5 (11) An individual who is an inmate in a state correctional
6 facility shall not be counted as a participant under this 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 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.

11 (15) From the amount appropriated in subsection (1), an amount
 12 not to exceed \$500,000.00 shall be allocated for ~~2016-2017~~**2017-**
 13 **2018** to not more than 1 pilot program that is located in a
 14 prosperity region with 2 or more subregions and that connects adult
 15 education participants directly with employers by linking adult
 16 education, career and technical skills, and workforce development.
 17 To be eligible for funding under this subsection, a pilot program
 18 shall provide a collaboration linking adult education programs
 19 within the county, the area career/technical center, and local
 20 employers, and shall meet the additional criteria in subsections
 21 (16) and (17). Funding under this subsection for ~~2016-2017~~**2017-**
 22 **2018** is for the ~~second~~**THIRD** of 3 years of funding.

23 (16) A pilot program funded under subsection (15) shall
 24 require adult education staff to work with Michigan works! agency
 25 to identify a cohort of participants who are most prepared to
 26 successfully enter the workforce. Participants identified under
 27 this subsection shall be dually enrolled in adult education

1 programming and at least 1 technical course at the area
2 career/technical center.

3 (17) A pilot program funded under subsection (15) shall have
4 on staff an adult education navigator who will serve as a
5 caseworker for each participant identified under subsection (16).
6 The navigator shall work with adult education staff and potential
7 employers to design an educational program best suited to the
8 personal and employment needs of the participant, and shall work
9 with human service agencies or other entities to address any
10 barrier in the way of participant access.

11 (18) Not later than December 1, ~~2017~~, **2018**, the pilot program
12 funded under subsection (15) shall provide to the senate and house
13 appropriations subcommittees on school aid, ~~and to the senate and~~
14 house fiscal agencies, **AND TO THE STATE BUDGET DIRECTOR** a report
15 detailing number of participants, graduation rates, and a measure
16 of transitioning to employment.

17 ~~— (19) The department shall develop an application process for a~~
18 ~~pilot program to be funded under subsection (15) and shall award~~
19 ~~funding not later than October 1, 2016. Funding allocated under~~
20 ~~subsection (15) may be paid on a schedule other than that specified~~
21 ~~under section 17b.~~

22 **(19)** ~~(20)~~ The department shall approve at least 3 high school
23 equivalency tests and determine whether a high school equivalency
24 certificate meets the requisite standards for high school
25 equivalency in this state.

26 **(20)** ~~(21)~~ As used in this section:

27 (a) "Career pathway" means a combination of rigorous and high-

1 quality education, training, and other services that comply with
2 all of the following:

3 (i) Aligns with the skill needs of industries in the economy
4 of this state or in the regional economy involved.

5 (ii) Prepares an individual to be successful in any of a full
6 range of secondary or postsecondary education options, including
7 apprenticeships registered under the act of August 16, 1937
8 (commonly known as the "national apprenticeship act"), 29 USC 50 et
9 seq.

10 (iii) Includes counseling to support an individual in
11 achieving the individual's education and career goals.

12 (iv) Includes, as appropriate, education offered concurrently
13 with and in the same context as workforce preparation activities
14 and training for a specific occupation or occupational cluster.

15 (v) Organizes education, training, and other services to meet
16 the particular needs of an individual in a manner that accelerates
17 the educational and career advancement of the individual to the
18 extent practicable.

19 (vi) Enables an individual to attain a secondary school
20 diploma or its recognized equivalent, and at least 1 recognized
21 postsecondary credential.

22 (vii) Helps an individual enter or advance within a specific
23 occupation or occupational cluster.

24 (b) "Department" means the department of talent and economic
25 development.

26 (c) "Eligible adult education provider" means a district,
27 intermediate district, a consortium of districts, a consortium of

1 intermediate districts, or a consortium of districts and
2 intermediate districts that is identified as part of the local
3 process described in subsection (5)(c) and approved by the
4 department.

5 Sec. 147. (1) The allocation for ~~2016-2017~~**2017-2018** for the
6 public school employees' retirement system pursuant to the public
7 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
8 to 38.1408, shall be made using the individual projected benefit
9 entry age normal cost method of valuation and risk assumptions
10 adopted by the public school employees retirement board and the
11 department of technology, management, and budget.

12 (2) The annual level percentage of payroll contribution rates
13 for the ~~2016-2017~~**2017-2018** fiscal year, as determined by the
14 retirement system, are estimated as follows:

15 (a) For public school employees who first worked for a public
16 school reporting unit before July 1, 2010 and who are enrolled in
17 the health premium subsidy, the annual level percentage of payroll
18 contribution rate is estimated at ~~36.64%,~~**36.88%**, with ~~24.94%~~
19 **25.56%** paid directly by the employer.

20 (b) For public school employees who first worked for a public
21 school reporting unit on or after July 1, 2010 and who are enrolled
22 in the health premium subsidy, the annual level percentage of
23 payroll contribution rate is estimated at ~~36.01%,~~**35.60%**, with
24 ~~24.31%~~**24.28%** paid directly by the employer.

25 (c) For public school employees who first worked for a public
26 school reporting unit on or after July 1, 2010 and who participate
27 in the personal healthcare fund, the annual level percentage of

1 payroll contribution rate is estimated at ~~35.79%~~, **35.35%**, with
2 ~~24.09%~~ **24.03%** paid directly by the employer.

3 (d) For public school employees who first worked for a public
4 school reporting unit on or after September 4, 2012, who elect
5 defined contribution, and who participate in the personal
6 healthcare fund, the annual level percentage of payroll
7 contribution rate is estimated at ~~32.66%~~, **32.28%**, with 20.96% paid
8 directly by the employer.

9 (e) 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 are enrolled in the health premium subsidy,
12 the annual level percentage of payroll contribution rate is
13 estimated at ~~32.88%~~, **32.53%**, with ~~21.18%~~ **21.21%** paid directly by
14 the employer.

15 (f) For public school employees who first worked for a public
16 school reporting unit before July 1, 2010, who elect defined
17 contribution, and who participate in the personal healthcare fund,
18 the annual level percentage of payroll contribution rate is
19 estimated at ~~32.66%~~, **32.28%**, with 20.96% paid directly by the
20 employer.

21 (g) For public school employees who first worked for a public
22 school reporting unit before July 1, 2010 and who participate in
23 the personal healthcare fund, the annual level percentage of
24 payroll contribution rate is estimated at ~~36.42%~~, **36.63%**, with
25 ~~24.72%~~ **25.31%** paid directly by the employer.

26 (3) In addition to the employer payments described in
27 subsection (2), the employer shall pay the applicable contributions

1 to the Tier 2 plan, as determined by the public school employees
2 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

3 (4) The contribution rates in subsection (2) reflect an
4 amortization period of ~~22~~**21** years for ~~2016-2017~~**-2017-2018**. The
5 public school employees' retirement system board shall notify each
6 district and intermediate district by February 28 of each fiscal
7 year of the estimated contribution rate for the next fiscal year.

8 Sec. 147a. **(1)** From the appropriation in section 11, there is
9 allocated for ~~2016-2017~~**-2017-2018** an amount not to exceed
10 \$100,000,000.00 for payments to participating districts. A district
11 that receives money under this section shall use that money solely
12 for the purpose of offsetting a portion of the retirement
13 contributions owed by the district for the fiscal year in which it
14 is received. The amount allocated to each participating district
15 under this ~~section~~**SUBSECTION** shall be based on each participating
16 district's percentage of the total statewide payroll for all
17 participating districts for the immediately preceding fiscal year.
18 As used in this ~~section~~**SUBSECTION**, "participating district" means
19 a district that is a reporting unit of the Michigan public school
20 employees' retirement system under the public school employees
21 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and
22 that reports employees to the Michigan public school employees'
23 retirement system for the applicable fiscal year.

24 **(2) IN ADDITION TO THE ALLOCATION IN SUBSECTION (1), FOR 2017-**
25 **2018 THERE IS ALLOCATED FROM THE STATE SCHOOL AID FUND MONEY**
26 **APPROPRIATED UNDER SECTION 11 AN AMOUNT NOT TO EXCEED**
27 **\$48,940,000.00 FOR PAYMENTS TO PARTICIPATING DISTRICTS AND**

1 INTERMEDIATE DISTRICTS, AND FROM THE GENERAL FUND MONEY
 2 APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO
 3 EXCEED \$29,000.00 FOR PAYMENTS TO PARTICIPATING DISTRICT LIBRARIES.
 4 THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER THIS
 5 SUBSECTION SHALL BE BASED ON EACH PARTICIPATING ENTITY'S PERCENTAGE
 6 OF THE TOTAL STATEWIDE PAYROLL FOR THAT TYPE OF PARTICIPATING
 7 ENTITY FOR THE IMMEDIATELY PRECEDING FISCAL YEAR. A PARTICIPATING
 8 ENTITY THAT RECEIVES MONEY UNDER THIS SUBSECTION SHALL USE THAT
 9 MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A PORTION OF THE NORMAL
 10 COST 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 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN
 19 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE
 20 FISCAL YEAR.

21 Sec. 147c. (1) From the appropriation in section 11, there is
 22 allocated for ~~2016-2017-2017-2018~~ an amount not to exceed
 23 ~~\$982,200,000.00~~ **\$960,130,000.00** from the state school aid fund for
 24 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 ~~2016-2017-2017-~~

1 **2018** an amount not to exceed ~~\$600,000.00~~ **\$654,000.00** for payments
2 to district libraries that are participating entities of the
3 Michigan public school employees' retirement system.

4 (2) For ~~2016-2017,~~ **2017-2018**, the amounts allocated under
5 subsection (1) are estimated to provide an average MPSEERS rate cap
6 per pupil amount of ~~\$660.00~~ **\$640.00** and are estimated to provide a
7 rate cap per pupil for districts ranging between ~~\$5.00 and~~
8 ~~\$3,100.00.~~ **\$4.00 AND \$3,020.00.**

9 (3) Payments made under this section shall be equal to the
10 difference between the unfunded actuarial accrued liability
11 contribution rate as calculated pursuant to section 41 of the
12 public school employees retirement act of 1979, 1980 PA 300, MCL
13 38.1341, as calculated without taking into account the maximum
14 employer rate of 20.96% included in section 41 of the public school
15 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
16 maximum employer rate of 20.96% included in section 41 of the
17 public school employees retirement act of 1979, 1980 PA 300, MCL
18 38.1341.

19 (4) The amount allocated to each participating entity under
20 this section shall be based on each participating entity's
21 proportion of the total covered payroll for the immediately
22 preceding fiscal year for the same type of participating entities.
23 A participating entity that receives funds under this section shall
24 use the funds solely for the purpose of retirement contributions as
25 specified in subsection (5).

26 (5) Each participating entity receiving funds under this
27 section shall forward an amount equal to the amount allocated under

1 subsection (4) to the retirement system in a form, manner, and time
2 frame determined by the retirement system.

3 (6) Funds allocated under this section should be considered
4 when comparing a district's growth in total state aid funding from
5 1 fiscal year to the next.

6 (7) Not later than December 20, ~~2016~~, **2017**, the department
7 shall publish and post on its website an estimated MPSEERS rate cap
8 per pupil for each district.

9 (8) As used in this section:

10 **(A) "DISTRICT LIBRARY" MEANS A DISTRICT LIBRARY ESTABLISHED**
11 **UNDER THE DISTRICT LIBRARY ESTABLISHMENT ACT, 1989 PA 24, MCL**
12 **397.171 TO 397.196.**

13 **(B)** ~~(a)~~ "MPSEERS rate cap per pupil" means an amount equal to
14 the quotient of the district's payment under this section divided
15 by the district's pupils in membership.

16 **(C)** ~~(b)~~ "Participating entity" means a district, intermediate
17 district, or district library 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 **(D)** ~~(c)~~ "Retirement board" means the board that administers
24 the retirement system under the public school employees retirement
25 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

26 **(E)** ~~(d)~~ "Retirement system" means the Michigan public school
27 employees' retirement system under the public school employees

1 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

2 Sec. 152a. (1) As required by the court in the consolidated
3 cases known as Adair v State of Michigan, ~~Michigan supreme court~~
4 ~~docket nos. 137424 and 137453, 486 MICH 468 (2010)~~, from the state
5 school aid fund money appropriated in section 11 there is allocated
6 for ~~2016-2017~~ **2017-2018** an amount not to exceed \$38,000,500.00 to
7 be used solely for the purpose of paying necessary costs related to
8 the state-mandated collection, maintenance, and reporting of data
9 to this state.

10 (2) From the allocation in subsection (1), the department
11 shall make payments to districts and intermediate districts in an
12 equal amount per-pupil based on the total number of pupils in
13 membership in each district and intermediate district. The
14 department shall not make any adjustment to these payments after
15 the final installment payment under section 17b is made.

16 Sec. 152b. (1) From the general fund money appropriated under
17 section 11, there is allocated an amount not to exceed
18 \$2,500,000.00 for ~~2016-2017~~ **2017-2018** to reimburse costs incurred
19 by nonpublic schools ~~as identified in the nonpublic school mandate~~
20 ~~report published by the department on November 25, 2014 and under~~
21 ~~subsection (2).~~ **IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE**
22 **REQUIREMENT MANDATED BY STATE LAW.**

23 (2) By January 1, ~~2017,~~ **2018**, the department shall publish a
24 form containing ~~the requirements identified in the report under~~
25 ~~subsection (1).~~ **EACH HEALTH, SAFETY, OR WELFARE REQUIREMENT WITH**
26 **WHICH A NONPUBLIC SCHOOL MUST COMPLY WITH A REFERENCE TO THE**
27 **RELEVANT SECTION OF STATUTE OR ADMINISTRATIVE RULE, OR BOTH, FOR**

1 **EACH MANDATED REQUIREMENT.** The department shall include other
2 **HEALTH, SAFETY, AND WELFARE** requirements ~~on the form that were~~
3 ~~enacted into law after publication of the report.~~ **APPLICABLE TO**
4 **NONPUBLIC SCHOOLS AND MANDATED BY STATE LAW ENACTED AFTER OCTOBER**
5 **1, 2017.** The form shall be posted on the department's website in
6 electronic form.

7 (3) By June ~~15, 2017,~~ **30, 2018,** a nonpublic school seeking
8 reimbursement **FOR COSTS INCURRED** under subsection (1) of costs
9 incurred during the ~~2016-2017~~ **2017-2018** school year shall submit
10 the form described in subsection (2) to the department. This
11 section does not require **OR OTHERWISE MANDATE** a nonpublic school to
12 submit a form described in subsection (2). A nonpublic school is
13 not eligible for reimbursement under this section unless the
14 nonpublic school submits the form described in subsection (2) in a
15 timely manner.

16 (4) By August 15, ~~2017,~~ **2018,** the department shall distribute
17 funds to nonpublic schools that submit a completed form described
18 under subsection (2) in a timely manner. The superintendent shall
19 determine the amount of funds to be paid to each nonpublic school
20 in an amount that does not exceed the nonpublic school's actual
21 cost to comply with requirements under subsections (1) and (2). The
22 superintendent shall calculate a nonpublic school's actual cost in
23 accordance with this section.

24 (5) If the funds allocated under this section are insufficient
25 to fully fund payments as otherwise calculated under this section,
26 the department shall distribute funds under this section on a
27 prorated or other equitable basis as determined by the

1 superintendent.

2 (6) The department has the authority to review the records of
3 a nonpublic school submitting a form described in subsection (2)
4 only for the limited purpose of verifying the nonpublic school's
5 compliance with this section. If a nonpublic school does not allow
6 the department to review records under this subsection for this
7 limited purpose, the nonpublic school is not eligible for
8 reimbursement under this section.

9 (7) The funds appropriated under this section are for purposes
10 related to education, are considered to be incidental to the
11 operation of a nonpublic school, are noninstructional in character,
12 and are intended for the public purpose of ensuring the health,
13 safety, and welfare of the children in nonpublic schools and to
14 reimburse nonpublic schools for costs described in this section.

15 (8) Funds allocated under this section are not intended to aid
16 or maintain any nonpublic school, support the attendance of any
17 student at a nonpublic school, employ any person at a nonpublic
18 school, support the attendance of any student at any location where
19 instruction is offered to a nonpublic school student, or support
20 the employment of any person at any location where instruction is
21 offered to a nonpublic school student.

22 (9) For purposes of this section, "actual cost" means the
23 hourly wage for the employee or employees performing the ~~reported~~
24 task or tasks **REQUIRED TO COMPLY WITH A SECTION OF STATUTE OR**
25 **ADMINISTRATIVE RULES IDENTIFIED BY THE DEPARTMENT UNDER SUBSECTION**
26 **(2)** and is to be calculated in accordance with the form published
27 by the department under subsection (2), which shall include a

1 detailed itemization of cost. The nonpublic school shall not charge
2 more than the hourly wage of its lowest-paid employee capable of
3 performing ~~the reported~~ **A SPECIFIC** task regardless of whether that
4 individual is available and regardless of who actually performs ~~the~~
5 ~~reported~~ **A SPECIFIC** task. Labor costs under this subsection shall
6 be estimated and charged in increments of 15 minutes or more, with
7 all partial time increments rounded down. When calculating costs
8 under subsection (4), fee components shall be itemized in a manner
9 that expresses both the hourly wage and the number of hours
10 charged. The nonpublic school may not charge any applicable labor
11 charge amount to cover or partially cover the cost of health or
12 fringe benefits. A nonpublic school shall not charge any overtime
13 wages in the calculation of labor costs.

14 **(10) FOR THE PURPOSES OF THIS SECTION, THE COST INCURRED BY A**
15 **NONPUBLIC SCHOOL FOR TAKING DAILY STUDENT ATTENDANCE SHALL BE**
16 **CONSIDERED A COST IN COMPLYING WITH A HEALTH, SAFETY, AND WELFARE**
17 **REQUIREMENT MANDATED BY STATE LAW.**

18 **(11) IN ADDITION TO THE AMOUNT ALLOCATED UNDER SUBSECTION (1),**
19 **FROM THE GENERAL FUND MONEY APPROPRIATED UNDER SECTION 11**
20 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR 2017-**
21 **2018 FOR COMPETITIVE GRANTS TO NONPUBLIC SCHOOLS THAT PROVIDE**
22 **PUPILS WITH EXPANDED OPPORTUNITIES TO IMPROVE MATHEMATICS, SCIENCE,**
23 **AND TECHNOLOGY SKILLS BY PARTICIPATING IN FIRST ROBOTICS, INCLUDING**
24 **JR FIRST LEGO LEAGUE, FIRST LEGO LEAGUE, FIRST TECH CHALLENGE, AND**
25 **FIRST ROBOTICS COMPETITION, AS WELL AS SCIENCE OLYMPIAD PROGRAMS.**
26 **THE DEPARTMENT SHALL SET MAXIMUM GRANT AWARDS THAT ALIGN WITH THE**
27 **MAXIMUM GRANT AWARDS DETERMINED FOR DISTRICTS UNDER SECTION 99H.**

1 (12) A NONPUBLIC SCHOOL APPLYING FOR GRANT FUNDING UNDER
2 SUBSECTION (11) SHALL SUBMIT AN APPLICATION IN A FORM AND MANNER
3 DETERMINED BY THE DEPARTMENT. TO BE ELIGIBLE FOR FUNDING UNDER
4 SUBSECTION (11), A NONPUBLIC SCHOOL SHALL DO ALL OF THE FOLLOWING:

5 (A) ESTABLISH A PARTNERSHIP WITH AT LEAST 1 SPONSOR, BUSINESS
6 ENTITY, HIGHER EDUCATION INSTITUTION, OR TECHNICAL SCHOOL.

7 (B) SUBMIT A SPENDING PLAN.

8 (C) PAY AT LEAST 25% OF THE COST OF THE PROGRAM.

9 SEC. 164G. A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT USE
10 FUNDS APPROPRIATED UNDER THIS ACT TO PAY AN EXPENSE INCURRED
11 RELATING TO ANY LEGAL ACTION INITIATED BY THE DISTRICT OR
12 INTERMEDIATE DISTRICT AGAINST THIS STATE. IF A DISTRICT OR
13 INTERMEDIATE DISTRICT VIOLATES THIS SECTION IN A FISCAL YEAR, THE
14 DISTRICT OR INTERMEDIATE DISTRICT FORFEITS FROM ITS FUNDS DUE UNDER
15 THIS ACT FOR THAT FISCAL YEAR AN AMOUNT EQUAL TO THE EXPENSES PAID
16 IN VIOLATION OF THIS SECTION.

17 SEC. 164H. (1) BEGINNING OCTOBER 1, 2017, A DISTRICT OR
18 INTERMEDIATE DISTRICT SHALL NOT ENTER INTO A COLLECTIVE BARGAINING
19 AGREEMENT THAT DOES ANY OF THE FOLLOWING:

20 (A) ESTABLISHES RACIAL OR RELIGIOUS PREFERENCES FOR EMPLOYEES.

21 (B) AUTOMATICALLY DEDUCTS UNION DUES FROM EMPLOYEE
22 COMPENSATION.

23 (C) IS IN CONFLICT WITH ANY STATE OR FEDERAL LAW REGARDING
24 DISTRICT OR INTERMEDIATE DISTRICT TRANSPARENCY.

25 (D) INCLUDES A METHOD OF COMPENSATION THAT DOES NOT COMPLY
26 WITH SECTION 1250 OF THE REVISED SCHOOL CODE, MCL 380.1250.

27 (2) A DISTRICT OR INTERMEDIATE DISTRICT THAT ENTERS INTO A

1 **COLLECTIVE BARGAINING AGREEMENT IN VIOLATION OF SUBSECTION (1)**
2 **SHALL FORFEIT AN AMOUNT EQUAL TO 5% OF THE FUNDS DUE TO THE**
3 **DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE.**

4 Sec. 166b. (1) This act does not prohibit a parent or legal
5 guardian of a minor who is enrolled in any of grades kindergarten
6 to 12 in a nonpublic school or who is being home-schooled from also
7 enrolling the minor in a district, public school academy, or
8 intermediate district in any curricular offering that is provided
9 by the district, public school academy, or intermediate district at
10 a public school site and is available to pupils in the minor's
11 grade level or age group, subject to compliance with the same
12 requirements that apply to a full-time pupil's participation in the
13 offering. However, state school aid shall be provided under this
14 act for a minor enrolled as described in this subsection only for
15 curricular offerings that are offered to full-time pupils in the
16 minor's grade level or age group during regularly scheduled school
17 hours.

18 (2) This act does not prohibit a parent or legal guardian of a
19 minor who is enrolled in any of grades kindergarten to 12 in a
20 nonpublic school or who resides within the district and is being
21 home-schooled from also enrolling the minor in the district in a
22 curricular offering being provided by the district at the nonpublic
23 school site. However, state school aid shall be provided under this
24 act for a minor enrolled as described in this subsection only if
25 all of the following apply:

26 (a) Either of the following:

27 (i) The nonpublic school site is located, or the nonpublic

1 students are educated, within the geographic boundaries of the
2 district.

3 (ii) If the nonpublic school has submitted a written request
4 to the district in which the nonpublic school is located for the
5 district to provide certain instruction under this subsection for a
6 school year and the district does not agree to provide some or all
7 of that instruction by May 1 immediately preceding that school year
8 or, if the request is submitted after March 1 immediately preceding
9 that school year, within 60 days after the nonpublic school submits
10 the request, the instruction is instead provided by an eligible
11 other district. This subparagraph does not require a nonpublic
12 school to submit more than 1 request to the district in which the
13 nonpublic school is located for that district to provide
14 instruction under this subsection, and does not require a nonpublic
15 school to submit an additional request to the district in which the
16 nonpublic school is located for that district to provide additional
17 instruction under this subsection beyond the instruction requested
18 in the original request, before having the instruction provided by
19 an eligible other district. A public school academy that is located
20 in the district in which the nonpublic school is located or in an
21 eligible other district also may provide instruction under this
22 subparagraph under the same conditions as an eligible other
23 district. As used in this subparagraph, "eligible other district"
24 means a district that is located in the same intermediate district
25 as the district in which the nonpublic school is located or is
26 located in an intermediate district that is contiguous to that
27 intermediate district.

1 (b) The nonpublic school is registered with the department as
2 a nonpublic school and meets all state reporting requirements for
3 nonpublic schools.

4 (c) The instruction is scheduled to occur during the regular
5 school day.

6 (d) The instruction is provided directly by a certified
7 teacher at the district or public school academy or at an
8 intermediate district.

9 (e) The curricular offering is also available to full-time
10 pupils in the minor's grade level or age group in the district or
11 public school academy during the regular school day at a public
12 school site.

13 (f) The curricular offering is restricted to nonessential
14 elective courses for pupils in grades kindergarten to 12.

15 (3) A minor enrolled as described in this section is a part-
16 time pupil for purposes of state school aid under this act.

17 (4) A district that receives a written request to provide
18 instruction under subsection (2) shall reply to the request in
19 writing by May 1 immediately preceding the applicable school year
20 or, if the request is made after March 1 immediately preceding that
21 school year, within 60 days after the nonpublic school submits the
22 request. The written reply shall specify whether the district
23 agrees to provide or does not agree to provide the instruction for
24 each portion of instruction included in the request.

25 ~~— (5) The department shall establish a workgroup consisting of~~
26 ~~staff from the department, staff from the center, pupil accounting~~
27 ~~staff from districts and intermediate districts, other applicable~~

~~staff from districts and intermediate districts, representatives from nonpublic schools, and representatives from home schools to examine the issue of providing a uniform definition of nonessential elective courses, and also to provide a uniform definition of a part-time pupil for the purposes of this section.~~

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, ~~2017,~~ **2018**, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$395,925,600.00.~~ **\$395,142,600.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$395,925,600.00.~~ **\$395,142,600.00.**

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

(i) Total federal revenues, \$0.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$260,414,800.00.~~ **\$395,142,600.00.**

(v) State general fund/general purpose money, ~~\$135,510,800.00.~~ **\$0.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~\$315,892,000.00,~~ **\$315,892,000.00,** allocated as follows:

(a) The appropriation for Alpena Community College is

1 ~~\$5,544,700.00, \$5,464,400.00 for operations and \$80,300.00 for~~
2 ~~performance funding.~~**\$5,544,700.00.**

3 (b) The appropriation for Bay de Noc Community College is
4 ~~\$5,560,900.00, \$5,490,200.00 for operations and \$70,700.00 for~~
5 ~~performance funding.~~**\$5,560,900.00.**

6 (c) The appropriation for Delta College is ~~\$14,907,700.00,~~
7 ~~\$14,704,000.00 for operations and \$203,700.00 for performance~~
8 ~~funding.~~**\$14,907,700.00.**

9 (d) The appropriation for Glen Oaks Community College is
10 ~~\$2,586,900.00, \$2,551,100.00 for operations and \$35,800.00 for~~
11 ~~performance funding.~~**\$2,586,900.00.**

12 (e) The appropriation for Gogebic Community College is
13 ~~\$4,577,800.00, \$4,509,900.00 for operations and \$67,900.00 for~~
14 ~~performance funding.~~**\$4,577,800.00.**

15 (f) The appropriation for Grand Rapids Community College is
16 ~~\$18,450,500.00, \$18,187,300.00 for operations and \$263,200.00 for~~
17 ~~performance funding.~~**\$18,450,500.00.**

18 (g) The appropriation for Henry Ford College is
19 ~~\$22,176,000.00, \$21,893,300.00 for operations and \$282,700.00 for~~
20 ~~performance funding.~~**\$22,176,000.00.**

21 (h) The appropriation for Jackson College is ~~\$12,397,600.00,~~
22 ~~\$12,245,300.00 for operations and \$152,300.00 for performance~~
23 ~~funding.~~**\$12,397,600.00.**

24 (i) The appropriation for Kalamazoo Valley Community College
25 is ~~\$12,873,900.00, \$12,689,400.00 for operations and \$184,500.00~~
26 ~~for performance funding.~~**\$12,873,900.00.**

27 (j) The appropriation for Kellogg Community College is

1 ~~\$10,087,500.00, \$9,950,100.00 for operations and \$137,400.00 for~~
2 ~~performance funding.~~**\$10,087,500.00.**

3 (k) The appropriation for Kirtland Community College is
4 ~~\$3,270,000.00, \$3,221,500.00 for operations and \$48,500.00 for~~
5 ~~performance funding.~~**\$3,270,000.00.**

6 (l) The appropriation for Lake Michigan College is
7 ~~\$5,492,800.00, \$5,417,700.00 for operations and \$75,100.00 for~~
8 ~~performance funding.~~**\$5,492,800.00.**

9 (m) The appropriation for Lansing Community College is
10 ~~\$31,677,300.00, \$31,288,200.00 for operations and \$389,100.00 for~~
11 ~~performance funding.~~**\$31,677,300.00.**

12 (n) The appropriation for Macomb Community College is
13 ~~\$33,681,800.00, \$33,239,500.00 for operations and \$442,300.00 for~~
14 ~~performance funding.~~**\$33,681,800.00.**

15 (o) The appropriation for Mid Michigan Community College is
16 ~~\$4,834,100.00, \$4,757,700.00 for operations and \$76,400.00 for~~
17 ~~performance funding.~~**\$4,834,100.00.**

18 (p) The appropriation for Monroe County Community College is
19 ~~\$4,636,700.00, \$4,565,600.00 for operations and \$71,100.00 for~~
20 ~~performance funding.~~**\$4,636,700.00.**

21 (q) The appropriation for Montcalm Community College is
22 ~~\$3,343,100.00, \$3,280,600.00 for operations and \$62,500.00 for~~
23 ~~performance funding.~~**\$3,343,100.00.**

24 (r) The appropriation for C.S. Mott Community College is
25 ~~\$16,115,500.00, \$15,901,700.00 for operations and \$213,800.00 for~~
26 ~~performance funding.~~**\$16,115,500.00.**

27 (s) The appropriation for Muskegon Community College is

1 ~~\$9,150,600.00, \$9,020,700.00 for operations and \$129,900.00 for~~
2 ~~performance funding.~~**\$9,150,600.00.**

3 (t) The appropriation for North Central Michigan College is
4 ~~\$3,290,400.00, \$3,224,800.00 for operations and \$65,600.00 for~~
5 ~~performance funding.~~**\$3,290,400.00.**

6 (u) The appropriation for Northwestern Michigan College is
7 ~~\$9,318,000.00, \$9,200,500.00 for operations and \$117,500.00 for~~
8 ~~performance funding.~~**\$9,318,000.00.**

9 (v) The appropriation for Oakland Community College is
10 ~~\$21,770,900.00, \$21,429,400.00 for operations and \$341,500.00 for~~
11 ~~performance funding.~~**\$21,770,900.00.**

12 (w) The appropriation for Schoolcraft College is
13 ~~\$12,909,300.00, \$12,706,400.00 for operations and \$202,900.00 for~~
14 ~~performance funding.~~**\$12,909,300.00.**

15 (x) The appropriation for Southwestern Michigan College is
16 ~~\$6,732,500.00, \$6,657,600.00 for operations and \$74,900.00 for~~
17 ~~performance funding.~~**\$6,732,500.00.**

18 (y) The appropriation for St. Clair County Community College
19 is ~~\$7,259,300.00, \$7,158,000.00 for operations and \$101,300.00 for~~
20 ~~performance funding.~~**\$7,259,300.00.**

21 (z) The appropriation for Washtenaw Community College is
22 ~~\$13,534,000.00, \$13,301,100.00 for operations and \$232,900.00 for~~
23 ~~performance funding.~~**\$13,534,000.00.**

24 (aa) The appropriation for Wayne County Community College is
25 ~~\$17,234,200.00, \$16,989,800.00 for operations and \$244,400.00 for~~
26 ~~performance funding.~~**\$17,234,200.00.**

27 (bb) The appropriation for West Shore Community College is

1 ~~\$2,478,000.00, \$2,446,200.00 for operations and \$31,800.00 for~~
 2 ~~performance funding.~~ **\$2,478,000.00.**

3 (3) The amount appropriated in subsection (2) for community
 4 college operations is appropriated from the following:

5 (a) State school aid fund, ~~\$185,481,200.00.~~ **\$315,892,000.00.**

6 (b) State general fund/general purpose money,
 7 ~~\$130,410,800.00.~~ **\$0.00.**

8 (4) From the appropriations described in subsection (1),
 9 ~~subject~~ **BOTH OF THE FOLLOWING APPLY:**

10 **(A) SUBJECT** to section 207a, the amount appropriated for
 11 fiscal year ~~2016-2017~~ **2017-2018** to offset certain fiscal year ~~2016-~~
 12 ~~2017-2017-2018~~ retirement contributions is ~~\$1,733,600.00,~~
 13 **\$1,733,600.00**, appropriated from the state school aid fund.

14 **(B) FOR FISCAL YEAR 2017-2018 ONLY, FROM THE APPROPRIATIONS**
 15 **DESCRIBED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO**
 16 **EXCEED \$3,612,000.00 FOR PAYMENTS TO PARTICIPATING COMMUNITY**
 17 **COLLEGES, APPROPRIATED FROM THE STATE SCHOOL AID FUND. A COMMUNITY**
 18 **COLLEGE THAT RECEIVES MONEY UNDER THIS SUBSECTION SHALL USE THAT**
 19 **MONEY SOLELY FOR THE PURPOSE OF OFFSETTING THE NORMAL COST**
 20 **CONTRIBUTION RATE.**

21 (5) From the appropriations described in subsection (1),
 22 subject to section 207b, the amount appropriated for payments to
 23 community colleges that are participating entities of the
 24 retirement system is ~~\$73,200,000.00,~~ **\$70,805,000.00**, appropriated
 25 from the state school aid fund.

26 (6) From the appropriations described in subsection (1),
 27 subject to section 207c, the amount appropriated for renaissance

1 zone tax reimbursements is ~~\$5,100,000.00,~~ **\$3,100,000.00,**
 2 appropriated from ~~general fund/general purpose money.~~ **THE STATE**
 3 **SCHOOL AID FUND.**

4 Sec. 201a. It is the intent of the legislature to provide
 5 appropriations for the fiscal year ending on September 30, ~~2018~~
 6 **2019** for the items listed in section 201. The fiscal year ~~2017-2018~~
 7 **2018-2019** appropriations are anticipated to be the same as those
 8 for fiscal year ~~2016-2017,~~ **2017-2018**, except that the amounts will
 9 be adjusted for changes in retirement costs, caseload and related
 10 costs, federal fund match rates, economic factors, and available
 11 revenue. These adjustments will be determined after the January
 12 ~~2017-2018~~ consensus revenue estimating conference.

13 Sec. 203. Unless otherwise specified, a community college that
 14 receives appropriations in section 201, the workforce development
 15 agency, and the center shall use the ~~Internet~~ **INTERNET** to fulfill
 16 the reporting requirements of this article. This requirement may
 17 include transmission of reports via electronic mail to the
 18 recipients identified for each reporting requirement or it may
 19 include placement of reports on an ~~Internet~~ **INTERNET** or ~~Intranet~~
 20 **INTRANET** site.

21 Sec. 206. **(1)** The funds appropriated in section 201 are
 22 appropriated for community colleges with fiscal years ending June
 23 30, ~~2017-2018~~ and shall be paid out of the state treasury and
 24 distributed by the state treasurer to the respective community
 25 colleges in 11 monthly installments on the sixteenth of each month,
 26 or the next succeeding business day, beginning with October 16,
 27 ~~2016-2017~~. Each community college shall accrue its July and August

1 ~~2017-2018~~ payments to its institutional fiscal year ending June 30,
2 ~~2017. However, if 2018.~~

3 **(2) IF** the state budget director determines that a community
4 college failed to submit ~~all verified Michigan community colleges~~
5 ~~activities classification structure data for school year 2015-2016~~
6 ~~to the center by November 1, 2016, or failed to submit its~~
7 ~~longitudinal data system data set for school year 2015-2016 to the~~
8 ~~center under section 219, ANY OF THE INFORMATION DESCRIBED IN~~
9 **SUBDIVISIONS (A) TO (F) IN THE FORM AND MANNER SPECIFIED BY THE**
10 **CENTER,** the state treasurer shall, **SUBJECT TO SUBDIVISION (G),**
11 withhold the monthly installments from that community college until
12 those data are submitted: -

13 **(A) ALL VERIFIED MICHIGAN COMMUNITY COLLEGES ACTIVITIES**
14 **CLASSIFICATION STRUCTURE DATA FOR THE PRECEDING ACADEMIC YEAR TO**
15 **THE CENTER BY NOVEMBER 1 OF EACH YEAR AS SPECIFIED IN SECTION 217.**

16 **(B) THE COLLEGE CREDIT OPPORTUNITY DATA SET AS SPECIFIED IN**
17 **SECTION 209.**

18 **(C) THE LONGITUDINAL DATA SET FOR THE PRECEDING ACADEMIC YEAR**
19 **TO THE CENTER AS SPECIFIED IN SECTION 219.**

20 **(D) THE ANNUAL INDEPENDENT AUDIT AS SPECIFIED IN SECTION 222.**

21 **(E) TUITION AND MANDATORY FEES INFORMATION FOR THE CURRENT**
22 **ACADEMIC YEAR AS SPECIFIED IN SECTION 225.**

23 **(F) THE NUMBER AND TYPE OF ASSOCIATE DEGREES AND OTHER**
24 **CERTIFICATES AWARDED DURING THE PREVIOUS ACADEMIC YEAR AS SPECIFIED**
25 **IN SECTION 226.**

26 **(G)** The state budget director shall notify the chairs of the
27 house and senate appropriations subcommittees on community colleges

1 at least 10 days before withholding funds from any community
2 college.

3 Sec. 207a. All of the following apply to the allocation of the
4 fiscal year ~~2016-2017~~**-2017-2018** appropriations described in section
5 201(4):

6 (a) A community college that receives money under section
7 201(4) shall use that money solely for the purpose of offsetting a
8 portion of the retirement contributions owed by the college for
9 that fiscal year.

10 (b) The amount allocated to each participating community
11 college under section 201(4) shall be based on each college's
12 percentage of the total covered payroll for all community colleges
13 that are participating colleges in the immediately preceding fiscal
14 year.

15 Sec. 207b. All of the following apply to the allocation of the
16 fiscal year ~~2016-2017~~**-2017-2018** appropriations described in section
17 201(5) for payments to community colleges that are participating
18 entities of the retirement system:

19 (a) The amount of a payment under section 201(5) shall be the
20 difference between the unfunded actuarial accrued liability
21 contribution rate as calculated under section 41 of the public
22 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
23 **AS CALCULATED WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE**
24 **OF 20.96% INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES**
25 **RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341,** and the maximum
26 employer rate of 20.96% under section 41 of the public school
27 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

1 (b) The amount allocated to each community college under
2 section 201(5) shall be based on each community college's
3 percentage of the total covered payroll for all community colleges
4 that are participating colleges in the immediately preceding fiscal
5 year. A community college that receives funds under this
6 subdivision shall use the funds solely for the purpose of
7 retirement contributions under section 201(5).

8 (c) Each participating college that receives funds under
9 section 201(5) shall forward an amount equal to the amount
10 allocated under subdivision (b) to the retirement system in a form
11 and manner determined by the retirement system.

12 Sec. 207c. All of the following apply to the allocation of the
13 appropriations described in section 201(6) to community colleges
14 described in section 12(3) of the Michigan renaissance zone act,
15 1996 PA 376, MCL 125.2692:

16 (a) The amount allocated to each community college under
17 section 201(6) for fiscal year ~~2016-2017~~**2017-2018** shall be based
18 on that community college's proportion of total revenue lost by
19 community colleges as a result of the exemption of property taxes
20 levied in ~~2016-2017~~ under the Michigan renaissance zone act, 1996
21 PA 376, MCL 125.2681 to 125.2696.

22 (b) The appropriations described in section 201(6) shall be
23 made to each eligible community college within 60 days after the
24 department of treasury certifies to the state budget director that
25 it has received all necessary information to properly determine the
26 amounts payable to each eligible community college under section 12
27 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

1 Sec. 209. (1) Within 30 days after the board of a community
2 college adopts its annual operating budget for the following fiscal
3 year, or after the board adopts a subsequent revision to that
4 budget, the community college shall make all of the following
5 available through a link on its website homepage:

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

8 (b) A link to the most recent "Activities Classification
9 Structure Data Book and Companion".

10 (c) General fund revenue and expenditure projections for **THE**
11 **CURRENT** fiscal year ~~2016-2017~~ and **THE NEXT** fiscal year. ~~2017-2018.~~

12 (d) A listing of all debt service obligations, detailed by
13 project, anticipated fiscal year ~~2016-2017~~ payment of each project,
14 and total outstanding debt **FOR THE CURRENT FISCAL YEAR.**

15 (e) The estimated cost to the community college resulting from
16 the patient protection and affordable care act, Public Law 111-148,
17 as amended by the health care and education reconciliation act of
18 2010, Public Law 111-152.

19 (f) Links to all of the following for the community college:

20 (i) The current collective bargaining agreement for each
21 bargaining unit.

22 (ii) Each health care benefits plan, including, but not
23 limited to, medical, dental, vision, disability, long-term care, or
24 any other type of benefits that would constitute health care
25 services, offered to any bargaining unit or employee of the
26 community college.

27 (iii) Audits and financial reports for the most recent fiscal

1 year for which they are available.

2 (iv) A copy of the board of trustees resolution regarding
3 compliance with best practices for the local strategic value
4 component described in section 230(2).

5 (2) For statewide consistency and public visibility, community
6 colleges must use the icon badge provided by the department of
7 technology, management, and budget consistent with the icon badge
8 developed by the department of education for K-12 school districts.
9 It must appear on the front of each community college's homepage.
10 The size of the icon may be reduced to 150 x 150 pixels.

11 (3) The state budget director shall determine whether a
12 community college has complied with this section. The state budget
13 director may withhold a community college's monthly installments
14 described in section 206 until the community college complies with
15 this section. The state budget director shall notify the chairs of
16 the house and senate appropriations subcommittee on community
17 colleges at least 10 days before withholding funds from any
18 community college.

19 (4) Each community college shall report the following
20 information to the senate and house appropriations subcommittees on
21 community colleges, the senate and house fiscal agencies, and the
22 state budget office by November 15 of each fiscal year and post
23 that information on its website as required under subsection (1):

24 (a) Budgeted **CURRENT** fiscal year ~~2016-2017~~-general fund
25 revenue from tuition and fees.

26 (b) Budgeted **CURRENT** fiscal year ~~2016-2017~~-general fund
27 revenue from state appropriations.

1 (c) Budgeted **CURRENT** fiscal year ~~2016-2017~~ general fund
2 revenue from property taxes.

3 (d) Budgeted **CURRENT** fiscal year ~~2016-2017~~ total general fund
4 revenue.

5 (e) Budgeted **CURRENT** fiscal year ~~2016-2017~~total general fund
6 expenditures.

7 (5) By November 15 of each year, a community college shall
8 report the following information to the center and post the
9 information on its website under the budget transparency icon
10 badge:

11 (a) Opportunities for earning college credit through the
12 following programs:

13 (i) State approved career and technical education or a tech
14 prep articulated program of study.

15 (ii) Direct college credit or concurrent enrollment.

16 (iii) Dual enrollment.

17 (iv) An early college/middle college program.

18 (b) For each program described in subdivision (a) that the
19 community college offers, all of the following information:

20 (i) The number of high school students participating in the
21 program.

22 (ii) The number of school districts that participate in the
23 program with the community college.

24 (iii) Whether a college professor, qualified local school
25 district employee, or other individual teaches the course or
26 courses in the program.

27 (iv) The total cost to the community college to operate the

1 program.

2 (v) The cost per credit hour for the course or courses in the
3 program.

4 (vi) The location where the course or courses in the program
5 are held.

6 (vii) Instructional resources offered to the program
7 instructors.

8 (viii) Resources offered to the student in the program.

9 (ix) Transportation services provided to students in the
10 program.

11 Sec. 210b. By March 1, ~~2017,~~**2018**, the Michigan Community
12 College Association and the Michigan Association of State
13 Universities shall submit a report to the senate and house
14 appropriations subcommittees on community colleges, the senate and
15 house fiscal agencies, and the state budget director ~~that includes~~
16 **ON THE ACTIVITIES AND PROGRAMS OF THE TRANSFER STEERING COMMITTEE**
17 **SINCE THE MARCH 1, 2017 REPORT REQUIRED UNDER THIS SECTION,**
18 **INCLUDING** all of the following:

19 ~~—— (a) A progress report on the implementation of the Michigan~~
20 ~~transfer agreement developed by the study committee created under~~
21 ~~former section 210a, including an update on progress made on~~
22 ~~outstanding concerns identified in the March 1, 2016 implementation~~
23 ~~update.~~

24 ~~—— (b) A report on improvements to articulation and credit~~
25 ~~transfer policies among and between all sectors of postsecondary~~
26 ~~education in this state. The report shall identify areas of~~
27 ~~progress since the March 1, 2016 report required by former section~~

~~210e, including all of the following:~~

~~—— (i) Identifying effective policies and practices developed by other states.~~

~~—— (ii) Developing specific pathways, where advisable, that meet program requirements for both associate's and bachelor's degree programs.~~

(A) THE ALIGNMENT OF LEARNING OUTCOMES IN GATEWAY MATHEMATICS COURSES IN THE QUANTITATIVE REASONING, COLLEGE ALGEBRA, AND STATISTICS PATHWAYS AND THE TRANSFERABILITY OF MATHEMATICS GATEWAY COURSES BETWEEN AND AMONG COMMUNITY COLLEGES AND UNIVERSITIES.

(B) THE DEVELOPMENT OF PROGRAM-SPECIFIC, STATEWIDE TRANSFER PATHWAYS THAT MEET PROGRAM REQUIREMENTS FOR BOTH ASSOCIATE AND BACHELOR'S DEGREE PROGRAMS.

(C) ~~(iii) Creating~~ THE DEVELOPMENT OF an enhanced online communication tool to share information about postsecondary options in Michigan, ~~particularly clearly articulating~~ **COURSE EQUIVALENCIES, AND** transfer pathways **THAT ARE CLEARLY ARTICULATED.**

(D) ~~(iv) Establishing~~ THE ESTABLISHMENT OF clear timelines for ~~finalizing~~ **DEVELOPING AND IMPLEMENTING** transfer pathways.

(E) A PROGRESS REPORT ON THE IMPLEMENTATION OF THE MICHIGAN TRANSFER AGREEMENT.

Sec. 210e. By February 1, ~~2017,~~ **2018**, the Michigan Community College Association, the Michigan Association of State Universities, and the Michigan Independent Colleges and Universities, on behalf of their member colleges and universities, shall submit to the senate and house appropriations subcommittees on higher education, the senate and house appropriations

1 subcommittees on community colleges, the senate and house fiscal
2 agencies, and the state budget director a comprehensive report
3 detailing the number of academic program partnerships between
4 public community colleges, public universities, and private
5 colleges and universities, including, but not limited to, the
6 following information:

7 (a) The names of the baccalaureate degree programs of study
8 offered by public and private universities on community college
9 campuses.

10 (b) The names of the articulation agreements for baccalaureate
11 degree programs of study between public community colleges, public
12 universities, and private colleges and universities.

13 (c) The number of students enrolled and number of degrees
14 awarded through articulation agreements, and the number of courses
15 offered, number of students enrolled, and number of degrees awarded
16 through on-campus programs named in subdivision (a) from July 1,
17 ~~2015-2016~~ through June 30, ~~2016-2017~~.

18 Sec. 217. (1) The center shall do all of the following:

19 (a) Establish, maintain, and coordinate the state community
20 college database commonly known as the "activities classification
21 structure" or "ACS" database.

22 (b) Collect data concerning community colleges and community
23 college programs in this state, including data required by law.

24 (c) Establish procedures to ensure the validity and
25 reliability of the data and the collection process.

26 (d) Develop model data collection policies, including, but not
27 limited to, policies that ensure the privacy of any individual

1 student data. Privacy policies shall ensure that student social
2 security numbers are not released to the public for any purpose.

3 (e) Provide data in a useful manner to allow state
4 policymakers and community college officials to make informed
5 policy decisions.

6 ~~— (f) Assist community colleges in complying with audits under~~
7 ~~this section or federal law.~~

8 (2) There is created within the center the activities
9 classification structure advisory committee. The committee shall
10 provide advice to the director of the center regarding the
11 management of the state community college database, including, but
12 not limited to:

13 (a) Determining what data are necessary to collect and
14 maintain to enable state and community college officials to make
15 informed policy decisions.

16 (b) Defining the roles of all stakeholders in the data
17 collection system.

18 (c) Recommending timelines for the implementation and ongoing
19 collection of data.

20 (d) Establishing and maintaining data definitions, data
21 transmission protocols, and system specifications and procedures
22 for the efficient and accurate transmission and collection of data.

23 (e) Establishing and maintaining a process for ensuring the
24 accuracy of the data.

25 (f) Establishing and maintaining policies related to data
26 collection, including, but not limited to, privacy policies related
27 to individual student data.

1 (g) Ensuring that the data are made available to state
2 policymakers and citizens of this state in the most useful format
3 possible.

4 (h) Addressing other matters as determined by the director of
5 the center or as required by law.

6 (3) The activities classification structure advisory committee
7 created in subsection (2) shall consist of the following members:

8 (a) One representative from the house fiscal agency, appointed
9 by the director of the house fiscal agency.

10 (b) One representative from the senate fiscal agency,
11 appointed by the director of the senate fiscal agency.

12 (c) One representative from the workforce development agency,
13 appointed by the director of the workforce development agency.

14 (d) One representative from the center appointed by the
15 director of the center.

16 (e) One representative from the state budget office, appointed
17 by the state budget director.

18 (f) One representative from the governor's policy office,
19 appointed by that office.

20 (g) Four representatives of the Michigan Community College
21 Association, appointed by the president of the association. From
22 the groupings of community colleges given in table 17 of the
23 activities classification structure database described in
24 subsection (1), the association shall appoint 1 representative each
25 from group 1, group 2, and group 3, and 1 representative from
26 either group 3 or 4.

27 Sec. 223. (1) By February 15 of each year, the department of

1 civil rights shall annually submit to the state budget director,
2 the house and senate appropriations subcommittees on community
3 colleges, and the house and senate fiscal agencies a report on
4 North American Indian tuition waivers for the preceding ~~fiscal~~
5 **ACADEMIC** year that includes, but is not limited to, all of the
6 following information:

7 (a) The number of waiver applications received and the number
8 of waiver applications approved.

9 (b) For each community college submitting information under
10 subsection (2), all of the following:

11 (i) The number of North American Indian students enrolled each
12 term for the previous ~~fiscal~~**ACADEMIC** year.

13 (ii) The number of North American Indian waivers granted each
14 term, **INCLUDING CONTINUING EDUCATION STUDENTS**, and the monetary
15 value of the waivers for the previous ~~fiscal~~**ACADEMIC** year.

16 (iii) The number of students attending under a North American
17 Indian tuition waiver who withdrew from the college **EACH TERM**
18 during the previous ~~fiscal~~**ACADEMIC** year. **FOR PURPOSES OF THIS**
19 **SUBPARAGRAPH, A WITHDRAWAL OCCURS WHEN A STUDENT WHO HAS BEEN**
20 **AWARDED THE WAIVER WITHDRAWS FROM THE INSTITUTION AT ANY POINT**
21 **DURING THE TERM, REGARDLESS OF ENROLLMENT IN SUBSEQUENT TERMS.**

22 (iv) The number of students attending under a North American
23 Indian tuition waiver who successfully complete a degree or
24 certificate program, separated by degree or certificate level, and
25 the graduation rate for students attending under a North American
26 Indian tuition waiver who complete a degree **OR CERTIFICATE** within
27 150% of the normal time to complete, separated by the level of the

1 degree **OR CERTIFICATE.**

2 (2) A community college that receives funds under section 201
3 shall provide to the department of civil rights any information
4 necessary for preparing the report described in subsection (1),
5 using guidelines and procedures developed by the department of
6 civil rights.

7 (3) The department of civil rights may consolidate the report
8 required under this section with the report required under section
9 268, but a consolidated report must separately identify data for
10 universities and data for community colleges.

11 Sec. 224. ~~A community college~~ **USING THE DATA PROVIDED BY THE**
12 **COMMUNITY COLLEGES AS REQUIRED UNDER SECTION 219 OF THIS ACT, THE**
13 **CENTER** shall use the P-20 longitudinal data system to inform
14 interested Michigan high schools and the public of the aggregate
15 academic status of its students for the previous academic year. ~~7~~
16 ~~in a manner prescribed by~~ **THE CENTER SHALL WORK WITH** the Michigan
17 Community College Association and in cooperation with the Michigan
18 Association of Secondary School Principals. Community colleges
19 shall cooperate with the center to maintain a systematic approach
20 for accomplishing this work.

21 Sec. 225. Each community college shall report to ~~the house and~~
22 ~~senate fiscal agencies, the state budget director, and the center~~
23 by August 31 ~~7, 2016,~~ **OF EACH YEAR** the tuition and mandatory fees
24 paid by a full-time in-district student and a full-time out-of-
25 district student as established by the college governing board for
26 the ~~2016-2017~~ **CURRENT** academic year. This report should also
27 include the annual cost of attendance based on a full-time course

1 load of 30 credits. Each community college shall also report any
 2 revisions to the reported ~~2016-2017~~**CURRENT** academic year tuition
 3 and mandatory fees adopted by the college governing board to ~~the~~
 4 ~~house and senate fiscal agencies, the state budget director, and~~
 5 the center within 15 days of being adopted. **THE CENTER SHALL MAKE**
 6 **THIS INFORMATION AND ANY REVISIONS AVAILABLE TO THE HOUSE AND**
 7 **SENATE FISCAL AGENCIES AND THE STATE BUDGET DIRECTOR.**

8 Sec. 226. Each community college shall report to the center
 9 the numbers and type of associate degrees and other certificates
 10 awarded **BY THE COMMUNITY COLLEGE** during the previous fiscal year.
 11 The report shall be made not later than November 15 of each year.
 12 Community colleges shall work with the center to develop a
 13 systematic approach for meeting this requirement **USING THE P-20**
 14 **LONGITUDINAL DATA SYSTEM.**

15 Sec. 229. (1) Each community college that receives an
 16 appropriation in section 201 is expected to include in its
 17 admission application process a specific question as to whether an
 18 applicant for admission has ever served or is currently serving in
 19 the United States ~~armed forces~~**ARMED FORCES** or is the spouse or
 20 dependent of an individual who has served or is currently serving
 21 in the United States ~~armed forces,~~**ARMED FORCES,** in order to more
 22 quickly identify potential educational assistance available to that
 23 applicant.

24 (2) It is expected that each public community college that
 25 receives an appropriation in section 201 shall work with the house
 26 and senate community college subcommittees, the Michigan Community
 27 College Association, and veterans groups to review the issue of in-

1 district tuition for veterans of this state when determining
2 tuition rates and fees.

3 (3) As used in this section, "veteran" means an honorably
4 discharged veteran entitled to educational assistance under the
5 provisions of section 5003 of the post-911 veterans educational
6 assistance act of 2008, 38 USC 3301 to 3325.

7 Sec. 229a. Included in the fiscal year ~~2016-2017~~**2017-2018**
8 appropriations for the department of technology, management, and
9 budget are appropriations totaling ~~\$30,879,600.00~~**\$30,879,600.00** to
10 provide funding for the state share of costs for previously
11 constructed capital projects for community colleges. Those
12 appropriations for state building authority rent represent
13 additional state general fund support for community colleges, and
14 the following is an estimate of the amount of that support to each
15 community college:

16 (a) Alpena Community College, ~~\$632,500.00~~**\$630,000.00.**

17 (b) Bay de Noc Community College, ~~\$685,100.00~~**\$682,400.00.**

18 (c) Delta College, ~~\$3,360,600.00~~**\$3,347,300.00.**

19 (d) Glen Oaks Community College, ~~\$124,500.00~~**\$124,000.00.**

20 (e) Gogebic Community College, ~~\$56,700.00~~**\$56,400.00.**

21 (f) Grand Rapids Community College,

22 ~~\$2,083,500.00~~**\$2,075,300.00.**

23 (g) Henry Ford College, ~~\$1,040,300.00~~**\$1,036,200.00.**

24 (h) Jackson College, ~~\$2,273,800.00~~**\$2,264,800.00.**

25 (i) Kalamazoo Valley Community College,

26 ~~\$2,030,900.00~~**\$1,957,400.00.**

27 (j) Kellogg Community College, ~~\$526,200.00~~**\$524,100.00.**

1 (k) Kirtland Community College, ~~\$367,300.00.~~**\$365,900.00.**
 2 (l) Lake Michigan College, ~~\$344,100.00.~~**\$342,700.00.**
 3 (m) Lansing Community College, ~~\$1,154,600.00.~~**\$1,150,000.00.**
 4 (n) Macomb Community College, ~~\$1,715,700.00.~~**\$1,662,100.00.**
 5 (o) Mid Michigan Community College,
 6 ~~\$1,634,300.00.~~**\$1,627,800.00.**
 7 (p) Monroe County Community College,
 8 ~~\$1,278,100.00.~~**\$1,273,000.00.**
 9 (q) Montcalm Community College, ~~\$982,600.00.~~**\$978,700.00.**
 10 (r) C.S. Mott Community College, ~~\$1,497,600.00.~~**\$1,817,300.00.**
 11 (s) Muskegon Community College, ~~\$623,500.00.~~**\$570,500.00.**
 12 (t) North Central Michigan College, ~~\$417,900.00.~~**\$416,300.00.**
 13 (u) Northwestern Michigan College,
 14 ~~\$1,320,600.00.~~**\$1,315,400.00.**
 15 (v) Oakland Community College, ~~\$470,500.00.~~**\$468,700.00.**
 16 (w) Schoolcraft College, ~~\$1,564,400.00.~~**\$1,558,300.00.**
 17 (x) Southwestern Michigan College, ~~\$574,800.00.~~**\$531,700.00.**
 18 (y) St. Clair County Community College,
 19 ~~\$360,200.00.~~**\$358,800.00.**
 20 (z) Washtenaw Community College, ~~\$1,696,000.00.~~**\$1,689,300.00.**
 21 (aa) Wayne County Community College,
 22 ~~\$1,479,400.00.~~**\$1,473,600.00.**
 23 (bb) West Shore Community College, ~~\$583,900.00.~~**\$581,600.00.**
 24 Sec. 230. (1) Money included in the appropriations for
 25 community college operations under section 201(2) in fiscal year
 26 ~~2016-2017-~~**2017-2018** for performance funding is distributed based on
 27 the following formula:

1 (a) Allocated proportionate to fiscal year ~~2015-2016~~**2016-2017**
2 base appropriations, 30%.

3 (b) Based on a weighted student contact hour formula as
4 provided for in the 2016 recommendations of the performance
5 indicators task force, 30%.

6 (c) Based on the performance improvement as provided for in
7 the 2016 recommendations of the performance indicators task force,
8 10%.

9 (d) Based on the performance completion number as provided for
10 in the 2016 recommendations of the performance indicators task
11 force, 10%.

12 (e) Based on the performance completion rate as provided for
13 in the 2016 recommendations of the performance indicators task
14 force, 10%.

15 (f) Based on administrative costs, 5%.

16 (g) Based on the local strategic value component, as developed
17 in cooperation with the Michigan Community College Association and
18 described in subsection (2), 5%.

19 (2) Money included in the appropriations for community college
20 operations under section 201(2) for local strategic value shall be
21 allocated to each community college that certifies to the state
22 budget director, through a board of trustees resolution on or
23 before October 15, ~~2016,~~**2017**, that the college has met 4 out of 5
24 best practices listed in each category described in subsection (3).
25 The resolution shall provide specifics as to how the community
26 college meets each best practice measure within each category. One-
27 third of funding available under the strategic value component

1 shall be allocated to each category described in subsection (3).
2 Amounts distributed under local strategic value shall be on a
3 proportionate basis to each college's fiscal year ~~2015-2016~~**2016-**
4 **2017** operations funding. Payments to community colleges that
5 qualify for local strategic value funding shall be distributed with
6 the November installment payment described in section 206.

7 (3) For purposes of subsection (2), the following categories
8 of best practices reflect functional activities of community
9 colleges that have strategic value to the local communities and
10 regional economies:

11 (a) For Category A, economic development and business or
12 industry partnerships, the following:

13 (i) The community college has active partnerships with local
14 employers including hospitals and health care providers.

15 (ii) The community college provides customized on-site
16 training for area companies, employees, or both.

17 (iii) The community college supports entrepreneurship through
18 a small business assistance center or other training or consulting
19 activities targeted toward small businesses.

20 (iv) The community college supports technological advancement
21 through industry partnerships, incubation activities, or operation
22 of a Michigan technical education center or other advanced
23 technology center.

24 (v) The community college has active partnerships with local
25 or regional workforce and economic development agencies.

26 (b) For Category B, educational partnerships, the following:

27 (i) The community college has active partnerships with

1 regional high schools, intermediate school districts, and career-
2 tech centers to provide instruction through dual enrollment,
3 concurrent enrollment, direct credit, middle college, or academy
4 programs.

5 (ii) The community college hosts, sponsors, or participates in
6 enrichment programs for area K-12 students, such as college days,
7 summer or after-school programming, or Science Olympiad.

8 (iii) The community college provides, supports, or
9 participates in programming to promote successful transitions to
10 college for traditional age students, including grant programs such
11 as talent search, upward bound, or other activities to promote
12 college readiness in area high schools and community centers.

13 (iv) The community college provides, supports, or participates
14 in programming to promote successful transitions to college for new
15 or reentering adult students, such as adult basic education, a high
16 school equivalency test preparation program and testing, or
17 recruiting, advising, or orientation activities specific to adults.
18 As used in this subparagraph, "high school equivalency test
19 preparation program" means that term as defined in section 4.

20 (v) The community college has active partnerships with
21 regional 4-year colleges and universities to promote successful
22 transfer, such as articulation, 2+2, or reverse transfer agreements
23 or operation of a university center.

24 (c) For Category C, community services, the following:

25 (i) The community college provides continuing education
26 programming for leisure, wellness, personal enrichment, or
27 professional development.

1 (ii) The community college operates or sponsors opportunities
2 for community members to engage in activities that promote leisure,
3 wellness, cultural or personal enrichment such as community sports
4 teams, theater or musical ensembles, or artist guilds.

5 (iii) The community college operates public facilities to
6 promote cultural, educational, or personal enrichment for community
7 members, such as libraries, computer labs, performing arts centers,
8 museums, art galleries, or television or radio stations.

9 (iv) The community college operates public facilities to
10 promote leisure or wellness activities for community members,
11 including gymnasiums, athletic fields, tennis courts, fitness
12 centers, hiking or biking trails, or natural areas.

13 (v) The community college promotes, sponsors, or hosts
14 community service activities for students, staff, or community
15 members.

16 (4) Payments for performance funding under section 201(2)
17 shall be made to a community college only if that community college
18 actively participates in the Michigan Transfer Network sponsored by
19 the Michigan Association of Collegiate Registrars and Admissions
20 Officers and submits timely updates, including updated course
21 equivalencies at least every 6 months, to the Michigan transfer
22 network. The state budget director shall determine if a community
23 college has not satisfied this requirement. The state budget
24 director may withhold payments for performance funding until a
25 community college is in compliance with this section.

26 Sec. 236. (1) Subject to the conditions set forth in this
27 article, the amounts listed in this section are appropriated for

House Bill No. 4313 as amended May 2, 2017

higher education for the fiscal year ending September 30, ~~2017,~~
2018, from the funds indicated in this section. The following is a
summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,582,640,400.00.~~
[**\$1,621,124,400.00.**] After deducting total interdepartmental grants
and intradepartmental transfers in the amount of \$0.00, the
adjusted gross appropriation is
~~\$1,582,640,400.00.~~ [**\$1,621,124,400.00.**]

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

(i) Total federal revenues, ~~\$101,526,400.00.~~ **\$111,526,400.00.**

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues,
~~\$237,209,500.00.~~ **\$235,743,500.00.**

(v) State general fund/general purpose money,
~~\$1,243,904,500.00.~~ [**\$1,273,854,500.00.**]

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

(a) The appropriation for Central Michigan University is
~~\$83,925,500.00, \$81,127,100.00 for operations and \$2,798,400.00 for~~
~~performance funding.~~ **\$85,568,000.00, \$83,925,500.00 FOR OPERATIONS**
AND \$1,642,500.00 FOR PERFORMANCE FUNDING.

(b) The appropriation for Eastern Michigan University is
~~\$73,593,800.00, \$71,782,500.00 for operations and \$1,811,300.00 for~~
~~performance funding.~~ **\$75,091,100.00, \$73,593,800.00 FOR OPERATIONS**
AND \$1,497,300.00 FOR PERFORMANCE FUNDING.

1 (c) The appropriation for Ferris State University is
2 ~~\$52,259,900.00, \$50,369,800.00 for operations and \$1,890,100.00 for~~
3 ~~performance funding.~~**\$53,528,700.00, \$52,259,900.00 FOR OPERATIONS**
4 **AND \$1,268,800.00 FOR PERFORMANCE FUNDING.**

5 (d) The appropriation for Grand Valley State University is
6 ~~\$68,227,900.00, \$65,275,700.00 for operations and \$2,952,200.00 for~~
7 ~~performance funding.~~**\$70,006,400.00, \$68,227,900.00 FOR OPERATIONS**
8 **AND \$1,778,500.00 FOR PERFORMANCE FUNDING.**

9 (e) The appropriation for Lake Superior State University is
10 ~~\$13,567,400.00, \$13,207,400.00 for operations and \$360,000.00 for~~
11 ~~performance funding.~~**\$13,764,700.00, \$13,567,400.00 FOR OPERATIONS**
12 **AND \$197,300.00 FOR PERFORMANCE FUNDING.**

13 (f) The appropriation for Michigan State University is
14 ~~\$337,777,800.00, \$268,770,700.00 for operations, \$7,091,400.00 for~~
15 ~~performance funding, \$33,243,100.00 for MSU AgBioResearch, and~~
16 ~~\$28,672,600.00 for MSU Extension.~~**\$344,436,000.00, \$275,862,100.00**
17 **FOR OPERATIONS, \$5,108,200.00 FOR PERFORMANCE FUNDING,**
18 **\$34,074,200.00 FOR MSU AGBIORESEARCH, AND \$29,391,500.00 FOR MSU**
19 **EXTENSION.**

20 (g) The appropriation for Michigan Technological University is
21 ~~\$48,097,500.00, \$46,754,700.00 for operations and \$1,342,800.00 for~~
22 ~~performance funding.~~**\$49,004,500.00, \$48,097,500.00 FOR OPERATIONS**
23 **AND \$907,000.00 FOR PERFORMANCE FUNDING.**

24 (h) The appropriation for Northern Michigan University is
25 ~~\$46,279,200.00, \$45,107,700.00 for operations and \$1,171,500.00 for~~
26 ~~performance funding.~~**\$47,094,500.00, \$46,279,200.00 FOR OPERATIONS**
27 **AND \$815,300.00 FOR PERFORMANCE FUNDING.**

1 (i) The appropriation for Oakland University is
2 ~~\$49,920,700.00, \$48,371,900.00 for operations and \$1,548,800.00 for~~
3 ~~performance funding.~~**\$51,170,100.00, \$49,920,700.00 FOR OPERATIONS**
4 **AND \$1,249,400.00 FOR PERFORMANCE FUNDING.**

5 (j) The appropriation for Saginaw Valley State University is
6 ~~\$29,114,000.00, \$28,181,200.00 for operations and \$932,800.00 for~~
7 ~~performance funding.~~**\$29,733,500.00, \$29,114,000.00 FOR OPERATIONS**
8 **AND \$619,500.00 FOR PERFORMANCE FUNDING.**

9 (k) The appropriation for University of Michigan - Ann Arbor
10 is ~~\$308,639,000.00, \$299,975,000.00 for operations and~~
11 ~~\$8,664,000.00 for performance funding.~~**\$314,291,600.00,**
12 **\$308,639,000.00 FOR OPERATIONS AND \$5,652,600.00 FOR PERFORMANCE**
13 **FUNDING.**

14 (l) The appropriation for University of Michigan - Dearborn is
15 ~~\$24,803,300.00, \$24,033,100.00 for operations and \$770,200.00 for~~
16 ~~performance funding.~~**\$25,391,000.00, \$24,803,300.00 FOR OPERATIONS**
17 **AND \$587,700.00 FOR PERFORMANCE FUNDING.**

18 (m) The appropriation for University of Michigan - Flint is
19 ~~\$22,549,300.00, \$21,815,400.00 for operations and \$733,900.00 for~~
20 ~~performance funding.~~**\$23,036,100.00, \$22,549,300.00 FOR OPERATIONS**
21 **AND \$486,800.00 FOR PERFORMANCE FUNDING.**

22 (n) The appropriation for Wayne State University is
23 ~~\$196,064,500.00, \$191,451,300.00 for operations and \$4,613,200.00~~
24 ~~for performance funding.~~**\$199,014,500.00, \$196,064,500.00 FOR**
25 **OPERATIONS AND \$2,950,000.00 FOR PERFORMANCE FUNDING.**

26 (o) The appropriation for Western Michigan University is
27 ~~\$107,440,900.00, \$104,334,100.00 for operations and \$3,106,800.00~~

~~for performance funding. \$109,280,000.00, \$107,440,900.00 FOR~~
OPERATIONS AND \$1,839,100.00 FOR PERFORMANCE FUNDING.

(3) The amount appropriated in subsection (2) for public universities is appropriated from the following:

(a) State school aid fund, \$231,219,500.00.

(b) State general fund/general purpose money,
~~\$1,231,041,200.00.~~ **\$1,259,191,200.00.**

(4) The amount appropriated for Michigan public school employees' retirement system reimbursement is ~~\$5,890,000.00,~~
\$4,005,000.00, appropriated from the state school aid fund.

(5) The amount appropriated for state and regional programs is \$315,000.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Higher education database modernization and conversion,
 \$200,000.00.

(b) Midwestern Higher Education Compact, \$115,000.00.

(6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Select student support services, \$1,956,100.00.

(b) Michigan college/university partnership program,
 \$586,800.00.

(c) Morris Hood, Jr. educator development program,
 \$148,600.00.

(7) Subject to subsection (8), the amount appropriated for grants and financial aid is ~~\$110,983,200.00,~~ **\$121,783,200.00,**
 allocated as follows:

1 (a) State competitive scholarships,

2 ~~\$18,361,700.00.~~ **\$22,361,700.00.**

3 (b) Tuition grants, ~~\$35,021,500.00.~~ **\$36,521,500.00.**

4 (c) Tuition incentive program, ~~\$53,000,000.00.~~ **\$58,300,000.00.**

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

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

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

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

13 (b) Federal revenues under the social security act, temporary
14 assistance for needy families, ~~\$98,326,400.00.~~ **\$108,326,400.00.**

15 (c) Contributions to children of veterans tuition grant
16 program, \$100,000.00.

17 (d) State general fund/general purpose money,
18 ~~\$9,356,800.00.~~ **\$10,156,800.00.**

19 ~~— (9) For fiscal year 2016-2017 only, \$500,000.00 is~~
20 ~~appropriated for the Michigan State University Diagnostic Center~~
21 ~~for Population and Animal Health, appropriated from state general~~
22 ~~fund/general purpose money.~~

23 **(9) FOR FISCAL YEAR 2017-2018 ONLY, IN ADDITION TO THE**
24 **ALLOCATION UNDER SUBSECTION (4), FROM THE APPROPRIATIONS DESCRIBED**
25 **IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
26 **\$419,000.00 FOR PAYMENTS TO PARTICIPATING PUBLIC UNIVERSITIES,**
27 **APPROPRIATED FROM THE STATE SCHOOL AID FUND. A UNIVERSITY THAT**

House Bill No. 4313 as amended May 2, 2017

1 RECEIVES MONEY UNDER THIS SUBSECTION SHALL USE THAT MONEY SOLELY

2 FOR THE PURPOSE OF OFFSETTING THE NORMAL COST CONTRIBUTION RATE. AS

3 USED IN THIS SUBSECTION, "PARTICIPATING PUBLIC UNIVERSITIES" MEANS

4 PUBLIC UNIVERSITIES THAT ARE A REPORTING UNIT OF THE MICHIGAN

5 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL

6 EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO

7 38.1437, AND THAT PAY CONTRIBUTIONS TO THE MICHIGAN PUBLIC SCHOOL

8 EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.

[(10) FOR FISCAL YEAR 2017-2018 ONLY, \$1,500,000.00 IS APPROPRIATED FOR THE MICHIGAN STATE UNIVERSITY FRUIT AND VEGETABLE PROCESSING TEACHING LABORATORY, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY.]

9 Sec. 236a. It is the intent of the legislature to provide

10 appropriations for the fiscal year ending on September 30, ~~2018~~

11 ~~2019~~ for the items listed in section 236. The fiscal year ~~2017-2018~~

12 ~~2018-2019~~ appropriations are anticipated to be the same as those

13 for fiscal year ~~2016-2017~~, ~~2017-2018~~, except that the amounts will

14 be adjusted for changes in caseload and related costs, federal fund

15 match rates, economic factors, and available revenue. These

16 adjustments will be determined after the January ~~2017-2018~~

17 consensus revenue estimating conference.

18 Sec. 236b. In addition to the funds appropriated in section

19 236, there is appropriated for grants and financial aid in fiscal

20 year ~~2016-2017~~ ~~2017-2018~~ an amount not to exceed \$6,000,000.00 for

21 federal contingency funds. These funds are not available for

22 expenditure until they have been transferred under section 393(2)

23 of the management and budget act, 1984 PA 431, MCL 18.1393, for

24 another purpose under this article.

25 Sec. 236c. In addition to the funds appropriated for fiscal

26 year ~~2016-2017~~ ~~2017-2018~~ in section 236, appropriations to the

27 department of technology, management, and budget in the act

1 providing general appropriations for fiscal year ~~2016-2017~~**2017-**
 2 **2018** for state building authority rent, totaling an estimated
 3 \$144,995,300.00, provide funding for the state share of costs for
 4 previously constructed capital projects for state universities.
 5 These appropriations for state building authority rent represent
 6 additional state general fund support provided to public
 7 universities, and the following is an estimate of the amount of
 8 that support to each university:

9 (a) Central Michigan University,

10 ~~\$11,819,500.00.~~**\$12,570,900.00.**

11 (b) Eastern Michigan University, ~~\$4,868,000.00.~~**\$5,177,500.00.**

12 (c) Ferris State University, ~~\$6,260,300.00.~~**\$6,658,300.00.**

13 (d) Grand Valley State University,

14 ~~\$6,635,900.00.~~**\$7,057,800.00.**

15 (e) Lake Superior State University,

16 ~~\$1,722,800.00.~~**\$1,832,400.00.**

17 (f) Michigan State University, ~~\$18,827,000.00.~~**\$15,500,500.00.**

18 (g) Michigan Technological University,

19 ~~\$6,793,200.00.~~**\$7,225,100.00.**

20 (h) Northern Michigan University, ~~\$9,447,600.00.~~**\$7,786,500.00.**

21 (i) Oakland University, ~~\$12,685,900.00.~~**\$13,492,400.00.**

22 (j) Saginaw Valley State University,

23 ~~\$10,331,000.00.~~**\$10,918,500.00.**

24 (k) University of Michigan - Ann Arbor,

25 ~~\$11,875,600.00.~~**\$10,586,200.00.**

26 (l) University of Michigan - Dearborn,

27 ~~\$9,008,800.00.~~**\$9,581,500.00.**

(m) University of Michigan - Flint,
~~\$4,357,600.00.~~ **\$4,315,600.00.**

(n) Wayne State University, ~~\$15,399,400.00.~~ **\$16,378,300.00.**

(o) Western Michigan University,
~~\$14,962,700.00.~~ **\$15,913,800.00.**

Sec. 237b. As used in this article: ~~, the term "workforce~~

**(A) "CENTER" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND
 INFORMATION CREATED IN SECTION 94A.**

(B) "WORKFORCE development agency" means the workforce
 development agency within the department of talent and economic
 development--talent investment agency.

**SEC. 239B. IT IS THE INTENT OF THE LEGISLATURE THAT PUBLIC
 UNIVERSITIES SHALL NOT USE FUNDS APPROPRIATED IN SECTION 236 TO
 LEASE OR PURCHASE A VEHICLE ASSEMBLED OR MANUFACTURED OUTSIDE OF
 THE UNITED STATES AND WILL GIVE PREFERENCE TO VEHICLES ASSEMBLED OR
 MANUFACTURED IN THIS STATE.**

Sec. 241. (1) Subject to sections 244 and 265a, the funds
 appropriated in section 236 to public universities shall be paid
 out of the state treasury and distributed by the state treasurer to
 the respective institutions in 11 equal monthly installments on the
 sixteenth of each month, or the next succeeding business day,
 beginning with October 16, ~~2016.~~ **2017.** Except for Wayne State
 University, each institution shall accrue its July and August ~~2017~~
2018 payments to its institutional fiscal year ending June 30,
~~2017-2018.~~

(2) All public universities shall submit higher education
 institutional data inventory (HEIDI) data and associated financial

1 and program information requested by and in a manner prescribed by
 2 the state budget director. For public universities with fiscal
 3 years ending June 30, ~~2016~~, **2017**, these data shall be submitted to
 4 the state budget director by October 15, ~~2016~~. **2017**. Public
 5 universities with a fiscal year ending September 30, ~~2016~~ **2017**
 6 shall submit preliminary HEIDI data by November 15, ~~2016~~ **2017** and
 7 final data by December 15, ~~2016~~. **2017**. If a public university fails
 8 to submit HEIDI data and associated financial aid program
 9 information in accordance with this reporting schedule, the state
 10 treasurer may withhold the monthly installments under subsection
 11 (1) to the public university until those data are submitted.

12 Sec. 244. A ~~BY OCTOBER 15 OF EACH YEAR, A~~ public university
 13 receiving funds in section 236 shall ~~cooperate with all measures~~
 14 ~~taken by the state to develop, operate, and maintain~~ **PROVIDE ITS**
 15 **LONGITUDINAL DATA SYSTEM DATA SET FOR THE PRECEDING ACADEMIC YEAR**
 16 **TO THE CENTER FOR INCLUSION IN** the statewide P-20 longitudinal data
 17 system described in section 94a. If the state budget director finds
 18 that a university has not complied with this section, the state
 19 budget director is authorized to withhold the monthly installments
 20 provided to that university under section 241 until he or she finds
 21 the university has complied with this section.

22 Sec. 245. (1) A public university shall maintain a public
 23 transparency website available through a link on its website
 24 homepage. The public university shall update this website within 30
 25 days after the university's governing board adopts its annual
 26 operating budget for the next academic year, or after the governing
 27 board adopts a subsequent revision to that budget.

1 (2) The website required under subsection (1) shall include
2 all of the following concerning the public university:

3 (a) The annual operating budget and subsequent budget
4 revisions.

5 (b) A summary of current expenditures for the most recent
6 fiscal year for which they are available, expressed as pie charts
7 in the following 2 categories:

8 (i) A chart of personnel expenditures, broken into the
9 following subcategories:

10 (A) Earnings and wages.

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

14 (C) Retirement benefit costs.

15 (D) All other personnel costs.

16 (ii) A chart of all current expenditures the public university
17 reported as part of its higher education institutional data
18 inventory data under section 241(2), broken into the same
19 subcategories in which it reported those data.

20 (c) Links to all of the following for the public university:

21 (i) The current collective bargaining agreement for each
22 bargaining unit.

23 (ii) Each health care benefits plan, including, but not
24 limited to, medical, dental, vision, disability, long-term care, or
25 any other type of benefits that would constitute health care
26 services, offered to any bargaining unit or employee of the public
27 university.

1 (iii) Audits and financial reports for the most recent fiscal
2 year for which they are available.

3 (iv) Campus security policies and crime statistics pursuant to
4 the student right-to-know and campus security act, Public Law 101-
5 542, 104 Stat.—**STAT** 2381. Information shall include all material
6 prepared pursuant to the public information reporting requirements
7 under the crime awareness and campus security act of 1990, title II
8 of the student right-to-know and campus security act, Public Law
9 101-542, 104 Stat.—**STAT** 2381.

10 (d) A list of all positions funded partially or wholly through
11 institutional general fund revenue that includes the position title
12 and annual salary or wage amount for each position.

13 (e) General fund revenue and expenditure projections for the
14 current fiscal year and the next fiscal year.

15 (f) A listing of all debt service obligations, detailed by
16 project, anticipated fiscal year payment for each project, and
17 total outstanding debt for the current fiscal year.

18 (g) The institution's policy regarding the transferability of
19 core college courses between community colleges and the university.

20 (h) A listing of all community colleges that have entered into
21 reverse transfer agreements with the university.

22 (3) On the website required under subsection (1), a public
23 university shall provide a dashboard or report card demonstrating
24 the university's performance in several "best practice" measures.
25 The dashboard or report card shall include at least all of the
26 following for the 3 most recent academic years for which the data
27 are available:

1 (a) Enrollment.

2 (b) Student retention rate.

3 (c) Six-year graduation rates.

4 (d) Number of Pell grant recipients and graduating Pell grant
5 recipients.

6 (e) Geographic origination of students, categorized as in-
7 state, out-of-state, and international.

8 (f) Faculty to student ratios and total university employee to
9 student ratios.

10 (g) Teaching load by faculty classification.

11 (h) Graduation outcome rates, including employment and
12 continuing education.

13 (4) For statewide consistency and public visibility, public
14 universities must use the icon badge provided by the department of
15 technology, management, and budget consistent with the icon badge
16 developed by the department of education for K-12 school districts.
17 It must appear on the front of each public university's homepage.
18 The size of the icon may be reduced to 150 x 150 pixels. The font
19 size and style for this reporting must be consistent with other
20 documents on each university's website.

21 (5) The state budget director shall determine whether a public
22 university has complied with this section. The state budget
23 director may withhold a public university's monthly installments
24 described in section 241 until the public university complies with
25 this section.

26 (6) By November 15 of each year, a public university shall
27 report the following information to the center ~~for educational~~

~~performance and information~~ and post the information on its website under the budget transparency icon badge:

(a) Opportunities for earning college credit through the following programs:

(i) State approved career and technical education or a tech prep articulated program of study.

(ii) Direct college credit or concurrent enrollment.

(iii) Dual enrollment.

(iv) An early college/middle college program.

(b) For each program described in subdivision (a) that the public university offers, all of the following information:

(i) The number of high school students participating in the program.

(ii) The number of school districts that participate in the program with the public university.

(iii) Whether a university professor, qualified local school district employee, or other individual teaches the course or courses in the program.

(iv) The total cost to the public university to operate the program.

(v) The cost per credit hour for the course or courses in the program.

(vi) The location where the course or courses in the program are held.

(vii) Instructional resources offered to the program instructors.

(viii) Resources offered to the student in the program.

1 (ix) Transportation services provided to students in the
2 program.

3 **SEC. 249. (1) THE FUNDS APPROPRIATED IN SECTION 236 FOR THE**
4 **CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT PROGRAMS**
5 **SHALL BE SUPPORTED WITH REVENUE FROM THE RESTRICTED ACCOUNT CREATED**
6 **IN SECTION 5 OF THE CHILDREN OF VETERANS TUITION GRANT ACT, 2005 PA**
7 **248, MCL 390.1345. AS PROVIDED IN SECTION 5 OF THE CHILDREN OF**
8 **VETERANS TUITION GRANT ACT, 2005 PA 248, MCL 390.1345, UNEXPENDED**
9 **FUNDS REMAINING IN THE RESTRICTED ACCOUNT AT THE END OF THE FISCAL**
10 **YEAR SHALL NOT LAPSE TO THE GENERAL FUND.**

11 **(2) THE GENERAL FUND/GENERAL PURPOSE FUNDS APPROPRIATED IN**
12 **SECTION 236 FOR THE CHILDREN OF VETERANS AND OFFICER'S SURVIVOR**
13 **TUITION GRANT PROGRAMS SHALL BE DEPOSITED INTO THE RESTRICTED**
14 **ACCOUNT DESCRIBED IN SUBSECTION (1), AS REQUIRED IN SECTION 5 OF**
15 **THE CHILDREN OF VETERANS TUITION GRANT ACT, 2005 PA 248, MCL**
16 **390.1345.**

17 **(3) FUNDS DEPOSITED INTO THE RESTRICTED ACCOUNT UNDER**
18 **SUBSECTION (2) FOR THE CHILDREN OF VETERANS AND OFFICER'S SURVIVOR**
19 **TUITION GRANT PROGRAMS ARE APPROPRIATED AND AVAILABLE FOR**
20 **ALLOCATION AS REQUIRED IN THE CHILDREN OF VETERANS TUITION GRANT**
21 **ACT, 2005 PA 248, MCL 390.1341 TO 390.1346.**

22 **SEC. 250. TO BE CONSIDERED ELIGIBLE FOR ANY SCHOLARSHIP OR**
23 **GRANT FINANCIAL AID PROGRAM ADMINISTERED BY THE DEPARTMENT OF**
24 **TREASURY, THE STUDENT MUST FILE THE FREE APPLICATION FOR FEDERAL**
25 **STUDENT AID (FAFSA) ANNUALLY.**

26 **Sec. 251. (1) Payments of the amounts included in section 236**
27 **for the state competitive scholarship program shall be distributed**

1 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

2 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the
3 department of treasury shall determine an actual maximum state
4 competitive scholarship award per student, which shall be not less
5 than ~~\$575.00~~, **\$775.00**, that ensures that the aggregate payments for
6 the state competitive scholarship program do not exceed the
7 appropriation contained in section 236 for the state competitive
8 scholarship program. If the department determines that insufficient
9 funds are available to establish a maximum award amount equal to at
10 least ~~\$575.00~~, **\$775.00**, the department shall immediately report to
11 the house and senate appropriations subcommittees on higher
12 education, the house and senate fiscal agencies, and the state
13 budget director regarding the estimated amount of additional funds
14 necessary to establish a ~~\$575.00~~ **\$775.00** maximum award amount.

15 (3) The department of treasury shall implement a proportional
16 competitive scholarship maximum award level for recipients enrolled
17 less than full-time in a given semester or term.

18 (4) If a student who receives an award under this section has
19 his or her tuition and fees paid under the Michigan educational
20 trust program, pursuant to the Michigan education trust act, 1986
21 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
22 funds awarded under this section may be used for educational
23 expenses other than tuition and fees.

24 (5) If the department of treasury increases the maximum award
25 per eligible student from that provided in the previous fiscal
26 year, it shall not have the effect of reducing the number of
27 eligible students receiving awards in relation to the total number

1 of eligible applicants. Any increase in the maximum grant shall be
2 proportional for all eligible students receiving awards.

3 (6) Veterans Administration benefits shall not be considered
4 in determining eligibility for the award of scholarships under 1964
5 PA 208, MCL 390.971 to 390.981.

6 **(7) ANY UNEXPENDED AND UNENCUMBERED FUNDS REMAINING ON**
7 **SEPTEMBER 30, 2018 FROM THE AMOUNTS APPROPRIATED IN SECTION 236 FOR**
8 **THE STATE COMPETITIVE SCHOLARSHIP PROGRAM FOR FISCAL YEAR 2017-2018**
9 **DO NOT LAPSE ON SEPTEMBER 30, 2018, BUT CONTINUE TO BE AVAILABLE**
10 **FOR THE EXPENDITURE FOR STATE COMPETITIVE SCHOLARSHIPS PROVIDED IN**
11 **THE 2018-2019 FISCAL YEAR UNDER A WORK PROJECT ACCOUNT. THE USE OF**
12 **THESE UNEXPENDED FISCAL YEAR 2017-2018 FUNDS TERMINATES AT THE END**
13 **OF THE 2018-2019 FISCAL YEAR.**

14 Sec. 252. (1) The amounts appropriated in section 236 for the
15 state tuition grant program shall be distributed pursuant to 1966
16 PA 313, MCL 390.991 to 390.997a.

17 (2) Tuition grant awards shall be made to all eligible
18 Michigan residents enrolled in undergraduate degree programs who
19 are qualified and who apply before July 1, ~~of each year for the~~
20 ~~next academic year.~~ **2017 FOR THE 2017-2018 ACADEMIC YEAR. BEGINNING**
21 **WITH THE 2018-2019 ACADEMIC YEAR, TUITION GRANT AWARDS SHALL BE**
22 **MADE TO ALL ELIGIBLE MICHIGAN RESIDENTS ENROLLED IN UNDERGRADUATE**
23 **DEGREE PROGRAMS WHO ARE QUALIFIED AND WHO APPLY BEFORE JUNE 1 OF**
24 **EACH YEAR FOR THE NEXT ACADEMIC YEAR.**

25 (3) BEGINNING WITH THE 2018-2019 ACADEMIC YEAR, A TUITION
26 GRANT MAY BE RENEWED FOR NOT MORE THAN 10 SEMESTERS OR ITS
27 EQUIVALENT IN TRIMESTERS OR QUARTERS OF UNDERGRADUATE EDUCATION, OR

1 IF AN ELIGIBLE APPLICANT HAS NOT COMPLETED USING THE GRANT WITHIN
2 10 YEARS AFTER HIS OR HER ELIGIBILITY IS DETERMINED, WHICHEVER
3 OCCURS FIRST. THE DEPARTMENT SHALL DETERMINE AN EQUIVALENT TO 10
4 SEMESTERS OR ITS EQUIVALENT IN TRIMESTERS OR QUARTERS OF
5 UNDERGRADUATE EDUCATION FOR LESS THAN FULL-TIME BUT MORE THAN HALF-
6 TIME STUDENTS.

7 (4) ~~(3)~~ Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
8 subject to subsections ~~(7)~~ (8) and ~~(8)~~ (9), the department of
9 treasury shall determine an actual maximum tuition grant award per
10 student, which shall be no less than ~~\$1,512.00~~, **\$1,750.00**, that
11 ensures that the aggregate payments for the tuition grant program
12 do not exceed the appropriation contained in section 236 for the
13 state tuition grant program. If the department determines that
14 insufficient funds are available to establish a maximum award
15 amount equal to at least ~~\$1,512.00~~, **\$1,750.00**, the department shall
16 immediately report to the house and senate appropriations
17 subcommittees on higher education, the house and senate fiscal
18 agencies, and the state budget director regarding the estimated
19 amount of additional funds necessary to establish a ~~\$1,512.00~~
20 **\$1,750.00** maximum award amount. If the department determines that
21 sufficient funds are available to establish a maximum award amount
22 equal to at least ~~\$1,512.00~~, **\$1,750.00**, the department shall
23 immediately report to the house and senate appropriations
24 subcommittees on higher education, the house and senate fiscal
25 agencies, and the state budget director regarding the maximum award
26 amount established and the projected amount of any projected year-
27 end appropriation balance based on that maximum award amount. By

February 18 of each fiscal year, the department shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in section 236 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than the final day of February of each year. If award adjustments are necessary, the students shall be notified of the adjustment by March 4 of each year.

(5) ~~(4)~~ Any unexpended and unencumbered funds remaining on September 30, ~~2017-2018~~ from the amounts appropriated in section 236 for the tuition grant program for fiscal year ~~2016-2017~~ shall **2017-2018** DO not lapse on September 30, ~~2017,~~ **2018**, but shall continue to be available for expenditure for tuition grants provided in the ~~2017-2018~~ **2018-2019** fiscal year under a work project account. The use of these unexpended fiscal year ~~2016-2017~~ **2018-2019** funds shall ~~terminate~~ **TERMINATES** at the end of the ~~2017-2018~~ **2018-2019** fiscal year.

(6) ~~(5)~~ The department of treasury shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(7) ~~(6)~~ If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for that

1 fiscal year.

2 **(8)** ~~(7)~~ Except as provided in subsection ~~(4)~~, **(5)**, the
3 department of treasury shall not award more than ~~\$3,200,000.00~~
4 **\$3,500,000.00** in tuition grants to eligible students enrolled in
5 the same independent nonprofit college or university in this state.
6 Any decrease in the maximum grant shall be proportional for all
7 eligible students enrolled in that college or university, as
8 determined by the department.

9 **(9)** ~~(8)~~ The department of treasury shall not award tuition
10 grants to otherwise eligible students enrolled in an independent
11 college or university that does not report, in a form and manner
12 directed by and satisfactory to the department of treasury, by
13 ~~September 30~~ **OCTOBER 31** of each year, all of the following:

14 (a) The number of students in the most recently completed
15 academic year who in any academic year received a state tuition
16 grant at the reporting institution and successfully completed a
17 program or graduated.

18 (b) The number of students in the most recently completed
19 academic year who in any academic year received a state tuition
20 grant at the reporting institution and took a remedial education
21 class.

22 (c) The number of students in the most recently completed
23 academic year who in any academic year received a Pell grant at the
24 reporting institution and successfully completed a program or
25 graduated.

26 **(10)** ~~(9)~~ By February 1, ~~2017~~, **2018**, each independent college
27 and university participating in the tuition grant program shall

1 report to the senate and house appropriations subcommittees on
2 higher education, the senate and house fiscal agencies, and the
3 state budget director on its efforts to develop and implement
4 sexual assault response training for the institution's title IX
5 coordinator, campus law enforcement personnel, campus public safety
6 personnel, and any other campus personnel charged with responding
7 to on-campus incidents, including information on sexual assault
8 response training materials and the status of implementing sexual
9 assault response training for institutional personnel.

10 Sec. 254. The sums appropriated in section 236 for the state
11 competitive scholarship, tuition incentive, and tuition grant
12 programs shall be paid out of the state treasury and shall be
13 distributed to the respective institutions under a quarterly
14 payment system as follows:

15 (a) For the state competitive scholarship and tuition grant
16 programs, 50% shall be paid at the beginning of the state's first
17 fiscal quarter, 30% during the state's second fiscal quarter, 10%
18 during the state's third fiscal quarter, and 10% during the state's
19 fourth fiscal quarter.

20 (b) For the tuition incentive program, ~~55%~~**65%** shall be paid
21 at the beginning of the state's first fiscal quarter, ~~40%~~**AND 35%**
22 during the state's second fiscal quarter. ~~, and 5% during the~~
23 ~~state's third fiscal quarter.~~

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

1 (2) As used in this section:

2 (a) "Phase I" means the first part of the tuition incentive
3 ~~assistance~~ program defined as the academic period of 80 semester or
4 120 term credits, or less, leading to an associate degree or
5 certificate. **STUDENTS MUST BE ENROLLED IN A CERTIFICATE OR**
6 **ASSOCIATE DEGREE PROGRAM AND TAKING CLASSES WITHIN THE PROGRAM OF**
7 **STUDY FOR A CERTIFICATE OR ASSOCIATE DEGREE. TUITION WILL NOT BE**
8 **COVERED FOR COURSES OUTSIDE OF A CERTIFICATE OR ASSOCIATE DEGREE**
9 **PROGRAM.**

10 (b) "Phase II" means the second part of the tuition incentive
11 ~~assistance~~ program which provides assistance in the third and
12 fourth year of 4-year degree programs.

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

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

16 (3) An individual shall meet the following basic criteria and
17 financial thresholds to be eligible for tuition incentive program
18 benefits:

19 (a) To be eligible for phase I, an individual shall meet all
20 of the following criteria:

21 (i) Apply for certification to the department any time after
22 he or she begins the sixth grade but before August 31 of the school
23 year in which he or she graduates from high school or before
24 achieving a high school equivalency certificate.

25 (ii) Be less than 20 years of age at the time he or she
26 graduates from high school with a diploma or certificate of
27 completion or achieves a high school equivalency certificate **OR,**

1 FOR STUDENTS ATTENDING A 5-YEAR MIDDLE COLLEGE APPROVED BY THE
 2 MICHIGAN DEPARTMENT OF EDUCATION, BE LESS THAN 21 YEARS OF AGE WHEN
 3 HE OR SHE GRADUATES FROM HIGH SCHOOL.

4 (iii) Be a United States citizen and a resident of Michigan
 5 **THIS STATE** according to institutional criteria.

6 (iv) Be at least a half-time student, earning less than 80
 7 semester or 120 term credits at a participating educational
 8 institution within 4 years of high school graduation or achievement
 9 of a high school equivalency certificate. **ALL PROGRAM ELIGIBILITY**
 10 **EXPIRES 6 YEARS FROM HIGH SCHOOL GRADUATION OR ACHIEVEMENT OF A**
 11 **HIGH SCHOOL EQUIVALENCY CERTIFICATE.**

12 ~~—— (v) Request information on filing a FAFSA.~~

13 (v) ~~(vi)~~ Meet the satisfactory academic progress policy of the
 14 educational institution he or she attends.

15 (b) To be eligible for phase II, an individual shall meet
 16 either of the following criteria in addition to the criteria in
 17 subdivision (a):

18 (i) Complete at least 56 transferable semester or 84
 19 transferable term credits.

20 (ii) Obtain an associate degree or certificate at a
 21 participating institution.

22 (c) To be eligible for phase I or phase II, an individual must
 23 not be incarcerated and must be financially eligible as determined
 24 by the department. An individual is financially eligible for the
 25 tuition incentive program if he or she was eligible for Medicaid
 26 from ~~the~~ **THIS** state of Michigan for 24 months within the 36
 27 consecutive months before application. The department shall accept

1 certification of Medicaid eligibility only from the department of
2 health and human services for the purposes of verifying if a person
3 is Medicaid eligible for 24 months within the 36 consecutive months
4 before application. Certification of eligibility may begin in the
5 sixth grade. As used in this subdivision, "incarcerated" does not
6 include detention of a juvenile in a state-operated or privately
7 operated juvenile detention facility.

8 (4) Beginning in fiscal year 2017-2018, the department shall
9 not award more than \$8,500,000.00 annually in tuition incentive
10 program funds to eligible students enrolled in the same college or
11 university in this state.

12 (5) For phase I, the department shall provide payment on
13 behalf of a person eligible under subsection (3). The department
14 shall **ONLY ACCEPT STANDARD PER-CREDIT HOUR TUITION BILLINGS AND**
15 **SHALL** reject billings that are excessive or outside the guidelines
16 for the type of educational institution.

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

18 (a) Payments for associate degree or certificate programs
19 shall not be made for more than 80 semester or 120 term credits for
20 any individual student at any participating institution.

21 (b) For persons enrolled at a Michigan community college, the
22 department shall pay the current in-district tuition and mandatory
23 fees. For persons residing in an area that is not included in any
24 community college district, the out-of-district tuition rate may be
25 authorized.

26 (c) For **FISCAL YEAR 2017-2018, FOR** persons enrolled at a
27 Michigan public university, the department shall pay lower division

1 resident tuition and mandatory fees for the current year. **BEGINNING**
2 **IN FISCAL YEAR 2018-2019, FOR PERSONS ENROLLED AT A MICHIGAN PUBLIC**
3 **UNIVERSITY, THE DEPARTMENT SHALL PAY MANDATORY FEES FOR THE CURRENT**
4 **YEAR AND A PER-CREDIT PAYMENT THAT DOES NOT EXCEED 3 TIMES THE**
5 **AVERAGE COMMUNITY COLLEGE IN-DISTRICT PER-CREDIT TUITION RATE AS**
6 **REPORTED ON AUGUST 1 FOR THE IMMEDIATELY PRECEDING ACADEMIC YEAR.**

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

14 (7) A person participating in phase II may be eligible for
15 additional funds not to exceed \$500.00 per semester or \$400.00 per
16 term up to a maximum of \$2,000.00 subject to the following
17 conditions:

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

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

22 (8) The department shall work closely with participating
23 institutions to develop an application and eligibility
24 determination process that will provide the highest level of
25 participation and ensure that all requirements of the program are
26 met.

27 (9) Applications for the tuition incentive program may be

1 approved at any time after the student begins the sixth grade. If a
2 determination of financial eligibility is made, that determination
3 is valid as long as the student meets all other program
4 requirements and conditions.

5 (10) Each institution shall ensure that all known available
6 restricted grants for tuition and fees are used prior to billing
7 the tuition incentive program for any portion of a student's
8 tuition and fees.

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

13 **(12) ANY UNEXPENDED AND UNENCUMBERED FUNDS REMAINING ON**
14 **SEPTEMBER 30, 2018 FROM THE AMOUNTS APPROPRIATED IN SECTION 236 FOR**
15 **THE TUITION INCENTIVE PROGRAM FOR FISCAL YEAR 2017-2018 DO NOT**
16 **LAPSE ON SEPTEMBER 30, 2018, BUT CONTINUE TO BE AVAILABLE FOR**
17 **EXPENDITURE FOR TUITION INCENTIVE PROGRAM FUNDS PROVIDED IN THE**
18 **2018-2019 FISCAL YEAR UNDER A WORK PROJECT ACCOUNT. THE USE OF**
19 **THESE UNEXPENDED FISCAL YEAR 2017-2018 FUNDS TERMINATES AT THE END**
20 **OF THE 2018-2019 FISCAL YEAR.**

21 (13) THE DEPARTMENT OF TREASURY SHALL COLLABORATE WITH THE
22 CENTER TO USE THE P-20 LONGITUDINAL DATA SYSTEM TO REPORT THE
23 FOLLOWING INFORMATION FOR EACH QUALIFIED POSTSECONDARY INSTITUTION:

24 (A) THE NUMBER OF PHASE I STUDENTS IN THE MOST RECENTLY
25 COMPLETED ACADEMIC YEAR WHO IN ANY ACADEMIC YEAR RECEIVED A TUITION
26 INCENTIVE PROGRAM AWARD AND WHO SUCCESSFULLY COMPLETED A DEGREE OR
27 CERTIFICATE PROGRAM. COHORT GRADUATION RATES FOR PHASE I STUDENTS

1 SHALL BE CALCULATED USING THE ESTABLISHED SUCCESS RATE METHODOLOGY
 2 DEVELOPED BY THE CENTER IN COLLABORATION WITH THE POSTSECONDARY
 3 INSTITUTIONS.

4 (B) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED
 5 ACADEMIC YEAR WHO IN ANY ACADEMIC YEAR RECEIVED A PELL GRANT AT THE
 6 REPORTING INSTITUTION AND WHO SUCCESSFULLY COMPLETED A DEGREE OR
 7 CERTIFICATE PROGRAM. COHORT GRADUATION RATES FOR STUDENTS WHO
 8 RECEIVED PELL GRANTS SHALL BE CALCULATED USING THE ESTABLISHED
 9 SUCCESS RATE METHODOLOGY DEVELOPED BY THE CENTER IN COLLABORATION
 10 WITH THE POSTSECONDARY INSTITUTIONS.

11 (14) IF A QUALIFIED POSTSECONDARY INSTITUTION DOES NOT REPORT
 12 THE DATA NECESSARY TO COMPLY WITH SUBSECTION (13) TO THE P-20
 13 LONGITUDINAL DATA SYSTEM, THE INSTITUTION SHALL REPORT, IN A FORM
 14 AND MANNER SATISFACTORY TO THE DEPARTMENT OF TREASURY AND THE
 15 CENTER, ALL OF THE INFORMATION NEEDED TO COMPLY WITH SUBSECTION
 16 (13) BY DECEMBER 1, 2017.

17 (15) BEGINNING IN FISCAL YEAR 2018-2019, IF A QUALIFIED
 18 POSTSECONDARY INSTITUTION DOES NOT REPORT THE DATA NECESSARY TO
 19 COMPLETE THE REPORTING IN SUBSECTION (13) TO THE P-20 LONGITUDINAL
 20 DATA SYSTEM BY OCTOBER 15 FOR THE PRIOR ACADEMIC YEAR, THE
 21 DEPARTMENT OF TREASURY SHALL NOT AWARD PHASE I TUITION INCENTIVE
 22 PROGRAM FUNDING TO OTHERWISE ELIGIBLE STUDENTS ENROLLED IN THAT
 23 INSTITUTION UNTIL THE DATA ARE SUBMITTED.

24 Sec. 263. (1) Included in the appropriation in section 236 for
 25 fiscal year ~~2016-2017~~ **2017-2018** for MSU AgBioResearch is
 26 \$2,982,900.00 and included in the appropriation in section 236 for
 27 MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN

1 is intended to address critical regulatory, food safety, economic,
2 and environmental problems faced by this state's plant-based
3 agriculture, forestry, and processing industries. "GREEN" is an
4 acronym for Generating Research and Extension to Meet Environmental
5 and Economic Needs.

6 (2) The department of agriculture and rural development and
7 Michigan State University, in consultation with agricultural
8 commodity groups and other interested parties, shall develop
9 Project GREEN and its program priorities.

10 Sec. 263a. (1) Not later than September 30 of each year,
11 Michigan State University shall submit a report on MSU
12 AgBioResearch and MSU Extension to the house and senate
13 appropriations subcommittees on agriculture and on higher
14 education, the house and senate standing committees on agriculture,
15 the house and senate fiscal agencies, and the state budget director
16 for the preceding academic fiscal year.

17 (2) The report required under subsection (1) shall include all
18 of the following:

19 (a) Total funds expended by MSU AgBioResearch and by MSU
20 Extension identified by state, local, private, federal, and
21 university fund sources.

22 (b) The metric goals that were used to evaluate the impacts of
23 programs operated by MSU Extension and MSU AgBioResearch. The
24 following metric goals will be used to evaluate the impacts of
25 those programs:

26 (i) Increasing the number of agriculture and food-related
27 firms collaborating with and using services of research and

extension faculty and staff by 3% per year.

(ii) Increasing the number of individuals utilizing MSU Extension's educational services by 5% per year.

(iii) Increasing external funds generated in support of research and extension, beyond state appropriations, by 10% over the amounts generated in the past 3 state fiscal years.

(iv) Increasing the sector's total economic impact to at least ~~\$100,000,000,000.00.~~ **\$125,000,000,000.00.**

(v) Increasing Michigan's agricultural exports to at least ~~\$3,500,000,000.00.~~ **\$4,250,000,000.00.**

~~—— (vi) Increasing jobs in the food and agriculture sector by 10%.~~

(vi) ~~(vii)~~ Improving access by Michigan consumers to healthy foods by 20%.

(c) A review of major programs within both MSU AgBioResearch and MSU Extension with specific reference to accomplishments, impacts, and the metrics described in subdivision (b), including a specific accounting of Project GREEN expenditures and the impact of those expenditures.

Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2016-2017~~ **2017-2018** for Michigan State University is \$80,000.00 for the Michigan Future Farmers of America Association. This \$80,000.00 allocation shall not supplant any existing support that Michigan State University provides to the Michigan Future Farmers of America Association.

Sec. 265. (1) Payments under section 265a for performance funding shall only be made to a public university that certifies to

1 the state budget director by August 31, ~~2016~~**2017** that its board
2 did not adopt an increase in tuition and fee rates for resident
3 undergraduate students after September 1, ~~2015~~**2016** for the ~~2015~~
4 ~~2016~~**2016-2017** academic year and that its board will not adopt an
5 increase in tuition and fee rates for resident undergraduate
6 students for the ~~2016-2017~~**2017-2018** academic year that is greater
7 than ~~4.2%.~~**3.8% OR \$475.00, WHICHEVER IS GREATER.** As used in this
8 subsection:

9 (a) "Fee" means any board-authorized fee that will be paid by
10 more than 1/2 of all resident undergraduate students at least once
11 during their enrollment at a public university, as described in the
12 higher education institutional data inventory (HEIDI) user manual.
13 A university increasing a fee that applies to a specific subset of
14 students or courses shall provide sufficient information to prove
15 that the increase applied to that subset will not cause the
16 increase in the average amount of board-authorized total tuition
17 and fees paid by resident undergraduate students in the ~~2016-2017~~
18 **2017-2018** academic year to exceed the limit established in this
19 subsection.

20 (b) "Tuition and fee rate" means the average of full-time
21 rates paid by a majority of students in each undergraduate class,
22 based on an unweighted average of the rates authorized by the
23 university board and actually charged to students, deducting any
24 uniformly rebated or refunded amounts, for the 2 semesters with the
25 highest levels of full-time equated resident undergraduate
26 enrollment during the academic year, as described in the higher
27 education institutional data inventory (HEIDI) user manual.

1 (c) For purposes of subdivision (a), for a public university
2 that compels resident undergraduate students to be covered by
3 health insurance as a condition to enroll at the university, "fee"
4 includes the annual amount a student is charged for coverage by the
5 university-affiliated group health insurance policy if he or she
6 does not provide proof that he or she is otherwise covered by
7 health insurance. This subdivision does not apply to limited
8 subsets of resident undergraduate students to be covered by health
9 insurance for specific reasons other than general enrollment at the
10 university.

11 (2) The state budget director shall implement uniform
12 reporting requirements to ensure that a public university receiving
13 a payment under section 265a for performance funding has satisfied
14 the tuition restraint requirements of this section. The state
15 budget director shall have the sole authority to determine if a
16 public university has met the requirements of this section.
17 Information reported by a public university to the state budget
18 director under this subsection shall also be reported to the house
19 and senate appropriations subcommittees on higher education and the
20 house and senate fiscal agencies.

21 (3) Universities that exceed the tuition and fee rate cap
22 described in subsection (1) shall not receive a planning or
23 construction authorization for a state-funded capital outlay
24 project in fiscal year ~~2017-2018~~**2018-2019** or fiscal year ~~2018-~~
25 ~~2019~~**2019-2020**.

26 (4) Notwithstanding any other provision of this act, the
27 legislature may at any time adjust appropriations for a university

1 that adopts an increase in tuition and fee rates for resident
2 undergraduate students that exceeds the rate cap established in
3 subsection (1).

4 Sec. 265a. (1) Appropriations to public universities in
5 section 236 for fiscal year ~~2016-2017~~**2017-2018** for performance
6 funding shall be paid only to a public university that complies
7 with section 265 and certifies to the state budget director, the
8 house and senate appropriations subcommittees on higher education,
9 and the house and senate fiscal agencies by August 31, ~~2016~~**2017**
10 that it complies with all of the following requirements:

11 (a) The university participates in reverse transfer agreements
12 described in section 286 with at least 3 Michigan community
13 colleges.

14 (b) The university does not and will not consider whether dual
15 enrollment credits earned by an incoming student were utilized
16 towards his or her high school graduation requirements when making
17 a determination as to whether those credits may be used by the
18 student toward completion of a university degree or certificate
19 program.

20 (c) The university actively participates in and submits timely
21 updates to the Michigan Transfer Network created as part of the
22 Michigan Association of Collegiate Registrars and Admissions
23 Officers transfer agreement.

24 (2) Any performance funding amounts under section 236 that are
25 not paid to a public university because it did not comply with 1 or
26 more requirements under subsection (1) are unappropriated and
27 reappropriated for performance funding to those public universities

1 that meet the requirements under subsection (1), distributed in
 2 proportion to their performance funding appropriation amounts under
 3 section 236.

4 (3) The state budget director shall report to the house and
 5 senate appropriations subcommittees on higher education and the
 6 house and senate fiscal agencies by September 30, ~~2016~~, **2017**,
 7 regarding any performance funding amounts that are not paid to a
 8 public university because it did not comply with 1 or more
 9 requirements under subsection (1) and any reappropriation of funds
 10 under subsection (2).

11 (4) Performance funding amounts described in section 236 are
 12 distributed based on the following formula:

13 (a) Proportional to each university's share of total
 14 operations funding appropriated in fiscal year 2010-2011, 50%.

15 (b) Based on weighted undergraduate completions in critical
 16 skills areas, 11.1%.

17 (c) Based on research and development expenditures, for
 18 universities classified in Carnegie classifications as
 19 ~~doctoral/research universities, research universities (high~~
 20 ~~research activity), or research universities (very high research~~
 21 ~~activity)~~ **DOCTORAL UNIVERSITIES: MODERATE RESEARCH ACTIVITY,**
 22 **DOCTORAL UNIVERSITIES: HIGHER RESEARCH ACTIVITY, OR DOCTORAL**
 23 **UNIVERSITIES: HIGHEST RESEARCH ACTIVITY** only, 5.6%.

24 (d) Based on 6-year graduation rate, total degree completions,
 25 and institutional support as a percentage of core expenditures, and
 26 the percentage of students receiving Pell grants, scored against
 27 national Carnegie classification peers and weighted by total

1 undergraduate fiscal year equated students, 33.3%.

2 (5) For purposes of determining the score of a university
3 under subsection (4)(d), each university is assigned 1 of the
4 following scores:

5 (a) A university classified as in the top 20%, a score of 3.

6 (b) A university classified as above national median, a score
7 of 2.

8 (c) A university classified as improving, a score of 2. It is
9 the intent of the legislature that, beginning in the ~~2017-2018~~
10 **2018-2019** state fiscal year, a university classified as improving
11 is assigned a score of 1.

12 (d) A university that is not included in subdivision (a), (b),
13 or (c), a score of 0.

14 (6) As used in this section, "Carnegie classification" means
15 the basic classification of the university according to the most
16 recent version ~~prior to February 1, 2016~~ of the Carnegie
17 classification of institutions of higher education, published by
18 the Carnegie Foundation for the Advancement of Teaching.

19 Sec. 267. All public universities shall submit the amount of
20 tuition and fees actually charged to a full-time resident
21 undergraduate student for academic year ~~2016-2017~~ **2017-2018** as part
22 of their higher education institutional data inventory (HEIDI) data
23 by August 31 of each year. A public university shall report any
24 revisions for any semester of the reported academic year ~~2016-2017~~
25 **2017-2018** tuition and fee charges to HEIDI within 15 days of being
26 adopted.

27 Sec. 268. (1) For the fiscal year ending September 30, ~~2017,~~

1 **2018**, it is the intent of the legislature that funds be allocated
2 for unfunded North American Indian tuition waiver costs incurred by
3 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
4 from the general fund.

5 (2) By February 15 of each year, the department of civil
6 rights shall annually submit to the state budget director, the
7 house and senate appropriations subcommittees on higher education,
8 and the house and senate fiscal agencies a report on North American
9 Indian tuition waivers for the preceding ~~fiscal~~**ACADEMIC** year that
10 includes, but is not limited to, all of the following information:

11 (a) The number of waiver applications received and the number
12 of waiver applications approved.

13 (b) For each university submitting information under
14 subsection (3), all of the following:

15 (i) The number of graduate and undergraduate North American
16 Indian students enrolled each term for the previous ~~fiscal~~**ACADEMIC**
17 year.

18 (ii) The number of North American Indian waivers granted each
19 term, **INCLUDING TO CONTINUING EDUCATION STUDENTS**, and the monetary
20 value of the waivers for the previous ~~fiscal~~**ACADEMIC** year.

21 (iii) The number of graduate and undergraduate students
22 attending under a North American Indian tuition waiver who withdrew
23 from the university **EACH TERM** during the previous ~~fiscal~~**ACADEMIC**
24 year. **FOR PURPOSES OF THIS SUBPARAGRAPH, A WITHDRAWAL OCCURS WHEN A**
25 **STUDENT WHO HAS BEEN AWARDED THE WAIVER WITHDRAWS FROM THE**
26 **INSTITUTION AT ANY POINT DURING THE TERM, REGARDLESS OF ENROLLMENT**
27 **IN SUBSEQUENT TERMS.**

1 (iv) The number of graduate and undergraduate students
2 attending under a North American Indian tuition waiver who
3 successfully complete a degree or certificate program, separated by
4 degree or certificate level, and the graduation rate for graduate
5 and undergraduate students attending under a North American Indian
6 tuition waiver who complete a degree **OR CERTIFICATE** within 150% of
7 the normal time to complete, separated by the level of the degree
8 **OR CERTIFICATE.**

9 (3) A public university that receives funds under section 236
10 shall provide to the department of civil rights any information
11 necessary for preparing the report detailed in subsection (2),
12 using guidelines and procedures developed by the department of
13 civil rights.

14 (4) The department of civil rights may consolidate the report
15 required under this section with the report required under section
16 223, but a consolidated report must separately identify data for
17 universities and data for community colleges.

18 Sec. 269. For fiscal year ~~2016-2017,~~ **2017-2018**, from the
19 amount appropriated in section 236 to Central Michigan University
20 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
21 College for the costs of waiving tuition for North American Indians
22 under 1976 PA 174, MCL 390.1251 to 390.1253.

23 Sec. 270. For fiscal year ~~2016-2017,~~ **2017-2018**, from the
24 amount appropriated in section 236 to Lake Superior State
25 University for operations, \$100,000.00 shall be paid to Bay Mills
26 Community College for the costs of waiving tuition for North
27 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

1 Sec. 274. It is the intent of the legislature that public and
2 private organizations that conduct human embryonic stem cell
3 derivation subject to section 27 of article I of the state
4 constitution of 1963 will provide information to the director of
5 the department of health and human services by December 1, ~~2016~~
6 **2017** that includes all of the following:

7 (a) Documentation that the organization conducting human
8 embryonic stem cell derivation is conducting its activities in
9 compliance with the requirements of section 27 of article I of the
10 state constitution of 1963 and all relevant National Institutes of
11 Health guidelines pertaining to embryonic stem cell derivation.

12 (b) A list of all human embryonic stem cell lines submitted by
13 the organization to the National Institutes of Health for inclusion
14 in the Human Embryonic Stem Cell Registry before and during fiscal
15 year ~~2015-2016,~~**2016-2017**, and the status of each submission as
16 approved, pending approval, or review completed but not yet
17 accepted.

18 (c) Number of human embryonic stem cell lines derived and not
19 submitted for inclusion in the Human Embryonic Stem Cell Registry,
20 before and during fiscal year ~~2015-2016.~~**2016-2017**.

21 Sec. 274c. By February 1, ~~2017,~~**2018**, each university
22 receiving funds under section 236 shall report to the senate and
23 house appropriations subcommittees on higher education, the senate
24 and house fiscal agencies, and the state budget director on its
25 efforts to develop and implement sexual assault response training
26 for the university's title IX coordinator, campus law enforcement
27 personnel, campus public safety personnel, and any other campus

1 personnel charged with responding to on-campus incidents, including
2 information on sexual assault response training materials and the
3 status of implementing sexual assault response training for campus
4 personnel.

5 **SEC. 274D. BY OCTOBER 31, EACH UNIVERSITY RECEIVING FUNDS**
6 **UNDER SECTION 236 SHALL REPORT TO THE SENATE AND HOUSE**
7 **APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE SENATE AND**
8 **HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ITS ANNUAL**
9 **TITLE IX REPORT, ALSO KNOWN AS THE STUDENT SEXUAL MISCONDUCT**
10 **REPORT, ISSUED BY THE TITLE IX COORDINATOR, AS REQUIRED UNDER THE**
11 **FEDERAL CAMPUS SAVE ACT OF 2013, PUBLIC LAW 113-4, SECTION 304,**
12 **127, STAT 54, 89-92 (2013) .**

13 Sec. 275. (1) ~~It is the intent of the legislature that each~~
14 **EACH** public university that receives an appropriation in section
15 236 **SHALL** do all of the following:

16 (a) Meet the provisions of section 5003 of the post-911
17 veterans educational assistance act of 2008, 38 USC 3301 to ~~3325,~~
18 **3327**, including voluntary participation in the Yellow Ribbon GI
19 Education Enhancement Program established in that act in 38 USC
20 3317. By October 1 of each year, each public university shall
21 report to the house and senate appropriations subcommittees on
22 higher education, the house and senate fiscal agencies, and the
23 Michigan Association of State Universities on whether or not it has
24 chosen to participate in the Yellow Ribbon GI Education Enhancement
25 Program. If at any time during the fiscal year a university
26 participating in the Yellow Ribbon Program chooses to leave the
27 Yellow Ribbon Program, it shall notify the house and senate

1 appropriations subcommittees on higher education, the house and
2 senate fiscal agencies, and the Michigan Association of State
3 Universities.

4 (b) Establish an on-campus veterans' liaison to provide
5 information and assistance to all student veterans.

6 (c) Provide flexible enrollment application deadlines for all
7 veterans.

8 (d) Include in its admission application process a specific
9 question as to whether an applicant for admission is a veteran, an
10 active member of the military, a member of the National Guard or
11 military reserves, or the spouse or dependent of a veteran, active
12 member of the military, or member of the National Guard or military
13 reserves, in order to more quickly identify potential educational
14 assistance available to that applicant.

15 (e) Consider all veterans residents of this state for
16 determining their tuition rates and fees.

17 (f) Waive enrollment fees for all veterans.

18 (2) By October 1 of each year, each public university shall
19 report to the house and senate appropriations subcommittees on
20 higher education, the house and senate fiscal agencies, and the
21 department of military and veterans affairs regarding services
22 provided specifically to veterans and active military duty
23 personnel, including, but not limited to, the services described in
24 subsection (1).

25 (3) As used in this section, "veteran" means an honorably
26 discharged veteran entitled to educational assistance under the
27 provisions of section 5003 of the post-911 veterans educational

1 assistance act of 2008, 38 USC 3301 to ~~3325-~~**3327**.

2 Sec. 276. (1) Included in the appropriation for fiscal year
3 ~~2016-2017-~~**2017-2018** for each public university in section 236 is
4 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
5 future faculty program that is intended to increase the pool of
6 academically or economically disadvantaged candidates pursuing
7 faculty teaching careers in postsecondary education. Preference may
8 not be given to applicants on the basis of race, color, ethnicity,
9 gender, or national origin. Institutions should encourage
10 applications from applicants who would otherwise not adequately be
11 represented in the graduate student and faculty populations. Each
12 public university shall apply the percentage change applicable to
13 every public university in the calculation of appropriations in
14 section 236 to the amount of funds allocated to the future faculty
15 program.

16 (2) The program shall be administered by each public
17 university in a manner prescribed by the workforce development
18 agency. The workforce development agency shall use a good faith
19 effort standard to evaluate whether a fellowship is in default.

20 Sec. 277. (1) Included in the appropriation for fiscal year
21 ~~2016-2017-~~**2017-2018** for each public university in section 236 is
22 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
23 college day program that is intended to introduce academically or
24 economically disadvantaged schoolchildren to the potential of a
25 college education. Preference may not be given to participants on
26 the basis of race, color, ethnicity, gender, or national origin.
27 Public universities should encourage participation from those who

1 would otherwise not adequately be represented in the student
2 population.

3 (2) Individual program plans of each public university shall
4 include a budget of equal contributions from this program, the
5 participating public university, the participating school district,
6 and the participating independent degree-granting college. College
7 day funds shall not be expended to cover indirect costs. Not more
8 than 20% of the university match shall be attributable to indirect
9 costs. Each public university shall apply the percentage change
10 applicable to every public university in the calculation of
11 appropriations in section 236 to the amount of funds allocated to
12 the college day program.

13 (3) The program described in this section shall be
14 administered by each public university in a manner prescribed by
15 the workforce development agency.

16 Sec. 278. (1) Included in section 236 for fiscal year ~~2016-~~
17 ~~2017-2017-2018~~ is funding for the Martin Luther King, Jr. - Cesar
18 Chavez - Rosa Parks select student support services program for
19 developing academically or economically disadvantaged student
20 retention programs for 4-year public and independent educational
21 institutions in this state. Preference may not be given to
22 participants on the basis of race, color, ethnicity, gender, or
23 national origin. Institutions should encourage participation from
24 those who would otherwise not adequately be represented in the
25 student population.

26 (2) An award made under this program to any 1 institution
27 shall not be greater than \$150,000.00, and the amount awarded shall

1 be matched on a 70% state, 30% college or university basis.

2 (3) The program described in this section shall be
3 administered by the workforce development agency.

4 Sec. 279. (1) Included in section 236 for fiscal year ~~2016-~~
5 ~~2017-~~**2017-2018** is funding for the Martin Luther King, Jr. - Cesar
6 Chavez - Rosa Parks college/university partnership program between
7 4-year public and independent colleges and universities and public
8 community colleges, which is intended to increase the number of
9 academically or economically disadvantaged students who transfer
10 from community colleges into baccalaureate programs. Preference may
11 not be given to participants on the basis of race, color,
12 ethnicity, gender, or national origin. Institutions should
13 encourage participation from those who would otherwise not
14 adequately be represented in the transfer student population.

15 (2) The grants shall be made under the program described in
16 this section to Michigan public and independent colleges and
17 universities. An award to any 1 institution shall not be greater
18 than \$150,000.00, and the amount awarded shall be matched on a 70%
19 state, 30% college or university basis.

20 (3) The program described in this section shall be
21 administered by the workforce development agency.

22 Sec. 280. (1) Included in the appropriation for fiscal year
23 ~~2016-2017-~~**2017-2018** for each public university in section 236 is
24 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
25 visiting professors program which is intended to increase the
26 number of instructors in the classroom to provide role models for
27 academically or economically disadvantaged students. Preference may

1 not be given to participants on the basis of race, color,
2 ethnicity, gender, or national origin. Public universities should
3 encourage participation from those who would otherwise not
4 adequately be represented in the student population.

5 (2) The program described in this section shall be
6 administered by the workforce development agency.

7 Sec. 281. (1) Included in the appropriation for fiscal year
8 ~~2016-2017-2017-2018~~ in section 236 is funding under the Martin
9 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
10 Morris Hood, Jr. educator development program which is intended to
11 increase the number of academically or economically disadvantaged
12 students who enroll in and complete K-12 teacher education programs
13 at the baccalaureate level. Preference may not be given to
14 participants on the basis of race, color, ethnicity, gender, or
15 national origin. Institutions should encourage participation from
16 those who would otherwise not adequately be represented in the
17 teacher education student population.

18 (2) The program described in this section shall be
19 administered by each state-approved teacher education institution
20 in a manner prescribed by the workforce development agency.

21 (3) Approved teacher education institutions may and are
22 encouraged to use student support services funding in coordination
23 with the Morris Hood, Jr. funding to achieve the goals of the
24 program described in this section.

25 Sec. 282. Each institution receiving funds for fiscal year
26 ~~2016-2017-2017-2018~~ under section 278, 279, or 281 shall ~~notify~~
27 **PROVIDE TO** the workforce development agency by April 15, ~~2017 as to~~

~~whether it will expend by the end of its fiscal year the funds received under section 278, 279, or 281.~~ **2018 THE UNOBLIGATED AND UNEXPENDED FUNDS AS OF MARCH 31, 2018 AND A PLAN TO EXPEND THE REMAINING FUNDS BY THE END OF THE FISCAL YEAR.** Notwithstanding the award limitations in sections 278 and 279, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 278, 279, or 281.

Sec. 283. (1) ~~From the amount appropriated in section 236, the public universities shall systematically~~ **USING THE DATA PROVIDED TO THE CENTER AS REQUIRED BY SECTION 244 OF THIS ACT, THE CENTER SHALL USE THE P-20 LONGITUDINAL DATA SYSTEM TO** inform **INTERESTED** Michigan high schools **AND THE PUBLIC** regarding the **AGGREGATE** academic status of **ITS** students. ~~from each high school in a manner prescribed by~~ **THE CENTER SHALL WORK WITH THE UNIVERSITIES AND** the Michigan Association of State Universities **AND** in cooperation with the Michigan Association of Secondary School Principals. ~~Public universities shall also work with the center for educational performance and information to maintain a systematic approach for accomplishing this task.~~

(2) Michigan high schools shall systematically inform the public universities about the use of information received under this section in a manner prescribed by the Michigan Association of Secondary School Principals in cooperation with the Michigan Association of State Universities.

Sec. 284. ~~From the amount appropriated in section 236, the public universities~~ **USING DATA PROVIDED TO THE CENTER AS REQUIRED**

1 **BY SECTION 244 OF THIS ACT, THE CENTER** shall **USE THE P-20**
 2 **LONGITUDINAL DATA SYSTEM TO** inform Michigan community colleges
 3 regarding the academic status of community college transfer
 4 students. ~~in a manner prescribed by~~ **THE CENTER SHALL WORK WITH THE**
 5 **UNIVERSITIES AND** the Michigan Association of State Universities in
 6 cooperation with the Michigan Community College Association. ~~Public~~
 7 ~~universities shall also work with the center for educational~~
 8 ~~performance and information to maintain a systematic approach for~~
 9 ~~accomplishing this task.~~

10 Sec. 286a. By February 1, ~~2017,~~ **2018**, the Michigan Community
 11 College Association, the Michigan Association of State
 12 Universities, and the Michigan Independent Colleges and
 13 Universities, on behalf of their member colleges and universities,
 14 shall submit to the senate and house appropriations subcommittees
 15 on higher education, the senate and house appropriations
 16 subcommittees on community colleges, the senate and house fiscal
 17 agencies, and the state budget director a comprehensive report
 18 detailing the number of academic program partnerships between
 19 public community colleges, public universities, and private
 20 colleges and universities, including, but not limited to, the
 21 following information:

22 (a) The names of the baccalaureate degree programs of study
 23 offered by public and private universities on community college
 24 campuses.

25 (b) The names of the articulation agreements for baccalaureate
 26 degree programs of study between public community colleges, public
 27 universities, and private colleges and universities.

1 (c) The number of students enrolled and number of degrees
2 awarded through articulation agreements, and the number of courses
3 offered, number of students enrolled, and number of degrees awarded
4 through on-campus programs named in subdivision (a) from July 1,
5 ~~2015-2016~~ through June 30, ~~2016-2017~~.

6 Enacting section 1. (1) In accordance with section 30 of
7 article IX of the state constitution of 1963, total state spending
8 from state sources on state school aid under article I of the state
9 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
10 amended by 2016 PA 249 and this amendatory act, for fiscal year
11 2016-2017 is estimated at \$12,326,709,400.00, and state
12 appropriations for school aid to be paid to local units of
13 government for fiscal year 2016-2017 are estimated at
14 \$12,162,929,700.00. In accordance with section 30 of article IX of
15 the state constitution of 1963, total state spending from state
16 sources on school aid under article I of the state school aid act
17 of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this
18 amendatory act, for fiscal year 2017-2018 is estimated at
19 \$12,582,507,200.00, and state appropriations for school aid to be
20 paid to local units of government for fiscal year 2017-2018 are
21 estimated at \$12,417,153,600.00.

22 (2) In accordance with section 30 of article IX of the state
23 constitution of 1963, total state spending from state sources for
24 community colleges for fiscal year 2017-2018 under article II of
25 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to
26 388.1830, is estimated at \$395,142,600.00 and the amount of that
27 state spending from state sources to be paid to local units of

House Bill No. 4313 as amended May 2, 2017

government for fiscal year 2017-2018 is estimated at

\$395,142,600.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2017-2018 under article III of the state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891, is estimated at [\$1,509,598,000.00] and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2017-2018 is estimated at \$0.00.

Enacting section 2. Sections 11o, 20g, 21, 31c, 31h, 31j, 32q, 35, 55, 63, 65, and 95a of the state school aid act of 1979, 1979 PA 94, MCL 388.1611o, 388.1620g, 388.1621, 388.1631c, 388.1631h, 388.1631j, 388.1632q, 388.1635, 388.1655, 388.1663, 388.1665, and 388.1695a, are repealed effective October 1, 2017.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2017.

(2) Sections 11, 11m, 11r, 11s, 15, 22a, 22b, 22g, 26a, 26c, 31f, 39a, 51a, 51c, 56, 61b, and 62 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611m, 388.1611r, 388.1611s, 388.1615, 388.1622a, 388.1622b, 388.1622g, 388.1626a, 388.1626c, 388.1631f, 388.1639a, 388.1651a, 388.1651c, 388.1656, 388.1661b, and 388.1662, as amended by this amendatory act, take effect upon enactment of this amendatory act.