

**SUBSTITUTE FOR
HOUSE BILL NO. 4407**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 4, 6, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 20,
20d, 20f, 21f, 22a, 22b, 22d, 22m, 22p, 23b, 23e, 24, 24a, 25f,
25g, 25i, 26a, 26b, 26c, 28, 31a, 31d, 31f, 31m, 31n, 32d, 32p,
35a, 35b, 39, 39a, 41, 51a, 51c, 51d, 51f, 53a, 54, 54b, 54d, 55,
56, 61a, 61b, 61d, 62, 65, 67a, 74, 81, 94, 94a, 95b, 98, 99h, 99s,
101, 104, 104c, 105, 105c, 107, 147, 147a, 147c, 147e, 152a, and
152b (MCL 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j,
388.1611k, 388.1611m, 388.1611s, 388.1615, 388.1618, 388.1620,
388.1620d, 388.1620f, 388.1621f, 388.1622a, 388.1622b, 388.1622d,
388.1622m, 388.1622p, 388.1623b, 388.1623e, 388.1624, 388.1624a,
388.1625f, 388.1625g, 388.1625i, 388.1626a, 388.1626b, 388.1626c,



388.1628, 388.1631a, 388.1631d, 388.1631f, 388.1631m, 388.1631n, 388.1632d, 388.1632p, 388.1635a, 388.1635b, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1651f, 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661d, 388.1662, 388.1665, 388.1667a, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695b, 388.1698, 388.1699h, 388.1699s, 388.1701, 388.1704, 388.1704c, 388.1705, 388.1705c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1752a, and 388.1752b), sections 4 and 104c as amended by 2019 PA 58, sections 6, 11a, 11j, 11k, 11m, 11s, 15, 18, 20, 20d, 20f, 22a, 22b, 22d, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 28, 31a, 31d, 31f, 32d, 32p, 35a, 35b, 39, 39a, 41, 51a, 51c, 51d, 51f, 53a, 54, 54b, 54d, 55, 56, 61a, 61b, 61d, 62, 65, 74, 81, 94, 94a, 95b, 98, 99h, 99s, 101, 104, 105, 105c, 107, 147, 147a, 147c, 147e, and 152a as amended and sections 25i and 67a as added by 2020 PA 165, sections 11, 21f, and 31n as amended and sections 23b and 23e as added by 2021 PA 3, and section 152b as amended and section 31m as added by 2018 PA 265, and by adding sections 22e, 26d, 31b, 35g, 97, 99aa, 104h, and 147d; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) "Elementary pupil" means a pupil in membership in
2 grades K to 8 in a district not maintaining classes above ~~the~~
3 ~~eighth~~-grade **8** or in grades K to 6 in a district maintaining
4 classes above ~~the eighth~~-grade **8** or a child enrolled and in regular
5 attendance in a publicly funded prekindergarten setting.

6 (2) "Extended school year" means an educational program
7 conducted by a district in which pupils must be enrolled but not
8 necessarily in attendance on the pupil membership count day in an
9 extended year program. The mandatory clock hours must be completed



1 by each pupil not more than 365 calendar days after the pupil's
2 first day of classes for the school year prescribed. The department
3 shall prescribe pupil, personnel, and other reporting requirements
4 for the educational program.

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

7 (4) "High school equivalency certificate" means a certificate
8 granted for the successful completion of a high school equivalency
9 test.

10 (5) "High school equivalency test" means the G.E.D. test
11 developed by the GED Testing Service, ~~the Test Assessing Secondary~~
12 ~~Completion (TASC) developed by CTS/McGraw-Hill,~~ the HISET test
13 developed by Educational Testing Service (ETS), or another
14 comparable test approved by the department of labor and economic
15 opportunity.

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

20 (7) "High school pupil" means a pupil in membership in grades
21 7 to 12, except in a district not maintaining grades above ~~the~~
22 ~~eighth~~ grade 8.

23 Sec. 6. (1) "Center program" means a program operated by a
24 district or by an intermediate district for special education
25 pupils from several districts in programs for pupils with autism
26 spectrum disorder, pupils with severe cognitive impairment, pupils
27 with moderate cognitive impairment, pupils with severe multiple
28 impairments, pupils with hearing impairment, pupils with visual
29 impairment, and pupils with physical impairment or other health



1 impairment. Programs for pupils with emotional impairment housed in
2 buildings that do not serve regular education pupils also qualify.
3 Unless otherwise approved by the department, a center program
4 either serves all constituent districts within an intermediate
5 district or serves several districts with less than 50% of the
6 pupils residing in the operating district. In addition, special
7 education center program pupils placed part-time in noncenter
8 programs to comply with the least restrictive environment
9 provisions of section 1412 of the individuals with disabilities
10 education act, 20 USC 1412, may be considered center program pupils
11 for pupil accounting purposes for the time scheduled in either a
12 center program or a noncenter program.

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

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

22 (4) "Membership", except as otherwise provided in this
23 subsection or this article, means for a district, a public school
24 academy, or an intermediate district the sum of the product of .90
25 times the number of full-time equated pupils in grades K to 12
26 actually enrolled and in regular daily attendance in the district,
27 public school academy, or intermediate district on the pupil
28 membership count day for the current school year, plus the product
29 of .10 times the final audited count from the supplemental count



1 day of full-time equated pupils in grades K to 12 actually enrolled
 2 and in regular daily attendance in the district, public school
 3 academy, or intermediate district for the immediately preceding
 4 school year. A district's, public school academy's, or intermediate
 5 district's membership is adjusted as provided under section 25e for
 6 pupils who enroll after the pupil membership count day in a strict
 7 discipline academy operating under sections 1311b to 1311m of the
 8 revised school code, MCL 380.1311b to 380.1311m. For ~~2020-2021~~
 9 **2021-2022** only, membership means for a district, a public school
 10 academy, or an intermediate district, the sum of the product of ~~.75~~
 11 **.90** times the ~~district's, public school academy's, or intermediate~~
 12 ~~district's 2019-2020 membership as calculated under this section in~~
 13 ~~2019-2020~~ **number of full-time equated pupils in grades K to 12**
 14 **actually enrolled and in regular daily attendance in the district,**
 15 **public school academy, or intermediate district on the pupil**
 16 **membership count day for the current school year** and the product of
 17 ~~.25~~ **.10** times [~~the sum of (the product of .90 times the number of~~
 18 ~~full-time equated pupils engaged in pandemic learning for fall 2020~~
 19 ~~or, for a public school academy that operates as a cyber school, as~~
 20 ~~that term is defined in section 551 of the revised school code, MCL~~
 21 ~~380.551, the number of full-time equated pupils in grades K to 12~~
 22 ~~actually enrolled and in regular daily attendance in the public~~
 23 ~~school academy on pupil membership count day for the current school~~
 24 ~~year) and (the product of .10 times the final audited count from~~
 25 ~~the supplemental count day of full-time equated pupils in grades K~~
 26 ~~to 12 actually enrolled and in regular daily attendance in the~~
 27 ~~district, public school academy, or intermediate district for the~~
 28 ~~immediately preceding school year)]. **the final audited count of the**
 29 **number of full-time equated pupils engaged in pandemic learning for**~~



1 **spring 2021, or, for a public school academy that operates as a**
2 **cyber school, as that term is defined in section 551 of the revised**
3 **school code, MCL 380.551, the final audited count from the**
4 **supplemental count day of full-time equated pupils in grades K to**
5 **12 actually enrolled and in regular daily attendance in the public**
6 **school academy for the immediately preceding school year.** All pupil
7 counts used in this subsection are as determined by the department
8 and calculated by adding the number of pupils registered for
9 attendance plus pupils received by transfer and minus pupils lost
10 as defined by rules promulgated by the superintendent, and as
11 corrected by a subsequent department audit. The amount of the
12 foundation allowance for a pupil in membership is determined under
13 section 20. In making the calculation of membership, all of the
14 following, as applicable, apply to determining the membership of a
15 district, a public school academy, or an intermediate district:

16 (a) Except as otherwise provided in this subsection, and
17 pursuant to subsection (6), a pupil is counted in membership in the
18 pupil's educating district or districts. An individual pupil must
19 not be counted for more than a total of 1.0 full-time equated
20 membership.

21 (b) If a pupil is educated in a district other than the
22 pupil's district of residence, if the pupil is not being educated
23 as part of a cooperative education program, if the pupil's district
24 of residence does not give the educating district its approval to
25 count the pupil in membership in the educating district, and if the
26 pupil is not covered by an exception specified in subsection (6) to
27 the requirement that the educating district must have the approval
28 of the pupil's district of residence to count the pupil in
29 membership, the pupil is not counted in membership in any district.



1 (c) A special education pupil educated by the intermediate
2 district is counted in membership in the intermediate district.

3 (d) A pupil placed by a court or state agency in an on-grounds
4 program of a juvenile detention facility, a child caring
5 institution, or a mental health institution, or a pupil funded
6 under section 53a, is counted in membership in the district or
7 intermediate district approved by the department to operate the
8 program.

9 (e) A pupil enrolled in the Michigan Schools for the Deaf and
10 Blind is counted in membership in the pupil's intermediate district
11 of residence.

12 (f) A pupil enrolled in a career and technical education
13 program supported by a millage levied over an area larger than a
14 single district or in an area vocational-technical education
15 program established under section 690 of the revised school code,
16 MCL 380.690, is counted in membership only in the pupil's district
17 of residence.

18 (g) A pupil enrolled in a public school academy is counted in
19 membership in the public school academy.

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



1 term as defined in the pupil accounting manual, section ~~5-e-d:5-0-~~
 2 **D:** requirements for counting pupils in membership-subsection 10.

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

6 (i) ~~Except as otherwise provided in this subparagraph, if~~ **If**
 7 operations begin before the pupil membership count day for the
 8 fiscal year, membership is the average number of full-time equated
 9 pupils in grades K to 12 actually enrolled and in regular daily
 10 attendance on the pupil membership count day for the current school
 11 year and on the supplemental count day for the current school year,
 12 as determined by the department and calculated by adding the number
 13 of pupils registered for attendance on the pupil membership count
 14 day plus pupils received by transfer and minus pupils lost as
 15 defined by rules promulgated by the superintendent, and as
 16 corrected by a subsequent department audit, plus the final audited
 17 count from the supplemental count day for the current school year,
 18 and dividing that sum by 2. ~~However, for 2020-2021 only, if~~
 19 ~~operations begin before the pupil membership count day for the~~
 20 ~~fiscal year, except for a public school academy that operates as a~~
 21 ~~cyber school, as that term is defined in section 551 of the revised~~
 22 ~~school code, MCL 380.551, membership is the average number of full-~~
 23 ~~time equated pupils engaged in pandemic learning for fall 2020 and~~
 24 ~~full-time equated pupils engaged in pandemic learning for spring~~
 25 ~~2021, as that term is defined in section 6a, as determined by the~~
 26 ~~department and calculated by adding the number of pupils registered~~
 27 ~~for attendance on the pupil membership count day plus pupils~~
 28 ~~received by transfer and minus pupils lost as defined by rules~~
 29 ~~promulgated by the superintendent, and as corrected by a subsequent~~



1 ~~department audit, plus the final audited count from the~~
2 ~~supplemental count day for the current school year, and dividing~~
3 ~~that sum by 2.~~

4 (ii) If operations begin after the pupil membership count day
5 for the fiscal year and not later than the supplemental count day
6 for the fiscal year, membership is the final audited count of the
7 number of full-time equated pupils in grades K to 12 actually
8 enrolled and in regular daily attendance on the supplemental count
9 day for the current school year. ~~, but, for 2020-2021 only, except~~
10 ~~for a public school academy that operates as a cyber school, as~~
11 ~~that term is defined in section 551 of the revised school code, MCL~~
12 ~~380.551, membership is the final audited count of the number of~~
13 ~~full-time equated pupils engaged in pandemic learning for spring~~
14 ~~2021, as that term is defined in section 6a.~~

15 (j) If a district is the authorizing body for a public school
16 academy, then, in the first school year in which pupils are counted
17 in membership on the pupil membership count day in the public
18 school academy, the determination of the district's membership
19 excludes from the district's pupil count for the immediately
20 preceding supplemental count day any pupils who are counted in the
21 public school academy on that first pupil membership count day who
22 were also counted in the district on the immediately preceding
23 supplemental count day.

24 (k) For an extended school year program approved by the
25 superintendent, a pupil enrolled, but not scheduled to be in
26 regular daily attendance, on a pupil membership count day, is
27 counted in membership.

28 (l) To be counted in membership, a pupil must meet the minimum
29 age requirement to be eligible to attend school under section 1147



1 of the revised school code, MCL 380.1147, or must be enrolled under
2 subsection (3) of that section, and must be less than 20 years of
3 age on September 1 of the school year except as follows:

4 (i) A special education pupil who is enrolled and receiving
5 instruction in a special education program or service approved by
6 the department, who does not have a high school diploma, and who is
7 less than 26 years of age as of September 1 of the current school
8 year is counted in membership.

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

11 (A) Is enrolled in a public school academy or an alternative
12 education high school diploma program, that is primarily focused on
13 educating pupils with extreme barriers to education, such as being
14 homeless as **that term is** defined under 42 USC 11302.

15 (B) Had dropped out of school.

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

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

25 (m) An individual who has achieved a high school diploma is
26 not counted in membership. An individual who has achieved a high
27 school equivalency certificate is not counted in membership unless
28 the individual is a student with a disability as that term is
29 defined in R 340.1702 of the Michigan Administrative Code. An



1 individual participating in a job training program funded under
2 former section 107a or a jobs program funded under former section
3 107b, administered by the department of labor and economic
4 opportunity, or participating in any successor of either of those 2
5 programs, is not counted in membership.

6 (n) If a pupil counted in membership in a public school
7 academy is also educated by a district or intermediate district as
8 part of a cooperative education program, the pupil is counted in
9 membership only in the public school academy unless a written
10 agreement signed by all parties designates the party or parties in
11 which the pupil is counted in membership, and the instructional
12 time scheduled for the pupil in the district or intermediate
13 district is included in the full-time equated membership
14 determination under subdivision (q) and section 101. However, for
15 pupils receiving instruction in both a public school academy and in
16 a district or intermediate district but not as a part of a
17 cooperative education program, the following apply:

18 (i) If the public school academy provides instruction for at
19 least 1/2 of the class hours required under section 101, the public
20 school academy receives as its prorated share of the full-time
21 equated membership for each of those pupils an amount equal to 1
22 times the product of the hours of instruction the public school
23 academy provides divided by the number of hours required under
24 section 101 for full-time equivalency, and the remainder of the
25 full-time membership for each of those pupils is allocated to the
26 district or intermediate district providing the remainder of the
27 hours of instruction.

28 (ii) If the public school academy provides instruction for less
29 than 1/2 of the class hours required under section 101, the



1 district or intermediate district providing the remainder of the
2 hours of instruction receives as its prorated share of the full-
3 time equated membership for each of those pupils an amount equal to
4 1 times the product of the hours of instruction the district or
5 intermediate district provides divided by the number of hours
6 required under section 101 for full-time equivalency, and the
7 remainder of the full-time membership for each of those pupils is
8 allocated to the public school academy.

9 (o) An individual less than 16 years of age as of September 1
10 of the current school year who is being educated in an alternative
11 education program is not counted in membership if there are also
12 adult education participants being educated in the same program or
13 classroom.

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

16 (q) The number of class hours used to calculate full-time
17 equated memberships must be consistent with section 101. In
18 determining full-time equated memberships for pupils who are
19 enrolled in a postsecondary institution or for pupils engaged in an
20 internship or work experience under section 1279h of the revised
21 school code, MCL 380.1279h, a pupil is not considered to be less
22 than a full-time equated pupil solely because of the effect of his
23 or her postsecondary enrollment or engagement in the internship or
24 work experience, including necessary travel time, on the number of
25 class hours provided by the district to the pupil.

26 (r) Full-time equated memberships for pupils in kindergarten
27 are determined by dividing the number of instructional hours
28 scheduled and provided per year per kindergarten pupil by the same
29 number used for determining full-time equated memberships for



1 pupils in grades 1 to 12. However, to the extent allowable under
 2 federal law, for a district or public school academy that provides
 3 evidence satisfactory to the department that it used federal title
 4 I money in the 2 immediately preceding school fiscal years to fund
 5 full-time kindergarten, full-time equated memberships for pupils in
 6 kindergarten are determined by dividing the number of class hours
 7 scheduled and provided per year per kindergarten pupil by a number
 8 equal to 1/2 the number used for determining full-time equated
 9 memberships for pupils in grades 1 to 12. The change in the
 10 counting of full-time equated memberships for pupils in
 11 kindergarten that took effect for 2012-2013 is not a mandate.

12 (s) For a district or a public school academy that has pupils
 13 enrolled in a grade level that was not offered by the district or
 14 public school academy in the immediately preceding school year, the
 15 number of pupils enrolled in that grade level to be counted in
 16 membership is the average of the number of those pupils enrolled
 17 and in regular daily attendance on the pupil membership count day
 18 and the supplemental count day of the current school year. ~~but,~~
 19 ~~for 2020-2021 only, except for a public school academy that~~
 20 ~~operates as a cyber school, as that term is defined in section 551~~
 21 ~~of the revised school code, MCL 380.551, the number of pupils~~
 22 ~~enrolled in that grade level to be counted in membership is the~~
 23 ~~average of the number of those pupils engaged in pandemic learning~~
 24 ~~for fall 2020 and the number of those pupils engaged in pandemic~~
 25 ~~learning for spring 2021, as that term is defined in section 6a, as~~
 26 ~~determined by the department.~~ Membership is calculated by adding
 27 the number of pupils registered for attendance in that grade level
 28 on the pupil membership count day plus pupils received by transfer
 29 and minus pupils lost as defined by rules promulgated by the



1 superintendent, and as corrected by subsequent department audit,
2 plus the final audited count from the supplemental count day for
3 the current school year, and dividing that sum by 2.

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

7 (u) If, as a result of a disciplinary action, a district
8 determines through the district's alternative or disciplinary
9 education program that the best instructional placement for a pupil
10 is in the pupil's home or otherwise apart from the general school
11 population, if that placement is authorized in writing by the
12 district superintendent and district alternative or disciplinary
13 education supervisor, and if the district provides appropriate
14 instruction as described in this subdivision to the pupil at the
15 pupil's home or otherwise apart from the general school population,
16 the district may count the pupil in membership on a pro rata basis,
17 with the proration based on the number of hours of instruction the
18 district actually provides to the pupil divided by the number of
19 hours required under section 101 for full-time equivalency. For the
20 purposes of this subdivision, a district is considered to be
21 providing appropriate instruction if all of the following are met:

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

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

29 (iii) Course content is comparable to that in the district's



1 alternative education program.

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

4 (v) If a pupil was enrolled in a public school academy on the
5 pupil membership count day, if the public school academy's contract
6 with its authorizing body is revoked or the public school academy
7 otherwise ceases to operate, and if the pupil enrolls in a district
8 within 45 days after the pupil membership count day, the department
9 shall adjust the district's pupil count for the pupil membership
10 count day to include the pupil in the count.

11 (w) For a public school academy that has been in operation for
12 at least 2 years and that suspended operations for at least 1
13 semester and is resuming operations, membership is the sum of the
14 product of .90 times the number of full-time equated pupils in
15 grades K to 12 actually enrolled and in regular daily attendance on
16 the first pupil membership count day or supplemental count day,
17 whichever is first, occurring after operations resume, plus the
18 product of .10 times the final audited count from the most recent
19 pupil membership count day or supplemental count day that occurred
20 before suspending operations, as determined by the superintendent.
21 ~~, but, for 2020-2021 only, except for a public school academy that~~
22 ~~operates as a cyber school, as that term is defined in section 551~~
23 ~~of the revised school code, MCL 380.551, membership is the sum of~~
24 ~~the product of .90 times the number of full-time equated pupils~~
25 ~~engaged in pandemic learning for fall 2020 or the number of full-~~
26 ~~time equated pupils engaged in pandemic learning for spring 2021,~~
27 ~~as that term is defined in section 6a, whichever applies first~~
28 ~~after operations resume, plus the product of .10 times the final~~
29 ~~audited count from the most recent pupil membership count day or~~



1 ~~supplemental count day that occurred before suspending operations,~~
 2 ~~as determined by the superintendent.~~

3 (x) If a district's membership for a particular fiscal year,
 4 as otherwise calculated under this subsection, would be less than
 5 1,550 pupils, the district has 4.5 or fewer pupils per square mile,
 6 as determined by the department, and the district does not receive
 7 funding under section 22d(2), the district's membership is
 8 considered to be the membership figure calculated under this
 9 subdivision. If a district educates and counts in its membership
 10 pupils in grades 9 to 12 who reside in a contiguous district that
 11 does not operate grades 9 to 12 and if 1 or both of the affected
 12 districts request the department to use the determination allowed
 13 under this sentence, the department shall include the square
 14 mileage of both districts in determining the number of pupils per
 15 square mile for each of the districts for the purposes of this
 16 subdivision. ~~If a district has established a community engagement~~
 17 ~~advisory committee in partnership with the department of treasury,~~
 18 ~~is required to submit a deficit elimination plan or an enhanced~~
 19 ~~deficit elimination plan under section 1220 of the revised school~~
 20 ~~code, MCL 380.1220, and is located in a city with a population~~
 21 ~~between 9,000 and 11,000 that is in a county with a population~~
 22 ~~between 155,000 and 160,000, the district's membership is~~
 23 ~~considered to be the membership figure calculated under this~~
 24 ~~subdivision.~~ The membership figure calculated under this
 25 subdivision is the greater of the following:

26 (i) The average of the district's membership for the 3-fiscal-
 27 year period ending with that fiscal year, calculated by adding the
 28 district's actual membership for each of those 3 fiscal years, as
 29 otherwise calculated under this subsection, and dividing the sum of



1 those 3 membership figures by 3.

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

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

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

19 (aa) For the first year in which a pupil is counted in
20 membership on the pupil membership count day in a middle college
21 program, the membership is the average of the full-time equated
22 membership on the pupil membership count day and on the
23 supplemental count day for the current school year, as determined
24 by the department. If a pupil described in this subdivision was
25 counted in membership by the operating district on the immediately
26 preceding supplemental count day, the pupil is excluded from the
27 district's immediately preceding supplemental count for the
28 purposes of determining the district's membership.

29 (bb) A district or public school academy that educates a pupil



1 who attends a United States Olympic Education Center may count the
2 pupil in membership regardless of whether or not the pupil is a
3 resident of this state.

4 (cc) A pupil enrolled in a district other than the pupil's
5 district of residence under section 1148(2) of the revised school
6 code, MCL 380.1148, is counted in the educating district.

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

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

27 (ii) The pupil meets the district's definition under section
28 23a of satisfactory monthly progress for that month or, if the
29 pupil does not meet that definition of satisfactory monthly



1 progress for that month, the pupil did meet that definition of
2 satisfactory monthly progress in the immediately preceding month
3 and appropriate interventions are implemented within 10 school days
4 after it is determined that the pupil does not meet that definition
5 of satisfactory monthly progress.

6 (ee) A pupil participating in a virtual course under section
7 21f is counted in membership in the district enrolling the pupil.

8 (ff) If a public school academy that is not in its first or
9 second year of operation closes at the end of a school year and
10 does not reopen for the next school year, the department shall
11 adjust the membership count of the district or other public school
12 academy in which a former pupil of the closed public school academy
13 enrolls and is in regular daily attendance for the next school year
14 to ensure that the district or other public school academy receives
15 the same amount of membership aid for the pupil as if the pupil
16 were counted in the district or other public school academy on the
17 supplemental count day of the preceding school year.

18 (gg) If a special education pupil is expelled under section
19 1311 or 1311a of the revised school code, MCL 380.1311 and
20 380.1311a, and is not in attendance on the pupil membership count
21 day because of the expulsion, and if the pupil remains enrolled in
22 the district and resumes regular daily attendance during that
23 school year, the district's membership is adjusted to count the
24 pupil in membership as if he or she had been in attendance on the
25 pupil membership count day.

26 (hh) A pupil enrolled in a community district is counted in
27 membership in the community district.

28 (ii) A part-time pupil enrolled in a nonpublic school in
29 grades K to 12 in accordance with section 166b must not be counted



1 as more than 0.75 of a full-time equated membership.

2 (jj) A district that borders another state or a public school
3 academy that operates at least grades 9 to 12 and is located within
4 20 miles of a border with another state may count in membership a
5 pupil who is enrolled in a course at a college or university that
6 is located in the bordering state and within 20 miles of the border
7 with this state if all of the following are met:

8 (i) The pupil would meet the definition of an eligible student
9 under the postsecondary enrollment options act, 1996 PA 160, MCL
10 388.511 to 388.524, if the course were an eligible course under
11 that act.

12 (ii) The course in which the pupil is enrolled would meet the
13 definition of an eligible course under the postsecondary enrollment
14 options act, 1996 PA 160, MCL 388.511 to 388.524, if the course
15 were provided by an eligible postsecondary institution under that
16 act.

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

23 (iv) The district or public school academy pays for a portion
24 of the pupil's tuition at the college or university in an amount
25 equal to the eligible charges that the district or public school
26 academy would pay to an eligible postsecondary institution under
27 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511
28 to 388.524, as if the course were an eligible course under that
29 act.



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

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

11 (ll) If a district's or public school academy's membership for
 12 a particular fiscal year, as otherwise calculated under this
 13 subsection, includes pupils counted in membership who are enrolled
 14 under section 166b, all of the following apply for the purposes of
 15 this subdivision:

16 (i) If the district's or public school academy's membership for
 17 pupils counted under section 166b equals or exceeds 5% of the
 18 district's or public school academy's membership for pupils not
 19 counted in membership under section 166b in the immediately
 20 preceding fiscal year, then the growth in the district's or public
 21 school academy's membership for pupils counted under section 166b
 22 must not exceed 10%.

23 (ii) If the district's or public school academy's membership
 24 for pupils counted under section 166b is less than 5% of the
 25 district's or public school academy's membership for pupils not
 26 counted in membership under section 166b in the immediately
 27 preceding fiscal year, then the district's or public school
 28 academy's membership for pupils counted under section 166b must not
 29 exceed the greater of the following:



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

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

6 (iii) If 1 or more districts consolidate or are parties to an
7 annexation, then the calculations under subparagraphs (i) and (ii)
8 must be applied to the combined total membership for pupils counted
9 in those districts for the fiscal year immediately preceding the
10 consolidation or annexation.

11 **(mm) Beginning with the 2021-2022 school year, if a district,**
12 **intermediate district, or public school academy charges tuition for**
13 **a student enrolled in the district, intermediate district, or**
14 **public school academy that resided out of state in the immediately**
15 **preceding school year, the student must not be counted in**
16 **membership in the district, intermediate district, or public school**
17 **academy.**

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

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

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

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

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



1 ~~(d) A pupil enrolled in a district other than the pupil's~~
 2 ~~district of residence under an intermediate district schools of~~
 3 ~~choice pilot program as described in section 91a or former section~~
 4 ~~91 if the intermediate district and its constituent districts have~~
 5 ~~been exempted from section 105.~~

6 (d) ~~(e)~~ A pupil enrolled in a district other than the pupil's
 7 district of residence if the pupil is enrolled in accordance with
 8 section 105 or 105c.

9 (e) ~~(f)~~ A pupil who has made an official written complaint or
 10 whose parent or legal guardian has made an official written
 11 complaint to law enforcement officials and to school officials of
 12 the pupil's district of residence that the pupil has been the
 13 victim of a criminal sexual assault or other serious assault, if
 14 the official complaint either indicates that the assault occurred
 15 at school or that the assault was committed by 1 or more other
 16 pupils enrolled in the school the pupil would otherwise attend in
 17 the district of residence or by an employee of the district of
 18 residence. A person who intentionally makes a false report of a
 19 crime to law enforcement officials for the purposes of this
 20 subdivision is subject to section 411a of the Michigan penal code,
 21 1931 PA 328, MCL 750.411a, which provides criminal penalties for
 22 that conduct. As used in this subdivision:

23 (i) "At school" means in a classroom, elsewhere on school
 24 premises, on a school bus or other school-related vehicle, or at a
 25 school-sponsored activity or event whether or not it is held on
 26 school premises.

27 (ii) "Serious assault" means an act that constitutes a felony
 28 violation of chapter XI of the Michigan penal code, 1931 PA 328,
 29 MCL 750.81 to 750.90h, or that constitutes an assault and



1 infliction of serious or aggravated injury under section 81a of the
2 Michigan penal code, 1931 PA 328, MCL 750.81a.

3 **(f)** ~~(g)~~—A pupil whose district of residence changed after the
4 pupil membership count day and before the supplemental count day
5 and who continues to be enrolled on the supplemental count day as a
6 nonresident in the district in which he or she was enrolled as a
7 resident on the pupil membership count day of the same school year.

8 **(g)** ~~(h)~~—A pupil enrolled in an alternative education program
9 operated by a district other than his or her district of residence
10 who meets 1 or more of the following:

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

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

16 **(iii)** The pupil is pregnant or is a parent.

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

18 **(h)** ~~(i)~~—A pupil enrolled in the Michigan Virtual School, for
19 the pupil's enrollment in the Michigan Virtual School.

20 **(i)** ~~(j)~~—A pupil who is the child of a person who works at the
21 district or who is the child of a person who worked at the district
22 as of the time the pupil first enrolled in the district but who no
23 longer works at the district due to a workforce reduction. As used
24 in this subdivision, "child" includes an adopted child, stepchild,
25 or legal ward.

26 **(j)** ~~(k)~~—An expelled pupil who has been denied reinstatement by
27 the expelling district and is reinstated by another school board
28 under section 1311 or 1311a of the revised school code, MCL
29 380.1311 and 380.1311a.



1 **(k)** ~~(l)~~—A pupil enrolled in a district other than the pupil's
 2 district of residence in a middle college program if the pupil's
 3 district of residence and the enrolling district are both
 4 constituent districts of the same intermediate district.

5 **(l)** ~~(m)~~—A pupil enrolled in a district other than the pupil's
 6 district of residence who attends a United States Olympic Education
 7 Center.

8 **(m)** ~~(n)~~—A pupil enrolled in a district other than the pupil's
 9 district of residence under section 1148(2) of the revised school
 10 code, MCL 380.1148.

11 **(n)** ~~(o)~~—A pupil who enrolls in a district other than the
 12 pupil's district of residence as a result of the pupil's school not
 13 making adequate yearly progress under the no child left behind act
 14 of 2001, Public Law 107-110, or the every student succeeds act,
 15 Public Law 114-95.

16 However, if a district educates pupils who reside in another
 17 district and if the primary instructional site for those pupils is
 18 established by the educating district after 2009-2010 and is
 19 located within the boundaries of that other district, the educating
 20 district must have the approval of that other district to count
 21 those pupils in membership.

22 (7) "Pupil membership count day" of a district or intermediate
 23 district means:

24 (a) Except as provided in subdivision (b), the first Wednesday
 25 in October each school year or, for a district or building in which
 26 school is not in session on that Wednesday due to conditions not
 27 within the control of school authorities, with the approval of the
 28 superintendent, the immediately following day on which school is in
 29 session in the district or building. ~~A district is considered to be~~



1 ~~in session for purposes of this subdivision when the district is~~
 2 ~~providing pupil instruction pursuant to an extended COVID-19~~
 3 ~~learning plan approved under section 98a.~~

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

- 6 (i) Fourth Wednesday in July.
 7 (ii) First Wednesday in October.
 8 (iii) Second Wednesday in February.
 9 (iv) Fourth Wednesday in April.

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



1 membership count day or supplemental count day is only counted as
 2 1.0 full-time equated membership if the pupil resumed attendance in
 3 the district, intermediate district, or public school academy
 4 within 45 days after the pupil membership count day or supplemental
 5 count day of that particular year. A pupil not counted as 1.0 full-
 6 time equated membership due to an absence from a class is counted
 7 as a prorated membership for the classes the pupil attended. For
 8 purposes of this subsection, "class" means a period of time in 1
 9 day when pupils and an individual who is appropriately placed under
 10 a valid certificate, substitute permit, authorization, or approval
 11 issued by the department, are together and instruction is taking
 12 place.

13 (9) "Pupils engaged in pandemic learning for ~~fall 2020~~ **spring**
 14 **2021**" means ~~pupils in grades K to 12 who are enrolled in a~~
 15 ~~district, excluding a district that operates as a cyber school, as~~
 16 ~~that term is defined in section 551 of the revised school code, MCL~~
 17 ~~380.551, or intermediate district and to which any of the following~~
 18 ~~apply:~~

19 (a) ~~For a pupil who is not learning sequentially, any of the~~
 20 ~~following occurs for each of the pupil's scheduled courses:~~

21 (i) ~~The pupil attends a live lesson from the pupil's teacher or~~
 22 ~~at least 1 of the pupil's teachers on 2020-2021 pupil membership~~
 23 ~~count day.~~

24 (ii) ~~The pupil logs into an online or virtual lesson or lesson~~
 25 ~~activity on 2020-2021 pupil membership count day and the login can~~
 26 ~~be documented by the district or intermediate district.~~

27 (iii) ~~The pupil and the pupil's teacher or at least 1 of the~~
 28 ~~pupil's teachers engage in a subject-oriented telephone~~
 29 ~~conversation on 2020-2021 pupil membership count day.~~



~~(iv) The district or intermediate district documents that an electronic mail dialogue occurred between the pupil and the pupil's teacher or at least 1 of the pupil's teachers on 2020-2021 pupil membership count day.~~

~~(b) For a pupil who is using sequential learning, any of the following occurs for each of the pupil's scheduled courses:~~

~~(i) The pupil attends a virtual course where synchronous, live instruction occurs with the pupil's teacher or at least 1 of the pupil's teachers on 2020-2021 pupil membership count day and the attendance is documented by the district or intermediate district.~~

~~(ii) The pupil completes a course assignment on 2020-2021 pupil membership count day and the completion is documented by the district or intermediate district.~~

~~(iii) The pupil completes a course lesson or lesson activity on 2020-2021 pupil membership count day and the completion is documented by the district or intermediate district.~~

~~(iv) The pupil accesses an ongoing lesson that is not a login on 2020-2021 pupil membership count day and the access is documented by the district or intermediate district.~~

~~(c) At a minimum, 1 2-way interaction has occurred between the pupil and the pupil's teacher or at least 1 of the pupil's teachers or another district employee who has responsibility for the pupil's learning, grade progression, or academic progress during the week on which 2020-2021 pupil membership count day falls and during each week for the 3 consecutive weeks after the week on which 2020-2021 pupil membership count day falls. A district may utilize 2-way interactions that occur under this subdivision toward meeting the requirement under section 101(3)(h). As used in this subdivision:~~

~~(i) "2-way interaction" means a communication that occurs~~



1 ~~between a pupil and the pupil's teacher or at least 1 of the~~
 2 ~~pupil's teachers or another district employee who has~~
 3 ~~responsibility for the pupil's learning, grade progression, or~~
 4 ~~academic progress, where 1 party initiates communication and a~~
 5 ~~response from the other party follows that communication, and that~~
 6 ~~is relevant to course progress or course content for at least 1 of~~
 7 ~~the courses in which the pupil is enrolled or relevant to the~~
 8 ~~pupil's overall academic progress or grade progression. Responses,~~
 9 ~~as described in this subparagraph, must be to communication~~
 10 ~~initiated by the teacher, by another district employee who has~~
 11 ~~responsibility for the pupil's learning, grade progression, or~~
 12 ~~academic progress, or by the pupil, and not some other action~~
 13 ~~taken. The communication described in this subparagraph may occur~~
 14 ~~through, but is not limited to, any of the following means:~~

15 ~~(A) Electronic mail.~~

16 ~~(B) Telephone.~~

17 ~~(C) Instant messaging.~~

18 ~~(D) Face-to-face conversation.~~

19 ~~(ii) "Week" means a period beginning on Wednesday and ending on~~
 20 ~~the following Tuesday.~~

21 ~~(d) The pupil has not participated in or completed an activity~~
 22 ~~as described in subdivision (a), (b), or (c) and the pupil was not~~
 23 ~~excused from participation or completion, but the pupil~~
 24 ~~participates in or completes an activity described in subdivision~~
 25 ~~(a) or (b) during the 10 consecutive school days immediately~~
 26 ~~following the 2020-2021 pupil membership count day.~~

27 ~~(e) The pupil has not participated in or completed an activity~~
 28 ~~as described in subdivision (a), (b), or (c) and the pupil was~~
 29 ~~excused from participation or completion, but the pupil~~



1 ~~participates in or completes an activity described in subdivision~~
 2 ~~(a) or (b) during the 30 calendar days immediately following the~~
 3 ~~2020-2021 pupil membership count day.~~

4 ~~(f) The pupil meets the criteria of pupils in grades K to 12~~
 5 ~~actually enrolled and in regular daily attendance.~~ **that term as**
 6 **defined in section 6a.**

7 (10) "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 (11) "The revised school code" means the revised school code,
 11 1976 PA 451, MCL 380.1 to 380.1852.

12 (12) "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 (13) "School fiscal year" means a fiscal year that commences
 17 July 1 and continues through June 30.

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

19 (15) "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 (16) "Supplemental count day" means the day on which the
 24 supplemental pupil count is conducted under section 6a or the day
 25 specified as supplemental count day under section 6a.

26 (17) "Tuition pupil" means a pupil of school age attending
 27 school in a district other than the pupil's district of residence
 28 for whom tuition may be charged to the district of residence.
 29 Tuition pupil does not include a pupil who is a special education



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

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

10 (19) "Taxable value" means, **except as otherwise provided in**
 11 **this article**, the taxable value of property as determined under
 12 section 27a of the general property tax act, 1893 PA 206, MCL
 13 211.27a.

14 (20) "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 and that contains a
 17 presentation of principles of a subject, or that is a literary work
 18 relevant to the study of a subject required for the use of
 19 classroom pupils, or another type of course material that forms the
 20 basis of classroom instruction.

21 (21) "Total state aid" or "total state school aid", except as
 22 otherwise provided in this article, means the total combined amount
 23 of all funds due to a district, intermediate district, or other
 24 entity under this article.

25 Sec. 11. (1) ~~For the fiscal year ending September 30, 2021,~~
 26 ~~there is appropriated for the public schools of this state and~~
 27 ~~certain other state purposes relating to education the sum of~~
 28 ~~\$13,759,819,500.00 from the state school aid fund, the sum of~~
 29 ~~\$50,964,600.00 from the general fund, an amount not to exceed~~



1 ~~\$77,700,000.00 from the community district education trust fund~~
 2 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
 3 ~~489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~
 4 ~~emergency reserve fund. For the fiscal year ending September 30,~~
 5 ~~2022, there is appropriated for the public schools of this state~~
 6 ~~and certain other state purposes relating to education the sum of~~
 7 ~~\$14,427,385,000.00 from the state school aid fund, the sum of~~
 8 ~~\$51,750,000.00 from the general fund, an amount not to exceed~~
 9 ~~\$72,000,000.00 from the community district education trust fund~~
 10 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
 11 ~~489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~
 12 ~~emergency reserve fund. In addition, all available federal funds~~
 13 ~~are only appropriated as allocated in this article for the fiscal~~
 14 ~~year ending September 30, 2021-2022.~~

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

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

23 Sec. 11a. (1) The school aid stabilization fund is created as
 24 a separate account within the state school aid fund.

25 (2) The state treasurer may receive money or other assets from
 26 any source for deposit into the school aid stabilization fund. The
 27 state treasurer shall deposit into the school aid stabilization
 28 fund all of the following:

29 (a) Unexpended and unencumbered state school aid fund revenue



1 for a fiscal year that remains in the state school aid fund as of
2 the bookclosing for that fiscal year.

3 (b) Money statutorily dedicated to the school aid
4 stabilization fund.

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

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

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

15 (5) Money in the school aid stabilization fund at the close of
16 a fiscal year remains in the school aid stabilization fund and does
17 not lapse to the unreserved school aid fund balance or the general
18 fund.

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



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

3 (7) For ~~2020-2021,~~ **2021-2022**, in addition to the
4 appropriations in section 11, there is appropriated from the school
5 aid stabilization fund to the state school aid fund the amount
6 necessary to fully fund the allocations under this article.

7 **(8) For 2021-2022, from the state school aid fund money**
8 **appropriated in section 11, there is allocated an amount equal to**
9 **\$102,300,000.00 for deposit to the school aid stabilization fund.**

10 Sec. 11j. From the ~~appropriation~~ **state school aid fund money**
11 **appropriated** in section 11, there is allocated an amount not to
12 exceed \$111,000,000.00 for ~~2020-2021-~~ **2021-2022** for payments to the
13 school loan bond redemption fund in the department of treasury on
14 behalf of districts and intermediate districts. Notwithstanding
15 section 296 or any other provision of this act, funds allocated
16 under this section are not subject to proration and must be paid in
17 full.

18 Sec. 11k. For ~~2020-2021,~~ **2021-2022**, there is appropriated from
19 the general fund to the school loan revolving fund an amount equal
20 to the amount of school bond loans assigned to the Michigan finance
21 authority, not to exceed the total amount of school bond loans held
22 in reserve as long-term assets. As used in this section, "school
23 loan revolving fund" means that fund created in section 16c of the
24 shared credit rating act, 1985 PA 227, MCL 141.1066c.

25 Sec. 11m. From the ~~appropriation~~ **state school aid fund money**
26 **appropriated** in section 11, there is allocated for ~~2020-2021~~ an
27 ~~amount not to exceed \$11,400,000.00~~ **2021-2022 an amount not to**
28 **exceed \$9,500,000.00** for fiscal year cash-flow borrowing costs
29 solely related to the state school aid fund established under



1 section 11 of article IX of the state constitution of 1963.

2 Sec. 11s. (1) From the state school aid fund money
3 appropriated in section 11, there is allocated \$5,000,000.00 for
4 ~~2020-2021-2021-2022~~ and from the general fund money appropriated in
5 section 11, there is allocated \$3,075,000.00 for ~~2020-2021-2021-~~
6 **2022** for the purpose of providing services and programs to children
7 who reside within the boundaries of a district with the majority of
8 its territory located within the boundaries of a city for which an
9 executive proclamation of emergency concerning drinking water is
10 issued in the current or immediately preceding ~~5-6~~ fiscal years
11 under the emergency management act, 1976 PA 390, MCL 30.401 to
12 30.421. From the funding appropriated in section 11, there is
13 allocated for ~~2020-2021-2021-2022~~ \$100.00 from the water emergency
14 reserve fund for the purposes of this section.

15 (2) From the general fund money allocated in subsection (1),
16 there is allocated to a district with the majority of its territory
17 located within the boundaries of a city ~~in-for~~ which an executive
18 proclamation of emergency is issued in the current or immediately
19 preceding ~~5-6~~ fiscal years and that has at least 4,500 pupils in
20 membership for the 2016-2017 fiscal year or has at least 3,000
21 pupils in membership for a fiscal year after 2016-2017, an amount
22 not to exceed \$2,425,000.00 for ~~2020-2021-2021-2022~~ for the purpose
23 of employing school nurses, classroom aides, and school social
24 workers. The district shall provide a report to the department in a
25 form, manner, and frequency prescribed by the department. The
26 department shall provide a copy of that report to the governor, the
27 house and senate school aid subcommittees, the house and senate
28 fiscal agencies, and the state budget director within 5 days after
29 receipt. The report must provide at least the following



1 information:

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

4 (b) A description of the services provided to pupils by those
5 personnel.

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

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

11 (3) For ~~2020-2021 only,~~ **2021-2022**, from the state school aid
12 fund money allocated in subsection (1), there is allocated an
13 amount not to exceed ~~\$2,400,000.00~~ **\$2,000,000.00** to an intermediate
14 district that has a constituent district described in subsection
15 (2) to provide state early intervention services for children
16 described in subsection (1) who are between age 3 and age 5. The
17 intermediate district shall use these funds to provide state early
18 intervention services that are similar to the services described in
19 the early on Michigan state plan. ~~, including ensuring that all~~
20 ~~children described in subsection (1) who are less than 4 years of~~
21 ~~age as of September 1, 2016 are assessed and evaluated at least~~
22 ~~twice annually.~~

23 (4) From the state school aid fund money allocated in
24 subsection (1), there is allocated an amount not to exceed
25 \$1,000,000.00 for ~~2020-2021~~ **2021-2022** to the intermediate district
26 described in subsection (3) to enroll children described in
27 subsection (1) in school-day great start readiness programs,
28 regardless of household income eligibility requirements contained
29 in section 32d. The department shall administer this funding



1 consistent with all other provisions that apply to great start
2 readiness programs under sections 32d and 39.

3 (5) For ~~2020-2021~~, **2021-2022**, from the general fund money
4 allocated in subsection (1), there is allocated an amount not to
5 exceed \$650,000.00 for nutritional services to children described
6 in subsection (1).

7 (6) For ~~2020-2021~~, **2021-2022**, from the state school aid fund
8 money allocated in subsection (1), there is allocated an amount not
9 to exceed ~~\$1,600,000.00~~ **\$2,000,000.00** to the intermediate district
10 described in subsection (3) for interventions and supports for
11 students in K to 12 who were impacted by an executive proclamation
12 of emergency described in subsection (1) concerning drinking water.
13 Funds under this subsection must be used for behavioral supports,
14 social workers, counselors, psychologists, nursing services,
15 including, but not limited to, vision and hearing services,
16 transportation services, parental engagement, community
17 coordination, and other support services.

18 (7) In addition to other funding allocated and appropriated in
19 this section, there is appropriated an amount not to exceed
20 \$5,000,000.00 for ~~2020-2021~~ **2021-2022** for state restricted
21 contingency funds. These contingency funds are not available for
22 expenditure until they have been transferred to a section within
23 this article under section 393(2) of the management and budget act,
24 1984 PA 431, MCL 18.1393.

25 (8) Notwithstanding section 17b, the department shall make
26 payments under this section on a schedule determined by the
27 department.

28 Sec. 15. (1) If a district or intermediate district fails to
29 receive its proper apportionment, the department, upon satisfactory



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

22 (2) If the result of an audit conducted by or for the
23 department affects the current fiscal year membership, the
24 department shall adjust affected payments in the current fiscal
25 year. A deduction due to an adjustment made as a result of an audit
26 conducted by or for the department, or as a result of information
27 obtained by the department from the district, an intermediate
28 district, the department of treasury, or the office of auditor
29 general, must be deducted from the district's apportionments when



1 the adjustment is finalized. At the request of the district and
2 upon the district presenting evidence satisfactory to the
3 department of the hardship, the department may grant up to an
4 additional 4 years for the adjustment and may advance payments to
5 the district otherwise authorized under this article if the
6 district would otherwise experience a significant hardship in
7 satisfying its financial obligations. However, a district that
8 presented satisfactory evidence of hardship and was undergoing an
9 extended adjustment during 2018-2019 may continue to use the period
10 of extended adjustment as originally granted by the department.

11 (3) If, based on an audit by the department or the
12 department's designee or because of new or updated information
13 received by the department, the department determines that the
14 amount paid to a district or intermediate district under this
15 article for the current fiscal year or a prior fiscal year was
16 incorrect, the department shall make the appropriate deduction or
17 payment in the district's or intermediate district's allocation in
18 the next apportionment after the adjustment is finalized. The
19 department shall calculate the deduction or payment according to
20 the law in effect in the fiscal year in which the incorrect amount
21 was paid. If the district does not receive an allocation for the
22 fiscal year or if the allocation is not sufficient to pay the
23 amount of any deduction, the amount of any deduction otherwise
24 applicable must be satisfied from the proceeds of a loan to the
25 district under the emergency municipal loan act, 1980 PA 243, MCL
26 141.931 to 141.942, or from the proceeds of millage levied or
27 pledged under section 1211 of the revised school code, MCL
28 380.1211, as determined by the department.

29 (4) If the department makes an adjustment under this section



1 based in whole or in part on a membership audit finding that a
 2 district or intermediate district employed an educator in violation
 3 of certification requirements under the revised school code and
 4 rules promulgated by the department, the department shall prorate
 5 the adjustment according to the period of noncompliance with the
 6 certification requirements.

7 (5) The department may conduct audits, or may direct audits by
 8 designee of the department, for the current fiscal year and the
 9 immediately preceding fiscal year of all records related to a
 10 program for which a district or intermediate district has received
 11 funds under this article.

12 (6) Expenditures made by the department under this article
 13 that are caused by the write-off of prior year accruals may be
 14 funded by revenue from the write-off of prior year accruals.

15 (7) In addition to funds appropriated in section 11 for all
 16 programs and services, there is appropriated for ~~2020-2021~~**2021-**
 17 **2022** for obligations in excess of applicable appropriations an
 18 amount equal to the collection of overpayments, but not to exceed
 19 amounts available from overpayments.

20 Sec. 18. (1) Except as provided in another section of this
 21 article, each district or other entity shall apply the money
 22 received by the district or entity under this article to salaries
 23 and other compensation of teachers and other employees, tuition,
 24 transportation, lighting, heating, ventilation, water service, the
 25 purchase of textbooks, other supplies, and any other school
 26 operating expenditures defined in section 7. However, not more than
 27 20% of the total amount received by a district under sections 22a
 28 and 22b or received by an intermediate district under section 81
 29 may be transferred by the board to either the capital projects fund



1 or to the debt retirement fund for debt service. A district or
2 other entity shall not apply or take the money for a purpose other
3 than as provided in this section. The department shall determine
4 the reasonableness of expenditures and may withhold from a
5 recipient of funds under this article the apportionment otherwise
6 due upon a violation by the recipient. A district must not be
7 prohibited or limited from using funds appropriated or allocated
8 under this article that are permitted for use for noninstructional
9 services to contract or subcontract with an intermediate district,
10 third party, or vendor for the noninstructional services.

11 (2) A district or intermediate district shall adopt an annual
12 budget in a manner that complies with the uniform budgeting and
13 accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days
14 after a district board adopts its annual operating budget for the
15 following school fiscal year, or after a district board adopts a
16 subsequent revision to that budget, the district shall make all of
17 the following available through a link on its website homepage, or
18 may make the information available through a link on its
19 intermediate district's website homepage, in a form and manner
20 prescribed by the department:

21 (a) The annual operating budget and subsequent budget
22 revisions.

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

27 (i) A chart of personnel expenditures, broken into the
28 following subcategories:

29 (A) Salaries and wages.



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

4 (C) Retirement benefit costs.

5 (D) All other personnel costs.

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

8 (A) Instruction.

9 (B) Support services.

10 (C) Business and administration.

11 (D) Operations and maintenance.

12 (c) Links to all of the following:

13 (i) The current collective bargaining agreement for each
14 bargaining unit.

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

19 (iii) The audit report of the **financial** audit conducted under
20 subsection (4) for the most recent fiscal year for which it is
21 available.

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

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

26 (vi) The district's written policy establishing specific
27 categories of reimbursable expenses, as described in section
28 1254(2) of the revised school code, MCL 380.1254.

29 (vii) Either the district's accounts payable check register for



1 the most recent school fiscal year or a statement of the total
2 amount of expenses incurred by board members or employees of the
3 district that were reimbursed by the district for the most recent
4 school fiscal year.

5 (d) The total salary and a description and cost of each fringe
6 benefit included in the compensation package for the superintendent
7 of the district and for each employee of the district whose salary
8 exceeds \$100,000.00.

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

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

13 (g) Any deficit elimination plan or enhanced deficit
14 elimination plan the district was required to submit under the
15 revised school code.

16 (h) Identification of all credit cards maintained by the
17 district as district credit cards, the identity of all individuals
18 authorized to use each of those credit cards, the credit limit on
19 each credit card, and the dollar limit, if any, for each
20 individual's authorized use of the credit card.

21 (i) Costs incurred for each instance of out-of-state travel by
22 the school administrator of the district that is fully or partially
23 paid for by the district and the details of each of those instances
24 of out-of-state travel, including at least identification of each
25 individual on the trip, destination, and purpose.

26 (3) For the information required under subsection (2) (a),
27 (2) (b) (i), and (2) (c), an intermediate district shall provide the
28 same information in the same manner as required for a district
29 under subsection (2).



1 (4) For the purposes of determining the reasonableness of
2 expenditures, whether a district or intermediate district has
3 received the proper amount of funds under this article, and whether
4 a violation of this article has occurred, all of the following
5 apply:

6 (a) The department shall require that each district and
7 intermediate district have an audit of the district's or
8 intermediate district's financial and pupil accounting records
9 conducted at least annually, and at such other times as determined
10 by the department, at the expense of the district or intermediate
11 district, as applicable. The audits must be performed by a
12 certified public accountant or by the intermediate district
13 superintendent, as may be required by the department, or in the
14 case of a district of the first class by a certified public
15 accountant, the intermediate superintendent, or the auditor general
16 of the city. A district or intermediate district shall retain these
17 records for the current fiscal year and from at least the 3
18 immediately preceding fiscal years.

19 (b) If a district operates in a single building with fewer
20 than 700 full-time equated pupils, if the district has stable
21 membership, and if the error rate of the immediately preceding 2
22 pupil accounting field audits of the district is less than 2%, the
23 district may have a pupil accounting field audit conducted
24 biennially but must continue to have desk audits for each pupil
25 count. The auditor must document compliance with the audit cycle in
26 the pupil auditing manual. As used in this subdivision, "stable
27 membership" means that the district's membership for the current
28 fiscal year varies from the district's membership for the
29 immediately preceding fiscal year by less than 5%.



1 (c) A district's or intermediate district's annual financial
 2 audit must include an analysis of the financial and pupil
 3 accounting data used as the basis for distribution of state school
 4 aid.

5 (d) The pupil and financial accounting records and reports,
 6 audits, and management letters are subject to requirements
 7 established in the auditing and accounting manuals approved and
 8 published by the department.

9 (e) All of the following must be done not later than November
 10 1 each year for reporting the prior fiscal year data: ~~but, for~~
 11 ~~2020-2021 only, not later than December 1 for reporting the 2019-~~
 12 ~~2020 data:~~

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

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

17 (iii) The intermediate district shall enter the pupil membership
 18 audit reports for its constituent districts and for the
 19 intermediate district, for the pupil membership count day and
 20 supplemental count day, in the Michigan student data system.

21 (f) The annual financial audit reports and pupil accounting
 22 procedures reports must be available to the public in compliance
 23 with the freedom of information act, 1976 PA 442, MCL 15.231 to
 24 15.246.

25 (g) Not later than January 31 of each year, the department
 26 shall notify the state budget director and the legislative
 27 appropriations subcommittees responsible for review of the school
 28 aid budget of districts and intermediate districts that have not
 29 filed an annual financial audit and pupil accounting procedures



1 report required under this section for the school year ending in
2 the immediately preceding fiscal year.

3 (5) By the first business day in November of each fiscal year,
4 ~~but, for submission of the 2019-2020 annual comprehensive financial~~
5 ~~data described in this subsection, by the first business day in~~
6 ~~December,~~ each district and intermediate district shall submit to
7 the center, in a manner prescribed by the center, annual
8 comprehensive financial data consistent with the district's or
9 intermediate district's audited financial statements and consistent
10 with accounting manuals and charts of accounts approved and
11 published by the department. For an intermediate district, the
12 report must also contain the website address where the department
13 can access the report required under section 620 of the revised
14 school code, MCL 380.620. The department shall ensure that the
15 prescribed Michigan public school accounting manual chart of
16 accounts includes standard conventions to distinguish expenditures
17 by allowable fund function and object. The functions must include
18 at minimum categories for instruction, pupil support, instructional
19 staff support, general administration, school administration,
20 business administration, transportation, facilities operation and
21 maintenance, facilities acquisition, and debt service; and must
22 include object classifications of salary, benefits, including
23 categories for active employee health expenditures, purchased
24 services, supplies, capital outlay, and other. A district shall
25 report the required level of detail consistent with the manual as
26 part of the comprehensive annual financial report.

27 (6) By the last business day in September of each year, each
28 district and intermediate district shall file with the center the
29 special education actual cost report, known as "SE-4096", on a form



1 and in the manner prescribed by the center. An intermediate
2 district shall certify the audit of a district's report.

3 (7) By not later than 1 week after the last business day in
4 September of each year, each district and intermediate district
5 shall file with the center the audited transportation expenditure
6 report, known as "SE-4094", on a form and in the manner prescribed
7 by the center. An intermediate district shall certify the audit of
8 a district's report.

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

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

16 (10) If a district or intermediate district does not comply
17 with subsections (4), (5), (6), (7), and (12), or if the department
18 determines that the financial data required under subsection (5)
19 are not consistent with audited financial statements, the
20 department shall withhold all state school aid due to the district
21 or intermediate district under this article, beginning with the
22 next payment due to the district or intermediate district, until
23 the district or intermediate district complies with subsections
24 (4), (5), (6), (7), and (12). If the district or intermediate
25 district does not comply with subsections (4), (5), (6), (7), and
26 (12) by the end of the fiscal year, the district or intermediate
27 district forfeits the amount withheld.

28 (11) If a district or intermediate district does not comply
29 with subsection (2), the department may withhold up to 10% of the



1 total state school aid due to the district or intermediate district
2 under this article, beginning with the next payment due to the
3 district or intermediate district, until the district or
4 intermediate district complies with subsection (2). If the district
5 or intermediate district does not comply with subsection (2) by the
6 end of the fiscal year, the district or intermediate district
7 forfeits the amount withheld.

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

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

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



1 (a) Virtual courses provided by the Michigan Virtual
2 University.

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

6 (c) Virtual courses provided by third party vendors not
7 affiliated with a ~~Michigan~~ public school **in this state**.

8 (d) Virtual courses created and offered by a district or
9 intermediate district.

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

13 (16) ~~Beginning October 1, 2020, and annually thereafter, the~~
14 **The** department shall **annually** submit to the senate and house
15 subcommittees on ~~state~~ school aid and to the senate and house
16 standing committees on education an itemized list of allocations
17 under this article to any association or consortium consisting of
18 associations in the immediately preceding fiscal year. The report
19 must detail the recipient or recipients, the amount allocated, and
20 the purpose for which the funds were distributed.

21 Sec. 20. (1) For ~~2020-2021, 2021-2022~~, both of the following
22 apply:

23 (a) The target foundation allowance is ~~\$8,529.00~~ **\$8,579.00**.

24 (b) The minimum foundation allowance is ~~\$8,111.00~~ **\$8,211.00**.

25 (2) The department shall calculate the amount of each
26 district's foundation allowance as provided in this section, using
27 a target foundation allowance in the amount specified in subsection
28 (1).

29 (3) Except as otherwise provided in this section, the



1 department shall calculate the amount of a district's foundation
 2 allowance as follows, using in all calculations the total amount of
 3 the district's foundation allowance as calculated before any
 4 proration:

5 (a) Except as otherwise provided in this subdivision, for a
 6 district that had a foundation allowance for the immediately
 7 preceding fiscal year that was at least equal to the minimum
 8 foundation allowance for the immediately preceding fiscal year, but
 9 less than the target foundation allowance for the immediately
 10 preceding fiscal year, the district receives a foundation allowance
 11 in an amount equal to the sum of the district's foundation
 12 allowance for the immediately preceding fiscal year plus the
 13 difference between twice the dollar amount of the adjustment from
 14 the immediately preceding fiscal year to the current fiscal year
 15 made in the target foundation allowance and [(the difference
 16 between the target foundation allowance for the current fiscal year
 17 and target foundation allowance for the immediately preceding
 18 fiscal year minus ~~\$40.00~~ **\$17.00**) times (the difference between the
 19 district's foundation allowance for the immediately preceding
 20 fiscal year and the minimum foundation allowance for the
 21 immediately preceding fiscal year) divided by the difference
 22 between the target foundation allowance for the current fiscal year
 23 and the minimum foundation allowance for the immediately preceding
 24 fiscal year.] However, the foundation allowance for a district that
 25 had less than the target foundation allowance for the immediately
 26 preceding fiscal year must not exceed the target foundation
 27 allowance for the current fiscal year.

28 (b) Except as otherwise provided in this subsection, for a
 29 district that in the immediately preceding fiscal year had a



1 foundation allowance in an amount equal to the amount of the target
2 foundation allowance for the immediately preceding fiscal year, the
3 district receives a foundation allowance for ~~2020-2021-2021-2022~~ in
4 an amount equal to the target foundation allowance for ~~2020-~~
5 ~~2021-2021-2022~~.

6 (c) For a district that had a foundation allowance for the
7 immediately preceding fiscal year that was greater than the target
8 foundation allowance for the immediately preceding fiscal year, the
9 district's foundation allowance is an amount equal to the sum of
10 the district's foundation allowance for the immediately preceding
11 fiscal year plus the lesser of the increase in the target
12 foundation allowance for the current fiscal year, as compared to
13 the immediately preceding fiscal year, or the product of the
14 district's foundation allowance for the immediately preceding
15 fiscal year times the percentage increase in the United States
16 Consumer Price Index in the calendar year ending in the immediately
17 preceding fiscal year as reported by the May revenue estimating
18 conference conducted under section 367b of the management and
19 budget act, 1984 PA 431, MCL 18.1367b.

20 (d) For a district that has a foundation allowance that is not
21 a whole dollar amount, the department shall round the district's
22 foundation allowance up to the nearest whole dollar.

23 (4) Except as otherwise provided in this subsection, beginning
24 in 2014-2015, the state portion of a district's foundation
25 allowance is an amount equal to the district's foundation allowance
26 or the target foundation allowance for the current fiscal year,
27 whichever is less, minus the local portion of the district's
28 foundation allowance. For a district described in subsection
29 (3)(c), beginning in 2014-2015, the state portion of the district's



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

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



1 the foundation allowance of the educating district. For a pupil in
2 membership in a K-5, K-6, or K-8 district who is enrolled in
3 another district in a grade not offered by the pupil's district of
4 residence, the allocation calculated under this section is based on
5 the foundation allowance of the educating district if the educating
6 district's foundation allowance is greater than the foundation
7 allowance of the pupil's district of residence.

8 (6) Except as otherwise provided in this subsection, for
9 pupils in membership, other than special education pupils, in a
10 public school academy, the allocation calculated under this section
11 is an amount per membership pupil other than special education
12 pupils in the public school academy equal to the minimum foundation
13 allowance specified in subsection (1). Notwithstanding section 101,
14 for a public school academy that begins operations after the pupil
15 membership count day, the amount per membership pupil calculated
16 under this subsection must be adjusted by multiplying that amount
17 per 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 must 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 in membership, other than special education pupils, in a
25 community district, the allocation calculated under this section is
26 an amount per membership pupil other than special education pupils
27 in the community district equal to the foundation allowance of the
28 qualifying school district, as described in section 12b of the
29 revised school code, MCL 380.12b, that is located within the same



1 geographic area as the community district.

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

15 (9) The department shall round each fraction used in making
16 calculations under this section to the fourth decimal place and
17 shall round the dollar amount of an increase in the target
18 foundation allowance to the nearest whole dollar.

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

22 (11) To assist the legislature in determining the target
23 foundation allowance for the subsequent fiscal year, each revenue
24 estimating conference conducted under section 367b of the
25 management and budget act, 1984 PA 431, MCL 18.1367b, must
26 calculate a pupil membership factor, a revenue adjustment factor,
27 and an index as follows:

28 (a) The pupil membership factor is computed by dividing the
29 estimated membership in the school year ending in the current



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

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

27 (c) The index is calculated by multiplying the pupil
28 membership factor by the revenue adjustment factor. If a consensus
29 index is not determined at the revenue estimating conference, the



1 principals of the revenue estimating conference shall report their
2 estimates to the house and senate subcommittees responsible for
3 ~~state~~-school aid appropriations not later than 7 days after the
4 conclusion of the revenue conference.

5 (12) Payments to districts and public school academies are not
6 made under this section. Rather, the calculations under this
7 section are used to determine the amount of state payments under
8 section 22b.

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

14 (14) As used in this section:

15 (a) "Certified mills" means the lesser of 18 mills or the
16 number of mills of school operating taxes levied by the district in
17 1993-94.

18 (b) "Combined state and local revenue" means the aggregate of
19 the district's state school aid received by or paid on behalf of
20 the district under this section and the district's local school
21 operating revenue.

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

25 (d) "Current fiscal year" means the fiscal year for which a
26 particular calculation is made.

27 (e) "Dissolved district" means a district that loses its
28 organization, has its territory attached to 1 or more other
29 districts, and is dissolved as provided under section 12 of the



1 revised school code, MCL 380.12.

2 (f) "Immediately preceding fiscal year" means the fiscal year
3 immediately preceding the current fiscal year.

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

15 (h) "Local school operating revenue" means school operating
16 taxes levied under section 1211 of the revised school code, MCL
17 380.1211. For a receiving district, if school operating taxes are
18 to be levied on behalf of a dissolved district that has been
19 attached in whole or in part to the receiving district to satisfy
20 debt obligations of the dissolved district under section 12 of the
21 revised school code, MCL 380.12, local school operating revenue
22 does not include school operating taxes levied within the
23 geographic area of the dissolved district.

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

27 (j) "Membership" means the definition of that term under
28 section 6 as in effect for the particular fiscal year for which a
29 particular calculation is made.



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

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

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

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

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

21 (p) "Tax increment financing acts" means parts 2, 3, 4, and 6
22 of the recodified tax increment financing act, 2018 PA 57, MCL
23 125.4201 to 125.4420 and 125.4602 to 125.4629, or the brownfield
24 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

25 (q) "Taxable value per membership pupil" means taxable value,
26 as certified by the county treasurer and reported to the
27 department, for the calendar year ending in the current state
28 fiscal year divided by the district's membership excluding special
29 education pupils for the school year ending in the current state



1 fiscal year.

2 Sec. 20d. In making the final determination required under
3 former section 20a of a district's combined state and local revenue
4 per membership pupil in 1993-94 and in making calculations under
5 section 20 for ~~2020-2021~~, **2021-2022**, the department and the
6 department of treasury shall comply with all of the following:

7 (a) For a district that had combined state and local revenue
8 per membership pupil in the 1994-95 fiscal year of \$6,500.00 or
9 more and served as a fiscal agent for a state board designated area
10 vocational education center in the 1993-94 school year, total state
11 school aid received by or paid on behalf of the district under this
12 act in 1993-94 excludes payments made under former section 146 and
13 under section 147 on behalf of the district's employees who
14 provided direct services to the area vocational education center.
15 Not later than June 30, 1996, the department shall make an
16 adjustment under this subdivision to the district's combined state
17 and local revenue per membership pupil in the 1994-95 fiscal year
18 and the department of treasury shall make a final certification of
19 the number of mills that may be levied by the district under
20 section 1211 of the revised school code, MCL 380.1211, as a result
21 of the adjustment under this subdivision.

22 (b) If a district had an adjustment made to its 1993-94 total
23 state school aid that excluded payments made under former section
24 146 and under section 147 on behalf of the district's employees who
25 provided direct services for intermediate district center programs
26 operated by the district under **former section 51 and** sections ~~51~~
27 **51a** to 56, if nonresident pupils attending the center programs were
28 included in the district's membership for purposes of calculating
29 the combined state and local revenue per membership pupil for 1993-



1 94, and if there is a signed agreement by all constituent districts
 2 of the intermediate district agreeing to an adjustment under this
 3 subdivision, the department shall calculate the foundation
 4 allowances for 1995-96 and 1996-97 of all districts that had pupils
 5 attending the intermediate district center program operated by the
 6 district that had the adjustment as if their combined state and
 7 local revenue per membership pupil for 1993-94 included resident
 8 pupils attending the center program and excluded nonresident pupils
 9 attending the center program.

10 Sec. 20f. (1) From the ~~funds~~**state school aid fund money**
 11 appropriated in section 11, there is allocated an amount not to
 12 exceed \$18,000,000.00 for ~~2020-2021~~**2021-2022** for payments to
 13 eligible districts under this section.

14 (2) The funding under this subsection is from the allocation
 15 under subsection (1). A district is eligible for funding under this
 16 subsection if the district received a payment under this section as
 17 it was in effect for 2013-2014. A district was eligible for funding
 18 in 2013-2014 if the sum of the following was less than \$5.00:

19 (a) The increase in the district's foundation allowance or
 20 per-pupil payment as calculated under section 20 from 2012-2013 to
 21 2013-2014.

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

24 (c) The quotient of the district's allocation under section
 25 147a for 2012-2013 divided by the district's membership pupils for
 26 2012-2013 minus the quotient of the district's allocation under
 27 section 147a for 2013-2014 divided by the district's membership
 28 pupils for 2013-2014.

29 (3) The amount allocated to each eligible district under



1 subsection (2) is an amount per membership pupil equal to the
2 amount per membership pupil the district received under this
3 section in 2013-2014.

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

7 (a) The increase in the district's foundation allowance or
8 per-pupil payment as calculated under section 20 from 2014-2015 to
9 2015-2016.

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

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

14 (d) The quotient of the district's allocation under section
15 31a for 2015-2016 divided by the district's membership pupils for
16 2015-2016 minus the quotient of the district's allocation under
17 section 31a for 2014-2015 divided by the district's membership
18 pupils for 2014-2015.

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

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

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

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

29 (d) The quotient of the district's allocation under section



1 31a for 2015-2016 divided by the district's membership pupils for
 2 2015-2016 minus the quotient of the district's allocation under
 3 section 31a for 2014-2015 divided by the district's membership
 4 pupils for 2014-2015.

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

9 Sec. 21f. (1) ~~Except as otherwise provided under subsection~~
 10 ~~(15), a~~ **A** primary district shall enroll an eligible pupil in
 11 virtual courses in accordance with the provisions of this ~~section.~~
 12 ~~Except as otherwise provided under subsection (15), a~~ **subsection**
 13 **and subsections (2) to (13).** A primary district shall not offer a
 14 virtual course to an eligible pupil unless the virtual course is
 15 published in the primary district's catalog of board-approved
 16 courses, **in the catalog of board-approved courses of the**
 17 **intermediate district in which the primary district is located,** or
 18 in ~~the~~ **a** statewide catalog of virtual courses maintained by ~~the~~
 19 ~~Michigan Virtual University pursuant to section 98.~~ **a qualifying**
 20 **statewide educational institution.** The primary district shall also
 21 **ensure that its catalog of board-approved courses described in this**
 22 **subsection is made available to pupils in the same form and manner**
 23 **that its catalog of in-person courses is made available to pupils**
 24 **and shall** provide on its publicly accessible website a link to the
 25 statewide ~~catalog~~ **catalogs** of virtual courses maintained by ~~the~~
 26 ~~Michigan Virtual University.~~ ~~Except as otherwise provided under~~
 27 ~~subsection (15), unless~~ **each qualifying statewide educational**
 28 **institution. Unless** the pupil is at least age 18 or is an
 29 emancipated minor, a pupil must not be enrolled in a virtual course



1 without the consent of the pupil's parent or legal guardian.

2 (2) Subject to subsection (3), ~~and except as otherwise~~
 3 ~~provided under subsection (15),~~ a primary district shall enroll an
 4 eligible pupil in up to 2 virtual courses as requested by the pupil
 5 during an academic term, semester, or trimester. **To the extent**
 6 **practicable, a primary district shall ensure that the enrollment**
 7 **process for a virtual course is the same as the enrollment process**
 8 **for an in-person course offered by the primary district.**

9 (3) ~~Except as otherwise provided under subsection (15), a~~ **A**
 10 pupil may be enrolled in more than 2 virtual courses in a specific
 11 academic term, semester, or trimester if ~~all~~ **any** of the following
 12 ~~conditions are met:~~ **apply:**

13 (a) **All of the following conditions are met:**

14 (i) The primary district has determined that it is in the best
 15 interest of the pupil.

16 (ii) ~~(b)~~ The pupil agrees with the recommendation of the
 17 primary district.

18 (iii) ~~(c)~~ The primary district, in collaboration with the pupil,
 19 has developed an education development plan, in a form and manner
 20 specified by the department, that is kept on file by the **primary**
 21 district. This subdivision does not apply to a pupil enrolled as a
 22 part-time pupil under section 166b.

23 (b) **The pupil has exhibited an academic deficiency by testing**
 24 **below grade level in 1 or more subjects on the Michigan student**
 25 **test of educational progress (M-STEP) or a successor state**
 26 **assessment, the PSAT or SAT, or a benchmark assessment administered**
 27 **by the primary district and the virtual course or courses are**
 28 **designed to remedy this deficiency.**

29 (4) ~~Except as otherwise provided under subsection (15), if~~ **If**



1 the number of applicants eligible for acceptance in a virtual
 2 course does not exceed the capacity of the provider to provide the
 3 virtual course, the provider shall accept for enrollment all of the
 4 applicants eligible for acceptance. If the number of applicants
 5 exceeds the provider's capacity to provide the virtual course, the
 6 provider shall use a random draw system, subject to the need to
 7 abide by state and federal antidiscrimination laws and court
 8 orders. A primary district that is also a provider shall determine
 9 whether or not it has the capacity to accept applications for
 10 enrollment from nonresident applicants in virtual courses and may
 11 use that limit as the reason for refusal to enroll a nonresident
 12 applicant.

13 (5) ~~Except as otherwise provided under subsection (15), a~~ **A**
 14 primary district may not establish additional requirements beyond
 15 those specified in this subsection that would prohibit a pupil from
 16 taking a virtual course. ~~Except as otherwise provided under~~
 17 ~~subsection (15), a~~ **A** pupil's primary district may deny the pupil
 18 enrollment in a virtual course if any of the following apply, as
 19 determined by the district:

20 (a) The pupil is enrolled in any of grades K to 5.

21 (b) The pupil has previously gained the credits that would be
 22 provided from the completion of the virtual course.

23 (c) The virtual course is not capable of generating academic
 24 credit.

25 (d) The virtual course is inconsistent with the **pupil's**
 26 remaining graduation requirements. ~~or career interests of the~~
 27 ~~pupil.~~

28 (e) The pupil has not completed the prerequisite coursework
 29 for the requested virtual course or has not demonstrated



1 proficiency in the prerequisite course content.

2 (f) ~~The~~ **Except for a pupil who is enrolling in a virtual**
 3 **course intended to remedy an academic deficiency as described in**
 4 **subsection (3) (b), the** pupil has failed a previous virtual course
 5 in the same subject during the 2 most recent academic years.

6 ~~(g) The virtual course is of insufficient quality or rigor. A~~
 7 ~~primary district that denies a pupil enrollment request for this~~
 8 ~~reason shall enroll the pupil in a virtual course in the same or a~~
 9 ~~similar subject that the primary district determines is of~~
 10 ~~acceptable rigor and quality.~~

11 (g) ~~(h)~~ The cost of the virtual course exceeds the amount
 12 identified in subsection (10), unless the pupil or the pupil's
 13 parent or legal guardian agrees to pay the cost that exceeds this
 14 amount.

15 (h) ~~(i)~~ The request for a virtual course enrollment did not
 16 occur within the same timelines established by the primary district
 17 for enrollment and schedule changes for regular courses.

18 (i) ~~(j)~~ The request for a virtual course enrollment was not
 19 made in the academic term, semester, trimester, or summer preceding
 20 the enrollment. This subdivision does not apply to a request made
 21 by a pupil who is newly enrolled in the primary district.

22 (6) ~~Except as otherwise provided under subsection (15), if~~ **If**
 23 a pupil is denied enrollment in a virtual course by the pupil's
 24 primary district, the primary district shall provide written
 25 notification to the pupil of the denial, the reason or reasons for
 26 the denial under subsection (5), and a description of the appeal
 27 process. The pupil may appeal the denial by submitting a letter to
 28 the superintendent of the intermediate district in which the
 29 pupil's primary district is located. The letter of appeal must



1 include the reason provided by the primary district for not
 2 enrolling the pupil and the reason why the pupil is claiming that
 3 the enrollment should be approved. The intermediate district
 4 superintendent or designee shall respond to the appeal within 5
 5 days after it is received. If the intermediate district
 6 superintendent or designee determines that the denial of enrollment
 7 does not meet 1 or more of the reasons specified in subsection (5),
 8 the primary district shall enroll the pupil in the virtual course.

9 ~~(7) Except as otherwise provided under subsection (15), to~~ **To**
 10 provide a virtual course to an eligible pupil under this section, a
 11 provider must do all of the following:

12 (a) Ensure that the virtual course has been published in the
 13 pupil's primary district's catalog of board-approved courses,
 14 **published in the catalog of board-approved courses of the**
 15 **intermediate district in which the pupil's primary district is**
 16 **located**, or published in ~~the~~ **a** statewide catalog of virtual courses
 17 maintained by ~~the Michigan Virtual University.~~ **a qualifying**
 18 **statewide educational institution. For the purposes of this**
 19 **section, a district, intermediate district, or qualifying statewide**
 20 **educational institution is responsible for ensuring that a virtual**
 21 **course is of a quality or rigor at least equal to or greater than**
 22 **that of an in-person course offered by the district, intermediate**
 23 **district, or qualifying statewide educational institution before**
 24 **offering the virtual course in its catalog of courses described in**
 25 **this subsection.**

26 (b) For a virtual course in a core academic subject or for a
 27 virtual course that would fulfill 1 or more of the credit
 28 requirements of the Michigan merit standard under section 1278a or
 29 1278b of the revised school code, MCL 380.1278a or 380.1278b,



1 **ensure that the virtual course is aligned to the appropriate state**
 2 **content standards established by the department.**

3 (c) ~~(b)~~—Assign to each pupil a teacher of record and provide
 4 the primary district with the personnel identification code
 5 assigned by the center for the teacher of record. If the provider
 6 is a community college **or state public university**, the virtual
 7 course must be taught by an instructor employed by or contracted
 8 through the providing community college **or state public university.**

9 (d) ~~(e)~~—Offer the virtual course on an open entry and exit
 10 method, or aligned to a semester, trimester, or accelerated
 11 academic term format.

12 (e) ~~(d)~~—If the virtual course is offered to eligible pupils in
 13 more than 1 district, the following additional requirements must
 14 also be met:

15 (i) Provide the Michigan Virtual University **described in**
 16 **section 98** with a course syllabus that meets the definition under
 17 subsection ~~(14)(g)~~ **(14)(j)** in a form and manner prescribed by the
 18 Michigan Virtual University for inclusion in a statewide catalog of
 19 virtual courses.

20 (ii) Not later than October 1 of each fiscal year, provide the
 21 Michigan Virtual University **described in section 98** with an
 22 aggregated count of enrollments for each virtual course the
 23 provider delivered to pupils under this section during the
 24 immediately preceding school year, and the number of enrollments in
 25 which the pupil earned 60% or more of the total course points for
 26 each virtual course.

27 (8) ~~Except as otherwise provided under subsection (15), to~~ **To**
 28 provide a virtual course under this section, a community college
 29 ~~shall~~ **or state public university must** ensure that each virtual



1 course it provides under this section generates postsecondary
2 credit.

3 ~~(9) Except as otherwise provided under subsection (15), for~~
4 **For** any virtual course a pupil enrolls in under this section, the
5 pupil's primary district must assign to the pupil a mentor and
6 shall supply the provider with the mentor's contact information.

7 ~~(10) Except as otherwise provided under subsection (15), for~~
8 **For** a pupil enrolled in 1 or more virtual courses, the primary
9 district shall use foundation allowance or per-pupil funds
10 calculated under section 20 to pay for the expenses associated with
11 the virtual course or courses. Except as otherwise provided under
12 ~~subsection (15),~~ **in this subsection,** a primary district is not
13 required to pay toward the cost of a virtual course an amount that
14 exceeds 6.67% of the minimum foundation allowance for the current
15 fiscal year as calculated under section 20. **However, for a pupil**
16 **enrolled in a virtual course that is provided by a community**
17 **college or state public university, payment for that course must be**
18 **an amount equal to the lesser of the amount of the eligible charges**
19 **or the prorated percentage of the statewide pupil-weighted average**
20 **foundation allowance, as calculated under this subsection and**
21 **section 20, for all districts for the fiscal year that begins on**
22 **October 1 of the academic year of enrollment in the virtual course,**
23 **with the proration based on the proportion of the school year that**
24 **the pupil is enrolled in the virtual course. In the calculation of**
25 **the statewide pupil-weighted average foundation allowance for the**
26 **purposes of this subsection, if a district's foundation allowance**
27 **is above the target foundation allowance under section 20, then the**
28 **district's foundation allowance is considered to be the target**
29 **foundation allowance. As used in this subsection, "eligible**



1 charges" means tuition and mandatory course fees, material fees,
 2 and registration fees required by the community college or state
 3 public university for the virtual course, and includes any late
 4 fees charged by the community college or state public university
 5 due to the primary district's failure to make a required payment.
 6 Eligible charges does not include transportation or parking costs
 7 or activity fees.

8 (11) A virtual learning pupil has the same rights and access
 9 to technology in his or her primary district's school facilities as
 10 all other pupils enrolled in the pupil's primary district. The
 11 department shall establish standards for hardware, software, and
 12 internet access for pupils who are enrolled in more than 2 virtual
 13 courses under this section in an academic term, semester, or
 14 trimester taken at a location other than a school facility.

15 (12) If a pupil successfully completes a virtual course, as
 16 determined by the pupil's primary district, the pupil's primary
 17 district shall grant appropriate academic credit for completion of
 18 the course and shall count that credit toward completion of
 19 graduation and subject area requirements. A pupil's school record
 20 and transcript must identify the virtual course title as it appears
 21 in the virtual course syllabus.

22 (13) The enrollment of a pupil in 1 or more virtual courses
 23 must not result in a pupil being counted as more than 1.0 full-time
 24 equivalent pupils under this article. ~~Except as otherwise provided~~
 25 ~~under subsection (15), the~~ **The** minimum requirements to count the
 26 pupil in membership are those established by the pupil accounting
 27 manual as it was in effect for the 2015-2016 school year or as
 28 subsequently amended by the department if the department notifies
 29 the legislature about the proposed amendment at least 60 days



1 before the amendment becomes effective.

2 (14) As used in this section:

3 (a) **"Community college" means a community college organized**
 4 **under the community college act of 1966, 1966 PA 331, MCL 389.1 to**
 5 **389.195.**

6 (b) ~~(a)~~-"Instructor" means an individual who is employed by or
 7 contracted through a community college **or an individual who is**
 8 **employed by or contracted through a state public university.**

9 (c) ~~(b)~~-"Mentor" means a professional employee of the primary
 10 district who monitors the pupil's progress, ensures the pupil has
 11 access to needed technology, is available for assistance, and
 12 ensures access to the teacher of record. A mentor may also serve as
 13 the teacher of record if the primary district is the provider for
 14 the virtual course and the mentor meets the requirements under
 15 subdivision ~~(e)~~. **(h)** .

16 (d) ~~(e)~~-"Primary district" means the district that enrolls the
 17 pupil and reports the pupil for pupil membership purposes.

18 (e) ~~(d)~~-"Provider" means ~~the~~ **a district, including a district**
 19 **that operates as a cyber school as that term is defined in section**
 20 **551 of the revised school code, MCL 380.551, an intermediate**
 21 **district, ~~or~~ community college, state public university, or other**
 22 **person or entity** that the primary district pays to provide the
 23 virtual course. ~~or the Michigan Virtual University if it is~~
 24 ~~providing the virtual course. Beginning on the first day of the~~
 25 ~~2020-2021 school year through August 31, 2021, "provider" also~~
 26 ~~includes any other institution or individual that the primary~~
 27 ~~district pays to provide the virtual course.~~

28 (f) **"Qualifying statewide educational institution" means the**
 29 **Michigan Virtual University described in section 98 or a state**



1 public university.

2 (g) "State public university" means a university described in
3 section 4, 5, or 6 of article VIII of the state constitution of
4 1963.

5 (h) ~~(e)~~—"Teacher of record" means a teacher who meets all of
6 the following:

7 (i) Holds a valid Michigan teaching certificate or a teaching
8 permit recognized by the department.

9 (ii) If applicable, is endorsed in the subject area and grade
10 of the virtual course.

11 (iii) Is responsible for providing instruction, determining
12 instructional methods for each pupil, diagnosing learning needs,
13 assessing pupil learning, prescribing intervention strategies and
14 modifying lessons, reporting outcomes, and evaluating the effects
15 of instruction and support strategies.

16 (iv) Has a personnel identification code provided by the
17 center.

18 (v) If the provider is a community college, is an instructor
19 employed by or contracted through the providing community college.

20 (vi) **If the provider is a state public university, is a regular
21 or adjunct member of the state public university's faculty.**

22 (i) ~~(f)~~—"Virtual course" means a course of study that is
23 capable of generating a credit or a grade and that is provided in
24 an interactive learning environment where the majority of the
25 curriculum is delivered using the internet and in which pupils may
26 be separated from their instructor or teacher of record by time or
27 location, or both.

28 (j) ~~(g)~~—"Virtual course syllabus" means a document that
29 includes all of the following:



1 (i) An alignment document detailing how the course meets
 2 applicable ~~state~~ standards **established by the department** or, if the
 3 ~~state does not have state~~ **department has not established** standards
 4 **for that course or subject area**, nationally recognized standards.

5 (ii) The virtual course content outline.

6 (iii) The virtual course required assessments.

7 (iv) The virtual course prerequisites.

8 (v) Expectations for actual instructor or teacher of record
 9 contact time with the virtual learning pupil and other
 10 communications between a pupil and the instructor or teacher of
 11 record.

12 (vi) Academic support available to the virtual learning pupil.

13 (vii) The virtual course learning outcomes and objectives.

14 (viii) The name of the institution or organization providing the
 15 virtual content.

16 (ix) The name of the institution or organization providing the
 17 instructor or teacher of record.

18 (x) The course titles assigned by the provider and the course
 19 titles and course codes from the National Center for Education
 20 Statistics (NCES) school codes for the exchange of data (SCED).

21 (xi) The number of eligible pupils that will be accepted by the
 22 provider in the virtual course. A primary district that is also the
 23 provider may limit the enrollment to those pupils enrolled in the
 24 primary district.

25 (xii) The results of the virtual course quality review using
 26 the guidelines and model review process published by the Michigan
 27 Virtual University.

28 (k) ~~(h)~~—"Virtual learning pupil" means a pupil enrolled in 1



1 or more virtual courses.

2 ~~(15) The requirements under this section concerning virtual~~
 3 ~~courses do not apply to virtual courses offered as part of pandemic~~
 4 ~~learning. As used in this subsection, "pandemic learning" means a~~
 5 ~~mode of pupil instruction provided as a result of the COVID-19~~
 6 ~~pandemic.~~

7 Sec. 22a. (1) From the ~~appropriation~~ **state school aid fund**
 8 **money appropriated** in section 11, there is allocated an amount not
 9 to exceed ~~\$4,916,000,000.00 for 2019-2020 and there is allocated an~~
 10 ~~amount not to exceed \$4,880,500,000.00~~ **\$4,729,000,000.00** for 2020-
 11 ~~2021-2022~~ **2021-2022** for payments to districts and qualifying public
 12 school academies to guarantee each district and qualifying public
 13 school academy an amount equal to its 1994-95 total state and local
 14 per pupil revenue for school operating purposes under section 11 of
 15 article IX of the state constitution of 1963. Pursuant to section
 16 11 of article IX of the state constitution of 1963, this guarantee
 17 does not apply to a district in a year in which the district levies
 18 a millage rate for school district operating purposes less than it
 19 levied in 1994. However, subsection (2) applies to calculating the
 20 payments under this section. Funds allocated under this section
 21 that are not expended in the fiscal year for which they were
 22 allocated, as determined by the department, may be used to
 23 supplement the allocations under sections 22b and 51c to fully fund
 24 those allocations for the same fiscal year. For each fund transfer
 25 as described in the immediately preceding sentence that occurs, the
 26 state budget director shall send notification of the transfer to
 27 the house and senate appropriations subcommittees on state school
 28 aid and the house and senate fiscal agencies by not later than 14
 29 calendar days after the transfer occurs.



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

6 (a) Except as otherwise provided in this subsection, the state
7 portion of a district's 1994-95 foundation allowance is an amount
8 equal to the district's 1994-95 foundation allowance or \$6,500.00,
9 whichever is less, minus the difference between the sum of the
10 product of the taxable value per membership pupil of all property
11 in the district that is nonexempt property times the district's
12 certified mills and, for a district with certified mills exceeding
13 12, the product of the taxable value per membership pupil of
14 property in the district that is commercial personal property times
15 the certified mills minus 12 mills and the quotient of the ad
16 valorem property tax revenue of the district captured under tax
17 increment financing acts divided by the district's membership. For
18 a district that has a millage reduction required under section 31
19 of article IX of the state constitution of 1963, the department
20 shall calculate the state portion of the district's foundation
21 allowance as if that reduction did not occur. For a receiving
22 district, if school operating taxes are to be levied on behalf of a
23 dissolved district that has been attached in whole or in part to
24 the receiving district to satisfy debt obligations of the dissolved
25 district under section 12 of the revised school code, MCL 380.12,
26 taxable value per membership pupil of all property in the receiving
27 district that is nonexempt property and taxable value per
28 membership pupil of property in the receiving district that is
29 commercial personal property do not include property within the



1 geographic area of the dissolved district; ad valorem property tax
2 revenue of the receiving district captured under tax increment
3 financing acts does not include ad valorem property tax revenue
4 captured within the geographic boundaries of the dissolved district
5 under tax increment financing acts; and certified mills do not
6 include the certified mills of the dissolved district. For a
7 community district, the department shall reduce the allocation as
8 otherwise calculated under this section by an amount equal to the
9 amount of local school operating tax revenue that would otherwise
10 be due to the community district if not for the operation of
11 section 386 of the revised school code, MCL 380.386, and the amount
12 of this reduction is offset by the increase in funding under
13 section 22b(2).

14 (b) For a district that had a 1994-95 foundation allowance
15 greater than \$6,500.00, the state payment under this subsection is
16 the sum of the amount calculated under subdivision (a) plus the
17 amount calculated under this subdivision. The amount calculated
18 under this subdivision must be equal to the difference between the
19 district's 1994-95 foundation allowance minus \$6,500.00 and the
20 current year hold harmless school operating taxes per pupil. If the
21 result of the calculation under subdivision (a) is negative, the
22 negative amount is an offset against any state payment calculated
23 under this subdivision. If the result of a calculation under this
24 subdivision is negative, there is not a state payment or a
25 deduction under this subdivision. The taxable values per membership
26 pupil used in the calculations under this subdivision are as
27 adjusted by ad valorem property tax revenue captured under tax
28 increment financing acts divided by the district's membership. For
29 a receiving district, if school operating taxes are to be levied on



1 behalf of a dissolved district that has been attached in whole or
2 in part to the receiving district to satisfy debt obligations of
3 the dissolved district under section 12 of the revised school code,
4 MCL 380.12, ad valorem property tax revenue captured under tax
5 increment financing acts do not include ad valorem property tax
6 revenue captured within the geographic boundaries of the dissolved
7 district under tax increment financing acts.

8 (3) ~~Beginning in 2003-2004, for~~ **For** pupils in membership in a
9 qualifying public school academy, there is allocated under this
10 section to the authorizing body that is the fiscal agent for the
11 qualifying public school academy for forwarding to the qualifying
12 public school academy an amount equal to the 1994-95 per pupil
13 payment to the qualifying public school academy under section 20.

14 (4) A district or qualifying public school academy may use
15 funds allocated under this section in conjunction with any federal
16 funds for which the district or qualifying public school academy
17 otherwise would be eligible.

18 (5) Except as otherwise provided in this subsection, for a
19 district that is formed or reconfigured after June 1, 2000 by
20 consolidation of 2 or more districts or by annexation, the
21 resulting district's 1994-95 foundation allowance under this
22 section beginning after the effective date of the consolidation or
23 annexation is the average of the 1994-95 foundation allowances of
24 each of the original or affected districts, calculated as provided
25 in this section, weighted as to the percentage of pupils in total
26 membership in the resulting district in the fiscal year in which
27 the consolidation takes place who reside in the geographic area of
28 each of the original districts. If an affected district's 1994-95
29 foundation allowance is less than the 1994-95 basic foundation



1 allowance, the amount of that district's 1994-95 foundation
2 allowance is considered for the purpose of calculations under this
3 subsection to be equal to the amount of the 1994-95 basic
4 foundation allowance. This subsection does not apply to a receiving
5 district unless there is a subsequent consolidation or annexation
6 that affects the district.

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

8 (7) As used in this section:

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

13 (b) "Certified mills" means the lesser of 18 mills or the
14 number of mills of school operating taxes levied by the district in
15 1993-94.

16 (c) "Current fiscal year" means the fiscal year for which a
17 particular calculation is made.

18 (d) "Current year hold harmless school operating taxes per
19 pupil" means the per pupil revenue generated by multiplying a
20 district's 1994-95 hold harmless millage by the district's current
21 year taxable value per membership pupil. For a receiving district,
22 if school operating taxes are to be levied on behalf of a dissolved
23 district that has been attached in whole or in part to the
24 receiving district to satisfy debt obligations of the dissolved
25 district under section 12 of the revised school code, MCL 380.12,
26 taxable value per membership pupil does not include the taxable
27 value of property within the geographic area of the dissolved
28 district.

29 (e) "Dissolved district" means a district that loses its



1 organization, has its territory attached to 1 or more other
2 districts, and is dissolved as provided under section 12 of the
3 revised school code, MCL 380.12.

4 (f) "Hold harmless millage" means, for a district with a 1994-
5 95 foundation allowance greater than \$6,500.00, the number of mills
6 by which the exemption from the levy of school operating taxes on a
7 principal residence, qualified agricultural property, qualified
8 forest property, supportive housing property, industrial personal
9 property, commercial personal property, and property occupied by a
10 public school academy could be reduced as provided in section 1211
11 of the revised school code, MCL 380.1211, and the number of mills
12 of school operating taxes that could be levied on all property as
13 provided in section 1211(2) of the revised school code, MCL
14 380.1211, as certified by the department of treasury for the 1994
15 tax year. For a receiving district, if school operating taxes are
16 to be levied on behalf of a dissolved district that has been
17 attached in whole or in part to the receiving district to satisfy
18 debt obligations of the dissolved district under section 12 of the
19 revised school code, MCL 380.12, school operating taxes do not
20 include school operating taxes levied within the geographic area of
21 the dissolved district.

22 (g) "Membership" means the definition of that term under
23 section 6 as in effect for the particular fiscal year for which a
24 particular calculation is made.

25 (h) "Nonexempt property" means property that is not a
26 principal residence, qualified agricultural property, qualified
27 forest property, supportive housing property, industrial personal
28 property, commercial personal property, or property occupied by a
29 public school academy.



1 (i) "Principal residence", "qualified agricultural property",
 2 "qualified forest property", "supportive housing property",
 3 "industrial personal property", and "commercial personal property"
 4 mean those terms as defined in section 1211 of the revised school
 5 code, MCL 380.1211.

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

9 (k) "Receiving district" means a district to which all or part
 10 of the territory of a dissolved district is attached under section
 11 12 of the revised school code, MCL 380.12.

12 (l) "School operating taxes" means local ad valorem property
 13 taxes levied under section 1211 of the revised school code, MCL
 14 380.1211, and retained for school operating purposes as defined in
 15 section 20.

16 (m) "Tax increment financing acts" means parts 2, 3, 4, and 6
 17 of the recodified tax increment financing act, 2018 PA 57, MCL
 18 125.4201 to 125.4420 and 125.4602 to 125.4629, or the brownfield
 19 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

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

22 (i) For the number of mills by which the exemption from the
 23 levy of school operating taxes on a principal residence, qualified
 24 agricultural property, qualified forest property, supportive
 25 housing property, industrial personal property, commercial personal
 26 property, and property occupied by a public school academy may be
 27 reduced as provided in section 1211 of the revised school code, MCL
 28 380.1211, the taxable value of principal residence, qualified
 29 agricultural property, qualified forest property, supportive



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

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

21 Sec. 22b. (1) For discretionary nonmandated payments to
 22 districts under this section, there is allocated for ~~2019-2020~~ an
 23 ~~amount not to exceed \$4,499,100,000.00 from the state school aid~~
 24 ~~fund and general fund appropriations in section 11 and an amount~~
 25 ~~not to exceed \$75,900,000.00 from the community district education~~
 26 ~~trust fund appropriation in section 11, and there is allocated for~~
 27 ~~2020-2021~~ **2021-2022** an amount not to exceed ~~\$4,488,800,000.00~~
 28 **\$4,579,000,000.00** from the state school aid fund and general fund
 29 appropriations in section 11 and an amount not to exceed



1 ~~\$77,700,000.00~~ **\$72,000,000.00** from the community district education
2 trust fund appropriation in section 11. Except for money allocated
3 under this section from the community district education trust fund
4 appropriation in section 11, funds allocated under this section
5 that are not expended in the fiscal year for which they were
6 allocated, as determined by the department, may be used to
7 supplement the allocations under sections 22a and 51c to fully fund
8 those allocations for the same fiscal year. For each fund transfer
9 as described in the immediately preceding sentence that occurs, the
10 state budget director shall send notification of the transfer to
11 the house and senate appropriations subcommittees on state school
12 aid and the house and senate fiscal agencies by not later than 14
13 calendar days after the transfer occurs.

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

28 (3) In order to receive an allocation under subsection (1),
29 each district must do all of the following:



1 (a) Comply with section 1280b of the revised school code, MCL
2 380.1280b.

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

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

8 (d) Comply with section 1230g of the revised school code, MCL
9 380.1230g.

10 (e) Comply with section 21f.

11 (f) For a district that has entered into a partnership
12 agreement with the department, comply with section 22p.

13 ~~(g) For a district that offers kindergarten, comply with~~
14 ~~section 104(4).~~

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

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

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



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

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

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

28 (9) If a claim is made in court that challenges the
29 legislative determination of the adequacy of funding for this



1 state's constitutional obligations or alleges that there exists an
2 unfunded constitutional requirement, any interested party may seek
3 an expedited review of the claim by the local claims review board.
4 If the claim exceeds \$10,000,000.00, this state may remove the
5 action to the court of appeals, and the court of appeals has and
6 shall exercise jurisdiction over the claim.

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

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



1 "title XIX" means title XIX of the social security act, 42 USC 1396
2 to 1396w-5.

3 Sec. 22d. (1) From the state school aid fund money
4 appropriated under section 11, an amount not to exceed
5 ~~\$7,000,000.00~~ **\$7,342,700.00** is allocated for ~~2020-2021~~ **2021-2022**
6 for supplemental payments to rural districts under this section.

7 (2) From the allocation under subsection (1), there is
8 allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
9 ~~\$957,300.00~~ **\$1,300,000.00** for payments under this subsection to
10 districts that meet all of the following:

11 (a) Operates grades K to 12.

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

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

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

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

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



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

6 (4) Subject to subsection (6), from the allocation in
7 subsection (1), there is allocated for ~~2020-2021~~**2021-2022** an
8 amount not to exceed \$6,042,700.00 for payments under this
9 subsection to districts that have fewer than 10.0 pupils per square
10 mile as determined by the department.

11 (5) The funds allocated under subsection (4) are allocated as
12 follows:

13 (a) An amount equal to \$5,200,000.00 is allocated to districts
14 with fewer than 8.0 pupils per square mile, as determined by the
15 department, on an equal per-pupil basis.

16 (b) The balance of the funding under subsection (4) is
17 allocated as follows:

18 (i) For districts with at least 8.0 but fewer than 9.0 pupils
19 per square mile, as determined by the department, the allocation is
20 an amount per pupil equal to 75% of the per-pupil amount allocated
21 to districts under subdivision (a).

22 (ii) For districts with at least 9.0 but fewer than 10.0 pupils
23 per square mile, as determined by the department, the allocation is
24 an amount per pupil equal to 50% of the per-pupil amount allocated
25 to districts under subdivision (a).

26 (c) If the total funding allocated under subdivision (b) is
27 not sufficient to fully fund payments as calculated under that
28 subdivision, the department shall prorate payments to districts
29 under subdivision (b) on an equal per-pupil basis.



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

3 **Sec. 22e. (1) From the state school aid fund money**
4 **appropriated under section 11, there is allocated an amount not to**
5 **exceed \$50,000,000.00 for 2021-2022 to reimburse eligible districts**
6 **for transportation costs.**

7 (2) A district with fewer than 20.0 pupils per square mile, as
8 determined by the department, is an eligible district under this
9 section.

10 (3) The department shall provide payments to eligible
11 districts under this section as follows:

12 (a) An amount equal to \$250.00 per pupil to eligible districts
13 with fewer than 10.0 pupils per square mile, as determined by the
14 department.

15 (b) An amount equal to \$200.00 per pupil to eligible districts
16 with at least 10.0 but fewer than 15.0 pupils per square mile, as
17 determined by the department.

18 (c) An amount equal to \$150.00 per pupil to eligible districts
19 with at least 15.0 but fewer than 20.0 pupils per square mile, as
20 determined by the department.

21 (4) If the total funding allocated under this section is not
22 sufficient to fully fund payments as calculated under this section,
23 the department shall prorate payments to eligible districts on an
24 equal percentage basis.

25 (5) Notwithstanding section 17b, the department shall make
26 payments to eligible districts under this section on a schedule
27 determined by the department.

28 **Sec. 22m. (1) From the ~~appropriations~~ state school aid fund**
29 **money appropriated** in section 11, there is allocated for ~~2020-2021~~



1 **2021-2022** an amount not to exceed \$2,200,000.00 for supporting the
2 integration of local data systems into the Michigan data hub
3 network based on common standards and applications that are in
4 compliance with section 19(6).

5 (2) An entity that is the fiscal agent for no more than 5
6 consortia of intermediate districts that previously received
7 funding from the technology readiness infrastructure grant under
8 former section 22i for the purpose of establishing regional data
9 hubs that are part of the Michigan data hub network is eligible for
10 funding under this section.

11 (3) The center shall work with an advisory committee composed
12 of representatives from intermediate districts within each of the
13 data hub regions to coordinate the activities of the Michigan data
14 hub network.

15 (4) The center, in collaboration with the Michigan data hub
16 network, shall determine the amount of funds distributed under this
17 section to each participating regional data hub within the network,
18 based upon a competitive grant process. The center shall ensure
19 that the entities receiving funding under this section represent
20 geographically diverse areas in this state.

21 (5) Notwithstanding section 17b, the department shall make
22 payments under this section on a schedule determined by the center.

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



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

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

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

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

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

16 (d) Promoting 100% district adoption of the Michigan data hub
17 network by September 30, ~~2021~~.**2022**.

18 (e) Ensuring local control of data, data security, and student
19 data privacy.

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

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

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



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

10 Sec. 22p. (1) Subject to subsection (2), in order to receive
 11 funding under section 22b, a district or public school academy that
 12 is assigned by the superintendent of public instruction as a
 13 partnership district must have a signed 3-year partnership
 14 agreement with the department that includes all of the following:

15 (a) Measurable academic outcomes that the district or public
 16 school academy will achieve for each school operated by the
 17 district or public school academy that is subject to the
 18 partnership agreement after 18 months and after 36 months from the
 19 date the agreement was originally signed. Measurable academic
 20 outcomes under this subdivision must include all of the following:

21 (i) Outcomes that put pupils on track to meet or exceed grade
 22 level proficiency and that are based on district or public school
 23 academy needs. ~~identified as required under section 21h.~~

24 (ii) Either of the following, as applicable:

25 (A) At least 1 proficiency or growth outcome based on state
 26 assessments described in section 104b or 104c.

27 (B) ~~For 2020-2021 only, at~~ **At** least 1 proficiency or growth
 28 outcome based on a benchmark assessment described in section
 29 ~~104.104a.~~



1 (b) Accountability measures to be imposed if the district or
2 public school academy does not achieve the measurable academic
3 outcomes described in subdivision (a) for each school operated by
4 the district or public school academy that is subject to the
5 partnership agreement. For a district assigned as a partnership
6 district as described in this subsection, accountability measures
7 under this subdivision must include the reconstitution of the
8 school. For a public school academy assigned as a partnership
9 district as described in this subsection, accountability measures
10 under this subdivision may include the reconstitution of the
11 school.

12 (c) For a public school academy assigned as a partnership
13 district as described in this subsection, a requirement that, if
14 reconstitution is imposed on a school that is operated by the
15 public school academy and that is subject to the partnership
16 agreement, the school must be reconstituted as described in section
17 507, 528, or 561, as applicable, of the revised school code, MCL
18 380.507, 380.528, and 380.561.

19 (d) For a district assigned as a partnership district as
20 described in this subsection, a provision that, if reconstitution
21 is imposed on a school that is operated by the district and that is
22 subject to the partnership agreement, reconstitution may require
23 closure of the school building, but, if the school building remains
24 open, reconstitution must include, but is not limited to, all of
25 the following:

26 (i) The district shall make significant changes to the
27 instructional and noninstructional programming of the school based
28 on the needs identified through a comprehensive review of data. ~~in~~
29 ~~compliance with section 21h.~~



1 (ii) The district shall review whether the current principal of
2 the school should remain as principal or be replaced.

3 (iii) The reconstitution plan for the school must require the
4 adoption of goals similar to the goals included in the partnership
5 agreement, with a limit of 3 years to achieve the goals. If the
6 goals are not achieved within 3 years, the superintendent of public
7 instruction shall impose a second reconstitution plan.

8 (2) If a district or public school academy is assigned as a
9 partnership district as described in subsection (1) during the
10 current fiscal year, it shall ensure that it has a signed
11 partnership agreement as described in subsection (1) in place by
12 not later than 90 days after the date that it is assigned as a
13 partnership district. If a district or public school academy
14 described in this subsection does not comply with this subsection,
15 the department shall withhold funding under section 22b for that
16 district or public school academy until the district or public
17 school academy has a signed partnership agreement as described in
18 subsection (1) in place.

19 Sec. 23b. (1) ~~From the federal fund money allocated under~~
20 ~~section 11n awarded to this state from the elementary and secondary~~
21 ~~school emergency relief (ESSER) fund under the coronavirus response~~
22 ~~and relief supplemental appropriations act, 2021, division M of~~
23 ~~Public Law 116-260, there is allocated for 2020-2021 an amount not~~
24 ~~to exceed \$152,400,000.00, and from the state school aid fund money~~
25 ~~appropriated under section 11, there is allocated for 2020-2021~~
26 **2021-2022** an amount not to exceed ~~\$10,000,000.00~~ **\$152,400,000.00** to
27 eligible districts and eligible intermediate districts described in
28 subsection (4) to be used for ~~COVID-19~~ remediation services in the
29 manner described in subsection (6).



1 (2) The funds allocated under subsection (1) must be
2 distributed by the department as follows:

3 (a) An amount not to exceed \$90,000,000.00 ~~from the federal~~
4 ~~funding allocated under subsection (1) for~~ summer programs that are
5 offered as part of ~~COVID-19~~ remediation services under this
6 section.

7 (b) An amount not to exceed \$45,000,000.00 ~~from the federal~~
8 ~~funding allocated under subsection (1) for~~ credit recovery programs
9 that are offered as part of ~~COVID-19~~ remediation services under
10 this section.

11 (c) An amount not to exceed \$17,400,000.00 ~~from the federal~~
12 ~~funding allocated under subsection (1) for~~ before-school, after-
13 school, or before-and-after school programs that are offered as
14 part of ~~COVID-19~~ remediation services under this section.

15 ~~(d) An amount not to exceed \$10,000,000.00 from the state~~
16 ~~school aid fund money allocated under subsection (1) for additional~~
17 ~~payments for summer programs and credit recovery programs that are~~
18 ~~offered as part of COVID-19 remediation services under this section~~
19 ~~that the department's innovation council designates as innovative~~
20 ~~under subsection (11).~~

21 (3) Except as otherwise provided in this subsection, to
22 receive funding under this section, a district or intermediate
23 district must apply for the funding in a form and manner prescribed
24 by the department. An application for funding under this section
25 must be submitted to the department by not later than April 15,
26 ~~2021-2022~~.

27 (4) A district or intermediate district that meets all of the
28 following is an eligible district or eligible intermediate district
29 under this section:



1 (a) In its application for funding under this section, the
 2 district or intermediate district pledges to provide ~~COVID-19~~
 3 remediation services to eligible ~~pupils-~~**children.**

4 (b) In its application for funding under this section, the
 5 district or intermediate district includes a ~~COVID-19~~-remediation
 6 services plan. A plan described in this subdivision must include at
 7 least all of the following, as applicable:

8 (i) For ~~COVID-19~~-remediation services that include a summer
 9 program, all of the following:

10 (A) A description of the summer program.

11 (B) The number of potential eligible ~~pupils-~~**children** that will
 12 enroll or the number of eligible ~~pupils-~~**children** enrolled in the
 13 summer program.

14 (C) An estimate of costs for the preparation and
 15 implementation of the summer program.

16 ~~(D) A statement indicating whether or not the district or~~
 17 ~~intermediate district is requesting that the summer program be~~
 18 ~~designated as innovative under subsection (11) and the reasons the~~
 19 ~~district or intermediate district believes its program is~~
 20 ~~innovative.~~

21 (ii) For ~~COVID-19~~-remediation services that include a credit
 22 recovery program, all of the following:

23 (A) A description of the credit recovery program.

24 (B) The number of potential eligible ~~pupils-~~**children** that will
 25 enroll or the number of eligible ~~pupils-~~**children** enrolled in the
 26 credit recovery program.

27 (C) An estimate of costs for the preparation and
 28 implementation of the credit recovery program.

29 ~~(D) A statement indicating whether or not the district or~~



1 ~~intermediate district is requesting that the credit recovery~~
 2 ~~program be designated as innovative under subsection (11) and the~~
 3 ~~reasons the district or intermediate district believes its program~~
 4 ~~is innovative.~~

5 (iii) For ~~COVID-19~~ remediation services that include a before-
 6 school, after-school, or before-and-after school program, all of
 7 the following:

8 (A) A description of the before-school, after-school, or
 9 before-and-after school program.

10 (B) The number of potential ~~pupils~~ **eligible children** that will
 11 enroll or the number of eligible ~~pupils~~ **children** enrolled in the
 12 before-school, after-school, or before-and-after school program.

13 (C) An estimate of costs for the preparation and
 14 implementation of the before-school, after-school, or before-and-
 15 after school program.

16 (D) Assurance that the before-school, after-school, or before-
 17 and-after school program is designed to emphasize remediation for
 18 eligible ~~pupils~~ **children**.

19 (c) In its application for funding under this section, the
 20 district or intermediate district provides information concerning
 21 whether or not the district or intermediate district intends to
 22 contract for services as described in subsection (6) (a) in
 23 providing a summer program, credit recovery program, or before-
 24 school, after-school, or before-and-after school program as part of
 25 its ~~COVID-19~~ remediation services under this section.

26 (5) Subject to subsections (2) and (7), from the funding
 27 allocated under subsection (1), the department shall pay each
 28 eligible district and each eligible intermediate district all of
 29 the following, as applicable:



1 (a) An amount equal to \$550.00 for each eligible ~~pupil~~**child**
 2 that, based on the application for funding under this section, will
 3 be enrolled or is enrolled in the eligible district's or eligible
 4 intermediate district's summer program, as applicable, offered as
 5 part of the eligible district's or eligible intermediate district's
 6 ~~COVID-19~~remediation services under this section.

7 (b) An amount equal to \$550.00 for each eligible ~~pupil~~**child**
 8 that, based on the application for funding under this section, will
 9 be enrolled or is enrolled in the eligible district's or eligible
 10 intermediate district's credit recovery program, as applicable,
 11 offered as part of the eligible district's or eligible intermediate
 12 district's ~~COVID-19~~remediation services under this section.

13 (c) An amount not to exceed \$25,000.00 to each eligible
 14 district or eligible intermediate district for its before-school,
 15 after-school, or before-and-after school program offered as part of
 16 its ~~COVID-19~~remediation services under this section.

17 ~~(d) In addition to the amounts distributed under subdivisions~~
 18 ~~(a) and (b), an amount not to exceed \$100.00 for each eligible~~
 19 ~~pupil who, based on the application for funding under this section,~~
 20 ~~will be enrolled or is enrolled in the eligible district's or~~
 21 ~~eligible intermediate district's summer program or credit recovery~~
 22 ~~program, as applicable, if the program or programs have been~~
 23 ~~designated as innovative under subsection (11).~~

24 (6) An eligible district or eligible intermediate district
 25 that receives funding under this section shall only use that
 26 funding to provide ~~COVID-19~~remediation services to eligible
 27 ~~pupils.~~**children.** Both of the following apply for purposes of this
 28 subsection:

29 (a) An eligible district or eligible intermediate district may



1 contract with public or private entities, other districts or
 2 intermediate districts, or a consortium of other districts or
 3 intermediate districts to provide ~~COVID-19~~ remediation services
 4 under this section.

5 (b) An eligible intermediate district may provide its ~~COVID-19~~
 6 remediation services to its constituent districts to provide to
 7 eligible ~~pupils~~ **children**.

8 (7) If funds allocated under this section for summer programs
 9 that are offered as part of ~~COVID-19~~ remediation services under
 10 this section are insufficient to fully fund calculations under this
 11 section, the department shall apply proration of an equal dollar
 12 amount per eligible ~~pupil~~ **child** in a summer program. If funds
 13 allocated under this section for credit recovery programs that are
 14 offered as part of ~~COVID-19~~ remediation services under this section
 15 are insufficient to fully fund calculations under this section, the
 16 department shall apply proration of an equal dollar amount per
 17 eligible ~~pupil~~ **child** in a credit recovery program. If funds
 18 allocated under this section for before-school, after-school, or
 19 before-and-after school programs that are offered as part of ~~COVID-~~
 20 ~~19~~ remediation services under this section are insufficient to
 21 fully fund calculations under this section, the department shall
 22 apply proration in equal proportion to the amount the eligible
 23 district or eligible intermediate district would have received
 24 under this section for that program but for the application of
 25 proration under this subsection. ~~If funds specifically allocated~~
 26 ~~under this section for summer programs and credit recovery programs~~
 27 ~~that are offered as part of COVID-19 remediation services under~~
 28 ~~this section that have been designated as innovative under~~
 29 ~~subsection (11) are insufficient to fully fund calculations under~~



1 ~~this section, the department shall apply proration of an equal~~
 2 ~~dollar amount per eligible pupil in the program or programs~~
 3 ~~described in this sentence.~~

4 (8) In awarding funding under this section, the department
 5 shall prioritize funding under this section that is distributed for
 6 before-school, after-school, and before-and-after school programs
 7 offered as part of ~~COVID-19~~ remediation services under this section
 8 to the following eligible districts or eligible intermediate
 9 districts that offer those programs as part of their ~~COVID-19~~
 10 remediation services:

11 (a) Eligible districts or eligible intermediate districts with
 12 the highest number of eligible ~~pupils~~ **children** who, based on the
 13 application for funding under this section, will enroll or are
 14 enrolled in the program.

15 (b) Eligible districts or eligible intermediate districts with
 16 the largest size program.

17 (c) Eligible districts or eligible intermediate districts with
 18 the highest amount of costs for the program.

19 (9) A before-school, after-school, or before-and-after school
 20 program that is offered as part of ~~COVID-19~~ remediation services
 21 under this section must be provided to eligible ~~pupils~~ **children** in
 22 a manner in which the eligible ~~pupils~~ **children** are in person at a
 23 school building designated by the eligible district or eligible
 24 intermediate district providing the program. A before-school,
 25 after-school, or before-and-after school program that is offered as
 26 part of ~~COVID-19~~ remediation services under this section must
 27 provide educational programming in core subject areas, including,
 28 but not limited to, mathematics, reading, and science. As used in
 29 this subsection, "in person" means physically present.



1 (10) If, in its application for funding under this section, an
 2 eligible district or eligible intermediate district submits the
 3 potential number of eligible ~~pupils~~**children** that will enroll in
 4 its summer program as described in subsection (4) (b) (i), potential
 5 number of eligible ~~pupils~~**children** that will enroll in its credit
 6 recovery program as described in subsection (4) (b) (ii), or potential
 7 number of eligible ~~pupils~~**children** that will enroll in its before-
 8 school, after-school, or before-and-after school program as
 9 described in subsection (4) (b) (iii), as applicable, and the eligible
 10 district or eligible intermediate district receives funding under
 11 this section based on those estimations, by June 15, ~~2021~~**2022**,
 12 the eligible district or eligible intermediate district shall
 13 submit the number of ~~pupils~~**eligible children** who actually enrolled
 14 in the eligible district's or eligible intermediate district's
 15 summer program, credit recovery program, or before-school, after-
 16 school, or before-and-after school program. If the eligible
 17 district or eligible intermediate district received an overpayment
 18 of funds under this section based on its submitted estimates of
 19 eligible ~~pupils~~**children** as described in this subsection, as
 20 determined by the department, the eligible district or eligible
 21 intermediate district shall refund the department in the amount of
 22 the overpayment.

23 ~~(11) For purposes of determining which eligible districts and~~
 24 ~~eligible intermediate districts will receive additional payments as~~
 25 ~~described in subsection (5) (d), the department's innovation council~~
 26 ~~shall, based on applications submitted under this section,~~
 27 ~~designate summer programs and credit recovery programs that are~~
 28 ~~offered as part of COVID-19 remediation services under this section~~
 29 ~~that, in their applications for funding under this section, request~~



1 ~~innovative designation as innovative if it determines those~~
 2 ~~programs are innovative. A program that is designated as innovative~~
 3 ~~under this subsection may include, without limitation, 1 or more of~~
 4 ~~the following:~~

- 5 ~~(a) Community-based projects.~~
- 6 ~~(b) Integrated kinesthetic or cognitive growth programs.~~
- 7 ~~(c) STEM-based programs.~~
- 8 ~~(d) Outdoor or adventure-based programs.~~
- 9 ~~(e) Any programs that integrate public and private~~
 10 ~~partnerships.~~

11 **(11)** ~~(12)~~ Notwithstanding section 17b and except as otherwise
 12 provided in this subsection, the department shall make payments
 13 under this section on a schedule determined by the department. The
 14 department shall distribute all funding under this section by not
 15 later than May 20, ~~2021~~**2022**.

16 **(12)** ~~(13)~~ As used in this section:

17 (a) "Constituent district" means a district that is located in
 18 the geographic boundaries of the intermediate district.

19 (b) ~~"COVID-19 remediation"~~**Remediation** services" means any of
 20 the following:

21 (i) A summer program.

22 (ii) A credit recovery program.

23 (iii) A before-school, after-school, or before-and-after school
 24 program.

25 (c) "Credit recovery program" means an educational program
 26 that meets at least all of the following:

27 (i) Is offered to each eligible ~~pupil~~**child** described in
 28 subdivision (d) (ii) who was enrolled in any of grades 9 to 12 in the
 29 ~~2020-2021~~**2021-2022** school year.



1 (ii) Is a program that is designed to provide educational
2 remediation to ~~pupils~~-**children**.

3 (iii) Is offered in person, online, digitally, by other remote
4 means, in a synchronous or asynchronous format, or through any
5 combination of these.

6 (iv) Is a program that was developed based on the input of
7 teachers and that is teacher-led.

8 (d) "Eligible ~~pupil~~-**child**" means a child to whom the
9 following apply, as applicable:

10 (i) For participation in a summer program offered as part of
11 ~~COVID-19~~-remediation services under this section, both of the
12 following apply:

13 (A) Any of the following apply:

14 (I) If an eligible district that is not a public school
15 academy is providing the ~~COVID-19~~-remediation services, the child
16 resides within the geographic boundaries of the district.

17 (II) If an eligible district that is a public school academy
18 is providing the ~~COVID-19~~-remediation services, the child resides
19 within the geographic boundaries of the intermediate district in
20 which the district is located.

21 (III) If an eligible intermediate district is providing the
22 ~~COVID-19~~-remediation services, the child resides within the
23 geographic boundaries of the intermediate district.

24 (B) The eligible district or eligible intermediate district
25 providing the summer program under this section has determined that
26 the child is eligible for enrollment in the eligible district's or
27 eligible intermediate district's summer program. An eligible
28 district or eligible intermediate district is encouraged to base
29 the determination described in this sub-subparagraph on benchmark



1 assessment data from the benchmark assessment or benchmark
 2 assessments administered to the child under section ~~104,~~**104a**, as
 3 applicable.

4 (ii) For participation in a credit recovery program offered as
 5 part of ~~COVID-19~~ remediation services under this section, both of
 6 the following apply:

7 (A) In the ~~2020-2021~~**2021-2022** school year, the child was
 8 enrolled in the eligible district, eligible intermediate district,
 9 or a constituent district of the eligible intermediate district
 10 that provides the credit recovery program to the child under this
 11 section.

12 (B) Any of the following apply:

13 (I) The child has failed 1 or more credits or courses in the
 14 ~~2020-2021~~**2021-2022** school year.

15 (II) The child is not on track to graduate from high school,
 16 as determined by the eligible district, eligible intermediate
 17 district, or constituent district of the eligible intermediate
 18 district in which the child was enrolled as described in sub-
 19 subparagraph (A).

20 (III) The eligible district, eligible intermediate district,
 21 or constituent district of the eligible intermediate district in
 22 which the child was enrolled as described in sub-subparagraph (A)
 23 has determined that the child is eligible for enrollment in the
 24 eligible district's or eligible intermediate district's credit
 25 recovery program.

26 (iii) For participation in a before-school, after-school, or
 27 before-and-after school program offered as part of ~~COVID-19~~
 28 remediation services under this section, both of the following
 29 apply:



1 (A) In the ~~2020-2021~~**2021-2022** school year, the child was
 2 enrolled in any of grades K to 12 in the eligible district,
 3 eligible intermediate district, or a constituent district of the
 4 eligible intermediate district that provides the before-school,
 5 after-school, or before-and-after school program to the child under
 6 this section.

7 (B) The eligible district, eligible intermediate district, or
 8 constituent district of the eligible intermediate district in which
 9 the child was enrolled as described in sub-subparagraph (A) has
 10 determined that the child is eligible for enrollment in the
 11 eligible district's or eligible intermediate district's before-
 12 school, after-school, or before-and-after school program.

13 (e) "Summer program" means an educational program that meets
 14 at least all of the following:

15 (i) Is offered to each eligible ~~pupil~~**child** described in
 16 subdivision (d) (i) who was enrolled in any of grades K to 8 in the
 17 ~~2020-2021~~**2021-2022** school year.

18 (ii) Is offered at any point after June 1, ~~2021~~**2022** and before
 19 September 1, ~~2021~~**2022**.

20 (iii) Is an 8-week program. As used in this subparagraph, "week"
 21 means a period beginning on Monday and ending on the following
 22 Friday.

23 (iv) Is provided to eligible ~~pupils~~**children** described in
 24 subdivision (d) (i) in a manner in which the eligible ~~pupils~~**children**
 25 are in person at a school building designated by the eligible
 26 district or eligible intermediate district providing the program.
 27 As used in this subparagraph, "in person" means physically present.

28 (v) Is a program that was developed based on the input of
 29 teachers and that is teacher-led.



1 (vi) Includes programming in core subject areas, including, but
2 not limited to, mathematics, reading, and science.

3 Sec. 23e. (1) From the ~~federal fund money allocated under~~
4 ~~section 11n awarded to this state from the governor's emergency~~
5 ~~education relief (GEER) fund under the coronavirus response and~~
6 ~~relief supplemental appropriations act, 2021, division M of Public~~
7 ~~Law 116-260, **general fund money appropriated under section 11,**~~
8 there is allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
9 \$5,000,000.00. The department shall develop a competitive grant
10 program to distribute this funding to eligible entities described
11 in subsection (3) as described under this section.

12 (2) To receive funding under this section, an entity must
13 apply for the funding in a form and manner prescribed by the
14 department.

15 (3) An entity that meets eligibility criteria established by
16 the department for purposes of receiving grant funding under this
17 section is an eligible entity under this section. The eligibility
18 criteria described in this subsection must establish that an entity
19 must meet at least all of the following requirements to receive
20 grant funding under this section:

21 (a) Serves children in kindergarten or any or all of grades 1
22 to 8, or both.

23 (b) Is a community-based organization that is exempt from
24 federal income tax under section 501(c)(3) of the internal revenue
25 code, 26 USC 501.

26 (c) Provides before-school, after-school, or before-and-after
27 school programming to children described in subdivision (a).

28 (4) The department shall determine the amount of grant funding
29 under this section that will be paid to each eligible entity.



1 However, in determining the amounts under this subsection, the
 2 department shall ensure that both of the following are applied in
 3 its determinations:

4 (a) To the extent practicable, the department shall ensure
 5 that all eligible entities in all geographic regions of this state
 6 are represented in the distribution of grant funding under this
 7 section. This subdivision does not require the department to award
 8 grant funding under this section to eligible entities in all
 9 geographic regions of this state.

10 (b) The department shall prioritize distributing grant funding
 11 under this section to eligible entities that are located within
 12 districts or intermediate districts that do not provide the before-
 13 school, after-school, or before-and-after school programming
 14 provided by the eligible entity.

15 (5) An eligible entity that receives grant funding under this
 16 section shall use the funding only to provide before-school, after-
 17 school, or before-and-after school programming to children
 18 described in subsection (3) (a). The programming offered under this
 19 subsection must meet both of the following:

20 (a) Be provided to children in a manner in which the children
 21 are in person at a building designated by the eligible entity. As
 22 used in this subdivision, "in person" means physically present.

23 (b) Provide educational programming in core subject areas,
 24 including, but not limited to, mathematics, reading, and science.

25 (6) Notwithstanding section 17b, the department shall make
 26 payments under this section on a schedule determined by the
 27 department.

28 Sec. 24. (1) From the ~~appropriation~~ **state school aid fund**
 29 **money appropriated** in section 11, there is allocated for ~~2020-2021~~



1 ~~an amount not to exceed \$7,150,000.00~~ **2021-2022 an amount not to**
 2 **exceed \$7,650,000.00** for payments to the educating district or
 3 intermediate district for educating pupils assigned by a court or
 4 the department of health and human services to reside in or to
 5 attend a juvenile detention facility or child caring institution
 6 licensed by the department of health and human services and
 7 approved by the department to provide an on-grounds education
 8 program. The amount of the payment under this section to a district
 9 or intermediate district is calculated as prescribed under
 10 subsection (2).

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

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



1 federal funds are not included.

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

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

17 (4) Special education pupils funded under section 53a are not
18 funded under this section.

19 Sec. 24a. From the ~~appropriation~~ **state school aid fund money**
20 **appropriated** in section 11, there is allocated an amount not to
21 exceed \$1,355,700.00 for ~~2020-2021~~ **2021-2022** for payments to
22 intermediate districts for pupils who are placed in juvenile
23 justice service facilities operated by the department of health and
24 human services. The amount of the payment to each intermediate
25 district is an amount equal to the state share of those costs that
26 are clearly and directly attributable to the educational programs
27 for pupils placed in facilities described in this section that are
28 located within the intermediate district's boundaries. The
29 intermediate districts receiving payments under this section shall



1 cooperate with the department of health and human services to
2 ensure that all funding allocated under this section is utilized by
3 the intermediate district and department of health and human
4 services for educational programs for pupils described in this
5 section. Pupils described in this section are not eligible to be
6 funded under section 24. However, a program responsibility or other
7 fiscal responsibility associated with these pupils must not be
8 transferred from the department of health and human services to a
9 district or intermediate district unless the district or
10 intermediate district consents to the transfer.

11 Sec. 25f. (1) From the state school aid fund money
12 appropriated in section 11, there is allocated an amount not to
13 exceed \$1,600,000.00 for ~~2020-2021~~**2021-2022** for payments to strict
14 discipline academies established under sections 1311b to 1311m of
15 the revised school code, MCL 380.1311b to 380.1311m, as provided
16 under this section.

17 (2) In order to receive funding under this section, a strict
18 discipline academy must first comply with section 25e and use the
19 pupil transfer process under that section for changes in enrollment
20 as prescribed under that section.

21 (3) The total amount allocated to a strict discipline academy
22 under this section must first be distributed as the lesser of the
23 strict discipline academy's added cost or the department's approved
24 per-pupil allocation for the strict discipline academy. Any funds
25 remaining after the first distribution must be distributed by
26 prorating on an equal per-pupil membership basis, not to exceed a
27 strict discipline academy's added cost. However, the sum of the
28 amounts received by a strict discipline academy under this section
29 and under section 24 must not exceed the product of the strict



1 discipline academy's per-pupil allocation calculated under section
 2 20 multiplied by the strict discipline academy's full-time equated
 3 membership. The department shall allocate funds to strict
 4 discipline academies under this section on a monthly basis. For the
 5 purposes of this subsection:

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

18 (b) "Department's approved per-pupil allocation" for a strict
 19 discipline academy is determined by dividing the total amount
 20 allocated under this subsection for a fiscal year by the full-time
 21 equated membership total for all pupils approved by the department
 22 to be funded under this subsection for that fiscal year for the
 23 strict discipline academy.

24 (4) Special education pupils funded under section 53a are not
 25 funded under this section.

26 (5) If the funds allocated under this section are insufficient
 27 to fully fund the adjustments under subsection (3), the department
 28 shall prorate payments under this section on an equal per-pupil
 29 basis.



1 (6) The department shall make payments to districts under this
2 section according to the payment schedule under section 17b.

3 Sec. 25g. (1) From the state school aid fund money
4 appropriated in section 11, there is allocated an amount not to
5 exceed \$750,000.00 for ~~2020-2021~~**2021-2022** for the purposes of this
6 section. Except as otherwise provided in this section, if the
7 operation of the special membership counting provisions under
8 section 6(4) (dd) and the other membership counting provisions under
9 section 6(4) result in a pupil being counted as more than 1.0 FTE
10 in a fiscal year, then the payment made for the pupil under
11 sections 22a and 22b must not be based on more than 1.0 FTE for
12 that pupil, and that portion of the FTE that exceeds 1.0 is paid
13 under this section in an amount equal to that portion multiplied by
14 the educating district's foundation allowance or per-pupil payment
15 calculated under section 20.

16 (2) Special education pupils funded under section 53a are not
17 funded under this section.

18 (3) If the funds allocated under this section are insufficient
19 to fully fund the adjustments under subsection (1), the department
20 shall prorate payments under this section on an equal per-pupil
21 basis.

22 (4) The department shall make payments to districts under this
23 section according to the payment schedule under section 17b.

24 Sec. 25i. (1) From the general fund money appropriated in
25 section 11, there is allocated for ~~2020-2021~~**2021-2022** an amount
26 not to exceed \$2,000,000.00 for an eligible attendance recovery
27 program as described in subsection (3). The funds allocated under
28 this section must be used to administer an eligible attendance
29 recovery program for all districts that opt into the program to



1 serve eligible pupils described in subsection (2).

2 (2) A pupil who meets any of the following and who is enrolled
3 in a district that opts into the attendance recovery program funded
4 under this section is an eligible pupil under this section:

5 (a) The pupil did not engage in the district's remote
6 continuous education offerings in spring ~~2020~~.2021.

7 (b) The pupil needs intervention based on his or her absences
8 or consistent disengagement in classes.

9 (c) The pupil is in danger of failing 1 or more classes.

10 (d) The pupil is eligible under the McKinney-Vento
11 homelessness assistance act, Public Law 100-77, or is in foster
12 care.

13 (e) The pupil's family requires financial or social support.

14 (f) The pupil has disengaged in his or her education, is
15 attending school irregularly, or is not progressing in his or her
16 coursework.

17 (3) An attendance recovery program that meets all of the
18 following is an eligible attendance recovery program under this
19 section:

20 (a) Reflects experience and successful outcomes running
21 statewide student recovery programs.

22 (b) Has, at a minimum, 2 years of experience working with this
23 state's local education agencies.

24 (c) Has multimodal contact capabilities that include, but are
25 not limited to, a call center, ~~electronic mail~~, **email**, text,
26 social-media matching, and public service announcements.

27 (d) Reflects experience in assisting at-risk students in
28 overcoming learning barriers in a remote or online learning
29 environment.



1 (e) Has the ability to scale to provide outreach to at least
2 20,000 students before the end of ~~2020~~**2021**.

3 (4) The department shall choose and designate the provider of
4 the eligible attendance recovery program under this section by not
5 later than November 1, ~~2020~~**2021**. The provider chosen and
6 designated by the department under this subsection must do all of
7 the following:

8 (a) Work with the department to notify districts about the
9 program and provide technical assistance to districts interested in
10 opting in.

11 (b) Work with each district to obtain contact information for
12 each eligible pupil.

13 (c) Provide outreach using differentiated treatment strategies
14 to pupils and families using multiple modalities that may include
15 ~~phone, telephone, text, social media, electronic mail, email,~~ and
16 traditional mail, to find and engage eligible pupils.

17 (d) Implement a culturally and linguistically responsive
18 outreach and support plan. Elements of the plan must include
19 differentiated outreach and ongoing coaching strategies to families
20 to ensure cultural and linguistic relevance.

21 (e) Use information about barriers to engagement gathered from
22 pupils and families to assign eligible pupils to an ongoing support
23 level. Ongoing support levels described in this subdivision must
24 include a minimum of 3 support tiers following the general design
25 of response to intervention (RTI) models.

26 (f) For eligible pupils and their families, provide a coach to
27 deliver interventions in accordance with the pupil's needs and the
28 framework of his or her assigned ongoing support level.

29 (g) Report weekly to each district that has opted into the



1 program and to the department with metrics agreed upon by the
2 provider and the department.

3 (5) Notwithstanding section 17b, the department shall make
4 payments under this section by not later than December 1,
5 ~~2020-2021~~.

6 Sec. 26a. From the ~~funds~~ **state school aid fund money**
7 appropriated in section 11, there is allocated an amount not to
8 exceed \$15,300,000.00 for ~~2020-2021~~ **2021-2022** to reimburse
9 districts and intermediate districts under section 12 of the
10 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes
11 levied in ~~2020~~ **2021**. The department shall pay the allocations not
12 later than 60 days after the department of treasury certifies to
13 the department and to the state budget director that the department
14 of treasury has received all necessary information to properly
15 determine the amounts due to each eligible recipient.

16 Sec. 26b. (1) From the ~~appropriation~~ **state school aid fund**
17 **money appropriated** in section 11, there is allocated an amount not
18 to exceed \$4,645,000.00 for ~~2020-2021~~ **2021-2022** for payments to
19 districts, intermediate districts, and community college districts
20 for the portion of the payment in lieu of taxes obligation that is
21 attributable to districts, intermediate districts, and community
22 college districts under section 2154 of the natural resources and
23 environmental protection act, 1994 PA 451, MCL 324.2154.

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

28 Sec. 26c. (1) From the state school aid fund money
29 appropriated under section 11, there is allocated an amount not to



1 exceed ~~\$9,700,000.00 for 2020-2021~~ **\$13,800,000.00 for 2021-2022** to
2 the promise zone fund created in subsection (3). The funds
3 allocated under this section reflect the amount of revenue from the
4 collection of the state education tax captured under section 17 of
5 the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677.

6 (2) Funds allocated to the promise zone fund under this
7 section must be used solely for payments to eligible districts and
8 intermediate districts, in accordance with section 17 of the
9 Michigan promise zone authority act, 2008 PA 549, MCL 390.1677,
10 that have a promise zone development plan approved by the
11 department of treasury under section 7 of the Michigan promise zone
12 authority act, 2008 PA 549, MCL 390.1667. Eligible districts and
13 intermediate districts shall use payments made under this section
14 for reimbursement for qualified educational expenses as defined in
15 section 3 of the Michigan promise zone authority act, 2008 PA 549,
16 MCL 390.1663.

17 (3) The promise zone fund is created as a separate account
18 within the state school aid fund to be used solely for the purposes
19 of the Michigan promise zone authority act, 2008 PA 549, MCL
20 390.1661 to 390.1679. All of the following apply to the promise
21 zone fund:

22 (a) The state treasurer shall direct the investment of the
23 promise zone fund. The state treasurer shall credit to the promise
24 zone fund interest and earnings from fund investments.

25 (b) Money in the promise zone fund at the close of a fiscal
26 year remains in the promise zone fund and does not lapse to the
27 general fund.

28 (4) Subject to subsection (2), the state treasurer may make
29 payments from the promise zone fund to eligible districts and



1 intermediate districts under the Michigan promise zone authority
 2 act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used for the
 3 purposes of a promise zone authority created under that act.

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

7 **Sec. 26d. (1) From the state school aid fund money**
 8 **appropriated under section 11, there is allocated an amount not to**
 9 **exceed \$7,500,000.00 for 2021-2022 for reimbursements to**
 10 **intermediate districts as required under section 15b of the**
 11 **brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665b.**

12 (2) The amounts reimbursed under subsection (1) must be used
 13 by the intermediate district only for the purposes for which the
 14 property taxes were originally levied.

15 (3) The Michigan strategic fund and the Michigan economic
 16 development corporation shall work with the department of treasury
 17 in identifying the amount of tax revenues that are to be reimbursed
 18 under subsection (1).

19 (4) Notwithstanding section 17b, the department shall make
 20 payments under this section on a schedule determined by the
 21 department.

22 **Sec. 28. (1) To recognize differentiated instructional costs**
 23 **for different types of pupils in ~~2020-2021,~~ 2021-2022,** the
 24 following sections provide a weighted foundation allocation or an
 25 additional payment of some type in the following amounts, as
 26 allocated under those sections:

27 (a) Section 22d, isolated and rural districts,
 28 ~~\$7,000,000.00.~~ **\$7,342,700.00.**

29 (b) Section 31a, at risk, standard programming,



1 \$510,000,000.00.

2 (c) Section 31a, at risk, additional payment, \$12,000,000.00.

3 (d) Section 41, bilingual education for English language
4 learners, \$13,000,000.00.

5 (e) Section 51c, special education, mandated percentages,
6 ~~\$713,400,000.00~~ **\$733,000,000.00**.

7 (f) Section 51f, special education, additional percentages,
8 \$60,207,000.00.

9 (g) Section 61a, career and technical education, standard
10 reimbursement, \$37,611,300.00.

11 (h) Section 61d, career and technical education incentives,
12 \$5,000,000.00.

13 (2) The funding described in subsection (1) is not a separate
14 allocation of any funding but is instead a listing of funding
15 allocated in the sections listed in subsection (1).

16 Sec. 31a. (1) From the state school aid fund money
17 appropriated in section 11, there is allocated for ~~2020-2021~~ **2021-**
18 **2022** an amount not to exceed ~~\$535,150,000.00~~ **\$536,650,000.00** for
19 payments to eligible districts and eligible public school academies
20 for the purposes of ensuring that pupils are proficient in English
21 language arts by the end of grade 3, that pupils are proficient in
22 mathematics by the end of grade 8, that pupils are attending school
23 regularly, that high school graduates are career and college ready,
24 and for the purposes under subsections ~~(7)~~ **(6)** and ~~(8)~~ **(7)**.

25 (2) For a district that has combined state and local revenue
26 per membership pupil under section 20 that is greater than the
27 target foundation allowance under section 20 for the current fiscal
28 year and that, for the immediately preceding fiscal year, had
29 combined state and local revenue per membership pupil under section



1 20 that was greater than the target foundation allowance under
 2 section 20 that was in effect for that fiscal year, the allocation
 3 under ~~this section~~ **subsection (4)** is an amount equal to ~~30%~~ **35%** of
 4 the allocation for which it would otherwise be eligible under ~~this~~
 5 ~~section~~ **subsection (4)** before any proration under subsection ~~(14)~~.
 6 **(11)**. It is the intent of the legislature that, if revenues are
 7 sufficient and if districts with combined state and local revenue
 8 per membership pupil under section 20 that is below the target
 9 foundation allowance are receiving nonprorated payments under ~~this~~
 10 ~~section~~, **subsection (4)**, the percentage in the immediately
 11 preceding sentence must be increased annually until it reaches
 12 100%. If a district has combined state and local revenue per
 13 membership pupil under section 20 that is greater than the target
 14 foundation allowance under section 20 for the current fiscal year,
 15 but for the 2018-2019 fiscal year had combined state and local
 16 revenue per membership pupil under section 20 that was less than
 17 the basic foundation allowance under section 20 that was in effect
 18 for the 2018-2019 fiscal year, the district shall receive an amount
 19 per pupil equal to 11.5% of the statewide weighted average
 20 foundation allowance, as applied under subsection (4), and before
 21 any proration under subsection ~~(14)~~. **(11)**.

22 (3) For a district or public school academy to be eligible to
 23 receive funding under this section, other than funding under
 24 subsection ~~(7)~~ **(6)** or ~~(8)~~, **(7)**, the district or public school
 25 academy, for grades K to 12, must comply with the requirements
 26 under section 1280f of the revised school code, MCL 380.1280f, and
 27 shall use resources to address early literacy and numeracy, and for
 28 at least grades K to 12 or, if the district or public school
 29 academy does not operate all of grades K to 12, for all of the



1 grades it operates, must implement a multi-tiered system of
 2 supports that is an evidence based framework that uses data driven
 3 problem solving to integrate academic and behavioral instruction
 4 and that uses intervention delivered to all pupils in varying
 5 intensities based on pupil needs. The multi-tiered system of
 6 supports described in this subsection must provide at least all of
 7 the following essential components:

8 (a) Team-based leadership.

9 (b) A tiered delivery system.

10 (c) Selection and implementation of instruction,
 11 interventions, and supports.

12 (d) A comprehensive screening and assessment system.

13 (e) Continuous data-based decision making.

14 (4) From the funds allocated under subsection (1), there is
 15 allocated for ~~2020-2021~~**2021-2022** an amount not to exceed
 16 \$510,000,000.00 to continue a weighted foundation per pupil payment
 17 for districts and public school academies enrolling economically
 18 disadvantaged pupils. The department shall pay under this ~~section~~
 19 **subsection** to each eligible district or eligible public school
 20 academy an amount per pupil equal to 11.5% of the statewide
 21 weighted average foundation allowance for the following, as
 22 applicable:

23 (a) Except as otherwise provided under subdivision (b), (c),
 24 or (d) the greater of the following:

25 (i) The number of membership pupils in the district or public
 26 school academy who are determined to be economically disadvantaged,
 27 as reported to the center in the form and manner prescribed by the
 28 center not later than the fifth Wednesday after the pupil
 29 membership count day of the immediately preceding fiscal year.



1 (ii) If the district or public school academy is in the
2 community eligibility program, the number of pupils determined to
3 be eligible based on the product of the identified student
4 percentage multiplied by the total number of pupils in the district
5 or public school academy, as reported to the center in the form and
6 manner prescribed by the center not later than the fifth Wednesday
7 after the pupil membership count day of the immediately preceding
8 fiscal year. These calculations must be made at the building level.
9 This subparagraph only applies to an eligible district or eligible
10 public school academy for the fiscal year immediately following the
11 first fiscal year in which it is in the community eligibility
12 program. As used in this subparagraph, "identified student
13 percentage" means the quotient of the number of pupils in an
14 eligible district or eligible public school academy who are
15 determined to be economically disadvantaged, as reported to the
16 center in a form and manner prescribed by the center, not later
17 than the fifth Wednesday after the pupil membership count day in
18 the fiscal year preceding the first fiscal year in which the
19 eligible district or eligible public school academy is in the
20 community eligibility program, divided by the total number of
21 pupils counted in an eligible district or eligible public school
22 academy on the pupil membership count day in the fiscal year
23 preceding the first fiscal year in which the eligible district or
24 eligible public school academy is in the community eligibility
25 program.

26 (b) If the district or public school academy began operations
27 as a district or public school academy after the pupil membership
28 count day of the immediately preceding school year, the number of
29 membership pupils in the district or public school academy who are



1 determined to be economically disadvantaged, as reported to the
2 center in the form and manner prescribed by the center not later
3 than the fifth Wednesday after the pupil membership count day of
4 the current fiscal year.

5 (c) If the district or public school academy began operations
6 as a district or public school academy after the pupil membership
7 count day of the current fiscal year, the number of membership
8 pupils in the district or public school academy who are determined
9 to be economically disadvantaged, as reported to the center in the
10 form and manner prescribed by the center not later than the fifth
11 Wednesday after the supplemental count day of the current fiscal
12 year.

13 (d) If, for a particular fiscal year, the number of membership
14 pupils in a district or public school academy who are determined
15 under subdivision (a) to be economically disadvantaged or to be
16 eligible based on the identified student percentage varies by more
17 than 20 percentage points from the number of those pupils in the
18 district or public school academy as calculated under subdivision
19 (a) for the immediately preceding fiscal year caused by an
20 egregious reporting error by the district or public school academy,
21 the department may choose to have the calculations under
22 subdivision (a) instead be made using the number of membership
23 pupils in the district or public school academy who are determined
24 to be economically disadvantaged, as reported to the center in the
25 form and manner prescribed by the center not later than the fifth
26 Wednesday after the supplemental count day of the immediately
27 preceding fiscal year.

28 (5) ~~Except as otherwise provided in this section, a district~~
29 ~~or public school academy receiving funding under this section shall~~



1 ~~use that money only to provide instructional programs and direct~~
 2 ~~noninstructional services, including, but not limited to, medical,~~
 3 ~~mental health, or counseling services, for at-risk pupils; for~~
 4 ~~school health clinics; and for the purposes of subsection (6), (7),~~
 5 ~~or (8). In addition, a district that is a school district of the~~
 6 ~~first class or a district or public school academy in which at~~
 7 ~~least 50% of the pupils in membership were determined to be~~
 8 ~~economically disadvantaged in the immediately preceding state~~
 9 ~~fiscal year, as determined and reported as described in subsection~~
 10 ~~(4), may use not more than 20% of the funds it receives under this~~
 11 ~~section for school security that aligns to the needs assessment and~~
 12 ~~the multi-tiered system of supports model. A district or public~~
 13 ~~school academy shall not use any of that~~ **the money received under**
 14 **this section** for administrative costs. ~~The instruction or direct~~
 15 ~~noninstructional services provided under this section may be~~
 16 ~~conducted before or after regular school hours or by adding extra~~
 17 ~~school days to the school year.~~

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

26 ~~(6) (7)~~ **(6)** ~~(7)~~ From the funds allocated under subsection (1), there
 27 is allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
 28 \$8,000,000.00 to support primary health care services provided to
 29 children and adolescents up to age 21. These funds must be expended



1 in a form and manner determined jointly by the department and the
 2 department of health and human services. If any funds allocated
 3 under this subsection are not used for the purposes of this
 4 subsection for the fiscal year in which they are allocated, those
 5 unused funds must be used that fiscal year to avoid or minimize any
 6 proration that would otherwise be required under subsection ~~(14)~~
 7 **(11)** for that fiscal year.

8 **(7)** ~~(8)~~—From the funds allocated under subsection (1), there
 9 is allocated for ~~2020–2021~~ **2021–2022** an amount not to exceed
 10 ~~\$5,150,000.00~~ **\$6,650,000.00** for the state portion of the hearing,
 11 ~~and vision, and dental~~ screenings as described in ~~section 9301~~ **part**
 12 **93** of the public health code, 1978 PA 368, MCL 333.9301 **to**
 13 **333.9329**. A local public health department shall pay at least 50%
 14 of the total cost of the screenings. The frequency of the **vision**
 15 screenings must be as required under R 325.13091 to R 325.13096 and
 16 **the frequency of the hearing screenings must be as required under** R
 17 325.3271 to R 325.3276 of the Michigan Administrative Code. Funds
 18 must be awarded in a form and manner approved jointly by the
 19 department and the department of health and human services.
 20 Notwithstanding section 17b, the department shall make payments to
 21 eligible entities under this subsection on a schedule determined by
 22 the department.

23 **(8)** ~~(9)~~—Each district or public school academy receiving funds
 24 under this section shall submit to the department by July 15 of
 25 each fiscal year a report, in the form and manner prescribed by the
 26 department, that includes a brief description of each program
 27 conducted or services performed by the district or public school
 28 academy using funds under this section, the amount of funds under
 29 this section allocated to each of those programs or services, the



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

15 (9) ~~(10)~~—In order to receive funds under this section, a
 16 district or public school academy must allow access for the
 17 department or the department's designee to audit all records
 18 related to the program for which it receives those funds. The
 19 district or public school academy shall reimburse the state for all
 20 disallowances found in the audit.

21 ~~(11) Subject to subsections (6), (7), and (8), for schools in~~
 22 ~~which more than 40% of pupils are identified as at risk, a district~~
 23 ~~or public school academy may use the funds it receives under this~~
 24 ~~section to implement tier 1, evidence-based practices in schoolwide~~
 25 ~~reforms that are guided by the district's comprehensive needs~~
 26 ~~assessment and are included in the district improvement plan.~~
 27 ~~Schoolwide reforms must include parent and community supports,~~
 28 ~~activities, and services, that may include the pathways to~~
 29 ~~potential program created by the department of health and human~~



1 ~~services or the communities in schools program. As used in this~~
 2 ~~subsection, "tier 1, evidence-based practices" means research based~~
 3 ~~instruction and classroom interventions that are available to all~~
 4 ~~learners and effectively meet the needs of most pupils.~~

5 ~~(12) A district or public school academy that receives funds~~
 6 ~~under this section may use up to 7.5% of those funds to provide~~
 7 ~~research based professional development and to implement a coaching~~
 8 ~~model that supports the multi-tiered system of supports framework.~~
 9 ~~Professional development may be provided to district and school~~
 10 ~~leadership and teachers and must be aligned to professional~~
 11 ~~learning standards; integrated into district, school building, and~~
 12 ~~classroom practices; and solely related to the following:~~

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

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

18 ~~(10) (13) A district or public school academy that receives~~
 19 ~~funds under this section~~ **subsections (4) or (13)** ~~may use funds~~
 20 ~~received under this section to~~ **subsections (4) or (13) for** ~~support~~
 21 ~~instructional or behavioral coaches. Funds used for this purpose~~
 22 ~~are not subject to the cap under subsection (12).~~ **staff providing**
 23 **services to at-risk pupils.**

24 ~~(11) (14) If necessary, and before any proration required~~
 25 ~~under section 296, the department shall prorate payments under this~~
 26 ~~section, except payments under subsection (7), (8), or (16), (6),~~
 27 ~~(7), or (13), by reducing the amount of the allocation as otherwise~~
 28 ~~calculated under this section by an equal percentage per district.~~

29 ~~(12) (15) If a district is dissolved pursuant to section 12 of~~



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

8 **(13)** ~~(16)~~ From the funds allocated under subsection (1), there
 9 is allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
 10 \$12,000,000.00 for payments to districts and public school
 11 academies that otherwise received an allocation under this
 12 subsection for ~~2019-2020~~ **2020-2021** and whose allocation under this
 13 section for ~~2019-2020~~ **2020-2021**, excluding any payments under
 14 subsection ~~(7) or (8)~~ **(6) or (7)**, would have been more than the
 15 district's or public school academy's allocation under this section
 16 for ~~2020-2021~~ **2021-2022** as calculated under subsection (4) only and
 17 as adjusted under subsection ~~(14)~~ **(11)**. The allocation for each
 18 district or public school academy under this subsection is an
 19 amount equal to its allocation under this section for ~~2019-2020~~
 20 **2020-2021** minus its allocation as otherwise calculated under
 21 subsection (4) for ~~2020-2021~~ **2021-2022** as adjusted by subsection
 22 ~~(14)~~ **(11)**, using in those calculations the 2017-2018 number of
 23 pupils determined to be economically disadvantaged. However, if the
 24 allocation as otherwise calculated under this subsection would have
 25 been less than \$0.00, the allocation under this subsection is
 26 \$0.00. If necessary, and before any proration required under
 27 section 296, the department shall prorate payments under this
 28 subsection by reducing the amount of the allocation as otherwise
 29 calculated under this subsection by an equal percentage per



1 district or public school academy. Any unexpended funds under this
 2 subsection are to be distributed through payments made under
 3 subsection (4) as provided under subsection (4), but those funds
 4 must not be factored into calculating payments under this
 5 subsection.

6 ~~(17) A district or public school academy that receives funds~~
 7 ~~under this section may use funds received under this section to~~
 8 ~~provide an anti-bullying or crisis intervention program.~~

9 **(14)** ~~(18)~~—The department shall collaborate with the department
 10 of health and human services to prioritize assigning Pathways to
 11 Potential Success coaches to elementary schools that have a high
 12 percentage of pupils in grades K to 3 who are not proficient in
 13 English language arts, based upon state assessments for pupils in
 14 those grades.

15 **(15)** ~~(19)~~—As used in this section:

16 (a) "At-risk pupil" means a pupil in grades ~~K~~**pre-K** to 12 for
 17 whom the district has documentation that the pupil meets any of the
 18 following criteria:

19 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

29 (viii) The pupil did not complete high school in 4 years and is



1 still continuing in school as identified in the Michigan cohort
2 graduation and dropout report.

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

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

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

18 (c) "English language learner" means limited English
19 proficient pupils who speak a language other than English as their
20 primary language and have difficulty speaking, reading, writing, or
21 understanding English as reported to the center.

22 (d) "Statewide weighted average foundation allowance" means
23 the number that is calculated by adding together the result of each
24 district's or public school academy's foundation allowance, not to
25 exceed the target foundation allowance for the current fiscal year,
26 or per-pupil payment calculated under section 20 multiplied by the
27 number of pupils in membership in that district or public school
28 academy, and then dividing that total by the statewide number of
29 pupils in membership.



1 Sec. 31b. (1) From the state school aid fund money
2 appropriated in section 11, there is allocated an amount not to
3 exceed \$25,000,000.00 for 2021-2022 for competitive grants to
4 eligible districts to implement a balanced calendar instructional
5 program in at least 1 school operated by the eligible district. An
6 eligible district may receive only 1 grant under this section for
7 each school operated by the eligible district that will implement a
8 balanced calendar instructional program.

9 (2) A district to which both of the following apply is an
10 eligible district under this section:

11 (a) The board of the district has adopted a resolution stating
12 that the district will implement, for the first time, a balanced
13 calendar instructional program beginning with the 2022-2023 school
14 year for each school operated by the district for which it is
15 seeking funding under this section.

16 (b) The district pledges to provide the balanced calendar
17 instructional program in each school described in subdivision (a)
18 for at least 5 consecutive school years.

19 (3) A district seeking a grant under this section must apply
20 for the grant to the department, in a form and manner prescribed by
21 the department, by not later than December 1, 2021. The department
22 shall select the districts that will receive grants under this
23 section and provide notice of its selections by not later than
24 February 1, 2022.

25 (4) The department shall award grants under this section on a
26 competitive basis, but shall place priority on providing funding
27 under this section to schools operated by districts that have not
28 already received a grant under this section.

29 (5) For each school operated by the eligible district for



1 which the eligible district requests funding under this section,
2 the department shall award a grant to each eligible district in an
3 amount that does not exceed \$150,000.00.

4 (6) An eligible district that receives funding under this
5 section shall ensure that the funding is only used for either of
6 the following:

7 (a) Any necessary modifications to instructional facilities of
8 the eligible district, as approved by the department.

9 (b) Nonrecurring costs related to preparing for the operation
10 of a balanced calendar instructional program, as approved by the
11 department.

12 (7) An eligible district that receives funding under this
13 section is not required to provide a number of hours and days of
14 pupil instruction to pupils that is greater than the minimum number
15 of hours and days of pupil instruction required under section
16 101(3), but shall spread at least 1,098 hours and 180 days of the
17 pupil instruction it provides to pupils throughout the entire
18 school year in each of the schools it operates in which a balanced
19 calendar instructional program is being implemented and for which
20 it received funding under this section.

21 (8) For an eligible district that receives funding under this
22 section, excessive heat is considered to be a condition not within
23 the control of school authorities under section 101(4).

24 (9) If an eligible district that receives funding under this
25 section does not provide a balanced calendar instructional program
26 in each school described in subsection (2)(a) for at least 5
27 consecutive school years, the eligible district will be required to
28 refund the department in the proportionate amount it received under
29 this section for the fiscal year ending September 30, 2022 for each



1 school described in subsection (2) (a) operated by the district that
2 did not provide a balanced calendar instructional program for at
3 least 5 consecutive school years for each year that the school did
4 not provide the program as described in this sentence. As used in
5 this subsection, "proportionate amount" means 1/5 of the amount
6 that the eligible district received under this section for the
7 fiscal year ending September 30, 2022 for a school described in
8 subsection (2) (a) operated by the district that did not provide a
9 balanced calendar instructional program for at least 5 consecutive
10 school years.

11 (10) Notwithstanding section 17b, the department shall make
12 grant payments to districts under this section on a schedule
13 determined by the department.

14 Sec. 31d. (1) From the appropriations in section 11, there is
15 allocated an amount not to exceed ~~\$23,144,000.00 for 2020-2021~~
16 **\$23,838,400.00 for 2021-2022** for the purpose of making payments to
17 districts and other eligible entities under this section.

18 (2) The amounts allocated from state sources under this
19 section are used to pay the amount necessary to reimburse districts
20 for 6.0127% of the necessary costs of the state mandated portion of
21 lunch programs provided by those districts. The department shall
22 calculate the amount due to each district under this section using
23 the methods of calculation adopted by the Michigan supreme court in
24 the consolidated cases known as *Durant v State of Michigan*, 456
25 Mich 175 (1997).

26 (3) The payments made under this section include all state
27 payments made to districts so that each district receives at least
28 6.0127% of the necessary costs of operating the state mandated
29 portion of the lunch program in a fiscal year.



1 (4) The payments made under this section to districts and
 2 other eligible entities that are not required under section 1272a
 3 of the revised school code, MCL 380.1272a, to provide a lunch
 4 program must ~~, except for in 2020-2021,~~ be in an amount not to
 5 exceed \$10.00 per eligible pupil plus 5 cents for each free lunch
 6 and 2 cents for each reduced price lunch provided, as determined by
 7 the department. ~~For 2020-2021 only, the amount described in this~~
 8 ~~subsection is not to exceed \$10.00 per eligible pupil plus 5 cents~~
 9 ~~for each lunch provided, as determined by the department.~~

10 (5) From the federal funds appropriated in section 11, there
 11 is allocated ~~for 2020-2021 all available federal funding, estimated~~
 12 ~~at \$545,000,000.00 for 2021-2022 all available federal funding,~~
 13 **estimated at \$545,000,000.00**, for child nutrition programs and all
 14 available federal funding, estimated at ~~\$5,000,000.00~~
 15 **\$11,000,000.00**, for food distribution programs.

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

19 (7) In purchasing food for a lunch program funded under this
 20 section, a district or other eligible entity shall give preference
 21 to food that is grown or produced by Michigan businesses if it is
 22 competitively priced and of comparable quality.

23 Sec. 31f. (1) From the ~~appropriations~~ **state school aid fund**
 24 **money appropriated** in section 11, there is allocated an amount not
 25 to exceed ~~\$4,500,000.00 for 2020-2021~~ **\$11,900,000.00 for 2021-2022**
 26 for the purpose of making payments to districts to reimburse for
 27 the cost of providing breakfast.

28 (2) The funds allocated under this section for school
 29 breakfast programs are made available to all eligible applicant



1 districts that meet all of the following criteria:

2 (a) The district participates in the federal school breakfast
3 program and meets all standards as prescribed by 7 CFR parts 210,
4 220, 225, 226, and 245.

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

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

14 (4) Notwithstanding section 17b, the department may make
15 payments under this section pursuant to an agreement with the
16 department.

17 (5) In purchasing food for a school breakfast program funded
18 under this section, a district shall give preference to food that
19 is grown or produced by Michigan businesses if it is competitively
20 priced and of comparable quality.

21 Sec. 31m. (1) The school mental health and support services
22 fund is created as a separate account within the state school aid
23 fund.

24 (2) The state treasurer may receive money or other assets from
25 any source for deposit into the school mental health and support
26 services fund. The state treasurer shall direct the investment of
27 the school mental health and support services fund and shall credit
28 to the school mental health and support services fund interest and
29 earnings from the school mental health and support services fund.



1 (3) Money available in the school mental health and support
 2 services fund ~~shall~~**must** not be expended without a specific
 3 appropriation.

4 (4) Money in the school mental health and support services
 5 fund at the close of the fiscal year ~~shall remain in the school~~
 6 ~~mental health and support services fund and shall not lapse~~**lapses**
 7 to the state school aid fund. ~~or to the general fund.~~ The
 8 department of treasury shall be the administrator of the school
 9 mental health and support services fund for auditing purposes.

10 (5) For the fiscal year ending September 30, 2018,
 11 \$30,000,000.00 from the state school aid fund shall be deposited
 12 into the school mental health and support services fund to be used
 13 to support efforts to improve mental health and support services
 14 for K-12 pupils in this state, including, but not limited to,
 15 improved access to counseling services, educational awareness
 16 programs, and enhanced mental health and clinical services.

17 Sec. 31n. (1) From the state school aid fund money
 18 appropriated in section 11, there is allocated for ~~2020-2021-2021-~~
 19 **2022** for the purposes of this section an amount not to exceed
 20 ~~\$55,600,000.00~~**\$39,850,000.00** and from the general fund money
 21 appropriated in section 11, there is allocated for ~~2020-2021-2021-~~
 22 **2022** for the purposes of this section an amount not to exceed
 23 \$1,300,000.00. The department and the department of health and
 24 human services shall continue a program to distribute this funding
 25 to add licensed behavioral health providers for general education
 26 pupils, and shall continue to seek federal Medicaid match funding
 27 for all eligible mental health and support services.

28 (2) The department and the department of health and human
 29 services shall maintain an advisory council for programs funded



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

15 (3) The advisory council shall develop a fiduciary agent
16 checklist for intermediate districts to facilitate development of a
17 plan to submit to the department and to the department of health
18 and human services. The department and department of health and
19 human services shall determine the requirements and format for
20 intermediate districts to submit a plan for possible funding under
21 subsection (5). The department shall make applications for funding
22 for this program available to districts and intermediate districts
23 not later than December 1, ~~2020-2021~~ for the ~~2020-2021-2021-2022~~
24 fiscal year and shall award the funding not later than February 1,
25 ~~2021-2022~~ for the ~~2020-2021-2021-2022~~ fiscal year.

26 (4) The department of health and human services shall seek to
27 amend the state Medicaid plan or obtain appropriate Medicaid
28 waivers as necessary for the purpose of generating additional
29 Medicaid match funding for school mental health and support



1 services for general education pupils. The intent is that a
 2 successful state plan amendment or other Medicaid match mechanisms
 3 will result in additional federal Medicaid match funding for both
 4 the new funding allocated under this section and for any expenses
 5 already incurred by districts and intermediate districts for mental
 6 health and support services for general education pupils.

7 (5) From the state school aid fund money allocated under
 8 subsection (1), there is allocated for ~~2020-2021~~**2021-2022** an
 9 amount not to exceed ~~\$9,300,000.00~~**\$13,550,000.00** to be distributed
 10 to the network of child and adolescent health centers to place a
 11 licensed master's level behavioral health provider in schools that
 12 do not currently have services available to general education
 13 students. Child and adolescent health centers that are part of the
 14 network described in this subsection shall provide a commitment to
 15 maintain services and implement all available federal Medicaid
 16 match methodologies. The department of health and human services
 17 shall use all existing or additional federal Medicaid match
 18 opportunities to maximize funding allocated under this subsection.
 19 The department shall provide funds under this subsection to child
 20 and adolescent health centers that are part of the network
 21 described in this subsection in the same proportion that funding
 22 under section 31a(7) is provided to child and adolescent health
 23 centers that are part of the network described in this subsection
 24 and that are located and operating in those districts. A payment
 25 from funding allocated under this subsection must not be paid to an
 26 entity that is not part of the network described in this
 27 subsection.

28 (6) From the state school aid fund money allocated under
 29 subsection (1), there is allocated for ~~2020-2021~~**2021-2022** an



1 amount not to exceed ~~\$45,800,000.00~~ **\$25,800,000.00** to be
 2 distributed to intermediate districts for the provision of mental
 3 health and support services to general education students. From the
 4 funds allocated under this subsection, the department shall
 5 distribute ~~\$817,800.00~~ **\$460,700.00** for ~~2020-2021~~ **2021-2022** to each
 6 intermediate district that submits a plan approved by the
 7 department and the department of health and human services. The
 8 department and department of health and human services shall work
 9 cooperatively in providing oversight and assistance to intermediate
 10 districts during the plan submission process and shall monitor the
 11 program upon implementation. An intermediate district shall use
 12 funds awarded under this subsection to provide funding to its
 13 constituent districts, including public school academies that are
 14 considered to be constituent districts under section 705(7) of the
 15 revised school code, MCL 380.705, for the provision of mental
 16 health and support services to general education students. In
 17 addition to the criteria identified under subsection (7), an
 18 intermediate district shall consider geography, cost, or other
 19 challenges when awarding funding to its constituent districts. ~~For~~
 20 ~~2020-2021 only, even if grants under this subsection have already~~
 21 ~~been received by constituent districts of an intermediate district~~
 22 ~~under this subsection, the intermediate district may award~~
 23 ~~additional grants to its constituent districts from funding~~
 24 ~~allocated through the amendatory act that added this sentence,~~
 25 ~~based on applications as described in subsection (7) that have~~
 26 ~~already been submitted for the fiscal year, and, if a constituent~~
 27 ~~district did not apply for initial grants as described in~~
 28 ~~subsection (7) before the effective date of the amendatory act that~~
 29 ~~added this sentence and asks to apply for the additional grants~~



1 ~~described in this sentence, the intermediate district must allow~~
2 ~~the constituent district to submit an application for the~~
3 ~~additional grant funding.~~ If funding awarded to an intermediate
4 district remains after funds are provided by the intermediate
5 district to its constituent districts, the intermediate district
6 may hire or contract for experts to provide mental health and
7 support services to general education students residing within the
8 boundaries of the intermediate district, including, but not limited
9 to, expanding, hiring, or contracting for staff and experts to
10 provide those services directly or to increase access to those
11 services through coordination with outside mental health agencies.

12 (7) A district requesting funds under this section from the
13 intermediate district in which it is located shall submit an
14 application for funding for the provision of mental health and
15 support services to general education pupils. A district receiving
16 funding from the application process described in this subsection
17 shall provide services to nonpublic students upon request. An
18 intermediate district shall not discriminate against an application
19 submitted by a public school academy simply on the basis of the
20 applicant being a public school academy. The department shall
21 approve grant applications based on the following criteria:

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

25 (b) The district's commitment to work with its intermediate
26 district to use funding it receives under this section that is
27 spent by the district for general education pupils toward
28 participation in federal Medicaid match methodologies. A district
29 must provide a local match of at least 20% of the funding allocated



1 to the district under section 31n.

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

5 (d) The extent of the district's existing partnerships with
6 community health care providers or the ability of the district to
7 establish such partnerships.

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

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

13 (g) Whether the district will participate in ongoing
14 trainings.

15 (h) Whether the district will submit an annual report to the
16 state.

17 (i) Whether the district demonstrates a willingness to work
18 with the state to establish program and service delivery
19 benchmarks.

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

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

24 (8) Funding under this section, including any federal Medicaid
25 funds that are generated, must not be used to supplant existing
26 services.

27 (9) Both of the following are allocated to the department of
28 health and human services from the general fund money allocated
29 under subsection (1):



1 (a) For ~~2020-2021,~~ **2021-2022**, an amount not to exceed
2 \$1,000,000.00 for the purpose of upgrading technology and systems
3 infrastructure and other administrative requirements to support the
4 programs funded under this section.

5 (b) For ~~2020-2021,~~ **2021-2022**, an amount not to exceed
6 \$300,000.00 for the purpose of administering the programs under
7 this section and working on generating additional Medicaid funds as
8 a result of programs funded under this section.

9 (10) From the state school aid fund money allocated under
10 subsection (1), there is allocated for ~~2020-2021-~~ **2021-2022** an
11 amount not to exceed \$500,000.00 to intermediate districts on an
12 equal per intermediate district basis for the purpose of
13 administering programs funded under this section.

14 (11) The department and the department of health and human
15 services shall work with the advisory council to develop proposed
16 measurements of outcomes and performance. Those measurements must
17 include, at a minimum, the number of pupils served, the number of
18 schools served, and where those pupils and schools were located.
19 The department and the department of health and human services
20 shall compile data necessary to measure outcomes and performance,
21 and districts and intermediate districts receiving funding under
22 this section shall provide data requested by the department and
23 department of health and human services for the measurement of
24 outcomes and performance. The department and department of health
25 and human services shall provide an annual report not later than
26 December 1 of each year to the house and senate appropriations
27 subcommittees on ~~state~~-school aid and health and human services, to
28 the house and senate fiscal agencies, and to the state budget
29 director. At a minimum, the report must include measurements of



1 outcomes and performance, proposals to increase efficacy and
 2 usefulness, proposals to increase performance, and proposals to
 3 expand coverage.

4 (12) ~~Beginning with 2018-2019, a~~ **A** district or intermediate
 5 district that receives funding directly or indirectly under this
 6 section may carry over any unexpended funds received under this
 7 section for up to 2 fiscal years beyond the fiscal year in which
 8 the funds were received.

9 Sec. 32d. (1) From the funds appropriated in section 11, there
 10 is allocated to eligible intermediate districts and consortia of
 11 intermediate districts for great start readiness programs an amount
 12 not to exceed ~~\$249,600,000.00~~ **\$281,100,000.00** for ~~2020-2021.~~ **2021-**
 13 **2022**. An intermediate district or consortium shall use funds
 14 allocated under this section for great start readiness programs to
 15 provide part-day, school-day, or GSRP/Head Start blended
 16 comprehensive free compensatory classroom programs designed to
 17 improve the readiness and subsequent achievement of educationally
 18 disadvantaged children who meet the participant eligibility and
 19 prioritization guidelines as defined by the department. For a child
 20 to be eligible to participate in a program under this section, the
 21 child must be at least 4, but less than 5, years of age as of
 22 September 1 of the school year in which the program is offered and
 23 must meet those eligibility and prioritization guidelines. A child
 24 who is not 4 years of age as of September 1, but who will be 4
 25 years of age not later than December 1, is eligible to participate
 26 if the child's parent or legal guardian seeks a waiver from the
 27 September 1 eligibility date by submitting a request for enrollment
 28 in a program to the responsible intermediate district, if the
 29 program has capacity on or after September 1 of the school year,



1 and if the child meets eligibility and prioritization guidelines.

2 (2) From the funds allocated under subsection (1), an amount
 3 not to exceed ~~\$247,600,000.00~~ **\$279,100,000.00** is allocated to
 4 intermediate districts or consortia of intermediate districts based
 5 on the formula in section 39. An intermediate district or
 6 consortium of intermediate districts receiving funding under this
 7 section shall act as the fiduciary for the great start readiness
 8 programs. In order to be eligible to receive funds allocated under
 9 this subsection from an intermediate district or consortium of
 10 intermediate districts, a district, a consortium of districts, or a
 11 public or private for-profit or nonprofit legal entity or agency
 12 must comply with this section and section 39.

13 (3) In addition to the allocation under subsection (1), from
 14 the general fund money appropriated under section 11, there is
 15 allocated an amount not to exceed \$350,000.00 for ~~2020-2021~~ **2021-**
 16 **2022** for a competitive grant to continue a longitudinal evaluation
 17 of children who have participated in great start readiness
 18 programs. ~~This evaluation must include, to the extent, for 2020-~~
 19 ~~2021, that data from the kindergarten readiness assessment are~~
 20 ~~available, a comparative analysis of the relationship between great~~
 21 ~~start readiness programs and performance on the kindergarten~~
 22 ~~readiness assessment funded under section 104. The evaluation must~~
 23 ~~use children wait-listed under this section for comparison, must~~
 24 ~~include a determination of the specific great start readiness~~
 25 ~~program in which the kindergarten students were enrolled and~~
 26 ~~attended in the previous school year, and must, to the extent, for~~
 27 ~~2020-2021, that data from the Michigan kindergarten entry~~
 28 ~~observation tool are available, analyze Michigan kindergarten entry~~
 29 ~~observation tool scores for students taking the Michigan~~



1 ~~kindergarten entry observation tool each year and produce a report~~
2 ~~as required under section 104. The performance data on the~~
3 ~~kindergarten readiness assessment must be submitted to the center~~
4 ~~at the same time as the fall Michigan student data system~~
5 ~~collection. The responsibility for the analysis required under this~~
6 ~~subsection may be added to the requirements that the department~~
7 ~~currently has with its competitively designated current grantee.~~

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

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

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

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

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

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

28 (f) Active and continuous involvement of the parents or
29 guardians of the program participants.



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

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

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

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

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

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

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



1 that there are no children on the waiting list who live with
2 families with a household income that is equal to or less than 250%
3 of the federal poverty guidelines, the intermediate district may
4 then enroll children who live with families with a household income
5 that is equal to or less than 300% of the federal poverty
6 guidelines. The enrollment process must consider income and risk
7 factors, such that children determined with higher need are
8 enrolled before children with lesser need. For purposes of this
9 subdivision, ~~and subsection (27)~~, all age-eligible children served
10 in foster care or who are experiencing homelessness or who have
11 individualized education programs recommending placement in an
12 inclusive preschool setting are considered to live with families
13 with household income equal to or less than 250% of the federal
14 poverty guidelines regardless of actual family income and are
15 prioritized for enrollment 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 **recognized by any state** with an
20 early childhood ~~(ZA or ZS)~~ **or lower elementary** endorsement, ~~or a~~
21 bachelor's or higher degree in child development or early childhood
22 education with specialization in preschool teaching, **or at least 5**
23 **years of experience as a paraprofessional**. However, if an applicant
24 demonstrates to the department that it is unable to fully comply
25 with this subparagraph after making reasonable efforts to comply,
26 teachers who have significant but incomplete training in early
27 childhood education or child development may be used if the
28 applicant provides to the department, and the department approves,
29 a plan for each teacher to come into compliance with the standards



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

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

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



1 children eligible for a federally funded preschool program that has
2 the capacity to serve those children.

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

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

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

18 (9) An intermediate district or consortium of intermediate
19 districts may retain for administrative services provided by the
20 intermediate district or consortium of intermediate districts an
21 amount not to exceed 4% of the grant amount. Expenses incurred by
22 subrecipients engaged by the intermediate district or consortium of
23 intermediate districts for directly running portions of the program
24 are considered program costs or a contracted program fee for
25 service. Subrecipients operating with a federally approved indirect
26 rate for other early childhood programs may include indirect costs,
27 not to exceed the federal 10% de minimis.

28 (10) An intermediate district or consortium of intermediate
29 districts may expend not more than 2% of the total grant amount for



1 outreach, recruiting, and public awareness of the program.

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

28 (12) An intermediate district or consortium of intermediate
29 districts receiving a grant under this section shall allow parents



1 of eligible children who are residents of the intermediate district
2 or within the consortium to choose a program operated by or
3 contracted with another intermediate district or consortium of
4 intermediate districts and shall enter into a written agreement
5 regarding payment, in a manner prescribed by the department.

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



1 able to use this exemption, the intermediate district or consortium
2 shall demonstrate to the department that the intermediate district
3 or consortium increased the percentage of its total allocation for
4 which it contracts with a community-based provider and the
5 intermediate district or consortium shall submit evidence
6 satisfactory to the department, and the department must be able to
7 verify this evidence, demonstrating that the intermediate district
8 or consortium took measures to contract for at least 30% of its
9 total allocation as required under this subsection, including, but
10 not limited to, at least all of the following measures:

11 (a) The intermediate district or consortium notified each
12 nonparticipating licensed child care center located in the service
13 area of the intermediate district or consortium regarding the
14 center's eligibility to participate, in a manner prescribed by the
15 department.

16 (b) The intermediate district or consortium provided to each
17 nonparticipating licensed child care center located in the service
18 area of the intermediate district or consortium information
19 regarding great start readiness program requirements and a
20 description of the application and selection process for community-
21 based providers.

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

26 (14) If an intermediate district or consortium of intermediate
27 districts receiving a grant under this section fails to submit
28 satisfactory evidence to demonstrate its effort to contract for at
29 least 30% of its total allocation, as required under subsection



1 (13), the department shall reduce the allocation to the
2 intermediate district or consortium by a percentage equal to the
3 difference between the percentage of an intermediate district's or
4 consortium's total allocation awarded to community-based providers
5 and 30% of its total allocation.

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

10 (a) Ensure that a great start resource center or the
11 department provides each intermediate district or consortium
12 receiving a grant under this section with the contact information
13 for each licensed child care center located in the service area of
14 the intermediate district or consortium by March 1 of each year.

15 (b) Provide, or ensure that an organization with which the
16 department contracts provides, a community-based provider with a
17 validated great start to quality rating within 90 days of the
18 provider's having submitted a request and self-assessment.

19 (c) Ensure that all intermediate district, district, community
20 college or university, Head Start grantee or delegate, private for-
21 profit, and private nonprofit providers are subject to a single
22 great start to quality rating system. The rating system must ensure
23 that regulators process all prospective providers at the same pace
24 on a first-come, first-served basis and must not allow 1 type of
25 provider to receive a great start to quality rating ahead of any
26 other type of provider.

27 (d) Not later than March 1 of each year, compile the results
28 of the information reported by each intermediate district or
29 consortium under subsection (13) and report to the legislature a



1 list by intermediate district or consortium with the number and
 2 percentage of each intermediate district's or consortium's total
 3 allocation allocated to community-based providers by provider type,
 4 including private for-profit, private nonprofit, community college
 5 or university, Head Start grantee or delegate, and district or
 6 intermediate district.

7 (16) A recipient of funds under this section shall report to
 8 the center in a form and manner prescribed by the center the
 9 information necessary to derive the number of children
 10 participating in the program who meet the program eligibility
 11 criteria under subsection (5) (b), ~~subject to subsection (27),~~ the
 12 number of eligible children not participating in the program and on
 13 a waitlist, and the total number of children participating in the
 14 program by various demographic groups and eligibility factors
 15 necessary to analyze equitable and priority access to services for
 16 the purposes of subsection (3).

17 (17) As used in this section:

18 (a) "GSRP/Head Start blended program" ~~, except as otherwise~~
 19 ~~provided in this section,~~ means a part-day program funded under
 20 this section and a Head Start program, which are combined for a
 21 school-day program.

22 (b) "Federal poverty guidelines" means the guidelines
 23 published annually in the Federal Register by the United States
 24 Department of Health and Human Services under its authority to
 25 revise the poverty line under 42 USC 9902.

26 (c) "Part-day program" ~~, except as otherwise provided in this~~
 27 ~~section,~~ means a program that operates at least 4 days per week, 30
 28 weeks per year, for at least 3 hours of teacher-child contact time
 29 per day but for fewer hours of teacher-child contact time per day



1 than a school-day program.

2 (d) "School-day program" ~~, except as otherwise provided in~~
 3 ~~this section,~~ means a program that operates for at least the same
 4 length of day as a district's first grade program for a minimum of
 5 4 days per week, 30 weeks per year. A classroom that offers a
 6 school-day program must enroll all children for the school day to
 7 be considered a school-day program.

8 (18) An intermediate district or consortium of intermediate
 9 districts receiving funds under this section shall establish and
 10 charge tuition according to a sliding scale of tuition rates based
 11 upon household income for children participating in an eligible
 12 great start readiness program who live with families with a
 13 household income that is more than 250% ~~, but, for 2020-2021 only,~~
 14 ~~who live with families with a household income that is more than~~
 15 ~~400%~~ of the federal poverty guidelines to be used by all of its
 16 providers, as approved by the department.

17 (19) From the amount allocated in subsection (2), there is
 18 allocated for ~~2020-2021-2021-2022~~ an amount not to exceed
 19 \$10,000,000.00 for reimbursement of transportation costs for
 20 children attending great start readiness programs funded under this
 21 section. To receive reimbursement under this subsection, not later
 22 than November 1 of each year, a program funded under this section
 23 that provides transportation shall submit to the intermediate
 24 district that is the fiscal agent for the program a projected
 25 transportation budget. The amount of the reimbursement for
 26 transportation under this subsection is no more than the projected
 27 transportation budget or \$300.00 multiplied by the number of
 28 children funded for the program under this section. If the amount
 29 allocated under this subsection is insufficient to fully reimburse



1 the transportation costs for all programs that provide
2 transportation and submit the required information, the department
3 shall prorate the reimbursement in an equal amount per child
4 funded. The department shall make payments to the intermediate
5 district that is the fiscal agent for each program, and the
6 intermediate district shall then reimburse the program provider for
7 transportation costs as prescribed under this subsection.

8 (20) Subject to, and from the funds allocated under,
9 subsection (19), the department shall reimburse a program for
10 transportation costs related to parent- or guardian-accompanied
11 transportation provided by transportation service companies, buses,
12 or other public transportation services. To be eligible for
13 reimbursement under this subsection, a program must submit to the
14 intermediate district or consortia of intermediate districts all of
15 the following:

16 (a) The names of families provided with transportation support
17 along with a documented reason for the need for transportation
18 support and the type of transportation provided.

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

22 (c) Any other documentation or information determined
23 necessary by the department.

24 (21) The department shall implement a process to review and
25 approve age-appropriate comprehensive classroom level quality
26 assessments for GSRP grantees that support the early childhood
27 standards of quality for prekindergarten children adopted by the
28 state board. The department shall make available to intermediate
29 districts at least 2 classroom level quality assessments that were



1 approved in 2018.

2 (22) An intermediate district that is a GSRP grantee may
 3 approve the use of a supplemental curriculum that aligns with and
 4 enhances the age-appropriate educational curriculum in the
 5 classroom. If the department objects to the use of a supplemental
 6 curriculum approved by an intermediate district, the superintendent
 7 shall establish a review committee independent of the department.
 8 The review committee shall meet within 60 days of the department
 9 registering its objection in writing and provide a final
 10 determination on the validity of the objection within 60 days of
 11 the review committee's first meeting.

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

16 (24) From the funds allocated under subsection (1), there is
 17 allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
 18 \$2,000,000.00 for payments to intermediate districts or consortia
 19 of intermediate districts for professional development and training
 20 materials for educators in programs implementing new curricula.

21 (25) A great start readiness program or a GSRP/Head Start
 22 blended program funded under this section is permitted to utilize
 23 AmeriCorps Pre-K Reading Corps members in classrooms implementing
 24 research-based early literacy intervention strategies.

25 ~~(26) For the 2020-2021 program year only, the hours, days, and~~
 26 ~~weeks specified within the definitions under subsection (17) (a),~~
 27 ~~(c), and (d) do not apply to all grantees and subrecipients under~~
 28 ~~this section. However, for the 2020-2021 fiscal year only, grantees~~
 29 ~~and subrecipients shall, at a minimum, provide pandemic learning~~



~~1 and programming on-site, at a different location, in-person,~~
~~2 online, digitally, by other remote means, in a synchronous or~~
~~3 asynchronous format, or through any combination therein that~~
~~4 results in an amount of hours, days, and weeks necessary to deliver~~
~~5 the educational or course content that would have been delivered in~~
~~6 a year in which pandemic learning was not provided and that~~
~~7 complies with requirements developed by the department. The~~
~~8 department shall publish uniform guidance concerning requirements~~
~~9 under this subsection for age-appropriate instruction that is~~
~~10 provided online, digitally, or by other remote means as part of~~
~~11 pandemic learning and programming provided under this subsection.~~
~~12 As used in this subsection, "pandemic learning" means a mode of~~
~~13 instruction provided as a result of the COVID-19 pandemic.~~

~~14 (27) For the 2020-2021 program year only, household income~~
~~15 eligibility thresholds requiring household incomes that are equal~~
~~16 to or less than 250% of the federal poverty guidelines under~~
~~17 subsections (5) (b) and (11) do not apply for all grantees and~~
~~18 subrecipients under this section. However, for the 2020-2021~~
~~19 program year, all grantees and subrecipients must continue to~~
~~20 enroll children in the quintile with the lowest household income~~
~~21 first before enrolling the next quintile and must implement the~~
~~22 ranking process described in subsection (11) by first enrolling~~
~~23 children from households with incomes that are equal to or less~~
~~24 than 250% of the federal poverty guidelines, then enrolling~~
~~25 children from households with incomes that are equal to an amount~~
~~26 that is greater than 250% but less than or equal to 300% of the~~
~~27 federal poverty guidelines, then enrolling children from households~~
~~28 with incomes equal to an amount that is greater than 300% but less~~
~~29 than or equal to 350% of the federal poverty guidelines, and then~~



1 continuing enrollment in an order increasing in percentage from a
 2 percentage greater than 350% in relation to the federal poverty
 3 guidelines until all available slots are filled.

4 ~~(28) For the 2020-2021 program year only, intermediate~~
 5 ~~districts will be awarded funding based on the total allocation~~
 6 ~~under subsection (1) and the funding must be allocated to~~
 7 ~~intermediate districts as prescribed under section 39. To receive~~
 8 ~~funding as described in this subsection, an intermediate district~~
 9 ~~must complete the department's process for accepting funds and~~
 10 ~~implement its existing local process for funding current~~
 11 ~~subrecipients under this section, including, but not limited to,~~
 12 ~~adding any necessary new subrecipients and implementation of the~~
 13 ~~program. Intermediate districts described in this subsection must~~
 14 ~~report the children served under this section to the center for~~
 15 ~~data tracking purposes. The data described in this subsection must~~
 16 ~~not be used to determine funding for the 2020-2021 program year or~~
 17 ~~hold harmless funding levels for 2021-2022. Hold harmless funding~~
 18 ~~for 2021-2022 must be determined based on the 2019-2020 final~~
 19 ~~allocations under this section. Both of the following apply for the~~
 20 ~~2020-2021 program year:~~

21 ~~(a) An intermediate district and its subrecipients under this~~
 22 ~~section must conform to typical expenditures related to the~~
 23 ~~operation of great start readiness programs to ensure the stability~~
 24 ~~of the programs, including, but not limited to, ongoing program and~~
 25 ~~staff costs.~~

26 ~~(b) Funding remaining after serving all eligible children, in~~
 27 ~~accordance with subsections (5) (b) and (11), subject to subsection~~
 28 ~~(27), or remaining from other program savings due to pandemic~~
 29 ~~learning must be used for the betterment of the program under this~~



1 ~~section and must be approved by the department. Intermediate~~
 2 ~~districts and subrecipients under this section may only spend in~~
 3 ~~accordance with the provisions of this subdivision if the~~
 4 ~~intermediate district or subrecipient has demonstrated to the~~
 5 ~~satisfaction of the department that no eligible children are on~~
 6 ~~waitlists for the programs operated by the intermediate district or~~
 7 ~~subrecipients under this section.~~

8 Sec. 32p. (1) From the ~~appropriation~~ **state school aid fund**
 9 **money appropriated** in section 11, there is allocated an amount not
 10 to exceed \$13,400,000.00 to intermediate districts for ~~2020-2021~~
 11 **2021-2022** for the purpose of providing early childhood funding to
 12 intermediate districts to support the goals and outcomes under
 13 subsection (2) and subsection (4), and to provide early childhood
 14 programs for children from birth through age 8. The funding
 15 provided to each intermediate district under this section is
 16 determined by the distribution formula established by the
 17 department's office of great start to provide equitable funding
 18 statewide. In order to receive funding under this section, each
 19 intermediate district must provide an application to the office of
 20 great start not later than September 15 of the immediately
 21 preceding fiscal year indicating the strategies planned to be
 22 provided.

23 (2) Each intermediate district or consortium of intermediate
 24 districts that receives funding under this section shall convene a
 25 local great start collaborative and a parent coalition **that**
 26 **includes an active partnership with at least 1 community-based**
 27 **organization.** The goal of each great start collaborative and parent
 28 coalition is to ensure the coordination and expansion of local
 29 early childhood infrastructure and programs that allow every child



1 in the community to achieve the following outcomes:

2 (a) Children born healthy.

3 (b) Children healthy, thriving, and developmentally on track
4 from birth to ~~third~~ grade 3.

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

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

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

14 (a) Physical health.

15 (b) Social-emotional health.

16 (c) Family supports and basic needs.

17 (d) Parent education.

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

20 (4) From the funds allocated in subsection (1), at least
21 \$2,500,000.00 must be used for the purpose of providing home visits
22 to at-risk children and their families. The home visits must be
23 conducted as part of a locally coordinated, family-centered,
24 evidence-based, data-driven home visit strategic plan that is
25 approved by the department. The goals of the home visits funded
26 under this subsection are to improve school readiness using
27 evidence-based methods, including a focus on developmentally
28 appropriate outcomes for early literacy, to improve positive
29 parenting practices, and to improve family economic self-



1 sufficiency while reducing the impact of high-risk factors through
2 community resources and referrals. The department shall coordinate
3 the goals of the home visit strategic plans approved under this
4 subsection with other state agency home visit programs in a way
5 that strengthens Michigan's home visiting infrastructure and
6 maximizes federal funds available for the purposes of at-risk
7 family home visits. The coordination among departments and agencies
8 is intended to avoid duplication of state services and spending,
9 and should emphasize efficient service delivery of home visiting
10 programs.

11 (5) Not later than December 1 of each year, each intermediate
12 district shall provide a report to the department detailing the
13 strategies actually implemented during the immediately preceding
14 school year and the families and children actually served. At a
15 minimum, the report must include an evaluation of the services
16 provided with additional funding under subsection (4) for home
17 visits, using the goals identified in subsection (4) as the basis
18 for the evaluation, including the degree to which school readiness
19 was improved, the degree to which positive parenting practices were
20 improved, the degree to which there was improved family economic
21 self-sufficiency, and the degree to which community resources and
22 referrals were utilized. The department shall compile and summarize
23 these reports and submit its summary to the house and senate
24 appropriations subcommittees on school aid and to the house and
25 senate fiscal agencies not later than February 15 of each year.

26 (6) An intermediate district or consortium of intermediate
27 districts that receives funding under this section may carry over
28 any unexpended funds received under this section into the next
29 fiscal year and may expend those unused funds through June 30 of



1 the next fiscal year. However, an intermediate district or
 2 consortium of intermediate districts that receives funding for the
 3 purposes described in subsection (2) in fiscal year ~~2020-2021-2021-~~
 4 **2022** shall not carry over into the next fiscal year any amount
 5 exceeding ~~30%-20%~~ of the amount awarded to the intermediate
 6 district or consortium in the ~~2020-2021-2021-2022~~ fiscal year. It
 7 is intended that the amount carried over from funding awarded for
 8 the purposes described in subsection (2) ~~in fiscal year 2021-2022~~
 9 ~~not exceed 20% of the amount awarded in that fiscal year and the~~
 10 ~~amount carried over from funding awarded for the purposes described~~
 11 ~~in subsection (2) in fiscal year 2022-2023~~ not exceed 15% of the
 12 amount awarded in that fiscal year. A recipient of a grant shall
 13 return any unexpended grant funds to the department in the manner
 14 prescribed by the department not later than September 30 of the
 15 next fiscal year after the fiscal year in which the funds are
 16 received.

17 Sec. 35a. (1) From the appropriations in section 11, there is
 18 allocated for ~~2020-2021-2021-2022~~ for the purposes of this section
 19 an amount not to exceed \$55,400,000.00 from the state school aid
 20 fund. ~~and there is allocated for 2020-2021 for the purposes of~~
 21 ~~subsection (8) an amount not to exceed \$2,773,000.00 from the~~
 22 ~~general fund.~~ The superintendent shall designate staff or
 23 contracted employees funded under this section as critical
 24 shortage. Programs funded under this section are intended to ensure
 25 that this state will be a top 10 state in grade 4 reading
 26 proficiency by 2025 according to the National Assessment of
 27 Educational Progress (NAEP). **By December 31, 2021, the**
 28 **superintendent of public instruction shall do both of the**
 29 **following:**



1 (a) Report in person to the house appropriations subcommittee
2 on school aid regarding progress on the goal described in this
3 subsection and be available for questioning as prescribed through a
4 process developed by the chair of the house appropriations
5 subcommittee on school aid.

6 (b) Submit a written report to the house appropriations
7 subcommittee on school aid regarding progress on the goal described
8 in this subsection.

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

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



1 phonics, fluency, and comprehension. Further, all of the following
 2 sub-skills must be assessed within each of these components:

3 (a) Phonemic awareness - segmentation, blending, and sound
 4 manipulation (deletion and substitution).

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

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

7 (d) Comprehension - making meaning of text.

8 (4) From the allocation under subsection (1), there is
 9 allocated an amount not to exceed \$31,500,000.00 for ~~2020-2021~~
 10 **2021-2022** for the purpose of providing early literacy coaches at
 11 intermediate districts to assist teachers in developing and
 12 implementing instructional strategies for pupils in grades pre-K to
 13 3 so that pupils are reading at grade level by the end of grade 3.
 14 All of the following apply to funding under this subsection:

15 (a) The department shall develop an application process
 16 consistent with the provisions of this subsection. An application
 17 must provide assurances that literacy coaches funded under this
 18 subsection are knowledgeable about at least the following:

19 (i) Current state literacy standards for pupils in grades pre-K
 20 to 3.

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

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



1 (b) From the allocation under this subsection, the department
 2 shall award grants to intermediate districts for the support of
 3 early literacy coaches. The department shall provide this funding
 4 in the following manner:

5 (i) The department shall award each intermediate district grant
 6 funding to support the cost of 1 early literacy coach in an equal
 7 amount per early literacy coach, not to exceed \$112,500.00.

8 (ii) After distribution of the grant funding under subparagraph
 9 (i), the department shall distribute the remainder of grant funding
 10 for additional early literacy coaches in an amount not to exceed
 11 \$112,500.00 per early literacy coach. The number of funded early
 12 literacy coaches for each intermediate district is based on the
 13 percentage of the total statewide number of pupils in grades K to 3
 14 who meet the income eligibility standards for the federal free and
 15 reduced-price lunch programs who are enrolled in districts in the
 16 intermediate district.

17 (c) If an intermediate district that receives funding under
 18 this subsection uses an assessment tool that screens for signs of
 19 dyslexia, the intermediate district shall use the assessment
 20 results from that assessment tool to identify pupils who
 21 demonstrate signs of dyslexia.

22 (5) From the allocation under subsection (1), there is
 23 allocated an amount not to exceed \$19,900,000.00 for ~~2020-2021~~
 24 **2021-2022** to districts that provide additional instructional time
 25 to those pupils in grades pre-K to 3 ~~, or, for 2020-2021 only,~~
 26 ~~those pupils in grades pre-K to 12,~~ who have been identified by
 27 using department-approved screening and diagnostic tools as needing
 28 additional supports and interventions in order to be reading at
 29 grade level by the end of grade 3. ~~, or, for 2020-2021 only,~~



1 ~~reading at the applicable grade level.~~ Additional instructional
2 time may be provided before, during, and after regular school hours
3 or as part of a year-round balanced school calendar. All of the
4 following apply to funding under this subsection:

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

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

15 (A) Team-based leadership.

16 (B) A tiered delivery system.

17 (C) Selection and implementation of instruction,
18 interventions, and supports.

19 (D) A comprehensive screening and assessment system.

20 (E) Continuous data-based decision making.

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

24 (iii) Used a reading instruction method that focuses on the 5
25 fundamental building blocks of reading: phonics, phonemic
26 awareness, fluency, vocabulary, and comprehension and content
27 knowledge.

28 (iv) Provided teachers of pupils in grades pre-K to 3 with
29 research-based professional development in diagnostic data



1 interpretation.

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

4 (b) The department shall distribute funding allocated under
5 this subsection to eligible districts on an equal per-first-grade-
6 pupil basis.

7 (c) If the funds allocated under this subsection are
8 insufficient to fully fund the payments under this subsection,
9 payments under this subsection are prorated on an equal per-pupil
10 basis based on grade 1 pupils.

11 (6) Not later than September 1 of each year, a district that
12 receives funding under subsection (5) in conjunction with the
13 Michigan student data system, if possible, shall provide to the
14 department a report that includes at least both of the following,
15 in a form and manner prescribed by the department:

16 (a) For pupils in grades pre-K to 3, ~~or pre-K to 12, as~~
17 ~~applicable,~~ the pupils, schools, and grades served with funds under
18 this section and the categories of services provided.

19 (b) For pupils in grades pre-K to 3, ~~or pre-K to 12, as~~
20 ~~applicable,~~ pupil proficiency and growth data that allows analysis
21 both in the aggregate and by each of the following subgroups, as
22 applicable:

23 (i) School.

24 (ii) Grade level.

25 (iii) Gender.

26 (iv) Race.

27 (v) Ethnicity.

28 (vi) Economically disadvantaged status.

29 (vii) Disability.



1 (viii) Pupils identified as having reading deficiencies.

2 (7) From the allocation under subsection (1), there is
 3 allocated an amount not to exceed \$4,000,000.00 for ~~2020-2021~~**2021-**
 4 **2022** to an intermediate district in which the combined total number
 5 of pupils in membership of all of its constituent districts is the
 6 fewest among all intermediate districts. All of the following apply
 7 to the funding under this subsection:

8 (a) Funding under this subsection must be used by the
 9 intermediate district, in partnership with an association that
 10 represents intermediate district administrators in this state, to
 11 implement all of the following:

12 (i) Literacy essentials teacher and principal training modules.

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

16 (iii) The placement of regional lead literacy coaches to
 17 facilitate professional learning for early literacy coaches. These
 18 regional lead literacy coaches shall provide support for new
 19 literacy coaches, building teachers, and administrators and shall
 20 facilitate regional data collection to evaluate the effectiveness
 21 of statewide literacy coaches funded under this section.

22 (iv) Provide \$500,000.00 from this subsection for literacy
 23 training, modeling, coaching, and feedback for district principals
 24 or chief administrators, as applicable. The training described in
 25 this subparagraph must use the pre-K and K to 3 essential
 26 instructional practices in literacy created by the general
 27 education leadership network as the framework for all training
 28 provided under this subparagraph.

29 (b) Not later than September 1 of each year, the intermediate



1 district described in this subsection, in consultation with grant
 2 recipients, shall submit a report to the chairs of the senate and
 3 house appropriations subcommittees on ~~state~~ school aid, the chairs
 4 of the senate and house standing committees responsible for
 5 education legislation, the house and senate fiscal agencies, and
 6 the state budget director. The report described under this
 7 subdivision must include student achievement results in English
 8 language arts and survey results with feedback from parents and
 9 teachers regarding the initiatives implemented under this
 10 subsection.

11 (c) Up to 2% of funds allocated under this subsection may be
 12 used by the association representing intermediate district
 13 administrators that is in partnership with the intermediate
 14 district specified in this subsection to administer this
 15 subsection.

16 ~~(8) From the general fund money allocated in subsection (1),~~
 17 ~~the department shall allocate the amount of \$2,773,000.00 for 2020-~~
 18 ~~2021 to the Michigan Education Corps for the PreK Reading Corps,~~
 19 ~~the K3 Reading Corps, and the Math Corps. All of the following~~
 20 ~~apply to funding under this subsection:~~

21 ~~(a) By September 1 of the current fiscal year, the Michigan~~
 22 ~~Education Corps shall provide a report concerning its use of the~~
 23 ~~funding to the senate and house appropriations subcommittees on~~
 24 ~~state school aid, the senate and house fiscal agencies, and the~~
 25 ~~senate and house caucus policy offices on outcomes and performance~~
 26 ~~measures of the Michigan Education Corps, including, but not~~
 27 ~~limited to, the degree to which the Michigan Education Corps'~~
 28 ~~replication of the PreK Reading Corps, the K3 Reading Corps, and~~
 29 ~~the Math Corps programs is demonstrating sufficient efficacy and~~



~~1 impact. The report must include data pertaining to at least all of
2 the following:~~

~~3 (i) The current impact of the programs on this state in terms
4 of numbers of children and schools receiving support. This portion
5 of the report must specify the number of children tutored,
6 including dosage and completion, and the demographics of those
7 children.~~

~~8 (ii) Whether the assessments and interventions are implemented
9 with fidelity. This portion of the report must include details on
10 the total number of assessments and interventions completed and the
11 range, mean, and standard deviation.~~

~~12 (iii) Whether the literacy or math improvement of children
13 participating in the programs is consistent with expectations. This
14 portion of the report must detail at least all of the following:~~

~~15 (A) Growth rate by grade or age level, in comparison to
16 targeted growth rate.~~

~~17 (B) Average linear growth rates.~~

~~18 (C) Exit rates.~~

~~19 (D) Percentage of children who exit who also meet or exceed
20 spring benchmarks.~~

~~21 (iv) The impact of the programs on organizations and
22 stakeholders, including, but not limited to, school administrators,
23 internal coaches, and AmeriCorps members.~~

~~24 (b) If the department determines that the Michigan Education
25 Corps has misused the funds allocated under this subsection, the
26 Michigan Education Corps shall reimburse this state for the amount
27 of state funding misused.~~

~~28 (c) The department may not reserve any portion of the
29 allocation provided under this subsection for an evaluation of the~~



1 ~~Michigan Education Corps, the Michigan Education Corps' funding, or~~
 2 ~~the Michigan Education Corps' programming unless agreed to in~~
 3 ~~writing by the Michigan Education Corps. The department shall award~~
 4 ~~the entire \$2,773,000.00 allocated under this subsection to the~~
 5 ~~Michigan Education Corps and shall not condition the awarding of~~
 6 ~~this funding on the implementation of an independent evaluation.~~

7 (8) ~~(9)~~—If a district or intermediate district expends any
 8 funding received under subsection (4) or (5) for professional
 9 development in research-based effective reading instruction, the
 10 district or intermediate district shall select a professional
 11 development program from the list described under subdivision (a).
 12 All of the following apply to the requirement under this
 13 subsection:

14 (a) The department shall issue a request for proposals for
 15 professional development programs in research-based effective
 16 reading instruction to develop an initial approved list of
 17 professional development programs in research-based effective
 18 reading instruction. The department shall make the initial approved
 19 list public and shall determine if it will, on a rolling basis,
 20 approve any new proposals submitted for addition to its initial
 21 approved list.

22 (b) To be included as an approved professional development
 23 program in research-based effective reading instruction under
 24 subdivision (a), an applicant must demonstrate to the department in
 25 writing the program's competency in all of the following topics:

26 (i) Understanding of phonemic awareness, phonics, fluency,
 27 vocabulary, and comprehension.

28 (ii) Appropriate use of assessments and differentiated
 29 instruction.



- 1 (iii) Selection of appropriate instructional materials.
 2 (iv) Application of research-based instructional practices.

3 (c) As used in this subsection, "effective reading
 4 instruction" means reading instruction scientifically proven to
 5 result in improvement in pupil reading skills.

6 **(9)** ~~(10)~~ Notwithstanding section 17b, the department shall
 7 make payments made under ~~subsections~~ **subsection** (7) and ~~(8)~~ on a
 8 schedule determined by the department.

9 Sec. 35b. (1) From the general fund money appropriated in
 10 section 11, there is allocated for ~~2020-2021~~ **2021-2022** an amount
 11 not to exceed \$250,000.00 for a grant to be distributed by the
 12 department to the Children's Choice Initiative for a program to use
 13 a multisensory structured language education method to improve
 14 reading proficiency rates and to comply with section 1280f of the
 15 revised school code, MCL 380.1280f.

16 (2) Grant funds awarded under this section must be expended
 17 for the following purposes:

18 (a) Professional development including training staff and
 19 tutors in a multisensory, sequential, systematic education
 20 approach.

21 (b) Additional instructional time before, during, or after
 22 school for pupils in grades K to 3 identified as having an early
 23 literacy delay or reading deficiency using a multisensory,
 24 sequential, systematic education approach.

25 (3) Not later than December 1, ~~2021,~~ **2022**, an entity that
 26 receives grant funds under this section shall report to the house
 27 and senate appropriations subcommittees on school aid, the house
 28 and senate fiscal agencies, and the state budget director on all of
 29 the following for the grant funds awarded under this section:



1 (a) The number of staff and tutors trained.

2 (b) The number of pupils in grades K to 3 identified as having
3 an early literacy delay or reading deficiency served.

4 (c) The number of hours of added instructional time provided
5 to pupils served.

6 (d) Pupil reading proficiency and growth data of pupils served
7 necessary to evaluate the effectiveness of the program.

8 **Sec. 35g. (1) From the state school aid fund money**
9 **appropriated in section 11, there is allocated an amount not to**
10 **exceed \$1,000,000.00 for 2021-2022 for competitive grants to**
11 **eligible districts that have established innovative community**
12 **libraries.**

13 (2) A district that has established an innovative community
14 library that meets all of the following is an eligible district
15 under this section:

16 (a) The library provides for the engagement and connection of
17 readers.

18 (b) The library provides for resources that are used to
19 further reading skills.

20 (c) The library provides for the involvement of community
21 volunteers and donations.

22 (3) An eligible district may partner with an existing library
23 to provide an innovative community library described in subsection
24 (2).

25 (4) For the purpose of this section, an innovative community
26 library described in subsection (2) does not need to be in a
27 physical building.

28 (5) To receive funding under this section, an eligible
29 district must apply for the funding to the department's innovation



1 council, in a form and manner prescribed by the department's
2 innovation council, by not later than March 15, 2022. The
3 department's innovation council must develop an application process
4 for the submission of applications for funding under this section
5 by not later than December 15, 2021. The department's innovation
6 council must score applications and award up to 20 grants under
7 this section based on the following criteria by not later than July
8 15, 2022:

9 (a) How the innovative community library has addressed early
10 childhood literacy gaps.

11 (b) How community partners of the innovative community library
12 have engaged in addressing literacy gaps.

13 (c) How the innovative community library has connected
14 different readers together.

15 (d) How the innovative community library will promote its
16 approach to other districts or communities in addressing early
17 literacy gaps.

18 (6) The grant awards under subsection (5) must be ranked in a
19 manner in which there are 2 first-place grant awards, 2 second-
20 place grant awards, 2 third-place grant awards, 2 fourth-place
21 grant awards, 2 fifth-place grant awards, 2 sixth-place grant
22 awards, 2 seventh-place grant awards, 2 eighth-place grant awards,
23 2 ninth-place grant awards, and 2 tenth-place grant awards. The
24 first-place grant awards described in this subsection must receive
25 the highest award of funding under this section and the amount of
26 funding awarded under this section must decline sequentially with
27 each numerical-place award described in this subsection, with the
28 lowest award of funding under this section going to the tenth-place
29 grant award recipients.



1 **(7) Notwithstanding section 17b, subject to subsection (5),**
2 **the department shall make payments to eligible districts under this**
3 **section on a schedule determined by the department.**

4 Sec. 39. (1) An eligible applicant receiving funds under
5 section 32d shall submit an application, in a form and manner
6 prescribed by the department, by a date specified by the department
7 in the immediately preceding fiscal year. An eligible applicant is
8 not required to amend the applicant's current accounting cycle or
9 adopt this state's fiscal year accounting cycle in accounting for
10 financial transactions under this section. The application must
11 include all of the following:

12 (a) The estimated total number of children in the community
13 who meet the criteria of section 32d, as provided to the applicant
14 by the department utilizing the most recent population data
15 available from the American Community Survey conducted by the
16 United States Census Bureau. The department shall ensure that it
17 provides updated American Community Survey population data at least
18 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 exclusively by
21 Head Start programs operating in the community.

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

25 (2) After notification of funding allocations, an applicant
26 receiving funds under section 32d shall also submit an
27 implementation plan for approval, in a form and manner prescribed
28 by the department, by a date specified by the department, that
29 details how the applicant complies with the program components



1 established by the department pursuant to section 32d.

2 (3) The initial allocation to each eligible applicant under
3 section 32d is the lesser of the following:

4 (a) The sum of the number of children served in a school-day
5 program in the preceding school year multiplied by ~~\$7,250.00~~
6 **\$8,211.00** and the number of children served in a GSRP/Head Start
7 blended program or a part-day program in the preceding school year
8 multiplied by ~~\$3,625.00~~ **-\$4,106.00**.

9 (b) The sum of the number of children the applicant has the
10 capacity to serve in the current school year in a school-day
11 program multiplied by ~~\$7,250.00~~ **-\$8,211.00** and the number of
12 children served in a GSRP/Head Start blended program or a part-day
13 program the applicant has the capacity to serve in the current
14 school year multiplied by ~~\$3,625.00~~ **-\$4,106.00**.

15 (4) If funds remain after the allocations under subsection
16 (3), the department shall distribute the remaining funds to each
17 intermediate district or consortium of intermediate districts that
18 serves less than the state percentage benchmark determined under
19 subsection (5). The department shall distribute these remaining
20 funds to each eligible applicant based upon each applicant's
21 proportionate share of the remaining unserved children necessary to
22 meet the statewide percentage benchmark in intermediate districts
23 or consortia of intermediate districts serving less than the
24 statewide percentage benchmark. When all applicants have been given
25 the opportunity to reach the statewide percentage benchmark, the
26 statewide percentage benchmark may be reset, as determined by the
27 department, until greater equity of opportunity to serve eligible
28 children across all intermediate school districts has been
29 achieved.



1 (5) For the purposes of subsection (4), the department shall
2 calculate a percentage of children served by each intermediate
3 district or consortium of intermediate districts by adding the
4 number of children served in the immediately preceding year by that
5 intermediate district or consortium with the number of eligible
6 children under section 32d served exclusively by head start, as
7 reported in a form and manner prescribed by the department, within
8 the intermediate district or consortia service area and dividing
9 that total by the total number of children within the intermediate
10 district or consortium of intermediate districts who meet the
11 criteria of section 32d as determined by the department utilizing
12 the most recent population data available from the American
13 Community Survey conducted by the United States Census Bureau. The
14 department shall compare the resulting percentage of eligible
15 children served to a statewide percentage benchmark to determine if
16 the intermediate district or consortium is eligible for additional
17 funds under subsection (4). The statewide percentage benchmark is
18 60%.

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

26 (7) The department shall review the program components under
27 section 32d and under this section at least biennially. The
28 department also shall convene a committee of internal and external
29 stakeholders at least once every 5 years to ensure that the funding



1 structure under this section reflects current system needs under
2 section 32d.

3 **(8) Hold harmless funding for 2021-2022 must be determined**
4 **based on the 2019-2020 final allocations calculated and paid under**
5 **section 32d in 2019-2020.**

6 **(9) ~~(8)~~**As used in this section, "GSRP/Head Start blended
7 program", "part-day program", and "school-day program" mean those
8 terms as defined in section 32d. ~~as, for 2020-2021, impacted by~~
9 ~~section 32d(26).~~

10 Sec. 39a. (1) From the federal funds appropriated in section
11 ~~11, there is allocated for 2020-2021 to districts, intermediate~~
12 ~~districts, and other eligible entities all available federal~~
13 ~~funding, estimated at \$749,200,000.00~~ **there is allocated for 2021-**
14 **2022 to districts, intermediate districts, and other eligible**
15 **entities all available federal funding, estimated at**
16 **\$752,300,000.00**, for the federal programs under the no child left
17 behind act of 2001, Public Law 107-110, or the every student
18 succeeds act, Public Law 114-95. These funds are allocated as
19 follows:

20 (a) An amount estimated at \$1,200,000.00 for ~~2020-2021~~ **2021-**
21 **2022** to provide students with drug- and violence-prevention
22 programs and to implement strategies to improve school safety,
23 funded from DED-OESE, drug-free schools and communities funds.

24 (b) An amount estimated at \$100,000,000.00 for ~~2020-2021~~ **2021-**
25 **2022** for the purpose of preparing, training, and recruiting high-
26 quality teachers and class size reduction, funded from DED-OESE,
27 improving teacher quality funds.

28 (c) An amount estimated at ~~\$11,000,000.00 for 2020-2021~~
29 **\$13,000,000.00 for 2021-2022** for programs to teach English to



1 limited English proficient (LEP) children, funded from DED-OESE,
2 language acquisition state grant funds.

3 (d) An amount estimated at \$2,800,000.00 for ~~2020-2021-2021-~~
4 **2022** for rural and ~~low-income-low-income~~ schools, funded from DED-
5 OESE, rural and low income school funds.

6 (e) An amount estimated at \$535,000,000.00 for ~~2020-2021-2021-~~
7 **2022** to provide supplemental programs to enable educationally
8 disadvantaged children to meet challenging academic standards,
9 funded from DED-OESE, title I, disadvantaged children funds.

10 (f) An amount estimated at \$9,200,000.00 for ~~2020-2021-2021-~~
11 **2022** for the purpose of identifying and serving migrant children,
12 funded from DED-OESE, title I, migrant education funds.

13 (g) An amount estimated at \$39,000,000.00 for ~~2020-2021-2021-~~
14 **2022** for the purpose of providing high-quality extended learning
15 opportunities, after school and during the summer, for children in
16 low-performing schools, funded from DED-OESE, twenty-first century
17 community learning center funds.

18 (h) An amount estimated at \$14,000,000.00 for ~~2020-2021-2021-~~
19 **2022** to help support local school improvement efforts, funded from
20 DED-OESE, title I, local school improvement grants.

21 (i) An amount estimated at \$35,000,000.00 for ~~2020-2021-2021-~~
22 **2022** to improve the academic achievement of students, funded from
23 DED-OESE, title IV, student support and academic enrichment grants.

24 (j) **An amount estimated at \$3,100,000.00 for 2021-2022 for**
25 **literacy programs that advance literacy skills for students from**
26 **birth through grade 12, including limited-English-proficient**
27 **students and students with disabilities, funded from DED-OESE,**
28 **striving readers comprehensive literacy program.**

29 (2) From the federal funds appropriated in section 11, there



1 is allocated to districts, intermediate districts, and other
 2 eligible entities all available federal funding, estimated at
 3 ~~\$55,000,000.00 for 2020-2021~~ **\$56,500,000.00 for 2021-2022** for the
 4 following programs that are funded by federal grants:

5 (a) An amount estimated at \$3,000,000.00 for ~~2020-2021~~ **2021-**
 6 **2022** to provide services to homeless children and youth, funded
 7 from DED-OVAE, homeless children and youth funds.

8 (b) An amount estimated at \$24,000,000.00 for ~~2020-2021~~ **2021-**
 9 **2022** for providing career and technical education services to
 10 pupils, funded from DED-OVAE, basic grants to states.

11 (c) An amount estimated at \$14,000,000.00 for ~~2020-2021~~ **2021-**
 12 **2022** for the Michigan charter school subgrant program, funded from
 13 DED-OII, public charter schools program funds.

14 (d) An amount estimated at \$14,000,000.00 for ~~2020-2021~~ **2021-**
 15 **2022** for the purpose of promoting and expanding high-quality
 16 preschool services, funded from HHS-OCC, preschool development
 17 funds.

18 (e) **An amount estimated at \$1,500,000.00 for 2021-2022 for the**
 19 **purpose of addressing priority substance abuse treatment,**
 20 **prevention, and mental health needs, funded from HHS-SAMHSA.**

21 (3) The department shall distribute all federal funds
 22 allocated under this section in accordance with federal law and
 23 with flexibility provisions outlined in Public Law 107-116, and in
 24 the education flexibility partnership act of 1999, Public Law 106-
 25 25. Notwithstanding section 17b, the department shall make payments
 26 of federal funds to districts, intermediate districts, and other
 27 eligible entities under this section on a schedule determined by
 28 the department.

29 (4) For the purposes of applying for federal grants



1 appropriated under this article, the department shall allow an
 2 intermediate district to submit a consortium application on behalf
 3 of 2 or more districts with the agreement of those districts as
 4 appropriate according to federal rules and guidelines.

5 (5) For the purposes of funding federal title I grants under
 6 this article, in addition to any other federal grants for which the
 7 strict discipline academy is eligible, the department shall
 8 allocate to a strict discipline academy out of title I, part A an
 9 amount equal to what the strict discipline academy would have
 10 received if included and calculated under title I, part D, or what
 11 it would receive under the formula allocation under title I, part
 12 A, whichever is greater.

13 (6) As used in this section:

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

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

17 (c) "DED-OII" means the DED Office of Innovation and
 18 Improvement.

19 (d) "DED-OVAE" means the DED Office of Vocational and Adult
 20 Education.

21 (e) "HHS" means the United States Department of Health and
 22 Human Services.

23 (f) "HHS-OCC" means the HHS Office of Child Care.

24 (g) **"HHS-SAMHSA" means the HHS Substance Abuse and Mental**
 25 **Health Services Project.**

26 Sec. 41. (1) For a district to be eligible to receive funding
 27 under this section, the district must administer to English
 28 language learners the English language proficiency assessment known
 29 as the "WIDA ACCESS for English language learners" or the "WIDA



1 Alternate ACCESS". From the ~~appropriation~~ **state school aid fund**
 2 **money appropriated** in section 11, there is allocated an amount not
 3 to exceed \$13,000,000.00 for ~~2020-2021~~ **2021-2022** for payments to
 4 eligible districts for services for English language learners who
 5 have been administered the WIDA ACCESS for English language
 6 learners.

7 (2) The department shall distribute funding allocated under
 8 subsection (1) to eligible districts based on the number of full-
 9 time equivalent English language learners as follows:

10 (a) \$900.00 per full-time equivalent English language learner
 11 who has been assessed under the WIDA ACCESS for English language
 12 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA
 13 Alternate ACCESS composite score between 1.0 and 1.9, or less, as
 14 applicable to each assessment.

15 (b) \$620.00 per full-time equivalent English language learner
 16 who has been assessed under the WIDA ACCESS for English language
 17 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA
 18 Alternate ACCESS composite score between 2.0 and 2.9, or less, as
 19 applicable to each assessment.

20 (c) \$100.00 per full-time equivalent English language learner
 21 who has been assessed under the WIDA ACCESS for English language
 22 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA
 23 Alternate ACCESS composite score between 3.0 and 3.9, or less, as
 24 applicable to each assessment.

25 (3) If funds allocated under subsection (1) are insufficient
 26 to fully fund the payments as prescribed under subsection (2), the
 27 department shall prorate payments on an equal percentage basis,
 28 with the same percentage proration applied to all funding
 29 categories.



1 (4) Each district receiving funds under subsection (1) shall
 2 submit to the department by July 15 of each fiscal year a report,
 3 not to exceed 10 pages, on the usage by the district of funds under
 4 subsection (1) in a form and manner determined by the department,
 5 including a brief description of each program conducted or services
 6 performed by the district using funds under subsection (1) and the
 7 amount of funds under subsection (1) allocated to each of those
 8 programs or services. If a district does not comply with this
 9 subsection, the department shall withhold an amount equal to the
 10 August payment due under this section until the district complies
 11 with this subsection. If the district does not comply with this
 12 subsection by the end of the fiscal year, the withheld funds are
 13 forfeited to the school aid fund.

14 (5) In order to receive funds under subsection (1), a district
 15 must allow access for the department or the department's designee
 16 to audit all records related to the program for which it receives
 17 those funds. The district shall reimburse this state for all
 18 disallowances found in the audit.

19 (6) Beginning July 1, 2020, and every 3 years thereafter, the
 20 department shall review the per-pupil distribution under subsection
 21 (2), to ensure that funding levels are appropriate and make
 22 recommendations for adjustments to the members of the senate and
 23 house subcommittees on K-12 school aid appropriations.

24 Sec. 51a. (1) From the ~~appropriation~~ **state school aid fund**
 25 **money appropriated** in section 11, there is allocated an amount not
 26 to exceed ~~\$1,023,996,100.00 for 2019-2020 and there is allocated an~~
 27 ~~amount not to exceed \$1,079,296,100.00~~ **\$1,120,796,100.00** for ~~2020-~~
 28 ~~2021-2021-2022~~ from state sources and all available federal funding
 29 under sections ~~611 to 619~~ **1411 to 1419** of part B of the individuals



1 with disabilities education act, 20 USC 1411 to 1419, estimated at
 2 ~~\$370,000,000.00 for 2019-2020 and \$375,000,000.00~~ **\$380,000,000.00**
 3 for ~~2020-2021, 2021-2022~~, plus any carryover federal funds from
 4 previous year appropriations. The allocations under this subsection
 5 are for the purpose of reimbursing districts and intermediate
 6 districts for special education programs, services, and special
 7 education personnel as prescribed in article 3 of the revised
 8 school code, MCL 380.1701 to 380.1761; net tuition payments made by
 9 intermediate districts to the Michigan Schools for the Deaf and
 10 Blind; and special education programs and services for pupils who
 11 are eligible for special education programs and services according
 12 to statute or rule. For meeting the costs of special education
 13 programs and services not reimbursed under this article, a district
 14 or intermediate district may use money in general funds or special
 15 education funds, not otherwise restricted, or contributions from
 16 districts to intermediate districts, tuition payments, gifts and
 17 contributions from individuals or other entities, or federal funds
 18 that may be available for this purpose, as determined by the
 19 intermediate district plan prepared under article 3 of the revised
 20 school code, MCL 380.1701 to 380.1761. Notwithstanding section 17b,
 21 the department shall make payments of federal funds to districts,
 22 intermediate districts, and other eligible entities under this
 23 section on a schedule determined by the department.

24 (2) From the funds allocated under subsection (1), there is
 25 allocated the amount necessary, estimated at ~~\$286,900,000.00 for~~
 26 ~~2019-2020 and estimated at \$307,500,000.00~~ **\$329,900,000.00** for
 27 ~~2020-2021, 2021-2022~~, for payments toward reimbursing districts and
 28 intermediate districts for 28.6138% of total approved costs of
 29 special education, excluding costs reimbursed under section 53a,



1 and 70.4165% of total approved costs of special education
2 transportation. Allocations under this subsection are made as
3 follows:

4 (a) The department shall calculate the initial amount
5 allocated to a district under this subsection toward fulfilling the
6 specified percentages by multiplying the district's special
7 education pupil membership, excluding pupils described in
8 subsection (11), times the foundation allowance under section 20 of
9 the pupil's district of residence, not to exceed the target
10 foundation allowance for the current fiscal year, or, for a special
11 education pupil in membership in a district that is a public school
12 academy, times an amount equal to the amount per membership pupil
13 calculated under section 20(6). For an intermediate district, the
14 amount allocated under this subdivision toward fulfilling the
15 specified percentages is an amount per special education membership
16 pupil, excluding pupils described in subsection (11), and is
17 calculated in the same manner as for a district, using the
18 foundation allowance under section 20 of the pupil's district of
19 residence, not to exceed the target foundation allowance for the
20 current fiscal year.

21 (b) After the allocations under subdivision (a), the
22 department shall pay a district or intermediate district for which
23 the payments calculated under subdivision (a) do not fulfill the
24 specified percentages the amount necessary to achieve the specified
25 percentages for the district or intermediate district.

26 (3) From the funds allocated under subsection (1), there is
27 ~~allocated for 2019-2020 an amount not to exceed \$1,000,000.00 and~~
28 ~~there is allocated for 2020-2021~~ **2021-2022** an amount not to exceed
29 \$1,000,000.00 to make payments to districts and intermediate



1 districts under this subsection. If the amount allocated to a
2 district or intermediate district for a fiscal year under
3 subsection (2) (b) is less than the sum of the amounts allocated to
4 the district or intermediate district for 1996-97 under sections 52
5 and 58, there is allocated to the district or intermediate district
6 for the fiscal year an amount equal to that difference, adjusted by
7 applying the same proration factor that was used in the
8 distribution of funds under section 52 in 1996-97 as adjusted to
9 the district's or intermediate district's necessary costs of
10 special education used in calculations for the fiscal year. This
11 adjustment is to reflect reductions in special education program
12 operations or services between 1996-97 and subsequent fiscal years.
13 The department shall make adjustments for reductions in special
14 education program operations or services in a manner determined by
15 the department and shall include adjustments for program or service
16 shifts.

17 (4) If the department determines that the sum of the amounts
18 allocated for a fiscal year to a district or intermediate district
19 under subsection (2) (a) and (b) is not sufficient to fulfill the
20 specified percentages in subsection (2), then the department shall
21 pay the shortfall to the district or intermediate district during
22 the fiscal year beginning on the October 1 following the
23 determination and shall adjust payments under subsection (3) as
24 necessary. If the department determines that the sum of the amounts
25 allocated for a fiscal year to a district or intermediate district
26 under subsection (2) (a) and (b) exceeds the sum of the amount
27 necessary to fulfill the specified percentages in subsection (2),
28 then the department shall deduct the amount of the excess from the
29 district's or intermediate district's payments under this article



1 for the fiscal year beginning on the October 1 following the
 2 determination and shall adjust payments under subsection (3) as
 3 necessary. However, if the amount allocated under subsection (2) (a)
 4 in itself exceeds the amount necessary to fulfill the specified
 5 percentages in subsection (2), there is no deduction under this
 6 subsection.

7 (5) State funds are allocated on a total approved cost basis.
 8 Federal funds are allocated under applicable federal requirements.

9 (6) From the amount allocated in subsection (1), there is
 10 allocated an amount not to exceed \$2,200,000.00 ~~for 2019-2020 and~~
 11 ~~there is allocated an amount not to exceed \$2,200,000.00 for 2020-~~
 12 ~~2021-2021-2022~~ to reimburse 100% of the net increase in necessary
 13 costs incurred by a district or intermediate district in
 14 implementing the revisions in the administrative rules for special
 15 education that became effective on July 1, 1987. As used in this
 16 subsection, "net increase in necessary costs" means the necessary
 17 additional costs incurred solely because of new or revised
 18 requirements in the administrative rules minus cost savings
 19 permitted in implementing the revised rules. The department shall
 20 determine net increase in necessary costs in a manner specified by
 21 the department.

22 (7) For purposes of ~~sections 51a~~ **this section and sections 51b**
 23 to 58, all of the following apply:

24 (a) "Total approved costs of special education" are determined
 25 in a manner specified by the department and may include indirect
 26 costs, but must not exceed 115% of approved direct costs for
 27 section 52 and section 53a programs. The total approved costs
 28 include salary and other compensation for all approved special
 29 education personnel for the program, including payments for Social



1 Security and Medicare and public school employee retirement system
2 contributions. The total approved costs do not include salaries or
3 other compensation paid to administrative personnel who are not
4 special education personnel as that term is defined in section 6 of
5 the revised school code, MCL 380.6. Costs reimbursed by federal
6 funds, other than those federal funds included in the allocation
7 made under this article, are not included. Special education
8 approved personnel not utilized full time in the evaluation of
9 students or in the delivery of special education programs,
10 ancillary, and other related services are reimbursed under this
11 section only for that portion of time actually spent providing
12 these programs and services, with the exception of special
13 education programs and services provided to youth placed in child
14 caring institutions or juvenile detention programs approved by the
15 department to provide an on-grounds education program.

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



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

21 (d) Reimbursement for ancillary and other related services, as
22 **that term is** defined by R 340.1701c of the Michigan Administrative
23 Code, is not provided when those services are covered by and
24 available through private group health insurance carriers or
25 federal reimbursed program sources unless the department and
26 district or intermediate district agree otherwise and that
27 agreement is approved by the state budget director. Expenses, other
28 than the incidental expense of filing, must not be borne by the
29 parent. In addition, the filing of claims must not delay the



1 education of a pupil. A district or intermediate district is
2 responsible for payment of a deductible amount and for an advance
3 payment required until the time a claim is paid.

4 (e) Beginning with calculations for 2004-2005, if an
5 intermediate district purchases a special education pupil
6 transportation service from a constituent district that was
7 previously purchased from a private entity; if the purchase from
8 the constituent district is at a lower cost, adjusted for changes
9 in fuel costs; and if the cost shift from the intermediate district
10 to the constituent does not result in any net change in the revenue
11 the constituent district receives from payments under sections 22b
12 and 51c, then upon application by the intermediate district, the
13 department shall direct the intermediate district to continue to
14 report the cost associated with the specific identified special
15 education pupil transportation service and shall adjust the costs
16 reported by the constituent district to remove the cost associated
17 with that specific service.

18 (8) A pupil who is enrolled in a full-time special education
19 program conducted or administered by an intermediate district or a
20 pupil who is enrolled in the Michigan Schools for the Deaf and
21 Blind is not included in the membership count of a district, but is
22 counted in membership in the intermediate district of residence.

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

28 (10) If a district or intermediate district uses money
29 received under this section for a purpose other than the purpose or



1 purposes for which the money is allocated, the department may
2 require the district or intermediate district to refund the amount
3 of money received. The department shall deposit money that is
4 refunded in the state treasury to the credit of the state school
5 aid fund.

6 (11) From the funds allocated in subsection (1), there is
7 allocated the amount necessary, estimated at ~~\$3,100,000.00~~ for
8 ~~2019-2020~~ and estimated at ~~\$3,000,000.00~~ **\$2,500,000.00** for ~~2020-~~
9 ~~2021,~~ **2021-2022**, to pay the foundation allowances for pupils
10 described in this subsection. The department shall calculate the
11 allocation to a district under this subsection by multiplying the
12 number of pupils described in this subsection who are counted in
13 membership in the district times the sum of the foundation
14 allowance under section 20 of the pupil's district of residence not
15 to exceed the target foundation allowance for the current fiscal
16 year, or, for a pupil described in this subsection who is counted
17 in membership in a district that is a public school academy, times
18 an amount equal to the amount per membership pupil under section
19 20(6). The department shall calculate the allocation to an
20 intermediate district under this subsection in the same manner as
21 for a district, using the foundation allowance under section 20 of
22 the pupil's district of residence not to exceed the target
23 foundation allowance for the current fiscal year. This subsection
24 applies to all of the following pupils:

25 (a) Pupils described in section 53a.

26 (b) Pupils counted in membership in an intermediate district
27 who are not special education pupils and are served by the
28 intermediate district in a juvenile detention or child caring
29 facility.



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

4 (12) If it is determined that funds allocated under subsection
5 (2) or (11) or under section 51c will not be expended, funds up to
6 the amount necessary and available may be used to supplement the
7 allocations under subsection (2) or (11) or under section 51c in
8 order to fully fund those allocations. After payments under
9 subsections (2) and (11) and section 51c, the department shall
10 expend the remaining funds from the allocation in subsection (1) in
11 the following order:

- 12 (a) 100% of the reimbursement required under section 53a.
- 13 (b) 100% of the reimbursement required under subsection (6).
- 14 (c) 100% of the payment required under section 54.
- 15 (d) 100% of the payment required under subsection (3).
- 16 (e) 100% of the payments under section 56.

17 (13) The allocations under subsections (2), (3), and (11) are
18 allocations to intermediate districts only and are not allocations
19 to districts, but instead are calculations used only to determine
20 the state payments under section 22b.

21 (14) If a public school academy that is not a cyber school, as
22 that term is defined in section 551 of the revised school code, MCL
23 380.551, enrolls under this section a pupil who resides outside of
24 the intermediate district in which the public school academy is
25 located and who is eligible for special education programs and
26 services according to statute or rule, or who is a child with
27 ~~disabilities, a disability,~~ **as that term is** defined under the
28 individuals with disabilities education act, Public Law 108-446,
29 the intermediate district in which the public school academy is



1 located and the public school academy shall enter into a written
2 agreement with the intermediate district in which the pupil resides
3 for the purpose of providing the pupil with a free appropriate
4 public education, and the written agreement must include at least
5 an agreement on the responsibility for the payment of the added
6 costs of special education programs and services for the pupil. If
7 the public school academy that enrolls the pupil does not enter
8 into an agreement under this subsection, the public school academy
9 shall not charge the pupil's resident intermediate district or the
10 intermediate district in which the public school academy is located
11 the added costs of special education programs and services for the
12 pupil, and the public school academy is not eligible for any
13 payouts based on the funding formula outlined in the resident or
14 nonresident intermediate district's plan. If a pupil is not
15 enrolled in a public school academy under this subsection, the
16 provision of special education programs and services and the
17 payment of the added costs of special education programs and
18 services for a pupil described in this subsection are the
19 responsibility of the district and intermediate district in which
20 the pupil resides.

21 (15) For the purpose of receiving its federal allocation under
22 part B of the individuals with disabilities education act, Public
23 Law 108-446, a public school academy that is a cyber school, as
24 that term is defined in section 551 of the revised school code, MCL
25 380.551, and is in compliance with section 553a of the revised
26 school code, MCL 380.553a, directly receives the federal allocation
27 under part B of the individuals with disabilities education act,
28 Public Law 108-446, from the intermediate district in which the
29 cyber school is located, as the subrecipient. If the intermediate



1 district does not distribute the funds described in this subsection
 2 to the cyber school by the part B application due date of July 1,
 3 the department may distribute the funds described in this
 4 subsection directly to the cyber school according to the formula
 5 prescribed in 34 CFR 300.705 and 34 CFR 300.816.

6 (16) For a public school academy that is a cyber school, as
 7 that term is defined in section 551 of the revised school code, MCL
 8 380.551, and is in compliance with section 553a of the revised
 9 school code, MCL 380.553a, that enrolls a pupil under this section,
 10 the intermediate district in which the cyber school is located
 11 shall ensure that the cyber school complies with sections 1701a,
 12 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code,
 13 MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756,
 14 and 380.1757; applicable rules; and the individuals with
 15 disabilities education act, Public Law 108-446.

16 (17) For the purposes of this section, the department or the
 17 center shall only require a district or intermediate district to
 18 report information that is not already available from the financial
 19 information database maintained by the center.

20 Sec. 51c. As required by the court in the consolidated cases
 21 known as *Durant v State of Michigan*, 456 Mich 175 (1997), from the
 22 allocation under section 51a(1), there is allocated for ~~2019-2020~~
 23 ~~and for 2020-2021,~~ **2021-2022** the amount necessary, estimated at
 24 ~~\$678,600,000.00 for 2019-2020 and \$713,400,000.00 for 2020-2021,~~
 25 **\$733,000,000.00** for payments to reimburse districts for 28.6138% of
 26 total approved costs of special education excluding costs
 27 reimbursed under section 53a, and 70.4165% of total approved costs
 28 of special education transportation. Funds allocated under this
 29 section that are not expended in the fiscal year for which they



1 were allocated, as determined by the department, may be used to
 2 supplement the allocations under sections 22a and 22b to fully fund
 3 those allocations for the same fiscal year. For each fund transfer
 4 as described in the immediately preceding sentence that occurs, the
 5 state budget director shall send notification of the transfer to
 6 the house and senate appropriations subcommittees on state school
 7 aid and the house and senate fiscal agencies by not later than 14
 8 calendar days after the transfer occurs.

9 Sec. 51d. (1) From the federal funds appropriated in section
 10 11, there is allocated for ~~2020-2021-2021-2022~~ all available
 11 federal funding, estimated at \$71,000,000.00 for special education
 12 programs and services that are funded by federal grants. The
 13 department shall distribute all federal funds allocated under this
 14 section in accordance with federal law. Notwithstanding section
 15 17b, the department shall make payments of federal funds to
 16 districts, intermediate districts, and other eligible entities
 17 under this section on a schedule determined by the department.

18 (2) From the federal funds allocated under subsection (1), the
 19 following amounts are allocated for ~~2020-2021-2021-2022~~:

20 (a) An amount estimated at \$14,000,000.00 for handicapped
 21 infants and toddlers, funded from DED-OSERS, handicapped infants
 22 and toddlers funds.

23 (b) An amount estimated at \$14,000,000.00 for preschool grants
 24 ~~(Public Law 94-142),~~ **under Public Law 94-142**, funded from DED-
 25 OSERS, handicapped preschool incentive funds.

26 (c) An amount estimated at \$43,000,000.00 for special
 27 education programs funded by DED-OSERS, handicapped program,
 28 individuals with disabilities act funds.

29 (3) As used in this section, "DED-OSERS" means the United



1 States Department of Education Office of Special Education and
2 Rehabilitative Services.

3 Sec. 51f. (1) From the funds appropriated under section 11,
4 there is allocated for ~~2020-2021~~**2021-2022** an amount not to exceed
5 \$60,207,000.00 for payments to districts and intermediate districts
6 to increase the level of reimbursement of costs associated with
7 providing special education services required under state and
8 federal law.

9 (2) A district's or intermediate district's allocation under
10 this section is equal to the level percentage multiplied by each
11 district's or intermediate district's costs reported to the center
12 on the special education actual cost report, known as "SE-4096" as
13 referred to under section 18(6), as approved by the department.

14 (3) The total reimbursement under this section and under
15 section 51c must not exceed the total reported costs for a district
16 or intermediate district.

17 (4) For ~~2020-2021~~**2021-2022**, the level percentage is
18 estimated at 2.0%.

19 (5) For the purposes of this section, "level percentage" means
20 the percentage calculated by dividing the allocation in subsection
21 (1) by the total of costs reported to the center on the special
22 education actual cost report, known as "SE-4096" as referred to
23 under section 18(6), as approved by the department.

24 Sec. 53a. (1) For districts, reimbursement for pupils
25 described in subsection (2) is 100% of the total approved costs of
26 operating special education programs and services approved by the
27 department and included in the intermediate district plan adopted
28 under article 3 of the revised school code, MCL 380.1701 to
29 380.1761, minus the district's foundation allowance calculated



1 under section 20. For intermediate districts, the department shall
2 calculate reimbursement for pupils described in subsection (2) in
3 the same manner as for a district, using the foundation allowance
4 under section 20 of the pupil's district of residence, not to
5 exceed the target foundation allowance under section 20 for the
6 current fiscal year.

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

9 (a) Pupils assigned to a district or intermediate district
10 through the community placement program of the courts or a state
11 agency, if the pupil was a resident of another intermediate
12 district at the time the pupil came under the jurisdiction of the
13 court or a state agency.

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

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

19 (d) Pupils enrolled in a department-approved on-grounds
20 educational program longer than 180 days, but not longer than 233
21 days, at a residential child care institution, if the child care
22 institution offered in 1991-92 an on-grounds educational program
23 longer than 180 days but not longer than 233 days.

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

27 (3) Only those costs that are clearly and directly
28 attributable to educational programs for pupils described in
29 subsection (2), and that would not have been incurred if the pupils



1 were not being educated in a district or intermediate district, are
2 reimbursable under this section.

3 (4) The costs of transportation are funded under this section
4 and are not reimbursed under section 58.

5 (5) The department shall not allocate more than \$10,500,000.00
6 of the allocation for ~~2020-2021~~**2021-2022** in section 51a(1) under
7 this section.

8 Sec. 54. Each intermediate district receives an amount per-
9 pupil for each pupil in attendance at the Michigan Schools for the
10 Deaf and Blind. The amount is proportionate to the total
11 instructional cost at each school. The department shall not
12 allocate more than \$1,688,000.00 of the allocation for ~~2020-2021~~
13 **2021-2022** in section 51a(1) under this section.

14 Sec. 54b. (1) From the general fund money appropriated in
15 section 11, there is allocated an amount not to exceed
16 \$1,600,000.00 for ~~2020-2021~~**2021-2022** to continue the
17 implementation of the recommendations of the special education
18 reform task force published in January 2016.

19 (2) The department shall use funds allocated under this
20 section for the purpose of piloting statewide implementation of the
21 Michigan Integrated Behavior and Learning Support Initiative
22 (MiBLSI), a nationally recognized program that includes positive
23 behavioral intervention and supports and provides a statewide
24 structure to support local initiatives for an integrated behavior
25 and reading program. With the assistance of the intermediate
26 districts involved in MiBLSI, the department shall identify a
27 number of intermediate districts to participate in the pilot that
28 is sufficient to ensure that MiBLSI can be implemented statewide
29 with fidelity and sustainability. In addition, the department shall



1 identify an intermediate district to act as a fiscal agent for
2 these funds.

3 Sec. 54d. (1) From the ~~appropriations~~ **state school aid fund**
4 **money appropriated** in section 11, there is allocated an amount not
5 to exceed \$7,150,000.00 for ~~2020-2021~~ **2021-2022** to intermediate
6 districts for the purpose of providing state early on services
7 programs for children from birth to 3 years of age with a
8 developmental delay or a disability, or both, and their families,
9 as described in the early on Michigan state plan, as approved by
10 the department.

11 (2) To be eligible to receive grant funding under this
12 section, each intermediate district must apply in a form and manner
13 determined by the department.

14 (3) The grant funding allocated under this section must be
15 used to increase early on services and resources available to
16 children that demonstrate developmental delays to help prepare them
17 for success as they enter school. State early on services include
18 evaluating and providing early intervention services for eligible
19 infants and toddlers and their families to address developmental
20 delays, including those affecting physical, cognitive,
21 communication, adaptive, social, or emotional development. Grant
22 funds must not be used to supplant existing services that are
23 currently being provided.

24 (4) The department shall distribute the funds allocated under
25 subsection (1) to intermediate districts according to the
26 department's early on funding formula utilized to distribute the
27 federal award to Michigan under part C of the individuals with
28 disabilities education act, **Public Law 108-446**. Funds received
29 under this section must not supplant existing funds or resources



1 allocated for early on early intervention services. An intermediate
 2 district receiving funds under this section shall maximize the
 3 capture of Medicaid funds to support early on early intervention
 4 services to the extent possible.

5 (5) Each intermediate district that receives funds under this
 6 section shall report data and other information to the department
 7 in a form, manner, and frequency prescribed by the department to
 8 allow for monitoring and evaluation of the program and to ensure
 9 that the children described in subsection (1) received appropriate
 10 levels and types of services delivered by qualified personnel,
 11 based on the individual needs of the children and their families.

12 (6) Notwithstanding section 17b, the department shall make
 13 payments under this section on a schedule determined by the
 14 department.

15 (7) **Grant funds awarded and allocated to an intermediate**
 16 **district under this section must be expended by the grant recipient**
 17 **before June 30 of the fiscal year immediately following the fiscal**
 18 **year in which the funds are received.**

19 Sec. 55. (1) From the general fund money appropriated in
 20 section 11, there is allocated an amount not to exceed \$250,000.00
 21 for ~~2020-2021~~ **2021-2022** to the Conductive Learning Center located
 22 at Aquinas College. This funding must be used to support the
 23 operational costs of the conductive education model taught at the
 24 Conductive Learning Center to maximize the independence and
 25 mobility of children and adults with neuromotor disabilities. The
 26 conductive education model funded under this section must be based
 27 on the concept of neuroplasticity and the ability of people to
 28 learn and improve when they are motivated, regardless of the
 29 severity of their disability.



1 (2) Notwithstanding section 17b, the department shall
2 distribute the funding allocated under this section to the
3 Conductive Learning Center not later than December 1, ~~2020-2021~~.

4
5 Sec. 56. (1) For the purposes of this section:

6 (a) "Membership" means for a particular fiscal year the total
7 membership ~~for the immediately preceding fiscal year~~ of the
8 intermediate district and the districts constituent to the
9 intermediate district, **except that if a district has elected not to**
10 **come under part 30 of the revised school code, MCL 380.1711 to**
11 **380.1741, membership of the district is not included in the**
12 **membership of the intermediate district.**

13 (b) "Millage levied" means the millage levied for special
14 education under part 30 of the revised school code, MCL 380.1711 to
15 380.1741, including a levy for debt service obligations.

16 (c) "Taxable value" means the total taxable value of the
17 districts constituent to an intermediate district, except that if a
18 district has elected not to come under part 30 of the revised
19 school code, MCL 380.1711 to 380.1741, ~~membership and taxable value~~
20 ~~of the district are~~ **is** not included in the ~~membership and taxable~~
21 value of the intermediate district.

22 (2) From the allocation under section 51a(1), there is
23 allocated ~~\$40,008,100.00 for 2019-2020 and~~ an amount not to exceed
24 \$40,008,100.00 for ~~2020-2021~~ **2021-2022** to reimburse intermediate
25 districts levying millages for special education under part 30 of
26 the revised school code, MCL 380.1711 to 380.1741. The purpose,
27 use, and expenditure of the reimbursement are limited as if the
28 funds were generated by these millages and governed by the
29 intermediate district plan adopted under article 3 of the revised



1 school code, MCL 380.1701 to 380.1761. As a condition of receiving
 2 funds under this section, an intermediate district distributing any
 3 portion of special education millage funds to its constituent
 4 districts must submit for departmental approval and implement a
 5 distribution plan.

6 ~~(3) Except as otherwise provided in this subsection,~~
 7 ~~reimbursement for those millages levied in 2018-2019 is made in~~
 8 ~~2019-2020 at an amount per 2018-2019 membership pupil computed by~~
 9 ~~subtracting from \$201,700.00 the 2018-2019 taxable value behind~~
 10 ~~each membership pupil and multiplying the resulting difference by~~
 11 ~~the 2018-2019 millage levied, and then subtracting from that amount~~
 12 ~~the 2018-2019 local community stabilization share revenue for~~
 13 ~~special education purposes behind each membership pupil for~~
 14 ~~reimbursement of personal property exemption loss under the local~~
 15 ~~community stabilization authority act, 2014 PA 86, MCL 123.1341 to~~
 16 ~~123.1362. Reimbursement in 2019-2020 for an intermediate district~~
 17 ~~whose 2017-2018 allocation was affected by the operation of~~
 18 ~~subsection (5) is an amount equal to 102.5% of the 2017-2018~~
 19 ~~allocation to that intermediate district.~~

20 ~~(4) Except as otherwise provided in this subsection,~~
 21 ~~reimbursement for those millages levied in 2019-2020 is made in~~
 22 ~~2020-2021 at an amount per 2019-2020 membership pupil computed by~~
 23 ~~subtracting from \$209,000.00 the 2019-2020 taxable value behind~~
 24 ~~each membership pupil and multiplying the resulting difference by~~
 25 ~~the 2019-2020 millage levied, and then subtracting from that amount~~
 26 ~~the 2019-2020 local community stabilization share revenue for~~
 27 ~~special education purposes behind each membership pupil for~~
 28 ~~reimbursement of personal property exemption loss under the local~~
 29 ~~community stabilization authority act, 2014 PA 86, MCL 123.1341 to~~



1 ~~123.1362. Reimbursement in 2020-2021 for an intermediate district~~
 2 ~~whose 2017-2018 allocation was affected by the operation of~~
 3 ~~subsection (5) is an amount equal to 102.5% of the 2017-2018~~
 4 ~~allocation to that intermediate district.~~

5 **(3) Except as otherwise provided in this subsection,**
 6 **reimbursement for those millages levied in 2020-2021 is made in**
 7 **2021-2022 at an amount per 2020-2021 membership pupil computed by**
 8 **subtracting from \$215,900.00 the 2020-2021 taxable value behind**
 9 **each membership pupil and multiplying the resulting difference by**
 10 **the 2020-2021 millage levied, and then subtracting from that amount**
 11 **the 2020-2021 local community stabilization share revenue for**
 12 **special education purposes behind each membership pupil for**
 13 **reimbursement of personal property exemption loss under the local**
 14 **community stabilization authority act, 2014 PA 86, MCL 123.1341 to**
 15 **123.1362. Reimbursement in 2021-2022 for an intermediate district**
 16 **whose 2017-2018 allocation was affected by the operation of**
 17 **subsection (4) is an amount equal to 102.5% of the 2017-2018**
 18 **allocation to that intermediate district.**

19 **(4) ~~(5)~~—The department shall ensure that the amount paid to a**
 20 **single intermediate district under this section does not exceed**
 21 **62.9% of the total amount allocated under subsection (2).**

22 **(5) ~~(6)~~—The department shall ensure that the amount paid to a**
 23 **single intermediate district under this section is not less than**
 24 **75% of the amount allocated to the intermediate district under this**
 25 **section for the immediately preceding fiscal year.**

26 **(6) From the state school aid fund money appropriated in**
 27 **section 11, there is allocated an amount not to exceed**
 28 **\$20,000,000.00 for 2021-2022 to provide payments to intermediate**
 29 **districts levying millages for special education under part 30 of**



1 the revised school code, MCL 380.1711 to 380.1741. The purpose,
2 use, and expenditure of the payments under this subsection are
3 limited as if the funds were generated by these millages and
4 governed by the intermediate district plan adopted under article 3
5 of the revised school code, MCL 380.1701 to 380.1761. The
6 department shall provide a payment under this subsection to each
7 intermediate district described in this subsection as follows:

8 (a) Except as otherwise provided in this subsection, for an
9 intermediate district with a 2020-2021 3-year average special
10 education millage revenue per pupil of at least \$350.00 but less
11 than \$400.00, an amount computed by subtracting from \$400.00 the
12 2020-2021 3-year average special education millage revenue per
13 pupil, and then multiplying that amount by the 2020-2021 3-year
14 average membership, and then subtracting from that amount the
15 amount allocated under subsection (2) for 2021-2022. If the
16 calculation under this subdivision results in an amount below 0,
17 there is no payment under this subdivision.

18 (b) Except as otherwise provided in this subsection, for an
19 intermediate district with a 2020-2021 3-year average special
20 education millage revenue per pupil of at least \$400.00 but less
21 than \$500.00, an amount computed by subtracting from \$500.00 the
22 2020-2021 3-year average special education millage revenue per
23 pupil, and then multiplying that amount by the 2020-2021 3-year
24 average membership, and then subtracting from that amount the
25 amount allocated under subsection (2) for 2021-2022. If the
26 calculation under this subdivision results in an amount below 0,
27 there is no payment under this subdivision.

28 (c) Except as otherwise provided in this subsection, for an
29 intermediate district with a 2020-2021 3-year average special



1 education millage revenue per pupil of at least \$500.00 but less
 2 than \$650.00, an amount computed by subtracting from \$650.00 the
 3 2020-2021 3-year average special education millage revenue per
 4 pupil, and then multiplying that amount by the 2020-2021 3-year
 5 average membership, and then subtracting from that amount the
 6 amount allocated under subsection (2) for 2021-2022. If the
 7 calculation under this subdivision results in an amount below 0,
 8 there is no payment under this subdivision.

9 (d) For an intermediate district that is levying the maximum
 10 millage rate allowed under section 1724a of the revised school
 11 code, MCL 380.1724a, and that has a 3-year average special
 12 education millage revenue per pupil that is less than \$500.00, an
 13 amount computed by multiplying \$150.00 by the 2020-2021 3-year
 14 average membership, and then subtracting from that amount the
 15 amount allocated under subsection (2) for 2021-2022. If the
 16 calculation under this subdivision results in an amount below 0,
 17 there is no payment under this subdivision.

18 (7) As used in subsection (6):

19 (a) "2020-2021 3-year average membership" means the 3-year
 20 average pupil membership for 2018-2019, 2019-2020, and 2020-2021.

21 (b) "2020-2021 3-year average special education millage
 22 revenue per pupil" means the 3-year average taxable value behind
 23 each membership pupil for 2018-2019, 2019-2020, and 2020-2021
 24 multiplied by the 2020-2021 millage levied.

25 Sec. 61a. (1) From the state school aid fund money
 26 appropriated in section 11, there is allocated an amount not to
 27 exceed \$37,611,300.00 for ~~2020-2021~~ **2021-2022** to reimburse on an
 28 added cost basis districts, except for a district that served as
 29 the fiscal agent for a vocational education consortium in the 1993-



1 94 school year and that has a foundation allowance as calculated
2 under section 20 greater than the minimum foundation allowance
3 under that section, and secondary area vocational-technical
4 education centers for secondary-level career and technical
5 education programs according to rules approved by the
6 superintendent. Applications for participation in the programs must
7 be submitted in the form prescribed by the department. The
8 department shall determine the added cost for each career and
9 technical education program area. The department shall prioritize
10 the allocation of added cost funds based on the capital and program
11 expenditures needed to operate the career and technical education
12 programs provided; the number of pupils enrolled; the advancement
13 of pupils through the instructional program; the existence of an
14 articulation agreement with at least 1 postsecondary institution
15 that provides pupils with opportunities to earn postsecondary
16 credit during the pupil's participation in the career and technical
17 education program and transfers those credits to the postsecondary
18 institution upon completion of the career and technical education
19 program; and the program rank in student placement, job openings,
20 and wages, and shall ensure that the allocation does not exceed 75%
21 of the added cost of any program. Notwithstanding any rule or
22 department determination to the contrary, when determining a
23 district's allocation or the formula for making allocations under
24 this section, the department shall include the participation of
25 pupils in grade 9 in all of those determinations and in all
26 portions of the formula. With the approval of the department, the
27 board of a district maintaining a secondary career and technical
28 education program may offer the program for the period from the
29 close of the school year until September 1. The program shall use



1 existing facilities and must be operated as prescribed by rules
2 promulgated by the superintendent.

3 (2) Except for a district that served as the fiscal agent for
4 a vocational education consortium in the 1993-94 school year, the
5 department shall reimburse districts and intermediate districts for
6 local career and technical education administration, shared time
7 career and technical education administration, and career education
8 planning district career and technical education administration.
9 The superintendent shall adopt guidelines for the definition of
10 what constitutes administration and shall make reimbursement
11 pursuant to those guidelines. The department shall not distribute
12 more than \$800,000.00 of the allocation in subsection (1) under
13 this subsection.

14 (3) A career and technical education program funded under this
15 section may provide an opportunity for participants who are
16 eligible to be funded under section 107 to enroll in the career and
17 technical education program funded under this section if the
18 participation does not occur during regular school hours.

19 Sec. 61b. (1) From the funds appropriated under section 11,
20 there is allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
21 \$8,000,000.00 from the state school aid fund appropriation for CTE
22 early/middle college and CTE dual enrollment programs authorized
23 under this section and for planning grants for the development or
24 expansion of CTE early/middle college programs. The purpose of
25 these programs is to increase the number of Michigan residents with
26 high-quality degrees or credentials, and to increase the number of
27 students who are college and career ready upon high school
28 graduation.

29 (2) From the funds allocated under subsection (1), the



1 department shall allocate an amount as determined under this
2 subsection to each intermediate district serving as a fiscal agent
3 for state-approved CTE early/middle college and CTE dual enrollment
4 programs in each of the career education planning districts
5 identified by the department. An intermediate district shall not
6 use more than 5% of the funds allocated under this subsection for
7 administrative costs for serving as the fiscal agent.

8 (3) To be an eligible fiscal agent, an intermediate district
9 must agree to do all of the following in a form and manner
10 determined by the department:

11 (a) Distribute funds to eligible CTE early/middle college and
12 CTE dual enrollment programs in a career education planning
13 district as described in this section.

14 (b) Collaborate with the career and educational advisory
15 council in the workforce development board service delivery area to
16 develop 1 regional strategic plan under subsection (4) that aligns
17 CTE programs and services into an efficient and effective delivery
18 system for high school students. The department will align career
19 education planning districts, workforce development board service
20 delivery areas, and intermediate districts for the purpose of
21 creating 1 regional strategic plan for each workforce development
22 board service delivery area.

23 (c) Implement a regional process to rank career clusters in
24 the workforce development board service delivery area as described
25 under subsection (4). Regional processes must be approved by the
26 department before the ranking of career clusters.

27 (d) Report CTE early/middle college and CTE dual enrollment
28 program and student data and information as prescribed by the
29 department and the center.



1 (e) Ensure that the local education agency responsible for
2 student reporting in the Michigan Student Data System (MSDS) will
3 report the total number of college credits the student earned, at
4 the time of high school graduation, as determined by the department
5 and the center.

6 (f) Ensure that the local education agency will report each
7 award outcome in the Michigan Student Data System (MSDS) that the
8 CTE early/middle college student attained. An on-track CTE
9 early/middle college graduate will have obtained his or her high
10 school diploma and at least 1 of the following:

11 (i) An associate degree.

12 (ii) 60 transferrable college credits.

13 (iii) Professional certification.

14 (iv) A Michigan Early Middle College Association certificate.

15 (v) Participation in a registered apprenticeship.

16 (4) A regional strategic plan must be approved by the career
17 and educational advisory council before submission to the
18 department. A regional strategic plan must include, but is not
19 limited to, the following:

20 (a) An identification of regional employer need based on a
21 ranking of all career clusters in the workforce development board
22 service delivery area ranked by 10-year job openings projections
23 and median wage for each standard occupational code in each career
24 cluster as obtained from the United States Bureau of Labor
25 Statistics. Standard occupational codes within high-ranking
26 clusters also may be further ranked by median wage. The career and
27 educational advisory council located in the workforce development
28 board service delivery area shall review the rankings and modify
29 them if necessary to accurately reflect employer demand for talent



1 in the workforce development board service delivery area. A career
 2 and educational advisory council shall document that it has
 3 conducted this review and certify that it is accurate. These career
 4 cluster rankings must be determined and updated once every 4 years.

5 (b) An identification of educational entities in the workforce
 6 development board service delivery area that will provide eligible
 7 CTE early/middle college and CTE dual enrollment programs including
 8 districts, intermediate districts, postsecondary institutions, and
 9 noncredit occupational training programs leading to an industry-
 10 recognized credential.

11 (c) A strategy to inform parents and students of CTE
 12 early/middle college and CTE dual enrollment programs in the
 13 workforce development board service delivery area.

14 (d) Any other requirements as defined by the department.

15 (5) An eligible CTE program is a program that meets all of the
 16 following:

17 (a) Has been identified in the highest 5 career cluster
 18 rankings in any of the 16 workforce development board service
 19 delivery area strategic plans jointly approved by the department of
 20 labor and economic opportunity and the department.

21 (b) Has a coherent sequence of courses that will allow a
 22 student to earn a high school diploma and achieve at least 1 of the
 23 ~~following outcomes defined in subsection (3)(f)~~ in a specific
 24 career cluster. ÷

25 ~~(i) An associate degree.~~

26 ~~(ii) An industry-recognized technical certification approved by~~
 27 ~~the department of labor and economic opportunity.~~

28 ~~(iii) Up to 60 transferable college credits.~~

29 ~~(iv) Participation in a registered apprenticeship, pre-~~



1 ~~apprenticeship, or apprentice readiness program.~~

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) The department shall distribute funds to eligible CTE
27 early/middle college and CTE dual enrollment programs as follows:

28 (a) The department shall determine statewide average CTE costs
29 per pupil for each CIP code program by calculating statewide



1 average costs for each CIP code program for the 3 most recent
2 fiscal years.

3 (b) The distribution to each eligible CTE early/middle college
4 or CTE dual enrollment program is the product of 50% of CTE costs
5 per pupil times the pupil enrollment of each eligible CTE
6 early/middle college or CTE dual enrollment program in the
7 immediately preceding school year.

8 (7) In order to receive funds under this section, a CTE
9 early/middle college or CTE dual enrollment program shall furnish
10 to the intermediate district that is the fiscal agent identified in
11 subsection (2), in a form and manner determined by the department,
12 all information needed to administer this program and meet federal
13 reporting requirements; shall allow the department or the
14 department's designee to review all records related to the program
15 for which it receives funds; and shall reimburse the state for all
16 disallowances found in the review, as determined by the department.

17 (8) There is allocated for ~~2020-2021~~**2021-2022** from the funds
18 under subsection (1) an amount not to exceed \$500,000.00 from the
19 state school aid fund allocation for grants to intermediate
20 districts or consortia of intermediate districts for the purpose of
21 planning for new or expanded early/middle college programs.
22 Applications for grants must be submitted in a form and manner
23 determined by the department. The amount of a grant under this
24 subsection must not exceed \$50,000.00. To be eligible for a grant
25 under this subsection, an intermediate district or consortia of
26 intermediate districts must provide matching funds equal to the
27 grant received under this subsection. Notwithstanding section 17b,
28 the department shall make payments under this subsection in the
29 manner determined by the department.



1 (9) Funds distributed under this section may be used to fund
2 program expenditures that would otherwise be paid from foundation
3 allowances. A program receiving funding under section 61a may
4 receive funding under this section for allowable costs that exceed
5 the reimbursement the program received under section 61a. The
6 combined payments received by a program under section 61a and this
7 section must not exceed the total allowable costs of the program. A
8 program provider shall not use more than 5% of the funds allocated
9 under this section to the program for administrative costs.

10 (10) If the allocation under subsection (1) is insufficient to
11 fully fund payments as otherwise calculated under this section, the
12 department shall prorate payments under this section on an equal
13 percentage basis.

14 (11) If pupils enrolled in a career cluster in an eligible CTE
15 early/middle college or CTE dual enrollment program qualify to be
16 reimbursed under this section, those pupils continue to qualify for
17 reimbursement until graduation, even if the career cluster is no
18 longer identified as being in the highest 5 career cluster
19 rankings.

20 (12) As used in this section:

21 (a) "Allowable costs" means those costs directly attributable
22 to the program as jointly determined by the department of labor and
23 economic opportunity and the department.

24 (b) "Career and educational advisory council" means an
25 advisory council to the local workforce development boards located
26 in a workforce development board service delivery area consisting
27 of educational, employer, labor, and parent representatives.

28 (c) "CIP" means classification of instructional programs.

29 (d) "CTE" means career and technical education programs.



1 (e) "CTE dual enrollment program" means a 4-year high school
2 program of postsecondary courses offered by eligible postsecondary
3 educational institutions that leads to an industry-recognized
4 certification or degree.

5 (f) "Early/middle college program" means a 5-year high school
6 program.

7 (g) "Eligible postsecondary educational institution" means
8 that term as defined in section 3 of the career and technical
9 preparation act, 2000 PA 258, MCL 388.1903.

10 Sec. 61d. (1) From the appropriation in section 11, there is
11 allocated for ~~2020-2021~~**2021-2022** an amount not to exceed
12 \$5,000,000.00 from the state school aid fund for additional
13 payments to districts for career and technical education programs
14 for the purpose of increasing the number of Michigan residents with
15 high-quality degrees or credentials, and to increase the number of
16 pupils who are college- and career-ready upon high school
17 graduation.

18 (2) The department shall calculate payments to districts under
19 this section in the following manner:

20 (a) A payment of \$35.00 multiplied by the number of pupils in
21 grades 9 to 12 who are counted in membership in the district and
22 are enrolled in at least 1 career and technical education program.

23 (b) An additional payment of \$35.00 multiplied by the number
24 of pupils in grades 9 to 12 who are counted in membership in the
25 district and are enrolled in at least 1 career and technical
26 education program that provides instruction in critical skills and
27 high-demand career fields.

28 (3) If the allocation under subsection (1) is insufficient to
29 fully fund payments under subsection (2), the department shall



1 prorate payments under this section on an equal per-pupil basis.

2 (4) As used in this section:

3 (a) "Career and technical education program" means a state-
4 approved career and technical education program, as determined by
5 the department.

6 (b) "Career and technical education program that provides
7 instruction in critical skills and high-demand career field" means
8 a career and technical education program classified under any of
9 the following 2-digit classification of instructional programs
10 (CIP) codes:

11 (i) 01, which refers to "agriculture, agriculture operations,
12 and related sciences".

13 (ii) 03, which refers to "natural resources and conservation".

14 (iii) 10 through 11, which refers to "communications
15 technologies/technicians and support services" and "computer and
16 information sciences and support services".

17 (iv) 14 through 15, which refers to "engineering" and
18 "engineering technologies and engineering-related fields".

19 (v) 26, which refers to "biological and biomedical sciences".

20 (vi) 46 through 48, which refers to "construction trades",
21 "mechanic and repair technologies/technicians", and "precision
22 production".

23 (vii) 51, which refers to "health professions and related
24 programs".

25 Sec. 62. (1) For the purposes of this section:

26 (a) "Membership" means for a particular fiscal year the total
27 membership ~~for the immediately preceding fiscal year~~ of the
28 intermediate district and the districts constituent to the
29 intermediate district or the total membership ~~for the immediately~~



1 ~~preceding fiscal year~~ of the area vocational-technical program,
2 **except that if a district has elected not to come under sections**
3 **681 to 690 of the revised school code, MCL 380.681 to 380.690, the**
4 **membership of that district is not included in the membership of**
5 **the intermediate district. However, the membership of a district**
6 **that has elected not to come under sections 681 to 690 of the**
7 **revised school code, MCL 380.681 to 380.690, is included in the**
8 **membership of the intermediate district if the district meets both**
9 **of the following:**

10 (i) The district operates the area vocational-technical
11 education program pursuant to a contract with the intermediate
12 district.

13 (ii) The district contributes an annual amount to the operation
14 of the program that is commensurate with the revenue that would
15 have been raised for operation of the program if millage were
16 levied in the district for the program under sections 681 to 690 of
17 the revised school code, MCL 380.681 to 380.690.

18 (b) "Millage levied" means the millage levied for area
19 vocational-technical education under sections 681 to 690 of the
20 revised school code, MCL 380.681 to 380.690, including a levy for
21 debt service obligations incurred as the result of borrowing for
22 capital outlay projects and in meeting capital projects fund
23 requirements of area vocational-technical education.

24 (c) "Taxable value" means the total taxable value of the
25 districts constituent to an intermediate district or area
26 vocational-technical education program, except that if a district
27 has elected not to come under sections 681 to 690 of the revised
28 school code, MCL 380.681 to 380.690, the ~~membership and taxable~~
29 value of that district ~~are~~ **is** not included in the ~~membership and~~



1 taxable value of the intermediate district. However, the membership
 2 and taxable value of a district that has elected not to come under
 3 sections 681 to 690 of the revised school code, MCL 380.681 to
 4 380.690, ~~are~~ **is** included in the membership and taxable value of the
 5 intermediate district if the district meets both of the following:

6 (i) The district operates the area vocational-technical
 7 education program pursuant to a contract with the intermediate
 8 district.

9 (ii) The district contributes an annual amount to the operation
 10 of the program that is commensurate with the revenue that would
 11 have been raised for operation of the program if millage were
 12 levied in the district for the program under sections 681 to 690 of
 13 the revised school code, MCL 380.681 to 380.690.

14 (2) From the appropriation in section 11, there is allocated
 15 an amount not to exceed \$9,190,000.00 ~~each fiscal year for 2019-~~
 16 ~~2020 and for 2020-2021-2021-2022~~ to reimburse intermediate
 17 districts and area vocational-technical education programs
 18 established under section 690(3) of the revised school code, MCL
 19 380.690, levying millages for area vocational-technical education
 20 under sections 681 to 690 of the revised school code, MCL 380.681
 21 to 380.690. The purpose, use, and expenditure of the reimbursement
 22 are limited as if the funds were generated by those millages.

23 ~~(3) Reimbursement for those millages levied in 2018-2019 is~~
 24 ~~made in 2019-2020 at an amount per 2018-2019 membership pupil~~
 25 ~~computed by subtracting from \$210,800.00 the 2018-2019 taxable~~
 26 ~~value behind each membership pupil and multiplying the resulting~~
 27 ~~difference by the 2018-2019 millage levied, and then subtracting~~
 28 ~~from that amount the 2018-2019 local community stabilization share~~
 29 ~~revenue for area vocational technical education behind each~~



1 ~~membership pupil for reimbursement of personal property exemption~~
 2 ~~loss under the local community stabilization authority act, 2014 PA~~
 3 ~~86, MCL 123.1341 to 123.1362.~~

4 (3) ~~(4)~~—Reimbursement for those millages levied in ~~2019–2020~~
 5 ~~2020–2021~~ is made in ~~2020–2021–2021–2022~~ at an amount per ~~2019–2020~~
 6 ~~2020–2021~~ membership pupil computed by subtracting from ~~\$218,800.00~~
 7 ~~\$224,800.00~~ the ~~2019–2020–2020–2021~~ taxable value behind each
 8 membership pupil and multiplying the resulting difference by the
 9 ~~2019–2020–2020–2021~~ millage levied, and then subtracting from that
 10 amount the ~~2019–2020–2020–2021~~ local community stabilization share
 11 revenue for area vocational technical education behind each
 12 membership pupil for reimbursement of personal property exemption
 13 loss under the local community stabilization authority act, 2014 PA
 14 86, MCL 123.1341 to 123.1362.

15 (4) ~~(5)~~—The department shall ensure that the amount paid to a
 16 single intermediate district under this section does not exceed
 17 38.4% of the total amount allocated under subsection (2).

18 (5) ~~(6)~~—The department shall ensure that the amount paid to a
 19 single intermediate district under this section is not less than
 20 75% of the amount allocated to the intermediate district under this
 21 section for the immediately preceding fiscal year.

22 Sec. 65. (1) From the ~~appropriation~~ **state school aid fund**
 23 **money appropriated** under section 11, there is allocated an amount
 24 not to exceed \$400,000.00 for ~~2020–2021–2021–2022~~ for a pre-college
 25 engineering K-12 educational program that is focused on the
 26 development of a diverse future Michigan workforce, that serves
 27 multiple communities within southeast Michigan, that enrolls pupils
 28 from multiple districts, and that received funds appropriated for
 29 this purpose in the appropriations act that provided the Michigan



1 strategic fund budget for 2014-2015.

2 (2) To be eligible for funding under this section, a program
3 must have the ability to expose pupils to, and motivate and prepare
4 pupils for, science, technology, engineering, and mathematics
5 careers and postsecondary education with special attention given to
6 groups of pupils who are at-risk and underrepresented in technical
7 professions and careers.

8
9 Sec. 67a. (1) From the general fund money appropriated under
10 section 11, there is allocated an amount not to exceed \$50,000.00
11 for ~~2020-2021~~**2021-2022** for a grant to be distributed by the
12 department to an organization to provide industrial and
13 technological education and workforce preparation for students and
14 professional development opportunities and support for teachers.

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

18 Sec. 74. (1) From the ~~amount appropriated~~**state school aid**
19 **fund money appropriated** in section 11, there is allocated an amount
20 not to exceed ~~\$3,814,500.00~~**\$3,805,800.00** for ~~2020-2021~~**2021-2022**
21 for the purposes of this section.

22 (2) From the allocation in subsection (1), there is allocated
23 for ~~2020-2021~~**2021-2022** the amount necessary for payments to state
24 supported colleges or universities and intermediate districts
25 providing school bus driver safety instruction under section 51 of
26 the pupil transportation act, 1990 PA 187, MCL 257.1851. The
27 department shall make payments in an amount determined by the
28 department not to exceed the actual cost of instruction and driver
29 compensation for each public or nonpublic school bus driver



1 attending a course of instruction. For the purpose of computing
 2 compensation, the hourly rate allowed each school bus driver must
 3 not exceed the hourly rate received for driving a school bus. The
 4 department shall make reimbursement compensating the driver during
 5 the course of instruction to the college or university or
 6 intermediate district providing the course of instruction.

7 (3) From the allocation in subsection (1), there is allocated
 8 for ~~2020-2021~~**2021-2022** the amount necessary to pay the reasonable
 9 costs of nonspecial education auxiliary services transportation
 10 provided under section 1323 of the revised school code, MCL
 11 380.1323. Districts funded under this subsection do not receive
 12 funding under any other section of this article for nonspecial
 13 education auxiliary services transportation.

14 (4) From the funds allocated in subsection (1), there is
 15 allocated an amount not to exceed ~~\$1,789,500.00~~**\$1,780,800.00** for
 16 ~~2020-2021~~**2021-2022** for reimbursement to districts and intermediate
 17 districts for costs associated with the inspection of school buses
 18 and pupil transportation vehicles by the department of state police
 19 as required under section 715a of the Michigan vehicle code, 1949
 20 PA 300, MCL 257.715a, and section 39 of the pupil transportation
 21 act, 1990 PA 187, MCL 257.1839. The department of state police
 22 shall prepare a statement of costs attributable to each district
 23 for which bus inspections are provided and submit it to the
 24 department and to an intermediate district serving as fiduciary in
 25 a time and manner determined jointly by the department and the
 26 department of state police. Upon review and approval of the
 27 statement of cost, the department shall forward to the designated
 28 intermediate district serving as fiduciary the amount of the
 29 reimbursement on behalf of each district and intermediate district



1 for costs detailed on the statement within 45 days after receipt of
 2 the statement. The designated intermediate district shall make
 3 payment in the amount specified on the statement to the department
 4 of state police within 45 days after receipt of the statement. The
 5 total reimbursement of costs under this subsection must not exceed
 6 the amount allocated under this subsection. Notwithstanding section
 7 17b, the department shall make payments to eligible entities under
 8 this subsection on a schedule prescribed by the department.

9 Sec. 81. (1) From the ~~appropriation~~**state school aid fund**
 10 **money appropriated** in section 11, there is allocated for ~~2020-2021~~
 11 **2021-2022** to the intermediate districts the sum necessary, but not
 12 to exceed \$69,138,000.00, to provide state aid to intermediate
 13 districts under this section.

14 (2) The amount allocated under this section to each
 15 intermediate district is an amount equal to 100% of the amount
 16 allocated to the intermediate district under this section for ~~2019-~~
 17 ~~2020.~~**2020-2021**. An intermediate district shall use funding
 18 provided under this section to comply with requirements of this
 19 article and the revised school code that are applicable to
 20 intermediate districts, and for which funding is not provided
 21 elsewhere in this article, and to provide technical assistance to
 22 districts as authorized by the intermediate school board.

23 (3) Intermediate districts receiving funds under this section
 24 shall collaborate with the department to develop expanded
 25 professional development opportunities for teachers to update and
 26 expand their knowledge and skills needed to support the Michigan
 27 merit curriculum.

28 (4) From the allocation in subsection (1), there is allocated
 29 to an intermediate district, formed by the consolidation or



1 annexation of 2 or more intermediate districts or the attachment of
2 a total intermediate district to another intermediate district or
3 the annexation of all of the constituent K-12 districts of a
4 previously existing intermediate district which has disorganized,
5 an additional allotment of \$3,500.00 each fiscal year for each
6 intermediate district included in the new intermediate district for
7 3 years following consolidation, annexation, or attachment.

8 (5) In order to receive funding under this section, an
9 intermediate district shall do all of the following:

10 (a) Demonstrate to the satisfaction of the department that the
11 intermediate district employs at least 1 person who is trained in
12 pupil accounting and auditing procedures, rules, and regulations.

13 (b) Demonstrate to the satisfaction of the department that the
14 intermediate district employs at least 1 person who is trained in
15 rules, regulations, and district reporting procedures for the
16 individual-level student data that serves as the basis for the
17 calculation of the district and high school graduation and dropout
18 rates.

19 (c) Comply with sections 1278a and 1278b of the revised school
20 code, MCL 380.1278a and 380.1278b.

21 (d) Furnish data and other information required by state and
22 federal law to the center and the department in the form and manner
23 specified by the center or the department, as applicable.

24 (e) Comply with section 1230g of the revised school code, MCL
25 380.1230g.

26 Sec. 94. (1) From the general fund money appropriated in
27 section 11, there is allocated to the department for ~~2020-2021~~
28 **2021-2022** an amount not to exceed \$1,200,000.00 for efforts to
29 increase the number of pupils who participate and succeed in



1 advanced placement and international baccalaureate programs, and to
2 support the college-level examination program (CLEP).

3 (2) From the funds allocated under this section, the
4 department shall award funds to cover all or part of the costs of
5 advanced placement test fees or international baccalaureate test
6 fees and international baccalaureate registration fees for low-
7 income pupils who take an advanced placement or an international
8 baccalaureate test and CLEP fees for low-income pupils who take a
9 CLEP test.

10 (3) The department shall only award funds under this section
11 if the department determines that all of the following criteria are
12 met:

13 (a) Each pupil for whom payment is made meets eligibility
14 requirements of the federal advanced placement test fee program
15 under section 1701 of the no child left behind act of 2001, Public
16 Law 107-110, or under a corresponding provision of the every
17 student succeeds act, Public Law 114-95.

18 (b) The tests are administered by the college board, the
19 international baccalaureate organization, or another test provider
20 approved by the department.

21 (c) The pupil for whom payment is made pays at least \$5.00
22 toward the cost of each test for which payment is made.

23 (4) The department shall establish procedures for awarding
24 funds under this section.

25 (5) Notwithstanding section 17b, the department shall make
26 payments under this section on a schedule determined by the
27 department.

28 Sec. 94a. (1) There is created within the state budget office
29 in the department of technology, management, and budget the center



1 for educational performance and information. The center shall do
2 all of the following:

3 (a) Coordinate the collection of all data required by state
4 and federal law from districts, intermediate districts, and
5 postsecondary institutions.

6 (b) Create, maintain, and enhance this state's P-20
7 longitudinal data system and ensure that it meets the requirements
8 of subsection (4).

9 (c) Collect data in the most efficient manner possible in
10 order to reduce the administrative burden on reporting entities,
11 including, but not limited to, electronic transcript services.

12 (d) Create, maintain, and enhance this state's web-based
13 educational portal to provide information to school leaders,
14 teachers, researchers, and the public in compliance with all
15 federal and state privacy laws. Data must include, but are not
16 limited to, all of the following:

17 (i) ~~Data **As required under other state laws or federal law,**~~
18 ~~**data** sets that link teachers to student information. , allowing~~
19 ~~districts to assess individual teacher impact on student~~
20 ~~performance and consider student growth factors in teacher and~~
21 ~~principal evaluation systems.~~

22 (ii) Data access or, if practical, data sets, provided for
23 regional data hubs that, in combination with local data, can
24 improve teaching and learning in the classroom.

25 (iii) Research-ready data sets for researchers to perform
26 research that advances this state's educational performance.

27 (e) Provide data in a useful manner to allow state and local
28 policymakers to make informed policy decisions.

29 (f) Provide public reports to the residents of this state to



1 allow them to assess allocation of resources and the return on
2 their investment in the education system of this state.

3 (g) Other functions as assigned by the state budget director.

4 (2) Each state department, officer, or agency that collects
5 information from districts, intermediate districts, or
6 postsecondary institutions as required under state or federal law
7 shall make arrangements with the center to ensure that the state
8 department, officer, or agency is in compliance with subsection
9 (1). This subsection does not apply to information collected by the
10 department of treasury under the uniform budgeting and accounting
11 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
12 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
13 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
14 388.1939; or section 1351a of the revised school code, MCL
15 380.1351a.

16 (3) The center may enter into any interlocal agreements
17 necessary to fulfill its functions.

18 (4) The center shall ensure that the P-20 longitudinal data
19 system required under subsection (1)(b) meets all of the following:

20 (a) Includes data at the individual student level from
21 preschool through postsecondary education and into the workforce.

22 (b) Supports interoperability by using standard data
23 structures, data formats, and data definitions to ensure linkage
24 and connectivity in a manner that facilitates the exchange of data
25 among agencies and institutions within the state and between
26 states.

27 (c) ~~Enables~~ **As required under other state laws or federal law,**
28 **enables** the matching of individual teacher and student records so
29 that an individual student may be matched with those teachers



1 providing instruction to that student **for programs and services**
2 **specified in the complementary sections of law.**

3 (d) Enables the matching of individual teachers with
4 information about their certification and the institutions that
5 prepared and recommended those teachers for state certification.

6 (e) Enables data to be easily generated for continuous
7 improvement and decision-making, including timely reporting to
8 parents, teachers, and school leaders on student achievement.

9 (f) Ensures the reasonable quality, validity, and reliability
10 of data contained in the system.

11 (g) Provides this state with the ability to meet federal and
12 state reporting requirements.

13 (h) For data elements related to preschool through grade 12
14 and postsecondary, meets all of the following:

15 (i) Contains a unique statewide student identifier that does
16 not permit a student to be individually identified by users of the
17 system, except as allowed by federal and state law.

18 (ii) Contains student-level enrollment, demographic, and
19 program participation information.

20 (iii) Contains student-level information about the points at
21 which students exit, transfer in, transfer out, drop out, or
22 complete education programs.

23 (iv) Has the capacity to communicate with higher education data
24 systems.

25 (i) For data elements related to preschool through grade 12
26 only, meets all of the following:

27 (i) Contains yearly test records of individual students for
28 assessments approved by DED-OESE for accountability purposes under
29 section 1111(b) of the elementary and secondary education act of



1 1965, 20 USC 6311, including information on individual students not
2 tested, by grade and subject.

3 (ii) ~~Contains~~ **As required under other state laws or federal**
4 **law, contains** student-level transcript information, including
5 information on courses completed and grades earned **for programs and**
6 **services specified in complementary sections of law.**

7 (iii) Contains student-level college readiness test scores.

8 (j) For data elements related to postsecondary education only:

9 (i) Contains data that provide information regarding the extent
10 to which individual students transition successfully from secondary
11 school to postsecondary education, including, but not limited to,
12 all of the following:

13 (A) Enrollment in remedial coursework.

14 (B) Completion of 1 year's worth of college credit applicable
15 to a degree within 2 years of enrollment.

16 (ii) Contains data that provide other information determined
17 necessary to address alignment and adequate preparation for success
18 in postsecondary education.

19 (5) From the general fund money appropriated in section 11,
20 there is allocated an amount not to exceed ~~\$16,848,900.00~~
21 **\$16,802,500.00** for ~~2020-2021~~ **2021-2022** to the department of
22 technology, management, and budget to support the operations of the
23 center. In addition, from the federal funds appropriated in section
24 11, there is allocated for ~~2020-2021~~ **2021-2022** the amount
25 necessary, estimated at \$193,500.00, to support the operations of
26 the center and to establish a P-20 longitudinal data system
27 necessary for state and federal reporting purposes. The center
28 shall cooperate with the department to ensure that this state is in
29 compliance with federal law and is maximizing opportunities for



1 increased federal funding to improve education in this state.

2 (6) From the funds allocated in subsection (5), the center may
3 use an amount determined by the center for competitive grants for
4 ~~2020-2021~~**2021-2022** to support collaborative efforts on the P-20
5 longitudinal data system. All of the following apply to grants
6 awarded under this subsection:

7 (a) The center shall award competitive grants to eligible
8 intermediate districts or a consortium of intermediate districts
9 based on criteria established by the center.

10 (b) Activities funded under the grant must support the P-20
11 longitudinal data system portal and may include portal hosting,
12 hardware and software acquisition, maintenance, enhancements, user
13 support and related materials, and professional learning tools and
14 activities aimed at improving the utility of the P-20 longitudinal
15 data system.

16 (c) An applicant that received a grant under this subsection
17 for the immediately preceding fiscal year has priority for funding
18 under this section. However, after 3 fiscal years of continuous
19 funding, an applicant is required to compete openly with new
20 applicants.

21 (7) Funds allocated under this section that are not expended
22 in the fiscal year in which they were allocated may be carried
23 forward to a subsequent fiscal year and are appropriated for the
24 purposes for which the funds were originally allocated.

25 (8) The center may bill departments as necessary in order to
26 fulfill reporting requirements of state and federal law. The center
27 may also enter into agreements to supply custom data, analysis, and
28 reporting to other principal executive departments, state agencies,
29 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 money appropriated under
 10 section 11, there is allocated an amount not to exceed
 11 \$2,000,000.00 for **2021-2022 for** the model value-added growth and
 12 projection analytics system. The department shall continue the
 13 model value-added growth and projection analytics system and
 14 incorporate that model into its reporting requirements under the
 15 every student succeeds act, Public Law 114-95. ~~It is the intent of~~
 16 ~~the legislature to fund the model under this section for 2021-2022~~
 17 ~~only if at least 50% of districts that are not public school~~
 18 ~~academies opt in to student-teacher linkages provided by the model~~
 19 ~~value-added growth and projection analytics system and there is~~
 20 ~~verification that the value-added reporting platform continued~~
 21 ~~hosting and delivery of historical reporting as determined based on~~
 22 ~~the report under subsection (5).~~ The model described in this
 23 subsection must do at least all of the following:

24 (a) Utilize existing assessments and any future assessments
 25 that are suitable for measuring student growth.

26 (b) Report student growth measures at the district, school,
 27 teacher, and subgroup levels.

28 (c) Recognize the growth of tested students, including those
 29 who may have missing assessment data.



1 (d) Include all available prior standardized assessment data
2 that meet inclusion criteria across grades, subjects, and state and
3 local assessments.

4 (e) Allow student growth results to be disaggregated.

5 (f) Provide individual student projections showing the
6 probability of a student reaching specific performance levels on
7 future assessments. Given school closures and extended
8 cancellations related to COVID-19, the data under this subdivision
9 may be used to inform decisions about student placement or students
10 that could benefit from additional supports or interventions.

11 (g) Demonstrate any prior success with this state's
12 assessments through the Michigan council of educator effectiveness
13 teacher evaluation pilot.

14 (h) Demonstrate prior statewide implementation in at least 2
15 other states for at least 10 years.

16 (i) Have a native roster verification system built into the
17 value-added reporting platform that has been implemented statewide
18 in at least 2 other states.

19 (j) Have a "help/contact us" ticketing system built into the
20 value-added reporting platform.

21 (k) Given school closures that have occurred pursuant to an
22 executive order issued by the governor, the value-added reporting
23 platform must provide continued hosting and delivery of reporting
24 and offer the department additional supports in the areas of
25 research, analysis, web reporting, and training.

26 (l) The department and the platform vendor shall provide
27 statewide training for educators to understand the reporting that
28 details the impact to student learning and growth.

29 (2) The department shall provide internet-based electronic



1 student growth and projection reporting based on the model under
 2 subsection (1) to educators at the school, district, and state
 3 levels. The model must include role-based permissions that allow
 4 educators to access information about the performance of the
 5 students within their immediate responsibility in accordance with
 6 applicable privacy laws.

7 (3) The model under subsection (1) must not be a mandatory
 8 part of teacher evaluation or educator pay-for-performance systems.

9 (4) The model under subsection (1) must be a model that
 10 received funding under this section in 2018-2019.

11 (5) By March 31, ~~2021~~, **2022**, the department shall work with
 12 the center to provide a report to the senate and house
 13 appropriations subcommittees on ~~state~~-school aid and the senate and
 14 house fiscal agencies regarding the number of districts that are
 15 not public school academies that opted in to student-teacher
 16 linkages in their use of the model value-added growth and
 17 projection analytics system under this section. The report under
 18 this subsection must also include verification that the value-added
 19 reporting platform continued hosting and delivery of historical
 20 reporting and specify any additional research and analysis offered
 21 to the department.

22 **Sec. 97. (1) For 2021-2022, from the state school aid fund**
 23 **money appropriated under section 11, there is allocated an amount**
 24 **not to exceed \$7,500,000.00 and from the general fund money**
 25 **appropriated under section 11, there is allocated an amount not to**
 26 **exceed \$2,500,000.00 for competitive grants to public schools,**
 27 **nonpublic schools, districts, and intermediate districts to**
 28 **purchase technology equipment, upgrade hardening measures, or**
 29 **conduct school building safety assessments to improve the safety**



1 and security of school buildings, pupils or students, and school
2 staff with the goal of creating a safer school environment through
3 equipment and technology enhancements. The department of state
4 police, grants and community services division, shall administer
5 the grant program described in this subsection. All grants under
6 this subsection must be funded on a reimbursement-only basis.
7 Grants under this subsection must not exceed \$50,000.00 for each
8 public school or nonpublic school and \$250,000.00 for each district
9 or intermediate district.

10 (2) All of the following apply to the application process for
11 funding under subsection (1):

12 (a) To receive funding under subsection (1), a public school,
13 nonpublic school, district, or intermediate district shall submit
14 an application for funding under subsection (1) directly to the
15 department of state police, grants and community services division.

16 (b) An application from a district or intermediate district
17 under this subsection must be for 1 or more buildings that have
18 some or all of pre-K to grade 12 classrooms and pupils.

19 (c) An applicant may submit only 1 application.

20 (d) An individual public school may submit its own application
21 but must not also be included in its district's application if the
22 district submits an application under this subsection.

23 (e) The department of state police shall award grants to
24 applicants based on eligibility, the project description, and
25 whether the project reflects the highest security need of the
26 applicant within grant funding constraints, the budget narrative,
27 the budget, project goals, objectives, and performance measures.

28 (f) The department of state police shall give priority to all
29 of the following applicants:



1 (i) Applicants seeking funding for projects that involve
2 multiple agencies working in partnership.

3 (ii) Applicants seeking funding for proposals that seek to
4 secure exterior access points of school buildings.

5 (iii) Applicants that did not receive a school safety grant in
6 the past.

7 (iv) Applicants that did not receive a grant under section 1001
8 of article XX of 2018 PA 207 or under section 115 of 2018 PA 618.

9 (g) To be awarded a grant, an applicant must demonstrate proof
10 that the public school, nonpublic school, district, or intermediate
11 district has an emergency operation plan that was updated after
12 August 1, 2017 to align with the state emergency operations plan
13 guidance and statewide school safety information policy developed
14 under section 1308 of the revised school code, MCL 380.1308.

15 (h) The department of state police shall issue grant guidance
16 and application materials, including required performance measures,
17 not later than February 1, 2022.

18 (3) The department of state police shall not award funding
19 under subsection (1) to a public school, nonpublic school,
20 district, or intermediate district in relation to the same school
21 building more than once. If a district submits an application under
22 subsection (2) relating to a school building and a public school
23 within that district also submits an application for funding in
24 relation to that same school building, the department of state
25 police shall not allocate funding under subsection (1) twice for
26 that school building. If a public school, nonpublic school,
27 district, or intermediate district submits more than 1 application,
28 the department of state police shall first consider the most recent
29 application submitted in considering funding under subsection (1).



1 (4) Eligible expenses for reimbursement under subsection (1)
2 must be consistent with the recommendations of the school safety
3 task force created by Executive Order No. 2018-5. The department of
4 state police shall list the eligible expenses in the grant guidance
5 and application materials described under subsection (2). The
6 following items are not eligible expenses for which grant funds
7 under subsection (1) may be applied:

8 (a) Weapons, including tasers.

9 (b) Personal body armor for routine use.

10 (c) Construction of new facilities.

11 (d) Costs in applying for the grant, such as consultants and
12 grant writers.

13 (e) Expenses incurred before the date of the award or after
14 the end of the performance period of the grant award.

15 (f) Personnel costs or operation costs related to a capital
16 improvement.

17 (g) Indirect costs or indirect administrative expenses.

18 (h) Travel.

19 (i) Contributions or donations.

20 (j) Management or administrative training and conferences,
21 except as otherwise preapproved by the department of state police.

22 (k) Management studies or research and development.

23 (l) Memberships and dues, except for a specific requirement of
24 the project that has been preapproved by the department of state
25 police.

26 (m) Vehicles, watercraft, or aircraft, including unmanned or
27 remotely piloted aircraft and vehicles.

28 (n) Service contracts and training beyond the performance
29 period of the grant award.



1 (o) Food, refreshments, and snacks.

2 (5) A grantee under section 1001 of article XX of 2018 PA 207
3 that is a public school, nonpublic school, district, or
4 intermediate district or a grantee under section 115 of 2018 PA 618
5 that is a public school, nonpublic school, district, or
6 intermediate district is not prohibited from applying for, and
7 receiving, a grant award under this section.

8 (6) The department of state police shall begin issuing awards
9 for grants under subsection (1) not later than May 1, 2022. A
10 project that is awarded a grant under this section must be
11 completed by July 1, 2023.

12 (7) The department of state police shall report on grant
13 activities under this section, including available performance
14 outcomes as identified in individual grant agreements, to the
15 senate and house appropriations subcommittees on state police, the
16 senate and house fiscal agencies, and the state budget office by
17 August 1, 2023.

18 (8) The funds allocated for school safety grants under this
19 section for 2021-2022 are a work project appropriation, and any
20 unexpended funds for 2021-2022 do not lapse to the state school aid
21 fund or general fund and are carried forward into 2022-2023. The
22 purpose of the work project is to continue promoting safer school
23 environments. The estimated completion date of the work project is
24 July 1, 2023.

25 (9) The department of state police shall ensure that a grant
26 to a nonpublic school under this section is funded from the general
27 fund money allocated under this section.

28 Sec. 98. (1) From the general fund money appropriated in
29 section 11, there is allocated an amount not to exceed



1 \$7,500,000.00 for ~~2020-2021~~**2021-2022** for the purposes described in
2 this section. The Michigan Virtual University shall provide a
3 report to the legislature not later than November 1 of each year
4 that includes its mission, its plans, and proposed benchmarks it
5 must meet, including a plan to achieve the organizational
6 priorities identified in this section, in order to receive full
7 funding for ~~2021-2022.~~**2022-2023**. Not later than March 1 of each
8 year, the Michigan Virtual University shall provide an update to
9 the house and senate appropriations subcommittees on school aid to
10 show the progress being made to meet the benchmarks identified.

11 (2) The Michigan Virtual University shall operate the Michigan
12 Virtual Learning Research Institute. The Michigan Virtual Learning
13 Research Institute shall do all of the following:

14 (a) Support and accelerate innovation in education through the
15 following activities:

16 (i) Test, evaluate, and recommend as appropriate new
17 technology-based instructional tools and resources.

18 (ii) Research, design, and recommend virtual education delivery
19 models for use by pupils and teachers that include age-appropriate
20 multimedia instructional content.

21 (iii) Research, develop, and recommend annually to the
22 department criteria by which cyber schools and virtual course
23 providers should be monitored and evaluated to ensure a quality
24 education for their pupils.

25 (iv) Based on pupil completion and performance data reported to
26 the department or the center from cyber schools and other virtual
27 course providers operating in this state, analyze the effectiveness
28 of virtual learning delivery models in preparing pupils to be
29 college- and career-ready and publish a report that highlights



1 enrollment totals, completion rates, and the overall impact on
2 pupils. The Michigan Virtual Learning Research Institute shall
3 submit the report to the house and senate appropriations
4 subcommittees on ~~state~~-school aid, the state budget director, the
5 house and senate fiscal agencies, the department, districts, and
6 intermediate districts not later than March 31 of each year.

7 (v) Provide an extensive professional development program to
8 at least 30,000 educational personnel, including teachers, school
9 administrators, and school board members, that focuses on the
10 effective integration of virtual learning into curricula and
11 instruction. The Michigan Virtual Learning Research Institute is
12 encouraged to work with the MiSTEM advisory council created under
13 section 99s to coordinate professional development of teachers in
14 applicable fields. In addition, the Michigan Virtual Learning
15 Research Institute and external stakeholders are encouraged to
16 coordinate with the department for professional development in this
17 state. Not later than December 1 of each year, the Michigan Virtual
18 Learning Research Institute shall submit a report to the house and
19 senate appropriations subcommittees on state school aid, the state
20 budget director, the house and senate fiscal agencies, and the
21 department on the number of teachers, school administrators, and
22 school board members who have received professional development
23 services from the Michigan Virtual University. The report must also
24 identify barriers and other opportunities to encourage the adoption
25 of virtual learning in the public education system.

26 (vi) Identify and share best practices for planning,
27 implementing, and evaluating virtual and blended education delivery
28 models with intermediate districts, districts, and public school
29 academies to accelerate the adoption of innovative education



1 delivery models statewide.

2 (b) Provide leadership for this state's system of virtual
3 learning education by doing the following activities:

4 (i) Develop and report policy recommendations to the governor
5 and the legislature that accelerate the expansion of effective
6 virtual learning in this state's schools.

7 (ii) Provide a clearinghouse for research reports, academic
8 studies, evaluations, and other information related to virtual
9 learning.

10 (iii) Promote and distribute the most current instructional
11 design standards and guidelines for virtual teaching.

12 (iv) In collaboration with the department and interested
13 colleges and universities in this state, support implementation and
14 improvements related to effective virtual learning instruction.

15 (v) Pursue public/private partnerships that include districts
16 to study and implement competency-based technology-rich virtual
17 learning models.

18 (vi) Create a statewide network of school-based mentors serving
19 as liaisons between pupils, virtual instructors, parents, and
20 school staff, as provided by the department or the center, and
21 provide mentors with research-based training and technical
22 assistance designed to help more pupils be successful virtual
23 learners.

24 (vii) Convene focus groups and conduct annual surveys of
25 teachers, administrators, pupils, parents, and others to identify
26 barriers and opportunities related to virtual learning.

27 (viii) Produce an annual consumer awareness report for schools
28 and parents about effective virtual education providers and
29 education delivery models, performance data, cost structures, and



1 research trends.

2 (ix) Provide an internet-based platform that educators can use
3 to create student-centric learning tools and resources for sharing
4 in the state's open educational resource repository and facilitate
5 a user network that assists educators in using the content creation
6 platform and state repository for open educational resources. As
7 part of this initiative, the Michigan Virtual University shall work
8 collaboratively with districts and intermediate districts to
9 establish a plan to make available virtual resources that align to
10 Michigan's K-12 curriculum standards for use by students,
11 educators, and parents.

12 (x) Create and maintain a public statewide catalog of virtual
13 learning courses being offered by all public schools and community
14 colleges in this state. The Michigan Virtual Learning Research
15 Institute shall identify and develop a list of nationally
16 recognized best practices for virtual learning and use this list to
17 support reviews of virtual course vendors, courses, and
18 instructional practices. The Michigan Virtual Learning Research
19 Institute shall also provide a mechanism for intermediate districts
20 to use the identified best practices to review content offered by
21 constituent districts. The Michigan Virtual Learning Research
22 Institute shall review the virtual course offerings of the Michigan
23 Virtual University, and make the results from these reviews
24 available to the public as part of the statewide catalog. The
25 Michigan Virtual Learning Research Institute shall ensure that the
26 statewide catalog is made available to the public on the Michigan
27 Virtual University website and shall allow the ability to link it
28 to each district's website as provided for in section 21f. The
29 statewide catalog must also contain all of the following:



1 (A) The number of enrollments in each virtual course in the
2 immediately preceding school year.

3 (B) The number of enrollments that earned 60% or more of the
4 total course points for each virtual course in the immediately
5 preceding school year.

6 (C) The pass rate for each virtual course.

7 (xi) Support registration, payment services, and transcript
8 functionality for the statewide catalog and train key stakeholders
9 on how to use new features.

10 (xii) Collaborate with key stakeholders to examine district
11 level accountability and teacher effectiveness issues related to
12 virtual learning under section 21f and make findings and
13 recommendations publicly available.

14 (xiii) Provide a report on the activities of the Michigan
15 Virtual Learning Research Institute.

16 (3) To further enhance its expertise and leadership in virtual
17 learning, the Michigan Virtual University shall continue to operate
18 the Michigan Virtual School as a statewide laboratory and quality
19 model of instruction by implementing virtual and blended learning
20 solutions for Michigan schools in accordance with the following
21 parameters:

22 (a) The Michigan Virtual School must maintain its
23 accreditation status from recognized national and international
24 accrediting entities.

25 (b) The Michigan Virtual University shall use no more than
26 \$1,000,000.00 of the amount allocated under this section to
27 subsidize the cost paid by districts for virtual courses.

28 (c) In providing educators responsible for the teaching of
29 virtual courses as provided for in this section, the Michigan



1 Virtual School shall follow the requirements to request and assess,
2 and the department of state police shall provide, a criminal
3 history check and criminal records check under sections 1230 and
4 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
5 the same manner as if the Michigan Virtual School were a school
6 district under those sections.

7 (4) From the funds allocated under subsection (1), the
8 Michigan Virtual University shall allocate up to \$500,000.00 to
9 support the expansion of new online and blended educator
10 professional development programs.

11 (5) If the course offerings are included in the statewide
12 catalog of virtual courses under subsection (2)(b)(x), the Michigan
13 Virtual School operated by the Michigan Virtual University may
14 offer virtual course offerings, including, but not limited to, all
15 of the following:

16 (a) Information technology courses.

17 (b) College level equivalent courses, as **that term is** defined
18 in section 1471 of the revised school code, MCL 380.1471.

19 (c) Courses and dual enrollment opportunities.

20 (d) Programs and services for at-risk pupils.

21 (e) High school equivalency test preparation courses for
22 adjudicated youth.

23 (f) Special interest courses.

24 (g) Professional development programs for teachers, school
25 administrators, other school employees, and school board members.

26 (6) If a home-schooled or nonpublic school student is a
27 resident of a district that subscribes to services provided by the
28 Michigan Virtual School, the student may use the services provided
29 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) 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) In addition to the information listed in subsection (7),
17 the report under subsection (7) must also include a plan to serve
18 at least 600 schools with courses from the Michigan Virtual School
19 or with content available through the internet-based platform
20 identified in subsection (2) (b) (ix).

21 (9) 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 serve at the
24 pleasure of the governor and without compensation. The purpose of
25 the advisory group is to make recommendations to the governor, the
26 legislature, and the president and board of the Michigan Virtual
27 University that will accelerate innovation in this state's
28 education system in a manner that will prepare elementary and
29 secondary students to be career and college ready and that will



1 promote the goal of increasing the percentage of residents of this
2 state with high-quality degrees and credentials to at least 60% by
3 2025.

4 (10) Not later than November 1 of each year, the Michigan
5 Virtual University shall submit to the house and senate
6 appropriations subcommittees on ~~state~~-school aid, the state budget
7 director, and the house and senate fiscal agencies a detailed
8 budget for that fiscal year that includes a breakdown on its
9 projected costs to deliver virtual educational services to
10 districts and a summary of the anticipated fees to be paid by
11 districts for those services. Not later than March 1 each year, the
12 Michigan Virtual University shall submit to the house and senate
13 appropriations subcommittees on ~~state~~-school aid, the state budget
14 director, and the house and senate fiscal agencies a breakdown on
15 its actual costs to deliver virtual educational services to
16 districts and a summary of the actual fees paid by districts for
17 those services based on audited financial statements for the
18 immediately preceding fiscal year.

19 (11) As used in this section:

20 (a) "Blended learning" means a hybrid instructional delivery
21 model where pupils are provided content, instruction, and
22 assessment, in part at a supervised educational facility away from
23 home where the pupil and a teacher with a valid Michigan teaching
24 certificate are in the same physical location and in part through
25 internet-connected learning environments with some degree of pupil
26 control over time, location, and pace of instruction.

27 (b) "Cyber school" means a full-time instructional program of
28 virtual courses for pupils that may or may not require attendance
29 at a physical school location.



1 (c) "Virtual course" means a course of study that is capable
 2 of generating a credit or a grade and that is provided in an
 3 interactive learning environment in which the majority of the
 4 curriculum is delivered using the internet and in which pupils are
 5 separated from their instructor or teacher of record by time or
 6 location, or both.

7 Sec. 99h. (1) From the state school aid fund money
 8 appropriated in section 11, there is allocated an amount not to
 9 exceed ~~\$4,400,000.00~~ **\$4,723,200.00** for ~~2020-2021~~ **2021-2022** for
 10 competitive grants to districts and intermediate districts, and
 11 from the general fund money appropriated in section 11, there is
 12 allocated ~~\$300,000.00~~ **\$600,000.00** for ~~2020-2021~~ **2021-2022** for
 13 competitive grants to nonpublic schools, that provide pupils in
 14 grades pre-K to 12 with expanded opportunities to improve
 15 mathematics, science, and technology skills by participating in
 16 events hosted by a science and technology development program known
 17 as FIRST (for inspiration and recognition of science and
 18 technology) Robotics, including JR FIRST Lego League, FIRST Lego
 19 League, FIRST Tech challenge, and FIRST Robotics competition, or
 20 other competitive robotics programs, including VEX and those hosted
 21 by the Robotics Education and Competition (REC) Foundation.
 22 Programs funded under this section are intended to increase the
 23 number of pupils demonstrating proficiency in science and
 24 mathematics on the state assessments and to increase the number of
 25 pupils who are college- and career-ready upon high school
 26 graduation. Notwithstanding section 17b, the department shall make
 27 grant payments to districts, nonpublic schools, and intermediate
 28 districts under this section on a schedule determined by the
 29 department. The department shall set maximum grant awards for each



1 different level of programming and competition in a manner that
2 both maximizes the number of teams that will be able to receive
3 funds and expands the geographical distribution of teams.

4 (2) A district, nonpublic school, or intermediate district
5 applying for a grant under this section shall submit an application
6 in a form and manner prescribed by the department. To be eligible
7 for a grant, a district, nonpublic school, or intermediate district
8 must demonstrate in its application that the district, nonpublic
9 school, or intermediate district has established a partnership for
10 the purposes of the robotics program with at least 1 sponsor,
11 business entity, higher education institution, or technical school,
12 shall submit a spending plan, and shall provide a local in-kind or
13 cash match from other private or local funds of at least 25% of the
14 cost of the robotics program award.

15 (3) The department shall distribute the grant funding under
16 this section for the following purposes:

17 (a) Grants to districts, nonpublic schools, or intermediate
18 districts to pay for stipends not to exceed \$1,500.00 per building
19 for coaching.

20 (b) Grants to districts, nonpublic schools, or intermediate
21 districts for event registrations, materials, travel costs, and
22 other expenses associated with the preparation for and attendance
23 at robotics events and competitions.

24 (c) Grants to districts, nonpublic schools, or intermediate
25 districts for awards to teams that advance to the next levels of
26 competition as determined by the department. The department shall
27 determine an equal amount per team for those teams that advance.

28 (4) The funds allocated under this section for ~~2020-2021-2021-~~
29 **2022** are a work project appropriation, and any unexpended funds for



1 ~~2020-2021-2021-2022~~ are carried forward into ~~2021-2022-~~**2022-2023**.

2 The purpose of the work project is to continue support of FIRST
3 Robotics and must not be used to support other robotics
4 competitions. The estimated completion date of the work project is
5 September 30, 2023.

6 (5) A nonpublic school that receives a grant under this
7 section may use the funds for either robotics or Science Olympiad
8 programs.

9 (6) To be eligible to receive funds under this section, a
10 nonpublic school must be a nonpublic school registered with the
11 department and must meet all applicable state reporting
12 requirements for nonpublic schools.

13 Sec. 99s. (1) From the funds appropriated under section 11,
14 there is allocated for ~~2020-2021-2021-2022~~ an amount not to exceed
15 \$7,634,300.00 from the state school aid fund appropriation and an
16 amount not to exceed \$300,000.00 from the general fund
17 appropriation for Michigan science, technology, engineering, and
18 mathematics (MiSTEM) programs. In addition, from the federal funds
19 appropriated in section 11, there is allocated to the department
20 for ~~2020-2021-2021-2022~~ an amount estimated at \$235,000.00 from
21 DED-OESE, title II, mathematics and science partnership grants. The
22 MiSTEM network may receive funds from private sources. If the
23 MiSTEM network receives funds from private sources, the MiSTEM
24 network shall expend those funds in alignment with the statewide
25 STEM strategy. Programs funded under this section are intended to
26 increase the number of pupils demonstrating proficiency in science
27 and mathematics on the state assessments, to increase the number of
28 pupils who are college- and career-ready upon high school
29 graduation, and to promote certificate and degree attainment in



1 STEM fields. Notwithstanding section 17b, the department shall make
2 payments under this section on a schedule determined by the
3 department.

4 (2) All of the following apply to the MiSTEM advisory council:

5 (a) The MiSTEM advisory council is created. The MiSTEM
6 advisory council shall provide to the governor, legislature,
7 department of labor and economic opportunity, and department
8 recommendations designed to improve and promote innovation in STEM
9 education and to prepare students for careers in science,
10 technology, engineering, and mathematics.

11 (b) The MiSTEM advisory council created under subdivision (a)
12 consists of the following members:

13 (i) The governor shall appoint 11 voting members who are
14 representative of business sectors that are important to Michigan's
15 economy and rely on a STEM-educated workforce, nonprofit
16 organizations and associations that promote STEM education, K-12
17 and postsecondary education entities involved in STEM-related
18 career education, or other sectors as considered appropriate by the
19 governor. Each of these members serves at the pleasure of the
20 governor and for a term determined by the governor.

21 (ii) The senate majority leader shall appoint 2 members of the
22 senate to serve as nonvoting, ex-officio members of the MiSTEM
23 advisory council, including 1 majority party member and 1 minority
24 party member.

25 (iii) The speaker of the house of representatives shall appoint
26 2 members of the house of representatives to serve as nonvoting,
27 ex-officio members of the MiSTEM advisory council, including 1
28 majority party member and 1 minority party member.

29 (iv) The governor shall appoint 1 state officer or employee to



1 serve as a nonvoting, ex-officio member of the MiSTEM advisory
2 council.

3 (c) Each member of the MiSTEM advisory council serves without
4 compensation.

5 (d) The MiSTEM advisory council annually shall review and make
6 recommendations to the governor, the legislature, and the
7 department concerning changes to the statewide strategy adopted by
8 the council for delivering STEM education-related opportunities to
9 pupils. The MiSTEM advisory council shall use funds received under
10 this subsection to ensure that its members or their designees are
11 trained in the Change the Equation STEMworks rating system program
12 for the purpose of rating STEM programs.

13 (3) The MiSTEM advisory council shall make specific funding
14 recommendations for the funds allocated under subsection (4) by
15 December 15 of each fiscal year. Each specific funding
16 recommendation must be for a program approved by the MiSTEM
17 advisory council. All of the following apply:

18 (a) To be eligible for MiSTEM advisory council approval as
19 described in this subsection, a program must satisfy all of the
20 following:

21 (i) Align with this state's academic standards.

22 (ii) Have STEMworks certification.

23 (iii) Provide project-based experiential learning, student
24 programming, or educator professional learning experiences.

25 (iv) Focus predominantly on classroom-based STEM experiences or
26 professional learning experiences.

27 (b) The MiSTEM advisory council shall approve programs that
28 represent all network regions and include a diverse array of
29 options for students and educators and at least 1 program in each



1 of the following areas:

2 (i) Robotics.

3 (ii) Computer science or coding.

4 (iii) Engineering or bioscience.

5 (c) The MiSTEM advisory council is encouraged to work with the
6 MiSTEM network to develop locally and regionally developed programs
7 and professional learning experiences for the programs on the list
8 of approved programs.

9 (d) If the MiSTEM advisory council is unable to make specific
10 funding recommendations by December 15 of a fiscal year, the
11 department shall award and distribute the funds allocated under
12 subsection (4) on a competitive grant basis that at least follows
13 the statewide STEM strategy plan and rating system recommended by
14 the MiSTEM advisory council. Each grant must provide STEM
15 education-related opportunities for pupils.

16 (e) The MiSTEM advisory council shall work with the executive
17 director of the MiSTEM network to implement the statewide STEM
18 strategy adopted by the MiSTEM advisory council.

19 (4) ~~From~~ **Except as otherwise provide in this subsection, from**
20 the state school aid fund money allocated under subsection (1),
21 there is allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
22 \$3,050,000.00 for the purpose of funding programs under this
23 section for ~~2020-2021~~ **2021-2022** as recommended by the MiSTEM
24 advisory council. **However, from the allocation under this**
25 **subsection, the council shall recommend and the department shall**
26 **award \$350,000.00 in grants to intermediate districts to implement**
27 **fabrication laboratories (Fab Labs). The council shall recommend**
28 **and the department shall only award 10 grants described in the**
29 **immediately preceding sentence in an amount not to exceed**



1 **\$35,000.00 each.**

2 (5) From the state school aid fund money allocated under
 3 subsection (1), there is allocated an amount not to exceed
 4 \$3,834,300.00 for ~~2020-2021~~**2021-2022** to support the activities and
 5 programs of the MiSTEM network regions. In addition, from the
 6 federal funds allocated under subsection (1), there is allocated
 7 for ~~2020-2021~~**2021-2022** an amount estimated at \$235,000.00 from
 8 DED-OESE, title II, mathematics and science partnership grants, for
 9 the purposes of this subsection. From the money allocated under
 10 this subsection, the department shall award the fiscal agent for
 11 each MiSTEM network region \$200,000.00 for the base operations of
 12 each region. The department shall distribute the remaining funds to
 13 each fiscal agent in an equal amount per pupil, based on the number
 14 of K to 12 pupils enrolled in districts within each region in the
 15 immediately preceding fiscal year.

16 (6) A MiSTEM network region shall do all of the following:

17 (a) Collaborate with the career and educational advisory
 18 council that is located in the MiSTEM region to develop a regional
 19 strategic plan for STEM education that creates a robust regional
 20 STEM culture, that empowers STEM teachers, that integrates business
 21 and education into the STEM network, and that ensures high-quality
 22 STEM experiences for pupils. At a minimum, a regional STEM
 23 strategic plan should do all of the following:

24 (i) Identify regional employer need for STEM.

25 (ii) Identify processes for regional employers and educators to
 26 create guided pathways for STEM careers that include internships or
 27 externships, apprenticeships, and other experiential engagements
 28 for pupils.

29 (iii) Identify educator professional ~~development~~**learning**



1 opportunities, including internships or externships and
2 apprenticeships, that integrate this state's science standards into
3 high-quality STEM experiences that engage pupils.

4 (b) Facilitate regional STEM events such as educator and
5 employer networking and STEM career fairs to raise STEM awareness.

6 (c) Contribute to the MiSTEM website and engage in other
7 MiSTEM network functions to further the mission of STEM in this
8 state in coordination with the MiSTEM advisory council and its
9 executive director.

10 (d) Facilitate application and implementation of state and
11 federal funds under this subsection and any other grants or funds
12 for the MiSTEM network region.

13 (e) Work with districts to provide STEM programming and
14 professional learning.

15 (f) Coordinate recurring discussions and work with the career
16 and educational advisory council to ensure that feedback and best
17 practices are being shared, including funding, program,
18 professional learning opportunities, and regional strategic plans.

19 (7) From the state school aid fund money allocated under
20 subsection (1), the department shall distribute for ~~2020-2021-2021-~~
21 **2022** an amount not to exceed \$750,000.00, in a form and manner
22 determined by the department, to those network regions able to
23 provide curriculum and professional development support to assist
24 districts in implementing the Michigan merit curriculum components
25 for mathematics and science.

26 (8) In order to receive state or federal funds under
27 subsection (5) or (7), or to receive funds from private sources as
28 authorized under subsection (1), a grant recipient must allow
29 access for the department or the department's designee to audit all



1 records related to the program for which it receives those funds.
2 The grant recipient shall reimburse the state for all disallowances
3 found in the audit.

4 (9) In order to receive state funds under subsection (5) or
5 (7), a grant recipient must provide at least a ~~10%~~ **25%** local match
6 from local public or private resources for the funds received under
7 this subsection.

8 (10) Not later than July 1 of each year, a MiSTEM network
9 region that receives funds under subsection (5) shall report to the
10 executive director of the MiSTEM network in a form and manner
11 prescribed by the executive director on performance measures
12 developed by the MiSTEM network regions and approved by the
13 executive director. The performance measures must be designed to
14 ensure that the activities of the MiSTEM network are improving
15 student academic outcomes.

16 (11) Not more than 5% of a MiSTEM network region grant under
17 subsection (5) or (7) may be retained by a fiscal agent for serving
18 as the fiscal agent of a MiSTEM network region.

19 (12) From the general fund money allocated under subsection
20 (1), there is allocated an amount not to exceed \$300,000.00 to the
21 department of labor and economic opportunity to support the
22 functions of the executive director and executive assistant for the
23 MiSTEM network, and for administrative, training, and travel costs
24 related to the MiSTEM advisory council. The executive director and
25 executive assistant for the MiSTEM network shall do all of the
26 following:

27 (a) Serve as a liaison among and between the department, the
28 department of labor and economic opportunity, the MiSTEM advisory
29 council, the governor's future talent council, the MiSTEM regions,



1 and any other relevant organization or entity in a manner that
2 creates a robust statewide STEM culture, that empowers STEM
3 teachers, that integrates business and education into the STEM
4 network, and that ensures high-quality STEM experiences for pupils.

5 (b) Coordinate the implementation of a marketing campaign,
6 including, but not limited to, a website that includes dashboards
7 of outcomes, to build STEM awareness and communicate STEM needs and
8 opportunities to pupils, parents, educators, and the business
9 community.

10 (c) Work with the department and the MiSTEM advisory council
11 to coordinate, award, and monitor MiSTEM state and federal grants
12 to the MiSTEM network regions and conduct reviews of grant
13 recipients, including, but not limited to, pupil experience and
14 feedback.

15 (d) Report to the governor, the legislature, the department,
16 and the MiSTEM advisory council annually on the activities and
17 performance of the MiSTEM network regions.

18 (e) Coordinate recurring discussions and work with regional
19 staff to ensure that a network or loop of feedback and best
20 practices are shared, including funding, programming, professional
21 learning opportunities, discussion of MiSTEM strategic vision, and
22 regional objectives.

23 (f) Coordinate major grant application efforts with the MiSTEM
24 advisory council to assist regional staff with grant applications
25 on a local level. The MiSTEM advisory council shall leverage
26 private and nonprofit relationships to coordinate and align private
27 funds in addition to funds appropriated under this section.

28 (g) Train state and regional staff in the STEMworks rating
29 system, in collaboration with the MiSTEM advisory council and the



1 department.

2 (h) Hire MiSTEM network region staff in collaboration with the
3 network region fiscal agent.

4 (13) As used in this section:

5 (a) "Career and educational advisory council" means an
6 advisory council to the local workforce development boards located
7 in a prosperity region consisting of educational, employer, labor,
8 and parent representatives.

9 (b) "DED" means the United States Department of Education.

10 (c) "DED-OESE" means the DED Office of Elementary and
11 Secondary Education.

12 (d) "STEM" means science, technology, engineering, and
13 mathematics delivered in an integrated fashion using cross-
14 disciplinary learning experiences that can include language arts,
15 performing and fine arts, and career and technical education.

16 **Sec. 99aa. (1) From the state school aid fund money**
17 **appropriated in section 11, there is allocated an amount not to**
18 **exceed \$450,000.00 for 2021-2022 to 1 eligible intermediate**
19 **district to provide opportunities for high school students with**
20 **disabilities to train for, gain, and maintain competitive**
21 **employment.**

22 (2) An intermediate district that has partnered with Project
23 SEARCH to provide the opportunities described in subsection (1) is
24 an eligible intermediate district under this section.

25 (3) The funds allocated under this section for 2021-2022 are a
26 work project appropriation, and any unexpended funds for 2021-2022
27 are carried forward into 2022-2023. The purpose of the work project
28 is to provide for the continuation of opportunities for high school
29 students with disabilities as described in subsection (1). The



1 **estimated completion date of the work project is September 30,**
2 **2023.**

3 Sec. 101. (1) To be eligible to receive state aid under this
4 article, not later than the fifth Wednesday after the pupil
5 membership count day and not later than the fifth Wednesday after
6 the supplemental count day, each district superintendent shall
7 submit and certify to the center and the intermediate
8 superintendent, in the form and manner prescribed by the center,
9 the number of pupils enrolled and in regular daily attendance, ~~or,~~
10 ~~for 2020-2021 only, the number of pupils engaged in pandemic~~
11 ~~learning for fall 2020 or the number of pupils engaged in pandemic~~
12 ~~learning for spring 2021, as applicable, or, for a district that~~
13 ~~operates as a cyber school, as that term is defined in section 551~~
14 ~~of the revised school code, MCL 380.551, the number of pupils~~
15 ~~enrolled and in regular daily attendance, including identification~~
16 ~~of tuition-paying pupils, in the district as of the pupil~~
17 ~~membership count day and as of the supplemental count day, as~~
18 ~~applicable, for the current school year. In addition, a district~~
19 ~~maintaining school during the entire year shall submit and certify~~
20 ~~to the center and the intermediate superintendent, in the form and~~
21 ~~manner prescribed by the center, the number of pupils enrolled and~~
22 ~~in regular daily attendance in the district or, for 2020-2021 only,~~
23 ~~the number of pupils engaged in pandemic learning for fall 2020 or~~
24 ~~the number of pupils engaged in pandemic learning for spring 2021,~~
25 ~~as applicable, or, for a district that operates as a cyber school,~~
26 ~~as that term is defined in section 551 of the revised school code,~~
27 ~~MCL 380.551, the number of pupils enrolled and in regular daily~~
28 ~~attendance, for the current school year pursuant to rules~~
29 promulgated by the superintendent. Not later than the sixth



1 Wednesday after the pupil membership count day and not later than
 2 the sixth Wednesday after the supplemental count day, the district
 3 shall resolve any pupil membership conflicts with another district,
 4 correct any data issues, and recertify the data in a form and
 5 manner prescribed by the center and file the certified data with
 6 the intermediate superintendent. If a district fails to submit and
 7 certify the attendance data, as required under this subsection, the
 8 center shall notify the department and the department shall
 9 withhold state aid due to be distributed under this article from
 10 the defaulting district immediately, beginning with the next
 11 payment after the failure and continuing with each payment until
 12 the district complies with this subsection. If a district does not
 13 comply with this subsection by the end of the fiscal year, the
 14 district forfeits the amount withheld. A person who willfully
 15 falsifies a figure or statement in the certified and sworn copy of
 16 enrollment is subject to penalty as prescribed by section 161. ~~As~~
 17 ~~used in this subsection, "pupils engaged in pandemic learning for~~
 18 ~~spring 2021" means that term as defined in section 6a.~~

19 (2) To be eligible to receive state aid under this article,
 20 not later than the twenty-fourth Wednesday after the pupil
 21 membership count day and not later than the twenty-fourth Wednesday
 22 after the supplemental count day, an intermediate district shall
 23 submit to the center, in a form and manner prescribed by the
 24 center, the audited enrollment and attendance data as described in
 25 subsection (1) for the pupils of its constituent districts and of
 26 the intermediate district. If an intermediate district fails to
 27 submit the audited data as required under this subsection, the
 28 department shall withhold state aid due to be distributed under
 29 this article from the defaulting intermediate district immediately,



1 beginning with the next payment after the failure and continuing
2 with each payment until the intermediate district complies with
3 this subsection. If an intermediate district does not comply with
4 this subsection by the end of the fiscal year, the intermediate
5 district forfeits the amount withheld.

6 (3) Except as otherwise provided in subsections (11) ~~and~~
7 (12) ~~and (13)~~, all of the following apply to the provision of
8 pupil instruction:

9 (a) Except as otherwise provided in this section, each
10 district shall provide at least 1,098 hours and 180 days of pupil
11 instruction. If a collective bargaining agreement that provides a
12 complete school calendar was in effect for employees of a district
13 as of June 24, 2014, and if that school calendar is not in
14 compliance with this subdivision, then this subdivision does not
15 apply to that district until after the expiration of that
16 collective bargaining agreement. A district may apply for a waiver
17 under subsection (9) from the requirements of this subdivision.

18 (b) Except as otherwise provided in this article, a district
19 failing to comply with the required minimum hours and days of pupil
20 instruction under this subsection forfeits from its total state aid
21 allocation an amount determined by applying a ratio of the number
22 of hours or days the district was in noncompliance in relation to
23 the required minimum number of hours and days under this
24 subsection. Not later than **the first business day in** August, ~~1~~the
25 board of each district shall either certify to the department that
26 the district was in full compliance with this section regarding the
27 number of hours and days of pupil instruction in the previous
28 school year, or report to the department, in a form and manner
29 prescribed by the center, each instance of noncompliance. If the



1 district did not provide at least the required minimum number of
 2 hours and days of pupil instruction under this subsection, the
 3 department shall make the deduction of state aid in the following
 4 fiscal year from the first payment of state school aid. A district
 5 is not subject to forfeiture of funds under this subsection for a
 6 fiscal year in which a forfeiture was already imposed under
 7 subsection (6).

8 (c) Hours or days lost because of strikes or teachers'
 9 conferences are not counted as hours or days of pupil instruction.

10 (d) Except as otherwise provided in subdivisions (e) ~~and~~
 11 (f), ~~and (h),~~ if a district does not have at least 75% of the
 12 district's membership in attendance on any day of pupil
 13 instruction, the department shall pay the district state aid in
 14 that proportion of 1/180 that the actual percent of attendance
 15 bears to 75%.

16 (e) If a district adds 1 or more days of pupil instruction to
 17 the end of its instructional calendar for a school year to comply
 18 with subdivision (a) because the district otherwise would fail to
 19 provide the required minimum number of days of pupil instruction
 20 even after the operation of subsection (4) due to conditions not
 21 within the control of school authorities, then subdivision (d) does
 22 not apply for any day of pupil instruction that is added to the end
 23 of the instructional calendar. Instead, for any of those days, if
 24 the district does not have at least 60% of the district's
 25 membership in attendance on that day, the department shall pay the
 26 district state aid in that proportion of 1/180 that the actual
 27 percentage of attendance bears to 60%. For any day of pupil
 28 instruction added to the instructional calendar as described in
 29 this subdivision, the district shall report to the department the



1 percentage of the district's membership that is in attendance, in
2 the form and manner prescribed by the department.

3 (f) At the request of a district that operates a department-
4 approved alternative education program and that does not provide
5 instruction for pupils in all of grades K to 12, the superintendent
6 shall grant a waiver from the requirements of subdivision (d). The
7 waiver must provide that an eligible district is subject to the
8 proration provisions of subdivision (d) only if the district does
9 not have at least 50% of the district's membership in attendance on
10 any day of pupil instruction. In order to be eligible for this
11 waiver, a district must maintain records to substantiate its
12 compliance with the following requirements:

13 (i) The district offers the minimum hours of pupil instruction
14 as required under this section.

15 (ii) For each enrolled pupil, the district uses appropriate
16 academic assessments to develop an individual education plan that
17 leads to a high school diploma.

18 (iii) The district tests each pupil to determine academic
19 progress at regular intervals and records the results of those
20 tests in that pupil's individual education plan.

21 (g) All of the following apply to a waiver granted under
22 subdivision (f):

23 (i) If the waiver is for a blended model of delivery, a waiver
24 that is granted for the 2011-2012 fiscal year or a subsequent
25 fiscal year remains in effect unless it is revoked by the
26 superintendent.

27 (ii) If the waiver is for a 100% online model of delivery and
28 the educational program for which the waiver is granted makes
29 educational services available to pupils for a minimum of at least



1 1,098 hours during a school year and ensures that each pupil
 2 participates in the educational program for at least 1,098 hours
 3 during a school year, a waiver that is granted for the 2011-2012
 4 fiscal year or a subsequent fiscal year remains in effect unless it
 5 is revoked by the superintendent.

6 (iii) A waiver that is not a waiver described in subparagraph
 7 (i) or (ii) is valid for 3 fiscal years, unless it is revoked by the
 8 superintendent, and must be renewed at the end of the 3-year period
 9 to remain in effect.

10 ~~(h) For the 2020-2021 school year only, subdivision (d) does~~
 11 ~~not apply for any day of pupil instruction. However, for the 2020-~~
 12 ~~2021 school year only, a district shall ensure that 1-2-way~~
 13 ~~interaction occurs between a pupil enrolled in the district and the~~
 14 ~~pupil's teacher or at least 1 of the pupil's teachers or another~~
 15 ~~district employee who has responsibility for the pupil's learning,~~
 16 ~~grade progression, or academic progress during each month of the~~
 17 ~~school year for at least 75% of pupils enrolled in the district. As~~
 18 ~~used in the immediately preceding sentence, "school year" means a~~
 19 ~~period comprising at least 9 calendar months that are chosen by a~~
 20 ~~district and that are designated as part of the district's 2020-~~
 21 ~~2021 school year. If a district does not ensure that the~~
 22 ~~interactions required under this subdivision occur for at least 75%~~
 23 ~~of pupils enrolled in the district as required under this~~
 24 ~~subdivision, the department shall pay the district state aid in~~
 25 ~~that proportion of 1/9 that the actual percentage of interaction~~
 26 ~~during each month bears to 75%. As used in this subdivision, "2-way~~
 27 ~~interaction" means a communication that occurs between a pupil and~~
 28 ~~the pupil's teacher or at least 1 of the pupil's teachers or~~
 29 ~~another district employee who has responsibility for the pupil's~~



1 ~~learning, grade progression, or academic progress, where 1 party~~
 2 ~~initiates communication and a response from the other party follows~~
 3 ~~that communication, and that is relevant to course progress or~~
 4 ~~course content for at least 1 of the courses in which the pupil is~~
 5 ~~enrolled or relevant to the pupil's overall academic progress or~~
 6 ~~grade progression. Responses, as described in this subdivision,~~
 7 ~~must be to communication initiated by the teacher, by another~~
 8 ~~district employee who has responsibility for the pupil's learning,~~
 9 ~~grade progression, or academic progress, or by the pupil, and not~~
 10 ~~some other action taken. The communication described in this~~
 11 ~~subdivision may occur through, but is not limited to, any of the~~
 12 ~~following means:~~

- 13 ~~(i) Electronic mail.~~
- 14 ~~(ii) Telephone.~~
- 15 ~~(iii) Instant messaging.~~
- 16 ~~(iv) Face-to-face conversation.~~

17 **(h)** ~~(i)~~—The superintendent shall promulgate rules for the
 18 implementation of this subsection.

19 (4) Except as otherwise provided in this subsection **and**
 20 **subject to section 31b**, the first 6 days or the equivalent number
 21 of hours for which pupil instruction is not provided because of
 22 conditions not within the control of school authorities, such as
 23 severe storms, fires, epidemics, utility power unavailability,
 24 water or sewer failure, or health conditions as defined by the
 25 city, county, or state health authorities, are counted as hours and
 26 days of pupil instruction. With the approval of the superintendent
 27 of public instruction, the department shall count as hours and days
 28 of pupil instruction for a fiscal year not more than 3 additional
 29 days or the equivalent number of additional hours for which pupil



1 instruction is not provided in a district due to unusual and
2 extenuating occurrences resulting from conditions not within the
3 control of school authorities such as those conditions described in
4 this subsection. Subsequent such hours or days are not counted as
5 hours or days of pupil instruction.

6 (5) A district does not forfeit part of its state aid
7 appropriation because it adopts or has in existence an alternative
8 scheduling program for pupils in kindergarten if the program
9 provides at least the number of hours required under subsection (3)
10 for a full-time equated membership for a pupil in kindergarten as
11 provided under section 6(4).

12 (6) In addition to any other penalty or forfeiture under this
13 section, if at any time the department determines that 1 or more of
14 the following have occurred in a district, the district forfeits in
15 the current fiscal year beginning in the next payment to be
16 calculated by the department a proportion of the funds due to the
17 district under this article that is equal to the proportion below
18 the required minimum number of hours and days of pupil instruction
19 under subsection (3), as specified in the following:

20 (a) The district fails to operate its schools for at least the
21 required minimum number of hours and days of pupil instruction
22 under subsection (3) in a school year, including hours and days
23 counted under subsection (4).

24 (b) The board of the district takes formal action not to
25 operate its schools for at least the required minimum number of
26 hours and days of pupil instruction under subsection (3) in a
27 school year, including hours and days counted under subsection (4).

28 (7) In providing the minimum number of hours and days of pupil
29 instruction required under subsection (3), a district shall use the



1 following guidelines, and a district shall maintain records to
2 substantiate its compliance with the following guidelines:

3 (a) Except as otherwise provided in this subsection, a pupil
4 must be scheduled for at least the required minimum number of hours
5 of instruction, excluding study halls, or at least the sum of 90
6 hours plus the required minimum number of hours of instruction,
7 including up to 2 study halls.

8 (b) The time a pupil is assigned to any tutorial activity in a
9 block schedule may be considered instructional time, unless that
10 time is determined in an audit to be a study hall period.

11 (c) Except as otherwise provided in this subdivision, a pupil
12 in grades 9 to 12 for whom a reduced schedule is determined to be
13 in the individual pupil's best educational interest must be
14 scheduled for a number of hours equal to at least 80% of the
15 required minimum number of hours of pupil instruction to be
16 considered a full-time equivalent pupil. A pupil in grades 9 to 12
17 who is scheduled in a 4-block schedule may receive a reduced
18 schedule under this subsection if the pupil is scheduled for a
19 number of hours equal to at least 75% of the required minimum
20 number of hours of pupil instruction to be considered a full-time
21 equivalent pupil.

22 (d) If a pupil in grades 9 to 12 who is enrolled in a
23 cooperative education program or a special education pupil cannot
24 receive the required minimum number of hours of pupil instruction
25 solely because of travel time between instructional sites during
26 the school day, that travel time, up to a maximum of 3 hours per
27 school week, is considered to be pupil instruction time for the
28 purpose of determining whether the pupil is receiving the required
29 minimum number of hours of pupil instruction. However, if a



1 district demonstrates to the satisfaction of the department that
2 the travel time limitation under this subdivision would create
3 undue costs or hardship to the district, the department may
4 consider more travel time to be pupil instruction time for this
5 purpose.

6 (e) In grades 7 through 12, instructional time that is part of
7 a Junior Reserve Officer Training Corps (JROTC) program is
8 considered to be pupil instruction time regardless of whether the
9 instructor is a certificated teacher if all of the following are
10 met:

11 (i) The instructor has met all of the requirements established
12 by the United States Department of Defense and the applicable
13 branch of the armed services for serving as an instructor in the
14 Junior Reserve Officer Training Corps program.

15 (ii) The board of the district or intermediate district
16 employing or assigning the instructor complies with the
17 requirements of sections 1230 and 1230a of the revised school code,
18 MCL 380.1230 and 380.1230a, with respect to the instructor to the
19 same extent as if employing the instructor as a regular classroom
20 teacher.

21 (8) Except as otherwise provided in subsections (11) ~~and~~
22 (12), ~~and (13),~~ the department shall apply the guidelines under
23 subsection (7) in calculating the full-time equivalency of pupils.

24 (9) Upon application by the district for a particular fiscal
25 year, the superintendent shall waive for a district the minimum
26 number of hours and days of pupil instruction requirement of
27 subsection (3) for a department-approved alternative education
28 program or another innovative program approved by the department,
29 including a 4-day school week. If a district applies for and



1 receives a waiver under this subsection and complies with the terms
2 of the waiver, the district is not subject to forfeiture under this
3 section for the specific program covered by the waiver. If the
4 district does not comply with the terms of the waiver, the amount
5 of the forfeiture is calculated based upon a comparison of the
6 number of hours and days of pupil instruction actually provided to
7 the minimum number of hours and days of pupil instruction required
8 under subsection (3). A district shall report pupils enrolled in a
9 department-approved alternative education program under this
10 subsection to the center in a form and manner determined by the
11 center. All of the following apply to a waiver granted under this
12 subsection:

13 (a) If the waiver is for a blended model of delivery, a waiver
14 that is granted for the 2011-2012 fiscal year or a subsequent
15 fiscal year remains in effect unless it is revoked by the
16 superintendent.

17 (b) If the waiver is for a 100% online model of delivery and
18 the educational program for which the waiver is granted makes
19 educational services available to pupils for a minimum of at least
20 1,098 hours during a school year and ensures that each pupil is on
21 track for course completion at proficiency level, a waiver that is
22 granted for the 2011-2012 fiscal year or a subsequent fiscal year
23 remains in effect unless it is revoked by the superintendent.

24 (c) A waiver that is not a waiver described in subdivision (a)
25 or (b) is valid for 3 fiscal years, unless it is revoked by the
26 superintendent, and must be renewed at the end of the 3-year period
27 to remain in effect.

28 (10) A district may count up to 38 hours of professional
29 development for teachers as hours of pupil instruction. All of the



1 following apply to the counting of professional development as
2 pupil instruction under this subsection:

3 (a) If the professional development exceeds 5 hours in a
4 single day, that day may be counted as a day of pupil instruction.

5 (b) At least 8 hours of the professional development counted
6 as hours of pupil instruction under this subsection must be
7 recommended by a districtwide professional development advisory
8 committee appointed by the district board. The advisory committee
9 must be composed of teachers employed by the district who represent
10 a variety of grades and subject matter specializations, including
11 special education; nonteaching staff; parents; and administrators.
12 The majority membership of the committee must be composed of
13 teaching staff.

14 (c) Professional development provided online is allowable and
15 encouraged, as long as the instruction has been approved by the
16 district. The department shall issue a list of approved online
17 professional development providers that must include the Michigan
18 Virtual School.

19 (d) Professional development may only be counted as hours of
20 pupil instruction under this subsection for the pupils of those
21 teachers scheduled to participate in the professional development.

22 (e) The professional development must meet all of the
23 following to be counted as pupil instruction under this subsection:

24 (i) Be aligned to the school or district improvement plan for
25 the school or district in which the professional development is
26 being provided.

27 (ii) Be linked to 1 or more criteria in the evaluation tool
28 developed or adopted by the district or intermediate district under
29 section 1249 of the revised school code, MCL 380.1249.



1 (iii) Has been approved by the department as counting for state
2 continuing education clock hours. The number of hours of
3 professional development counted as hours of pupil instruction
4 under this subsection may not exceed the number of state continuing
5 education clock hours for which the professional development was
6 approved.

7 (iv) Not more than a combined total of 10 hours of the
8 professional development takes place before the first scheduled day
9 of school for the school year ending in the fiscal year and after
10 the last scheduled day of school for that school year.

11 (v) Not more than 10 hours of the professional development
12 takes place in a single month.

13 (vi) At least 75% of teachers scheduled to participate in the
14 professional development are in attendance.

15 (11) Subsections (3) and (8) do not apply to a school of
16 excellence that is a cyber school, as that term is defined in
17 section 551 of the revised school code, MCL 380.551, and is in
18 compliance with section 553a of the revised school code, MCL
19 380.553a.

20 (12) Subsections (3) and (8) do not apply to eligible pupils
21 enrolled in a dropout recovery program that meets the requirements
22 of section 23a. As used in this subsection, "eligible pupil" means
23 that term as defined in section 23a.

24 ~~(13) For the 2020-2021 school year only, the minimum number of~~
25 ~~hours and days of pupil instruction requirement under subsection~~
26 ~~(3) is waived for each district that, at a minimum, provides pupil~~
27 ~~instruction for the 2020-2021 school year at school, at a different~~
28 ~~location, in person, online, digitally, by other remote means, in a~~
29 ~~synchronous or asynchronous format, or through any combination~~



1 ~~therein that results in an amount of hours and days necessary to~~
 2 ~~deliver the educational or course content that would have been~~
 3 ~~delivered in 180 days and 1,098 hours in a school year in which~~
 4 ~~pandemic learning was not provided and that would have led to~~
 5 ~~course completion. As used in this subsection, "pandemic learning"~~
 6 ~~means a mode of pupil instruction provided as a result of the~~
 7 ~~COVID-19 pandemic.~~

8 **(13)** ~~(14)~~ At least every 2 years the superintendent shall
 9 review the waiver standards set forth in the pupil accounting and
 10 auditing manuals to ensure that the waiver standards and waiver
 11 process continue to be appropriate and responsive to changing
 12 trends in online learning. The superintendent shall solicit and
 13 consider input from stakeholders as part of this review.

14 Sec. 104. (1) In order to receive state aid under this
 15 article, a district shall comply with sections 1249, 1278a, 1278b,
 16 1279g, and 1280b of the revised school code, MCL 380.1249,
 17 380.1278a, 380.1278b, 380.1279g, and 380.1280b, and 1970 PA 38, MCL
 18 388.1081 to 388.1086. Subject to subsection (2), from the state
 19 school aid fund money appropriated in section 11, there is
 20 allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
 21 ~~\$31,009,400.00~~ **\$29,009,500.00** for payments on behalf of districts
 22 for costs associated with complying with those provisions of law.
 23 In addition, from the federal funds appropriated in section 11,
 24 there is allocated for ~~2020-2021~~ **2021-2022** an amount estimated at
 25 \$6,250,000.00 funded from DED-OESE, title VI, state assessment
 26 funds, and from DED-OSERS, ~~section 504 of part B of the individuals~~
 27 ~~with disabilities education act, Public Law 94-142,~~ **20 USC 1411 to**
 28 **1419**, plus any carryover federal funds from previous year
 29 appropriations, for the purposes of complying with the every



1 student succeeds act, Public Law 114-95.

2 (2) The results of each test administered as part of the
3 Michigan student test of educational progress (M-STEP), including
4 tests administered to high school students, must include an item
5 analysis that lists all items that are counted for individual pupil
6 scores and the percentage of pupils choosing each possible
7 response. The department shall work with the center to identify the
8 number of students enrolled at the time assessments are given by
9 each district. In calculating the percentage of pupils assessed for
10 a district's scorecard, the department shall use only the number of
11 pupils enrolled in the district at the time the district
12 administers the assessments and shall exclude pupils who enroll in
13 the district after the district administers the assessments.

14 (3) The department shall distribute federal funds allocated
15 under this section in accordance with federal law and with
16 flexibility provisions outlined in Public Law 107-116, and in the
17 education flexibility partnership act of 1999, Public Law 106-25.

18 ~~(4) From the funds allocated in subsection (1), there is~~
19 ~~allocated an amount not to exceed \$1,500,000.00 to an intermediate~~
20 ~~district described in this subsection for, except as otherwise~~
21 ~~provided in this subsection, statewide implementation of the~~
22 ~~Michigan kindergarten entry observation tool (MKEO), utilizing the~~
23 ~~Maryland-Ohio observational tool, also referred to as the~~
24 ~~Kindergarten Readiness Assessment, as piloted under this subsection~~
25 ~~in 2017-2018 and implemented in 2018-2019 and 2019-2020. The~~
26 ~~funding in this subsection is allocated to an intermediate district~~
27 ~~in prosperity region 9 with at least 3,000 kindergarten pupils~~
28 ~~enrolled in its constituent districts. An intermediate district~~
29 ~~described in this subsection is not required to carry out the~~



~~1 statewide implementation of the Michigan kindergarten entry
2 observation tool (MKEO), as described in this subsection, for the
3 fall of 2020. It is the intent of the legislature to account for
4 health, safety, and welfare concerns related to the COVID-19
5 pandemic by temporarily suspending the requirement for statewide
6 implementation of the Michigan kindergarten entry observation tool
7 (MKEO) under this subsection for the fall of 2020. All of the
8 following apply to the implementation of the kindergarten entry
9 observation tool under this subsection:~~

~~10 (a) The department, in collaboration with all intermediate
11 districts, shall ensure that the Michigan kindergarten entry
12 observation tool is administered in each kindergarten classroom to
13 either the full census of kindergarten pupils enrolled in the
14 classroom or to a representative sample of not less than 35% of the
15 total kindergarten pupils enrolled in each classroom. If a district
16 elects to administer the Michigan kindergarten entry observation
17 tool to a random sample of pupils within each classroom, the
18 district's intermediate district shall select the pupils who will
19 receive the assessment based on the same random method. Beginning
20 in 2021, the observation tool must be administered within 45 days
21 after the start of the school year.~~

~~22 (b) The intermediate district that receives funding under this
23 subsection, in collaboration with all other intermediate districts,
24 shall implement a "train the trainer" professional development
25 model on the usage of the Michigan kindergarten entry observation
26 tool. This training model must provide training to intermediate
27 district staff so that they may provide similar training for staff
28 of their constituent districts. This training model must also
29 ensure that the tool produces reliable data and that there are a~~



1 ~~sufficient number of trainers to train all kindergarten teachers~~
2 ~~statewide.~~

3 ~~(c) By March 1, 2022, and each year thereafter, the department~~
4 ~~and the intermediate district that receives funding under this~~
5 ~~subsection shall report to the house and senate appropriations~~
6 ~~subcommittees on state school aid, the house and senate fiscal~~
7 ~~agencies, and the state budget director on the results of the~~
8 ~~statewide implementation, including, but not limited to, an~~
9 ~~evaluation of the demonstrated readiness of kindergarten pupils~~
10 ~~statewide and the effectiveness of state and federal early~~
11 ~~childhood programs that are designed for school readiness under~~
12 ~~this state's authority, including the great start readiness program~~
13 ~~and the great start readiness/Head Start blended program, as~~
14 ~~referenced under section 32d. By September 1, 2022, and each year~~
15 ~~thereafter, the department and the center shall provide a method~~
16 ~~for districts and public school academies with kindergarten~~
17 ~~enrollment to look up and verify their student enrollment data for~~
18 ~~pupils who were enrolled in a publicly funded early childhood~~
19 ~~program in the year before kindergarten, including the individual~~
20 ~~great start readiness program, individual great start~~
21 ~~readiness/Head Start blended program, individual title I preschool~~
22 ~~program, individual section 31a preschool program, individual early~~
23 ~~childhood special education program, or individual developmental~~
24 ~~kindergarten or program for young 5-year olds in which each tested~~
25 ~~child was enrolled. A participating district shall analyze the data~~
26 ~~to determine whether high-performing children were enrolled in any~~
27 ~~specific early childhood program and, if so, report that finding to~~
28 ~~the department and to the intermediate district that receives~~
29 ~~funding under this subsection.~~



1 ~~(d) The department shall approve the language and literacy~~
 2 ~~domain within the Kindergarten Readiness Assessment for use by~~
 3 ~~districts as an initial assessment that may be delivered to all~~
 4 ~~kindergarten pupils to assist with identifying any possible area of~~
 5 ~~concern for a pupil in English language arts.~~

6 ~~(e) As used in this subsection:~~

7 ~~(i) "Kindergarten" includes a classroom for young 5-year-olds,~~
 8 ~~commonly referred to as "young 5s" or "developmental kindergarten".~~

9 ~~(ii) "Representative sample" means a sample capable of~~
 10 ~~producing valid and reliable assessment information on all or major~~
 11 ~~subgroups of kindergarten pupils in a district.~~

12 (4) ~~(5)~~ The department may recommend, but may not require,
 13 districts to allow pupils to use an external keyboard with tablet
 14 devices for online M-STEP testing, including, but not limited to,
 15 open-ended test items such as constructed response or equation
 16 builder items.

17 (5) ~~(6)~~ Notwithstanding section 17b, the department shall make
 18 payments on behalf of districts, intermediate districts, and other
 19 eligible entities under this section on a schedule determined by
 20 the department.

21 (6) ~~(7)~~ From the allocation in subsection (1), there is
 22 allocated an amount not to exceed ~~\$500,000.00~~ **\$100.00** for ~~2020-2021~~
 23 **2021-2022** for the operation of an online reporting tool to provide
 24 student-level assessment data in a secure environment to educators,
 25 parents, and pupils immediately after assessments are scored. The
 26 department and the center shall ensure that any data collected by
 27 the online reporting tool do not provide individually identifiable
 28 student data to the federal government.

29 ~~(8) In order to receive state aid under this article for 2020-~~



1 ~~2021, a district shall meet both of the following requirements:~~

2 ~~(a) Within the first 9 weeks of the 2020-2021 school year, the~~
 3 ~~district shall administer 1 or more benchmark assessments provided~~
 4 ~~by a provider approved under subsection (9), benchmark assessments~~
 5 ~~described in subsection (10), or local benchmark assessments, or~~
 6 ~~any combination thereof, to all pupils in grades K to 8 to measure~~
 7 ~~proficiency in reading and mathematics.~~

8 ~~(b) In addition to the benchmark assessment or benchmark~~
 9 ~~assessments administered under subdivision (a), by not later than~~
 10 ~~the last day of the 2020-2021 school year, the district shall~~
 11 ~~administer 1 or more benchmark assessments provided by a provider~~
 12 ~~approved under subsection (9), benchmark assessments described in~~
 13 ~~subsection (10), or local benchmark assessments, or any combination~~
 14 ~~thereof, to all pupils in grades K to 8 to measure proficiency in~~
 15 ~~reading and mathematics.~~

16 ~~(9) The department shall approve at least 4 but not more than~~
 17 ~~5 providers of benchmark assessments for the purposes of subsection~~
 18 ~~(8). The department shall inform districts of all of the providers~~
 19 ~~approved under this subsection in an equitable manner. The~~
 20 ~~benchmark assessments provided for the purposes of subsection (8)~~
 21 ~~by approved providers under this subsection, with the exclusion of~~
 22 ~~the benchmark assessment described in subsection (14), must meet~~
 23 ~~all of the following:~~

24 ~~(a) Be 1 of the most commonly administered benchmark~~
 25 ~~assessments in this state.~~

26 ~~(b) Be aligned to the content standards of this state.~~

27 ~~(c) Complement the state's summative assessment system.~~

28 ~~(d) Be internet-delivered and include a standards-based~~
 29 ~~remote, in person, or both remote and in person assessment using a~~



1 ~~computer-adaptive model to target the instructional level of each~~
 2 ~~pupil.~~

3 ~~(e) Provide information on pupil achievement with regard to~~
 4 ~~learning content required in a given year or grade span.~~

5 ~~(f) Provide immediate feedback to pupils and teachers.~~

6 ~~(g) Be nationally normed.~~

7 ~~(h) Provide multiple measures of growth and provide for~~
 8 ~~multiple testing opportunities.~~

9 ~~(10) A district may administer 1 or more of the following~~
 10 ~~benchmark assessments toward meeting the requirement under~~
 11 ~~subsection (8):~~

12 ~~(a) A benchmark assessment in reading for students in grades K~~
 13 ~~to 9 that contains progress monitoring tools and enhanced~~
 14 ~~diagnostic assessments.~~

15 ~~(b) A benchmark assessment in math for students in grades K to~~
 16 ~~8 that contains progress monitoring tools.~~

17 ~~(11) To the extent practicable, if a district administers a~~
 18 ~~benchmark assessment or benchmark assessments under this section,~~
 19 ~~the district shall administer the same benchmark assessment or~~
 20 ~~benchmark assessments provided by a provider approved under~~
 21 ~~subsection (9), benchmark assessment or benchmark assessments~~
 22 ~~described in subsection (10), or local benchmark assessment or~~
 23 ~~local benchmark assessments that it administered to pupils in~~
 24 ~~previous school years, as applicable.~~

25 ~~(12) By not later than June 30, 2021, a district shall send~~
 26 ~~the aggregate district-level data from a benchmark assessment or~~
 27 ~~benchmark assessments, excluding data from a local benchmark~~
 28 ~~assessment or local benchmark assessments, administered under this~~
 29 ~~section to a regional data hub that is part of the Michigan data~~



~~1 hub network that shall compile the data and send it to the center.
2 Not later than September 1, 2021, the department and the center
3 shall provide a report to the governor and the senate and house
4 standing committees responsible for education legislation
5 identifying the number and percentage of pupils in this state who
6 are significantly behind grade level as determined by the
7 department and the center based on the data provided to the center
8 under this subsection. The benchmark assessment data under this
9 subsection may also be used to measure pupils' growth based on
10 their performance on state summative assessments to identify
11 districts and schools where pupil achievement has increased or
12 decreased. However, the benchmark assessment data under this
13 subsection must not be utilized for the state accountability
14 system. It is the intent of the legislature that the benchmark
15 assessment data under this subsection be primarily utilized to
16 determine the loss of learning, if any, resulting from the COVID-19
17 pandemic. After the administration of statewide assessments
18 resumes, the department shall also provide a report to the governor
19 and the senate and house standing committees responsible for
20 education legislation identifying the specific pupil groups whose
21 expected trajectory toward grade-level proficiency were most
22 impacted by school closures that occurred pursuant to the COVID-19
23 pandemic.~~

~~24 (13) If a district administers a benchmark assessment or
25 benchmark assessments under this section, the district shall
26 provide each pupil's data from the benchmark assessment or
27 benchmark assessments, as available, to the pupil's parent or legal
28 guardian within 30 days of administering the benchmark assessment
29 or benchmark assessments.~~



~~(14) The department shall make 1 of the benchmark assessments provided by a provider approved under subsection (9) available to districts at no cost to the districts. The benchmark assessment described in this subsection must meet all of the following:~~

~~(a) Be aligned to the content standards of this state.~~

~~(b) Complement the state's summative assessment system.~~

~~(c) Be internet-delivered and include a standards-based assessment.~~

~~(d) Provide information on pupil achievement with regard to learning content required in a given year or grade span.~~

~~(e) Provide timely feedback to pupils and teachers.~~

~~(f) Be nationally normed.~~

~~(g) Provide information to educators about student growth and allow for multiple testing opportunities.~~

~~(15) If a local benchmark assessment or local benchmark assessments are administered under subsection (8), the district shall report to the department and the center, in a form and manner prescribed by the center, the local benchmark assessment or local benchmark assessments that were administered and how that assessment or those assessments measure changes, including any losses, as applicable, in learning, and the district's plan for addressing any losses in learning.~~

~~(16) From the general fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed \$150,000.00 to a higher education institution or other entity that is not a state governmental entity that has expertise in conducting a study described in this subsection to conduct a study that, at a minimum, accomplishes all of the following:~~

~~(a) Provides for an assessment of the distance learning~~



1 ~~programs utilized in this state that were effective at meeting~~
 2 ~~educational goals and attainment.~~

3 ~~(b) Provides for an assessment of how the programs described~~
 4 ~~in subdivision (a) operated.~~

5 ~~(c) Provides for an assessment of the best practices~~
 6 ~~implemented by the programs described in subdivision (a) that~~
 7 ~~should be replicated by schools engaged in distance learning.~~

8 ~~(d) Notes distance learning models that were ineffective in~~
 9 ~~achieving educational goals.~~

10 (7) ~~(17)~~ As used in this section:

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

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

14 (c) "DED-OSERS" means the DED Office of Special Education and
 15 Rehabilitative Services.

16 Sec. 104c. (1) In order to receive state aid under this
 17 article, a district shall administer the state assessments
 18 described in this section.

19 (2) For the purposes of this section, the department shall
 20 develop and administer the Michigan student test of educational
 21 progress (M-STEP) assessments in English language arts and
 22 mathematics. These assessments shall be aligned to state standards.

23 (3) For the purposes of this section, the department shall
 24 implement a summative assessment system that is proven to be valid
 25 and reliable for administration to pupils as provided under this
 26 subsection. The summative assessment system must meet all of the
 27 following requirements:

28 (a) The summative assessment system must measure student
 29 proficiency on the current state standards, must measure student



1 growth for consecutive grade levels in which students are assessed
2 in the same subject area in both grade levels, and must be capable
3 of measuring individual student performance.

4 (b) The summative assessments for English language arts and
5 mathematics must be administered to all public school pupils in
6 grades 3 to 11, including those pupils as required by the federal
7 individuals with disabilities education act, Public Law 108-446,
8 and by title I of the federal every student succeeds act (ESSA),
9 Public Law 114-95.

10 (c) The summative assessments for science must be administered
11 to all public school pupils in at least grades 5 and 8, including
12 those pupils as required by the federal individuals with
13 disabilities education act, Public Law 108-446, and by title I of
14 the federal every student succeeds act (ESSA), Public Law 114-95.

15 (d) The summative assessments for social studies must be
16 administered to all public school pupils in at least grades 5 and
17 8, including those pupils as required by the federal individuals
18 with disabilities education act, Public Law 108-446, and by title I
19 of the federal every student succeeds act (ESSA), Public Law 114-
20 95.

21 (e) The content of the summative assessments must be aligned
22 to state standards.

23 (f) The pool of questions for the summative assessments must
24 be subject to a transparent review process for quality, bias, and
25 sensitive issues involving educator review and comment. The
26 department shall post samples from tests or retired tests featuring
27 questions from this pool for review by the public.

28 (g) The summative assessment system must ensure that students,
29 parents, and teachers are provided with reports that convey



1 individual student proficiency and growth on the assessment and
2 that convey individual student domain-level performance in each
3 subject area, including representative questions, and individual
4 student performance in meeting state standards.

5 (h) The summative assessment system must be capable of
6 providing, and the department shall ensure that students, parents,
7 teachers, administrators, and community members are provided with,
8 reports that convey aggregate student proficiency and growth data
9 by teacher, grade, school, and district.

10 (i) The summative assessment system must ensure the capability
11 of reporting the available data to support educator evaluations.

12 (j) The summative assessment system must ensure that the
13 reports provided to districts containing individual student data
14 are available within 60 days after completion of the assessments.

15 (k) The summative assessment system must ensure that access to
16 individually identifiable student data meets all of the following:

17 (i) Is in compliance with 20 USC 1232g, commonly referred to as
18 the family educational rights and privacy act of 1974.

19 (ii) Except as may be provided for in an agreement with a
20 vendor to provide assessment services, as necessary to support
21 educator evaluations pursuant to subdivision (i), or for research
22 or program evaluation purposes, is available only to the student;
23 to the student's parent or legal guardian; and to a school
24 administrator or teacher, to the extent that he or she has a
25 legitimate educational interest.

26 (l) The summative assessment system must ensure that the
27 assessments are pilot tested before statewide implementation.

28 (m) The summative assessment system must ensure that
29 assessments are designed so that the maximum total combined length



1 of time that schools are required to set aside for a pupil to
2 answer all test questions on all assessments that are part of the
3 system for the pupil's grade level does not exceed that maximum
4 total combined length of time for the previous statewide assessment
5 system or 9 hours, whichever is less. This subdivision does not
6 limit the amount of time a district may allow a pupil to complete a
7 test.

8 (n) The total cost of executing the summative assessment
9 system statewide each year, including, but not limited to, the cost
10 of contracts for administration, scoring, and reporting, must not
11 exceed an amount equal to 2 times the cost of executing the
12 previous statewide assessment after adjustment for inflation.

13 (o) ~~Beginning with the 2017-2018 school year, the~~**The**
14 summative assessment system must not require more than 3 hours in
15 duration, on average, for an individual pupil to complete the
16 combined administration of the math and English language arts
17 portions of the assessment for any 1 grade level.

18 (p) The summative assessments for English language arts and
19 mathematics for pupils in grades 8 to 10 must be aligned to the
20 college entrance test portion of the Michigan merit examination
21 required under section 104b.

22 (4) The department shall offer benchmark assessments in the
23 fall and spring of each school year to measure English language
24 arts and mathematics in each of grades K to 2. Full implementation
25 must occur not later than the 2019-2020 school year. These
26 assessments are necessary to determine a pupil's proficiency level
27 before grade 3. ~~and must meet the requirements under section~~
28 ~~104d(4).~~

29 (5) This section does not prohibit districts from adopting



1 interim assessments.

2 (6) As used in this section, "English language arts" means
3 that term as defined in section 104b.

4 **Sec. 104h. (1) From the state school aid fund money**
5 **appropriated under section 11, there is allocated for 2021-2022 an**
6 **amount not to exceed \$11,500,000.00 to districts to begin**
7 **implementation of a benchmark assessment system for the 2022-2023**
8 **school year. All of the following apply to the benchmark assessment**
9 **system described in this subsection:**

10 (a) The system must provide for all of the following:

11 (i) That, within the first 9 weeks of the 2022-2023 school
12 year, the district shall administer 1 or more benchmark assessments
13 provided by a provider approved under subsection (6), benchmark
14 assessments described in subdivision (b), or local benchmark
15 assessments, or any combination thereof, to all pupils in grades K
16 to 8 to measure proficiency in reading and mathematics.

17 (ii) That, in addition to the benchmark assessment or benchmark
18 assessments administered under subparagraph (i), by not later than
19 the last day of the 2022-2023 school year, the district shall
20 administer 1 or more benchmark assessments provided by a provider
21 approved under subsection (6), benchmark assessments described in
22 subdivision (b), or local benchmark assessments, or any combination
23 thereof, to all pupils in grades K to 8 to measure proficiency in
24 reading and mathematics.

25 (b) A district may administer 1 or more of the following
26 benchmark assessments toward meeting the requirements under
27 subdivision (a):

28 (i) A benchmark assessment in reading for students in grades K
29 to 9 that contains progress monitoring tools and enhanced



1 diagnostic assessments.

2 (ii) A benchmark assessment in math for students in grades K to
3 8 that contains progress monitoring tools.

4 (c) The system must provide that, to the extent practicable,
5 if a district administers a benchmark assessment or benchmark
6 assessments under this section, the district shall administer the
7 same benchmark assessment or benchmark assessments provided by a
8 provider approved under subsection (6), benchmark assessment or
9 benchmark assessments described in subdivision (b), or local
10 benchmark assessment or local benchmark assessments that it
11 administered to pupils in previous school years, as applicable.

12 (d) The system must provide that, if a district administers a
13 benchmark assessment or benchmark assessments under this section,
14 the district shall provide each pupil's data from the benchmark
15 assessment or benchmark assessments, as available, to the pupil's
16 parent or legal guardian within 30 days of administering the
17 benchmark assessment or benchmark assessments.

18 (e) The system must provide that, if a local benchmark
19 assessment or local benchmark assessments are administered under
20 subdivision (a), the district shall report to the department and
21 the center, in a form and manner prescribed by the center, the
22 local benchmark assessment or local benchmark assessments that were
23 administered and how that assessment or those assessments measure
24 changes, including any losses, as applicable, in learning, and the
25 district's plan for addressing any losses in learning.

26 (f) The system must provide that, by not later than 30 days
27 after a benchmark assessment or benchmark assessments are
28 administered under subparagraph (1) (a) (ii), the district shall send
29 benchmark assessment data from all benchmark assessments



1 administered in the 2022-2023 school year, excluding data from a
2 local benchmark assessment, as applicable, aggregated by grade
3 level and demographic subgroup to the department. If available, the
4 data described in this subdivision must include information
5 concerning pupil growth from fall 2022 to spring 2023.

6 (2) To receive funding under this section, a district must
7 apply for the funding in a form and manner prescribed by the
8 department.

9 (3) The department shall pay an amount equal to \$12.50 per
10 membership pupil in grades K to 8 in the district to each district
11 that applies for funding under this section.

12 (4) The department shall make 1 of the benchmark assessments
13 provided by a provider approved under subsection (6) available to
14 districts at no cost to the districts for purposes of meeting the
15 requirements under this section. The benchmark assessment described
16 in this subsection must meet all of the following:

17 (a) Be aligned to the content standards of this state.

18 (b) Complement the state's summative assessment system.

19 (c) Be internet-delivered and include a standards-based
20 assessment.

21 (d) Provide information on pupil achievement with regard to
22 learning content required in a given year or grade span.

23 (e) Provide timely feedback to pupils and teachers.

24 (f) Be nationally normed.

25 (g) Provide information to educators about student growth and
26 allow for multiple testing opportunities.

27 (5) By not later than June 15, 2023, the department shall
28 submit a report to the house and senate appropriations committees,
29 the house and senate appropriations subcommittees on school aid,



1 and the house and senate fiscal agencies regarding the benchmark
2 assessment data received under this section, disaggregated by grade
3 level and demographic subgroup for each district. If information
4 concerning pupil growth is included in the data described in this
5 subsection, it must be incorporated in the report described in this
6 subsection.

7 (6) The department shall approve providers of benchmark
8 assessments for the purposes of this section. The department shall
9 inform districts of all of the providers approved under this
10 subsection in an equitable manner. The benchmark assessments, with
11 the exclusion of the benchmark assessment described in subsection
12 (4), provided by approved providers under this subsection must meet
13 all of the following:

14 (a) Be 1 of the most commonly administered benchmark
15 assessments in this state.

16 (b) Be aligned to the content standards of this state.

17 (c) Complement the state's summative assessment system.

18 (d) Be internet-delivered and include a standards-based
19 remote, in-person, or both remote and in-person assessment using a
20 computer-adaptive model to target the instructional level of each
21 pupil.

22 (e) Provide information on pupil achievement with regard to
23 learning content required in a given year or grade span.

24 (f) Provide immediate feedback to pupils and teachers.

25 (g) Be nationally normed.

26 (h) Provide multiple measures of growth and provide for
27 multiple testing opportunities.

28 Sec. 105. (1) In order to avoid a penalty under this section,
29 and in order to count a nonresident pupil residing within the same



1 intermediate district in membership without the approval of the
2 pupil's district of residence, a district must comply with this
3 section.

4 (2) Except as otherwise provided in this section, a district
5 shall determine whether or not it will accept applications for
6 enrollment by nonresident applicants residing within the same
7 intermediate district for the next school year. If the district
8 determines to accept applications for enrollment of a number of
9 nonresidents, beyond those entitled to preference under this
10 section, the district shall use the following procedures for
11 accepting applications from and enrolling nonresidents:

12 (a) The district shall publish the grades, schools, and
13 special programs, if any, for which enrollment may be available to,
14 and for which applications will be accepted from, nonresident
15 applicants residing within the same intermediate district.

16 (b) If the district has a limited number of positions
17 available for nonresidents residing within the same intermediate
18 district in a grade, school, or program, all of the following apply
19 to accepting applications for and enrollment of nonresidents in
20 that grade, school, or program:

21 (i) The district shall do all of the following not later than
22 the second Friday in August:

23 (A) Provide notice to the general public that applications
24 will be taken for a period of at least 15 calendar days but not
25 more than 30 calendar days from nonresidents residing within the
26 same intermediate district for enrollment in that grade, school, or
27 program. The notice must identify the dates of the application
28 period and the place and manner for submitting applications.

29 (B) During the application period under sub-subparagraph (A),



1 accept applications from nonresidents residing within the same
2 intermediate district for enrollment in that grade, school, or
3 program.

4 (C) Within 15 calendar days after the end of the application
5 period under sub-subparagraph (A), ~~or, for 2020-2021 only, not~~
6 ~~later than October 13, 2020,~~ using the procedures and preferences
7 required under this section, determine which nonresident applicants
8 will be allowed to enroll in that grade, school, or program, using
9 the random draw system required under subsection ~~(14)~~ **(13)** as
10 necessary, and notify the parent or legal guardian of each
11 nonresident applicant of whether or not the applicant may enroll in
12 the district. The notification to parents or legal guardians of
13 nonresident applicants accepted for enrollment must contain
14 notification of the date by which the applicant must enroll in the
15 district and procedures for enrollment. The date for enrollment
16 must be no later than the end of the first week of school. ~~, or,~~
17 ~~for 2020-2021 only, not later than October 13, 2020.~~

18 (ii) Beginning on the third Monday in August and not later than
19 the end of the first week of school, ~~or, for 2020-2021 only, not~~
20 ~~later than October 13, 2020,~~ if any positions become available in a
21 grade, school, or program due to accepted applicants failing to
22 enroll or to more positions being added, the district may enroll
23 nonresident applicants from the waiting list maintained under
24 subsection ~~(14)~~ **(13)**, offering enrollment in the order that
25 applicants appear on the waiting list. If there are still positions
26 available after enrolling all applicants from the waiting list who
27 desire to enroll, the district may not fill those positions until
28 the second semester or trimester enrollment under subsection (3),
29 as provided under that subsection, or until the next school year.



1 (c) For a grade, school, or program that has an unlimited
2 number of positions available for nonresidents residing within the
3 same intermediate district, all of the following apply to
4 enrollment of nonresidents in that grade, school, or program:

5 (i) The district may accept applications for enrollment in that
6 grade, school, or program, and may enroll nonresidents residing
7 within the same intermediate district in that grade, school, or
8 program until the end of the first week of school. ~~or, for 2020-~~
9 ~~2021 only, the district may enroll nonresidents residing within the~~
10 ~~same intermediate district in that grade, school, or program until~~
11 ~~October 13, 2020 if the application was received by the end of the~~
12 ~~first week of school.~~ The district shall provide notice to the
13 general public of the place and manner for submitting applications
14 and, if the district has a limited application period, the notice
15 must include the dates of the application period. The application
16 period shall be at least a 15-calendar-day period.

17 (ii) Not later than the end of the first week of school, ~~or,~~
18 ~~for 2020-2021 only, not later than October 13, 2020,~~ the district
19 shall notify the parent or legal guardian of each nonresident
20 applicant who is accepted for enrollment that the applicant has
21 been accepted for enrollment in the grade, school, or program and
22 of the procedures for enrollment. The date for enrollment must be
23 no later than the end of the first week of school. ~~or, for 2020-~~
24 ~~2021 only, not later than October 13, 2020.~~

25 (3) If a district determines during the first semester or
26 trimester of a school year that it has positions available for
27 enrollment of a number of nonresidents residing within the same
28 intermediate district, beyond those entitled to preference under
29 this section, for the second semester or trimester of the school



1 year, the district may accept applications from and enroll
2 nonresidents residing within the same intermediate district for the
3 second semester or trimester using the following procedures:

4 (a) Not later than 2 weeks before the end of the first
5 semester or trimester, the district shall publish the grades,
6 schools, and special programs, if any, for which enrollment for the
7 second semester or trimester may be available to, and for which
8 applications will be accepted from, nonresident applicants residing
9 within the same intermediate district.

10 (b) During the last 2 weeks of the first semester or
11 trimester, the district shall accept applications from nonresidents
12 residing within the same intermediate district for enrollment for
13 the second semester or trimester in the available grades, schools,
14 and programs.

15 (c) By the beginning of the second semester or trimester,
16 using the procedures and preferences required under this section,
17 the district shall determine which nonresident applicants will be
18 allowed to enroll in the district for the second semester or
19 trimester and notify the parent or legal guardian of each
20 nonresident applicant residing within the same intermediate
21 district of whether or not the applicant may enroll in the
22 district. The notification to parents or legal guardians of
23 nonresident applicants accepted for enrollment must contain
24 notification of the date by which the applicant must enroll in the
25 district and procedures for enrollment. The date for enrollment
26 must be no later than the end of the first week of school.

27 (4) If deadlines similar to those described in subsection (2)
28 or (3) have been established in an intermediate district, and if
29 those deadlines are not later than the deadlines under subsection



1 (2) or (3), the districts within the intermediate district may use
2 those deadlines.

3 (5) A district offering to enroll nonresident applicants
4 residing within the same intermediate district may limit the number
5 of nonresident pupils it accepts in a grade, school, or program, at
6 its discretion, and may use that limit as the reason for refusal to
7 enroll an applicant.

8 (6) A nonresident applicant residing within the same
9 intermediate district must not be granted or refused enrollment
10 based on intellectual, academic, artistic, or other ability,
11 talent, or accomplishment, or lack thereof, or based on a mental or
12 physical disability, except that a district may refuse to admit a
13 nonresident applicant if the applicant does not meet the same
14 criteria, other than residence, that an applicant who is a resident
15 of the district must meet to be accepted for enrollment in a grade
16 or a specialized, magnet, or intra-district choice school or
17 program to which the applicant applies.

18 (7) A nonresident applicant residing within the same
19 intermediate district must not be granted or refused enrollment
20 based on age, except that a district may refuse to admit a
21 nonresident applicant applying for a program that is not
22 appropriate for the age of the applicant.

23 (8) A nonresident applicant residing within the same
24 intermediate district must not be granted or refused enrollment
25 based upon religion, race, color, national origin, sex, height,
26 weight, marital status, or athletic ability, or, generally, in
27 violation of any state or federal law prohibiting discrimination.

28 (9) Subject to subsection (10), a district may refuse to
29 enroll a nonresident applicant if any of the following are met:



1 (a) The applicant is, or has been within the preceding 2
2 years, suspended from another school.

3 (b) The applicant, at any time before enrolling under this
4 section, has been expelled from another school.

5 (c) The applicant, at any time before enrolling under this
6 section, has been convicted of a felony.

7 (10) If a district has counted a pupil in membership on either
8 the pupil membership count day or the supplemental count day, the
9 district shall not refuse to enroll or refuse to continue to enroll
10 that pupil for a reason specified in subsection (9). This
11 subsection does not prohibit a district from expelling a pupil
12 described in this subsection for disciplinary reasons.

13 (11) A district shall continue to allow a pupil who was
14 enrolled in and attended the district under this section in the
15 school year or semester or trimester immediately preceding the
16 school year or semester or trimester in question to enroll in the
17 district until the pupil graduates from high school. This
18 subsection does not prohibit a district from expelling a pupil
19 described in this subsection for disciplinary reasons.

20 (12) A district shall give preference for enrollment under
21 this section over all other nonresident applicants residing within
22 the same intermediate district to other school-age children who
23 reside in the same household as a pupil described in subsection
24 (11).

25 ~~(13) If a nonresident pupil was enrolled in and attending~~
26 ~~school in a district as a nonresident pupil in the 1995-96 school~~
27 ~~year and continues to be enrolled continuously each school year in~~
28 ~~that district, the district shall allow that nonresident pupil to~~
29 ~~continue to enroll in and attend school in the district until high~~



1 ~~school graduation, without requiring the nonresident pupil to apply~~
2 ~~for enrollment under this section. This subsection does not~~
3 ~~prohibit a district from expelling a pupil described in this~~
4 ~~subsection for disciplinary reasons.~~

5 **(13)** ~~(14)~~—If the number of qualified nonresident applicants
6 eligible for acceptance in a school, grade, or program does not
7 exceed the positions available for nonresident pupils in the
8 school, grade, or program, the school district shall accept for
9 enrollment all of the qualified nonresident applicants eligible for
10 acceptance. If the number of qualified nonresident applicants
11 residing within the same intermediate district eligible for
12 acceptance exceeds the positions available in a grade, school, or
13 program in a district for nonresident pupils, the district shall
14 use a random draw system, subject to the need to abide by state and
15 federal antidiscrimination laws and court orders and subject to
16 preferences allowed by this section. The district shall develop and
17 maintain a waiting list based on the order in which nonresident
18 applicants were drawn under this random draw system.

19 **(14)** ~~(15)~~—If a district, or the nonresident applicant,
20 requests the district in which a nonresident applicant resides to
21 supply information needed by the district for evaluating the
22 applicant's application for enrollment or for enrolling the
23 applicant, the district of residence shall provide that information
24 on a timely basis.

25 **(15)** ~~(16)~~—If a district is subject to a court-ordered
26 desegregation plan, and if the court issues an order prohibiting
27 pupils residing in that district from enrolling in another district
28 or prohibiting pupils residing in another district from enrolling
29 in that district, this section is subject to the court order.



1 **(16)** ~~(17)~~—This section does not require a district to provide
 2 transportation for a nonresident pupil enrolled in the district
 3 under this section or for a resident pupil enrolled in another
 4 district under this section. However, at the time a nonresident
 5 pupil enrolls in the district, a district shall provide to the
 6 pupil's parent or legal guardian information on available
 7 transportation to and from the school in which the pupil enrolls.

8 **(17)** ~~(18)~~—A district may participate in a cooperative
 9 education program with 1 or more other districts or intermediate
 10 districts whether or not the district enrolls any nonresidents
 11 under this section.

12 **(18)** ~~(19)~~—A district that, under this section, enrolls a
 13 nonresident pupil who is eligible for special education programs
 14 and services according to statute or rule, or who is a child with
 15 disabilities, as defined under the individuals with disabilities
 16 education act, Public Law 108-446, is considered to be the resident
 17 district of the pupil for the purpose of providing the pupil with a
 18 free appropriate public education. Consistent with state and
 19 federal law, that district is responsible for developing and
 20 implementing an individualized education program annually for a
 21 nonresident pupil described in this subsection.

22 **(19)** ~~(20)~~—If a district does not comply with this section, the
 23 district forfeits 5% of the total state school aid allocation to
 24 the district under this act.

25 **(20)** ~~(21)~~—Upon application by a district, the superintendent
 26 may grant a waiver for the district from a specific requirement
 27 under this section for not more than 1 year.

28 Sec. 105c. (1) In order to avoid a penalty under this section,
 29 and in order to count a nonresident pupil residing in a district



1 located in a contiguous intermediate district in membership without
2 the approval of the pupil's district of residence, a district must
3 comply with this section.

4 (2) Except as otherwise provided in this section, a district
5 shall determine whether or not it will accept applications for
6 enrollment by nonresident applicants residing in a district located
7 in a contiguous intermediate district for the next school year. If
8 the district determines to accept applications for enrollment of a
9 number of nonresidents under this section, beyond those entitled to
10 preference under this section, the district shall use the following
11 procedures for accepting applications from and enrolling
12 nonresidents under this section:

13 (a) The district shall publish the grades, schools, and
14 special programs, if any, for which enrollment may be available to,
15 and for which applications will be accepted from, nonresident
16 applicants residing in a district located in a contiguous
17 intermediate district.

18 (b) If the district has a limited number of positions
19 available for nonresidents residing in a district located in a
20 contiguous intermediate district in a grade, school, or program,
21 all of the following apply to accepting applications for and
22 enrollment of nonresidents under this section in that grade,
23 school, or program:

24 (i) The district shall do all of the following not later than
25 the second Friday in August:

26 (A) Provide notice to the general public that applications
27 will be taken for a period of at least 15 calendar days but not
28 more than 30 calendar days from nonresidents residing in a district
29 located in a contiguous intermediate district for enrollment in



1 that grade, school, or program. The notice must identify the dates
 2 of the application period and the place and manner for submitting
 3 applications.

4 (B) During the application period under sub-subparagraph (A),
 5 accept applications from nonresidents residing in a district
 6 located in a contiguous intermediate district for enrollment in
 7 that grade, school, or program.

8 (C) Within 15 calendar days after the end of the application
 9 period under sub-subparagraph (A), ~~or, for 2020-2021 only, not~~
 10 ~~later than October 13, 2020,~~ using the procedures and preferences
 11 required under this section, determine which nonresident applicants
 12 will be allowed to enroll under this section in that grade, school,
 13 or program, using the random draw system required under subsection
 14 (14) as necessary, and notify the parent or legal guardian of each
 15 nonresident applicant of whether or not the applicant may enroll in
 16 the district. The notification to parents or legal guardians of
 17 nonresident applicants accepted for enrollment under this section
 18 must contain notification of the date by which the applicant must
 19 enroll in the district and procedures for enrollment. The date for
 20 enrollment must be no later than the end of the first week of
 21 school. ~~or, for 2020-2021 only, not later than October 13, 2020.~~

22 (ii) Beginning on the third Monday in August and not later than
 23 the end of the first week of school, ~~or, for 2020-2021 only, not~~
 24 ~~later than October 13, 2020,~~ if any positions become available in a
 25 grade, school, or program due to accepted applicants failing to
 26 enroll or to more positions being added, the district may enroll
 27 nonresident applicants from the waiting list maintained under
 28 subsection (14), offering enrollment in the order that applicants
 29 appear on the waiting list. If there are still positions available



1 after enrolling all applicants from the waiting list who desire to
 2 enroll, the district may not fill those positions until the second
 3 semester or trimester enrollment under subsection (3), as provided
 4 under that subsection, or until the next school year.

5 (c) For a grade, school, or program that has an unlimited
 6 number of positions available for nonresidents residing in a
 7 district located in a contiguous intermediate district, all of the
 8 following apply to enrollment of nonresidents in that grade,
 9 school, or program under this section:

10 (i) The district may accept applications for enrollment in that
 11 grade, school, or program, and may enroll nonresidents residing in
 12 a district located in a contiguous intermediate district in that
 13 grade, school, or program until the end of the first week of
 14 school. ~~or, for 2020-2021 only, the district may enroll~~
 15 ~~nonresidents residing in a district located in a contiguous~~
 16 ~~intermediate district in that grade, school, or program until~~
 17 ~~October 13, 2020 if the application was received by the end of the~~
 18 ~~first week of school.~~ The district shall provide notice to the
 19 general public of the place and manner for submitting applications
 20 and, if the district has a limited application period, the notice
 21 must include the dates of the application period. The application
 22 period must be at least a 15-calendar-day period.

23 (ii) Not later than the end of the first week of school, ~~or,~~
 24 ~~for 2020-2021 only, not later than October 13, 2020,~~ the district
 25 shall notify the parent or legal guardian of each nonresident
 26 applicant who is accepted for enrollment under this section that
 27 the applicant has been accepted for enrollment in the grade,
 28 school, or program and of the date by which the applicant must
 29 enroll in the district and the procedures for enrollment. The date



1 for enrollment must be no later than the end of the first week of
2 school. ~~or, for 2020-2021 only, not later than October 13, 2020.~~

3 (3) If a district determines during the first semester or
4 trimester of a school year that it has positions available for
5 enrollment of a number of nonresidents residing in a district
6 located in a contiguous intermediate district, beyond those
7 entitled to preference under this section, for the second semester
8 or trimester of the school year, the district may accept
9 applications from and enroll nonresidents residing in a district
10 located in a contiguous intermediate district for the second
11 semester or trimester using the following procedures:

12 (a) Not later than 2 weeks before the end of the first
13 semester or trimester, the district shall publish the grades,
14 schools, and special programs, if any, for which enrollment for the
15 second semester or trimester may be available to, and for which
16 applications will be accepted from, nonresident applicants residing
17 in a district located in a contiguous intermediate district.

18 (b) During the last 2 weeks of the first semester or
19 trimester, the district shall accept applications from nonresidents
20 residing in a district located in a contiguous intermediate
21 district for enrollment for the second semester or trimester in the
22 available grades, schools, and programs.

23 (c) By the beginning of the second semester or trimester,
24 using the procedures and preferences required under this section,
25 the district shall determine which nonresident applicants will be
26 allowed to enroll under this section in the district for the second
27 semester or trimester and notify the parent or legal guardian of
28 each nonresident applicant residing in a district located in a
29 contiguous intermediate district of whether or not the applicant



1 may enroll in the district. The notification to parents or legal
2 guardians of nonresident applicants accepted for enrollment must
3 contain notification of the date by which the applicant must enroll
4 in the district and procedures for enrollment. The date for
5 enrollment must be no later than the end of the first week of
6 school.

7 (4) If deadlines similar to those described in subsection (2)
8 or (3) have been established in an intermediate district, and if
9 those deadlines are not later than the deadlines under subsection
10 (2) or (3), the districts within the intermediate district may use
11 those deadlines.

12 (5) A district offering to enroll nonresident applicants
13 residing in a district located in a contiguous intermediate
14 district may limit the number of those nonresident pupils it
15 accepts in a grade, school, or program, at its discretion, and may
16 use that limit as the reason for refusal to enroll an applicant
17 under this section.

18 (6) A nonresident applicant residing in a district located in
19 a contiguous intermediate district must not be granted or refused
20 enrollment based on intellectual, academic, artistic, or other
21 ability, talent, or accomplishment, or lack thereof, or based on a
22 mental or physical disability, except that a district may refuse to
23 admit a nonresident applicant under this section if the applicant
24 does not meet the same criteria, other than residence, that an
25 applicant who is a resident of the district must meet to be
26 accepted for enrollment in a grade or a specialized, magnet, or
27 intra-district choice school or program to which the applicant
28 applies.

29 (7) A nonresident applicant residing in a district located in



1 a contiguous intermediate district must not be granted or refused
2 enrollment under this section based on age, except that a district
3 may refuse to admit a nonresident applicant applying for a program
4 that is not appropriate for the age of the applicant.

5 (8) A nonresident applicant residing in a district located in
6 a contiguous intermediate district must not be granted or refused
7 enrollment under this section based upon religion, race, color,
8 national origin, sex, height, weight, marital status, or athletic
9 ability, or, generally, in violation of any state or federal law
10 prohibiting discrimination.

11 (9) Subject to subsection (10), a district may refuse to
12 enroll a nonresident applicant under this section if any of the
13 following are met:

14 (a) The applicant is, or has been within the preceding 2
15 years, suspended from another school.

16 (b) The applicant, at any time before enrolling under this
17 section, has been expelled from another school.

18 (c) The applicant, at any time before enrolling under this
19 section, has been convicted of a felony.

20 (10) If a district has counted a pupil in membership on either
21 the pupil membership count day or the supplemental count day, the
22 district shall not refuse to enroll or refuse to continue to enroll
23 that pupil for a reason specified in subsection (9). This
24 subsection does not prohibit a district from expelling a pupil
25 described in this subsection for disciplinary reasons.

26 (11) A district shall continue to allow a pupil who was
27 enrolled in and attended the district under this section in the
28 school year or semester or trimester immediately preceding the
29 school year or semester or trimester in question to enroll in the



1 district until the pupil graduates from high school. This
2 subsection does not prohibit a district from expelling a pupil
3 described in this subsection for disciplinary reasons.

4 (12) A district shall give preference for enrollment under
5 this section over all other nonresident applicants residing in a
6 district located in a contiguous intermediate district to other
7 school-age children who reside in the same household as a pupil
8 described in subsection (11).

9 (13) If a nonresident pupil was enrolled in and attending
10 school in a district as a nonresident pupil in the 1995-96 school
11 year and continues to be enrolled continuously each school year in
12 that district, the district shall allow that nonresident pupil to
13 continue to enroll in and attend school in the district until high
14 school graduation, without requiring the nonresident pupil to apply
15 for enrollment under this section. This subsection does not
16 prohibit a district from expelling a pupil described in this
17 subsection for disciplinary reasons.

18 (14) If the number of qualified nonresident applicants
19 eligible for acceptance under this section in a school, grade, or
20 program does not exceed the positions available for nonresident
21 pupils under this section in the school, grade, or program, the
22 school district shall accept for enrollment all of the qualified
23 nonresident applicants eligible for acceptance. If the number of
24 qualified nonresident applicants residing in a district located in
25 a contiguous intermediate district eligible for acceptance under
26 this section exceeds the positions available in a grade, school, or
27 program in a district for nonresident pupils, the district shall
28 use a random draw system, subject to the need to abide by state and
29 federal antidiscrimination laws and court orders and subject to



1 preferences allowed by this section. The district shall develop and
2 maintain a waiting list based on the order in which nonresident
3 applicants were drawn under this random draw system.

4 (15) If a district, or the nonresident applicant, requests the
5 district in which a nonresident applicant resides to supply
6 information needed by the district for evaluating the applicant's
7 application for enrollment or for enrolling the applicant under
8 this section, the district of residence shall provide that
9 information on a timely basis.

10 (16) If a district is subject to a court-ordered desegregation
11 plan, and if the court issues an order prohibiting pupils residing
12 in that district from enrolling in another district or prohibiting
13 pupils residing in another district from enrolling in that
14 district, this section is subject to the court order.

15 (17) This section does not require a district to provide
16 transportation for a nonresident pupil enrolled in the district
17 under this section or for a resident pupil enrolled in another
18 district under this section. However, at the time a nonresident
19 pupil enrolls in the district, a district shall provide to the
20 pupil's parent or legal guardian information on available
21 transportation to and from the school in which the pupil enrolls.

22 (18) A district may participate in a cooperative education
23 program with 1 or more other districts or intermediate districts
24 whether or not the district enrolls any nonresidents pursuant to
25 this section.

26 (19) In order for a district or intermediate district to
27 enroll under this section a nonresident pupil who resides in a
28 district located in a contiguous intermediate district and who is
29 eligible for special education programs and services according to



1 statute or rule, or who is a child with ~~disabilities~~, **a disability**,
 2 as **that term is** defined under the individuals with disabilities
 3 education act, Public Law 108-446, the enrolling district shall
 4 have a written agreement with the resident district of the pupil
 5 for the purpose of providing the pupil with a free appropriate
 6 public education. The written agreement must include, but is not
 7 limited to, an agreement on the responsibility for the payment of
 8 the added costs of special education programs and services for the
 9 pupil. The written agreement must address how the agreement must be
 10 amended in the event of significant changes in the costs or level
 11 of special education programs or services required by the pupil.

12 (20) If a district does not comply with this section, the
 13 district forfeits 5% of the total state school aid allocation to
 14 the district under this act.

15 (21) Upon application by a district, the superintendent may
 16 grant a waiver for the district from a specific requirement under
 17 this section for not more than 1 year.

18 (22) This section is repealed if the final decision of a court
 19 of competent jurisdiction holds that any portion of this section is
 20 unconstitutional, ineffective, invalid, or in violation of federal
 21 law.

22 (23) As used in this section, "district located in a
 23 contiguous intermediate district" means a district located in an
 24 intermediate district that is contiguous to the intermediate
 25 district in which a pupil's district of residence is located.

26 Sec. 107. (1) From the appropriation in section 11, there is
 27 allocated an amount not to exceed \$30,000,000.00 for ~~2020-2021~~
 28 **2021-2022** for adult education programs authorized under this
 29 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 must be enrolled in an adult basic education
 11 program, an adult secondary education program, an adult English as
 12 a second language program, a high school equivalency test
 13 preparation program, or a high school completion program, that
 14 meets the requirements of this section, and for which instruction
 15 is provided, and the individual must be at least 18 years of age **by**
 16 **July 1 of the program year** and the individual's graduating class
 17 must have graduated.

18 (4) By April 1 of each fiscal year, the intermediate districts
 19 within a prosperity region or subregion shall determine which
 20 intermediate district will serve as the prosperity region's or
 21 subregion's fiscal agent for the next fiscal year and shall notify
 22 the department in a form and manner determined by the department.
 23 The department shall approve or disapprove of the prosperity
 24 region's or subregion's selected fiscal agent. From the funds
 25 allocated under subsection (1), an amount as determined under this
 26 subsection is allocated to each intermediate district serving as a
 27 fiscal agent for adult education programs in each of the prosperity
 28 regions or subregions identified by the department. An intermediate
 29 district shall not use more than 5% of the funds allocated under



1 this subsection for administration costs for serving as the fiscal
2 agent. The allocation provided to each intermediate district
3 serving as a fiscal agent is an amount equal to what the
4 intermediate district received in 2018-2019.

5 (5) To be an eligible fiscal agent, an intermediate district
6 must agree to do the following in a form and manner determined by
7 the department:

8 (a) Distribute funds to adult education programs in a
9 prosperity region or subregion as described in this section.

10 (b) Collaborate with the career and educational advisory
11 council, which is an advisory council of the workforce development
12 boards located in the prosperity region or subregion, or its
13 successor, to develop a regional strategy that aligns adult
14 education programs and services into an efficient and effective
15 delivery system for adult education learners, with special
16 consideration for providing contextualized learning and career
17 pathways and addressing barriers to education and employment.

18 (c) Collaborate with the career and educational advisory
19 council, which is an advisory council of the workforce development
20 boards located in the prosperity region or subregion, or its
21 successor, to create a local process and criteria that will
22 identify eligible adult education providers to receive funds
23 allocated under this section based on location, demand for
24 services, past performance, quality indicators as identified by the
25 department, and cost to provide instructional services. The fiscal
26 agent shall determine all local processes, criteria, and provider
27 determinations. However, the local processes, criteria, and
28 provider services must be approved by the department before funds
29 may be distributed to the fiscal agent.



1 (d) Provide oversight to its adult education providers
 2 throughout the program year to ensure compliance with the
 3 requirements of this section.

4 (e) Report adult education program and participant data and
 5 information as prescribed by the department.

6 (6) An adult basic education program, an adult secondary
 7 education program, or an adult English as a second language program
 8 operated on a year-round or school year basis may be funded under
 9 this section, subject to all of the following:

10 (a) The program enrolls adults who are determined by a
 11 department-approved assessment, in a form and manner prescribed by
 12 the department, to be below twelfth grade level in reading or
 13 mathematics, or both, or to lack basic English proficiency.

14 (b) The program tests individuals for eligibility under
 15 subdivision (a) before enrollment and upon completion of the
 16 program in compliance with the state-approved assessment policy.

17 (c) A participant in an adult basic education program is
 18 eligible for reimbursement until 1 of the following occurs:

19 (i) The participant's reading and mathematics proficiency are
 20 assessed at or above the ninth grade level.

21 (ii) The participant fails to show progress on 2 successive
 22 assessments after having completed at least 450 hours of
 23 instruction.

24 (d) A participant in an adult secondary education program is
 25 eligible for reimbursement until 1 of the following occurs:

26 (i) The participant's reading and mathematics proficiency are
 27 assessed above the twelfth grade level.

28 (ii) The participant fails to show progress on 2 successive
 29 assessments after having at least 450 hours of instruction.



1 (e) A funding recipient enrolling a participant in an English
 2 as a second language program is eligible for funding according to
 3 subsection (9) until the participant meets 1 of the following:

4 (i) The participant is assessed as having attained basic
 5 English proficiency as determined by a department-approved
 6 assessment.

7 (ii) The participant fails to show progress on 2 successive
 8 department-approved assessments after having completed at least 450
 9 hours of instruction. The department shall provide information to a
 10 funding recipient regarding appropriate assessment instruments for
 11 this program.

12 (7) A high school equivalency test preparation program
 13 operated on a year-round or school year basis may be funded under
 14 this section, subject to all of the following:

15 (a) The program enrolls adults who do not have a high school
 16 diploma or a high school equivalency certificate.

17 (b) The program administers a pre-test approved by the
 18 department before enrolling an individual to determine the
 19 individual's literacy levels, administers a high school equivalency
 20 practice test to determine the individual's potential for success
 21 on the high school equivalency test, and administers a post-test
 22 upon completion of the program in compliance with the state-
 23 approved assessment policy.

24 (c) A funding recipient receives funding according to
 25 subsection (9) for a participant, and a participant may be enrolled
 26 in the program until 1 of the following occurs:

27 (i) The participant achieves a high school equivalency
 28 certificate.

29 (ii) The participant fails to show progress on 2 successive



1 department-approved assessments used to determine readiness to take
 2 a high school equivalency test after having completed at least 450
 3 hours of instruction.

4 (8) A high school completion program operated on a year-round
 5 or school year basis may be funded under this section, subject to
 6 all of the following:

7 (a) The program enrolls adults who do not have a high school
 8 diploma.

9 (b) The program tests participants described in subdivision
 10 (a) before enrollment and upon completion of the program in
 11 compliance with the state-approved assessment policy.

12 (c) A funding recipient receives funding according to
 13 subsection (9) for a participant in a course offered under this
 14 subsection until 1 of the following occurs:

15 (i) The participant passes the course and earns a high school
 16 diploma.

17 (ii) The participant fails to earn credit in 2 successive
 18 semesters or terms in which the participant is enrolled after
 19 having completed at least 900 hours of instruction.

20 (9) The department shall make payments to a funding recipient
 21 under this section in accordance with all of the following:

22 (a) Statewide allocation criteria, including 3-year average
 23 enrollments, census data, and local needs.

24 (b) Participant completion of the adult basic education
 25 objectives by achieving an educational gain as determined by the
 26 national reporting system levels; for achieving basic English
 27 proficiency, as determined by the department; for achieving a high
 28 school equivalency certificate or passage of 1 or more individual
 29 high school equivalency tests; for attainment of a high school



1 diploma or passage of a course required for a participant to attain
2 a high school diploma; for enrollment in a postsecondary
3 institution, or for entry into or retention of employment, as
4 applicable.

5 (c) Participant completion of core indicators as identified in
6 the innovation and opportunity act.

7 (d) Allowable expenditures.

8 (10) A person who is not eligible to be a participant funded
9 under this section may receive adult education services upon the
10 payment of tuition. In addition, a person who is not eligible to be
11 served in a program under this section due to the program
12 limitations specified in subsection (6), (7), or (8) may continue
13 to receive adult education services in that program upon the
14 payment of tuition. The local or intermediate district conducting
15 the program shall determine the tuition amount.

16 (11) An individual who is an inmate in a state correctional
17 facility is not counted as a participant under this section.

18 (12) A funding recipient shall not commingle money received
19 under this section or from another source for adult education
20 purposes with any other funds and shall establish a separate ledger
21 account for funds received under this section. This subsection does
22 not prohibit a district from using general funds of the district to
23 support an adult education or community education program.

24 (13) A funding recipient receiving funds under this section
25 may establish a sliding scale of tuition rates based upon a
26 participant's family income. A funding recipient may charge a
27 participant tuition to receive adult education services under this
28 section from that sliding scale of tuition rates on a uniform
29 basis. The amount of tuition charged per participant must not



1 exceed the actual operating cost per participant minus any funds
 2 received under this section per participant. A funding recipient
 3 may not charge a participant tuition under this section if the
 4 participant's income is at or below 200% of the federal poverty
 5 guidelines published by the United States Department of Health and
 6 Human Services.

7 (14) In order to receive funds under this section, a funding
 8 recipient shall furnish to the department, in a form and manner
 9 determined by the department, all information needed to administer
 10 this program and meet federal reporting requirements; shall allow
 11 the department or the department's designee to review all records
 12 related to the program for which it receives funds; and shall
 13 reimburse the state for all disallowances found in the review, as
 14 determined by the department. In addition, a funding recipient
 15 shall agree to pay to a career and technical education program
 16 under section 61a the amount of funding received under this section
 17 in the proportion of career and technical education coursework used
 18 to satisfy adult basic education programming, as billed to the
 19 funding recipient by programs operating under section 61a. In
 20 addition to the funding allocated under subsection (1), there is
 21 allocated for ~~2020-2021~~**2021-2022** an amount not to exceed
 22 \$500,000.00 to reimburse funding recipients for administrative and
 23 instructional expenses associated with commingling programming
 24 under this section and section 61a. The department shall make
 25 payments under this subsection to each funding recipient in the
 26 same proportion as funding calculated and allocated under
 27 subsection (4).

28 (15) From the amount appropriated in subsection (1), an amount
 29 not to exceed \$4,000,000.00 is allocated for ~~2020-2021~~**2021-2022**



1 for grants to adult education or state-approved career technical
2 center programs that connect adult education participants with
3 employers as provided under this subsection. The department shall
4 determine the amount of the grant to each program under this
5 subsection, not to exceed \$350,000.00. To be eligible for funding
6 under this subsection, a program must provide a collaboration
7 linking adult education programs within the county, the area career
8 technical center, and local employers. To receive funding under
9 this subsection, an eligible program must satisfy all of the
10 following:

11 (a) Connect adult education participants directly with
12 employers by linking adult education, career and technical skills,
13 and workforce development.

14 (b) Require adult education staff to work with Michigan Works!
15 agency to identify a cohort of participants who are most prepared
16 to successfully enter the workforce. Except as otherwise provided
17 under this subdivision, participants identified under this
18 subsection must be dually enrolled in adult education programming
19 and in at least 1 state-approved technical course at the area
20 career and technical center. A program that links participants
21 identified under this subsection with adult education programming
22 and commercial driver license courses does not need to enroll the
23 participants in at least 1 state-approved technical course at the
24 area career and technical center to be considered an eligible
25 program under this subsection.

26 (c) Employ an individual staffed as an adult education
27 navigator who will serve as a caseworker for each participant
28 identified under subdivision (b). The navigator shall work with
29 adult education staff and potential employers to design an



1 educational program best suited to the personal and employment
 2 needs of the participant and shall work with human service agencies
 3 or other entities to address any barrier in the way of participant
 4 access.

5 (16) Each program funded under subsection (15) will receive
 6 funding for 3 years. After 3 years of operations and funding, a
 7 program must reapply for funding.

8 (17) Not later than December 1 of each year, a program funded
 9 under subsection (15) shall provide a report to the senate and
 10 house appropriations subcommittees on school aid, to the senate and
 11 house fiscal agencies, and to the state budget director identifying
 12 the number of participants, graduation rates, and a measure of
 13 transition to employment.

14 ~~(18) It is the intent of the legislature to implement a~~
 15 ~~phased-in cap on the percentage of adult education participants~~
 16 ~~under subsection (15) that may already have a high school diploma~~
 17 ~~or a high school equivalency certificate at the time of~~
 18 ~~enrollment.~~ **A program receiving funding under subsection (15) must**
 19 **give program enrollment priority for 75% of participants to those**
 20 **who are concurrently enrolled and actively working toward obtaining**
 21 **a high school diploma or a high school equivalency certificate.**

22 (19) 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) As used in this section:

27 (a) "Career and educational advisory council" means an
 28 advisory council to the local workforce development boards located
 29 in a prosperity region consisting of educational, employer, labor,



1 and parent representatives.

2 (b) "Career pathway" means a combination of rigorous and high-
3 quality education, training, and other services that comply with
4 all of the following:

5 (i) Aligns with the skill needs of industries in the economy of
6 this state or in the regional economy involved.

7 (ii) Prepares an individual to be successful in any of a full
8 range of secondary or postsecondary education options, including
9 apprenticeships registered under the act of August 16, 1937,
10 ~~(commonly known as the "national apprenticeship act")~~, **commonly**
11 **referred to as the national apprenticeship act**, 29 USC 50 et seq.

12 (iii) Includes counseling to support an individual in achieving
13 the individual's education and career goals.

14 (iv) Includes, as appropriate, education offered concurrently
15 with and in the same context as workforce preparation activities
16 and training for a specific occupation or occupational cluster.

17 (v) Organizes education, training, and other services to meet
18 the particular needs of an individual in a manner that accelerates
19 the educational and career advancement of the individual to the
20 extent practicable.

21 (vi) Enables an individual to attain a secondary school diploma
22 or its recognized equivalent, and at least 1 recognized
23 postsecondary credential.

24 (vii) Helps an individual enter or advance within a specific
25 occupation or occupational cluster.

26 (c) "Department" means the department of labor and economic
27 opportunity.

28 (d) "Eligible adult education provider" means a district,
29 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 ~~2020-2021~~**2021-2022** 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 38.1437, is made using the individual projected benefit entry
 9 age normal cost method of valuation and risk assumptions adopted by
 10 the public school employees retirement board and the department of
 11 technology, management, and budget.

12 (2) The annual level percentage of payroll contribution rates
 13 for the ~~2020-2021~~**2021-2022** fiscal year, as determined by the
 14 retirement system, are estimated as follows:

15 (a) ~~For~~**Except as otherwise provided in this subdivision, for**
 16 public school employees who first worked for a public school
 17 reporting unit before July 1, 2010 and who are enrolled in the
 18 health premium subsidy, the annual level percentage of payroll
 19 contribution rate is estimated at ~~42.72%~~**43.28%** with ~~28.21%~~**28.23%**
 20 paid directly by the employer. **For 2021-2022, if the retirement**
 21 **system determines that the annual level percentage of payroll**
 22 **contribution rate estimated in the immediately preceding sentence,**
 23 **as impacted by the enactment of House Bill No. 4261 of the 101st**
 24 **Legislature, if House Bill No. 4261 of the 101st Legislature is**
 25 **enacted into law, needs to be adjusted, the annual level percentage**
 26 **of payroll contribution rate estimations under this subdivision are**
 27 **the estimations determined by the retirement system. If the**
 28 **retirement system makes a determination as described in the**
 29 **immediately preceding sentence, it shall issue its estimations**



1 publicly and describe the need for the adjustment described in the
2 immediately preceding sentence.

3 (b) ~~For~~ Except as otherwise provided in this subdivision, for
4 public school employees who first worked for a public school
5 reporting unit on or after July 1, 2010 and who are enrolled in the
6 health premium subsidy, the annual level percentage of payroll
7 contribution rate is estimated at ~~39.76%~~ 40.36% with ~~25.25%~~ 25.31%
8 paid directly by the employer. For 2021-2022, if the retirement
9 system determines that the annual level percentage of payroll
10 contribution rate estimated in the immediately preceding sentence,
11 as impacted by the enactment of House Bill No. 4261 of the 101st
12 Legislature, if House Bill No. 4261 of the 101st Legislature is
13 enacted into law, needs to be adjusted, the annual level percentage
14 of payroll contribution rate estimations under this subdivision are
15 the estimations determined by the retirement system. If the
16 retirement system makes a determination as described in the
17 immediately preceding sentence, it shall issue its estimations
18 publicly and describe the need for the adjustment described in the
19 immediately preceding sentence.

20 (c) ~~For~~ Except as otherwise provided in this subdivision, for
21 public school employees who first worked for a public school
22 reporting unit on or after July 1, 2010 and who participate in the
23 personal healthcare fund, the annual level percentage of payroll
24 contribution rate is estimated at ~~38.90%~~ 39.50% with ~~24.39%~~ 24.45%
25 paid directly by the employer. For 2021-2022, if the retirement
26 system determines that the annual level percentage of payroll
27 contribution rate estimated in the immediately preceding sentence,
28 as impacted by the enactment of House Bill No. 4261 of the 101st
29 Legislature, if House Bill No. 4261 of the 101st Legislature is



1 enacted into law, needs to be adjusted, the annual level percentage
2 of payroll contribution rate estimations under this subdivision are
3 the estimations determined by the retirement system. If the
4 retirement system makes a determination as described in the
5 immediately preceding sentence, it shall issue its estimations
6 publicly and describe the need for the adjustment described in the
7 immediately preceding sentence.

8 (d) ~~For~~ Except as otherwise provided in this subdivision, for
9 public school employees who first worked for a public school
10 reporting unit on or after September 4, 2012, who elect defined
11 contribution, and who participate in the personal healthcare fund,
12 the annual level percentage of payroll contribution rate is
13 estimated at ~~35.47%~~ 36.01% with 20.96% paid directly by the
14 employer. For 2021-2022, if the retirement system determines that
15 the annual level percentage of payroll contribution rate estimated
16 in the immediately preceding sentence, as impacted by the enactment
17 of House Bill No. 4261 of the 101st Legislature, if House Bill No.
18 4261 of the 101st Legislature is enacted into law, needs to be
19 adjusted, the annual level percentage of payroll contribution rate
20 estimations under this subdivision are the estimations determined
21 by the retirement system. If the retirement system makes a
22 determination as described in the immediately preceding sentence,
23 it shall issue its estimations publicly and describe the need for
24 the adjustment described in the immediately preceding sentence.

25 (e) ~~For~~ Except as otherwise provided in this subdivision, for
26 public school employees who first worked for a public school
27 reporting unit before July 1, 2010, who elect defined contribution,
28 and who are enrolled in the health premium subsidy, the annual
29 level percentage of payroll contribution rate is estimated at



1 ~~36.33%~~ **36.87%** with 21.82% paid directly by the employer. **For 2021-**
 2 **2022, if the retirement system determines that the annual level**
 3 **percentage of payroll contribution rate estimated in the**
 4 **immediately preceding sentence, as impacted by the enactment of**
 5 **House Bill No. 4261 of the 101st Legislature, if House Bill No.**
 6 **4261 of the 101st Legislature is enacted into law, needs to be**
 7 **adjusted, the annual level percentage of payroll contribution rate**
 8 **estimations under this subdivision are the estimations determined**
 9 **by the retirement system. If the retirement system makes a**
 10 **determination as described in the immediately preceding sentence,**
 11 **it shall issue its estimations publicly and describe the need for**
 12 **the adjustment described in the immediately preceding sentence.**

13 (f) ~~For~~ **Except as otherwise provided in this subdivision, for**
 14 **public school employees who first worked for a public school**
 15 **reporting unit before July 1, 2010, who elect defined contribution,**
 16 **and who participate in the personal healthcare fund, the annual**
 17 **level percentage of payroll contribution rate is estimated at**
 18 ~~35.47%~~ **36.01%** with 20.96% paid directly by the employer. **For 2021-**
 19 **2022, if the retirement system determines that the annual level**
 20 **percentage of payroll contribution rate estimated in the**
 21 **immediately preceding sentence, as impacted by the enactment of**
 22 **House Bill No. 4261 of the 101st Legislature, if House Bill No.**
 23 **4261 of the 101st Legislature is enacted into law, needs to be**
 24 **adjusted, the annual level percentage of payroll contribution rate**
 25 **estimations under this subdivision are the estimations determined**
 26 **by the retirement system. If the retirement system makes a**
 27 **determination as described in the immediately preceding sentence,**
 28 **it shall issue its estimations publicly and describe the need for**
 29 **the adjustment described in the immediately preceding sentence.**



1 (g) ~~For~~ **Except as otherwise provided in this subdivision, for**
 2 public school employees who first worked for a public school
 3 reporting unit before July 1, 2010 and who participate in the
 4 personal healthcare fund, the annual level percentage of payroll
 5 contribution rate is estimated at ~~41.86%~~ **42.42%** with ~~27.35%~~ **27.37%**
 6 paid directly by the employer. **For 2021-2022, if the retirement**
 7 **system determines that the annual level percentage of payroll**
 8 **contribution rate estimated in the immediately preceding sentence,**
 9 **as impacted by the enactment of House Bill No. 4261 of the 101st**
 10 **Legislature, if House Bill No. 4261 of the 101st Legislature is**
 11 **enacted into law, needs to be adjusted, the annual level percentage**
 12 **of payroll contribution rate estimations under this subdivision are**
 13 **the estimations determined by the retirement system. If the**
 14 **retirement system makes a determination as described in the**
 15 **immediately preceding sentence, it shall issue its estimations**
 16 **publicly and describe the need for the adjustment described in the**
 17 **immediately preceding sentence.**

18 (h) ~~For~~ **Except as otherwise provided in this subdivision, for**
 19 public school employees who first worked for a public school
 20 reporting unit after January 31, 2018 and who elect to become
 21 members of the MPSERS plan, the annual level percentage of payroll
 22 contribution rate is estimated at ~~41.67%~~ **42.21%** with 27.16% paid
 23 directly by the employer. **For 2021-2022, if the retirement system**
 24 **determines that the annual level percentage of payroll contribution**
 25 **rate estimated in the immediately preceding sentence, as impacted**
 26 **by the enactment of House Bill No. 4261 of the 101st Legislature,**
 27 **if House Bill No. 4261 of the 101st Legislature is enacted into**
 28 **law, needs to be adjusted, the annual level percentage of payroll**
 29 **contribution rate estimations under this subdivision are the**



1 estimations determined by the retirement system. If the retirement
 2 system makes a determination as described in the immediately
 3 preceding sentence, it shall issue its estimations publicly and
 4 describe the need for the adjustment described in the immediately
 5 preceding sentence.

6 (3) In addition to the employer payments described in
 7 subsection (2), the employer shall pay the applicable contributions
 8 to the Tier 2 plan, as determined by the public school employees
 9 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

10 (4) The contribution rates in subsection (2) reflect an
 11 amortization period of ~~18~~17 years for ~~2020-2021~~.**2021-2022**. The
 12 public school employees' retirement system board shall notify each
 13 district and intermediate district by February 28 of each fiscal
 14 year of the estimated contribution rate for the next fiscal year.

15 Sec. 147a. (1) From the ~~appropriation~~**state school aid fund**
 16 **money appropriated** in section 11, there is allocated for ~~2020-2021~~
 17 **2021-2022** an amount not to exceed \$100,000,000.00 for payments to
 18 participating districts. A participating district that receives
 19 money under this subsection shall use that money solely for the
 20 purpose of offsetting a portion of the retirement contributions
 21 owed by the district for the fiscal year in which it is received.
 22 The amount allocated to each participating district under this
 23 subsection is based on each participating district's percentage of
 24 the total statewide payroll for all participating districts for the
 25 immediately preceding fiscal year. As used in this subsection,
 26 "participating district" means a district that is a reporting unit
 27 of the Michigan public school employees' retirement system under
 28 the public school employees retirement act of 1979, 1980 PA 300,
 29 MCL 38.1301 to 38.1437, and that reports employees to the Michigan



1 public school employees' retirement system for the applicable
2 fiscal year.

3 (2) In addition to the allocation under subsection (1), from
4 the state school aid fund money appropriated under section 11,
5 there is allocated an amount not to exceed ~~\$155,136,000.00~~
6 **\$172,400,000.00** for ~~2020-2021-2021-2022~~ for payments to
7 participating districts and intermediate districts and from the
8 general fund money appropriated under section 11, there is
9 allocated an amount not to exceed ~~\$70,000.00~~ **\$60,000.00** for ~~2020-~~
10 ~~2021-2021-2022~~ for payments to participating district libraries.
11 The amount allocated to each participating entity under this
12 subsection is based on each participating entity's reported
13 quarterly payroll for members that became tier 1 prior to February
14 1, 2018 for the current fiscal year. A participating entity that
15 receives money under this subsection shall use that money solely
16 for the purpose of offsetting a portion of the normal cost
17 contribution rate. As used in this subsection:

18 (a) "District library" means a district library established
19 under the district library establishment act, 1989 PA 24, MCL
20 397.171 to 397.196.

21 (b) "Participating entity" means a district, intermediate
22 district, or district library that is a reporting unit of the
23 Michigan public school employees' retirement system under the
24 public school employees retirement act of 1979, 1980 PA 300, MCL
25 38.1301 to 38.1437, and that reports employees to the Michigan
26 public school employees' retirement system for the applicable
27 fiscal year.

28 Sec. 147c. From the state school aid fund money appropriated
29 in section 11, there is allocated for ~~2020-2021-2021-2022~~ an amount



1 not to exceed ~~\$1,219,300,000.00~~ **\$1,553,500,000.00** for payments to
 2 districts and intermediate districts that are participating
 3 entities of the Michigan public school employees' retirement
 4 system. In addition, from the general fund money appropriated in
 5 section 11, there is allocated for ~~2020-2021~~ **2021-2022** an amount
 6 not to exceed \$500,000.00 for payments to district libraries that
 7 are participating entities of the Michigan public school employees'
 8 retirement system. All of the following apply to funding under this
 9 subsection:

10 (a) ~~For 2020-2021,~~ **Except as otherwise provided in this**
 11 **subdivision, for 2021-2022,** the amounts allocated under this
 12 subsection are estimated to provide an average MPSERS rate cap per
 13 pupil amount of ~~\$827.00~~ **\$911.00** and are estimated to provide a rate
 14 cap per pupil for districts ranging between \$5.00 and
 15 ~~\$4,000.00~~ **\$4,200.00**. **For 2021-2022, if the retirement system**
 16 **determines the average MPSERS rate cap per pupil amount and rate**
 17 **cap per pupil for districts estimated in the immediately preceding**
 18 **sentence, as impacted by the enactment of House Bill No. 4261 of**
 19 **the 101st Legislature, if House Bill No. 4261 of the 101st**
 20 **Legislature is enacted into law, need to be adjusted, the estimated**
 21 **average MPSERS rate cap per pupil amount and estimated rate cap per**
 22 **pupil for districts under this subdivision are the estimations**
 23 **determined by the retirement system. If the retirement system makes**
 24 **a determination as described in the immediately preceding sentence,**
 25 **it shall issue its estimations publicly and describe the need for**
 26 **the adjustment described in the immediately preceding sentence.**

27 (b) Payments made under this subsection are equal to the
 28 difference between the unfunded actuarial accrued liability
 29 contribution rate as calculated pursuant to section 41 of the



1 public school employees retirement act of 1979, 1980 PA 300, MCL
 2 38.1341, as calculated without taking into account the maximum
 3 employer rate of 20.96% included in section 41 of the public school
 4 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
 5 maximum employer rate of 20.96% included in section 41 of the
 6 public school employees retirement act of 1979, 1980 PA 300, MCL
 7 38.1341.

8 (c) The amount allocated to each participating entity under
 9 this subsection is based on each participating entity's proportion
 10 of the total covered payroll for the immediately preceding fiscal
 11 year for the same type of participating entities. A participating
 12 entity that receives funds under this subsection shall use the
 13 funds solely for the purpose of retirement contributions as
 14 specified in subdivision (d).

15 (d) Each participating entity receiving funds under this
 16 subsection shall forward an amount equal to the amount allocated
 17 under subdivision (c) to the retirement system in a form, manner,
 18 and time frame determined by the retirement system.

19 (e) Funds allocated under this subsection should be considered
 20 when comparing a district's growth in total state aid funding from
 21 1 fiscal year to the next.

22 (f) Not later than December 20, ~~2020~~, **2021**, the department
 23 shall publish and post on its website an estimated MPSERS rate cap
 24 per pupil for each district.

25 (g) The office of retirement services shall first apply funds
 26 allocated under this subsection to pension contributions and, if
 27 any funds remain after that payment, shall apply those remaining
 28 funds to other postemployment benefit contributions.

29 (h) As used in this section:



1 (i) "District library" means a district library established
 2 under the district library establishment act, 1989 PA 24, MCL
 3 397.171 to 397.196.

4 (ii) "MPERS rate cap per pupil" means an amount equal to the
 5 quotient of the district's payment under this subsection divided by
 6 the district's pupils in membership.

7 (iii) "Participating entity" means a district, intermediate
 8 district, or district library that is a reporting unit of the
 9 Michigan public school employees' retirement system under the
 10 public school employees retirement act of 1979, 1980 PA 300, MCL
 11 38.1301 to 38.1437, and that reports employees to the Michigan
 12 public school employees' retirement system for the applicable
 13 fiscal year.

14 (iv) "Retirement board" means the board that administers the
 15 retirement system under the public school employees retirement act
 16 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

17 (v) "Retirement system" means the Michigan public school
 18 employees' retirement system under the public school employees
 19 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

20 **Sec. 147d. (1) From the state school aid fund money**
 21 **appropriated under section 11, there is allocated for 2021-2022 an**
 22 **amount not to exceed \$250,000,000.00 to the retirement system.**

23 **(2) The funds allocated under this section are not considered**
 24 **part of the unfunded actuarial accrued liability contribution sum**
 25 **due and payable under section 41 of the public school employees**
 26 **retirement act of 1979, 1980 PA 300, MCL 38.1341.**

27 **(3) As used in this section, "retirement system" means the**
 28 **Michigan public school employees' retirement system under the**
 29 **public school employees retirement act of 1979, 1980 PA 300, MCL**



1 **38.1301 to 38.1437.**

2 Sec. 147e. (1) From the appropriation in section 11, there is
3 allocated for ~~2020-2021-2021-2022~~ an amount not to exceed
4 ~~\$51,400,000.00~~ **\$65,300,000.00** from the state school aid fund for
5 payments to participating entities.

6 (2) The payment to each participating entity under this
7 section is the sum of the amounts under this subsection as follows:

8 (a) An amount equal to the contributions made by a
9 participating entity for the additional contribution made to a
10 qualified participant's Tier 2 account in an amount equal to the
11 contribution made by the qualified participant not to exceed 3% of
12 the qualified participant's compensation as provided for under
13 section 131(6) of the public school employees retirement act of
14 1979, 1980 PA 300, MCL 38.1431.

15 (b) Beginning October 1, 2017, an amount equal to the
16 contributions made by a participating entity for a qualified
17 participant who is only a Tier 2 qualified participant under
18 section 81d of the public school employees retirement act of 1979,
19 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning
20 February 1, 2018, not to exceed 1%, of the qualified participant's
21 compensation.

22 (c) An amount equal to the increase in employer normal cost
23 contributions under section 41b(2) of the public school employees
24 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member
25 that was hired after February 1, 2018 and chose to participate in
26 Tier 1, compared to the employer normal cost contribution for a
27 member under section 41b(1) of the public school employees
28 retirement act of 1979, 1980 PA 300, MCL 38.1341b.

29 (3) As used in this section:



1 (a) "Member" means that term as defined under the public
 2 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
 3 to 38.1437.

4 (b) "Participating entity" means a district, intermediate
 5 district, or community college that is a reporting unit of the
 6 Michigan public school employees' retirement system under the
 7 public school employees retirement act of 1979, 1980 PA 300, MCL
 8 38.1301 to 38.1437, and that reports employees to the Michigan
 9 public school employees' retirement system for the applicable
 10 fiscal year.

11 (c) "Qualified participant" means that term as defined under
 12 section 124 of the public school employees retirement act of 1979,
 13 1980 PA 300, MCL 38.1424.

14 Sec. 152a. (1) As required by the court in the consolidated
 15 cases known as *Adair v State of Michigan*, 486 Mich 468 (2010), from
 16 the state school aid fund money appropriated in section 11, there
 17 is allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
 18 \$38,000,500.00 to be used solely for the purpose of paying
 19 necessary costs related to the state-mandated collection,
 20 maintenance, and reporting of data to this state.

21 (2) From the allocation in subsection (1), the department
 22 shall make payments to districts and intermediate districts in an
 23 equal amount per-pupil based on the total number of pupils in
 24 membership in each district and intermediate district. The
 25 department shall not make any adjustment to these payments after
 26 the final installment payment under section 17b is made.

27 Sec. 152b. (1) From the general fund money appropriated under
 28 section 11, there is allocated ~~an amount not to exceed~~
 29 ~~\$2,500,000.00 for 2017-2018~~ and an amount not to exceed \$250,000.00



1 **\$2,500,000.00** for ~~2018-2019~~**2021-2022** to reimburse actual costs
2 incurred by nonpublic schools in complying with a health, safety,
3 or welfare requirement mandated by a law or administrative rule of
4 this state.

5 (2) By January 1 of each applicable fiscal year, the
6 department shall publish a form for reporting actual costs incurred
7 by a nonpublic school in complying with a health, safety, or
8 welfare requirement mandated under state law containing each
9 health, safety, or welfare requirement mandated by a law or
10 administrative rule of this state applicable to a nonpublic school
11 and with a reference to each relevant provision of law or
12 administrative rule for the requirement. The form shall be posted
13 on the department's website in electronic form.

14 (3) By June 30 of each applicable fiscal year, a nonpublic
15 school seeking reimbursement for actual costs incurred in complying
16 with a health, safety, or welfare requirement under a law or
17 administrative rule of this state during each applicable school
18 year shall submit a completed form described in subsection (2) to
19 the department. This section does not require a nonpublic school to
20 submit a form described in subsection (2). A nonpublic school is
21 not eligible for reimbursement under this section if the nonpublic
22 school does not submit the form described in subsection (2) in a
23 timely manner.

24 (4) By August 15 of each applicable fiscal year, the
25 department shall distribute funds to each nonpublic school that
26 submits a completed form described under subsection (2) in a timely
27 manner. The superintendent shall determine the amount of funds to
28 be paid to each nonpublic school in an amount that does not exceed
29 the nonpublic school's actual costs in complying with a health,



1 safety, or welfare requirement under a law or administrative rule
2 of this state. The superintendent shall calculate a nonpublic
3 school's actual cost in accordance with this section.

4 (5) If the funds allocated under this section are insufficient
5 to fully fund payments as otherwise calculated under this section,
6 the department shall distribute funds under this section on a
7 prorated or other equitable basis as determined by the
8 superintendent.

9 (6) The department may review the records of a nonpublic
10 school submitting a form described in subsection (2) only for the
11 limited purpose of verifying the nonpublic school's compliance with
12 this section. If a nonpublic school does not allow the department
13 to review records under this subsection, the nonpublic school is
14 not eligible for reimbursement under this section.

15 (7) The funds appropriated under this section are for purposes
16 related to education, are considered to be incidental to the
17 operation of a nonpublic school, are noninstructional in character,
18 and are intended for the public purpose of ensuring the health,
19 safety, and welfare of the children in nonpublic schools and to
20 reimburse nonpublic schools for costs described in this section.

21 (8) Funds allocated under this section are not intended to aid
22 or maintain any nonpublic school, support the attendance of any
23 student at a nonpublic school, employ any person at a nonpublic
24 school, support the attendance of any student at any location where
25 instruction is offered to a nonpublic school student, or support
26 the employment of any person at any location where instruction is
27 offered to a nonpublic school student.

28 (9) For purposes of this section, "actual cost" means the
29 hourly wage for the employee or employees performing a task or



1 tasks required to comply with a health, safety, or welfare
2 requirement under a law or administrative rule of this state
3 identified by the department under subsection (2) and is to be
4 calculated in accordance with the form published by the department
5 under subsection (2), which shall include a detailed itemization of
6 costs. The nonpublic school shall not charge more than the hourly
7 wage of its lowest-paid employee capable of performing a specific
8 task regardless of whether that individual is available and
9 regardless of who actually performs a specific task. Labor costs
10 under this subsection shall be estimated and charged in increments
11 of 15 minutes or more, with all partial time increments rounded
12 down. When calculating costs under subsection (4), fee components
13 shall be itemized in a manner that expresses both the hourly wage
14 and the number of hours charged. The nonpublic school may not
15 charge any applicable labor charge amount to cover or partially
16 cover the cost of health or fringe benefits. A nonpublic school
17 shall not charge any overtime wages in the calculation of labor
18 costs.

19 (10) For the purposes of this section, the actual cost
20 incurred by a nonpublic school for taking daily student attendance
21 shall be considered an actual cost in complying with a health,
22 safety, or welfare requirement under a law or administrative rule
23 of this state. Training fees, inspection fees, and criminal
24 background check fees are considered actual costs in complying with
25 a health, safety, or welfare requirement under a law or
26 administrative rule of this state.

27 (11) The funds allocated under this section for 2017-2018 are
28 a work project appropriation, and any unexpended funds for 2017-
29 2018 are carried forward into 2018-2019. The purpose of the work



1 project is to continue to reimburse nonpublic schools for actual
 2 costs incurred in complying with a health, safety, or welfare
 3 requirement mandated by a law or administrative rule of this state.
 4 The estimated completion date of the work project is September 30,
 5 ~~2020-2022~~.

6 (12) The funds allocated under this section for 2018-2019 are
 7 a work project appropriation, and any unexpended funds for 2018-
 8 2019 are carried forward into 2019-2020. The purpose of the work
 9 project is to continue to reimburse nonpublic schools for actual
 10 costs incurred in complying with a health, safety, or welfare
 11 requirement mandated by a law or administrative rule of this state.
 12 The estimated completion date of the work project is September 30,
 13 ~~2020-2022~~.

14 (13) **The funds allocated under this section for 2021-2022 are**
 15 **a work project appropriation, and any unexpended funds for 2021-**
 16 **2022 are carried forward into 2022-2023. The purpose of the work**
 17 **project is to continue to reimburse nonpublic schools for actual**
 18 **costs incurred in complying with a health, safety, or welfare**
 19 **requirement mandated by a law or administrative rule of this state.**
 20 **The estimated completion date of the work project is September 30,**
 21 **2023.**

22 (14) **The department shall reimburse nonpublic schools for**
 23 **actual costs incurred in complying with health, safety, or welfare**
 24 **requirements under a law or administrative rule of this state from**
 25 **2018-2019 through 2020-2021 using work project funds or, if those**
 26 **funds are insufficient to fund reimbursements under this**
 27 **subsection, from the allocation under subsection (1).**

28 Enacting section 1. In accordance with section 30 of article
 29 IX of the state constitution of 1963, total state spending on



1 school aid under article I of the state school aid act of 1979,
2 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory
3 act, from state sources for fiscal year 2021-2022 is estimated at
4 \$14,551,135,100.00 and state appropriations for school aid to be
5 paid to local units of government for fiscal year 2021-2022 are
6 estimated at \$14,032,657,500.00.

7 Enacting section 2. Sections 11d, 11p, 11q, 21h, 23c, 25j,
8 29a, 31k, 35d, 35e, 35f, 61c, 67, 91a, 91c, 94b, 98d, 99i, 99t,
9 99u, 99w, 99x, 99z, 104d, 104f, 104g, and 105b of the state school
10 aid act of 1979, 1979 PA 94, MCL 388.1611d, 388.1611p, 388.1611q,
11 388.1621h, 388.1623c, 388.1625j, 388.1629a, 388.1631k, 388.1635d,
12 388.1635e, 388.1635f, 388.1661c, 388.1667, 388.1691a, 388.1691c,
13 388.1694b, 388.1698d, 388.1699i, 388.1699t, 388.1699u, 388.1699w,
14 388.1699x, 388.1699z, 388.1704d, 388.1704f, 388.1704g, and
15 388.1705b, are repealed effective October 1, 2021.

