

FIRST CONFERENCE REPORT

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

Senate Bill No. 801, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 15, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 31h, 32d, 32p, 35, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 95a, 98, 99c, 99h, 99s, 101, 102d, 104, 104b, 104c, 104d, 107, 147, 147a, 147c, 152a, 166b, 201, 201a, 202a, 203, 206, 207, 207a, 207b, 207c, 209, 210b, 212, 217, 219, 220, 222, 224, 225, 226, 229a, 230, 236, 236a, 236b, 236c, 237b, 238, 241, 246, 251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 289, and 290 (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1631h, 388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699c, 388.1699h, 388.1699s, 388.1701, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766b, 388.1801, 388.1801a, 388.1802a, 388.1803, 388.1806, 388.1807, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1812, 388.1817, 388.1819, 388.1820, 388.1822, 388.1824, 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1837b, 388.1838, 388.1841, 388.1846, 388.1851, 388.1852, 388.1854, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1874c, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1889, and 388.1890), sections 3, 203, 207, 212, 219, 220, 238, 251, and 254 as amended and section 237b as added by 2012 PA 201, sections 4, 6, 98, 107, 230, and 256 as amended by 2016 PA 56, sections 11, 21f, 31a, and 32d as amended by 2015 PA 139, sections 11a, 11j, 11k, 11m, 15, 20, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31d, 31f, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a, 99h, 101, 104,

104b, 104c, 147, 147a, 147c, 152a, 201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 225, 226, 229a, 236, 236a, 236b, 236c, 241, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 25g, 31h, 35, 35a, 55, 61b, 65, 67, 99c, 99s, 102d, 104d, and 274c as added by 2015 PA 85, section 18 as amended by 2015 PA 114, sections 19, 202a, 224, and 275 as amended by 2014 PA 196, section 166b as amended by 2015 PA 222, and sections 289 and 290 as amended by 2013 PA 60, and by adding sections 11s, 21, 31j, 32q, 54b, 59, 61c, 61d, 61e, 63, 99t, 152b, 210e, and 286a; and to repeal acts and parts of acts.

Recommends:

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

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

(attached)

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

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts", by amending sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25e, 25f, 25g, 26a, 26b, 26c, 31a, 31c, 31d, 31f, 31h, 32d, 32p, 35, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 101, 102d, 104, 104b, 104c, 104d, 107, 147, 147a, 147c, 152a, 166, 166b, 201, 201a, 202a, 203, 206, 207, 207a, 207b, 207c, 209, 210b, 212, 217, 219, 220, 222, 223, 224, 225, 226, 229a, 230, 236, 236a, 236b, 236c, 237b, 241, 246, 251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, and 290 (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631c, 388.1631d, 388.1631f, 388.1631h, 388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639,

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Dave Hildenbrand

Al Pscholka

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Tim Kelly

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Conferees for the Senate

Conferees for the House

**SUBSTITUTE FOR
SENATE BILL NO. 801**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18,
19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c,
25e, 25f, 25g, 26a, 26b, 26c, 31a, 31c, 31d, 31f, 31h, 32d, 32p,
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64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 101, 102d, 104, 104b,
104c, 104d, 107, 147, 147a, 147c, 152a, 166, 166b, 201, 201a, 202a,
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284, and 290 (MCL 388.1603, 388.1604, 388.1606, 388.1611,
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104b, 104c, 147, 147a, 147c, 152a, 201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 225, 226, 229a, 236, 236a, 236b, 236c, 241, 246, 252, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 25g, 31c, 31h, 35, 35a, 55, 61b, 65, 67, 99s, 102d, 104d, and 274c as added by 2015 PA 85, section 18 as amended by 2015 PA 114, sections 19, 202a, 224, and 275 as amended by 2014 PA 196, section 166 as amended by 1996 PA 300, section 166b as amended by 2015 PA 222, and section 290 as amended by 2013 PA 60, and by adding sections 11o, 11s, 20m, 21, 21g, 31b, 31j, 32q, 54b, 61c, 63, 99t, 152b, 167a, 210e, 236d, and 286a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

13 (3) "Average daily attendance", for the purposes of complying
14 with federal law, means 92% of the pupils counted in membership on

1 the pupil membership count day, as defined in section 6(7).

2 (4) "Board" means the governing body of a district or public
3 school academy.

4 (5) "Center" means the center for educational performance and
5 information created in section 94a.

6 (6) **"COMMUNITY DISTRICT" MEANS A SCHOOL DISTRICT ORGANIZED**
7 **UNDER PART 5B OF THE REVISED SCHOOL CODE.**

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

15 (8) ~~(7)~~—"Department", except in section 107, means the
16 department of education.

17 (9) ~~(8)~~—"District" means a local school district established
18 under the revised school code or, except in sections 6(4), 6(6),
19 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school
20 academy. Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a,
21 105, 105c, and 166b, district also includes the education
22 achievement system. **EXCEPT IN SECTION 20, DISTRICT ALSO INCLUDES A**
23 **COMMUNITY DISTRICT.**

24 (10) ~~(9)~~—"District of residence", except as otherwise provided
25 in this subsection, means the district in which a pupil's custodial
26 parent or parents or legal guardian resides. For a pupil described
27 in section 24b, the pupil's district of residence is the district

1 in which the pupil enrolls under that section. For a pupil
2 described in section 6(4)(d), the pupil's district of residence
3 shall be considered to be the district or intermediate district in
4 which the pupil is counted in membership under that section. For a
5 pupil under court jurisdiction who is placed outside the district
6 in which the pupil's custodial parent or parents or legal guardian
7 resides, the pupil's district of residence shall be considered to
8 be the educating district or educating intermediate district.

9 (11) ~~(10)~~ "District superintendent" means the superintendent
10 of a district, the chief administrator of a public school academy,
11 or the chancellor of the achievement authority.

12 Sec. 4. (1) "Education achievement system" means the
13 achievement authority and all achievement schools.

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

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

1 for the educational program.

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

4 (5) "High school equivalency certificate" means a certificate
5 granted for the successful completion of a high school equivalency
6 test.

7 (6) "High school equivalency test" means ~~a high school~~
8 ~~equivalency test approved by the department under section 107.~~ **THE**
9 **G.E.D. TEST DEVELOPED BY THE GED TESTING SERVICE, THE TEST**
10 **ASSESSING SECONDARY COMPLETION (TASC) DEVELOPED BY CTS/MCGRAW-HILL,**
11 **THE HISET TEST DEVELOPED BY THE EDUCATION TESTING SERVICE (ETS), OR**
12 **ANOTHER COMPARABLE TEST APPROVED BY THE DEPARTMENT OF TALENT AND**
13 **ECONOMIC DEVELOPMENT.**

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

18 (8) "High school pupil" means a pupil in membership in grades
19 7 to 12, except in a district not maintaining grades above the
20 eighth grade.

21 Sec. 6. (1) "Center program" means a program operated by a
22 district or by an intermediate district for special education
23 pupils from several districts in programs for pupils with autism
24 spectrum disorder, pupils with severe cognitive impairment, pupils
25 with moderate cognitive impairment, pupils with severe multiple
26 impairments, pupils with hearing impairment, pupils with visual
27 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 shall serve all constituent districts within an intermediate
5 district or shall serve 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 612 of part B of the individuals with
10 disabilities education act, 20 USC 1412, may be considered center
11 program pupils for pupil accounting purposes for the time scheduled
12 in either a 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 article, means for a district, a public school academy, the
24 education achievement system, or an intermediate district the sum
25 of the product of .90 times the number of full-time equated pupils
26 in grades K to 12 actually enrolled and in regular daily attendance
27 on the pupil membership count day for the current school year, plus

1 the product of .10 times the final audited count from the
2 supplemental count day for the immediately preceding school year. A
3 district's, public school academy's, or intermediate district's
4 membership shall be adjusted as provided under section 25e for
5 pupils who enroll ~~in the district, public school academy, or~~
6 ~~intermediate district~~ after the pupil membership count day **IN A**
7 **STRICT DISCIPLINE ACADEMY OPERATING UNDER SECTIONS 1311B TO 1311M**
8 **OF THE REVISED SCHOOL CODE, MCL 380.1311B TO 380.1311M. HOWEVER,**
9 **FOR A DISTRICT THAT IS A COMMUNITY DISTRICT IN ITS FIRST YEAR OF**
10 **OPERATION, "MEMBERSHIP" MEANS THE SUM OF THE PRODUCT OF .90 TIMES**
11 **THE NUMBER OF FULL-TIME EQUATED PUPILS IN GRADES K TO 12 ACTUALLY**
12 **ENROLLED AND IN REGULAR DAILY ATTENDANCE IN THE COMMUNITY DISTRICT**
13 **ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE CURRENT SCHOOL YEAR, PLUS**
14 **THE PRODUCT OF .10 TIMES THE FINAL AUDITED COUNT FROM THE**
15 **SUPPLEMENTAL COUNT DAY OF PUPILS IN GRADES K TO 12 ACTUALLY**
16 **ENROLLED AND IN REGULAR DAILY ATTENDANCE IN A QUALIFYING SCHOOL**
17 **DISTRICT AS DEFINED IN SECTION 5 OF THE REVISED SCHOOL CODE, MCL**
18 **380.5, FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR.** All pupil counts
19 used in this subsection are as determined by the department and
20 calculated by adding the number of pupils registered for attendance
21 plus pupils received by transfer and minus pupils lost as defined
22 by rules promulgated by the superintendent, and as corrected by a
23 subsequent department audit. For the purposes of this section and
24 section 6a, for a school of excellence that is a cyber school, as
25 defined in section 551 of the revised school code, MCL 380.551, and
26 is in compliance with section 553a of the revised school code, MCL
27 380.553a, a pupil's participation in the cyber school's educational

1 program is considered regular daily attendance; for the education
2 achievement system, a pupil's participation in ~~an online~~ **A VIRTUAL**
3 educational program of the education achievement system or of an
4 achievement school is considered regular daily attendance; and for
5 a district a pupil's participation in ~~an online~~ **A VIRTUAL** course as
6 defined in section 21f is considered regular daily attendance. The
7 amount of the foundation allowance for a pupil in membership is
8 determined under section 20. In making the calculation of
9 membership, all of the following, as applicable, apply to
10 determining the membership of a district, a public school academy,
11 the education achievement system, or an intermediate district:

12 (a) Except as otherwise provided in this subsection, and
13 pursuant to subsection (6), a pupil shall be counted in membership
14 in the pupil's educating district or districts. An individual pupil
15 shall not be counted for more than a total of 1.0 full-time equated
16 membership.

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

27 (c) A special education pupil educated by the intermediate

1 district shall be counted in membership in the intermediate
2 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, shall be counted in membership in the district
7 or 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 shall be counted in membership in the pupil's intermediate
11 district 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 pursuant to section 690 of the revised school
16 code, MCL 380.690, shall be counted only in the pupil's district of
17 residence.

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

20 (h) A pupil enrolled in an achievement school shall be counted
21 in membership in the education achievement system.

22 (i) For a new district or public school academy beginning its
23 operation after December 31, 1994, or for the education achievement
24 system or an achievement school, membership for the first 2 full or
25 partial fiscal years of operation shall be determined as follows:

26 (i) If operations begin before the pupil membership count day
27 for the fiscal year, membership is the average number of full-time

1 equated pupils in grades K to 12 actually enrolled and in regular
2 daily attendance on the pupil membership count day for the current
3 school year and on the supplemental count day for the current
4 school year, as determined by the department and calculated by
5 adding the number of pupils registered for attendance on the pupil
6 membership count day plus pupils received by transfer and minus
7 pupils lost as defined by rules promulgated by the superintendent,
8 and as corrected by a subsequent department audit, plus the final
9 audited count from the supplemental count day for the current
10 school year, and dividing that sum by 2.

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

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

26 (k) In a district, a public school academy, the education
27 achievement system, or an intermediate district operating an

1 extended school year program approved by the superintendent, a
2 pupil enrolled, but not scheduled to be in regular daily attendance
3 on a pupil membership count day, shall be counted.

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

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

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

17 (A) Is enrolled in a public school academy or an alternative
18 education high school diploma program, that is primarily focused on
19 educating ~~homeless~~ pupils **WITH EXTREME BARRIERS TO EDUCATION, SUCH**
20 **AS BEING HOMELESS AS DEFINED UNDER 42 USC 11302.**

21 (B) Had dropped out of school. ~~for more than 1 year and has~~
22 ~~re-entered school.~~

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

25 ~~— (D) Is considered to be homeless under 42 USC 11302, or was~~
26 ~~counted in membership under this subparagraph in 2014-2015.~~

27 (iii) If a child does not meet the minimum age requirement to

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

8 (m) An individual who has ~~obtained~~ **ACHIEVED** a high school
9 diploma shall not be counted in membership. An individual who has
10 achieved a high school equivalency certificate shall not be counted
11 in membership unless the individual is a student with a disability
12 as defined in R 340.1702 of the Michigan administrative code. An
13 individual participating in a job training program funded under
14 former section 107a or a jobs program funded under former section
15 107b, administered by the ~~Michigan strategic fund,~~ **DEPARTMENT OF**
16 **TALENT AND ECONOMIC DEVELOPMENT**, or participating in any successor
17 of either of those 2 programs, shall not be counted in membership.

18 (n) If a pupil counted in membership in a public school
19 academy or the education achievement system is also educated by a
20 district or intermediate district as part of a cooperative
21 education program, the pupil shall be counted in membership only in
22 the public school academy or the education achievement system
23 unless a written agreement signed by all parties designates the
24 party or parties in which the pupil shall be counted in membership,
25 and the instructional time scheduled for the pupil in the district
26 or intermediate district shall be included in the full-time equated
27 membership determination under subdivision (q) and section 101.

1 However, for pupils receiving instruction in both a public school
2 academy or the education achievement system and in a district or
3 intermediate district but not as a part of a cooperative education
4 program, the following apply:

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

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

27 (o) An individual less than 16 years of age as of September 1

1 of the current school year who is being educated in an alternative
2 education program shall not be counted in membership if there are
3 also adult education participants being educated in the same
4 program or classroom.

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

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

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

1 counting of full-time equated memberships for pupils in
2 kindergarten that took effect for 2012-2013 is not a mandate.

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

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

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

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

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

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

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

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

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

1 membership count day to include the pupil in the count.

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

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

27 (i) The average of the district's membership for the 3-fiscal-

1 year period ending with that fiscal year, calculated by adding the
2 district's actual membership for each of those 3 fiscal years, as
3 otherwise calculated under this subsection, and dividing the sum of
4 those 3 membership figures by 3.

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

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

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

22 (aa) For the first year in which a pupil is counted in
23 membership on the pupil membership count day in a middle college
24 program, the membership is the average of the full-time equated
25 membership on the pupil membership count day and on the
26 supplemental count day for the current school year, as determined
27 by the department. If a pupil described in this subdivision was

1 counted in membership by the operating district on the immediately
2 preceding supplemental count day, the pupil shall be excluded from
3 the district's immediately preceding supplemental count for the
4 purposes of determining the district's membership.

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

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

13 (dd) For a pupil enrolled in a dropout recovery program that
14 meets the requirements of section 23a, the pupil shall be counted
15 as 1/12 of a full-time equated membership for each month that the
16 district operating the program reports that the pupil was enrolled
17 in the program and was in full attendance. However, if the special
18 membership counting provisions under this subdivision and the
19 operation of the other membership counting provisions under this
20 subsection result in a pupil being counted as more than 1.0 FTE in
21 a fiscal year, the payment made for the pupil under sections 22a
22 and 22b shall not be based on more than 1.0 FTE for that pupil, and
23 any portion of an FTE for that pupil that exceeds 1.0 shall instead
24 be paid under section 25g. The district operating the program shall
25 report to the center the number of pupils who were enrolled in the
26 program and were in full attendance for a month not later than ~~the~~
27 ~~tenth day of the next month.~~ **30 DAYS AFTER THE END OF THE MONTH.** A

1 district shall not report a pupil as being in full attendance for a
2 month unless both of the following are met:

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

6 (ii) The pupil meets the district's definition under section
7 23a of satisfactory monthly progress for that month or, if the
8 pupil does not meet that definition of satisfactory monthly
9 progress for that month, the pupil did meet that definition of
10 satisfactory monthly progress in the immediately preceding month
11 and appropriate interventions are implemented within 10 school days
12 after it is determined that the pupil does not meet that definition
13 of satisfactory monthly progress.

14 (ee) A pupil participating in ~~an online~~ **A VIRTUAL** course under
15 section 21f shall be counted in membership in the district
16 enrolling the pupil.

17 (ff) If a public school academy that is not in its first or
18 second year of operation closes at the end of a school year and
19 does not reopen for the next school year, the department shall
20 adjust the membership count of the district or the education
21 achievement system in which a former pupil of the public school
22 academy enrolls and is in regular daily attendance for the next
23 school year to ensure that the district or the education
24 achievement system receives the same amount of membership aid for
25 the pupil as if the pupil were counted in the district or the
26 education achievement system on the supplemental count day of the
27 preceding school year.

1 (GG) IF A SPECIAL EDUCATION PUPIL IS EXPELLED UNDER SECTION
2 1311 OR 1311A OF THE REVISED SCHOOL CODE, MCL 380.1311 AND
3 380.1311A, AND IS NOT IN ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT
4 DAY BECAUSE OF THE EXPULSION, AND IF THE PUPIL REMAINS ENROLLED IN
5 THE DISTRICT AND RESUMES REGULAR DAILY ATTENDANCE DURING THAT
6 SCHOOL YEAR, THE DISTRICT'S MEMBERSHIP SHALL BE ADJUSTED TO COUNT
7 THE PUPIL IN MEMBERSHIP AS IF HE OR SHE HAD BEEN IN ATTENDANCE ON
8 THE PUPIL MEMBERSHIP COUNT DAY.

9 (HH) A PUPIL ENROLLED IN A COMMUNITY DISTRICT SHALL BE COUNTED
10 IN MEMBERSHIP IN THE COMMUNITY DISTRICT. FOR A COMMUNITY DISTRICT
11 IN ITS FIRST FISCAL YEAR OF OPERATIONS ONLY, UNTIL THE DEPARTMENT
12 IS ABLE TO CALCULATE THE COMMUNITY DISTRICT'S MEMBERSHIP, THE
13 DEPARTMENT SHALL CONSIDER THE COMMUNITY DISTRICT'S MEMBERSHIP TO BE
14 THE SAME AS THE MEMBERSHIP FOR THE IMMEDIATELY PRECEDING FISCAL
15 YEAR FOR A DISTRICT WITH THE SAME BOUNDARIES AS THE COMMUNITY
16 DISTRICT THAT HAD MEMBERSHIP FOR THAT FISCAL YEAR.

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

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

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

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

1 (c) A pupil enrolled in a public school academy or the
2 education achievement system.

3 (d) A pupil enrolled in a district other than the pupil's
4 district of residence under an intermediate district schools of
5 choice pilot program as described in section 91a or former section
6 91 if the intermediate district and its constituent districts have
7 been exempted from section 105.

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

11 (f) A pupil who has made an official written complaint or
12 whose parent or legal guardian has made an official written
13 complaint to law enforcement officials and to school officials of
14 the pupil's district of residence that the pupil has been the
15 victim of a criminal sexual assault or other serious assault, if
16 the official complaint either indicates that the assault occurred
17 at school or that the assault was committed by 1 or more other
18 pupils enrolled in the school the pupil would otherwise attend in
19 the district of residence or by an employee of the district of
20 residence. A person who intentionally makes a false report of a
21 crime to law enforcement officials for the purposes of this
22 subdivision is subject to section 411a of the Michigan penal code,
23 1931 PA 328, MCL 750.411a, which provides criminal penalties for
24 that conduct. As used in this subdivision:

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

1 school premises.

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

7 (g) A pupil whose district of residence changed after the
8 pupil membership count day and before the supplemental count day
9 and who continues to be enrolled on the supplemental count day as a
10 nonresident in the district in which he or she was enrolled as a
11 resident on the pupil membership count day of the same school year.

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

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

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

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

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

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

24 (j) A pupil who is the child of a person who works at the
25 district or who is the child of a person who worked at the district
26 as of the time the pupil first enrolled in the district but who no
27 longer works at the district due to a workforce reduction. As used

1 in this subdivision, "child" includes an adopted child, stepchild,
2 or legal ward.

3 (k) An expelled pupil who has been denied reinstatement by the
4 expelling district and is reinstated by another school board under
5 section 1311 or 1311a of the revised school code, MCL 380.1311 and
6 380.1311a.

7 (l) A pupil enrolled in a district other than the pupil's
8 district of residence in a middle college program if the pupil's
9 district of residence and the enrolling district are both
10 constituent districts of the same intermediate district.

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

14 (n) A pupil enrolled in a district other than the pupil's
15 district of residence pursuant to section 1148(2) of the revised
16 school code, MCL 380.1148.

17 (o) A pupil who enrolls in a district other than the pupil's
18 district of residence as a result of the pupil's school not making
19 adequate yearly progress under the no child left behind act of
20 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC**
21 **LAW 114-95.**

22 However, **EXCEPT FOR PUPILS ENROLLED IN THE YOUTH CHALLENGE**
23 **PROGRAM AT THE SITE AT WHICH THE YOUTH CHALLENGE PROGRAM OPERATED**
24 **FOR 2015-2016**, if a district educates pupils who reside in another
25 district and if the primary instructional site for those pupils is
26 established by the educating district after 2009-2010 and is
27 located within the boundaries of that other district, the educating

1 district must have the approval of that other district to count
2 those pupils in membership.

3 (7) "Pupil membership count day" of a district or intermediate
4 district means:

5 (a) Except as provided in subdivision (b), the first Wednesday
6 in October each school year or, for a district or building in which
7 school is not in session on that Wednesday due to conditions not
8 within the control of school authorities, with the approval of the
9 superintendent, the immediately following day on which school is in
10 session in the district or building.

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

13 (i) Fourth Wednesday in July.

14 (ii) First Wednesday in October.

15 (iii) Second Wednesday in February.

16 (iv) Fourth Wednesday in April.

17 (8) "Pupils in grades K to 12 actually enrolled and in regular
18 daily attendance" means pupils in grades K to 12 in attendance and
19 receiving instruction in all classes for which they are enrolled on
20 the pupil membership count day or the supplemental count day, as
21 applicable. Except as otherwise provided in this subsection, a
22 pupil who is absent from any of the classes in which the pupil is
23 enrolled on the pupil membership count day or supplemental count
24 day and who does not attend each of those classes during the 10
25 consecutive school days immediately following the pupil membership
26 count day or supplemental count day, except for a pupil who has
27 been excused by the district, shall not be counted as 1.0 full-time

equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, an intermediate district, a public school academy, or the education achievement system before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, public school academy, or education achievement system within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

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

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

(11) "School district of the first class", "first class school

1 district", and "district of the first class" mean, for the purposes
2 of this article only, a district that had at least 40,000 pupils in
3 membership for the immediately preceding fiscal year.

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

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

7 (14) "Superintendent", unless the context clearly refers to a
8 district or intermediate district superintendent, means the
9 superintendent of public instruction described in section 3 of
10 article VIII of the state constitution of 1963.

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

13 (16) "Tuition pupil" means a pupil of school age attending
14 school in a district other than the pupil's district of residence
15 for whom tuition may be charged to the district of residence.
16 Tuition pupil does not include a pupil who is a special education
17 pupil, a pupil described in subsection (6)(c) to (o), or a pupil
18 whose parent or guardian voluntarily enrolls the pupil in a
19 district that is not the pupil's district of residence. A pupil's
20 district of residence shall not require a high school tuition
21 pupil, as provided under section 111, to attend another school
22 district after the pupil has been assigned to a school district.

23 (17) "State school aid fund" means the state school aid fund
24 established in section 11 of article IX of the state constitution
25 of 1963.

26 (18) "Taxable value" means the taxable value of property as
27 determined under section 27a of the general property tax act, 1893

1 PA 206, MCL 211.27a.

2 (19) "Textbook" means a book, electronic book, or other
 3 instructional print or electronic resource that is selected and
 4 approved by the governing board of a district or, for an
 5 achievement school, by the chancellor of the achievement authority
 6 and that contains a presentation of principles of a subject, or
 7 that is a literary work relevant to the study of a subject required
 8 for the use of classroom pupils, or another type of course material
 9 that forms the basis of classroom instruction.

10 (20) "Total state aid" or "total state school aid" means the
 11 total combined amount of all funds due to a district, intermediate
 12 district, or other entity under all of the provisions of this
 13 article.

14 Sec. 11. (1) ~~For the fiscal year ending September 30, 2015,~~
 15 ~~there is appropriated for the public schools of this state and~~
 16 ~~certain other state purposes relating to education the sum of~~
 17 ~~\$11,814,097,400.00 from the state school aid fund, the sum of~~
 18 ~~\$18,000,000.00 from the MPERS retirement obligation reform reserve~~
 19 ~~fund created under section 147b, and the sum of \$33,700,000.00 from~~
 20 ~~the general fund.~~ For the fiscal year ending September 30, 2016,
 21 there is appropriated for the public schools of this state and
 22 certain other state purposes relating to education the sum of
 23 ~~\$12,078,985,100.00~~ **\$11,905,439,300.00** from the state school aid
 24 fund and the sum of ~~\$45,900,000.00~~ **\$55,100,000.00** from the general
 25 fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017, THERE IS**
 26 **APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER**
 27 **STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$12,052,309,300.00**

1 FROM THE STATE SCHOOL AID FUND, THE SUM OF \$218,900,000.00 FROM THE
2 GENERAL FUND, AN AMOUNT NOT TO EXCEED \$72,000,000.00 FROM THE
3 COMMUNITY DISTRICT EDUCATION TRUST FUND CREATED UNDER SECTION 12 OF
4 THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.262, AND AN AMOUNT
5 NOT TO EXCEED \$100.00 FROM THE WATER EMERGENCY RESERVE FUND. In
6 addition, all other available federal funds are appropriated each
7 fiscal year for the fiscal years ending September 30, ~~2015-2016~~ and
8 September 30, ~~2016-2017~~.

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

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

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

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

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

27 (b) Money statutorily dedicated to the school aid

1 stabilization fund.

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

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

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

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

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

1 in the manner provided under section 296(3).

2 (7) For ~~2015-2016~~, **2016-2017**, in addition to the
3 appropriations in section 11, there is appropriated from the school
4 aid stabilization fund to the state school aid fund the amount
5 necessary to fully fund the allocations under this article.

6 Sec. 11j. From the appropriation in section 11, there is
7 allocated an amount not to exceed ~~\$126,500,000.00~~ **\$10,500,000.00**
8 for 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
9 **\$126,500,000.00 FOR 2016-2017** for payments to the school loan bond
10 redemption fund in the department of treasury on behalf of
11 districts and intermediate districts. Notwithstanding section 296
12 or any other provision of this act, funds allocated under this
13 section are not subject to proration and shall be paid in full.

14 Sec. 11k. For ~~2015-2016~~, **2016-2017**, there is appropriated from
15 the general fund to the school loan revolving fund an amount equal
16 to the amount of school bond loans assigned to the Michigan finance
17 authority, not to exceed the total amount of school bond loans held
18 in reserve as long-term assets. As used in this section, "school
19 loan revolving fund" means that fund created in section 16c of the
20 shared credit rating act, 1985 PA 227, MCL 141.1066c.

21 Sec. 11m. From the appropriation in section 11, ~~there is~~
22 ~~allocated for 2014-2015 an amount not to exceed \$0.00 and there is~~
23 allocated for 2015-2016 an amount not to exceed ~~\$2,000,000.00~~
24 **\$1,000,000.00 AND THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO**
25 **EXCEED \$3,000,000.00** for fiscal year cash-flow borrowing costs
26 solely related to the state school aid fund established by section
27 11 of article IX of the state constitution of 1963.

1 SEC. 110. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
2 11, THERE IS ALLOCATED \$9,200,000.00 FOR 2015-2016 TO AN
3 INTERMEDIATE DISTRICT FOR THE PURPOSE OF PROVIDING STATE EARLY
4 CHILDHOOD SERVICES DESCRIBED IN THIS SECTION TO CHILDREN WHO RESIDE
5 WITHIN THE BOUNDARIES OF A CONSTITUENT DISTRICT WITH THE MAJORITY
6 OF ITS TERRITORY LOCATED WITHIN THE BOUNDARIES OF A CITY FOR WHICH
7 AN EXECUTIVE PROCLAMATION OF EMERGENCY IS ISSUED DURING THE FISCAL
8 YEAR UNDER THE EMERGENCY MANAGEMENT ACT, 1976 PA 390, MCL 30.401 TO
9 30.421.

10 (2) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS
11 ALLOCATED AN AMOUNT NOT TO EXCEED \$8,300,000.00 FOR STATE EARLY
12 INTERVENTION SERVICES PROVIDED TO CHILDREN LESS THAN 5 YEARS OF AGE
13 AS OF SEPTEMBER 1, 2015. THE INTERMEDIATE DISTRICT SHALL USE THE
14 FUNDS TO PROVIDE STATE EARLY INTERVENTION SERVICES THAT ARE SIMILAR
15 TO THE SERVICES DESCRIBED IN THE EARLY ON MICHIGAN STATE PLAN, AS
16 APPROVED BY THE DEPARTMENT.

17 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
18 AN AMOUNT NOT TO EXCEED \$650,000.00 TO PROVIDE SUMMER GREAT START
19 READINESS PROGRAMS AND RELATED SERVICES, AS APPROVED BY THE
20 DEPARTMENT.

21 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
22 AN AMOUNT NOT TO EXCEED \$250,000.00 TO A CONSTITUENT DISTRICT
23 DESCRIBED IN SUBSECTION (1) THAT HAS AN AGREEMENT WITH A
24 POSTSECONDARY INSTITUTION TO PROVIDE SUMMER EARLY CHILDHOOD
25 PROGRAMS SIMILAR TO GREAT START READINESS PROGRAMS, AS APPROVED BY
26 THE DEPARTMENT.

27 (5) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT

1 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED
2 FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS TO
3 PROVIDE EARLY CHILDHOOD SERVICES DESCRIBED IN THIS SECTION. THE
4 ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,
5 2018.

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

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

18 (3) Subject to subsection (4), ~~and except as otherwise~~
19 ~~provided under subsection (8),~~ a district is eligible to receive a
20 grant from the distressed districts emergency grant fund if either
21 of the following applies:

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

26 (b) The district is a receiving district under section 12 of
27 the revised school code, MCL 380.12, and the district enrolls

1 pupils who were previously enrolled in a district that was
2 dissolved under section 12 of the revised school code, MCL 380.12,
3 in the immediately preceding school year.

4 (4) A district receiving funds under section 20g is not
5 eligible to receive funds under this section.

6 (5) The amount of a grant under this section shall be
7 determined by the state treasurer after consultation with the
8 superintendent of public instruction, but shall not exceed the
9 estimated amount of remaining district costs in excess of available
10 revenues, including, but not limited to, payroll, benefits,
11 retirement system contributions, pupil transportation, food
12 services, special education, building security, and other costs
13 necessary to allow the district to operate schools directly and
14 provide public education services until the end of the current
15 school fiscal year. For a district that meets the eligibility
16 criteria under subsection (3)(b), the amount of the grant shall be
17 determined in the same manner as transition costs under section
18 20g.

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

27 (7) ~~Money~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (8),**

1 **MONEY** in the distressed districts emergency grant fund at the close
2 of a fiscal year shall remain in the distressed districts emergency
3 grant fund and shall not lapse to the state school aid fund or to
4 the general fund.

5 ~~—— (8) For 2014-2015 only, for a district that is a strict~~
6 ~~discipline academy established under sections 1311b to 1311m of the~~
7 ~~revised school code, MCL 380.1311b to 380.1311m, that serves at~~
8 ~~least 340 pupils as reported on the line labeled "State Aid~~
9 ~~Membership" in the May 2015 state aid financial status report, and~~
10 ~~that services a program that provided pupil accounting information~~
11 ~~to the department for the October 2013 data collection on the~~
12 ~~department form entitled "ANNUAL SURVEY OF CHILDREN IN LOCAL~~
13 ~~INSTITUTIONS FOR NEGLECTED OR DELINQUENT CHILDREN OR IN~~
14 ~~CORRECTIONAL INSTITUTIONS (Title I of P.L. 107-110)", but for which~~
15 ~~the information was not correctly compiled by the department, the~~
16 ~~department shall award a grant to that district under this~~
17 ~~subsection from the funding allocated under subsection (1) to~~
18 ~~compensate the district for the loss in federal funding that~~
19 ~~occurred as a result of the department's incorrect compilation. The~~
20 ~~amount of the grant under this subsection for this purpose shall be~~
21 ~~\$178,000.00 for the amount lost for the 2014-2015 school year.~~

22 (8) FOR 2015-2016 ONLY, AN AMOUNT NOT TO EXCEED \$2,800,000.00
23 SHALL BE LAPSED FROM THE DISTRESSED DISTRICTS EMERGENCY GRANT FUND
24 TO THE STATE SCHOOL AID FUND.

25 SEC. 11S. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
26 11, THERE IS ALLOCATED \$10,142,500.00 FOR 2016-2017 FOR THE PURPOSE
27 OF PROVIDING SERVICES AND PROGRAMS TO CHILDREN WHO RESIDE WITHIN

1 THE BOUNDARIES OF A DISTRICT WITH THE MAJORITY OF ITS TERRITORY
2 LOCATED WITHIN THE BOUNDARIES OF A CITY FOR WHICH AN EXECUTIVE
3 PROCLAMATION OF EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY
4 PRECEDING FISCAL YEAR UNDER THE EMERGENCY MANAGEMENT ACT, 1976 PA
5 390, MCL 30.401 TO 30.421. FROM THE FUNDING APPROPRIATED IN SECTION
6 11, THERE IS ALLOCATED \$100.00 FROM THE WATER EMERGENCY RESERVE
7 FUND FOR THE PURPOSES OF THIS SECTION.

8 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
9 TO A DISTRICT WITH THE MAJORITY OF ITS TERRITORY LOCATED WITHIN THE
10 BOUNDARIES OF A CITY IN WHICH AN EXECUTIVE PROCLAMATION OF
11 EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY PRECEDING FISCAL
12 YEAR AND THAT HAS AT LEAST 5,000 PUPILS IN MEMBERSHIP FOR THE
13 CURRENT FISCAL YEAR, AN AMOUNT NOT TO EXCEED \$1,292,500.00 FOR THE
14 PURPOSE OF EMPLOYING SCHOOL NURSES AND SCHOOL SOCIAL WORKERS. THE
15 DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A FORM,
16 MANNER, AND FREQUENCY APPROVED BY THE DEPARTMENT. THE DEPARTMENT
17 SHALL PROVIDE A COPY OF THAT REPORT TO THE GOVERNOR, THE HOUSE AND
18 SENATE SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL
19 AGENCIES, AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS AFTER
20 RECEIPT. THE REPORT SHALL PROVIDE AT LEAST THE FOLLOWING
21 INFORMATION:

22 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS ALLOCATED
23 UNDER THIS SUBSECTION.

24 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO PUPILS BY THOSE
25 PERSONNEL.

26 (C) HOW MANY PUPILS RECEIVED EACH TYPE OF SERVICE IDENTIFIED
27 IN SUBDIVISION (B) .

1 (D) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY
2 TO ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED
3 APPROPRIATE LEVELS AND TYPES OF SERVICES.

4 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
5 TO AN INTERMEDIATE DISTRICT THAT HAS A CONSTITUENT DISTRICT
6 DESCRIBED IN SUBSECTION (2) AN AMOUNT NOT TO EXCEED \$1,195,000.00
7 TO AUGMENT STAFF FOR THE PURPOSE OF PROVIDING ADDITIONAL EARLY
8 CHILDHOOD SERVICES AND FOR NUTRITIONAL SERVICES TO CHILDREN
9 DESCRIBED IN SUBSECTION (1), REGARDLESS OF LOCATION OF SCHOOL OF
10 ATTENDANCE. THE EARLY CHILDHOOD SERVICES TO BE PROVIDED UNDER THIS
11 SUBSECTION ARE STATE EARLY INTERVENTION SERVICES AS DESCRIBED IN
12 SUBSECTION (4) AND EARLY LITERACY SERVICES. IN ADDITION, FUNDS
13 ALLOCATED UNDER THIS SUBSECTION MAY ALSO BE EXPENDED TO PROVIDE
14 INFORMATIONAL RESOURCES TO PARENTS, EDUCATORS, AND THE COMMUNITY,
15 AND TO COORDINATE SERVICES WITH OTHER LOCAL AGENCIES. THE
16 INTERMEDIATE DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A
17 FORM, MANNER, AND FREQUENCY APPROVED BY THE DEPARTMENT. THE
18 DEPARTMENT SHALL PROVIDE A COPY OF THAT REPORT TO THE GOVERNOR, THE
19 HOUSE AND SENATE SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE
20 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS AFTER
21 RECEIPT. THE REPORT SHALL PROVIDE AT LEAST THE FOLLOWING
22 INFORMATION:

23 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS APPROPRIATED
24 IN THIS SUBSECTION.

25 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO CHILDREN BY
26 THOSE PERSONNEL.

27 (C) WHAT TYPES OF ADDITIONAL NUTRITIONAL SERVICES WERE

1 PROVIDED.

2 (D) HOW MANY CHILDREN RECEIVED EACH TYPE OF SERVICE IDENTIFIED
3 IN SUBDIVISIONS (B) AND (C).

4 (E) WHAT TYPES OF INFORMATIONAL RESOURCES AND COORDINATION
5 EFFORTS WERE PROVIDED.

6 (F) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY
7 TO ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED
8 APPROPRIATE LEVELS AND TYPES OF SERVICES.

9 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
10 AN AMOUNT NOT TO EXCEED \$6,155,000.00 TO INTERMEDIATE DISTRICTS
11 DESCRIBED IN SUBSECTION (3) TO PROVIDE STATE EARLY INTERVENTION
12 SERVICES FOR CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN
13 4 YEARS OF AGE AS OF SEPTEMBER 1, 2016. THE INTERMEDIATE DISTRICT
14 SHALL USE THESE FUNDS TO PROVIDE STATE EARLY INTERVENTION SERVICES
15 THAT ARE SIMILAR TO THE SERVICES DESCRIBED IN THE EARLY ON MICHIGAN
16 STATE PLAN, INCLUDING ENSURING THAT ALL CHILDREN DESCRIBED IN
17 SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF AGE AS OF SEPTEMBER 1,
18 2016 ARE ASSESSED AND EVALUATED AT LEAST TWICE ANNUALLY.

19 (5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
20 AN AMOUNT NOT TO EXCEED \$1,500,000.00 TO INTERMEDIATE DISTRICTS
21 DESCRIBED IN SUBSECTION (3) TO ENROLL CHILDREN DESCRIBED IN
22 SUBSECTION (1) IN SCHOOL-DAY GREAT START READINESS PROGRAMS,
23 REGARDLESS OF HOUSEHOLD INCOME ELIGIBILITY REQUIREMENTS CONTAINED
24 IN SECTION 39. THE DEPARTMENT SHALL ADMINISTER THIS FUNDING
25 CONSISTENT WITH ALL OTHER PROVISIONS OF THE GREAT START READINESS
26 PROGRAMS CONTAINED IN SECTION 32D AND SECTION 39.

27 (6) IN ADDITION TO OTHER FUNDING ALLOCATED AND APPROPRIATED IN

1 THIS SECTION, THERE IS APPROPRIATED AN AMOUNT NOT TO EXCEED
2 \$15,000,000.00 FOR 2016-2017 FOR STATE RESTRICTED CONTINGENCY
3 FUNDS. THESE CONTINGENCY FUNDS ARE NOT AVAILABLE FOR EXPENDITURE
4 UNTIL THEY HAVE BEEN TRANSFERRED TO A SECTION WITHIN THIS ARTICLE
5 UNDER SECTION 393(2) OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431,
6 MCL 18.1393.

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

1 of millage levied or pledged under section 1211 of the revised
2 school code, MCL 380.1211.

3 (2) If the result of an audit conducted by or for the
4 department affects the current fiscal year membership, affected
5 payments shall be adjusted in the current fiscal year. A deduction
6 due to an adjustment made as a result of an audit conducted by or
7 for the department, or as a result of information obtained by the
8 department from the district, an intermediate district, the
9 department of treasury, or the office of auditor general, shall be
10 deducted from the district's apportionments when the adjustment is
11 finalized. At the request of the district and upon the district
12 presenting evidence satisfactory to the department of the hardship,
13 the department may grant up to an additional 4 years for the
14 adjustment and may advance payments to the district otherwise
15 authorized under this article if the district would otherwise
16 experience a significant hardship in satisfying its financial
17 obligations. ~~For a district that is a strict discipline academy~~
18 ~~established under sections 1311b to 1311m of the revised school~~
19 ~~code, MCL 380.1311b to 380.1311m, and that claimed a hardship in~~
20 ~~2014-2015 because of an overpayment caused by a miscalculation of~~
21 ~~its pupil membership for 2013-2014, the department shall consider~~
22 ~~the amount of repayment made by the district as of the effective~~
23 ~~date of the amendatory act that added this sentence to constitute~~
24 ~~full repayment and the district is not required to continue making~~
25 ~~repayment for the overpayment that occurred in 2013-2014.~~

26 (3) If, based on an audit by the department or the
27 department's designee or because of new or updated information

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

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

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

25 (6) In addition to funds appropriated in section 11 for all
26 programs and services, there is appropriated for ~~2014-2015 and for~~
27 ~~2015-2016-2016-2017~~ for obligations in excess of applicable

1 appropriations an amount equal to the collection of overpayments,
2 but not to exceed amounts available from overpayments.

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

19 (2) A district or intermediate district shall adopt an annual
20 budget in a manner that complies with the uniform budgeting and
21 accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days
22 after a district board adopts its annual operating budget for the
23 following school fiscal year, or after a district board adopts a
24 subsequent revision to that budget, the district shall make all of
25 the following available through a link on its website homepage, or
26 may make the information available through a link on its
27 intermediate district's website homepage, in a form and manner

1 prescribed by the department:

2 (a) The annual operating budget and subsequent budget
3 revisions.

4 (b) Using data that have already been collected and submitted
5 to the department, a summary of district expenditures for the most
6 recent fiscal year for which they are available, expressed in the
7 following 2 pie charts:

8 (i) A chart of personnel expenditures, broken into the
9 following subcategories:

10 (A) Salaries and wages.

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

14 (C) Retirement benefit costs.

15 (D) All other personnel costs.

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

18 (A) Instruction.

19 (B) Support services.

20 (C) Business and administration.

21 (D) Operations and maintenance.

22 (c) Links to all of the following:

23 (i) The current collective bargaining agreement for each
24 bargaining unit.

25 (ii) Each health care benefits plan, including, but not
26 limited to, medical, dental, vision, disability, long-term care, or
27 any other type of benefits that would constitute health care

1 services, offered to any bargaining unit or employee in the
2 district.

3 (iii) The audit report of the audit conducted under subsection
4 (4) for the most recent fiscal year for which it is available.

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

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

9 (vi) The district's written policy establishing specific
10 categories of reimbursable expenses, as described in section
11 1254(2) of the revised school code, MCL 380.1254.

12 (vii) Either the district's accounts payable check register
13 for the most recent school fiscal year or a statement of the total
14 amount of expenses incurred by board members or employees of the
15 district that were reimbursed by the district for the most recent
16 school fiscal year.

17 (d) The total salary and a description and cost of each fringe
18 benefit included in the compensation package for the superintendent
19 of the district and for each employee of the district whose salary
20 exceeds \$100,000.00.

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

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

25 (g) Any deficit elimination plan or enhanced deficit
26 elimination plan the district was required to submit under the
27 revised school code.

1 (h) Identification of all credit cards maintained by the
2 district as district credit cards, the identity of all individuals
3 authorized to use each of those credit cards, the credit limit on
4 each credit card, and the dollar limit, if any, for each
5 individual's authorized use of the credit card.

6 (i) Costs incurred for each instance of out-of-state travel by
7 the school administrator of the district that is fully or partially
8 paid for by the district and the details of each of those instances
9 of out-of-state travel, including at least identification of each
10 individual on the trip, destination, and purpose.

11 (3) For the information required under subsection (2)(a),
12 (2)(b)(i), and (2)(c), an intermediate district shall provide the
13 same information in the same manner as required for a district
14 under subsection (2).

15 (4) For the purposes of determining the reasonableness of
16 expenditures, whether a district or intermediate district has
17 received the proper amount of funds under this article, and whether
18 a violation of this article has occurred, all of the following
19 apply:

20 (a) The department shall require that each district and
21 intermediate district have an audit of the district's or
22 intermediate district's financial and pupil accounting records
23 conducted at least annually, and at such other times as determined
24 by the department, at the expense of the district or intermediate
25 district, as applicable. The audits must be performed by a
26 certified public accountant or by the intermediate district
27 superintendent, as may be required by the department, or in the

1 case of a district of the first class by a certified public
2 accountant, the intermediate superintendent, or the auditor general
3 of the city. A district or intermediate district shall retain these
4 records for the current fiscal year and from at least the 3
5 immediately preceding fiscal years.

6 (b) If a district operates in a single building with fewer
7 than 700 full-time equated pupils, if the district has stable
8 membership, and if the error rate of the immediately preceding 2
9 pupil accounting field audits of the district is less than 2%, the
10 district may have a pupil accounting field audit conducted
11 biennially but must continue to have desk audits for each pupil
12 count. The auditor must document compliance with the audit cycle in
13 the pupil auditing manual. As used in this subdivision, "stable
14 membership" means that the district's membership for the current
15 fiscal year varies from the district's membership for the
16 immediately preceding fiscal year by less than 5%.

17 (c) A district's or intermediate district's annual financial
18 audit shall include an analysis of the financial and pupil
19 accounting data used as the basis for distribution of state school
20 aid.

21 (d) The pupil and financial accounting records and reports,
22 audits, and management letters are subject to requirements
23 established in the auditing and accounting manuals approved and
24 published by the department.

25 (e) All of the following shall be done not later than November
26 1 each year for reporting the prior fiscal year data:

27 (i) A district shall file the annual financial audit reports

1 with the intermediate district and the department.

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

4 (iii) The intermediate district shall enter the pupil
5 membership audit reports for its constituent districts and for the
6 intermediate district, for the pupil membership count day and
7 supplemental count day, in the Michigan student data system.

8 (f) The annual financial audit reports and pupil accounting
9 procedures reports shall be available to the public in compliance
10 with the freedom of information act, 1976 PA 442, MCL 15.231 to
11 15.246.

12 (g) Not later than January 31 of each year, the department
13 shall notify the state budget director and the legislative
14 appropriations subcommittees responsible for review of the school
15 aid budget of districts and intermediate districts that have not
16 filed an annual financial audit and pupil accounting procedures
17 report required under this section for the school year ending in
18 the immediately preceding fiscal year.

19 (5) By November 1 each fiscal year, each district and
20 intermediate district shall submit to the center, in a manner
21 prescribed by the center, annual comprehensive financial data
22 **CONSISTENT WITH THE DISTRICT'S OR INTERMEDIATE DISTRICT'S AUDITED**
23 **FINANCIAL STATEMENTS AND** consistent with accounting manuals and
24 charts of accounts approved and published by the department. For an
25 intermediate district, the report shall also contain the website
26 address where the department can access the report required under
27 section 620 of the revised school code, MCL 380.620. The department

1 shall ensure that the prescribed Michigan public school accounting
2 manual chart of accounts includes standard conventions to
3 distinguish expenditures by allowable fund function and object. The
4 functions shall include at minimum categories for instruction,
5 pupil support, instructional staff support, general administration,
6 school administration, business administration, transportation,
7 facilities operation and maintenance, facilities acquisition, and
8 debt service; and shall include object classifications of salary,
9 benefits, including categories for active employee health
10 expenditures, purchased services, supplies, capital outlay, and
11 other. Districts shall report the required level of detail
12 consistent with the manual as part of the comprehensive annual
13 financial report.

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

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

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

25 (9) If a district that is a public school academy purchases
26 property using money received under this article, the public school
27 academy shall retain ownership of the property unless the public

1 school academy sells the property at fair market value.

2 (10) If a district or intermediate district does not comply
3 with subsections (4), (5), (6), and (7), **OR IF THE DEPARTMENT**
4 **DETERMINES THAT THE FINANCIAL DATA REQUIRED UNDER SUBSECTION (5)**
5 **ARE NOT CONSISTENT WITH AUDITED FINANCIAL STATEMENTS**, the
6 department shall withhold all state school aid due to the district
7 or intermediate district under this article, beginning with the
8 next payment due to the district or intermediate district, until
9 the district or intermediate district complies with subsections
10 (4), (5), (6), and (7). If the district or intermediate district
11 does not comply with subsections (4), (5), (6), and (7) by the end
12 of the fiscal year, the district or intermediate district forfeits
13 the amount withheld.

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

23 (12) Not later than November 1, ~~2015,~~**2016**, if a district or
24 intermediate district offers ~~online~~**-VIRTUAL** learning under section
25 21f, the district or intermediate district shall submit to the
26 department a report that details the per-pupil costs of operating
27 the ~~online~~**-VIRTUAL** learning by vendor type. The report shall

1 include at least all of the following information concerning the
2 operation of ~~online-VIRTUAL~~ learning for the school fiscal year
3 ending June 30, ~~2015-2016~~:

4 (a) The name of the district operating the ~~online-VIRTUAL~~
5 learning and of each district that enrolled students in the ~~online~~
6 **VIRTUAL** learning.

7 (b) The total number of students enrolled in the ~~online~~
8 **VIRTUAL** learning and the total number of membership pupils enrolled
9 in the ~~online-VIRTUAL~~ learning.

10 (c) For each pupil who is enrolled in a district other than
11 the district offering ~~online-VIRTUAL~~ learning, the name of that
12 district.

13 (d) The district in which the pupil was enrolled before
14 enrolling in the district offering ~~online-VIRTUAL~~ learning.

15 (e) The number of participating students who had previously
16 dropped out of school.

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

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

27 (h) The name of each ~~online-VIRTUAL~~ education provider

1 contracted by the district and the state in which each ~~online~~
2 **VIRTUAL** education provider is headquartered.

3 (13) Not later than March 31, ~~2016~~, **2017**, the department shall
4 submit to the house and senate appropriations subcommittees on
5 state school aid, the state budget director, and the house and
6 senate fiscal agencies a report summarizing the per-pupil costs by
7 vendor type of ~~online~~-**VIRTUAL** courses available under section 21f.

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

10 (a) ~~Online~~-**VIRTUAL** courses provided by the Michigan Virtual
11 University.

12 (b) ~~Online~~-**VIRTUAL** courses provided by a school of excellence
13 that is a cyber school, as defined in section 551 of the revised
14 school code, MCL 380.551.

15 (c) ~~Online~~-**VIRTUAL** courses provided by third party vendors not
16 affiliated with a Michigan public school.

17 (d) ~~Online~~-**VIRTUAL** courses created and offered by a district
18 or intermediate district.

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

22 Sec. 19. (1) A district or intermediate district shall comply
23 with all applicable reporting requirements specified in state and
24 federal law. Data provided to the center, in a form and manner
25 prescribed by the center, shall be aggregated and disaggregated as
26 required by state and federal law. In addition, a district or
27 intermediate district shall cooperate with all measures taken by

1 the center to establish and maintain a statewide P-20 longitudinal
2 data system.

3 (2) Each district shall furnish to the center not later than 5
4 weeks after the pupil membership count day and by June 30 of the
5 school fiscal year ending in the fiscal year, in a manner
6 prescribed by the center, the information necessary for the
7 preparation of the district and high school graduation report. This
8 information shall meet requirements established in the pupil
9 auditing manual approved and published by the department. The
10 center shall calculate an annual graduation and pupil dropout rate
11 for each high school, each district, and this state, in compliance
12 with nationally recognized standards for these calculations. The
13 center shall report all graduation and dropout rates to the senate
14 and house education committees and appropriations committees, the
15 state budget director, and the department not later than 30 days
16 after the publication of the list described in subsection (6).

17 (3) By the first business day in December and by June 30 of
18 each year, a district shall furnish to the center, in a manner
19 prescribed by the center, information related to educational
20 personnel as necessary for reporting required by state and federal
21 law.

22 (4) By June 30 of each year, a district shall furnish to the
23 center, in a manner prescribed by the center, information related
24 to safety practices and criminal incidents as necessary for
25 reporting required by state and federal law.

26 (5) If a district or intermediate district fails to meet the
27 requirements of this section, the department shall withhold 5% of

1 the total funds for which the district or intermediate district
 2 qualifies under this article until the district or intermediate
 3 district complies with all of those subsections. If the district or
 4 intermediate district does not comply with all of those subsections
 5 by the end of the fiscal year, the department shall place the
 6 amount withheld in an escrow account until the district or
 7 intermediate district complies with all of those subsections.

8 (6) Before publishing a list of school or district
 9 accountability designations as required by the no child left behind
 10 act of 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT,**
 11 **PUBLIC LAW 114-95,** the department shall allow a school or district
 12 to appeal that determination. The department shall consider and act
 13 upon the appeal within 30 days after it is submitted and shall not
 14 publish the list until after all appeals have been considered and
 15 decided.

16 (7) ~~It is the intent of the legislature to implement not later~~
 17 ~~than~~ **BEGINNING IN** 2016-2017, **THE DEPARTMENT SHALL IMPLEMENT**
 18 statewide standard reporting requirements for education data
 19 approved by the department in conjunction with the center. The
 20 department shall work with the center, intermediate districts,
 21 districts, and other interested stakeholders to ~~develop~~
 22 ~~recommendations on the implementation of~~ **IMPLEMENT** this policy
 23 change. A district or intermediate district shall implement the
 24 statewide standard reporting requirements not later than ~~2014-2015~~
 25 **2017-2018** or when a district or intermediate district updates its
 26 education data reporting system, whichever is later.

27 Sec. 20. (1) For ~~2015-2016,~~ **2016-2017,** both of the following

1 apply:

2 (a) The basic foundation allowance is ~~\$8,169.00~~ **\$8,229.00**.

3 (b) The minimum foundation allowance is ~~\$7,391.00~~ **\$7,511.00**.

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

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

11 (a) Except as otherwise provided in this subdivision, for a
12 district that had a foundation allowance for the immediately
13 preceding state fiscal year that was **AT LEAST** equal to the minimum
14 foundation allowance for the immediately preceding state fiscal
15 year, but less than the basic foundation allowance for the
16 immediately preceding state fiscal year, the district shall receive
17 a foundation allowance in an amount equal to the sum of the
18 district's foundation allowance for the immediately preceding state
19 fiscal year plus the difference between twice the dollar amount of
20 the adjustment from the immediately preceding state fiscal year to
21 the current state fiscal year made in the basic foundation
22 allowance and [(the difference between the basic foundation
23 allowance for the current state fiscal year and basic foundation
24 allowance for the immediately preceding state fiscal year minus
25 ~~\$23.00~~ **\$20.00**) times (the difference between the district's
26 foundation allowance for the immediately preceding state fiscal
27 year and the minimum foundation allowance for the immediately

1 preceding state fiscal year) divided by the difference between the
2 basic foundation allowance for the current state fiscal year and
3 the minimum foundation allowance for the immediately preceding
4 state fiscal year]. However, the foundation allowance for a
5 district that had less than the basic foundation allowance for the
6 immediately preceding state fiscal year shall not exceed the basic
7 foundation allowance for the current state fiscal year. ~~For the~~
8 ~~purposes of this subdivision, for 2015-2016, the minimum foundation~~
9 ~~allowance for the immediately preceding state fiscal year shall be~~
10 ~~considered to be \$7,251.00.~~

11 (b) Except as otherwise provided in this subsection, for a
12 district that in the immediately preceding state fiscal year had a
13 foundation allowance in an amount equal to the amount of the basic
14 foundation allowance for the immediately preceding state fiscal
15 year, the district shall receive a foundation allowance for ~~2015-~~
16 ~~2016-2016-2017~~ in an amount equal to the basic foundation allowance
17 for ~~2015-2016-2016-2017~~.

18 (c) For a district that had a foundation allowance for the
19 immediately preceding state fiscal year that was greater than the
20 basic foundation allowance for the immediately preceding state
21 fiscal year, the district's foundation allowance is an amount equal
22 to the sum of the district's foundation allowance for the
23 immediately preceding state fiscal year plus the lesser of the
24 increase in the basic foundation allowance for the current state
25 fiscal year, as compared to the immediately preceding state fiscal
26 year, or the product of the district's foundation allowance for the
27 immediately preceding state fiscal year times the percentage

1 increase in the United States consumer price index in the calendar
2 year ending in the immediately preceding fiscal year as reported by
3 the May revenue estimating conference conducted under section 367b
4 of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

8 ~~—— (e) For a district that received a payment under section 22c~~
9 ~~as that section was in effect for 2014-2015, the district's 2014-~~
10 ~~2015 foundation allowance shall be considered to have been an~~
11 ~~amount equal to the sum of the district's actual 2014-2015~~
12 ~~foundation allowance as otherwise calculated under this section~~
13 ~~plus the per pupil amount of the district's equity payment for~~
14 ~~2014-2015 under section 22c as that section was in effect for 2014-~~
15 ~~2015.~~

16 (4) Except as otherwise provided in this subsection, the state
17 portion of a district's foundation allowance is an amount equal to
18 the district's foundation allowance or the basic foundation
19 allowance for the current state fiscal year, whichever is less,
20 minus the local portion of the district's foundation allowance
21 divided by the district's membership excluding special education
22 pupils. For a district described in subsection (3)(c), the state
23 portion of the district's foundation allowance is an amount equal
24 to \$6,962.00 plus the difference between the district's foundation
25 allowance for the current state fiscal year and the district's
26 foundation allowance for 1998-99, minus the local portion of the
27 district's foundation allowance divided by the district's

1 membership excluding special education pupils. For a district that
2 has a millage reduction required under section 31 of article IX of
3 the state constitution of 1963, the state portion of the district's
4 foundation allowance shall be calculated as if that reduction did
5 not occur. For a receiving district, if school operating taxes
6 continue to be levied on behalf of a dissolved district that has
7 been attached in whole or in part to the receiving district to
8 satisfy debt obligations of the dissolved district under section 12
9 of the revised school code, MCL 380.12, the taxable value per
10 membership pupil of property in the receiving district used for the
11 purposes of this subsection does not include the taxable value of
12 property within the geographic area of the dissolved district. **FOR**
13 **A COMMUNITY DISTRICT, IF SCHOOL OPERATING TAXES CONTINUE TO BE**
14 **LEVIED BY A QUALIFYING SCHOOL DISTRICT UNDER SECTION 12B OF THE**
15 **REVISED SCHOOL CODE, MCL 380.12B, WITH THE SAME GEOGRAPHIC AREA AS**
16 **THE COMMUNITY DISTRICT, THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF**
17 **PROPERTY IN THE COMMUNITY DISTRICT TO BE USED FOR THE PURPOSES OF**
18 **THIS SUBSECTION DOES NOT INCLUDE THE TAXABLE VALUE OF PROPERTY**
19 **WITHIN THE GEOGRAPHIC AREA OF THE COMMUNITY DISTRICT.**

20 (5) The allocation calculated under this section for a pupil
21 shall be based on the foundation allowance of the pupil's district
22 of residence. For a pupil enrolled pursuant to section 105 or 105c
23 in a district other than the pupil's district of residence, the
24 allocation calculated under this section shall be based on the
25 lesser of the foundation allowance of the pupil's district of
26 residence or the foundation allowance of the educating district.
27 For a pupil in membership in a K-5, K-6, or K-8 district who is

1 enrolled in another district in a grade not offered by the pupil's
2 district of residence, the allocation calculated under this section
3 shall be based on the foundation allowance of the educating
4 district if the educating district's foundation allowance is
5 greater than the foundation allowance of the pupil's district of
6 residence. **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO**
7 **ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M.**

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 foundation
13 allowance of the district in which the public school academy is
14 located or the state maximum public school academy allocation,
15 whichever is less. For pupils in membership, other than special
16 education pupils, in a public school academy that is a cyber school
17 and is authorized by a school district, the allocation calculated
18 under this section is an amount per membership pupil other than
19 special education pupils in the public school academy equal to the
20 foundation allowance of the district that authorized the public
21 school academy or the state maximum public school academy
22 allocation, whichever is less. However, a public school academy
23 that had an allocation under this subsection before 2009-2010 that
24 was equal to the sum of the local school operating revenue per
25 membership pupil other than special education pupils for the
26 district in which the public school academy is located and the
27 state portion of that district's foundation allowance shall not

1 have that allocation reduced as a result of the 2010 amendment to
2 this subsection. Notwithstanding section 101, for a public school
3 academy that begins operations after the pupil membership count
4 day, the amount per membership pupil calculated under this
5 subsection shall be adjusted by multiplying that amount per
6 membership pupil by the number of hours of pupil instruction
7 provided by the public school academy after it begins operations,
8 as determined by the department, divided by the minimum number of
9 hours of pupil instruction required under section 101(3). The
10 result of this calculation shall not exceed the amount per
11 membership pupil otherwise calculated under this subsection.

12 (7) Except as otherwise provided in this subsection, for
13 pupils attending an achievement school and in membership in the
14 education achievement system, other than special education pupils,
15 the allocation calculated under this section is an amount per
16 membership pupil other than special education pupils equal to the
17 foundation allowance of the district in which the achievement
18 school is located, not to exceed the basic foundation allowance.
19 Notwithstanding section 101, for an achievement school that begins
20 operation after the pupil membership count day, the amount per
21 membership pupil calculated under this subsection shall be adjusted
22 by multiplying that amount per membership pupil by the number of
23 hours of pupil instruction provided by the achievement school after
24 it begins operations, as determined by the department, divided by
25 the minimum number of hours of pupil instruction required under
26 section 101(3). The result of this calculation shall not exceed the
27 amount per membership pupil otherwise calculated under this

1 subsection. For the purposes of this subsection, if a public school
2 is transferred from a district to the state school reform/redesign
3 district or the achievement authority under section 1280c of the
4 revised school code, MCL 380.1280c, that public school is
5 considered to be an achievement school within the education
6 achievement system and not a school that is part of a district, and
7 a pupil attending that public school is considered to be in
8 membership in the education achievement system and not in
9 membership in the district that operated the school before the
10 transfer.

11 (8) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR
12 PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL EDUCATION PUPILS, IN A
13 COMMUNITY DISTRICT, THE ALLOCATION CALCULATED UNDER THIS SECTION IS
14 AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS
15 IN THE COMMUNITY DISTRICT EQUAL TO THE FOUNDATION ALLOWANCE OF THE
16 QUALIFYING SCHOOL DISTRICT, AS DESCRIBED IN SECTION 12B OF THE
17 REVISED SCHOOL CODE, MCL 380.12B, THAT IS LOCATED WITHIN THE SAME
18 GEOGRAPHIC AREA AS THE COMMUNITY DISTRICT.

19 (9) ~~(8)~~—Subject to subsection (4), for a district that is
20 formed or reconfigured after June 1, 2002 by consolidation of 2 or
21 more districts or by annexation, the resulting district's
22 foundation allowance under this section beginning after the
23 effective date of the consolidation or annexation shall be the
24 lesser of the sum of the average of the foundation allowances of
25 each of the original or affected districts, calculated as provided
26 in this section, weighted as to the percentage of pupils in total
27 membership in the resulting district who reside in the geographic

1 area of each of the original or affected districts plus \$100.00 or
2 the highest foundation allowance among the original or affected
3 districts. This subsection does not apply to a receiving district
4 unless there is a subsequent consolidation or annexation that
5 affects the district. **THE CALCULATION UNDER THIS SUBSECTION SHALL**
6 **TAKE INTO ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION**
7 **20M.**

8 (10) ~~(9)~~—Each fraction used in making calculations under this
9 section shall be rounded to the fourth decimal place and the dollar
10 amount of an increase in the basic foundation allowance shall be
11 rounded to the nearest whole dollar.

12 (11) ~~(10)~~—State payments related to payment of the foundation
13 allowance for a special education pupil are not calculated under
14 this section but are instead calculated under section 51a.

15 (12) ~~(11)~~—To assist the legislature in determining the basic
16 foundation allowance for the subsequent state fiscal year, each
17 revenue estimating conference conducted under section 367b of the
18 management and budget act, 1984 PA 431, MCL 18.1367b, shall
19 calculate a pupil membership factor, a revenue adjustment factor,
20 and an index as follows:

21 (a) The pupil membership factor shall be computed by dividing
22 the estimated membership in the school year ending in the current
23 state fiscal year, excluding intermediate district membership, by
24 the estimated membership for the school year ending in the
25 subsequent state fiscal year, excluding intermediate district
26 membership. If a consensus membership factor is not determined at
27 the revenue estimating conference, the principals of the revenue

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

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

22 (c) The index shall be calculated by multiplying the pupil
23 membership factor by the revenue adjustment factor. If a consensus
24 index is not determined at the revenue estimating conference, the
25 principals of the revenue estimating conference shall report their
26 estimates to the house and senate subcommittees responsible for
27 school aid appropriations not later than 7 days after the

1 conclusion of the revenue conference.

2 (13) ~~(12)~~ Payments to districts, public school academies, or
3 the education achievement system shall not be made under this
4 section. Rather, the calculations under this section shall be used
5 to determine the amount of state payments under section 22b.

6 (14) ~~(13)~~ If an amendment to section 2 of article VIII of the
7 state constitution of 1963 allowing state aid to some or all
8 nonpublic schools is approved by the voters of this state, each
9 foundation allowance or per-pupil payment calculation under this
10 section may be reduced.

11 (15) ~~(14)~~ As used in this section:

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

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

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

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

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

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

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

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

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

26 (j) "Maximum public school academy allocation", except as
27 otherwise provided in this subdivision, means the maximum per-pupil

allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year and [(the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year minus ~~\$23.00~~)—\$20.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year) divided by the difference between the basic foundation allowance for the current state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year]. For the purposes of this subdivision, for ~~2015-2016~~, ~~2016-2017~~, the maximum public school academy allocation is ~~\$7,391.00~~. **\$7,511.00.**

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

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

(m) "Principal residence", "qualified agricultural property",

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

5 (n) "Receiving district" means a district to which all or part
6 of the territory of a dissolved district is attached under section
7 12 of the revised school code, MCL 380.12.

8 (o) "School operating purposes" means the purposes included in
9 the operation costs of the district as prescribed in sections 7 and
10 18 and purposes authorized under section 1211 of the revised school
11 code, MCL 380.1211.

12 (p) "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.

15 (q) "Tax increment financing acts" means 1975 PA 197, MCL
16 125.1651 to 125.1681, the tax increment finance authority act, 1980
17 PA 450, MCL 125.1801 to 125.1830, the local development financing
18 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
19 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
20 or the corridor improvement authority act, 2005 PA 280, MCL
21 125.2871 to 125.2899.

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

1 Sec. 20d. In making the final determination required under
2 former section 20a of a district's combined state and local revenue
3 per membership pupil in 1993-94 and in making calculations under
4 section 20 for ~~2015-2016~~, **2016-2017**, the department and the
5 department of treasury shall comply with all of the following:

6 (a) For a district that had combined state and local revenue
7 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
8 or more and served as a fiscal agent for a state board designated
9 area vocational education center in the 1993-94 school year, total
10 state school aid received by or paid on behalf of the district
11 pursuant to this act in 1993-94 shall exclude payments made under
12 former section 146 and under section 147 on behalf of the
13 district's employees who provided direct services to the area
14 vocational education center. Not later than June 30, 1996, the
15 department shall make an adjustment under this subdivision to the
16 district's combined state and local revenue per membership pupil in
17 the 1994-95 state fiscal year and the department of treasury shall
18 make a final certification of the number of mills that may be
19 levied by the district under section 1211 of the revised school
20 code, MCL 380.1211, as a result of the adjustment under this
21 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 article 5, if nonresident pupils
27 attending the center programs were included in the district's

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

12 Sec. 20f. (1) From the funds appropriated in section 11, there
13 is allocated an amount not to exceed \$18,000,000.00 for ~~2015-2016~~
14 **2016-2017** for payments to eligible districts under this section.

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

20 (a) The increase in the district's foundation allowance or
21 per-pupil payment as calculated under section 20 from 2012-2013 to
22 2013-2014.

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

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

1 section 147a for 2013-2014 divided by the district's membership
2 pupils for 2013-2014.

3 (3) The amount allocated to each eligible district under
4 subsection (2) is an amount per membership pupil equal to the
5 amount per membership pupil the district received under this
6 section in 2013-2014.

7 (4) The funding under this subsection is from the allocation
8 under subsection (1). A district is eligible for funding under this
9 subsection for ~~2015-2016~~ **2016-2017** if the sum of the following is
10 less than \$25.00:

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

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

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

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

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

26 (a) The increase in the district's foundation allowance or
27 per-pupil payment as calculated under section 20 from 2014-2015 to

1 2015-2016.

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

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

6 (d) The quotient of the district's allocation under section
7 31a for 2015-2016 divided by the district's membership pupils for
8 2015-2016 minus the quotient of the district's allocation under
9 section 31a for 2014-2015 divided by the district's membership
10 pupils for 2014-2015.

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

15 Sec. 20g. (1) From the money appropriated under section 11,
16 there is allocated an amount not to exceed ~~\$2,200,000.00 for 2015-~~
17 ~~2016-~~**\$1,200,000.00 EACH FISCAL YEAR FOR 2015-2016 AND FOR 2016-2017**
18 for grants to eligible districts that first received payments under
19 this section in 2013-2014 for transition costs related to the
20 enrollment of pupils who were previously enrolled in a district
21 that was dissolved under section 12 of the revised school code, MCL
22 380.12, allocated as provided under subsection (3). Payments under
23 this section shall continue for a total of 4 fiscal years following
24 the dissolution of a district, after which the payments shall
25 cease.

26 (2) A receiving school district, as that term is defined in
27 section 12 of the revised school code, MCL 380.12, is an eligible

1 district under this section.

2 (3) The amount allocated to each eligible district under this
3 section is an amount equal to the product of the number of
4 membership pupils enrolled in the eligible district who were
5 previously enrolled in the dissolved school district in the school
6 year immediately preceding the dissolution, or who reside in the
7 geographic area of the dissolved school district and are entering
8 kindergarten, times 10.0% of the lesser of the foundation allowance
9 of the eligible district as calculated under section 20 or the
10 basic foundation allowance under section 20(1).

11 (4) IT IS THE INTENT OF THE LEGISLATURE THAT AN AMOUNT NOT TO
12 EXCEED \$660,000.00 BE LAPSED FROM THE \$2,500,000.00 THAT WAS
13 AVAILABLE FOR A QUALIFYING INTERMEDIATE DISTRICT UNDER THIS SECTION
14 AS IT WAS IN EFFECT FOR THE 2013-2014 FISCAL YEAR. IN ADDITION TO
15 THE MONEY ALLOCATED UNDER SUBSECTION (1), FROM THE FUNDS
16 APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN
17 AMOUNT NOT TO EXCEED \$660,000.00 TO A QUALIFYING INTERMEDIATE
18 DISTRICT FOR PAYING OUTSTANDING DEBT OF A DISSOLVED SCHOOL
19 DISTRICT. FOR PURPOSES OF THIS SUBSECTION, AN INTERMEDIATE DISTRICT
20 IS A QUALIFYING INTERMEDIATE DISTRICT IF IT IS REQUIRED TO PERFORM
21 THE FUNCTIONS AND SATISFY THE RESPONSIBILITIES OF A DISSOLVED
22 SCHOOL DISTRICT UNDER SECTION 12(3) OF THE REVISED SCHOOL CODE, MCL
23 380.12, IF THE AUTHORIZATION FOR THAT DISSOLVED SCHOOL DISTRICT TO
24 LEVY MILLS FOR SCHOOL OPERATING PURPOSES UNDER SECTION 1211 OF THE
25 REVISED SCHOOL CODE, MCL 380.1211, WAS NOT RENEWED AFTER THE SCHOOL
26 DISTRICT WAS DISSOLVED, AND IF THE INTERMEDIATE DISTRICT IS LOCATED
27 IN A COUNTY WITH A POPULATION OF LESS THAN 250,000.

1 (5) ~~(4)~~—As used in this section, "dissolved school district"
2 means a school district that has been declared dissolved under
3 section 12 of the revised school code, 1976 PA 451, MCL 380.12.

4 SEC. 20M. (1) FOUNDATION ALLOWANCE SUPPLEMENTAL PAYMENTS FOR
5 2016-2017 TO DISTRICTS THAT IN THE 2015-2016 FISCAL YEAR HAD A
6 FOUNDATION ALLOWANCE GREATER THAN \$8,169.00 SHALL BE CALCULATED
7 UNDER THIS SECTION.

8 (2) THE PER-PUPIL ALLOCATION TO EACH DISTRICT UNDER THIS
9 SECTION SHALL BE THE DIFFERENCE BETWEEN THE DOLLAR AMOUNT OF THE
10 ADJUSTMENT FROM THE IMMEDIATELY PRECEDING STATE FISCAL YEAR TO THE
11 CURRENT STATE FISCAL YEAR IN THE BASIC FOUNDATION ALLOWANCE MINUS
12 THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING
13 FISCAL YEAR TO THE CURRENT STATE FISCAL YEAR IN A QUALIFYING
14 DISTRICT'S FOUNDATION ALLOWANCE.

15 (3) IF A DISTRICT'S LOCAL REVENUE PER PUPIL DOES NOT EXCEED
16 THE SUM OF ITS FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-
17 PUPIL ALLOCATION UNDER SUBSECTION (2), THE TOTAL PAYMENT TO THE
18 DISTRICT CALCULATED UNDER THIS SECTION SHALL BE THE PRODUCT OF THE
19 PER-PUPIL ALLOCATION UNDER SUBSECTION (2) MULTIPLIED BY THE
20 DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS. IF A
21 DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE FOUNDATION ALLOWANCE
22 UNDER SECTION 20 BUT DOES NOT EXCEED THE SUM OF THE FOUNDATION
23 ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL ALLOCATION UNDER
24 SUBSECTION (2), THE TOTAL PAYMENT TO THE DISTRICT CALCULATED UNDER
25 THIS SECTION SHALL BE THE PRODUCT OF THE DIFFERENCE BETWEEN THE SUM
26 OF THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL
27 ALLOCATION UNDER SUBSECTION (2) MINUS THE LOCAL REVENUE PER PUPIL

1 MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION
2 PUPILS. IF A DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE SUM OF
3 THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL
4 ALLOCATION UNDER SUBSECTION (2), THERE IS NO PAYMENT CALCULATED
5 UNDER THIS SECTION FOR THE DISTRICT.

6 (4) PAYMENTS TO DISTRICTS SHALL NOT BE MADE UNDER THIS
7 SECTION. RATHER, THE CALCULATIONS UNDER THIS SECTION SHALL BE MADE
8 AND USED TO DETERMINE THE AMOUNT OF STATE PAYMENTS UNDER SECTION
9 22B.

10 SEC. 21. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
11 ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2016-2017 TO
12 MAKE SUPPLEMENTAL PAYMENTS TO ELIGIBLE DISTRICTS THAT ARE
13 IDENTIFIED UNDER SECTION 1280C OF THE REVISED SCHOOL CODE, MCL
14 380.1280C, AS BEING AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC
15 SCHOOLS IN THIS STATE.

16 (2) A DISTRICT IS ELIGIBLE TO RECEIVE THE SUPPLEMENTAL
17 PAYMENTS CALCULATED UNDER THIS SECTION FOR 3 CONSECUTIVE FISCAL
18 YEARS IF ALL OF THE FOLLOWING CONDITIONS ARE MET:

19 (A) THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS APPOINTED A
20 CHIEF EXECUTIVE OFFICER TO TAKE CONTROL OF 1 OR MORE PUBLIC SCHOOLS
21 IN THE DISTRICT, AS PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED
22 SCHOOL CODE, MCL 380.1280C, AND THERE IS AT LEAST 1 HIGH SCHOOL
23 OPERATED BY THE DISTRICT.

24 (B) AS DETERMINED BY THE SCHOOL REFORM OFFICE, AN INTERVENTION
25 AGREEMENT MEETING AT LEAST THE FOLLOWING CRITERIA HAS BEEN EXECUTED
26 BY THE STATE SCHOOL REFORM/REDESIGN OFFICER AND THE DISTRICT. THE
27 INTERVENTION AGREEMENT SHALL INCLUDE, BUT IS NOT LIMITED TO:

1 (i) THE RIGHTS AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE
2 OFFICER. HOWEVER, THE INTERVENTION AGREEMENT SHALL NOT MITIGATE THE
3 AUTHORITY OF THE CHIEF EXECUTIVE OFFICER PRESCRIBED IN APPLICABLE
4 STATUTE INCLUDING FINANCIAL AND EMPLOYMENT AUTHORITY.

5 (ii) THE ALLOCATION OF SUPPLEMENTAL PAYMENTS UNDER THIS
6 SECTION.

7 (iii) THE COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER.

8 (iv) THE ROLE OF THE DISTRICT'S BOARD AND OFFICERS DURING THE
9 INTERVENTION TERM.

10 (v) TERMINATION AND RENEWAL RIGHTS OF THE SCHOOL REFORM
11 OFFICE.

12 (vi) LIABILITY PROVISIONS FOR THE CHIEF EXECUTIVE OFFICER.

13 (vii) A DISPUTE RESOLUTION PROCESS.

14 (viii) THE LENGTH OF THE TERM OF THE AGREEMENT.

15 (ix) OTHER PROVISIONS AS DETERMINED BY THE SCHOOL REFORM
16 OFFICE FOR SUCCESSFUL IMPLEMENTATION OF THE CHIEF EXECUTIVE OFFICER
17 INTERVENTION.

18 (C) THE DISTRICT HAS NOT ENTERED INTO AND IS NOT CURRENTLY
19 OPERATING UNDER A LOCAL GOVERNMENT OPTION UNDER THE LOCAL FINANCIAL
20 STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575, OR
21 A SUCCESSOR ACT.

22 (3) THE STATE SCHOOL REFORM/REDESIGN OFFICER, AT LEAST
23 ANNUALLY, SHALL APPEAR IN PERSON BEFORE THE HOUSE AND SENATE
24 APPROPRIATIONS SUBCOMMITTEES RESPONSIBLE FOR SCHOOL AID TO PROVIDE
25 AN UPDATE ON THE YEARLY PROGRESS OF SCHOOLS UNDER THE CONTROL OF A
26 CHIEF EXECUTIVE OFFICER. IN ADDITION, THE STATE SCHOOL
27 REFORM/REDESIGN OFFICER SHALL PROVIDE A QUARTERLY REPORT CONCERNING

1 THE CHIEF EXECUTIVE OFFICER'S USE OF FUNDS TO INCREASE PUPIL
2 ACHIEVEMENT.

3 (4) THE SUPPLEMENTAL PAYMENT PROVIDED TO A DISTRICT UNDER THIS
4 SECTION SHALL BE CALCULATED BY MULTIPLYING THE DISTRICT'S
5 FOUNDATION ALLOWANCE BY 20% OF THE HIGH SCHOOL'S MEMBERSHIP FOR THE
6 PRIOR FISCAL YEAR. THE SAME DOLLAR AMOUNT SHALL CONTINUE TO BE
7 AVAILABLE TO THE DISTRICT FOR A MAXIMUM OF 3 YEARS, SUBJECT TO THE
8 CONDITIONS SPECIFIED IN SUBSECTION (2).

9 (5) FROM THE ALLOCATION IN SUBSECTION (1), IN ADDITION TO THE
10 SUPPLEMENTAL PAYMENTS CALCULATED UNDER SUBSECTION (4), THERE IS
11 ALLOCATED AN AMOUNT SUFFICIENT TO PAY FOR THE APPOINTMENT OF CHIEF
12 EXECUTIVE OFFICERS BY THE STATE SCHOOL REFORM/REDESIGN OFFICER, AS
13 PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED SCHOOL CODE, MCL
14 380.1280C.

15 (6) FOR THE PURPOSES OF THIS SECTION, A HIGH SCHOOL IS A
16 SCHOOL THAT OPERATES EXCLUSIVELY ALL OF GRADES 9 TO 12.

17 Sec. 21f. (1) ~~A pupil enrolled in a district in any of grades~~
18 ~~6 to 12 is eligible to enroll in an online course as provided for~~
19 ~~in this section.~~ A PRIMARY DISTRICT SHALL ENROLL AN ELIGIBLE PUPIL
20 IN VIRTUAL COURSES IN ACCORDANCE WITH THE PROVISIONS OF THIS
21 SECTION. A PRIMARY DISTRICT SHALL NOT OFFER A VIRTUAL COURSE TO AN
22 ELIGIBLE PUPIL UNLESS THE VIRTUAL COURSE IS PUBLISHED IN THE
23 PRIMARY DISTRICT'S CATALOG OF BOARD-APPROVED COURSES OR IN THE
24 STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN
25 VIRTUAL UNIVERSITY PURSUANT TO SECTION 98. THE PRIMARY DISTRICT
26 SHALL ALSO PROVIDE ON ITS PUBLICLY ACCESSIBLE WEBSITE A LINK TO THE
27 STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN

1 VIRTUAL UNIVERSITY. UNLESS THE PUPIL IS AT LEAST AGE 18 OR IS AN
2 EMANCIPATED MINOR, A PUPIL SHALL NOT BE ENROLLED IN A VIRTUAL
3 COURSE WITHOUT THE CONSENT OF THE PUPIL'S PARENT OR LEGAL GUARDIAN.

4 ~~(2) With the consent of the pupil's parent or legal guardian,~~
5 ~~a-SUBJECT TO SUBSECTION (3), A PRIMARY~~ district shall enroll an
6 eligible pupil in up to 2 ~~online-VIRTUAL~~ courses as requested by
7 the pupil during an academic term, semester, or trimester. ~~Unless~~
8 ~~the pupil is newly enrolled in the pupil's primary district, the~~
9 ~~request for online course enrollment must be made in the academic~~
10 ~~term, semester, trimester, or summer preceding the enrollment. A~~
11 ~~district may not establish additional requirements that would~~
12 ~~prohibit a pupil from taking an online course. If a pupil has~~
13 ~~demonstrated previous success with online courses and the school~~
14 ~~leadership and the pupil's parent or legal guardian determine that~~
15 ~~it is in the best interest of the pupil, a pupil may be enrolled in~~
16 ~~more than 2 online courses in a specific academic term, semester,~~
17 ~~or trimester. Consent of the pupil's parent or legal guardian is~~
18 ~~not required if the pupil is at least age 18 or is an emancipated~~
19 ~~minor.~~

20 ~~——(3) An eligible pupil may enroll in an online course published~~
21 ~~in the pupil's primary district's catalog of online courses~~
22 ~~described in subsection (7) (a) or the statewide catalog of online~~
23 ~~courses maintained by the Michigan Virtual University pursuant to~~
24 ~~section 98.~~

25 (3) A PUPIL MAY BE ENROLLED IN MORE THAN 2 VIRTUAL COURSES IN
26 A SPECIFIC ACADEMIC TERM, SEMESTER, OR TRIMESTER IF ALL OF THE
27 FOLLOWING CONDITIONS ARE MET:

1 (A) THE PRIMARY DISTRICT HAS DETERMINED THAT IT IS IN THE BEST
2 INTEREST OF THE PUPIL.

3 (B) THE PUPIL AGREES WITH THE RECOMMENDATION OF THE PRIMARY
4 DISTRICT.

5 (C) THE PRIMARY DISTRICT, IN COLLABORATION WITH THE PUPIL, HAS
6 DEVELOPED AN EDUCATION DEVELOPMENT PLAN, IN A FORM AND MANNER
7 SPECIFIED BY THE DEPARTMENT, THAT IS KEPT ON FILE BY THE DISTRICT.

8 ~~(4) A providing district or community college shall determine~~
9 ~~whether or not it has capacity to accept applications for~~
10 ~~enrollment from nonresident applicants in online courses and may~~
11 ~~use that limit as the reason for refusal to enroll an applicant. If~~
12 ~~the number of nonresident applicants eligible for acceptance in an~~
13 ~~online~~ **A VIRTUAL** ~~course does not exceed the capacity of the~~
14 ~~providing district or community college~~ **PROVIDER** ~~to provide the~~
15 ~~online~~ **VIRTUAL** ~~course, the providing district or community college~~
16 **PROVIDER** ~~shall accept for enrollment all of the nonresident~~
17 ~~applicants eligible for acceptance. If the number of nonresident~~
18 ~~applicants exceeds the providing district's or community college's~~
19 **PROVIDER'S** ~~capacity to provide the online~~ **VIRTUAL** ~~course, the~~
20 ~~providing district or community college~~ **PROVIDER** ~~shall use a random~~
21 ~~draw system, subject to the need to abide by state and federal~~
22 ~~antidiscrimination laws and court orders. A PRIMARY DISTRICT THAT~~
23 **IS ALSO A PROVIDER SHALL DETERMINE WHETHER OR NOT IT HAS THE**
24 **CAPACITY TO ACCEPT APPLICATIONS FOR ENROLLMENT FROM NONRESIDENT**
25 **APPLICANTS IN VIRTUAL COURSES AND MAY USE THAT LIMIT AS THE REASON**
26 **FOR REFUSAL TO ENROLL A NONRESIDENT APPLICANT.**

27 (5) A PRIMARY DISTRICT MAY NOT ESTABLISH ADDITIONAL

1 REQUIREMENTS BEYOND THOSE SPECIFIED IN THIS SUBSECTION THAT WOULD
 2 PROHIBIT A PUPIL FROM TAKING A VIRTUAL COURSE. A pupil's primary
 3 district may deny the pupil enrollment in an online course if any
 4 of the following apply, as determined by the district:

5 (A) THE PUPIL IS ENROLLED IN ANY OF GRADES K TO 5.

6 (B) ~~(a)~~—The pupil has previously gained the credits **THAT WOULD**
 7 **BE** provided from the completion of the ~~online~~**VIRTUAL** course.

8 (C) ~~(b)~~—The ~~online~~**VIRTUAL** course is not capable of generating
 9 academic credit.

10 (D) ~~(c)~~—The ~~online~~**VIRTUAL** course is inconsistent with the
 11 remaining graduation requirements or career interests of the pupil.

12 ~~—— (d) The pupil does not possess the prerequisite knowledge and~~
 13 ~~skills to be successful in the online course or has demonstrated~~
 14 ~~failure in previous online coursework in the same subject.~~

15 (E) THE PUPIL HAS NOT COMPLETED THE PREREQUISITE COURSEWORK
 16 FOR THE REQUESTED VIRTUAL COURSE OR HAS NOT DEMONSTRATED
 17 PROFICIENCY IN THE PREREQUISITE COURSE CONTENT.

18 (F) THE PUPIL HAS FAILED A PREVIOUS VIRTUAL COURSE IN THE SAME
 19 SUBJECT DURING THE 2 MOST RECENT ACADEMIC YEARS.

20 (G) ~~(e)~~—The ~~online~~**VIRTUAL** course is of insufficient quality
 21 or rigor. A **PRIMARY** district that denies a pupil enrollment **REQUEST**
 22 for this reason shall ~~make a reasonable effort to assist the pupil~~
 23 ~~to find an alternative course~~**ENROLL THE PUPIL IN A VIRTUAL COURSE**
 24 in the same or a similar subject that **THE PRIMARY DISTRICT**
 25 **DETERMINES** is of acceptable rigor and quality.

26 (H) ~~(f)~~—The cost of the ~~online~~**VIRTUAL** course exceeds the
 27 amount identified in subsection ~~(10)~~, **(9)**, unless the **PUPIL OR THE**

1 pupil's parent or legal guardian agrees to pay the cost that
2 exceeds this amount.

3 (I) ~~(g)~~ The ~~online course enrollment request does~~ **FOR A**
4 **VIRTUAL COURSE ENROLLMENT DID** not occur within the same timelines
5 established by the primary district for enrollment and schedule
6 changes for regular courses.

7 (J) **THE REQUEST FOR A VIRTUAL COURSE ENROLLMENT WAS NOT MADE**
8 **IN THE ACADEMIC TERM, SEMESTER, TRIMESTER, OR SUMMER PRECEDING THE**
9 **ENROLLMENT. THIS SUBDIVISION DOES NOT APPLY TO A REQUEST MADE BY A**
10 **PUPIL WHO IS NEWLY ENROLLED IN THE PRIMARY DISTRICT.**

11 (6) If a pupil is denied enrollment in ~~an online~~ **A VIRTUAL**
12 course by the pupil's primary district, the **PRIMARY DISTRICT SHALL**
13 **PROVIDE WRITTEN NOTIFICATION TO THE PUPIL OF THE DENIAL, THE REASON**
14 **OR REASONS FOR THE DENIAL PURSUANT TO SUBSECTION (5), AND A**
15 **DESCRIPTION OF THE APPEAL PROCESS. THE** pupil may appeal the denial
16 by submitting a letter to the superintendent of the intermediate
17 district in which the pupil's primary district is located. The
18 letter of appeal shall include the reason provided by the primary
19 district for not enrolling the pupil and the reason why the pupil
20 is claiming that the enrollment should be approved. The
21 intermediate district superintendent or designee shall respond to
22 the appeal within 5 days after it is received. If the intermediate
23 district superintendent or designee determines that the denial of
24 enrollment does not meet 1 or more of the reasons specified in
25 subsection (5), the primary district shall ~~allow~~ **ENROLL** the pupil
26 ~~to enroll in the online~~ **VIRTUAL** course.

27 (7) To provide ~~an online~~ **A VIRTUAL** course **TO AN ELIGIBLE PUPIL**

under this section, ~~the providing district or intermediate district~~
A PROVIDER shall do all of the following:

(a) ~~Provide the Michigan Virtual University with the course syllabus in a form and method prescribed by the Michigan Virtual University for inclusion in a statewide online course catalog. The district or intermediate district shall also provide on its publicly accessible website a link to the course syllabi for all of the online courses offered by the district or intermediate district and a link to the statewide catalog of online courses maintained by the Michigan Virtual University.~~ **ENSURE THAT THE VIRTUAL COURSE HAS BEEN PUBLISHED IN THE PUPIL'S PRIMARY DISTRICT'S CATALOG OF BOARD-APPROVED COURSES OR PUBLISHED IN THE STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY.**

(b) Assign to each pupil a teacher of record and provide the primary district with the ~~personal~~-**PERSONNEL** identification code **ASSIGNED BY THE CENTER** for the teacher of record. **IF THE PROVIDER IS A COMMUNITY COLLEGE, THE VIRTUAL COURSE MUST BE TAUGHT BY AN INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.**

(c) Offer the ~~online~~-**VIRTUAL** course on an open entry and exit method, or aligned to a semester, trimester, or accelerated academic term format.

(D) IF THE VIRTUAL COURSE IS OFFERED TO ELIGIBLE PUPILS IN MORE THAN 1 DISTRICT, THE FOLLOWING ADDITIONAL REQUIREMENTS MUST ALSO BE MET:

(i) **PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH A COURSE SYLLABUS THAT MEETS THE DEFINITION UNDER SUBSECTION (14)(G) IN A**

1 FORM AND MANNER PRESCRIBED BY THE MICHIGAN VIRTUAL UNIVERSITY FOR
2 INCLUSION IN A STATEWIDE CATALOG OF VIRTUAL COURSES.

3 (ii) ~~(d) Not later than October 1, 2015,~~ **OF EACH FISCAL YEAR,**
4 provide the Michigan Virtual University with ~~the number of~~
5 ~~enrollments in each online~~ **AN AGGREGATED COUNT OF ENROLLMENTS FOR**
6 **EACH VIRTUAL** course the ~~district or intermediate district provided~~
7 **PROVIDER DELIVERED** to pupils pursuant to this section ~~in~~ **DURING** the
8 immediately preceding school year, and the number of enrollments in
9 which the pupil earned 60% or more of the total course points for
10 each ~~online~~ **VIRTUAL** course.

11 (8) To provide an online course under this section, a
12 community college shall ~~do all of the following:~~

13 ~~—— (a) Provide the Michigan Virtual University with the course~~
14 ~~syllabus in a form and method prescribed by the Michigan Virtual~~
15 ~~University for inclusion in a statewide online course catalog.~~

16 ~~—— (b) Offer the online course on an open entry and exit method,~~
17 ~~or aligned to a semester, trimester, or accelerated academic term~~
18 ~~format.~~

19 ~~—— (c) Ensure~~ **ENSURE** that each online course it provides under
20 this section generates postsecondary credit.

21 ~~—— (d) Beginning with October 1, 2016, and by October 1 of each~~
22 ~~year thereafter, provide the Michigan Virtual University with the~~
23 ~~number of enrollments in each online course the community college~~
24 ~~provided to pupils pursuant to this section in the immediately~~
25 ~~preceding school year, and the number of enrollments in which the~~
26 ~~pupil earned 60% or more of the total course points for each online~~
27 ~~course.~~

~~1 (c) Be taught by an instructor employed by or contracted
2 through the community college.~~

3 (9) For any ~~online~~**VIRTUAL** course a pupil enrolls in under
4 this section, the pupil's primary district must assign to the pupil
5 a mentor ~~to monitor the pupil's progress during the online course~~
6 and shall supply the ~~providing district~~**PROVIDER** with the mentor's
7 contact information.

8 (10) For a pupil enrolled in 1 or more ~~online~~**VIRTUAL** courses,
9 ~~published in the pupil's primary district's catalog of online~~
10 ~~courses under subsection (7) or in the statewide catalog of online~~
11 ~~courses maintained by the Michigan Virtual University,~~ the primary
12 district shall use foundation allowance or per-pupil funds
13 calculated under section 20 to pay for the expenses associated with
14 the ~~online~~**VIRTUAL** course or courses. A **PRIMARY** district is not
15 required to pay toward the cost of ~~an online~~**A VIRTUAL** course an
16 amount that exceeds 6.67% of the minimum foundation allowance for
17 the current fiscal year as calculated under section 20.

18 (11) ~~An online~~**A VIRTUAL** learning pupil shall have the same
19 rights and access to technology in his or her primary district's
20 school facilities as all other pupils enrolled in the pupil's
21 primary district. **THE DEPARTMENT SHALL ESTABLISH STANDARDS FOR**
22 **HARDWARE, SOFTWARE, AND INTERNET ACCESS FOR PUPILS WHO ARE ENROLLED**
23 **IN MORE THAN 2 VIRTUAL COURSES IN AN ACADEMIC TERM, SEMESTER, OR**
24 **TRIMESTER TAKEN AT A LOCATION OTHER THAN A SCHOOL FACILITY.**

25 (12) If a pupil successfully completes ~~an online~~**A VIRTUAL**
26 course, as determined by the pupil's primary district, the pupil's
27 primary district shall grant appropriate academic credit for

1 completion of the course and shall count that credit toward
 2 completion of graduation and subject area requirements. A pupil's
 3 school record and transcript shall identify the ~~online-VIRTUAL~~
 4 course title as it appears in the ~~online-VIRTUAL~~ course syllabus.

5 (13) The enrollment of a pupil in 1 or more ~~online-VIRTUAL~~
 6 courses shall not result in a pupil being counted as more than 1.0
 7 full-time equivalent pupils under this article. **THE MINIMUM**
 8 **REQUIREMENTS TO COUNT THE PUPIL IN MEMBERSHIP ARE THOSE ESTABLISHED**
 9 **BY THE PUPIL ACCOUNTING MANUAL AS IT WAS IN EFFECT FOR THE 2015-**
 10 **2016 SCHOOL YEAR OR AS SUBSEQUENTLY AMENDED BY THE DEPARTMENT IF**
 11 **THE DEPARTMENT NOTIFIES THE LEGISLATURE ABOUT THE PROPOSED**
 12 **AMENDMENT AT LEAST 60 DAYS BEFORE THE AMENDMENT BECOMES EFFECTIVE.**

13 ~~—— (14) The portion of the full-time equated pupil membership for~~
 14 ~~which a pupil is enrolled in 1 or more online courses under this~~
 15 ~~section shall not be transferred under the pupil transfer process~~
 16 ~~under section 25e.~~

17 (14) ~~(15)~~ As used in this section:

18 (A) "INSTRUCTOR" MEANS AN INDIVIDUAL WHO IS EMPLOYED BY OR
 19 CONTRACTED THROUGH A COMMUNITY COLLEGE.

20 (B) ~~(a)~~ "Mentor" means a professional employee of the primary
 21 district who monitors the pupil's progress, ensures the pupil has
 22 access to needed technology, is available for assistance, and
 23 ensures access to the teacher of record. A mentor may also serve as
 24 the teacher of record if **THE PRIMARY DISTRICT IS THE PROVIDER FOR**
 25 **THE VIRTUAL COURSE AND** the mentor meets the requirements under
 26 subdivision ~~(g)~~ **(E)**.

27 ~~—— (b) "Online course" means a course of study that is capable of~~

~~generating a credit or a grade, that is provided in an interactive Internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and, if the course is provided by a district or intermediate district, in which a teacher who holds a valid Michigan teaching certificate that qualifies the teacher to teach the course is responsible for providing instruction, determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.~~

~~—— (c) "Online course syllabus" means a document that includes all of the following:~~

~~—— (i) The state academic standards addressed in an online course.~~

~~—— (ii) The online course content outline.~~

~~—— (iii) The online course required assessments.~~

~~—— (iv) The online course prerequisites.~~

~~—— (v) Expectations for actual instructor contact time with the online learning pupil and other pupil to instructor communications.~~

~~—— (vi) Academic support available to the online learning pupil.~~

~~—— (vii) The online course learning outcomes and objectives.~~

~~—— (viii) The name of the institution or organization providing the online content.~~

~~—— (ix) The name of the institution or organization providing the online instructor.~~

~~—— (x) The course titles assigned by the district or intermediate district and the course titles and course codes from the National~~

~~Center for Education Statistics (NCES) school codes for the exchange of data (SCED).~~

~~—— (xi) The number of eligible nonresident pupils that will be accepted by the district or intermediate district in the online course.~~

~~—— (xii) The results of the online course quality review using the guidelines and model review process published by the Michigan Virtual University.~~

~~—— (d) "Online learning pupil" means a pupil enrolled in 1 or more online courses.~~

(C) ~~(e)~~ "Primary district" means the district that enrolls the pupil and reports the pupil as a ~~full-time equated pupil~~ for pupil membership purposes.

(D) ~~(f)~~ ~~"Providing district"~~ **"PROVIDER"** means the district, intermediate district, or community college that the primary district pays to provide the ~~online-VIRTUAL~~ course **OR THE MICHIGAN VIRTUAL UNIVERSITY IF IT IS PROVIDING THE VIRTUAL COURSE.**

(E) ~~(g)~~ "Teacher of record" means a teacher who holds a valid Michigan teaching certificate, who, if applicable, is endorsed in the subject area and grade of the online course, and is responsible for providing instruction, determining instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies. **MEETS ALL OF THE FOLLOWING:**

(i) **HOLDS A VALID MICHIGAN TEACHING CERTIFICATE OR A TEACHING PERMIT RECOGNIZED BY THE DEPARTMENT.**

1 (ii) IF APPLICABLE, IS ENDORSED IN THE SUBJECT AREA AND GRADE
2 OF THE VIRTUAL COURSE.

3 (iii) IS RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING
4 INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS,
5 ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION STRATEGIES AND
6 MODIFYING LESSONS, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS
7 OF INSTRUCTION AND SUPPORT STRATEGIES.

8 (iv) HAS A PERSONNEL IDENTIFICATION CODE PROVIDED BY THE
9 CENTER.

10 (v) IF THE PROVIDER IS A COMMUNITY COLLEGE, IS AN INSTRUCTOR
11 EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.

12 (f) "VIRTUAL COURSE" MEANS A COURSE OF STUDY THAT IS CAPABLE
13 OF GENERATING A CREDIT OR A GRADE AND THAT IS PROVIDED IN AN
14 INTERACTIVE LEARNING ENVIRONMENT WHERE THE MAJORITY OF THE
15 CURRICULUM IS DELIVERED USING THE INTERNET AND IN WHICH PUPILS MAY
16 BE SEPARATED FROM THEIR INSTRUCTOR OR TEACHER OF RECORD BY TIME OR
17 LOCATION, OR BOTH.

18 (g) "VIRTUAL COURSE SYLLABUS" MEANS A DOCUMENT THAT INCLUDES
19 ALL OF THE FOLLOWING:

20 (i) AN ALIGNMENT DOCUMENT DETAILING HOW THE COURSE MEETS
21 APPLICABLE STATE STANDARDS OR, IF THE STATE DOES NOT HAVE STATE
22 STANDARDS, NATIONALLY RECOGNIZED STANDARDS.

23 (ii) THE VIRTUAL COURSE CONTENT OUTLINE.

24 (iii) THE VIRTUAL COURSE REQUIRED ASSESSMENTS.

25 (iv) THE VIRTUAL COURSE PREREQUISITES.

26 (v) EXPECTATIONS FOR ACTUAL INSTRUCTOR OR TEACHER OF RECORD
27 CONTACT TIME WITH THE VIRTUAL LEARNING PUPIL AND OTHER

1 COMMUNICATIONS BETWEEN A PUPIL AND THE INSTRUCTOR OR TEACHER OF
2 RECORD.

3 (vi) ACADEMIC SUPPORT AVAILABLE TO THE VIRTUAL LEARNING PUPIL.

4 (vii) THE VIRTUAL COURSE LEARNING OUTCOMES AND OBJECTIVES.

5 (viii) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING
6 THE VIRTUAL CONTENT.

7 (ix) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE
8 INSTRUCTOR OR TEACHER OF RECORD.

9 (x) THE COURSE TITLES ASSIGNED BY THE PROVIDER AND THE COURSE
10 TITLES AND COURSE CODES FROM THE NATIONAL CENTER FOR EDUCATION
11 STATISTICS (NCES) SCHOOL CODES FOR THE EXCHANGE OF DATA (SCED).

12 (xi) THE NUMBER OF ELIGIBLE PUPILS THAT WILL BE ACCEPTED BY
13 THE PROVIDER IN THE VIRTUAL COURSE. A PRIMARY DISTRICT THAT IS ALSO
14 THE PROVIDER MAY LIMIT THE ENROLLMENT TO THOSE PUPILS ENROLLED IN
15 THE PRIMARY DISTRICT.

16 (xii) THE RESULTS OF THE VIRTUAL COURSE QUALITY REVIEW USING
17 THE GUIDELINES AND MODEL REVIEW PROCESS PUBLISHED BY THE MICHIGAN
18 VIRTUAL UNIVERSITY.

19 (H) "VIRTUAL LEARNING PUPIL" MEANS A PUPIL ENROLLED IN 1 OR
20 MORE VIRTUAL COURSES.

21 SEC. 21G. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
22 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR
23 2016-2017 FOR A GRANT TO A PUBLIC-PRIVATE PARTNERSHIP, LED BY THE
24 MICHIGAN CENTER OF INNOVATION IN EDUCATION, A MICHIGAN-BASED
25 NONPROFIT ORGANIZATION THAT IS EXEMPT FROM FEDERAL TAXES UNDER
26 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501(C)(3),
27 IN PARTNERSHIP WITH THE MICHIGAN ASSOCIATION OF INTERMEDIATE SCHOOL

1 ADMINISTRATORS, AND IN COORDINATION WITH THE DEPARTMENT AND THE
2 CENTER, TO DEVELOP AND PILOT A COMPETENCY-BASED TRANSCRIPT AND
3 MARKETPLACE TO PROVIDE ENHANCED CHOICE TO PUPILS AND PARENTS FOR
4 THE COMPLETION OF THE REQUIREMENTS FOR A HIGH SCHOOL DIPLOMA UNDER
5 THE MICHIGAN MERIT STANDARD UNDER SECTIONS 1278A AND 1278B OF THE
6 REVISED SCHOOL CODE, MCL 380.1278A AND 380.1278B.

7 (2) THE PARTNERSHIP UNDER SUBSECTION (1) SHALL DO ALL OF THE
8 FOLLOWING:

9 (A) ESTABLISH AN ARTICULATION FRAMEWORK FOR MICHIGAN ACADEMIC,
10 TECHNICAL, AND GLOBAL COMPETENCIES OF PREKINDERGARTEN THROUGH HIGH
11 SCHOOL DIPLOMA REQUIREMENTS, INCLUDING PROVIDING FOR CAREER AND
12 TECHNICAL AND DUAL ENROLLMENT OPPORTUNITIES.

13 (B) ESTABLISH ASSESSMENT CRITERIA FOR MEASURING THESE
14 COMPETENCIES AND AWARDING UNIVERSALLY RECOGNIZED CREDENTIALS,
15 MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS FOR DEMONSTRATED
16 COMPETENCIES INDEPENDENT OF STATE-ADMINISTERED ASSESSMENTS.

17 (C) IDENTIFY A MEANS OF ACCREDITING EDUCATION SERVICE
18 PROVIDERS AS COMPETENCY-BASED CREDENTIALING ORGANIZATIONS TO
19 FACILITATE ANY-TIME, ANY-PACE, ANY-WAY, ANY-PLACE LEARNING SUCH
20 THAT CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS CAN
21 BE EARNED INSIDE AND OUTSIDE TRADITIONAL CLASSROOM SETTINGS.

22 (D) DEVELOP AND PILOT A PUPIL-OWNED TRANSCRIPT THAT SATISFIES
23 POSTSECONDARY INSTITUTION REQUIREMENTS FOR ADMISSION AND ALLOWS
24 PUPILS TO ACCUMULATE CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND
25 MICRO-CREDITS REQUIRED FOR HIGH SCHOOL GRADUATION, POSTSECONDARY
26 MATRICULATION, AND EARLY CAREER SUCCESS.

27 (E) ESTABLISH AND PILOT A MARKETPLACE OF ACCREDITED EDUCATION

1 SERVICE PROVIDERS TO PROVIDE ENHANCED CHOICE FOR PUPILS AND PARENTS
2 WHEN SELECTING CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-
3 CREDITS NEEDED TO SATISFY MICHIGAN HIGH SCHOOL DIPLOMA
4 REQUIREMENTS, INCLUDING CAREER AND TECHNICAL AND DUAL ENROLLMENT
5 OPPORTUNITIES.

6 (3) ACCREDITED EDUCATION SERVICE PROVIDERS SHALL INCLUDE, BUT
7 ARE NOT LIMITED TO, THE FOLLOWING:

8 (A) DISTRICTS AND PUBLIC CAREER AND TECHNICAL PROGRAMS.

9 (B) PRESCHOOL, AFTER-SCHOOL, AND OTHER QUALIFYING PROGRAMS.

10 (C) MUSEUMS, HISTORICAL SOCIETIES, SCIENCE CENTERS, AND OTHER
11 COMMUNITY EDUCATION ORGANIZATIONS.

12 (D) BUSINESS AND CIVIC ORGANIZATIONS AND OTHER INSTITUTIONS
13 PROVIDING INTERNSHIP AND APPRENTICESHIP OPPORTUNITIES.

14 (E) COMMUNITY COLLEGES, TRADE SCHOOLS, AND UNIVERSITIES
15 OFFERING DUAL ENROLLMENT OPPORTUNITIES.

16 (4) THE TRANSCRIPT AND MARKETPLACE SHALL DO ALL OF THE
17 FOLLOWING:

18 (A) USE MICHIGAN-SPECIFIC ACADEMIC STANDARDS WHEN DEFINING
19 ACADEMIC COMPETENCIES.

20 (B) USE INDUSTRY STANDARDS FOR THE COMPETENCY ASSESSMENT.

21 (C) USE INDUSTRY STANDARDS FOR ARTICULATING AND TRANSCRIPTING
22 OF CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS.

23 (D) OFFER ITS SERVICES AT NO COST TO PUPILS OR PARENTS.

24 (5) NOT MORE THAN 50% OF THE FUNDS AWARDED TO A GRANTEE UNDER
25 THIS SECTION SHALL BE INITIALLY DISTRIBUTED TO THE GRANTEE. TO
26 RECEIVE THE REMAINING DISTRIBUTION OF FUNDS, THE GRANTEE SHALL
27 PROVIDE TO THE DEPARTMENT A PROGRESS REPORT ON THE DEVELOPMENT AND

1 PILOTING OF THE COMPETENCY-BASED TRANSCRIPT AND MARKETPLACE
 2 DESCRIBED IN THIS SECTION, AND THE DEPARTMENT SHALL ONLY RELEASE
 3 THE REMAINING FUNDS IF, UPON REVIEW OF THIS PROGRESS REPORT, THE
 4 DEPARTMENT DETERMINES THAT SUFFICIENT PROGRESS HAS BEEN MADE BY THE
 5 GRANTEE.

6 (6) UPON COMPLETION OF THE PILOT DESCRIBED IN THIS SECTION,
 7 THE GRANTEE SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE
 8 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID DETAILING THE PROJECT'S
 9 EXPENDITURES, PUPILS SERVED, SUCCESSES AND CHALLENGES, AND
 10 FEASIBILITY FOR EXPANDING THE PROJECT STATEWIDE.

11 Sec. 22a. (1) From the appropriation in section 11, there is
 12 allocated ~~an amount not to exceed \$5,377,000,000.00 for 2014-2015~~
 13 ~~and an amount not to exceed \$5,281,700,000.00~~ **\$5,260,000,000.00** for
 14 2015-2016 **AND AN AMOUNT NOT TO EXCEED \$5,205,000,000.00 FOR 2016-**
 15 **2017** for payments to districts and qualifying public school
 16 academies to guarantee each district and qualifying public school
 17 academy an amount equal to its 1994-95 total state and local per
 18 pupil revenue for school operating purposes under section 11 of
 19 article IX of the state constitution of 1963. Pursuant to section
 20 11 of article IX of the state constitution of 1963, this guarantee
 21 does not apply to a district in a year in which the district levies
 22 a millage rate for school district operating purposes less than it
 23 levied in 1994. However, subsection (2) applies to calculating the
 24 payments under this section. Funds allocated under this section
 25 that are not expended in the state fiscal year for which they were
 26 allocated, as determined by the department, may be used to
 27 supplement the allocations under sections 22b and 51c in order to

1 fully fund those calculated allocations for the same fiscal year.

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

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

1 district that is nonexempt property and taxable value per
2 membership pupil of property in the receiving district that is
3 commercial personal property do not include property within the
4 geographic area of the dissolved district; ad valorem property tax
5 revenue of the receiving district captured under tax increment
6 financing acts does not include ad valorem property tax revenue
7 captured within the geographic boundaries of the dissolved district
8 under tax increment financing acts; and certified mills do not
9 include the certified mills of the dissolved district.

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

1 district to satisfy debt obligations of the dissolved district
2 under section 12 of the revised school code, MCL 380.12, ad valorem
3 property tax revenue captured under tax increment financing acts do
4 not include ad valorem property tax revenue captured within the
5 geographic boundaries of the dissolved district under tax increment
6 financing acts.

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

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

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

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

8 (6) Payments under this section are subject to section 25f.

9 (7) As used in this section:

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

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

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

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

1 value of property within the geographic area of the dissolved
2 district.

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

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

25 (g) "Homestead", "qualified agricultural property", "qualified
26 forest property", "supportive housing property", "industrial
27 personal property", and "commercial personal property" mean those

1 terms as defined in section 1211 of the revised school code, MCL
2 380.1211.

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

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

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

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

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

21 (m) "Tax increment financing acts" means 1975 PA 197, MCL
22 125.1651 to 125.1681, the tax increment finance authority act, 1980
23 PA 450, MCL 125.1801 to 125.1830, the local development financing
24 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
25 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
26 or the corridor improvement authority act, 2005 PA 280, MCL
27 125.2871 to 125.2899.

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

3 (i) For the number of mills by which the exemption from the
4 levy of school operating taxes on a homestead, qualified
5 agricultural property, qualified forest property, supportive
6 housing property, industrial personal property, commercial personal
7 property, and property occupied by a public school academy may be
8 reduced as provided in section 1211 of the revised school code, MCL
9 380.1211, the taxable value of homestead, qualified agricultural
10 property, qualified forest property, supportive housing property,
11 industrial personal property, commercial personal property, and
12 property occupied by a public school academy for the calendar year
13 ending in the current state fiscal year. For a receiving district,
14 if school operating taxes are to be levied on behalf of a dissolved
15 district that has been attached in whole or in part to the
16 receiving district to satisfy debt obligations of the dissolved
17 district under section 12 of the revised school code, MCL 380.12,
18 mills do not include mills within the geographic area of the
19 dissolved district.

20 (ii) For the number of mills of school operating taxes that
21 may be levied on all property as provided in section 1211(2) of the
22 revised school code, MCL 380.1211, the taxable value of all
23 property for the calendar year ending in the current state fiscal
24 year. For a receiving district, if school operating taxes are to be
25 levied on behalf of a dissolved district that has been attached in
26 whole or in part to the receiving district to satisfy debt
27 obligations of the dissolved district under section 12 of the

1 revised school code, MCL 380.12, school operating taxes do not
 2 include school operating taxes levied within the geographic area of
 3 the dissolved district.

4 Sec. 22b. (1) ~~From the appropriation in section 11, FOR~~
 5 **DISCRETIONARY NONMANDATED PAYMENTS TO DISTRICTS UNDER THIS SECTION,**
 6 **THERE IS ALLOCATED FROM THE APPROPRIATION IN SECTION 11 AN AMOUNT**
 7 **NOT TO EXCEED \$3,692,000,000.00 FOR 2015-2016, AND** there is
 8 allocated **FOR 2016-2017** an amount not to exceed ~~\$3,440,000,000.00~~
 9 ~~for 2014-2015 and an amount not to exceed \$3,728,000,000.00 for~~
 10 ~~2015-2016 for discretionary nonmandated payments to districts under~~
 11 ~~this section. Funds \$3,828,000,000.00 FROM THE STATE SCHOOL AID~~
 12 **FUND AND GENERAL FUND APPROPRIATIONS IN SECTION 11 AND AN AMOUNT**
 13 **NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION**
 14 **TRUST FUND APPROPRIATION IN SECTION 11. EXCEPT FOR MONEY ALLOCATED**
 15 **FROM THE COMMUNITY DISTRICT TRUST FUND, MONEY** allocated under this
 16 section that ~~are~~**IS** not expended in the state fiscal year for which
 17 ~~they were~~**IT WAS** allocated, as determined by the department, may be
 18 used to supplement the allocations under sections 22a and 51c in
 19 order to fully fund those calculated allocations for the same
 20 fiscal year.

21 (2) Subject to subsection (3) and section 296, the allocation
 22 to a district under this section shall be an amount equal to the
 23 sum of the amounts calculated under sections 20, **20M**, 51a(2),
 24 51a(3), and 51a(11), minus the sum of the allocations to the
 25 district under sections 22a and 51c.

26 (3) In order to receive an allocation under subsection (1),
 27 each district shall 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 (4) Districts are encouraged to use funds allocated under this
12 section for the purchase and support of payroll, human resources,
13 and other business function software that is compatible with that
14 of the intermediate district in which the district is located and
15 with other districts located within that intermediate district.

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

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

1 section.

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

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

26 (9) If a claim is made in court that challenges the
27 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 shall have
6 and 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 shall be completed upon
26 resolution of the litigation. In addition, this state reserves the
27 right to terminate future federal title XIX Medicaid reimbursement

1 payments to districts if the amount or allocation of reimbursed
2 funds is challenged in the lawsuit. As used in this subsection,
3 "title XIX" means title XIX of the social security act, 42 USC 1396
4 to 1396v.

5 ~~—— (12) Payments under this section are subject to section 25g.~~

6 Sec. 22d. (1) From the appropriation in section 11, an amount
7 not to exceed \$5,000,000.00 is allocated for ~~2015-2016~~**2016-2017**
8 for supplemental payments to rural districts under this section.

9 (2) From the allocation under subsection (1), there is
10 allocated for ~~2015-2016~~**2016-2017** an amount not to exceed
11 \$957,300.00 for payments under this subsection to districts that
12 meet all of the following:

13 (a) Operates grades K to 12.

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

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

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

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

20 (3) The amount of the additional funding to each eligible
21 district under subsection (2) shall be determined under a spending
22 plan developed as provided in this subsection and approved by the
23 superintendent of public instruction. The spending plan shall be
24 developed cooperatively by the intermediate superintendents of each
25 intermediate district in which an eligible district is located. The
26 intermediate superintendents shall review the financial situation
27 of each eligible district, determine the minimum essential

1 financial needs of each eligible district, and develop and agree on
2 a spending plan that distributes the available funding under
3 subsection (2) to the eligible districts based on those financial
4 needs. The intermediate superintendents shall submit the spending
5 plan to the superintendent of public instruction for approval. Upon
6 approval by the superintendent of public instruction, the amounts
7 specified for each eligible district under the spending plan are
8 allocated under subsection (2) and shall be paid to the eligible
9 districts in the same manner as payments under section 22b.

10 (4) Subject to subsection (6), from the allocation in
11 subsection (1), there is allocated for ~~2015-2016~~**2016-2017** an
12 amount not to exceed \$4,042,700.00 for payments under this
13 subsection to districts that have 7.3 or fewer pupils per square
14 mile as determined by the department.

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

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

19 Sec. 22g. (1) From the funds appropriated in section 11, there
20 is allocated for ~~2015-2016~~**2016-2017** only an amount not to exceed
21 ~~\$5,000,000.00~~**\$500,000.00** for competitive assistance grants to
22 districts and intermediate districts.

23 (2) Funds received under this section may be used for
24 reimbursement of transition costs associated with the **DISSOLUTION**,
25 consolidation, or annexation of districts or intermediate
26 districts. Grant funding shall be available for **DISSOLUTIONS**,
27 consolidations, or annexations that occur on or after June 1, ~~2015-~~

1 2016. Districts may spend funds allocated under this section over 3
2 fiscal years.

3 (3) IN ADDITION TO THE AMOUNT ALLOCATED UNDER SUBSECTION (1),
4 FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR
5 2016-2017 AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR GRANTS TO
6 DISTRICTS OR INTERMEDIATE DISTRICTS THAT RECEIVED A GRANT UNDER
7 THIS SECTION AS IT WAS IN EFFECT FOR 2015-2016 FOR REIMBURSEMENT OF
8 REMAINING TRANSITION COSTS ASSOCIATED WITH A DISSOLUTION,
9 CONSOLIDATION, OR ANNEXATION THAT WAS APPROVED DURING 2015-2016 BY
10 THE SCHOOL ELECTORS OF THE APPLICABLE DISTRICT OR INTERMEDIATE
11 DISTRICT.

12 Sec. 23a. (1) A dropout recovery program operated by a
13 district qualifies for the special membership counting provisions
14 of section 6(4)(dd) and the hours and day of pupil instruction
15 exemption under section 101(12) if the dropout recovery program
16 meets all of the following:

17 (a) Enrolls only eligible pupils.

18 (b) Provides an advocate. An advocate may serve in that role
19 for more than 1 pupil but no more than 50 pupils. An advocate may
20 be employed by the district or may be provided by an education
21 management organization that is partnering with the district.
22 Before an individual is assigned to be an advocate for a pupil in
23 the dropout recovery program, the district shall comply with
24 sections 1230 and 1230a of the revised school code, MCL 380.1230
25 and 380.1230a, with respect to that individual.

26 (c) Develops a written learning plan.

27 (d) Monitors the pupil's progress against the written learning

1 plan.

2 (e) Requires each pupil to make satisfactory monthly progress,
3 as defined by the district under subsection (2).

4 (f) Reports the pupil's progress results to the partner
5 district at least monthly.

6 (g) The program may be operated on or off a district school
7 campus, but may be operated using distance learning online only if
8 the program provides a computer and Internet access for each
9 eligible pupil participating in the program.

10 (h) Is operated throughout the entire calendar year.

11 (i) If the district partners with an education management
12 organization for the program, the education management organization
13 has a dropout recovery program partnership relationship with at
14 least 1 other district.

15 (2) A district operating a dropout recovery program under this
16 section shall adopt a definition of satisfactory monthly progress
17 that is consistent with the definition of that term under
18 subsection (3).

19 (3) As used in this section:

20 (a) "Advocate" means an adult available to meet in person with
21 assigned pupils, as needed, to conduct social interventions, to
22 proctor final examinations, and to provide academic and social
23 support to pupils enrolled in the district's dropout recovery
24 program.

25 (b) "Education management organization" means a private
26 provider that operates 1 or more other dropout recovery programs
27 that meet the requirements of this section in partnership with 1 or

1 more districts.

2 (c) "Eligible pupil" means a pupil who has been expelled from
3 school under the mandatory expulsion provisions in section 1311 or
4 1311a of the revised school code, MCL 380.1311 and 380.1311a, a
5 pupil who has been suspended or expelled from school under a local
6 policy, a pupil who is referred by a court, a pupil who is pregnant
7 or is a parent, a pupil who was previously a dropout, or a pupil
8 who is determined by the district to be at risk of dropping out.

9 (d) "Satisfactory monthly progress" means an amount of
10 progress that is measurable on a monthly basis and that, if
11 continued for a full 12 months, would result in the same amount of
12 academic credit being awarded to the pupil as would be awarded to a
13 general education pupil completing a full school year. Satisfactory
14 monthly progress may include a lesser required amount of progress
15 for the first 2 months a pupil participates in the program.

16 **(E) "TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A VALID**
17 **MICHIGAN TEACHING CERTIFICATE; WHO, IF APPLICABLE, IS ENDORSED IN**
18 **THE SUBJECT AREA AND GRADE OF THE COURSE; AND IS RESPONSIBLE FOR**
19 **PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR EACH**
20 **PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING,**
21 **PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND**
22 **EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.**

23 **(F) ~~(e)~~**"Written learning plan" means a written plan developed
24 in conjunction with the advocate that includes the plan start and
25 end dates, courses to be taken, credit to be earned for each
26 course, teacher of record for each course, and advocate name and
27 contact information.

1 Sec. 24. (1) From the appropriation in section 11, there is
2 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
3 \$8,000,000.00 for payments to the educating district or
4 intermediate district for educating pupils assigned by a court or
5 the department of health and human services to reside in or to
6 attend a juvenile detention facility or child caring institution
7 licensed by the department of health and human services and
8 approved by the department to provide an on-grounds education
9 program. The amount of the payment under this section to a district
10 or intermediate district shall be calculated as prescribed under
11 subsection (2).

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

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

1 in the on-grounds education program or in a program approved by the
 2 department that is located on property adjacent to a juvenile
 3 detention facility or child caring institution. Costs reimbursed by
 4 federal funds are not included.

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

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

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

22 Sec. 24a. From the appropriation in section 11, there is
 23 allocated an amount not to exceed ~~\$2,189,800.00~~ **\$1,301,000.00** for
 24 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
 25 **\$1,328,100.00 FOR 2016-2017** for payments to intermediate districts
 26 for pupils who are placed in juvenile justice service facilities
 27 operated by the department of health and human services. Each

1 intermediate district shall receive an amount equal to the state
2 share of those costs that are clearly and directly attributable to
3 the educational programs for pupils placed in facilities described
4 in this section that are located within the intermediate district's
5 boundaries. The intermediate districts receiving payments under
6 this section shall cooperate with the department of health and
7 human services to ensure that all funding allocated under this
8 section is utilized by the intermediate district and department of
9 health and human services for educational programs for pupils
10 described in this section. Pupils described in this section are not
11 eligible to be funded under section 24. However, a program
12 responsibility or other fiscal responsibility associated with these
13 pupils shall not be transferred from the department of health and
14 human services to a district or intermediate district unless the
15 district or intermediate district consents to the transfer.

16 Sec. 24c. From the appropriation in section 11, there is
17 allocated an amount not to exceed ~~\$1,497,400.00 for 2015-2016~~
18 **\$1,632,400.00 FOR 2016-2017** for payments to districts for pupils
19 who are enrolled in a nationally administered community-based
20 education and youth mentoring program, known as the youth challenge
21 program, that is administered by the department of military and
22 veterans affairs. Both of the following apply to a district
23 receiving payments under this section:

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

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

4 Sec. 25e. (1) The pupil membership transfer application and
5 pupil transfer process administered by the center under this
6 section shall be used for processing pupil transfers **ASSOCIATED**
7 **WITH STRICT DISCIPLINE ACADEMIES.**

8 (2) If a pupil counted in membership for the pupil membership
9 count day transfers from a district or intermediate district to
10 enroll in ~~another district or intermediate district~~ **A STRICT**
11 **DISCIPLINE ACADEMY** after the pupil membership count day and before
12 the supplemental count day and, due to the pupil's enrollment and
13 attendance status as of the pupil membership count day, the pupil
14 was not counted in membership in the educating ~~district or~~
15 ~~intermediate district,~~ **STRICT DISCIPLINE ACADEMY,** the educating
16 ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** may
17 report the enrollment and attendance information to the center
18 through the pupil transfer process within 30 days after the
19 transfer or within 30 days after the pupil membership count
20 certification date, whichever is later. Pupil transfers may be
21 submitted no earlier than the first day after the certification
22 deadline for the pupil membership count day and before the
23 supplemental count day. Upon receipt of the transfer information
24 under this subsection indicating that a pupil has enrolled and is
25 in attendance in an educating ~~district or intermediate district~~
26 **STRICT DISCIPLINE ACADEMY** as described in this subsection, the
27 pupil transfer process shall do the following:

1 (a) Notify the district in which the pupil was previously
2 enrolled.

3 (b) Notify both the pupil auditing staff of the intermediate
4 district in which the educating district ~~district~~ **STRICT DISCIPLINE ACADEMY**
5 is located and the pupil auditing staff of the intermediate
6 district in which the district that previously enrolled the pupil
7 is located. The pupil auditing staff shall investigate a
8 representative sample based on required audit sample sizes in the
9 pupil auditing manual and may deny the pupil membership transfer.

10 (c) Aggregate the districtwide changes and notify the
11 department for use in adjusting the state aid payment system.

12 (3) The department shall do all of the following:

13 (a) Adjust the membership calculation for each district or
14 intermediate district in which the pupil was previously counted in
15 membership or that previously received an adjustment in its
16 membership calculation under this section due to a change in the
17 pupil's enrollment and attendance so that the district's or
18 intermediate district's membership is prorated to allow the
19 district or intermediate district to receive for each school day,
20 as determined by the financial calendar furnished by the center, in
21 which the pupil was enrolled and in attendance in the district or
22 intermediate district an amount equal to 1/105 of a full-time
23 equated membership claimed in the fall pupil membership count. The
24 district or intermediate district shall receive a prorated
25 foundation allowance in an amount equal to the product of the
26 adjustment under this subdivision for the district or intermediate
27 district multiplied by the foundation allowance or per-pupil

1 payment as calculated under section 20 for the district or
2 intermediate district. The foundation allowance or per-pupil
3 payment shall be adjusted by the pupil's full-time equated status
4 as affected by the membership definition under section 6(4).

5 (b) Adjust the membership calculation for the educating
6 ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** in
7 which the pupil is enrolled and is in attendance so that the
8 ~~district's or intermediate district's~~ **STRICT DISCIPLINE ACADEMY'S**
9 membership is increased to allow the ~~district or intermediate~~
10 ~~district~~ **STRICT DISCIPLINE ACADEMY** to receive an amount equal to
11 the difference between the full-time equated membership claimed in
12 the fall pupil membership count and the sum of the adjustments
13 calculated under subdivision (a) for each district or intermediate
14 district in which the pupil was previously enrolled and in
15 attendance. The educating ~~district or intermediate district~~ **STRICT**
16 **DISCIPLINE ACADEMY** shall receive a prorated foundation allowance in
17 an amount equal to the product of the adjustment under this
18 subdivision for the educating ~~district or intermediate district~~
19 **STRICT DISCIPLINE ACADEMY** multiplied by the ~~foundation allowance or~~
20 per-pupil payment as calculated under section 20 for the educating
21 ~~district or intermediate district.~~ **STRICT DISCIPLINE ACADEMY.** The
22 ~~foundation allowance or per-pupil~~ payment shall be adjusted by the
23 pupil's full-time equated status as affected by the membership
24 definition under section 6(4).

25 (4) The changes in calculation of state school aid required
26 under subsection (3) shall take effect as of the date that the
27 pupil becomes enrolled and in attendance in the educating ~~district~~

1 ~~or intermediate district,~~ **STRICT DISCIPLINE ACADEMY**, and the
 2 department shall base all subsequent payments under this article
 3 for the fiscal year to the affected districts or intermediate
 4 districts on this recalculation of state school aid.

5 (5) If a pupil enrolls in an educating ~~district or~~
 6 ~~intermediate district~~ **STRICT DISCIPLINE ACADEMY** as described in
 7 subsection (2), the district or intermediate district in which the
 8 pupil is counted in membership or another educating ~~district or~~
 9 ~~intermediate district~~ **STRICT DISCIPLINE ACADEMY** that received an
 10 adjustment in its membership calculation under subsection (3), if
 11 any, and the educating ~~district or intermediate district~~ **STRICT**
 12 **DISCIPLINE ACADEMY** shall provide to the center and the department
 13 all information they require to comply with this section.

14 (6) The portion of the full-time equated pupil membership for
 15 which a pupil is enrolled in 1 or more online courses under section
 16 21f shall not be counted or transferred under the pupil transfer
 17 process under this section.

18 (7) ~~The~~ **IT IS THE INTENT OF THE LEGISLATURE THAT THE** center
 19 ~~shall~~ determine the number of pupils who did not reside in this
 20 state as of the ~~2015-2016-2018-2019~~ pupil membership count day but
 21 who newly enrolled in a district or intermediate district after
 22 that pupil membership count day and before the ~~2015-2016-2018-2019~~
 23 supplemental count day. ~~The~~ **IT IS THE INTENT OF THE LEGISLATURE**
 24 **THAT THE** center ~~shall~~ further determine the number of pupils who
 25 were counted in membership for the ~~2015-2016-2018-2019~~ pupil
 26 membership count day but who left this state before the ~~2015-2016~~
 27 ~~2018-2019~~ supplemental count day. ~~The~~ **IN 2019-2020, THE** center

shall provide a report to the senate and house appropriations subcommittees on state school aid, and to the senate and house fiscal agencies, detailing the number of pupils transferring in from another state or transferring out from this state between the pupil membership count day and supplemental count day as described in this subsection. The center shall include in the report a discussion of benefits and obstacles to developing a pupil enrollment process for pupils who newly enroll in a district or intermediate district after the pupil membership count day and before the supplemental count day, and developing a process for deducting pupils who were counted on the pupil membership count day and transfer out of this state before the supplemental count day.

(8) As used in this section:

(a) "~~Educating district or intermediate district~~" **STRICT DISCIPLINE ACADEMY** means the ~~district or intermediate district~~ **STRICT DISCIPLINE ACADEMY** in which a pupil enrolls after the pupil membership count day or after an adjustment was made in another district's or intermediate district's membership calculation under this section due to the pupil's enrollment and attendance.

(b) "Pupil" means that term as defined under section 6 and also children receiving early childhood special education programs and services.

(c) "**STRICT DISCIPLINE ACADEMY**" **MEANS A STRICT DISCIPLINE ACADEMY OPERATING UNDER SECTIONS 1311B TO 1311M OF THE REVISED SCHOOL CODE, MCL 380.1311B TO 380.1311M.**

Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to

1 exceed ~~\$1,000,000.00 for 2015-2016~~ **\$750,000.00 FOR 2016-2017** for
2 payments to strict discipline academies established under sections
3 1311b to 1311m of the revised school code, MCL 380.1311b to
4 380.1311m, as provided under this section.

5 (2) In order to receive funding under this section, a strict
6 discipline academy shall first comply with section 25e and use the
7 pupil transfer process under that section for changes in enrollment
8 as prescribed under that section.

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

20 (a) "Added cost" means 100% of the added cost each fiscal year
21 for educating all pupils enrolled and in regular daily attendance
22 at a strict discipline academy. Added cost shall be computed by
23 deducting all other revenue received under this article for pupils
24 described in this subsection from total costs, as approved by the
25 department, in whole or in part, for educating those pupils in a
26 strict discipline academy. The department shall include all costs
27 including, but not limited to, educational costs, insurance,

1 management fees, technology costs, legal fees, auditing fees,
2 interest, pupil accounting costs, and any other administrative
3 costs necessary to operate the program or to comply with statutory
4 requirements. Costs reimbursed by federal funds are not included.

5 (b) "Department's approved per-pupil allocation" for a strict
6 discipline academy shall be determined by dividing the total amount
7 allocated under this subsection for a fiscal year by the full-time
8 equated membership total for all pupils approved by the department
9 to be funded under this subsection for that fiscal year for the
10 strict discipline academy.

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

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

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

18 Sec. 25g. (1) From the state school aid fund money
19 appropriated in section 11, there is allocated an amount not to
20 exceed ~~\$1,000,000.00 for 2015-2016~~ **\$750,000.00 FOR 2016-2017** for
21 the purposes of this section. If the operation of the special
22 membership counting provisions under section 6(4)(dd) and the other
23 membership counting provisions under section 6(4) result in a pupil
24 being counted as more than 1.0 FTE in a fiscal year, then the
25 payment made for the pupil under sections 22a and 22b shall not be
26 based on more than 1.0 FTE for that pupil, and that portion of the
27 FTE that exceeds 1.0 shall be paid under this section in an amount

1 equal to that portion multiplied by the educating district's
2 foundation allowance or per-pupil payment calculated under section
3 20.

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

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

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

11 Sec. 26a. From the funds appropriated in section 11, there is
12 allocated an amount not to exceed ~~\$26,300,000.00~~ **\$20,000,000.00** for
13 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
14 **\$20,000,000.00 FOR 2016-2017** to reimburse districts and
15 intermediate districts pursuant to section 12 of the Michigan
16 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
17 in ~~2015-2016~~. The allocations shall be made not later than 60 days
18 after the department of treasury certifies to the department and to
19 the state budget director that the department of treasury has
20 received all necessary information to properly determine the
21 amounts due to each eligible recipient.

22 Sec. 26b. (1) From the appropriation in section 11, there is
23 allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed
24 ~~\$4,276,800.00~~ **\$4,405,100.00** for payments to districts, intermediate
25 districts, and community college districts for the portion of the
26 payment in lieu of taxes obligation that is attributable to
27 districts, intermediate districts, and community college districts

1 pursuant to section 2154 of the natural resources and environmental
2 protection act, 1994 PA 451, MCL 324.2154.

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

7 Sec. 26c. (1) From the appropriation in section 11, there is
8 allocated an amount not to exceed ~~\$610,000.00~~ **\$278,000.00** for 2015-
9 2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00**
10 **FOR 2016-2017** to the promise zone fund created in subsection (3).

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

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

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

24 (b) Money in the promise zone fund at the close of a fiscal
25 year shall remain in the promise zone fund and shall not lapse to
26 the general fund.

27 (4) Subject to subsection (2), the state treasurer may make

1 payments from the promise zone fund to eligible districts and
2 intermediate districts pursuant to the Michigan promise zone
3 authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used
4 for the purposes of a promise zone authority created under that
5 act.

6 Sec. 31a. (1) From the state school aid fund money
7 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
8 **2017** an amount not to exceed \$389,695,500.00 for payments to
9 eligible districts, eligible public school academies, and the
10 education achievement system for the purposes of ensuring that
11 pupils are proficient in reading by the end of grade 3 and that
12 high school graduates are career and college ready and for the
13 purposes under subsections (7) and (8).

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

23 (3) For a district or public school academy that operates
24 grades K to 3, or the education achievement system, to be eligible
25 to receive funding under this section, other than funding under
26 subsection (7) or (8), the district or public school academy, or
27 the education achievement system, must implement, for at least

1 grades K to 3, a multi-tiered system of supports that is an
2 evidence-based model that uses data-driven problem solving to
3 integrate academic and behavioral instruction and that uses
4 intervention delivered to all pupils in varying intensities based
5 on pupil needs. This multi-tiered system of supports must provide
6 at least all of the following essential elements:

7 (a) Implements effective instruction for all learners.

8 (b) Intervenes early.

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

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

13 (ii) Targeted group interventions.

14 (iii) Intense individual interventions.

15 (d) Monitors pupil progress to inform instruction.

16 (e) Uses data to make instructional decisions.

17 (f) Uses assessments including universal screening,
18 diagnostics, and progress monitoring.

19 (g) Engages families and the community.

20 (h) Implements evidence-based, scientifically validated,
21 instruction and intervention.

22 (i) Implements instruction and intervention practices with
23 fidelity.

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

25 (4) Except as otherwise provided in this subsection, an
26 eligible district or eligible public school academy or the
27 education achievement system shall receive under this section for

1 each membership pupil in the district or public school academy or
2 the education achievement system who met the income eligibility
3 criteria for free breakfast, lunch, or milk, as determined under
4 the Richard B. Russell national school lunch act, 42 USC 1751 to
5 1769, and as reported to the department in the form and manner
6 prescribed by the department not later than the fifth Wednesday
7 after the pupil membership count day of the immediately preceding
8 fiscal year and adjusted not later than December 31 of the
9 immediately preceding fiscal year, an amount per pupil equal to
10 11.5% of the sum of the district's foundation allowance or the
11 public school academy's or the education achievement system's per
12 pupil amount calculated under section 20 **PLUS THE AMOUNT OF THE**
13 **DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20M**, not to exceed
14 the basic foundation allowance under section 20 for the current
15 state fiscal year, or of the public school academy's or the
16 education achievement system's per membership pupil amount
17 calculated under section 20 for the current state fiscal year.
18 However, a public school academy that began operations as a public
19 school academy, ~~or~~ an achievement school that began operations as
20 an achievement school, **OR A COMMUNITY DISTRICT THAT FIRST ENROLLS**
21 **PUPILS**, after the pupil membership count day of the immediately
22 preceding school year shall receive under this section for each
23 membership pupil in the public school academy, ~~or~~ in the education
24 achievement system, **OR IN THE COMMUNITY DISTRICT** who met the income
25 eligibility criteria for free breakfast, lunch, or milk, as
26 determined under the Richard B. Russell national school lunch act
27 and as reported to the department not later than the fifth

1 Wednesday after the pupil membership count day of the current
2 fiscal year and adjusted not later than December 31 of the current
3 fiscal year, an amount per pupil equal to 11.5% of the public
4 school academy's, ~~or~~ the education achievement system's, **OR THE**
5 **COMMUNITY DISTRICT'S** per membership pupil amount calculated under
6 section 20 for the current state fiscal year.

7 (5) Except as otherwise provided in this section, a district
8 or public school academy, or the education achievement system,
9 receiving funding under this section shall use that money only to
10 provide instructional programs and direct noninstructional
11 services, including, but not limited to, medical, mental health, or
12 counseling services, for at-risk pupils; for school health clinics;
13 and for the purposes of subsection (6), (7), (8), or (11). In
14 addition, a district that is a school district of the first class
15 or a district or public school academy in which at least 50% of the
16 pupils in membership met the income eligibility criteria for free
17 breakfast, lunch, or milk in the immediately preceding state fiscal
18 year, as determined and reported as described in subsection (4), or
19 the education achievement system if it meets this requirement, may
20 use not more than 20% of the funds it receives under this section
21 for school security. A district, the public school academy, or the
22 education achievement system shall not use any of that money for
23 administrative costs. The instruction or direct noninstructional
24 services provided under this section may be conducted before or
25 after regular school hours or by adding extra school days to the
26 school year.

27 (6) A district or public school academy that receives funds

1 under this section and that operates a school breakfast program
2 under section 1272a of the revised school code, MCL 380.1272a, or
3 the education achievement system if it operates a school breakfast
4 program, shall use from the funds received under this section an
5 amount, not to exceed \$10.00 per pupil for whom the district or
6 public school academy or the education achievement system receives
7 funds under this section, necessary to pay for costs associated
8 with the operation of the school breakfast program.

9 (7) From the funds allocated under subsection (1), there is
10 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
11 ~~\$3,557,300.00~~ **\$5,557,300.00** to support child and adolescent health
12 centers. These grants shall be awarded for 5 consecutive years
13 beginning with 2003-2004 in a form and manner approved jointly by
14 the department and the department of health and human services.
15 Each grant recipient shall remain in compliance with the terms of
16 the grant award or shall forfeit the grant award for the duration
17 of the 5-year period after the noncompliance. To continue to
18 receive funding for a child and adolescent health center under this
19 section a grant recipient shall ensure that the child and
20 adolescent health center has an advisory committee and that at
21 least one-third of the members of the advisory committee are
22 parents or legal guardians of school-aged children. A child and
23 adolescent health center program shall recognize the role of a
24 child's parents or legal guardian in the physical and emotional
25 well-being of the child. Funding under this subsection shall be
26 used to support child and adolescent health center services
27 provided to children up to age 21. If any funds allocated under

1 this subsection are not used for the purposes of this subsection
2 for the fiscal year in which they are allocated, those unused funds
3 shall be used that fiscal year to avoid or minimize any proration
4 that would otherwise be required under subsection (12) for that
5 fiscal year. ~~In addition to the funds otherwise allocated under~~
6 ~~this subsection, from the money allocated in subsection (1), there~~
7 ~~is allocated an amount not to exceed \$2,000,000.00 for 2015-2016~~
8 ~~only for child and adolescent health centers to increase access to~~
9 ~~nurses and behavioral health services in schools, using 3 existing~~
10 ~~school clinics as hubs for services and using mobile teams to serve~~
11 ~~satellite school sites.~~

12 (8) From the funds allocated under subsection (1), there is
13 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
14 \$5,150,000.00 for the state portion of the hearing and vision
15 screenings as described in section 9301 of the public health code,
16 1978 PA 368, MCL 333.9301. A local public health department shall
17 pay at least 50% of the total cost of the screenings. The frequency
18 of the screenings shall be as required under R 325.13091 to R
19 325.13096 and R 325.3271 to R 325.3276 of the Michigan
20 administrative code. Funds shall be awarded in a form and manner
21 approved jointly by the department and the department of health and
22 human services. Notwithstanding section 17b, payments to eligible
23 entities under this subsection shall be paid on a schedule
24 determined by the department.

25 (9) Each district or public school academy receiving funds
26 under this section and the education achievement system shall
27 submit to the department by July 15 of each fiscal year a report,

1 not to exceed 10 pages, on the usage by the district or public
2 school academy or the education achievement system of funds under
3 this section, which report shall include a brief description of
4 each program conducted or services performed by the district or
5 public school academy or the education achievement system using
6 funds under this section, the amount of funds under this section
7 allocated to each of those programs or services, the total number
8 of at-risk pupils served by each of those programs or services, and
9 the data necessary for the department and the department of health
10 and human services to verify matching funds for the temporary
11 assistance for needy families program. If a district or public
12 school academy or the education achievement system does not comply
13 with this subsection, the department shall withhold an amount equal
14 to the August payment due under this section until the district or
15 public school academy or the education achievement system complies
16 with this subsection. If the district or public school academy or
17 the education achievement system does not comply with this
18 subsection by the end of the state fiscal year, the withheld funds
19 shall be forfeited to the school aid fund.

20 (10) In order to receive funds under this section, a district
21 or public school academy or the education achievement system shall
22 allow access for the department or the department's designee to
23 audit all records related to the program for which it receives
24 those funds. The district or public school academy or the education
25 achievement system shall reimburse the state for all disallowances
26 found in the audit.

27 (11) Subject to subsections (6), (7), and (8), a district may

1 use up to 100% of the funds it receives under this section to
2 implement schoolwide reform in schools with 40% or more of their
3 pupils identified as at-risk pupils by providing ~~supplemental~~
4 instructional or noninstructional services consistent with the
5 school improvement plan.

6 (12) If necessary, and before any proration required under
7 section 296, the department shall prorate payments under this
8 section by reducing the amount of the per pupil payment under this
9 section by a dollar amount calculated by determining the amount by
10 which the amount necessary to fully fund the requirements of this
11 section exceeds the maximum amount allocated under this section and
12 then dividing that amount by the total statewide number of pupils
13 who met the income eligibility criteria for free breakfast, lunch,
14 or milk in the immediately preceding fiscal year, as described in
15 subsection (4).

16 (13) If a district is formed by consolidation after June 1,
17 1995, and if 1 or more of the original districts were not eligible
18 before the consolidation for an additional allowance under this
19 section, the amount of the additional allowance under this section
20 for the consolidated district shall be based on the number of
21 pupils described in subsection (1) enrolled in the consolidated
22 district who reside in the territory of an original district that
23 was eligible before the consolidation for an additional allowance
24 under this section. In addition, if a district is dissolved
25 pursuant to section 12 of the revised school code, MCL 380.12, the
26 intermediate district to which the dissolved school district was
27 constituent shall determine the estimated number of pupils that

1 meet the income eligibility criteria for free breakfast, lunch, or
2 milk, as described under subsection (4), enrolled in each of the
3 other districts within the intermediate district and provide that
4 estimate to the department for the purposes of distributing funds
5 under this section within 60 days after the school district is
6 declared dissolved.

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

10 (a) Is a victim of child abuse or neglect.

11 (b) Is a pregnant teenager or teenage parent.

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

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

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

21 (f) The pupil is enrolled in a priority or priority-successor
22 school, as defined in the elementary and secondary education act of
23 2001 flexibility waiver approved by the United States Department of
24 Education.

25 (g) In the absence of state or local assessment data, the
26 pupil meets at least 2 of the following criteria, as documented in
27 a form and manner approved by the department:

1 (i) The pupil is eligible for free or reduced price breakfast,
2 lunch, or milk.

3 (ii) The pupil is absent more than 10% of enrolled days or 10
4 school days during the school year.

5 (iii) The pupil is homeless.

6 (iv) The pupil is a migrant.

7 (v) The pupil is an English language learner.

8 (vi) The pupil is an immigrant who has immigrated within the
9 immediately preceding 3 years.

10 (vii) The pupil did not complete high school in 4 years and is
11 still continuing in school as identified in the Michigan cohort
12 graduation and dropout report.

13 (15) Beginning in 2018-2019, if a district, public school
14 academy, or the education achievement system does not demonstrate
15 to the satisfaction of the department that at least 50% of at-risk
16 pupils are ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE**
17 **ARTS** by the end of grade 3 as measured by the state assessment for
18 the immediately preceding school year and demonstrate to the
19 satisfaction of the department improvement over each of the 3
20 immediately preceding school years in the percentage of at-risk
21 pupils that are career- and college-ready as determined by
22 proficiency on the English language arts, mathematics, and science
23 content area assessments on the grade 11 summative assessment under
24 section 1279g(2)(a) of the revised school code, MCL 380.1279g, the
25 district, public school academy, or education achievement system
26 shall ensure all of the following:

27 (a) The district, public school academy, or the education

1 achievement system shall determine the proportion of total at-risk
2 pupils that represents the number of pupils in grade 3 that are not
3 ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE ARTS** by the
4 end of grade 3, and the district, public school academy, or the
5 education achievement system shall expend that same proportion
6 multiplied by 1/2 of its total at-risk funds under this section on
7 tutoring and other methods of improving grade 3 ~~reading levels~~.

8 **ENGLISH LANGUAGE ARTS PROFICIENCY.**

9 (b) The district, public school academy, or the education
10 achievement system shall determine the proportion of total at-risk
11 pupils that represent the number of pupils in grade 11 that are not
12 career- and college-ready as measured by the student's score on the
13 English language arts, mathematics, and science content area
14 assessments on the grade 11 summative assessment under section
15 1279g(2)(a) of the revised school code, MCL 380.1279g, and the
16 district, public school academy, or the education achievement
17 system shall expend that same proportion multiplied by 1/2 of its
18 total at-risk funds under this section on tutoring and other
19 activities to improve scores on the college entrance examination
20 portion of the Michigan merit examination.

21 (16) As used in subsection (15), "total at-risk pupils" means
22 the sum of the number of pupils in grade 3 that are not ~~reading at~~
23 ~~grade level~~ **PROFICIENT IN ENGLISH LANGUAGE ARTS** by the end of third
24 grade as measured on the state assessment and the number of pupils
25 in grade 11 that are not career- and college-ready as measured by
26 the student's score on the English language arts, mathematics, and
27 science content area assessments on the grade 11 summative

1 assessment under section 1279g(2)(a) of the revised school code,
2 MCL 380.1279g.

3 (17) A district or public school academy that receives funds
4 under this section or the education achievement system may use
5 funds received under this section to provide an anti-bullying or
6 crisis intervention program.

7 (18) The department shall collaborate with the department of
8 health and human services to prioritize assigning Pathways to
9 Potential Success coaches to elementary schools that have a high
10 percentage of pupils in grades K to 3 who are not reading at grade
11 level.

12 **SEC. 31B. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS**
13 **ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2016-2017 FOR**
14 **GRANTS TO AT-RISK DISTRICTS FOR IMPLEMENTING A YEAR-ROUND**
15 **INSTRUCTIONAL PROGRAM FOR AT LEAST 1 OF ITS SCHOOLS.**

16 (2) THE DEPARTMENT SHALL SELECT DISTRICTS FOR GRANTS UNDER
17 THIS SECTION FROM AMONG APPLICANT DISTRICTS THAT MEET BOTH OF THE
18 FOLLOWING:

19 (A) THE DISTRICT MEETS 1 OR BOTH OF THE FOLLOWING:

20 (i) IS ELIGIBLE IN 2016-2017 FOR THE COMMUNITY ELIGIBILITY
21 OPTION FOR FREE AND REDUCED PRICE LUNCH UNDER 42 USC 1759A.

22 (ii) AT LEAST 50% OF THE PUPILS IN MEMBERSHIP IN THE DISTRICT
23 MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR
24 MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED
25 UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751
26 TO 1769I.

27 (B) THE BOARD OF THE DISTRICT HAS ADOPTED A RESOLUTION STATING

1 THAT THE DISTRICT WILL IMPLEMENT FOR THE FIRST TIME A YEAR-ROUND
2 INSTRUCTIONAL CALENDAR THAT WILL BEGIN IN 2017-2018 FOR AT LEAST 1
3 SCHOOL OPERATED BY THE DISTRICT AND COMMITTING TO PROVIDING THE
4 YEAR-ROUND INSTRUCTIONAL CALENDAR IN EACH OF THOSE SCHOOLS FOR AT
5 LEAST 3 SCHOOL YEARS.

6 (3) A DISTRICT SEEKING A GRANT UNDER THIS SECTION SHALL APPLY
7 TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE
8 DEPARTMENT NOT LATER THAN DECEMBER 1, 2016. THE DEPARTMENT SHALL
9 SELECT DISTRICTS FOR GRANTS AND MAKE NOTIFICATION NOT LATER THAN
10 FEBRUARY 1, 2017.

11 (4) THE DEPARTMENT SHALL AWARD GRANTS UNDER THIS SECTION ON A
12 COMPETITIVE BASIS, BUT SHALL GIVE PRIORITY BASED SOLELY ON
13 CONSIDERATION OF THE FOLLOWING CRITERIA:

14 (A) GIVING PRIORITY TO DISTRICTS THAT, AS OF JUNE 30, 2016,
15 HAD LOWER GENERAL FUND BALANCES AS A PERCENTAGE OF REVENUES.

16 (B) GIVING PRIORITY TO DISTRICTS THAT OPERATE AT LEAST 1
17 SCHOOL THAT HAS BEEN IDENTIFIED BY THE DEPARTMENT AS EITHER A
18 PRIORITY SCHOOL OR A FOCUS SCHOOL.

19 (C) ENSURING THAT GRANT FUNDING INCLUDES BOTH RURAL AND URBAN
20 DISTRICTS.

21 (5) THE AMOUNT OF A GRANT UNDER THIS SECTION TO ANY 1 DISTRICT
22 SHALL NOT EXCEED \$750,000.00.

23 (6) A GRANT PAYMENT UNDER THIS SECTION TO A DISTRICT SHALL BE
24 USED FOR NECESSARY MODIFICATIONS TO INSTRUCTIONAL FACILITIES AND
25 OTHER NONRECURRING COSTS OF PREPARING FOR THE OPERATION OF A YEAR-
26 ROUND INSTRUCTIONAL PROGRAM AS APPROVED BY THE DEPARTMENT.

27 (7) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION IS NOT

1 REQUIRED TO PROVIDE MORE THAN THE MINIMUM NUMBER OF DAYS AND HOURS
2 OF PUPIL INSTRUCTION PRESCRIBED UNDER SECTION 101, BUT SHALL SPREAD
3 AT LEAST THOSE MINIMUM AMOUNTS OF PUPIL INSTRUCTION OVER THE ENTIRE
4 YEAR IN EACH OF ITS SCHOOLS IN WHICH A YEAR-ROUND INSTRUCTIONAL
5 CALENDAR IS IMPLEMENTED. THE DISTRICT SHALL COMMIT TO PROVIDING THE
6 YEAR-ROUND INSTRUCTIONAL CALENDAR IN EACH OF THOSE SCHOOLS FOR AT
7 LEAST 3 SCHOOL YEARS.

8 (8) FOR A DISTRICT RECEIVING A GRANT UNDER THIS SECTION,
9 EXCESSIVE HEAT IS CONSIDERED TO BE A CONDITION NOT WITHIN THE
10 CONTROL OF SCHOOL AUTHORITIES FOR THE PURPOSE OF DAYS OR HOURS
11 BEING COUNTED AS DAYS OR HOURS OF PUPIL INSTRUCTION UNDER SECTION
12 101(4).

13 (9) NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS TO DISTRICTS
14 UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE
15 DEPARTMENT.

16 Sec. 31c. (1) from the funds appropriated in section 11, there
17 is allocated an amount not to exceed ~~\$1,000,000.00 for 2015-2016~~
18 **\$3,000,000.00 FOR 2016-2017** for programs intended to improve public
19 safety, reduce the number of youth involved in gang-related
20 activity, and increase high school graduation rates.

21 (2) The department shall award grants to districts that form
22 partnerships with nonprofit organizations, law enforcement, and
23 other community resources to provide programs that divert young
24 adults from gang-related criminal activity.

25 (3) Grants awarded under this section may include, but are not
26 limited to, grants for any of the following activities:

27 (a) Employment training and placement programs.

1 (b) Counseling services.

2 (c) Assistance to program participants in accessing community
3 resources for continuing education, court advocacy, and health
4 care.

5 (d) Outreach programs to educate participants and their
6 families.

7 (4) Each grant recipient under this section shall partner with
8 a university to collect data necessary to evaluate the
9 effectiveness of programs in reducing violent crime and gang-
10 related activity in the community **AND PROVIDE A REPORT ON THIS**
11 **EVALUATION TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON**
12 **SCHOOL AID NOT LATER THAN DECEMBER 1, 2017.**

13 Sec. 31d. (1) From the appropriations in section 11, there is
14 allocated an amount not to exceed \$22,495,100.00 for ~~2015-2016~~
15 **2016-2017** for the purpose of making payments to districts and other
16 eligible entities under this section.

17 (2) The amounts allocated from state sources under this
18 section shall be used to pay the amount necessary to reimburse
19 districts for 6.0127% of the necessary costs of the state mandated
20 portion of the school lunch programs provided by those districts.
21 The amount due to each district under this section shall be
22 computed by the department using the methods of calculation adopted
23 by the Michigan supreme court in the consolidated cases known as
24 Durant v State of Michigan, Michigan supreme court docket no.
25 104458-104492.

26 (3) The payments made under this section include all state
27 payments made to districts so that each district receives at least

1 6.0127% of the necessary costs of operating the state mandated
2 portion of the school lunch program in a fiscal year.

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

9 (5) From the federal funds appropriated in section 11, there
10 is allocated for ~~2015-2016-2016-2017~~ all available federal funding,
11 estimated at \$510,000,000.00 for the national school lunch program
12 and all available federal funding, estimated at \$3,200,000.00 for
13 the emergency food assistance program.

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

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

21 Sec. 31f. (1) From the appropriations in section 11, there is
22 allocated an amount not to exceed ~~\$5,625,000.00~~ **\$2,500,000.00** for
23 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
24 **\$2,500,000.00 FOR 2016-2017** for the purpose of making payments to
25 districts to reimburse for the cost of providing breakfast.

26 (2) The funds allocated under this section for school
27 breakfast programs shall be made available to all eligible

1 applicant 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 220
4 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 breakfast served, as determined
10 and approved by the department, less federal reimbursement,
11 participant payments, and other state reimbursement. The statewide
12 average cost shall be determined by the department using costs as
13 reported in a manner approved by the department for the preceding
14 school year.

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

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

21 Sec. 31h. From the funds appropriated in section 11, there is
22 allocated an amount not to exceed \$300,000.00 for ~~2015-2016-2016-~~
23 ~~2017~~ for the purpose of providing funding to a district that
24 educates high school pupils from another district that voluntarily
25 closed its high school program in 2013. The funding under this
26 section is ~~intended to be for the first~~ **SECOND** of 2 years, unless
27 it is determined that the federal elementary and secondary

1 education act allows federal title I funds that previously
2 supported the high school pupils in their resident district to
3 instead be provided to the educating district. Funding under this
4 section shall be used to support the additional costs of educating
5 high school pupils in a manner that is similar to the way title I
6 funds provided additional support to the education of those pupils
7 when they were educated in their resident district high school
8 program before its closure in 2013.

9 **SEC. 31J. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN**
10 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00**
11 **FOR 2016-2017 FOR A PILOT PROJECT TO SUPPORT DISTRICTS IN THE**
12 **PURCHASE OF LOCALLY GROWN FRUITS AND VEGETABLES AS DESCRIBED IN**
13 **THIS SECTION.**

14 **(2) THE DEPARTMENT SHALL PROVIDE FUNDING TO PROSPERITY REGIONS**
15 **2 AND 4 FOR THE PILOT PROJECT DESCRIBED UNDER THIS SECTION. FROM**
16 **THE FUNDING IDENTIFIED IN SUBSECTION (1), FUNDING RETAINED BY THE**
17 **PROSPERITY REGIONS FOR ADMINISTRATION OF THE PROJECT SHALL NOT**
18 **EXCEED 10%, AND FUNDING RETAINED BY THE DEPARTMENT FOR**
19 **ADMINISTRATION SHALL NOT EXCEED 6%.**

20 **(3) THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A COMPETITIVE**
21 **GRANT PROGRAM FOR DISTRICTS WITHIN THE IDENTIFIED PROSPERITY**
22 **REGIONS TO ASSIST IN PAYING FOR THE COSTS INCURRED BY THE DISTRICT**
23 **TO PURCHASE OR INCREASE PURCHASES OF WHOLE OR MINIMALLY PROCESSED**
24 **FRUITS, VEGETABLES, AND LEGUMES GROWN IN THIS STATE. THE MAXIMUM**
25 **AMOUNT THAT MAY BE DRAWN DOWN ON A GRANT TO A DISTRICT SHALL BE**
26 **BASED ON THE NUMBER OF MEALS SERVED BY THE SCHOOL DISTRICT DURING**
27 **THE PREVIOUS SCHOOL YEAR UNDER THE RICHARD B. RUSSELL NATIONAL**

1 SCHOOL LUNCH ACT, 42 USC 1751 TO 1769. THE DEPARTMENT SHALL
2 COLLABORATE WITH THE MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL
3 DEVELOPMENT TO PROVIDE TRAINING TO NEWLY PARTICIPATING SCHOOLS AND
4 ELECTRONIC INFORMATION ON MICHIGAN AGRICULTURE.

5 (4) THE GOALS OF THE PILOT PROJECT INCLUDE IMPROVING DAILY
6 NUTRITION AND EATING HABITS FOR CHILDREN THROUGH THE SCHOOL
7 SETTINGS WHILE INVESTING IN MICHIGAN'S AGRICULTURAL AND RELATED
8 FOOD BUSINESS ECONOMY.

9 (5) A DISTRICT THAT RECEIVES A GRANT UNDER THIS SECTION SHALL
10 USE THOSE FUNDS FOR THE COSTS INCURRED BY THE SCHOOL DISTRICT TO
11 PURCHASE WHOLE OR MINIMALLY PROCESSED FRUITS, VEGETABLES, AND
12 LEGUMES THAT MEET ALL OF THE FOLLOWING:

13 (A) ARE PURCHASED ON OR AFTER THE DATE THE DISTRICT RECEIVED
14 NOTIFICATION FROM THE DEPARTMENT OF THE AMOUNT TO BE DISTRIBUTED TO
15 THE DISTRICT UNDER THIS SUBSECTION, INCLUDING PURCHASES MADE TO
16 LAUNCH MEALS IN SEPTEMBER 2016 FOR THE 2016-2017 SCHOOL YEAR.

17 (B) ARE GROWN IN THIS STATE AND, IF MINIMALLY PROCESSED, ARE
18 ALSO PROCESSED IN THIS STATE.

19 (C) ARE USED FOR MEALS THAT ARE SERVED AS PART OF THE UNITED
20 STATES DEPARTMENT OF AGRICULTURE'S CHILD NUTRITION PROGRAMS.

21 (6) FOR MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES THAT
22 SATISFY THE REQUIREMENTS OF SUBSECTION (5), MATCHING REIMBURSEMENTS
23 SHALL BE MADE IN AN AMOUNT NOT TO EXCEED 10 CENTS FOR EVERY SCHOOL
24 MEAL THAT IS SERVED AS PART OF THE UNITED STATES DEPARTMENT OF
25 AGRICULTURE'S CHILD NUTRITION PROGRAMS AND THAT USES MICHIGAN-GROWN
26 FRUITS, VEGETABLES, AND LEGUMES.

27 (7) A DISTRICT THAT RECEIVES A GRANT FOR REIMBURSEMENT UNDER

1 THIS SECTION SHALL USE THE GRANT TO PURCHASE WHOLE OR MINIMALLY
2 PROCESSED FRUITS, VEGETABLES, AND LEGUMES THAT ARE GROWN IN THIS
3 STATE AND, IF MINIMALLY PROCESSED, ARE ALSO PROCESSED IN THIS
4 STATE.

5 (8) IN AWARDING GRANTS UNDER THIS SECTION, THE DEPARTMENT
6 SHALL WORK IN CONJUNCTION WITH PROSPERITY REGION OFFICES, IN
7 CONSULTATION WITH MICHIGAN-BASED FARM TO SCHOOL RESOURCE
8 ORGANIZATIONS, TO DEVELOP SCORING CRITERIA THAT ASSESS AN
9 APPLICANT'S ABILITY TO PROCURE MICHIGAN-GROWN PRODUCTS, PREPARE AND
10 MENU MICHIGAN-GROWN PRODUCTS, PROMOTE AND MARKET MICHIGAN-GROWN
11 PRODUCTS, AND SUBMIT LETTERS OF INTENT FROM DISTRICTS ON PLANS FOR
12 EDUCATIONAL ACTIVITIES THAT PROMOTE THE GOALS OF THE PROGRAM.

13 (9) THE DEPARTMENT SHALL GIVE PREFERENCE TO DISTRICTS THAT
14 PROPOSE EDUCATIONAL ACTIVITIES THAT MEET 1 OR MORE OF THE
15 FOLLOWING: PROMOTE HEALTHY FOOD ACTIVITIES; HAVE CLEAR EDUCATIONAL
16 OBJECTIVES; INVOLVE PARENTS OR THE COMMUNITY; AND CONNECT TO A
17 SCHOOL'S FARM-TO-SCHOOL PROCUREMENT ACTIVITIES.

18 (10) IN AWARDING GRANTS, THE DEPARTMENT SHALL ALSO CONSIDER
19 ALL OF THE FOLLOWING: THE PERCENTAGE OF CHILDREN WHO QUALIFY FOR
20 FREE OR REDUCED PRICE SCHOOL MEALS UNDER THE RICHARD B. RUSSELL
21 NATIONAL SCHOOL LUNCH ACT, 42 USC 1751 TO 1769; THE VARIETY OF
22 SCHOOL SIZES AND GEOGRAPHIC LOCATIONS WITHIN THE IDENTIFIED
23 PROSPERITY REGIONS; AND EXISTING OR FUTURE COLLABORATION
24 OPPORTUNITIES BETWEEN MORE THAN 1 DISTRICT IN A PROSPERITY REGION.

25 (11) AS A CONDITION OF RECEIVING A GRANT UNDER THIS SECTION, A
26 DISTRICT SHALL PROVIDE OR DIRECT ITS VENDORS TO PROVIDE TO
27 PROSPERITY REGION OFFICES COPIES OF MONTHLY RECEIPTS THAT SHOW THE

1 QUANTITY OF DIFFERENT MICHIGAN-GROWN FRUITS, VEGETABLES, AND
2 LEGUMES PURCHASED, THE AMOUNT OF MONEY SPENT ON EACH OF THESE
3 PRODUCTS, AND THE NAME AND MICHIGAN LOCATION OF THE FARM THAT GREW
4 THE PRODUCTS. THE DISTRICT SHALL ALSO PROVIDE TO THE PROSPERITY
5 REGION MONTHLY LUNCH NUMBERS AND LUNCH PARTICIPATION RATES, AND
6 CALENDARS OR MONTHLY MENUS NOTING WHEN AND HOW MICHIGAN-GROWN
7 PRODUCTS WERE USED IN MEALS. THE DISTRICT AND SCHOOL FOOD SERVICE
8 DIRECTOR OR DIRECTORS ALSO SHALL AGREE TO RESPOND TO BRIEF ONLINE
9 SURVEYS AND TO PROVIDE A REPORT THAT SHOWS THE PERCENTAGE
10 RELATIONSHIP OF MICHIGAN SPENDING COMPARED TO TOTAL FOOD SPENDING.
11 NOT LATER THAN MARCH 1, 2017, EACH PROSPERITY REGION OFFICE SHALL
12 SUBMIT A REPORT TO THE DEPARTMENT ON EXPECTED OUTCOMES AND RELATED
13 MEASUREMENTS FOR ECONOMIC DEVELOPMENT AND CHILDREN'S NUTRITION AND
14 READINESS TO LEARN BASED ON PROGRESS SO FAR. THE REPORT SHALL
15 INCLUDE AT LEAST ALL OF THE FOLLOWING:

16 (A) THE EXTENT TO WHICH FARMERS AND RELATED BUSINESSES,
17 INCLUDING DISTRIBUTORS AND PROCESSORS, SEE AN INCREASE IN MARKET
18 OPPORTUNITIES AND INCOME GENERATION THROUGH SALES OF MICHIGAN OR
19 LOCAL PRODUCTS TO DISTRICTS. ALL OF THE FOLLOWING APPLY FOR
20 PURPOSES OF THIS SUBDIVISION:

21 (i) THE DATA USED TO DETERMINE THE AMOUNT OF THIS INCREASE
22 SHALL BE THE TOTAL DOLLAR AMOUNT OF MICHIGAN OR LOCAL FRUITS,
23 VEGETABLES, AND LEGUMES PURCHASED BY SCHOOLS, ALONG WITH THE NUMBER
24 OF DIFFERENT TYPES OF PRODUCTS PURCHASED; SCHOOL FOOD PURCHASING
25 TRENDS IDENTIFIED ALONG WITH PRODUCTS THAT ARE OF NEW AND GROWING
26 INTEREST AMONG FOOD SERVICE DIRECTORS; THE NUMBER OF BUSINESSES
27 IMPACTED; AND THE PERCENTAGE OF TOTAL FOOD BUDGET SPENT ON

1 MICHIGAN-GROWN FRUITS, VEGETABLES, AND LEGUMES.

2 (ii) THE PROSPERITY REGION OFFICE SHALL USE PURCHASING DATA
3 COLLECTED FOR THE PROJECT AND SURVEYS OF SCHOOL FOOD SERVICE
4 DIRECTORS ON THE IMPACT AND SUCCESS OF THE PROJECT AS THE SOURCE
5 FOR THE DATA DESCRIBED IN SUBPARAGRAPH (i).

6 (B) THE ABILITY TO WHICH PUPILS CAN ACCESS A VARIETY OF
7 HEALTHY MICHIGAN-GROWN FOODS THROUGH SCHOOLS AND INCREASE THEIR
8 CONSUMPTION OF THOSE FOODS. ALL OF THE FOLLOWING APPLY FOR PURPOSES
9 OF THIS SUBDIVISION:

10 (i) THE DATA USED TO DETERMINE WHETHER THIS SUBPARAGRAPH IS
11 MET SHALL BE THE NUMBER OF PUPILS EXPOSED TO MICHIGAN-GROWN FRUITS,
12 VEGETABLES, AND LEGUMES AT SCHOOLS; THE VARIETY OF PRODUCTS SERVED;
13 NEW ITEMS TASTE-TESTED OR PLACED ON MENUS; AND THE INCREASE IN
14 PUPIL WILLINGNESS TO TRY NEW LOCAL, HEALTHY FOODS.

15 (ii) THE PROSPERITY REGION OFFICE SHALL USE PURCHASING DATA
16 COLLECTED FOR THE PROJECT, MEAL COUNT AND ENROLLMENT NUMBERS,
17 SCHOOL MENU CALENDARS, AND SURVEYS OF SCHOOL FOOD SERVICE DIRECTORS
18 AS THE SOURCE FOR THE DATA DESCRIBED IN SUBPARAGRAPH (i).

19 (12) THE DEPARTMENT SHALL COMPILE THE REPORTS PROVIDED BY
20 PROSPERITY REGION OFFICES UNDER SUBSECTION (11) INTO 1 LEGISLATIVE
21 REPORT. THE DEPARTMENT SHALL PROVIDE THIS REPORT NOT LATER THAN
22 APRIL 1, 2017 TO THE HOUSE AND SENATE SUBCOMMITTEES RESPONSIBLE FOR
23 SCHOOL AID, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
24 BUDGET DIRECTOR.

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

1 not to exceed \$243,600,000.00 for ~~2015-2016.~~ **2016-2017.** Funds
2 allocated under this section for great start readiness programs
3 shall be used to provide part-day, school-day, or GSRP/head start
4 blended comprehensive free compensatory classroom programs designed
5 to improve the readiness and subsequent achievement of
6 educationally disadvantaged children who meet the participant
7 eligibility and prioritization guidelines as defined by the
8 department. For a child to be eligible to participate in a program
9 under this section, the child shall be at least 4, but less than 5,
10 years of age as of ~~the date specified for determining a child's~~
11 ~~eligibility to attend school under section 1147 of the revised~~
12 ~~school code, MCL 380.1147.~~ **SEPTEMBER 1 OF THE SCHOOL YEAR IN WHICH**
13 **THE PROGRAM IS OFFERED AND SHALL MEET THOSE ELIGIBILITY AND**
14 **PRIORITIZATION GUIDELINES.**

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

25 (3) In addition to the allocation under subsection (1), from
26 the general fund money appropriated under section 11, there is
27 allocated an amount not to exceed \$300,000.00 for ~~2015-2016-2016-~~

1 2017 for a competitive grant to continue a longitudinal evaluation
2 of children who have participated in great start readiness
3 programs.

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

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

13 (b) An age-appropriate educational curriculum that is in
14 compliance with the early childhood standards of quality for
15 prekindergarten children adopted by the state board.

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

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

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

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

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

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

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

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

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

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

20 (b) Except as otherwise provided in this subdivision, ensure
21 that at least 90% of the children participating in an eligible
22 great start readiness program for whom the intermediate district is
23 receiving funds under this section are children who live with
24 families with a household income that is equal to or less than 250%
25 of the federal poverty level. If the intermediate district
26 determines that all eligible children are being served and that
27 there are no children on the waiting list under section 39(1)(d)

1 who live with families with a household income that is equal to or
2 less than 250% of the federal poverty level, the intermediate
3 district may then enroll children who live with families with a
4 household income that is equal to or less than 300% of the federal
5 poverty level. The enrollment process shall consider income and
6 risk factors, such that children determined with higher need are
7 enrolled before children with lesser need. For purposes of this
8 subdivision, all age-eligible children served in foster care or who
9 are experiencing homelessness or who have individualized education
10 plans recommending placement in an inclusive preschool setting
11 shall be considered to live with families with household income
12 equal to or less than 250% of the federal poverty level regardless
13 of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT**
14 **WITHIN THE LOWEST QUINTILE.**

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

17 (i) Teachers possessing proper training. A lead teacher must
18 have a valid teaching certificate with an early childhood (ZA or
19 ZS) endorsement or a bachelor's **OR HIGHER** degree in child
20 development or early ~~child development~~ **CHILDHOOD EDUCATION** with
21 specialization in preschool teaching. However, if an applicant
22 demonstrates to the department that it is unable to fully comply
23 with this subparagraph after making reasonable efforts to comply,
24 teachers who have significant but incomplete training in early
25 childhood education or child development may be used if the
26 applicant provides to the department, and the department approves,
27 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 shall consist of at least 2
4 courses per calendar year.

5 (ii) Paraprofessionals possessing proper training in early
6 childhood ~~development~~, **EDUCATION**, including an associate's degree
7 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 shall
19 consist 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 shall indicate the extent to which these funds will
27 supplement other federal, state, local, or private funds. Funds

1 received under this section shall not be used to supplant any
2 federal funds received by the applicant to serve children eligible
3 for a federally funded preschool program that has the capacity to
4 serve those children.

5 (6) For a grant recipient that enrolls pupils in a school-day
6 program funded under this section, each child enrolled in the
7 school-day program shall be counted as ~~2 children served by the~~
8 ~~program~~ **DESCRIBED IN SECTION 39** for purposes of determining the
9 ~~number of children to be served and for determining the amount of~~
10 the grant award. ~~A grant award shall not be increased solely on the~~
11 ~~basis of providing a school-day program.~~

12 (7) For a grant recipient that enrolls pupils in a GSRP/head
13 start blended program, the grant recipient shall ensure that all
14 head start and GSRP policies and regulations are applied to the
15 blended slots, with adherence to the highest standard from either
16 program, to the extent allowable under federal law.

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

23 ~~—— (9) Funds received under this section may be retained for~~
24 ~~administrative services as follows:~~

25 ~~—— (a) For the portion of the total grant amount for which~~
26 ~~services are provided directly by an intermediate district or~~
27 ~~consortium of intermediate districts, the intermediate district or~~

~~consortium of intermediate districts may retain an amount equal to not more than 7% of that portion of the grant amount.~~

~~—— (b) For the portion of the total grant amount for which services are contracted, the intermediate district or consortium of intermediate districts receiving the grant may retain an amount equal to not more than 4% of that portion of the grant amount and the subrecipients engaged by the intermediate district to provide program services may retain for administrative services an amount equal to not more than 4% of that portion of the grant amount.~~

(9) AN INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS MAY RETAIN FOR ADMINISTRATIVE SERVICES PROVIDED BY THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS AN AMOUNT NOT TO EXCEED 4% OF THE GRANT AMOUNT. EXPENSES INCURRED BY SUBRECIPIENTS ENGAGED BY THE INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS FOR DIRECTLY RUNNING PORTIONS OF THE PROGRAM SHALL BE CONSIDERED PROGRAM COSTS OR A CONTRACTED PROGRAM FEE FOR SERVICE.

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

(11) Each grant recipient shall enroll children identified under subsection (5)(b) according to how far the child's household income is below 250% of the federal poverty level by ranking each applicant child's household income from lowest to highest and dividing the applicant children into quintiles based on how far the child's household income is below 250% of the federal poverty level, and then enrolling children in the quintile with the lowest

1 household income before enrolling children in the quintile with the
2 next lowest household income until slots are completely filled. If
3 the grant recipient determines that all eligible children are being
4 served and that there are no children on the waiting list under
5 section 39(1)(d) who live with families with a household income
6 that is equal to or less than 250% of the federal poverty level,
7 the grant recipient may then enroll children who live with families
8 with a household income that is equal to or less than 300% of the
9 federal poverty level. The enrollment process shall consider income
10 and risk factors, such that children determined with higher need
11 are enrolled before children with lesser need. For purposes of this
12 subdivision, all age-eligible children served in foster care or who
13 are experiencing homelessness or who have individualized education
14 plans recommending placement in an inclusive preschool setting
15 shall be considered to live with families with household income
16 equal to or less than 250% of the federal poverty level regardless
17 of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT**
18 **WITHIN THE LOWEST QUINTILE.**

19 (12) An intermediate district or consortium of intermediate
20 districts receiving a grant under this section shall allow parents
21 of eligible children who are residents of the intermediate district
22 or within the consortium to choose a program operated by or
23 contracted with another intermediate district or consortium of
24 intermediate districts and shall ~~pay to the educating intermediate~~
25 ~~district or consortium the per child amount attributable to each~~
26 ~~child enrolled pursuant to this sentence, as determined under~~
27 ~~section 39.~~ **ENTER INTO A WRITTEN AGREEMENT REGARDING PAYMENT, IN A**

1 MANNER PRESCRIBED THE DEPARTMENT.

2 (13) An intermediate district or consortium of intermediate
3 districts receiving a grant under this section shall conduct a
4 local process to contract with interested and eligible public and
5 private for-profit and nonprofit community-based providers that
6 meet all requirements of subsection (4) for at least 30% of its
7 total slot allocation. **FOR THE PURPOSES OF THIS 30% ALLOCATION, AN**
8 **INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS MAY**
9 **COUNT CHILDREN SERVED BY A HEAD START GRANTEE OR DELEGATE IN A**
10 **BLENDED HEAD START AND GREAT START READINESS SCHOOL-DAY PROGRAM.**
11 **CHILDREN SERVED IN A PROGRAM FUNDED ONLY THROUGH HEAD START SHALL**
12 **NOT BE COUNTED TOWARD THIS 30% ALLOCATION.** The intermediate
13 district or consortium shall report to the department, in a manner
14 prescribed by the department, a detailed list of community-based
15 providers by provider type, including private for-profit, private
16 nonprofit, community college or university, head start grantee or
17 delegate, and district or intermediate district, and the number and
18 proportion of its total slot allocation allocated to each provider
19 as subrecipient. If the intermediate district or consortium is not
20 able to contract for at least 30% of its total slot allocation, the
21 grant recipient shall notify the department and, if the department
22 verifies that the intermediate district or consortium attempted to
23 contract for at least 30% of its total slot allocation and was not
24 able to do so, then the intermediate district or consortium may
25 retain and use all of its allocated slots as provided under this
26 section. To be able to use this exemption, the intermediate
27 district or consortium shall demonstrate to the department that the

1 intermediate district or consortium increased the percentage of its
2 total slot allocation for which it contracts with a community-based
3 provider and the intermediate district or consortium shall submit
4 evidence satisfactory to the department, and the department must be
5 able to verify this evidence, demonstrating that the intermediate
6 district or consortium took measures to contract for at least 30%
7 of its total slot allocation as required under this subsection,
8 including, but not limited to, at least all of the following
9 measures:

10 (a) The intermediate district or consortium notified each
11 **NONPARTICIPATING** licensed child care center located in the service
12 area of the intermediate district or consortium ~~at least twice~~
13 regarding the center's eligibility to participate, **IN A MANNER**
14 **PRESCRIBED BY THE DEPARTMENT.** ~~One of these notifications may be~~
15 ~~made electronically, but at least 1 of these notifications shall be~~
16 ~~made via hard copy through the United States mail. At least 1 of~~
17 ~~these notifications shall be made within 7 days after the~~
18 ~~intermediate district or consortium receives notice from the~~
19 ~~department of its slot allocations.~~

20 (b) The intermediate district or consortium provided to each
21 **NONPARTICIPATING** licensed child care center located in the service
22 area of the intermediate district or consortium information
23 regarding great start readiness program requirements and a
24 description of the application and selection process for community-
25 based providers.

26 (c) The intermediate district or consortium provided to the
27 public and to participating families a list of community-based

1 great start readiness program subrecipients with a great start to
2 quality rating of at least 3 stars.

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

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

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

21 (b) Provide, or ensure that an organization with which the
22 department contracts provides, a community-based provider with a
23 validated great start to quality rating within 90 days of the
24 provider's having submitted a request and self-assessment.

25 (c) Ensure that all intermediate district, district, community
26 college or university, head start grantee or delegate, private for-
27 profit, and private nonprofit providers are subject to a single

1 great start to quality rating system. The rating system shall
2 ensure that regulators process all prospective providers at the
3 same pace on a first-come, first-served basis and shall not allow 1
4 type of provider to receive a great start to quality rating ahead
5 of any other type of provider.

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

15 (16) A recipient of funds under this section shall report to
16 the department in a form and manner prescribed by the department
17 the number of children participating in the program who meet the
18 income eligibility criteria under subsection (5)(b) and the total
19 number of children participating in the program. For children
20 participating in the program who meet the income eligibility
21 criteria specified under subsection (5)(b), a recipient shall also
22 report whether or not a parent is available to provide care based
23 on employment status. For the purposes of this subsection,
24 "employment status" shall be defined by the department of health
25 and human services in a manner consistent with maximizing the
26 amount of spending that may be claimed for temporary assistance for
27 needy families maintenance of effort purposes.

1 (17) As used in this section:

2 (a) "GSRP/head start blended program" means a part-day program
3 funded under this section and a head start program, which are
4 combined for a school-day program.

5 (b) "Part-day program" means a program that operates at least
6 4 days per week, 30 weeks per year, for at least 3 hours of
7 teacher-child contact time per day but for fewer hours of teacher-
8 child contact time per day than a school-day program.

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

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

24 (19) From the amount appropriated in subsection (1), there is
25 allocated an amount not to exceed \$10,000,000.00 for reimbursement
26 of transportation costs for children attending great start
27 readiness programs funded under this section. To receive

1 reimbursement under this subsection, not later than November 1,
2 ~~2015, 2016~~, a program funded under this section that provides
3 transportation shall submit to the intermediate district that is
4 the fiscal agent for the program a projected transportation budget.
5 The amount of the reimbursement for transportation under this
6 subsection shall be no more than the projected transportation
7 budget or \$150.00 multiplied by the number of slots funded for the
8 program under this section. If the amount allocated under this
9 subsection is insufficient to fully reimburse the transportation
10 costs for all programs that provide transportation and submit the
11 required information, the reimbursement shall be prorated in an
12 equal amount per slot funded. Payments shall be made to the
13 intermediate district that is the fiscal agent for each program,
14 and the intermediate district shall then reimburse the program
15 provider for transportation costs as prescribed under this
16 subsection.

17 Sec. 32p. (1) From the school aid fund appropriation in
18 section 11, there is allocated an amount not to exceed
19 \$13,400,000.00 to intermediate districts for ~~2015-2016~~ **2016-2017**
20 for the purpose of providing early childhood funding to
21 intermediate school districts to support the activities under
22 subsection (2) and subsection (4), and to provide early childhood
23 programs for children from birth through age 8. The funding
24 provided to each intermediate district under this section shall be
25 determined by the distribution formula established by the
26 department's office of great start to provide equitable funding
27 statewide. In order to receive funding under this section, each

1 intermediate district shall provide an application to the office of
2 great start not later than September 15 of the immediately
3 preceding fiscal year indicating the activities planned to be
4 provided.

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

12 (a) Children born healthy.

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

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

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

19 (3) Each local great start collaborative and parent coalition
20 shall convene workgroups to make recommendations about community
21 services designed to achieve the outcomes described in subsection
22 (2) and to ensure that its local great start system includes the
23 following supports for children from birth through age 8:

24 (a) Physical health.

25 (b) Social-emotional health.

26 (c) Family supports and basic needs.

27 (d) Parent education.

1 (e) Early education, **INCLUDING THE CHILD'S VOCABULARY**
2 **DEVELOPMENT**, and care.

3 (4) From the funds allocated in subsection (1), at least
4 \$2,500,000.00 shall be used for the purpose of providing home
5 visits to at-risk children and their families. The home visits
6 shall be conducted as part of a locally coordinated, family-
7 centered, evidence-based, data-driven home visit strategic plan
8 that is approved by the department. The goals of the home visits
9 funded under this subsection shall be to improve school readiness ⁷
10 **USING EVIDENCE-BASED METHODS, INCLUDING VOCABULARY DEVELOPMENT, TO**
11 reduce the number of pupils retained in grade level, and **TO** reduce
12 the number of pupils requiring special education services. The
13 department shall coordinate the goals of the home visit strategic
14 plans approved under this subsection with other state agency home
15 visit programs in a way that strengthens Michigan's home visiting
16 infrastructure and maximizes federal funds available for the
17 purposes of at-risk family home visits. **THE COORDINATION AMONG**
18 **DEPARTMENTS AND AGENCIES IS INTENDED TO AVOID DUPLICATION OF STATE**
19 **SERVICES AND SPENDING, AND SHOULD EMPHASIZE EFFICIENT SERVICE**
20 **DELIVERY OF HOME VISITING PROGRAMS.**

21 (5) Not later than December 1 of each year, each intermediate
22 district shall provide a report to the department detailing the
23 activities actually provided during the immediately preceding
24 school year and the families and children actually served. At a
25 minimum, the report shall include an evaluation of the services
26 provided with additional funding under subsection (4) for home
27 visits, using the goals identified in subsection (4) as the basis

1 for the evaluation, including the degree to which school readiness
2 was improved, any change in the number of pupils retained at grade
3 level, and any change in the number of pupils receiving special
4 education services. The department shall compile and summarize
5 these reports and submit its summary to the house and senate
6 appropriations subcommittees on school aid and to the house and
7 senate fiscal agencies not later than February 15 of each year.

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

16 **SEC. 32Q. FROM THE STATE SCHOOL AID FUND ALLOCATION UNDER**
17 **SECTION 11, THERE IS ALLOCATED TO AN ELIGIBLE INTERMEDIATE DISTRICT**
18 **AN AMOUNT EQUAL TO \$175,000.00 IN 2016-2017 FOR THE PURPOSE OF THIS**
19 **SECTION. AN INTERMEDIATE DISTRICT RECEIVING A GRANT UNDER THIS**
20 **SECTION SHALL PARTNER WITH AN EARLY CHILDHOOD COLLABORATIVE TO**
21 **CONDUCT A PILOT PROGRAM AS PROVIDED UNDER THIS SECTION. IT IS THE**
22 **INTENT OF THE LEGISLATURE THAT THIS IS THE FIRST OF 3 YEARS OF**
23 **FUNDING, AND THAT FUNDING SHALL CONTINUE IN 2017-2018 AND 2018-**
24 **2019. FUNDING ALLOCATED TO AN INTERMEDIATE DISTRICT SHALL BE USED**
25 **IN PARTNERSHIP WITH A COLLABORATIVE TO CONDUCT A PILOT PROGRAM TO**
26 **EVALUATE THE RELATIVE IMPACT ON VULNERABLE CHILDREN OF 1 VERSUS 2**
27 **YEARS OF PRESCHOOL EDUCATION. ALL OF THE FOLLOWING APPLY TO THE**

1 PILOT PROGRAM FUNDED UNDER THIS SECTION:

2 (A) AN ELIGIBLE INTERMEDIATE DISTRICT IS AN INTERMEDIATE
3 DISTRICT THAT IS LOCATED IN A COUNTY WITH A POPULATION AS OF THE
4 MOST RECENT FEDERAL DECENNIAL CENSUS THAT WAS GREATER THAN 500,000
5 BUT FEWER THAN 800,000 AND THAT HAS AN EARLY LEARNING COLLABORATIVE
6 LOCATED WITHIN ITS BOUNDARIES.

7 (B) THE FUNDS SHALL BE USED FOR RESEARCH, FAMILY COACHING
8 SUPPORT, ADMINISTRATION, INFORMATION SYSTEMS, AND EVALUATION.

9 (C) IN ORDER TO BE ELIGIBLE TO RECEIVE THE ALLOCATED FUNDS,
10 THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE
11 INTERMEDIATE DISTRICT, SHALL PROVIDE THE FUNDING FOR ALL ELIGIBLE
12 CHILDREN INCLUDED IN THE PILOT PROGRAM.

13 (D) THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE
14 INTERMEDIATE DISTRICT, SHALL DEVELOP A 3-YEAR PILOT PROGRAM UNDER
15 THE SUPERVISION OF THE OFFICE OF GREAT START IN THE DEPARTMENT.

16 (E) FOR A CHILD TO BE ELIGIBLE FOR PARTICIPATION IN THE PILOT
17 PROGRAM UNDER THIS SECTION, THE CHILD SHALL BE 3 YEARS OF AGE AS OF
18 THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND
19 SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

20 (F) A CHILD PARTICIPATING IN THE PILOT PROGRAM SHALL MEET THE
21 PARTICIPANT ELIGIBILITY AND PRIORITIZATION GUIDELINES AS DEFINED BY
22 THE DEPARTMENT.

23 (G) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL
24 DISTRIBUTE FUNDS UNDER THIS SECTION NOT LATER THAN NOVEMBER 15 OF
25 THE FISCAL YEAR.

26 (H) THE EARLY LEARNING COLLABORATIVE, IN PARTNERSHIP WITH THE
27 INTERMEDIATE DISTRICT, SHALL PROVIDE ANNUAL PROGRESS EVALUATIONS TO

1 THE OFFICE OF GREAT START.

2 (I) BY DECEMBER 1, 2019, THE EARLY LEARNING COLLABORATIVE, IN
3 PARTNERSHIP WITH THE INTERMEDIATE DISTRICT, SHALL PROVIDE A PILOT
4 PROGRAM REPORT AND EVALUATION TO THE OFFICE OF GREAT START. THE
5 OFFICE OF GREAT START SHALL REVIEW THE PILOT PROGRAM REPORT AND
6 EVALUATION AND, BY FEBRUARY 15, 2020, PROVIDE A REPORT TO THE
7 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID
8 AND TO THE SENATE AND HOUSE FISCAL AGENCIES OF ITS EVALUATION OF
9 THE PILOT PROGRAM.

10 Sec. 35. (1) The funds allocated under section 35a shall be
11 used for programs to ensure children are reading at grade level by
12 the end of grade 3. The superintendent shall designate staff or
13 contracted employees funded under section 35a as critical shortage.
14 Programs funded under section 35a are intended to ensure that this
15 state will be in the top 10 most improved states in grade 4 reading
16 proficiency by the 2019 National Assessment of Educational Progress
17 (NAEP) and will be in the top 10 states overall in grade 4 reading
18 proficiency by 2025.

19 (2) From the general fund appropriation in section 11, there
20 is allocated to the department an amount not to exceed
21 \$1,000,000.00 for 2015-2016-2016-2017 for implementation costs
22 associated with programs funded under section 35a.

23 ~~—— (3) From the amount allocated under subsection (2), there is~~
24 ~~allocated an amount not to exceed \$100,000.00 for the purpose of~~
25 ~~performing an evaluation of the pilot programs under section 35a(2)~~
26 ~~in a manner approved by the department. The evaluation report shall~~
27 ~~include at least all of the following:~~

1 ~~—— (a) A description of the components of the pilot programs that~~
2 ~~were effective in helping parents prepare their children for~~
3 ~~success in school.~~

4 ~~—— (b) A description of any barriers that parents and their~~
5 ~~children encountered that prevented them from participating in the~~
6 ~~pilot programs.~~

7 ~~—— (c) An assessment of whether these pilot programs should be~~
8 ~~expanded to other locations in the state.~~

9 Sec. 35a. (1) From the appropriations in section 11, there is
10 allocated for 2015-2016 for the purposes of this section an amount
11 not to exceed ~~\$23,900,000.00~~ **\$19,000,000.00** from the state school
12 aid fund appropriation and an amount not to exceed \$1,500,000.00
13 from the general fund appropriation. **FROM THE APPROPRIATIONS IN**
14 **SECTION 11, THERE IS ALLOCATED FOR 2016-2017 FOR THE PURPOSES OF**
15 **THIS SECTION AN AMOUNT NOT TO EXCEED \$22,900,000.00 FROM THE STATE**
16 **SCHOOL AID FUND AND AN AMOUNT NOT TO EXCEED \$1,000,000.00 FROM THE**
17 **GENERAL FUND.**

18 ~~—— (2) From the allocations under subsection (1), there is~~
19 ~~allocated an amount not to exceed \$1,000,000.00 for 2015-2016 for~~
20 ~~the purpose of conducting parent education pilot programs for~~
21 ~~parents of children less than 4 years of age so that children are~~
22 ~~developmentally ready to succeed in school at the time of school~~
23 ~~entry. All of the following apply to programs funded under this~~
24 ~~subsection.~~

25 ~~—— (a) The department shall develop a competitive application~~
26 ~~process and method of grant distribution consistent with the~~
27 ~~provisions of this subsection. The amount of a grant award to a~~

~~pilot program shall be an amount equal to the number of children residing in the district or consortium of districts operating the program who are younger than 4 years of age as of the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147, multiplied by \$120.00 per child or \$130,000.00, whichever is less. The department shall ensure that grants are awarded in each prosperity region or subregion.~~

~~—— (b) An application for a competitive grant under this subsection shall be submitted by an intermediate district on behalf of a district or consortium of districts within the intermediate district. The application shall be submitted in a form and manner approved by the department and shall contain at least the following components:~~

~~—— (i) A description of the program design including the names of the district or consortium of districts that will operate the program, the physical location of the program, and the anticipated number of families that will be served.~~

~~—— (ii) An assurance that the program will be supervised by a teacher who has a valid teaching certificate with an early childhood (ZA or ZS) endorsement, a valid teaching certificate in career education with both a KH and VH endorsement, a bachelor's degree in child development or early child development, or a bachelor's degree related to adult learning.~~

~~—— (iii) An estimate of the number of families residing in the district or consortium of districts that will operate the pilot program that have at least 1 child less than 4 years of age as of~~

~~the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147.~~

~~—— (iv) A description of the public awareness and outreach efforts that will be made.~~

~~—— (v) An assurance that the intermediate district and the district or consortium of districts operating the program will provide information in a form and manner as approved by the department to allow for an evaluation of the pilot projects.~~

~~—— (vi) A description of the sliding fee scale that will be established for tuition, with fees reduced or waived for those unable to pay.~~

~~—— (vii) A budget for the program. A program may use not more than 5% of a grant to administer the program.~~

~~—— (c) To be eligible for a grant under this subsection, a program shall provide at least 2 hours per week throughout the school year for parents and their eligible children to participate in parent education programs and meet at least the following minimum requirements:~~

~~—— (i) Require that parents be physically present in classes with their children or be in concurrent classes.~~

~~—— (ii) Use research-based information to educate parents about the physical, cognitive, social, and emotional development of children.~~

~~—— (iii) Provide structured learning activities requiring interaction between children and their parents.~~

~~—— (iv) Provide structured learning activities for children that promote positive interaction with their peers.~~

~~1 (d) For a child to be eligible to participate in a program~~
~~2 under this subsection, the child shall be less than 4 years of age~~
~~3 as of the date specified for determining a child's eligibility to~~
~~4 attend school under section 1147 of the revised school code, MCL~~
~~5 380.1147.~~

6 (2) ~~(3)~~ From the allocations under subsection (1), there is
7 allocated an amount not to exceed \$950,000.00 **EACH FISCAL YEAR** for
8 2015-2016 **AND FOR 2016-2017** for professional development purposes
9 under this subsection. ~~This~~ **THE 2016-2017** allocation represents the
10 ~~first~~ **SECOND** of 2 years of funding for the purposes of this
11 subsection. All of the following apply to funding under this
12 subsection:

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

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

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

1 2015-2016 are carried forward into 2016-2017. The purpose of the
2 work project is to continue to implement the professional
3 development training described in this subsection. The estimated
4 completion date of the work project is September 30, 2017.

5 (D) THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2016-2017
6 ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR
7 2016-2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE
8 WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL
9 DEVELOPMENT TRAINING DESCRIBED IN THIS SUBSECTION. THE ESTIMATED
10 COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2018.

11 (3) ~~(4)~~—From the allocations under subsection (1), there is
12 allocated an amount not to exceed \$1,450,000.00 **EACH FISCAL YEAR**
13 for 2015-2016 **AND FOR 2016-2017** for grants under this subsection.
14 ~~This~~ **THE 2016-2017** allocation represents the ~~first~~ **SECOND** of 2
15 years of funding. All of the following apply to grants under this
16 subsection:

17 (a) The department shall award grants to districts to
18 administer department-approved screening and diagnostic tools to
19 monitor the development of early literacy and early reading skills
20 of pupils in grades K to 3 and to support research-based
21 professional development for educators in administering screening
22 and diagnostic tools and in data interpretation of the results
23 obtained through the use of those tools for the purpose of
24 implementing a multi-tiered system of support to improve reading
25 proficiency among pupils in grades K to 3. The department shall
26 award grants to eligible districts in an amount determined by the
27 department.

1 (B) A DEPARTMENT-APPROVED SCREENING AND DIAGNOSTIC TOOL
2 ADMINISTERED BY A DISTRICT USING FUNDING UNDER THIS SECTION MUST
3 INCLUDE ALL OF THE FOLLOWING COMPONENTS: PHONEMIC AWARENESS,
4 PHONICS, FLUENCY, AND COMPREHENSION. FURTHER, ALL OF THE FOLLOWING
5 SUB-SKILLS MUST BE ASSESSED WITHIN EACH OF THESE COMPONENTS:

6 (i) PHONEMIC AWARENESS - SEGMENTATION, BLENDING, AND SOUND
7 MANIPULATION (DELETION AND SUBSTITUTION) .

8 (ii) PHONICS - DECODING (READING) AND ENCODING (SPELLING) .

9 (iii) FLUENCY - READING RATE, ACCURACY, AND EXPRESSION.

10 (iv) COMPREHENSION - MAKING MEANING OF TEXT.

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

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

21 (E) **THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2016-2017**
22 **ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR**
23 **2016-2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE**
24 **WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL**
25 **DEVELOPMENT TRAINING DESCRIBED IN THIS SUBSECTION. THE ESTIMATED**
26 **COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2018.**

27 (4) ~~(5)~~—From the allocations under subsection (1), there is

1 allocated an amount not to exceed \$3,000,000.00 **EACH FISCAL YEAR**
2 **FOR 2015-2016 AND FOR 2016-2017** for the purpose of providing early
3 literacy coaches at intermediate districts to assist teachers in
4 developing and implementing instructional strategies for pupils in
5 grades K to 3 so that pupils are reading at grade level by the end
6 of grade 3. All of the following apply to funding under this
7 subsection:

8 (a) The department shall develop an application process
9 consistent with the provisions of this subsection. An application
10 shall provide assurances that literacy coaches funded under this
11 subsection are knowledgeable about at least the following:

12 (i) Current state literacy standards for pupils in grades K to
13 3.

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

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

23 (b) From the allocation under this subsection, the department
24 shall award grants to intermediate districts for the support of
25 early literacy coaches. An intermediate district must provide
26 matching funds for at least 50% of the cost of the literacy coach.
27 The department shall provide this funding in the following manner:

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

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

17 (c) The funds allocated under this subsection **FOR 2015-2016**
18 are a work project appropriation, and any unexpended funds for
19 2015-2016 are carried forward into 2016-2017. The purpose of the
20 work project is to continue to provide early literacy coaches as
21 described in this subsection. The estimated completion date of the
22 work project is September 30, 2017.

23 **(D) THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 2016-2017**
24 **ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR**
25 **2016-2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE**
26 **WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL**
27 **DEVELOPMENT TRAINING DESCRIBED IN THIS SUBSECTION. THE ESTIMATED**

1 **COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2018.**

2 (5) ~~(6)~~ From the allocations under subsection (1), there is
3 allocated an amount not to exceed ~~\$17,500,000.00~~ **\$13,600,000.00** for
4 2015-2016 **AND AN AMOUNT NOT TO EXCEED \$17,500,000.00 FOR 2016-2017**
5 to districts that provide additional instructional time to those
6 pupils in grades K to 3 who have been identified by using
7 department-approved screening and diagnostic tools as needing
8 additional supports and interventions in order to be reading at
9 grade level by the end of grade 3. Additional instructional time
10 may be provided before, during, and after regular school hours or
11 as part of a year-round balanced school calendar. All of the
12 following apply to funding under this subsection:

13 (a) In order to be eligible to receive funding, a district
14 shall demonstrate to the satisfaction of the department that the
15 district has done all of the following:

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

23 (A) Implements effective instruction for all learners.

24 (B) Intervenes early.

25 (C) Provides a multi-tiered model of instruction and
26 intervention that provides the following: a core curriculum and
27 classroom interventions available to all pupils that meet the needs

1 of most pupils; targeted group interventions; and intense
2 individual interventions.

3 (D) Monitors pupil progress to inform instruction.

4 (E) Uses data to make instructional decisions.

5 (F) Uses assessments including universal screening,
6 diagnostics, and progress monitoring.

7 (G) Engages families and the community.

8 (H) Implements evidence-based, scientifically validated,
9 instruction and intervention.

10 (I) Implements instruction and intervention practices with
11 fidelity.

12 (J) Uses a collaborative problem-solving model.

13 (ii) Used department-approved research-based diagnostic tools
14 to identify individual pupils in need of additional instructional
15 time.

16 (iii) Used a reading instruction method that focuses on the 5
17 fundamental building blocks of reading: phonics, phonemic
18 awareness, fluency, vocabulary, and comprehension and content
19 knowledge.

20 (iv) Provided teachers of pupils in grades K to 3 with
21 research-based professional development in diagnostic data
22 interpretation.

23 (b) Funding allocated under this subsection shall be
24 distributed to eligible districts by multiplying the number of
25 full-time-equivalent pupils in grade 1 in the district by \$165.00.

26 (c) If the funds allocated under this subsection are
27 insufficient to fully fund the payments under this subsection,

1 payments under this subsection shall be prorated on an equal per-
2 pupil basis based on grade 1 pupils.

3 (6) ~~(7)~~—From the general fund money allocated in subsection
4 (1), the department shall allocate the amount of \$1,000,000.00 **EACH**
5 **FISCAL YEAR** for 2015-2016 **AND FOR 2016-2017** to the Michigan
6 Education Corps. All of the following apply to funding under this
7 subsection:

8 (a) By August 1 ~~, 2016,~~ **OF THE APPLICABLE FISCAL YEAR,** the
9 Michigan Education Corps shall provide a report concerning its use
10 of the funding to the senate and house appropriations subcommittees
11 on state school aid, the senate and house fiscal agencies, and the
12 senate and house caucus policy offices on outcomes and performance
13 measures of the Michigan Education Corps, including, but not
14 limited to, the degree to which the Michigan Education Corps's
15 replication of the Michigan Reading Corps program is demonstrating
16 sufficient efficacy and impact. The report must include data
17 pertaining to at least all of the following:

18 (i) The current impact of the Michigan Reading Corps on this
19 state in terms of numbers of children and programs receiving
20 support. This portion of the report shall specify the number of
21 children tutored, including dosage and completion, and the
22 demographics of those children.

23 (ii) Whether the assessments and interventions are implemented
24 with fidelity. This portion of the report shall include details on
25 the total number of assessments and interventions completed and the
26 range, median, mean, and standard deviation for all assessments.

27 (iii) Whether the literacy improvement of children

1 participating in the Michigan Reading Corps is consistent with
2 expectations. This portion of the report shall detail at least all
3 of the following:

4 (A) Growth rate by grade level, in comparison to targeted
5 growth rate.

6 (B) Average linear growth rates.

7 (C) Exit rates.

8 (D) Percentage of children who exit who also meet or exceed
9 spring benchmarks.

10 (iv) The impact of the Michigan Reading Corps on organizations
11 and stakeholders, including, but not limited to, school
12 administrators, internal coaches, and AmeriCorps members.

13 (b) If the department determines that the Michigan Education
14 Corps has misused the funds allocated under this subsection, the
15 Michigan Education Corps shall reimburse this state for the amount
16 of state funding misused.

17 (7) ~~(8)~~—From the general fund money allocated under subsection
18 (1), there is allocated to the department an amount not to exceed
19 \$500,000.00 for 2015-2016 for the adoption of a certification test
20 to ensure that all newly certificated elementary teachers have the
21 skills to deliver evidence-based literacy instruction.

22 Sec. 39. (1) An eligible applicant receiving funds under
23 section 32d shall submit an application, in a form and manner
24 prescribed by the department, by a date specified by the department
25 in the immediately preceding state fiscal year. The application
26 shall include a comprehensive needs assessment using aggregated
27 data from the applicant's entire service area and a community

1 collaboration plan that is endorsed by the local great start
2 collaborative and is part of the community's great start strategic
3 plan that includes, but is not limited to, great start readiness
4 program and head start providers, and shall identify all of the
5 following:

6 (a) The estimated total number of children in the community
7 who meet the criteria of section 32d and how that calculation was
8 made.

9 (b) The estimated number of children in the community who meet
10 the criteria of section 32d and are being served by other early
11 childhood development programs operating in the community, and how
12 that calculation was made.

13 (c) The number of ~~children the applicant will be able to serve~~
14 **SLOTS THE APPLICANT WILL BE ABLE TO FILL WITH CHILDREN** who meet the
15 criteria of section 32d including a verification of physical
16 facility and staff resources capacity.

17 (d) The estimated number of **SLOTS THAT WILL REMAIN UNFILLED**
18 **AND** children who meet the criteria of section 32d who will remain
19 unserved after the applicant and community early childhood programs
20 have met their funded enrollments. The applicant shall maintain a
21 waiting list of identified unserved eligible children who would be
22 served when openings are available.

23 (2) After notification of funding allocations, an applicant
24 receiving funds under section 32d shall also submit an
25 implementation plan for approval, in a form and manner prescribed
26 by the department, by a date specified by the department, that
27 details how the applicant complies with the program components

1 established by the department pursuant to section 32d.

2 (3) The number of prekindergarten children construed to be in
3 need of special readiness assistance under section 32d shall be
4 calculated for each applicant in the following manner: 1/2 of the
5 percentage of the applicant's pupils in grades 1 to 5 in all
6 districts served by the applicant who are eligible for free lunch,
7 as determined using the district's pupil membership count as of the
8 pupil membership count day in the school year prior to the fiscal
9 year for which the calculation is made, under the Richard B.
10 Russell national school lunch act, 42 USC 1751 to 1769i, shall be
11 multiplied by the average kindergarten enrollment of the districts
12 served by the applicant on the pupil membership count day of the 2
13 immediately preceding fiscal years. **EACH CHILD CONSTRUED TO BE IN**
14 **NEED CONSTITUTES 1 SLOT.**

15 (4) The initial allocation for each fiscal year to each
16 eligible applicant under section 32d shall be determined by
17 multiplying the number of ~~children~~-**SLOTS** determined by the formula
18 under subsection (3) or the number of ~~children~~-**SLOTS** the applicant
19 indicates it will be able to ~~serve~~-**FILL** under subsection (1)(c),
20 whichever is less, by \$3,625.00 and shall be distributed among
21 applicants in decreasing order of concentration of eligible
22 children as determined by the formula under subsection (3). If the
23 number of ~~children~~-**SLOTS** an applicant indicates it will be able to
24 ~~serve~~-**FILL** under subsection (1)(c) includes children able to be
25 served in a school-day program, then the number ~~able to be served~~
26 ~~in~~-**OF SLOTS FOR** a school-day program shall be doubled for the
27 purposes of making this calculation. ~~of the lesser of the number of~~

~~children determined by the formula under subsection (3) and the number of children the applicant indicates it will be able to serve under subsection (1)(c) and determining the amount of the initial allocation to the applicant under section 32d.~~ A district may contract with a head start agency to serve children enrolled in head start with a school-day program by blending head start funds with a part-day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.

(5) If funds allocated for eligible applicants under section 32d remain after the initial allocation under subsection (4), the allocation under this subsection shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). The allocation shall be determined by multiplying the number of ~~children-SLOTS~~ in each district within the applicant's service area ~~served-FILLED~~ in the immediately preceding fiscal year or the number of ~~children-SLOTS~~ the applicant indicates it will be able to ~~serve-FILL~~ under subsection (1)(c), whichever is less, minus the number of ~~children-SLOTS~~ for which the applicant received funding in subsection (4) by \$3,625.00.

(6) If funds allocated for eligible applicants under section 32d remain after the allocations under subsections (4) and (5), remaining funds shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of ~~children-SLOTS~~ the applicant indicates it will be able to

1 ~~serve-FILL~~ under subsection (1)(c) exceeds the number of ~~children~~
 2 **SLOTS** for which funds have been received under subsections (4) and
 3 (5), the allocation under this subsection shall be determined by
 4 multiplying the number of ~~children-SLOTS~~ the applicant indicates it
 5 will be able to ~~serve-FILL~~ under subsection (1)(c) less the number
 6 of ~~children-SLOTS~~ for which funds have been received under
 7 subsections (4) and (5) by \$3,625.00 until the funds allocated for
 8 eligible applicants in section 32d are distributed.

9 ~~— (7) An applicant that offers supplementary child care funded~~
 10 ~~by funds other than those received under section 32d and therefore~~
 11 ~~offers full day programs as part of its early childhood development~~
 12 ~~program shall receive priority in the allocation of funds under~~
 13 ~~section 32d over other eligible applicants. As used in this~~
 14 ~~subsection, "full day program" means a program that provides~~
 15 ~~supplementary child care that totals at least 10 hours of~~
 16 ~~programming per day.~~

17 (7) ~~(8)~~ If, taking into account the total amount to be
 18 allocated to the applicant as calculated under this section, an
 19 applicant determines that it is able to include additional eligible
 20 children in the great start readiness program without additional
 21 funds under section 32d, the applicant may include additional
 22 eligible children but shall not receive additional funding under
 23 section 32d for those children.

24 Sec. 39a. (1) From the federal funds appropriated in section
 25 11, there is allocated for ~~2015-2016-2016-2017~~ to districts,
 26 intermediate districts, and other eligible entities all available
 27 federal funding, estimated at ~~\$779,076,400.00~~ **\$821,939,900.00** for

1 the federal programs under the no child left behind act of 2001,
2 Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW**
3 **114-95**. These funds are allocated as follows:

4 (a) An amount estimated at ~~\$5,000,000.00~~ **\$2,000,000.00** to
5 provide students with drug- and violence-prevention programs and to
6 implement strategies to improve school safety, funded from DED-
7 OESE, drug-free schools and communities funds.

8 (b) An amount estimated at \$111,111,900.00 for the purpose of
9 preparing, training, and recruiting high-quality teachers and class
10 size reduction, funded from DED-OESE, improving teacher quality
11 funds.

12 (c) An amount estimated at \$12,200,000.00 for programs to
13 teach English to limited English proficient (LEP) children, funded
14 from DED-OESE, language acquisition state grant funds.

15 (d) An amount estimated at ~~\$10,286,500.00~~ **\$250,000.00** for the
16 Michigan charter school subgrant program, funded from DED-OESE,
17 charter school funds.

18 (e) An amount estimated at \$3,000,000.00 for rural and low
19 income schools, funded from DED-OESE, rural and low income school
20 funds.

21 (f) An amount estimated at \$565,000,000.00 to provide
22 supplemental programs to enable educationally disadvantaged
23 children to meet challenging academic standards, funded from DED-
24 OESE, title I, disadvantaged children funds.

25 (g) An amount estimated at \$8,878,000.00 for the purpose of
26 identifying and serving migrant children, funded from DED-OESE,
27 title I, migrant education funds.

1 (h) An amount estimated at \$39,000,000.00 for the purpose of
2 providing high-quality extended learning opportunities, after
3 school and during the summer, for children in low-performing
4 schools, funded from DED-OESE, twenty-first century community
5 learning center funds.

6 (i) An amount estimated at \$24,600,000.00 to help support
7 local school improvement efforts, funded from DED-OESE, title I,
8 local school improvement grants.

9 **(J) AN AMOUNT ESTIMATED AT \$55,900,000.00 TO IMPROVE THE**
10 **ACADEMIC ACHIEVEMENT OF STUDENTS, FUNDED FROM DED-OESE, TITLE IV,**
11 **STUDENT SUPPORT AND ACADEMIC ENRICHMENT GRANTS.**

12 (2) From the federal funds appropriated in section 11, there
13 is allocated for ~~2015-2016~~ **2016-2017** to districts, intermediate
14 districts, and other eligible entities all available federal
15 funding, estimated at \$30,800,000.00 for the following programs
16 that are funded by federal grants:

17 (a) An amount estimated at \$200,000.00 for acquired
18 immunodeficiency syndrome education grants, funded from HHS -
19 Centers for Disease Control and Prevention, AIDS funding.

20 (b) An amount estimated at \$2,600,000.00 to provide services
21 to homeless children and youth, funded from DED-OVAE, homeless
22 children and youth funds.

23 (c) An amount estimated at \$4,000,000.00 to provide mental
24 health, substance abuse, or violence prevention services to
25 students, funded from HHS-SAMHSA.

26 (d) An amount estimated at \$24,000,000.00 for providing career
27 and technical education services to pupils, funded from DED-OVAE,

1 basic grants to states.

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

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

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

15 **(5) FOR THE PURPOSES OF FUNDING FEDERAL TITLE I GRANTS UNDER**
16 **THIS ARTICLE, IN ADDITION TO ANY OTHER FEDERAL GRANTS FOR WHICH A**
17 **STRICT DISCIPLINE ACADEMY IS ELIGIBLE, THE DEPARTMENT SHALL**
18 **ALLOCATE TO STRICT DISCIPLINE ACADEMIES OUT OF TITLE I, PART A**
19 **FUNDS EQUAL TO WHAT A STRICT DISCIPLINE ACADEMY WOULD HAVE RECEIVED**
20 **IF INCLUDED AND CALCULATED UNDER TITLE I, PART D, OR WHAT IT WOULD**
21 **RECEIVE UNDER THE FORMULA ALLOCATION UNDER TITLE I, PART A,**
22 **WHICHEVER IS GREATER.**

23 (6) ~~(5)~~—As used in this section:

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

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

27 (c) "DED-OVAE" means the DED Office of Vocational and Adult

1 Education.

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

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

6 Sec. 41. From the appropriation in section 11, there is
7 allocated an amount not to exceed \$1,200,000.00 for ~~2015-2016-2016-~~
8 **2017** to applicant districts and intermediate districts offering
9 programs of instruction for pupils of limited English-speaking
10 ability under section 1153 of the revised school code, MCL
11 380.1153. Reimbursement shall be on a per-pupil basis and shall be
12 based on the number of pupils of limited English-speaking ability
13 in membership on the pupil membership count day. Funds allocated
14 under this section shall be used solely for instruction in
15 speaking, reading, writing, or comprehension of English. A pupil
16 shall not be counted under this section or instructed in a program
17 under this section for more than 3 years.

18 Sec. 51a. (1) From the appropriation in section 11, there is
19 allocated an amount not to exceed ~~\$901,946,100.00~~ **\$945,246,100.00**
20 for ~~2014-2015-2015-2016~~ and an amount not to exceed ~~\$918,546,100.00~~
21 ~~for 2015-2016~~ **\$973,046,100.00 FOR 2016-2017** from state sources and
22 all available federal funding under sections 611 to 619 of part B
23 of the individuals with disabilities education act, 20 USC 1411 to
24 1419, estimated at \$370,000,000.00 each fiscal year ~~for 2014-2015~~
25 ~~and for 2015-2016~~ **—AND FOR 2016-2017**, plus any carryover federal
26 funds from previous year appropriations. The allocations under this
27 subsection are for the purpose of reimbursing districts and

1 intermediate districts for special education programs, services,
2 and special education personnel as prescribed in article 3 of the
3 revised school code, MCL 380.1701 to 380.1766; net tuition payments
4 made by intermediate districts to the Michigan schools for the deaf
5 and blind; and special education programs and services for pupils
6 who are eligible for special education programs and services
7 according to statute or rule. For meeting the costs of special
8 education programs and services not reimbursed under this article,
9 a district or intermediate district may use money in general funds
10 or special education funds, not otherwise restricted, or
11 contributions from districts to intermediate districts, tuition
12 payments, gifts and contributions from individuals or other
13 entities, or federal funds that may be available for this purpose,
14 as determined by the intermediate district plan prepared pursuant
15 to article 3 of the revised school code, MCL 380.1701 to 380.1766.
16 Notwithstanding section 17b, payments of federal funds to
17 districts, intermediate districts, and other eligible entities
18 under this section shall be paid on a schedule determined by the
19 department.

20 (2) From the funds allocated under subsection (1), there is
21 allocated the amount necessary, estimated at ~~\$248,100,000.00 for~~
22 ~~2014-2015~~ **\$263,500,000.00 FOR 2015-2016** and estimated at
23 ~~\$251,800,000.00 for 2015-2016,~~ **\$271,600,000.00 FOR 2016-2017**, for
24 payments toward reimbursing districts and intermediate districts
25 for 28.6138% of total approved costs of special education,
26 excluding costs reimbursed under section 53a, and 70.4165% of total
27 approved costs of special education transportation. Allocations

1 under this subsection shall be made as follows:

2 (a) The initial amount allocated to a district under this
3 subsection toward fulfilling the specified percentages shall be
4 calculated by multiplying the district's special education pupil
5 membership, excluding pupils described in subsection (11), times
6 the foundation allowance under section 20 of the pupil's district
7 of residence **PLUS THE AMOUNT OF THE DISTRICT'S PER-PUPIL ALLOCATION**
8 **UNDER SECTION 20M**, not to exceed the basic foundation allowance
9 under section 20 for the current fiscal year, or, for a special
10 education pupil in membership in a district that is a public school
11 academy, times an amount equal to the amount per membership pupil
12 calculated under section 20(6) or, for a pupil described in this
13 subsection who is counted in membership in the education
14 achievement system, times an amount equal to the amount per
15 membership pupil under section 20(7). For an intermediate district,
16 the amount allocated under this subdivision toward fulfilling the
17 specified percentages shall be an amount per special education
18 membership pupil, excluding pupils described in subsection (11),
19 and shall be calculated in the same manner as for a district, using
20 the foundation allowance under section 20 of the pupil's district
21 of residence, not to exceed the basic foundation allowance under
22 section 20 for the current fiscal year, **AND THAT DISTRICT'S PER-**
23 **PUPIL ALLOCATION UNDER SECTION 20M.**

24 (b) After the allocations under subdivision (a), districts and
25 intermediate districts for which the payments calculated under
26 subdivision (a) do not fulfill the specified percentages shall be
27 paid the amount necessary to achieve the specified percentages for

1 the district or intermediate district.

2 (3) From the funds allocated under subsection (1), there is
3 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
4 \$1,000,000.00 and there is allocated for ~~2015-2016-2016-2017~~ an
5 amount not to exceed ~~\$1,300,000.00~~ **\$1,100,000.00** to make payments
6 to districts and intermediate districts under this subsection. If
7 the amount allocated to a district or intermediate district for a
8 fiscal year under subsection (2)(b) is less than the sum of the
9 amounts allocated to the district or intermediate district for
10 1996-97 under sections 52 and 58, there is allocated to the
11 district or intermediate district for the fiscal year an amount
12 equal to that difference, adjusted by applying the same proration
13 factor that was used in the distribution of funds under section 52
14 in 1996-97 as adjusted to the district's or intermediate district's
15 necessary costs of special education used in calculations for the
16 fiscal year. This adjustment is to reflect reductions in special
17 education program operations or services between 1996-97 and
18 subsequent fiscal years. Adjustments for reductions in special
19 education program operations or services shall be made in a manner
20 determined by the department and shall include adjustments for
21 program or service shifts.

22 (4) If the department determines that the sum of the amounts
23 allocated for a fiscal year to a district or intermediate district
24 under subsection (2)(a) and (b) is not sufficient to fulfill the
25 specified percentages in subsection (2), then the shortfall shall
26 be paid to the district or intermediate district during the fiscal
27 year beginning on the October 1 following the determination and

1 payments under subsection (3) shall be adjusted as necessary. If
2 the department determines that the sum of the amounts allocated for
3 a fiscal year to a district or intermediate district under
4 subsection (2)(a) and (b) exceeds the sum of the amount necessary
5 to fulfill the specified percentages in subsection (2), then the
6 department shall deduct the amount of the excess from the
7 district's or intermediate district's payments under this article
8 for the fiscal year beginning on the October 1 following the
9 determination and payments under subsection (3) shall be adjusted
10 as necessary. However, if the amount allocated under subsection
11 (2)(a) in itself exceeds the amount necessary to fulfill the
12 specified percentages in subsection (2), there shall be no
13 deduction under this subsection.

14 (5) State funds shall be allocated on a total approved cost
15 basis. Federal funds shall be allocated under applicable federal
16 requirements, except that an amount not to exceed \$3,500,000.00 may
17 be allocated by the department each fiscal year for ~~2014-2015-2015-~~
18 ~~2016~~ and for ~~2015-2016-2016-2017~~ to districts, intermediate
19 districts, or other eligible entities on a competitive grant basis
20 for programs, equipment, and services that the department
21 determines to be designed to benefit or improve special education
22 on a statewide scale.

23 (6) From the amount allocated in subsection (1), there is
24 allocated an amount not to exceed \$2,200,000.00 each fiscal year
25 ~~for 2014-2015 and for 2015-2016~~ **AND FOR 2016-2017** to reimburse 100%
26 of the net increase in necessary costs incurred by a district or
27 intermediate district in implementing the revisions in the

1 administrative rules for special education that became effective on
2 July 1, 1987. As used in this subsection, "net increase in
3 necessary costs" means the necessary additional costs incurred
4 solely because of new or revised requirements in the administrative
5 rules minus cost savings permitted in implementing the revised
6 rules. Net increase in necessary costs shall be determined in a
7 manner specified by the department.

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

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

1 services provided to youth placed in child caring institutions or
2 juvenile detention programs approved by the department to provide
3 an on-grounds education program.

4 (b) Beginning with the 2004-2005 fiscal year, a district or
5 intermediate district that employed special education support
6 services staff to provide special education support services in
7 2003-2004 or in a subsequent fiscal year and that in a fiscal year
8 after 2003-2004 receives the same type of support services from
9 another district or intermediate district shall report the cost of
10 those support services for special education reimbursement purposes
11 under this article. This subdivision does not prohibit the transfer
12 of special education classroom teachers and special education
13 classroom aides if the pupils counted in membership associated with
14 those special education classroom teachers and special education
15 classroom aides are transferred and counted in membership in the
16 other district or intermediate district in conjunction with the
17 transfer of those teachers and aides.

18 (c) If the department determines before bookclosing for a
19 fiscal year that the amounts allocated for that fiscal year under
20 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
21 will exceed expenditures for that fiscal year under subsections
22 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
23 district or intermediate district whose reimbursement for that
24 fiscal year would otherwise be affected by subdivision (b),
25 subdivision (b) does not apply to the calculation of the
26 reimbursement for that district or intermediate district and
27 reimbursement for that district or intermediate district shall be

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

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

23 (e) Beginning with calculations for 2004-2005, if an
24 intermediate district purchases a special education pupil
25 transportation service from a constituent district that was
26 previously purchased from a private entity; if the purchase from
27 the constituent district is at a lower cost, adjusted for changes

1 in fuel costs; and if the cost shift from the intermediate district
2 to the constituent does not result in any net change in the revenue
3 the constituent district receives from payments under sections 22b
4 and 51c, then upon application by the intermediate district, the
5 department shall direct the intermediate district to continue to
6 report the cost associated with the specific identified special
7 education pupil transportation service and shall adjust the costs
8 reported by the constituent district to remove the cost associated
9 with that specific service.

10 (8) A pupil who is enrolled in a full-time special education
11 program conducted or administered by an intermediate district or a
12 pupil who is enrolled in the Michigan schools for the deaf and
13 blind shall not be included in the membership count of a district,
14 but shall be counted in membership in the intermediate district of
15 residence.

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

21 (10) If a district or intermediate district uses money
22 received under this section for a purpose other than the purpose or
23 purposes for which the money is allocated, the department may
24 require the district or intermediate district to refund the amount
25 of money received. Money that is refunded shall be deposited in the
26 state treasury to the credit of the state school aid fund.

27 (11) From the funds allocated in subsection (1), there is

1 allocated the amount necessary, estimated at ~~\$3,400,000.00 for~~
2 ~~2014-2015~~ **\$3,800,000.00 FOR 2015-2016** and estimated at
3 ~~\$3,300,000.00 for 2015-2016,~~ **\$3,700,000.00 FOR 2016-2017**, to pay
4 the foundation allowances for pupils described in this subsection.
5 The allocation to a district under this subsection shall be
6 calculated by multiplying the number of pupils described in this
7 subsection who are counted in membership in the district times **SUM**
8 **OF** the foundation allowance under section 20 of the pupil's
9 district of residence **PLUS THE AMOUNT OF THE DISTRICT'S PER-PUPIL**
10 **ALLOCATION UNDER SECTION 20M**, not to exceed the basic foundation
11 allowance under section 20 for the current fiscal year, or, for a
12 pupil described in this subsection who is counted in membership in
13 a district that is a public school academy, times an amount equal
14 to the amount per membership pupil under section 20(6) or, for a
15 pupil described in this subsection who is counted in membership in
16 the education achievement system, times an amount equal to the
17 amount per membership pupil under section 20(7). The allocation to
18 an intermediate district under this subsection shall be calculated
19 in the same manner as for a district, using the foundation
20 allowance under section 20 of the pupil's district of residence,
21 not to exceed the basic foundation allowance under section 20 for
22 the current fiscal year, **AND THAT DISTRICT'S PER-PUPIL ALLOCATION**
23 **UNDER SECTION 20M**. This subsection applies to all of the following
24 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

1 intermediate district in a juvenile detention or child caring
2 facility.

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

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

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

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

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

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

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

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

23 (14) If a public school academy enrolls pursuant to this
24 section a pupil who resides outside of the intermediate district in
25 which the public school academy is located and who is eligible for
26 special education programs and services according to statute or
27 rule, or who is a child with disabilities, as defined under the

1 individuals with disabilities education act, Public Law 108-446,
 2 the provision of special education programs and services and the
 3 payment of the added costs of special education programs and
 4 services for the pupil are the responsibility of the district and
 5 intermediate district in which the pupil resides unless the
 6 enrolling district or intermediate district has a written agreement
 7 with the district or intermediate district in which the pupil
 8 resides or the public school academy for the purpose of providing
 9 the pupil with a free appropriate public education and the written
 10 agreement includes at least an agreement on the responsibility for
 11 the payment of the added costs of special education programs and
 12 services for the pupil.

13 ~~(15) It is the intent of the legislature that, beginning~~
 14 **BEGINNING** in 2016-2017, a district, public school academy, or
 15 intermediate district that fails to comply with subsection (14) or
 16 with the requirements of federal regulations regarding the
 17 treatment of public school academies and public school academy
 18 pupils for the purposes of special education, 34 CFR 300.209,
 19 forfeits from its total state aid an amount equal to 10% of its
 20 total state aid.

21 Sec. 51c. As required by the court in the consolidated cases
 22 known as Durant v State of Michigan, Michigan supreme court docket
 23 no. 104458-104492, from the allocation under section 51a(1), there
 24 is allocated each fiscal year for ~~2014-2015-2015-2016~~ and for ~~2015-~~
 25 ~~2016-2016-2017~~ the amount necessary, estimated at ~~\$597,300,000.00~~
 26 ~~for 2014-2015-\$624,800,000.00~~ **FOR 2015-2016** and estimated at
 27 ~~\$610,000,000.00 for 2015-2016,~~ **\$644,500,000.00 FOR 2016-2017**, for

1 payments to reimburse districts for 28.6138% of total approved
2 costs of special education excluding costs reimbursed under section
3 53a, and 70.4165% of total approved costs of special education
4 transportation. Funds allocated under this section that are not
5 expended in the state fiscal year for which they were allocated, as
6 determined by the department, may be used to supplement the
7 allocations under sections 22a and 22b in order to fully fund those
8 calculated allocations for the same fiscal year.

9 Sec. 51d. (1) From the federal funds appropriated in section
10 11, there is allocated for ~~2015-2016~~, **2016-2017**, all available
11 federal funding, estimated at \$71,000,000.00, for special education
12 programs and services that are funded by federal grants. All
13 federal funds allocated under this section shall be distributed in
14 accordance with federal law. Notwithstanding section 17b, payments
15 of federal funds to districts, intermediate districts, and other
16 eligible entities under this section shall be paid on a schedule
17 determined by the department.

18 (2) From the federal funds allocated under subsection (1), the
19 following amounts are allocated for ~~2015-2016~~: **2016-2017**:

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 \$12,000,000.00 for preschool grants
24 (Public Law 94-142), funded from DED-OSERS, handicapped preschool
25 incentive funds.

26 (c) An amount estimated at \$45,000,000.00 for special
27 education programs funded by DED-OSERS, handicapped program,

1 individuals with disabilities act funds.

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

5 Sec. 53a. (1) For districts, reimbursement for pupils
6 described in subsection (2) shall be 100% of the total approved
7 costs of operating special education programs and services approved
8 by the department and included in the intermediate district plan
9 adopted pursuant to article 3 of the revised school code, MCL
10 380.1701 to 380.1766, minus the district's foundation allowance
11 calculated under section 20 **AND MINUS THE DISTRICT'S PER-PUPIL**
12 **ALLOCATION UNDER SECTION 20M.** For intermediate districts,
13 reimbursement for pupils described in subsection (2) shall be
14 calculated in the same manner as for a district, using the
15 foundation allowance under section 20 of the pupil's district of
16 residence, not to exceed the basic foundation allowance under
17 section 20 for the current fiscal year, **AND THAT DISTRICT'S PER-**
18 **PUPIL ALLOCATION UNDER SECTION 20M.**

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

21 (a) Pupils assigned to a district or intermediate district
22 through the community placement program of the courts or a state
23 agency, if the pupil was a resident of another intermediate
24 district at the time the pupil came under the jurisdiction of the
25 court or a state agency.

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

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

4 (d) Pupils enrolled in a department-approved on-grounds
5 educational program longer than 180 days, but not longer than 233
6 days, at a residential child care institution, if the child care
7 institution offered in 1991-92 an on-grounds educational program
8 longer than 180 days but not longer than 233 days.

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

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

17 (4) The costs of transportation shall be funded under this
18 section and shall not be reimbursed under section 58.

19 (5) Not more than \$10,500,000.00 of the allocation for ~~2015-~~
20 ~~2016-2016-2017~~ in section 51a(1) shall be allocated under this
21 section.

22 Sec. 54. Each intermediate district shall receive an amount
23 per-pupil for each pupil in attendance at the Michigan schools for
24 the deaf and blind. The amount shall be proportionate to the total
25 instructional cost at each school. Not more than \$1,688,000.00 of
26 the allocation for ~~2015-2016-2016-2017~~ in section 51a(1) shall be
27 allocated under this section.

1 SEC. 54B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
2 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,125,000.00 FOR
3 2016-2017 TO BEGIN IMPLEMENTATION OF THE RECOMMENDATIONS OF THE
4 SPECIAL EDUCATION REFORM TASK FORCE PUBLISHED IN JANUARY 2016.

5 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
6 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$625,000.00 FOR THE PURPOSE
7 OF PILOTING STATEWIDE IMPLEMENTATION OF THE MICHIGAN INTEGRATED
8 BEHAVIOR AND LEARNING SUPPORT INITIATIVE (MIBLSI), A NATIONALLY
9 RECOGNIZED PROGRAM THAT INCLUDES POSITIVE BEHAVIORAL INTERVENTION
10 AND SUPPORTS AND PROVIDES A STATEWIDE STRUCTURE TO SUPPORT LOCAL
11 INITIATIVES FOR AN INTEGRATED BEHAVIOR AND READING PROGRAM. WITH
12 THE ASSISTANCE OF THE INTERMEDIATE DISTRICTS INVOLVED IN MIBLSI,
13 THE DEPARTMENT SHALL IDENTIFY AT LEAST 3 INTERMEDIATE DISTRICTS TO
14 PARTICIPATE IN THE PILOT TO ENSURE THAT MIBLSI CAN BE IMPLEMENTED
15 STATEWIDE WITH FIDELITY AND SUSTAINABILITY. IN ADDITION, THE
16 DEPARTMENT SHALL IDENTIFY AN INTERMEDIATE DISTRICT TO ACT AS A
17 FISCAL AGENT FOR THESE FUNDS.

18 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
19 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$500,000.00 FOR THE PURPOSE
20 OF PROVIDING TRAINING TO INTERMEDIATE DISTRICTS AND DISTRICTS
21 RELATED TO THE SAFE IMPLEMENTATION OF EMERGENCY RESTRAINTS AND
22 SECLUSION. THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A TRAINING
23 PROGRAM THAT IS BASED ON THE STATE BOARD'S ADOPTED STANDARDS AND ON
24 ANY OTHER LEGISLATION ENACTED BY THE LEGISLATURE REGARDING THE
25 EMERGENCY USE OF SECLUSION AND RESTRAINT.

26 Sec. 55. (1) From the money appropriated in section 11, there
27 is allocated an amount not to exceed \$150,000.00 for ~~2015-2016~~

1 2016-2017 to Michigan State University, Department of Epidemiology,
2 for a study of the Conductive Learning Center located at Aquinas
3 College. This funding shall be used to develop and implement an
4 evaluation of the effectiveness of conductive education for
5 children with cerebral palsy. The evaluation shall be
6 multidimensional and shall include a control group of children with
7 cerebral palsy not enrolled in conductive education. It should
8 include an assessment of the motor system itself as well as the
9 impact of conductive education on each of the following:

10 (a) The acquisition of skills permitting complex motor
11 functions.

12 (b) The performance of tasks essential to daily living.

13 (c) The attitudes and feelings of both children and parents.

14 (d) The long-term need for special education for children with
15 cerebral palsy.

16 ~~(2) It is the intent of the legislature that this~~ **THIS** funding
17 is for the ~~first~~ **SECOND** of 2 years of funding for this purpose.

18 Sec. 56. (1) For the purposes of this section:

19 (a) "Membership" means for a particular fiscal year the total
20 membership for the immediately preceding fiscal year of the
21 intermediate district and the districts constituent to the
22 intermediate district.

23 (b) "Millage levied" means the millage levied for special
24 education pursuant to part 30 of the revised school code, MCL
25 380.1711 to 380.1743, including a levy for debt service
26 obligations.

27 (c) "Taxable value" means the total taxable value of the

1 districts constituent to an intermediate district, except that if a
2 district has elected not to come under part 30 of the revised
3 school code, MCL 380.1711 to 380.1743, membership and taxable value
4 of the district shall not be included in the membership and taxable
5 value of the intermediate district.

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

19 (3) Reimbursement for those millages levied in 2014-2015 shall
20 be made in 2015-2016 at an amount per 2014-2015 membership pupil
21 computed by subtracting from ~~\$174,400.00~~ **\$175,300.00** the 2014-2015
22 taxable value behind each membership pupil and multiplying the
23 resulting difference by the 2014-2015 millage levied.

24 (4) **REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2015-2016 SHALL**
25 **BE MADE IN 2016-2017 AT AN AMOUNT PER 2015-2016 MEMBERSHIP PUPIL**
26 **COMPUTED BY SUBTRACTING FROM \$179,600.00 THE 2015-2016 TAXABLE**
27 **VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING**

1 **DIFFERENCE BY THE 2015-2016 MILLAGE LEVIED.**

2 (5) ~~(4)~~—The amount paid to a single intermediate district
3 under this section shall not exceed 62.9% of the total amount
4 allocated under subsection (2).

5 (6) ~~(5)~~—The amount paid to a single intermediate district
6 under this section shall not be less than 75% of the amount
7 allocated to the intermediate district under this section for the
8 immediately preceding fiscal year.

9 Sec. 61a. (1) From the appropriation in section 11, there is
10 allocated an amount not to exceed \$36,611,300.00 for ~~2015-2016~~
11 **2016-2017** to reimburse on an added cost basis districts, except for
12 a district that served as the fiscal agent for a vocational
13 education consortium in the 1993-94 school year, and secondary area
14 vocational-technical education centers for secondary-level career
15 and technical education programs according to rules approved by the
16 superintendent. Applications for participation in the programs
17 shall be submitted in the form prescribed by the department. The
18 department shall determine the added cost for each career and
19 technical education program area. The allocation of added cost
20 funds shall be prioritized based on the capital and program
21 expenditures needed to operate the career and technical education
22 programs provided; the number of pupils enrolled; the advancement
23 of pupils through the instructional program; the existence of an
24 articulation agreement with at least 1 postsecondary institution
25 that provides pupils with opportunities to earn postsecondary
26 credit during the pupil's participation in the career and technical
27 education program and transfers those credits to the postsecondary

1 institution upon completion of the career and technical education
2 program; **AND** the program rank in student placement, job openings,
3 and wages, ~~and the length of the training period provided,~~ and
4 shall not exceed 75% of the added cost of any program.

5 Notwithstanding any rule or department determination to the
6 contrary, when determining a district's allocation or the formula
7 for making allocations under this section, the department shall
8 include the participation of pupils in grade 9 in all of those
9 determinations and in all portions of the formula. With the
10 approval of the department, the board of a district maintaining a
11 secondary career and technical education program may offer the
12 program for the period from the close of the school year until
13 September 1. The program shall use existing facilities and shall be
14 operated as prescribed by rules promulgated by the superintendent.

15 (2) Except for a district that served as the fiscal agent for
16 a vocational education consortium in the 1993-94 school year,
17 districts and intermediate districts shall be reimbursed for local
18 career and technical education administration, shared time career
19 and technical education administration, and career education
20 planning district career and technical education administration.
21 The definition of what constitutes administration and reimbursement
22 shall be pursuant to guidelines adopted by the superintendent. Not
23 more than \$800,000.00 of the allocation in subsection (1) shall be
24 distributed under this subsection.

25 (3) A career and technical education program funded under this
26 section may provide an opportunity for participants who are
27 eligible to be funded under section 107 to enroll in the career and

1 technical education program funded under this section if the
2 participation does not occur during regular school hours.

3 (4) IN ADDITION TO THE MONEY ALLOCATED UNDER SUBSECTION (1),
4 FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS
5 ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$79,000.00 TO AN
6 ELIGIBLE MICHIGAN-APPROVED 501(C)(3) ORGANIZATION FOR THE PURPOSES
7 OF TEACHING OR TRAINING RESTAURANT MANAGEMENT AND CULINARY ARTS FOR
8 CAREER AND PROFESSIONAL DEVELOPMENT. THE DEPARTMENT SHALL OVERSEE
9 FUNDS DISTRIBUTED TO AN ELIGIBLE GRANTEE UNDER THIS SECTION. AS
10 USED IN THIS SUBSECTION, "ELIGIBLE MICHIGAN-APPROVED 501(C)(3)
11 ORGANIZATION" MEANS AN ORGANIZATION THAT IS EXEMPT FROM TAXATION
12 UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, 26
13 USC 501, THAT PROVIDES CURRICULUM AND TRAINING TO STATE-APPROVED
14 CAREER AND TECHNOLOGY EDUCATION PROGRAMS WITH CLASSIFICATION OF
15 INSTRUCTIONAL PROGRAMS (CIP) CODES IN THE 12.05XX CATEGORY, AND
16 THAT ADMINISTERS NATIONAL CERTIFICATION FOR THE PURPOSE OF
17 RESTAURANT MANAGEMENT AND CULINARY ARTS FOR CAREER AND PROFESSIONAL
18 DEVELOPMENT.

19 Sec. 61b. (1) From the appropriation in section 11, there is
20 allocated an amount not to exceed ~~\$10,000,000.00~~ \$1,000,000.00 for
21 2015-2016 AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
22 \$9,000,000.00 FOR 2016-2017 for CTE early/middle college AND CTE
23 DUAL ENROLLMENT programs authorized under this section. The purpose
24 of these programs is to increase the number of Michigan residents
25 with high-quality degrees or credentials, and to increase the
26 number of students who are college and career ready upon high
27 school graduation.

1 (2) From the funds allocated under subsection (1), an amount
2 as determined under this subsection shall be allocated to each
3 intermediate district serving as a fiscal agent for state-approved
4 CTE early/middle college **AND CTE DUAL ENROLLMENT** programs in each
5 of the prosperity regions and subregions identified by the
6 department. An intermediate district shall not use more than 5% of
7 the funds allocated under this subsection for administrative costs
8 for serving as the fiscal agent.

9 (3) To be an eligible fiscal agent, an intermediate district
10 must agree to do all of the following in a form and manner
11 determined by the department:

12 (a) Distribute funds to eligible CTE early/middle college **AND**
13 **CTE DUAL ENROLLMENT** programs in a prosperity region or subregion as
14 described in this section.

15 (b) Collaborate with the talent district career council that
16 is located in the prosperity region or subregion to develop a
17 regional strategic plan under subsection (4) that aligns CTE
18 programs and services into an efficient and effective delivery
19 system for high school students.

20 (c) Implement a regional process to rank career clusters in
21 the prosperity region or subregion as described under subsection
22 (4). Regional processes shall be approved by the department before
23 the ranking of career clusters.

24 (d) Report CTE early/middle college **AND CTE DUAL ENROLLMENT**
25 program and student data and information as prescribed by the
26 department.

27 (4) A regional strategic plan must be approved by the talent

1 district career council before submission to the department. A
2 regional strategic plan shall include, but not be limited to, the
3 following:

4 (a) An identification of regional employer need based on a
5 ranking of all career clusters in the prosperity region or
6 subregion ranked by 10-year job openings projections and median
7 wage for each standard occupational code in each career cluster as
8 obtained from the United States Bureau of Labor Statistics.
9 Standard occupational codes within high-ranking clusters also may
10 be further ranked by median wage. The rankings shall be reviewed by
11 the talent district career council located in the prosperity region
12 or subregion and modified if necessary to accurately reflect
13 employer demand for talent in the prosperity region or subregion. **A**
14 **TALENT DISTRICT CAREER COUNCIL SHALL DOCUMENT THAT IT HAS CONDUCTED**
15 **THIS REVIEW AND CERTIFY THAT IT IS ACCURATE.** These career cluster
16 rankings shall be determined and updated once every ~~3~~**4** years.

17 (b) An identification of educational entities in the
18 prosperity region or subregion that will provide eligible CTE
19 early/middle college **AND CTE DUAL ENROLLMENT** programs including
20 districts, intermediate districts, postsecondary institutions, and
21 noncredit occupational training programs leading to an industry-
22 recognized credential.

23 (c) A strategy to inform parents and students of CTE
24 early/middle college **AND CTE DUAL ENROLLMENT** programs in the
25 prosperity region or subregion.

26 (d) Any other requirements as defined by the department.

27 (5) An eligible CTE ~~early/middle college~~ program is a ~~5-year~~

1 ~~high school~~ program that meets all of the following:

2 (a) Has been identified in the highest 5 career cluster
3 rankings in any of the 10 regional strategic plans jointly approved
4 by the Michigan talent investment agency in the department of
5 talent and economic development and the department.

6 (b) Has a coherent sequence of courses that will allow a
7 student to earn a high school diploma and achieve at least 1 of the
8 following in a specific career cluster:

9 (i) An associate degree.

10 (ii) An industry-recognized technical certification approved
11 by the Michigan talent investment agency in the department of
12 talent and economic development.

13 (iii) Up to 60 transferable college credits.

14 (iv) Participation in a registered apprenticeship.

15 (c) Is aligned with the Michigan merit curriculum.

16 (d) Has an articulation agreement with at least 1
17 postsecondary institution that provides students with opportunities
18 to receive postsecondary credits during the student's participation
19 in the CTE early/middle college **OR CTE DUAL ENROLLMENT** program and
20 transfers those credits to the postsecondary institution upon
21 completion of the CTE early/middle college **OR CTE DUAL ENROLLMENT**
22 program.

23 (e) Provides instruction that is supervised, directed, or
24 coordinated by an appropriately certificated CTE teacher or, for
25 concurrent enrollment courses, a postsecondary faculty member.

26 (f) Provides for highly integrated student support services
27 that include at least the following:

1 (i) Teachers as academic advisors.

2 (ii) Supervised course selection.

3 (iii) Monitoring of student progress and completion.

4 (iv) Career planning services provided by a local one-stop
5 service center as described in the Michigan works one-stop service
6 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
7 high school counselor or advisor.

8 (g) Has courses that are taught on a college campus, are
9 college courses offered at the high school and taught by college
10 faculty, or are courses taught in combination with online
11 instruction.

12 (6) Funds to eligible CTE early/middle college **AND CTE DUAL**
13 **ENROLLMENT** programs shall be distributed as follows:

14 (a) The department shall calculate statewide average CTE costs
15 per ~~full-time-equated-pupil~~ for each ~~career-cluster~~ **CIP CODE**
16 **PROGRAM** by dividing total prior year statewide costs for each
17 ~~career-cluster~~ **CIP CODE PROGRAM** by prior year ~~full-time-equated~~
18 pupils for each ~~career-cluster~~ **CIP CODE PROGRAM**.

19 (b) Distribution to each eligible CTE early/middle college **OR**
20 **CTE DUAL ENROLLMENT** program shall be the product of 50% of CTE
21 costs per ~~full-time-equated-pupil~~ times the current year ~~full-time~~
22 ~~equated-pupil~~ enrollment of each ~~career-cluster~~ in an eligible CTE
23 early/middle college **OR CTE DUAL ENROLLMENT** program.

24 (7) In order to receive funds under this section, a CTE
25 early/middle college **OR CTE DUAL ENROLLMENT** program shall furnish
26 to the intermediate district that is the fiscal agent identified in
27 subsection (1), in a form and manner determined by the department,

1 all information needed to administer this program and meet federal
2 reporting requirements; shall allow the department or the
3 department's designee to review all records related to the program
4 for which it receives funds; and shall reimburse the state for all
5 disallowances found in the review, as determined by the department.

6 (8) THERE IS ALLOCATED FROM THE FUNDS UNDER SUBSECTION (1) AN
7 AMOUNT NOT TO EXCEED \$500,000.00 EACH FISCAL YEAR FOR 2015-2016 AND
8 FOR 2016-2017 FOR GRANTS TO INTERMEDIATE DISTRICTS OR CONSORTIA OF
9 INTERMEDIATE DISTRICTS FOR THE PURPOSE OF PLANNING FOR NEW OR
10 EXPANDED EARLY MIDDLE COLLEGE PROGRAMS. APPLICATIONS FOR GRANTS
11 SHALL BE SUBMITTED IN A FORM AND MANNER DETERMINED BY THE
12 DEPARTMENT. THE AMOUNT OF A GRANT UNDER THIS SUBSECTION SHALL NOT
13 EXCEED \$50,000.00. TO BE ELIGIBLE FOR A GRANT UNDER THIS
14 SUBSECTION, AN INTERMEDIATE DISTRICT OR CONSORTIA OF INTERMEDIATE
15 DISTRICTS MUST PROVIDE MATCHING FUNDS EQUAL TO THE GRANT RECEIVED
16 UNDER THIS SUBSECTION. NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER
17 THIS SUBSECTION MAY BE MADE AS DETERMINED BY THE DEPARTMENT.

18 (9) ~~(8)~~—Funds distributed under this section may be used to
19 fund program expenditures that would otherwise be paid from
20 foundation allowances. A PROGRAM RECEIVING FUNDING UNDER SECTION
21 61A MAY RECEIVE FUNDING UNDER THIS SECTION FOR ALLOWABLE COSTS THAT
22 EXCEED THE REIMBURSEMENT THE PROGRAM RECEIVED UNDER SECTION 61A.
23 THE COMBINED PAYMENTS RECEIVED BY A PROGRAM UNDER SECTION 61A AND
24 THIS SECTION SHALL NOT EXCEED THE TOTAL ALLOWABLE COSTS OF THE
25 PROGRAM. A program provider shall not use more than 5% of the funds
26 allocated under this section to the program for administrative
27 costs.

1 (10) ~~(9)~~—If the allocation under subsection (1) is
 2 insufficient to fully fund payments as otherwise calculated under
 3 this section, the department shall prorate payments under this
 4 section on an equal percentage basis.

5 (11) ~~(10)~~—If pupils enrolled in a career cluster in an
 6 eligible CTE early/middle college **OR CTE DUAL ENROLLMENT** program
 7 qualify to be reimbursed under this section, those pupils continue
 8 to qualify for reimbursement until graduation, even if the career
 9 cluster is no longer identified as being in the highest 5 career
 10 cluster rankings.

11 (12) **IT IS THE INTENT OF THE LEGISLATURE TO PROVIDE FUNDS IN**
 12 **2017-2018 TO REIMBURSE DISTRICTS WITH EARLY/MIDDLE COLLEGE PROGRAMS**
 13 **FOR THE ADDED COSTS OF PROVIDING BOTH A HIGH SCHOOL DIPLOMA AND AN**
 14 **ASSOCIATE'S DEGREE, INDUSTRY-RECOGNIZED CERTIFICATION, UP TO 60**
 15 **TRANSFERABLE COLLEGE CREDITS, OR PARTICIPATION IN A REGISTERED**
 16 **APPRENTICESHIP IN LESS THAN 5 YEARS.**

17 (13) ~~(11)~~—As used in this section:

18 (a) "Allowable costs" means those costs directly attributable
 19 to the program as jointly determined by the Michigan talent
 20 investment agency and the department.

21 **(B) "CIP" MEANS CLASSIFICATION OF INSTRUCTIONAL PROGRAMS.**

22 (C) ~~(b)~~—"CTE" means career and technical education **PROGRAMS.**

23 **(D) "CTE DUAL ENROLLMENT PROGRAM" MEANS A 4-YEAR HIGH SCHOOL**
 24 **PROGRAM OF POSTSECONDARY COURSES OFFERED BY ELIGIBLE POSTSECONDARY**
 25 **EDUCATIONAL INSTITUTIONS THAT LEADS TO AN INDUSTRY-RECOGNIZED**
 26 **CERTIFICATION OR DEGREE.**

27 **(E) "EARLY/MIDDLE COLLEGE PROGRAM" MEANS A 5-YEAR HIGH SCHOOL**

1 PROGRAM.

2 (F) "ELIGIBLE POSTSECONDARY EDUCATIONAL INSTITUTION" MEANS
3 THAT TERM AS DEFINED IN SECTION 3 OF THE CAREER AND TECHNICAL
4 PREPARATION ACT, 2000 PA 258, MCL 388.1903.

5 (G) ~~(e)~~—"Talent district career council" means an advisory
6 council to the local workforce development boards located in a
7 prosperity region consisting of educational, employer, labor, and
8 parent representatives.

9 SEC. 61C. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
10 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED
11 \$3,000,000.00 TO CAREER EDUCATION PLANNING DISTRICTS FOR THE CTE
12 SKILLED TRADES INITIATIVE UNDER THIS SECTION.

13 (2) TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, EACH
14 CEPD SHALL APPLY IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.
15 FUNDING TO EACH CEPD SHALL BE EQUAL TO THE QUOTIENT OF THE
16 ALLOCATION UNDER SUBSECTION (1) AND THE SUM OF THE NUMBER OF
17 COOPERATING EDUCATIONAL POLICY DISTRICTS APPLYING FOR FUNDING UNDER
18 THIS SECTION.

19 (3) THE FUNDING ALLOCATED TO EACH CEPD SHALL BE USED TO UPDATE
20 EQUIPMENT IN CURRENT CTE PROGRAMS THAT ARE SUPPORTING AND DRIVING
21 ECONOMIC DEVELOPMENT IN THEIR INDIVIDUAL COMMUNITIES, OR FOR NEW
22 AND EMERGING CERTIFIED CTE PROGRAMS TO ALLOW CEPD ADMINISTRATORS TO
23 PROVIDE PROGRAMMING IN COMMUNITIES THAT WILL ENHANCE ECONOMIC
24 DEVELOPMENT. THE FUNDING FOR EQUIPMENT SHOULD BE USED TO SUPPORT
25 AND ENHANCE COMMUNITY AREAS THAT HAVE SUSTAINED JOB GROWTH, AND ACT
26 AS A COMMITMENT TO BUILD A MORE QUALIFIED AND SKILLED WORKFORCE.

27 (4) THE ALLOCATION OF FUNDS AT THE LOCAL LEVEL SHALL BE

1 DETERMINED BY CEPD ADMINISTRATORS USING DATA FROM THE STATE,
2 REGION, AND LOCAL SOURCES TO MAKE WELL-INFORMED DECISIONS ON
3 PROGRAM EQUIPMENT IMPROVEMENTS. GRANTS AWARDED BY CEPD
4 ADMINISTRATORS FOR CAPITAL INFRASTRUCTURE SHALL BE USED TO ENSURE
5 THAT CTE PROGRAMS CAN DELIVER EDUCATIONAL PROGRAMS IN HIGH-WAGE,
6 HIGH-SKILL, AND HIGH-DEMAND OCCUPATIONS. EACH CEPD SHALL CONTINUE
7 TO ENSURE THAT PROGRAM ADVISORY BOARDS MAKE RECOMMENDATIONS ON
8 NEEDED IMPROVEMENTS FOR EQUIPMENT THAT SUPPORT JOB GROWTH AND JOB
9 SKILL DEVELOPMENT AND RETENTION FOR BOTH THE PRESENT AND THE
10 FUTURE.

11 (5) NOT LATER THAN SEPTEMBER 15 OF EACH FISCAL YEAR, EACH CEPD
12 RECEIVING FUNDING UNDER THIS SECTION SHALL ANNUALLY REPORT TO THE
13 DEPARTMENT, THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON
14 STATE SCHOOL AID, AND THE SENATE AND HOUSE FISCAL AGENCIES AND
15 LEGISLATURE ON EQUIPMENT PURCHASED UNDER THIS SECTION. IN ADDITION,
16 THE REPORT SHALL IDENTIFY GROWTH DATA ON PROGRAM INVOLVEMENT,
17 RETENTION, AND DEVELOPMENT OF STUDENT SKILLS.

18 (6) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),
19 FROM THE FUNDS APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED
20 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$200,000.00 TO A DISTRICT TO
21 SUPPORT A MECHATRONICS PROGRAM THAT OPERATED IN 2015-2016 FOR
22 UPDATING MECHATRONICS PROGRAM EQUIPMENT. TO BE ELIGIBLE TO RECEIVE
23 A GRANT UNDER THIS SUBSECTION, A PROGRAM SHALL BE A FLEXIBLE
24 LEARNING PROGRAM THAT OFFERED IN 2015-2016 BOTH CLASSROOM AND
25 HANDS-ON TRAINING IN MECHATRONICS.

26 (7) AS USED IN THIS SECTION, "CEPD" MEANS A CAREER EDUCATION
27 PLANNING DISTRICT DESCRIBED IN THIS SECTION.

1 Sec. 62. (1) For the purposes of this section:

2 (a) "Membership" means for a particular fiscal year the total
3 membership for the immediately preceding fiscal year of the
4 intermediate district and the districts constituent to the
5 intermediate district or the total membership for the immediately
6 preceding fiscal year of the area vocational-technical program.

7 (b) "Millage levied" means the millage levied for area
8 vocational-technical education pursuant to sections 681 to 690 of
9 the revised school code, MCL 380.681 to 380.690, including a levy
10 for debt service obligations incurred as the result of borrowing
11 for capital outlay projects and in meeting capital projects fund
12 requirements of area vocational-technical education.

13 (c) "Taxable value" means the total taxable value of the
14 districts constituent to an intermediate district or area
15 vocational-technical education program, except that if a district
16 has elected not to come under sections 681 to 690 of the revised
17 school code, MCL 380.681 to 380.690, the membership and taxable
18 value of that district shall not be included in the membership and
19 taxable value of the intermediate district. However, the membership
20 and taxable value of a district that has elected not to come under
21 sections 681 to 690 of the revised school code, MCL 380.681 to
22 380.690, shall be included in the membership and taxable value of
23 the intermediate district if the district meets both of the
24 following:

25 (i) The district operates the area vocational-technical
26 education program pursuant to a contract with the intermediate
27 district.

1 (ii) The district contributes an annual amount to the
2 operation of the program that is commensurate with the revenue that
3 would have been raised for operation of the program if millage were
4 levied in the district for the program under sections 681 to 690 of
5 the revised school code, MCL 380.681 to 380.690.

6 (2) From the appropriation in section 11, there is allocated
7 an amount not to exceed \$9,190,000.00 **EACH FISCAL YEAR** for 2015-
8 2016 **AND FOR 2016-2017** to reimburse intermediate districts and area
9 vocational-technical education programs established under section
10 690(3) of the revised school code, MCL 380.690, levying millages
11 for area vocational-technical education pursuant to sections 681 to
12 690 of the revised school code, MCL 380.681 to 380.690. The
13 purpose, use, and expenditure of the reimbursement shall be limited
14 as if the funds were generated by those millages.

15 (3) Reimbursement for the millages levied in 2014-2015 shall
16 be made in 2015-2016 at an amount per 2014-2015 membership pupil
17 computed by subtracting from ~~\$189,400.00~~ **\$192,200.00** the 2014-2015
18 taxable value behind each membership pupil and multiplying the
19 resulting difference by the 2014-2015 millage levied.

20 **(4) REIMBURSEMENT FOR THE MILLAGES LEVIED IN 2015-2016 SHALL**
21 **BE MADE IN 2016-2017 AT AN AMOUNT PER 2015-2016 MEMBERSHIP PUPIL**
22 **COMPUTED BY SUBTRACTING FROM \$196,300.00 THE 2015-2016 TAXABLE**
23 **VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING**
24 **DIFFERENCE BY THE 2015-2016 MILLAGE LEVIED.**

25 (5) ~~(4)~~The amount paid to a single intermediate district
26 under this section shall not exceed 38.4% of the total amount
27 allocated under subsection (2).

1 (6) ~~(5)~~—The amount paid to a single intermediate district
2 under this section shall not be less than 75% of the amount
3 allocated to the intermediate district under this section for the
4 immediately preceding fiscal year.

5 **SEC. 63. FROM THE APPROPRIATION UNDER SECTION 11, THERE IS**
6 **ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR A**
7 **PAYMENT TO AN INTERMEDIATE DISTRICT THAT IS PARTICIPATING IN A**
8 **JOINT CAPITAL PROJECT WITH A LOCAL HEALTH DEPARTMENT IN WHICH THE**
9 **HEALTH DEPARTMENT IS CONSTRUCTING A NEW BUILDING ON THE**
10 **INTERMEDIATE DISTRICT'S PROPERTY THAT WILL HAVE AN ENCLOSED HALLWAY**
11 **TO CONNECT WITH A CAREER AND TECHNICAL EDUCATION CENTER. THIS**
12 **ALLOCATION IS TO SUPPORT THE COSTS INCURRED BY THE INTERMEDIATE**
13 **DISTRICT DUE TO THIS PROJECT.**

14 Sec. 64b. (1) From the appropriation in section 11, there is
15 allocated an amount not to exceed \$1,750,000.00 **EACH FISCAL YEAR**
16 for 2015-2016 **AND FOR 2016-2017** for supplemental payments to
17 districts that support the attendance of district pupils in grades
18 9 to 12 under the postsecondary enrollment options act, 1996 PA
19 160, MCL 388.511 to 388.524, or under the career and technical
20 preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, consistent
21 with section 21b, or that support the attendance of district pupils
22 in a concurrent enrollment program if the district meets the
23 requirements under subsection (3). Programs funded under this
24 section are intended to increase the number of pupils who are
25 college- and career-ready upon high school graduation.

26 (2) To be eligible for payments under this section for
27 supporting the attendance of district pupils under the

1 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
2 388.524, or under the career and technical preparation act, 2000 PA
3 258, MCL 388.1901 to 388.1913, a district shall do all of the
4 following:

5 (a) Provide information to all high school pupils on
6 postsecondary enrollment options, including enrollment eligibility,
7 the institutions and types of courses that are eligible for
8 participation, the decision-making process for granting academic
9 credit, and an explanation of eligible charges that will be paid by
10 the district.

11 (b) Enter into a written agreement with a postsecondary
12 institution before the enrollment of district pupils.

13 (c) Agree to pay all eligible charges pursuant to section 21b.

14 (d) Award high school credit for the postsecondary course if
15 the pupil successfully completes the course.

16 (3) To be eligible for payments under this section for pupils
17 enrolled in a concurrent enrollment program, a district shall do
18 all of the following:

19 (a) Provide information to all high school pupils on
20 postsecondary enrollment options, including enrollment eligibility,
21 the institutions and types of courses that are eligible for
22 participation, the decision-making process for granting academic
23 credit, and an explanation of eligible charges that will be paid by
24 the district.

25 (b) Enter into a written agreement with a postsecondary
26 institution establishing the concurrent enrollment program before
27 the enrollment of district pupils in a postsecondary course through

1 the postsecondary institution.

2 (c) Ensure that the course is taught by either a high school
3 teacher or postsecondary faculty pursuant to standards established
4 by the postsecondary institution with which the district has
5 entered into a written agreement to operate the concurrent
6 enrollment program.

7 (d) Ensure that the written agreement provides that the
8 postsecondary institution agrees not to charge the pupil for any
9 cost of the program.

10 (e) Ensure that the course is taught in the local district or
11 intermediate district.

12 (f) Ensure that the pupil is awarded both high school and
13 college credit at ~~any~~**A** community college or state public
14 university in this state upon successful completion of the course
15 as outlined in the agreement with the postsecondary institution.

16 (4) Funds shall be awarded to eligible districts under this
17 section in the following manner:

18 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
19 credit-bearing course in which a pupil enrolls during the 2015-2016
20 **OR 2016-2017** school year, **AS APPLICABLE**, as described under either
21 subsection (2) or (3).

22 (b) An additional payment of \$30.00 per-pupil per course
23 identified in subdivision (a), if the pupil successfully completes,
24 and is awarded both high school and postsecondary credit for, the
25 course during the 2015-2016 **OR 2016-2017** school year, **AS**
26 **APPLICABLE**.

27 (5) A district requesting payment under this section shall

1 submit an application to the department in the form and manner
2 prescribed by the department. Notwithstanding section 17b, payments
3 under this section shall be made on a schedule determined by the
4 department.

5 Sec. 65. (1) From the general fund money appropriated under
6 section 11, there is allocated an amount not to exceed \$340,000.00
7 for ~~2015-2016-2016-2017~~ for a pre-college engineering K-12
8 educational program that is focused on the development of a diverse
9 future Michigan workforce, that serves multiple communities within
10 southeast Michigan, that enrolls pupils from multiple districts,
11 and that received funds appropriated for this purpose in the
12 appropriations act that provided the Michigan strategic fund budget
13 for 2014-2015.

14 (2) To be eligible for funding under this section, a program
15 must have the ability to expose pupils to, and motivate and prepare
16 pupils for, science, technology, engineering, and mathematics
17 careers and postsecondary education with special attention given to
18 groups of pupils who are at-risk and underrepresented in technical
19 professions and careers.

20 Sec. 67. (1) From the general fund amount appropriated in
21 section 11, there is allocated an amount not to exceed
22 ~~\$3,600,000.00 for 2015-2016~~ **\$3,050,000.00 FOR 2016-2017** for college
23 and career preparation activities. The programs funded under this
24 section are intended to inform students of college and career
25 options and to provide a wide array of tools and resources intended
26 to increase the number of pupils who are adequately prepared with
27 the information needed to make informed decisions on college and

1 career. The funds appropriated under this section are intended to
2 be used to increase the number of Michigan residents with high-
3 quality degrees or credentials. Funds appropriated under this
4 section shall not be used to supplant funding for counselors
5 already funded by districts.

6 (2) From the amount allocated in subsection (1), an amount not
7 to exceed \$3,000,000.00 shall be used for the college access
8 program. The talent investment agency of the department of talent
9 and economic development shall administer these funds in
10 collaboration with the Michigan college access network. These funds
11 may be used for any of the following purposes:

12 (a) Michigan college access network operations, programming,
13 and services to local college access networks.

14 (b) Local college access networks, which are community-based
15 college access/success partnerships committed to increasing the
16 college participation and completion rates within geographically
17 defined communities through a coordinated strategy.

18 (c) The Michigan college advising program, a program intended
19 to place trained, recently graduated college advisors in high
20 schools that serve significant numbers of low-income and first-
21 generation college-going pupils. State funds used for this purpose
22 may not exceed 33% of the total funds available under this
23 subsection.

24 (d) Subgrants of up to \$5,000.00 to districts with
25 comprehensive high schools that establish a college access team and
26 implement specific strategies to create a college-going culture in
27 a high school in a form and manner approved by the Michigan college

1 access network and the Michigan talent investment agency.

2 (e) The Michigan college access portal, an online one-stop
3 portal to help pupils and families plan and apply for college.

4 (f) Public awareness and outreach campaigns to encourage low-
5 income and first-generation college-going pupils to take necessary
6 steps toward college and to assist pupils and families in
7 completing a timely and accurate free application for federal
8 student aid.

9 (g) Subgrants to postsecondary institutions to recruit, hire,
10 and train college student mentors and college advisors to assist
11 high school pupils in navigating the postsecondary planning and
12 enrollment process.

13 (3) From the amount allocated in subsection (1), an amount not
14 to exceed ~~\$600,000.00~~ **\$50,000.00** shall be used for ~~the purposes of~~
15 ~~this subsection. The talent investment agency of the department of~~
16 ~~talent and economic development shall administer these funds in~~
17 ~~collaboration with the Michigan college access network and the~~
18 ~~Michigan Virtual University to provide all of the following:~~

19 ~~—— (a) A pilot~~ **AN** outreach program to provide information to
20 pupils, parents, and educators on dual enrollment and other
21 opportunities available to high school pupils to earn postsecondary
22 credits, industry-recognized technical certifications, and
23 participation in registered apprenticeships at no cost.

24 ~~—— (b) An online career planning tool that meets all of the~~
25 ~~following:~~

26 ~~—— (i) Helps pupils create educational development plans before~~
27 ~~starting high school.~~

1 ~~—— (ii) Provides information to pupils allowing them to make more~~
2 ~~informed choices about career and education options.~~

3 ~~—— (iii) Is available to pupils at no cost.~~

4 (4) For the purposes of this section, "college" means any
5 postsecondary educational opportunity that leads to a career,
6 including, but not limited to, a postsecondary degree, industry-
7 recognized technical certification, or registered apprenticeship.

8 Sec. 74. (1) From the amount appropriated in section 11, there
9 is allocated an amount not to exceed ~~\$3,315,700.00 for 2015-2016~~
10 **\$3,320,600.00 FOR 2016-2017** for the purposes of this section.

11 (2) From the allocation in subsection (1), there is allocated
12 for each fiscal year the amount necessary for payments to state
13 supported colleges or universities and intermediate districts
14 providing school bus driver safety instruction pursuant to section
15 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
16 payments shall be in an amount determined by the department not to
17 exceed the actual cost of instruction and driver compensation for
18 each public or nonpublic school bus driver attending a course of
19 instruction. For the purpose of computing compensation, the hourly
20 rate allowed each school bus driver shall not exceed the hourly
21 rate received for driving a school bus. Reimbursement compensating
22 the driver during the course of instruction shall be made by the
23 department to the college or university or intermediate district
24 providing the course of instruction.

25 (3) From the allocation in subsection (1), there is allocated
26 for ~~2015-2016~~ **2016-2017** the amount necessary to pay the reasonable
27 costs of nonspecial education auxiliary services transportation

1 provided pursuant to section 1323 of the revised school code, MCL
2 380.1323. Districts funded under this subsection shall not receive
3 funding under any other section of this article for nonspecial
4 education auxiliary services transportation.

5 (4) From the funds allocated in subsection (1), there is
6 allocated an amount not to exceed ~~\$1,690,700.00 for 2015-2016~~
7 **\$1,695,600.00 FOR 2016-2017** for reimbursement to districts and
8 intermediate districts for costs associated with the inspection of
9 school buses and pupil transportation vehicles by the department of
10 state police as required under section 715a of the Michigan vehicle
11 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
12 transportation act, 1990 PA 187, MCL 257.1839. The department of
13 state police shall prepare a statement of costs attributable to
14 each district for which bus inspections are provided and submit it
15 to the department and to an intermediate district serving as
16 fiduciary in a time and manner determined jointly by the department
17 and the department of state police. Upon review and approval of the
18 statement of cost, the department shall forward to the designated
19 intermediate district serving as fiduciary the amount of the
20 reimbursement on behalf of each district and intermediate district
21 for costs detailed on the statement within 45 days after receipt of
22 the statement. The designated intermediate district shall make
23 payment in the amount specified on the statement to the department
24 of state police within 45 days after receipt of the statement. The
25 total reimbursement of costs under this subsection shall not exceed
26 the amount allocated under this subsection. Notwithstanding section
27 17b, payments to eligible entities under this subsection shall be

1 paid on a schedule prescribed by the department.

2 Sec. 81. (1) From the appropriation in section 11, there is
3 allocated for ~~2015-2016-2016-2017~~ to the intermediate districts the
4 sum necessary, but not to exceed \$67,108,000.00 to provide state
5 aid to intermediate districts under this section.

6 (2) From the allocation in subsection (1), there is allocated
7 for ~~2015-2016-2016-2017~~ an amount not to exceed \$67,108,000.00 for
8 allocations to each intermediate district in an amount equal to
9 ~~103.1%~~ 100% of the amount allocated to the intermediate district
10 under this subsection for ~~2014-2015-2015-2016~~. Funding provided
11 under this section shall be used to comply with requirements of
12 this article and the revised school code that are applicable to
13 intermediate districts, and for which funding is not provided
14 elsewhere in this article, and to provide technical assistance to
15 districts as authorized by the intermediate school board.

16 (3) Intermediate districts receiving funds under subsection
17 (2) shall collaborate with the department to develop expanded
18 professional development opportunities for teachers to update and
19 expand their knowledge and skills needed to support the Michigan
20 merit curriculum.

21 (4) From the allocation in subsection (1), there is allocated
22 to an intermediate district, formed by the consolidation or
23 annexation of 2 or more intermediate districts or the attachment of
24 a total intermediate district to another intermediate school
25 district or the annexation of all of the constituent K-12 districts
26 of a previously existing intermediate school district which has
27 disorganized, an additional allotment of \$3,500.00 each fiscal year

1 for each intermediate district included in the new intermediate
2 district for 3 years following consolidation, annexation, or
3 attachment.

4 (5) In order to receive funding under subsection (2), an
5 intermediate district shall do all of the following:

6 (a) Demonstrate to the satisfaction of the department that the
7 intermediate district employs at least 1 person who is trained in
8 pupil accounting and auditing procedures, rules, and regulations.

9 (b) Demonstrate to the satisfaction of the department that the
10 intermediate district employs at least 1 person who is trained in
11 rules, regulations, and district reporting procedures for the
12 individual-level student data that serves as the basis for the
13 calculation of the district and high school graduation and dropout
14 rates.

15 (c) Comply with sections 1278a and 1278b of the revised school
16 code, MCL 380.1278a and 380.1278b.

17 (d) Furnish data and other information required by state and
18 federal law to the center and the department in the form and manner
19 specified by the center or the department, as applicable.

20 (e) Comply with section 1230g of the revised school code, MCL
21 380.1230g.

22 (f) Comply with section 761 of the revised school code, MCL
23 380.761.

24 Sec. 94. (1) From the general fund appropriation in section
25 11, there is allocated to the department for ~~2015-2016~~**2016-2017** an
26 amount not to exceed \$250,000.00 for efforts to increase the number
27 of pupils who participate and succeed in advanced placement and

1 international baccalaureate programs.

2 (2) From the funds allocated under this section, the
3 department shall award funds to cover all or part of the costs of
4 advanced placement test fees or international baccalaureate test
5 fees **AND INTERNATIONAL BACCALAUREATE REGISTRATION FEES** for low-
6 income pupils who take an advanced placement or an international
7 baccalaureate test. Payments shall not exceed \$20.00 per test
8 completed **OR \$150.00 PER INTERNATIONAL BACCALAUREATE REGISTRATION**
9 **FEES PER PUPIL REGISTERED.**

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, payments under this section
26 shall be made on a schedule determined by the department.

27 Sec. 94a. (1) There is created within the state budget office

1 in the department of technology, management, and budget the center
2 for educational performance and information. The center shall do
3 all of the following:

4 (a) Coordinate the collection of all data required by state
5 and federal law from districts, intermediate districts, and
6 postsecondary institutions.

7 (b) Create, maintain, and enhance this state's P-20
8 longitudinal data system and ensure that it meets the requirements
9 of subsection (4).

10 (c) Collect data in the most efficient manner possible in
11 order to reduce the administrative burden on reporting entities,
12 including, but not limited to, electronic transcript services.

13 (d) Create, maintain, and enhance this state's web-based
14 educational portal to provide information to school leaders,
15 teachers, researchers, and the public in compliance with all
16 federal and state privacy laws. Data shall include, but are not
17 limited to, all of the following:

18 (i) Data sets that link teachers to student information,
19 allowing 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 warehouses 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

1 policymakers to make informed policy decisions.

2 (f) Provide public reports to the citizens of this state to
3 allow them to assess allocation of resources and the return on
4 their investment in the education system of this state.

5 (g) Other functions as assigned by the state budget director.

6 (2) Each state department, officer, or agency that collects
7 information from districts, intermediate districts, or
8 postsecondary institutions as required under state or federal law
9 shall make arrangements with the center to ensure that the state
10 department, officer, or agency is in compliance with subsection
11 (1). This subsection does not apply to information collected by the
12 department of treasury under the uniform budgeting and accounting
13 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
14 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
15 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
16 388.1939; or section 1351a of the revised school code, MCL
17 380.1351a.

18 (3) The center may enter into any interlocal agreements
19 necessary to fulfill its functions.

20 (4) The center shall ensure that the P-20 longitudinal data
21 system required under subsection (1)(b) meets all of the following:

22 (a) Includes data at the individual student level from
23 preschool through postsecondary education and into the workforce.

24 (b) Supports interoperability by using standard data
25 structures, data formats, and data definitions to ensure linkage
26 and connectivity in a manner that facilitates the exchange of data
27 among agencies and institutions within the state and between

1 states.

2 (c) Enables the matching of individual teacher and student
3 records so that an individual student may be matched with those
4 teachers providing instruction to that student.

5 (d) Enables the matching of individual teachers with
6 information about their certification and the institutions that
7 prepared and recommended those teachers for state certification.

8 (e) Enables data to be easily generated for continuous
9 improvement and decision-making, including timely reporting to
10 parents, teachers, and school leaders on student achievement.

11 (f) Ensures the reasonable quality, validity, and reliability
12 of data contained in the system.

13 (g) Provides this state with the ability to meet federal and
14 state reporting requirements.

15 (h) For data elements related to preschool through grade 12
16 and postsecondary, meets all of the following:

17 (i) Contains a unique statewide student identifier that does
18 not permit a student to be individually identified by users of the
19 system, except as allowed by federal and state law.

20 (ii) Contains student-level enrollment, demographic, and
21 program participation information.

22 (iii) Contains student-level information about the points at
23 which students exit, transfer in, transfer out, drop out, or
24 complete education programs.

25 (iv) Has the capacity to communicate with higher education
26 data systems.

27 (i) For data elements related to preschool through grade 12

1 only, meets all of the following:

2 (i) Contains yearly test records of individual students for
3 assessments approved by DED-OESE for accountability purposes under
4 section 1111(b) of the elementary and secondary education act of
5 1965, 20 USC 6311, including information on individual students not
6 tested, by grade and subject.

7 (ii) Contains student-level transcript information, including
8 information on courses completed and grades earned.

9 (iii) Contains student-level college readiness test scores.

10 (j) For data elements related to postsecondary education only:

11 (i) Contains data that provide information regarding the
12 extent to which individual students transition successfully from
13 secondary school to postsecondary education, including, but not
14 limited to, all of the following:

15 (A) Enrollment in remedial coursework.

16 (B) Completion of 1 year's worth of college credit applicable
17 to a degree within 2 years of enrollment.

18 (ii) Contains data that provide other information determined
19 necessary to address alignment and adequate preparation for success
20 in postsecondary education.

21 (5) From the general fund appropriation in section 11, there
22 is allocated an amount not to exceed ~~\$11,967,000.00 for 2015-2016~~
23 **\$12,173,200.00 FOR 2016-2017** to the department of technology,
24 management, and budget to support the operations of the center. In
25 addition, from the federal funds appropriated in section 11 there
26 is allocated for ~~2015-2016-2016-2017~~ the amount necessary,
27 estimated at \$193,500.00, to support the operations of the center

1 and to establish a P-20 longitudinal data system necessary for
2 state and federal reporting purposes. The center shall cooperate
3 with the department to ensure that this state is in compliance with
4 federal law and is maximizing opportunities for increased federal
5 funding to improve education in this state.

6 (6) From the funds allocated in subsection (5), the center may
7 use an amount determined by the center for competitive grants for
8 ~~2015-2016~~ **2016-2017** to support collaborative efforts on the P-20
9 longitudinal data system. All of the following apply to grants
10 awarded under this subsection:

11 (a) The center shall award competitive grants to eligible
12 intermediate districts or a consortium of intermediate districts
13 based on criteria established by the center.

14 (b) Activities funded under the grant shall support the P-20
15 longitudinal data system portal and may include portal hosting,
16 hardware and software acquisition, maintenance, enhancements, user
17 support and related materials, and professional learning tools and
18 activities aimed at improving the utility of the P-20 longitudinal
19 data system.

20 (c) An applicant that received a grant under this subsection
21 for the immediately preceding fiscal year shall receive priority
22 for funding under this section. However, after 3 fiscal years of
23 continuous funding, an applicant is required to compete openly with
24 new applicants.

25 (7) Funds allocated under this section that are not expended
26 in the fiscal year in which they were allocated may be carried
27 forward to a subsequent fiscal year and are appropriated for the

1 purposes for which the funds were originally allocated.

2 (8) The center may bill departments as necessary in order to
3 fulfill reporting requirements of state and federal law. The center
4 may also enter into agreements to supply custom data, analysis, and
5 reporting to other principal executive departments, state agencies,
6 local units of government, and other individuals and organizations.
7 The center may receive and expend funds in addition to those
8 authorized in subsection (5) to cover the costs associated with
9 salaries, benefits, supplies, materials, and equipment necessary to
10 provide such data, analysis, and reporting services.

11 (9) As used in this section:

12 (a) "DED-OESE" means the United States Department of Education
13 Office of Elementary and Secondary Education.

14 (b) "State education agency" means the department.

15 Sec. 98. (1) From the general fund money appropriated in
16 section 11, there is allocated an amount not to exceed
17 \$7,387,500.00 for ~~2015-2016~~ 2016-2017 for the purposes described in
18 this section. **THE MICHIGAN VIRTUAL UNIVERSITY SHALL PROVIDE A**
19 **REPORT TO THE LEGISLATURE NOT LATER THAN NOVEMBER 1, 2016 THAT**
20 **INCLUDES ITS MISSION, ITS PLANS, AND PROPOSED BENCHMARKS IT MUST**
21 **MEET, WHICH SHALL INCLUDE A PLAN TO ACHIEVE A 50% INCREASE IN**
22 **DOCUMENTED IMPROVEMENT IN EACH REQUIREMENT OF THE MICHIGAN VIRTUAL**
23 **LEARNING RESEARCH INSTITUTE AND MICHIGAN VIRTUAL SCHOOL, AND ALL**
24 **OTHER ORGANIZATIONAL PRIORITIES IDENTIFIED IN THIS SECTION, IN**
25 **ORDER TO RECEIVE FULL FUNDING FOR 2017-2018. NOT LATER THAN MARCH**
26 **1, 2017, THE MICHIGAN VIRTUAL UNIVERSITY SHALL PROVIDE AN UPDATE TO**
27 **THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID TO**

SHOW THE PROGRESS BEING MADE TO MEET THE BENCHMARKS IDENTIFIED.

(2) The Michigan Virtual University shall operate the Michigan Virtual Learning Research Institute. The Michigan Virtual Learning Research Institute shall do all of the following:

(a) Support and accelerate innovation in education through the following activities:

(i) Test, evaluate, and recommend as appropriate new technology-based instructional tools and resources.

(ii) Research, design, and recommend ~~digital-~~**VIRTUAL** education delivery models for use by pupils and teachers that include age-appropriate multimedia instructional content.

(iii) Research, develop, and recommend annually to the department criteria by which cyber schools and ~~online-~~**VIRTUAL** course providers should be monitored and evaluated to ensure a quality education for their pupils.

(iv) Based on pupil completion and performance data reported to the department or the center for educational performance and information from cyber schools and other ~~online-~~**VIRTUAL** course providers operating in this state, analyze the effectiveness of ~~online-~~**VIRTUAL** learning delivery models in preparing pupils to be college- and career-ready and publish a report that highlights enrollment totals, completion rates, and the overall impact on pupils. The report shall be submitted to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, ~~and~~ the department, **DISTRICTS, AND INTERMEDIATE DISTRICTS** not later than March 31, ~~2016-2017.~~

(v) Before August 31, ~~2016~~, **2017**, provide an extensive professional development program to at least ~~500~~ **30,000** educational personnel, including teachers, school administrators, and school board members, that focuses on the effective integration of ~~digital~~ **VIRTUAL** learning into curricula and instruction. **THE MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE IS ENCOURAGED TO WORK WITH THE MISTEM ADVISORY COUNCIL CREATED UNDER SECTION 99S TO COORDINATE PROFESSIONAL DEVELOPMENT OF TEACHERS IN APPLICABLE FIELDS. IN ADDITION, THE DEPARTMENT SHALL COORDINATE WITH THE MICHIGAN VIRTUAL LEARNING RESEARCH INSTITUTE AND EXTERNAL STAKEHOLDERS FOR PROFESSIONAL DEVELOPMENT IN THIS STATE.** Not later than December 1, ~~2016~~, **2017**, the Michigan Virtual Learning Research Institute shall submit a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department on the number and percentage of teachers, school administrators, and school board members who have received professional development services from the Michigan Virtual University. The report shall also identify barriers and other opportunities to encourage the adoption of ~~digital~~ **VIRTUAL** learning in the public education system.

(vi) Identify and share best practices for planning, implementing, and evaluating ~~online~~ **VIRTUAL** and blended education delivery models with intermediate districts, districts, and public school academies to accelerate the adoption of innovative education delivery models statewide.

(b) Provide leadership for this state's system of ~~digital~~ **VIRTUAL** learning education by doing the following activities:

1 (i) Develop and report policy recommendations to the governor
2 and the legislature that accelerate the expansion of effective
3 ~~online-VIRTUAL~~ learning in this state's schools.

4 (ii) Provide a clearinghouse for research reports, academic
5 studies, evaluations, and other information related to ~~online~~
6 **VIRTUAL** learning.

7 (iii) Promote and distribute the most current instructional
8 design standards and guidelines for ~~online-VIRTUAL~~ teaching.

9 (iv) In collaboration with the department and interested
10 colleges and universities in this state, support implementation and
11 improvements related to effective ~~digital-VIRTUAL~~ learning
12 instruction.

13 (v) Pursue public/private partnerships that include districts
14 to study and implement competency-based technology-rich ~~online~~
15 **VIRTUAL** learning models.

16 (vi) Create a statewide network of school-based mentors
17 serving as liaisons between pupils, ~~online-VIRTUAL~~ instructors,
18 parents, and school staff, **AS PROVIDED BY THE DEPARTMENT OR THE**
19 **CENTER**, and provide mentors with research-based training and
20 technical assistance designed to help more pupils be successful
21 ~~online-VIRTUAL~~ learners.

22 (vii) Convene focus groups and conduct annual surveys of
23 teachers, administrators, pupils, parents, and others to identify
24 barriers and opportunities related to ~~online-VIRTUAL~~ learning.

25 (viii) Produce an annual consumer awareness report for schools
26 and parents about effective ~~online-VIRTUAL~~ education providers and
27 education delivery models, performance data, cost structures, and

1 research trends.

2 (ix) Research and establish an ~~Internet-based~~ **INTERNET-BASED**
3 platform that educators can use to create student-centric learning
4 tools and resources and facilitate a user network that assists
5 educators in using the platform. As part of this initiative, the
6 Michigan Virtual University shall work collaboratively with
7 districts and intermediate districts to establish a plan to make
8 available ~~online~~ **VIRTUAL** resources that align to Michigan's K-12
9 curriculum standards for use by students, educators, and parents.

10 (x) Create and maintain a public statewide catalog of ~~online~~
11 **VIRTUAL** learning courses being offered by all public schools and
12 community colleges in this state. The Michigan Virtual Learning
13 Research Institute shall identify and develop a list of nationally
14 recognized best practices for ~~online~~ **VIRTUAL** learning and use this
15 list to support reviews of ~~online~~ **VIRTUAL** course vendors, courses,
16 and instructional practices. The Michigan Virtual Learning Research
17 Institute shall also provide a mechanism for intermediate districts
18 to use the identified best practices to review content offered by
19 constituent districts. The Michigan Virtual Learning Research
20 Institute shall review the ~~online~~ **VIRTUAL** course offerings of the
21 Michigan Virtual University, and make the results from these
22 reviews available to the public as part of the statewide catalog.
23 The Michigan Virtual Learning Research Institute shall ensure that
24 the statewide catalog is made available to the public on the
25 Michigan Virtual University website and shall allow the ability to
26 link it to each district's website as provided for in section 21f.
27 The statewide catalog shall also contain all of the following:

1 (A) The number of enrollments in each ~~online-VIRTUAL~~ course in
2 the immediately preceding school year.

3 (B) The number of enrollments that earned 60% or more of the
4 total course points for each ~~online-VIRTUAL~~ course in the
5 immediately preceding school year.

6 (C) The completion rate for each ~~online-VIRTUAL~~ course.

7 (xi) Develop prototype and pilot registration, payment
8 services, and transcript functionality to the statewide catalog and
9 train key stakeholders 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 ~~online-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 ~~digital~~
17 **VIRTUAL** learning, the Michigan Virtual University shall continue to
18 operate the Michigan Virtual School as a statewide laboratory and
19 quality model of instruction by implementing ~~online-VIRTUAL~~ and
20 blended learning solutions for Michigan schools in accordance with
21 the following 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 ~~online-VIRTUAL~~ courses.

1 (c) In providing educators responsible for the teaching of
2 ~~online-VIRTUAL~~ courses as provided for in this section, the
3 Michigan Virtual School shall follow the requirements to request
4 and assess, and the department of state police shall provide, a
5 criminal history check and criminal records check under sections
6 1230 and 1230a of the revised school code, MCL 380.1230 and
7 380.1230a, in the same manner as if the Michigan Virtual School
8 were a school district under those sections.

9 (4) If the course offerings are included in the statewide
10 catalog of ~~online-VIRTUAL~~ courses under subsection (2)(b)(ix), the
11 Michigan Virtual School operated by the Michigan Virtual University
12 may offer ~~online-VIRTUAL~~ course offerings, including, but not
13 limited to, all of the following:

14 (a) Information technology courses.

15 (b) College level equivalent courses, as defined in section
16 1471 of the revised school code, MCL 380.1471.

17 (c) Courses and dual enrollment opportunities.

18 (d) Programs and services for at-risk pupils.

19 (e) High school equivalency test preparation courses for
20 adjudicated youth.

21 (f) Special interest courses.

22 (g) Professional development programs for teachers, school
23 administrators, other school employees, and school board members.

24 (5) If a home-schooled or nonpublic school student is a
25 resident of a district that subscribes to services provided by the
26 Michigan Virtual School, the student may use the services provided
27 by the Michigan Virtual School to the district without charge to

1 the student beyond what is charged to a district pupil using the
2 same services.

3 (6) Not later than December 1 of each fiscal year, the
4 Michigan Virtual University shall provide a report to the house and
5 senate appropriations subcommittees on state school aid, the state
6 budget director, the house and senate fiscal agencies, and the
7 department that includes at least all of the following information
8 related to the Michigan Virtual School for the preceding state
9 fiscal year:

10 (a) A list of the districts served by the Michigan Virtual
11 School.

12 (b) A list of ~~online-VIRTUAL~~ course titles available to
13 districts.

14 (c) The total number of ~~online-VIRTUAL~~ course enrollments and
15 information on registrations and completions by course.

16 (d) The overall course completion rate percentage.

17 (7) **IN ADDITION TO THE INFORMATION LISTED IN SUBSECTION (6),**
18 **THE REPORT UNDER SUBSECTION (6) SHALL ALSO INCLUDE A PLAN TO SERVE**
19 **AT LEAST 600 SCHOOLS WITH COURSES FROM THE MICHIGAN VIRTUAL SCHOOL**
20 **OR WITH CONTENT AVAILABLE THROUGH THE INTERNET-BASED PLATFORM**
21 **IDENTIFIED IN SUBSECTION (2) (B) (ix) .**

22 (8) ~~(7)~~The governor may appoint an advisory group for the
23 Michigan Virtual Learning Research Institute established under
24 subsection (2). The members of the advisory group shall serve at
25 the pleasure of the governor and shall serve without compensation.
26 The purpose of the advisory group is to make recommendations to the
27 governor, the legislature, and the president and board of the

1 Michigan Virtual University that will accelerate innovation in this
2 state's education system in a manner that will prepare elementary
3 and secondary students to be career and college ready and that will
4 promote the goal of increasing the percentage of citizens of this
5 state with high-quality degrees and credentials to at least 60% by
6 2025.

7 (9) ~~(8)~~ Not later than November 1, ~~2015,~~ **2016**, the Michigan
8 Virtual University shall submit to the house and senate
9 appropriations subcommittees on state school aid, the state budget
10 director, and the house and senate fiscal agencies a detailed
11 budget for the ~~2015-2016~~ **2016-2017** fiscal year that includes a
12 breakdown on its projected costs to deliver ~~online~~ **VIRTUAL**
13 educational services to districts and a summary of the anticipated
14 fees to be paid by districts for those services. Not later than
15 March 1 each year, the Michigan Virtual University shall submit to
16 the house and senate appropriations subcommittees on state school
17 aid, the state budget director, and the house and senate fiscal
18 agencies a breakdown on its actual costs to deliver ~~online~~ **VIRTUAL**
19 educational services to districts and a summary of the actual fees
20 paid by districts for those services based on audited financial
21 statements for the immediately preceding fiscal year.

22 (10) ~~(9)~~ As used in this section:

23 (a) "Blended learning" means a hybrid instructional delivery
24 model where pupils are provided content, instruction, and
25 assessment, in part at a supervised educational facility away from
26 home where the pupil and a teacher with a valid Michigan teaching
27 certificate are in the same physical location and in part through

Internet-connected learning environments with some degree of pupil control over time, location, and pace of instruction.

(b) "Cyber school" means a full-time instructional program of ~~online~~ **VIRTUAL** courses for pupils that may or may not require attendance at a physical school location.

~~—— (c) "Digital learning" means instruction delivered via a web-based educational delivery system that uses various information technologies to provide a structured learning environment, including online and blended learning instructional methods.~~

(C) ~~(d)~~ **"VIRTUAL** course" means a course of study that is capable of generating a credit or a grade ~~, AND~~ that is provided in an interactive Internet-connected-learning environment ~~, IN~~ **WHICH THE MAJORITY OF THE CURRICULUM IS DELIVERED USING THE INTERNET AND** in which pupils are separated from their ~~teachers~~ **INSTRUCTOR OR TEACHER OF RECORD** by time or location, or both. ~~, and in which a teacher who holds a valid Michigan teaching certificate is responsible for providing instruction, determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.~~

Sec. 99h. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$2,000,000.00~~ **\$2,500,000.00** for ~~2015-2016~~ **2016-2017** for competitive grants to districts that provide pupils in grades ~~7-K~~ to 12 with expanded opportunities to improve mathematics, science, and technology skills by participating in events hosted by a science and technology

development program known as FIRST (for inspiration and recognition of science and technology) robotics, **INCLUDING JR FIRST LEGO LEAGUE, FIRST LEGO LEAGUE, FIRST TECH CHALLENGE, AND FIRST ROBOTICS COMPETITION. PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL GRADUATION.**

(2) A district applying for a ~~FIRST tech challenge or FIRST robotics competition program grant~~ **UNDER THIS SECTION** shall submit an application in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that the district has established a partnership for the purposes of the FIRST program with at least 1 sponsor, business entity, higher education institution, or technical school, shall submit a spending plan, and shall pay at least 25% of the cost of the FIRST robotics program.

(3) The department shall distribute the grant funding under this section for the following purposes:

(a) Grants to districts to pay for stipends of \$1,500.00 for 1 coach per team. ~~, distributed as follows:~~

~~—— (i) Not more than 500 stipends for coaches of high school teams, including existing teams.~~

~~—— (ii) Not more than 100 stipends for coaches of middle school or junior high teams, including existing teams.~~

~~—— (iii) If the requests for stipends exceed the numbers of stipends allowed, under subparagraphs (i) and (ii), and if there is~~

1 funding remaining unspent under subdivisions (b) and (c), the
2 department shall use that remaining unspent funding for grants to
3 districts to pay for additional stipends in a manner that expands
4 the geographical distribution of teams.

5 (b) Grants to districts for event registrations, materials,
6 travel costs, and other expenses associated with the preparation
7 for and attendance at ~~FIRST tech challenge and FIRST~~ robotics
8 **EVENTS AND** competitions. Each grant recipient shall provide a local
9 match from other private or local funds for the funds received
10 under this subdivision equal to at least 50% of the costs of
11 participating in an event. The department shall set maximum grant
12 amounts under this subdivision in a manner that maximizes the
13 number of teams that will be able to receive funding.

14 (c) Grants to districts for awards to teams that advance to
15 the state and world championship competitions. The department shall
16 determine an equal amount per team for those teams that advance to
17 the state championship and a second equal award amount to those
18 teams that advance to the world championship.

19 (4) The funds allocated under this section are a work project
20 appropriation, and any unexpended funds for ~~2015-2016-2016-2017~~ are
21 carried forward into ~~2016-2017.~~ **2017-2018.** The purpose of the work
22 project is to continue to implement the projects described under
23 subsection (1). The estimated completion date of the work project
24 is September 30, ~~2018-2019.~~

25 Sec. 99s. (1) From the funds appropriated under section 11,
26 there is allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
27 ~~\$3,250,000.00~~ **\$3,000,000.00** from the state school aid fund

1 appropriation and an amount not to exceed ~~\$775,000.00~~ **\$1,300,000.00**
2 from the general fund appropriation for Michigan science,
3 technology, engineering, and mathematics (MiSTEM) programs. In
4 addition, from the federal funds appropriated in section 11, there
5 is allocated for ~~2015-2016~~ **2016-2017** an amount estimated at
6 \$5,249,300.00 from DED-OESE, title II, mathematics and science
7 partnership grants. **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED**
8 **TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN**
9 **SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE**
10 **THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH**
11 **SCHOOL GRADUATION.**

12 (2) From the general fund allocation in subsection (1), there
13 is allocated an amount not to exceed \$50,000.00 to the department
14 for administrative, **TRAINING**, and travel costs related to the
15 MiSTEM advisory council. All of the following apply to the MiSTEM
16 advisory council funded under this subsection:

17 (a) The MiSTEM advisory council is created. The MiSTEM
18 advisory council shall provide to the governor, legislature,
19 department of talent and economic development, and department
20 recommendations designed to improve and promote innovation in STEM
21 education and **TO** prepare students for careers in science,
22 technology, engineering, and mathematics.

23 (b) The MiSTEM advisory council created under subdivision (a)
24 shall consist of the following members:

25 (i) The governor shall appoint 11 voting members who are
26 representative of business sectors that are important to Michigan's
27 economy and rely on a STEM-educated workforce, nonprofit

1 organizations and associations that promote STEM education, K-12
2 and postsecondary education entities involved in STEM-related
3 career education, or other sectors as considered appropriate by the
4 governor. Each of these members shall serve at the pleasure of the
5 governor and for a term determined by the governor.

6 (ii) The senate majority leader shall appoint 2 members of the
7 senate to serve as nonvoting, ex-officio members of the MiSTEM
8 advisory council, including 1 majority party member and 1 minority
9 party member.

10 (iii) The speaker of the house of representatives shall
11 appoint 2 members of the house of representatives to serve as
12 nonvoting, ex-officio members of the MiSTEM advisory council,
13 including 1 majority party member and 1 minority party member.

14 (c) Each member of the MiSTEM advisory council shall serve
15 without compensation.

16 (d) The MiSTEM advisory council shall recommend **TO THE**
17 **GOVERNOR, THE LEGISLATURE, AND THE DEPARTMENT** a statewide strategy
18 for delivering STEM education-related opportunities to pupils and
19 objective criteria for determining preferred STEM programs. ~~The~~
20 ~~MiSTEM advisory council also shall make funding recommendations to~~
21 ~~the governor, legislature, and department for funding programs~~
22 ~~under this section for 2016-2017 not later than March 1, 2016,~~
23 ~~including, but not limited to, recommendations concerning funding~~
24 ~~for the STEM programs funded under this section for 2015-2016, and~~
25 ~~shall continue to make funding recommendations annually~~
26 ~~thereafter.~~ **THE MISTEM ADVISORY COUNCIL SHALL USE FUNDS RECEIVED**
27 **UNDER THIS SUBSECTION TO PURCHASE TRAINING FOR ITS MEMBERS OR THEIR**

DESIGNEES FROM THE CHANGE THE EQUATION STEMWORKS RATING SYSTEM
PROGRAM FOR THE PURPOSE OF RATING STEM PROGRAMS.

(E) NOT LATER THAN OCTOBER 15 OF EACH FISCAL YEAR, THE MISTEM
ADVISORY COUNCIL SHALL PROVIDE STEM QUALITY RATINGS FOR PROGRAMS
RECOMMENDED FOR FUNDING UNDER SUBSECTION (3). THE MISTEM ADVISORY
COUNCIL SHALL MAKE SPECIFIC FUNDING RECOMMENDATIONS FOR THE FUNDS
ALLOCATED UNDER SUBSECTION (3) BY DECEMBER 15 OF EACH FISCAL YEAR.
THE AMOUNT OF EACH GRANT RECOMMENDED SHALL NOT EXCEED \$250,000.00.

(F) IF THE MISTEM ADVISORY COUNCIL IS UNABLE TO MAKE SPECIFIC
FUNDING RECOMMENDATIONS BY DECEMBER 15 OF A FISCAL YEAR, THE
DEPARTMENT SHALL DISTRIBUTE THE FUNDS ALLOCATED UNDER SUBSECTION
(3) ON A COMPETITIVE GRANT BASIS THAT AT LEAST FOLLOWS THE QUALITY
GUIDELINES AND PRIORITY AREAS RECOMMENDED BY THE MISTEM ADVISORY
COUNCIL. EACH GRANT SHALL NOT EXCEED \$250,000.00 AND MUST PROVIDE
STEM EDUCATION-RELATED OPPORTUNITIES FOR PUPILS.

(G) ~~(e)~~ The MiSTEM advisory council shall work with directors
of mathematics and science centers funded under subsection ~~(3)~~ (4)
to connect educators with businesses, workforce developers,
economic developers, community colleges, and universities.

(3) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION
(1), THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED
\$1,000,000.00 FOR THE PURPOSE OF FUNDING PROGRAMS UNDER THIS
SECTION FOR 2016-2017, AS RECOMMENDED BY THE MISTEM ADVISORY
COUNCIL.

(4) ~~(3)~~ From the state school aid fund allocation under
subsection (1), there is allocated for ~~2015-2016~~ 2016-2017 an
amount not to exceed \$2,750,000.00 to support the activities and

1 programs of mathematics and science centers. In addition, from the
2 federal funds allocated under subsection (1), there is allocated
3 for ~~2015-2016~~**2016-2017** an amount estimated at \$5,249,300.00 from
4 DED-OESE, title II, mathematics and science partnership grants, for
5 the purposes of this subsection. All of the following apply to the
6 programs and funding under this subsection:

7 (a) Within a service area designated locally, approved by the
8 department, and consistent with the comprehensive master plan for
9 mathematics and science centers developed by the department and
10 approved by the state board, an established mathematics and science
11 center shall provide 2 or more of the following 6 basic services,
12 as described in the master plan, to constituent districts and
13 communities: leadership, pupil services, curriculum support,
14 community involvement, professional development, and resource
15 clearinghouse services.

16 (b) The department shall not award a state grant under this
17 subsection to more than 1 mathematics and science center located in
18 a designated region as prescribed in the 2007 master plan unless
19 each of the grants serves a distinct target population or provides
20 a service that does not duplicate another program in the designated
21 region.

22 (c) As part of the technical assistance process, the
23 department shall provide minimum standard guidelines that may be
24 used by the mathematics and science center for providing fair
25 access for qualified pupils and professional staff as prescribed in
26 this subsection.

27 (d) Allocations under this subsection to support the

1 activities and programs of mathematics and science centers shall be
2 continuing support grants to all 33 established mathematics and
3 science centers. For ~~2015-2016,~~ **2016-2017**, each established
4 mathematics and science center ~~that was funded for 2014-2015 under~~
5 ~~former section 99~~ shall receive state funding in an amount equal to
6 100% of the amount it was allocated under former section 99 for
7 ~~2014-2015.~~ **2015-2016**. If a center declines state funding or a
8 center closes, the remaining money available under this subsection
9 shall be distributed to the remaining centers, as determined by the
10 department.

11 (e) From the funds allocated under this subsection, the
12 department shall distribute for ~~2015-2016-~~ **2016-2017** an amount not
13 to exceed \$750,000.00 in a form and manner determined by the
14 department to those centers able to provide curriculum and
15 professional development support to assist districts in
16 implementing the Michigan merit curriculum components for
17 mathematics and science. Funding under this subdivision is in
18 addition to funding allocated under subdivision (d).

19 (f) In order to receive state or federal funds under this
20 subsection, a grant recipient shall allow access for the department
21 or the department's designee to audit all records related to the
22 program for which it receives those funds. The grant recipient
23 shall reimburse the state for all disallowances found in the audit.

24 (g) Not later than September 30, ~~2018,~~ **2017**, the department
25 shall ~~reevaluate and update~~ **WORK WITH THE MISTEM ADVISORY COUNCIL**
26 **TO REVISE** the comprehensive master plan described in subdivision
27 (a) **TO ENSURE THAT THE COMPREHENSIVE MASTER PLAN IS IN COMPLIANCE**

1 WITH THE STATEWIDE STRATEGY DEVELOPED BY THE COUNCIL UNDER
2 SUBSECTION (2) (D) . THE COMPREHENSIVE MASTER PLAN SHALL INCLUDE A
3 REVIEW OF THE FEASIBILITY OF CONSOLIDATING AND REDUCING THE NUMBER
4 OF MATHEMATICS AND SCIENCE CENTERS.

5 (h) The department shall give preference in awarding the
6 federal grants allocated under this subsection to eligible existing
7 mathematics and science centers.

8 (i) In order to receive state funds under this subsection, a
9 grant recipient shall provide at least a 10% local match from local
10 public or private resources for the funds received under this
11 subsection.

12 (j) Not later than July 1 of each year, a mathematics and
13 science center that receives funds under this subsection shall
14 report to the department in a form and manner prescribed by the
15 department on the following performance measures:

16 (i) Statistical change in pre- and post-assessment scores for
17 students who enrolled in mathematics and science activities
18 provided to districts by the mathematics and science center.

19 (ii) Statistical change in pre- and post-assessment scores for
20 teachers who enrolled in professional development activities
21 provided by the mathematics and science center.

22 (k) As used in this subsection:

23 (i) "DED" means the United States Department of Education.

24 (ii) "DED-OESE" means the DED Office of Elementary and
25 Secondary Education.

26 ~~————(4) From the general fund money allocated under subsection~~

27 ~~(1), there is allocated for 2015-2016 an amount not to exceed~~

~~\$100,000.00 to the Michigan STEM partnership, to be used to administer the grant process under this subsection. From the general fund money allocated in subsection (1), there is allocated for 2015-2016 an amount not to exceed \$375,000.00 to the Michigan STEM partnership to be used for a competitive grant process to award competitive grants to organizations conducting student-focused, project based programs and competitions, either in the classroom or extracurricular, in science, technology, engineering, and mathematics subjects such as, but not limited to, robotics, coding, and design build test projects, from pre kindergarten through college level. All of the following apply to the grant funding under this subsection:~~

~~—— (a) Funding under this subsection is in addition to funding allocated under subsection (3) and shall be used for connecting mathematics and science centers for science, technology, engineering, and mathematics purposes and to support the goals of the Michigan STEM partnership.~~

~~—— (b) A program receiving funds under section 99h may not receive funds under this subsection.~~

~~—— (c) In order to receive state funds under this subsection, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this subsection.~~

~~—— (5) From the funds allocated under subsection (1), there is allocated an amount not to exceed \$250,000.00 for 2015-2016 only for grants to districts to support professional development for teachers in a department approved training program for science,~~

~~technology, engineering, and mathematics (STEM) instruction. All of the following apply to the grant funding under this subsection.~~

~~—— (a) Any district may apply for funding under this subsection for 2015-2016 by a date determined by the department. In awarding grants, the department shall give priority, in a form and manner determined by the department, to applicant districts with teachers who have not previously received training in programs funded under this subsection or former section 99b.~~

~~—— (b) For a training program to be approved by the department for the purposes of this subsection, the program shall meet all of the following criteria:~~

~~—— (i) Utilize an integrative STEM approach to content organization and delivery. The integrative STEM approach shall include content derived from science, technology, engineering, and mathematics.~~

~~—— (ii) Offer evidence that the program outcomes address mathematics, science, and technological literacy standards in an exploratory middle school or high school offering.~~

~~—— (iii) Offer evidence that the program positively influences student career choices along STEM career paths and increases student engagement through peer reviewed research.~~

~~—— (iv) Present evidence of the periodic updating of the curriculum.~~

~~—— (v) Utilize outcome measures for teacher professional development.~~

~~—— (vi) Provide peer reviewed evidence that the program is effective with disadvantaged students and those with language~~

1 ~~barriers.~~

2 ~~—— (c) The department shall award grants to districts in an~~
 3 ~~amount determined by the department, but not to exceed \$3,200.00~~
 4 ~~per participant.~~

5 ~~—— (d) A district receiving funds under this subsection shall use~~
 6 ~~the funds only for department approved training programs under this~~
 7 ~~subsection.~~

8 (5) ~~(6)~~ From the allocations under subsection (1), there is
 9 allocated an amount not to exceed \$250,000.00 ~~for 2015-2016 only~~
 10 **\$250,000.00 FOR 2016-2017** for competitive grants to districts that
 11 provide pupils in grades K to 12 with expanded opportunities in
 12 science education and skills by participating in events and
 13 competitions hosted by Science Olympiad. All of the following apply
 14 to the grant funding under this subsection:

15 (a) A district applying for a grant under this subsection
 16 shall submit an application in the form and manner determined by
 17 the department not later than November 15, ~~2015.~~**2016.** The
 18 department shall select districts for grants and make notification
 19 not later than December 15, ~~2015.~~**2016.** To be eligible for a grant,
 20 a district shall pay at least 25% of the cost of participating in
 21 the Science Olympiad program.

22 (b) The department shall distribute the grant funding
 23 allocated under this subsection for the following purposes:

24 (i) Grants to districts of up to \$800.00 ~~for~~**PER** new
 25 elementary ~~teams.~~**TEAM.**

26 (ii) Grants to districts of up to \$400.00 ~~for~~**PER** established
 27 elementary ~~teams.~~**TEAM.**

1 (iii) Grants to districts of up to \$1,600.00 ~~for~~ **PER** new
2 secondary ~~teams~~ **TEAM**.

3 (iv) Grants to districts of up to \$800.00 ~~for~~ **PER** established
4 secondary ~~teams~~ **TEAM**.

5 (6) ~~(7)~~ From the general fund allocation under subsection (1),
6 there is allocated an amount not to exceed \$250,000.00 for ~~2015-~~
7 ~~2016 only~~ **2016-2017** for a grant to the Van Andel Education
8 Institute for the purposes of advancing and promoting science
9 education and increasing the number of students who choose to
10 pursue careers in science or science-related fields. Funds
11 allocated under this subsection shall be used to provide
12 professional development for science teachers in using student-
13 driven, inquiry-based instruction.

14 **SEC. 99T. (1) FROM THE GENERAL FUND APPROPRIATION UNDER**
15 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
16 **\$1,500,000.00 FOR 2016-2017 TO PURCHASE STATEWIDE ACCESS TO AN**
17 **ONLINE ALGEBRA TOOL THAT MEETS ALL OF THE FOLLOWING:**

18 **(A) PROVIDES STUDENTS STATEWIDE WITH COMPLETE ACCESS TO VIDEOS**
19 **ALIGNED WITH STATE STANDARDS INCLUDING STUDY GUIDES AND WORKBOOKS**
20 **THAT ARE ALIGNED WITH THE VIDEOS.**

21 **(B) PROVIDES STUDENTS STATEWIDE WITH ACCESS TO A PERSONALIZED**
22 **ONLINE ALGEBRA LEARNING TOOL INCLUDING ADAPTIVE DIAGNOSTICS.**

23 **(C) PROVIDES STUDENTS STATEWIDE WITH DYNAMIC ALGEBRA PRACTICE**
24 **ASSESSMENTS THAT EMULATE THE STATE ASSESSMENT WITH IMMEDIATE**
25 **FEEDBACK AND HELP SOLVING PROBLEMS.**

26 **(D) PROVIDES STUDENTS STATEWIDE WITH ONLINE ACCESS TO ALGEBRA**
27 **HELP 24 HOURS A DAY AND 7 DAYS A WEEK FROM STUDY EXPERTS, TEACHERS,**

1 AND PEERS ON A MODERATED SOCIAL NETWORKING PLATFORM.

2 (E) PROVIDES AN ONLINE ALGEBRA PROFESSIONAL DEVELOPMENT
3 NETWORK FOR TEACHERS.

4 (F) IS ALREADY PROVIDED UNDER A STATEWIDE CONTRACT IN AT LEAST
5 1 OTHER STATE.

6 (2) THE DEPARTMENT SHALL CHOOSE THE ONLINE ALGEBRA TOOL BY
7 OCTOBER 1, 2016.

8 Sec. 101. (1) To be eligible to receive state aid under this
9 article, not later than the fifth Wednesday after the pupil
10 membership count day and not later than the fifth Wednesday after
11 the supplemental count day, each district superintendent shall
12 submit to the center and the intermediate superintendent, in the
13 form and manner prescribed by the center, the number of pupils
14 enrolled and in regular daily attendance in the district as of the
15 pupil membership count day and as of the supplemental count day, as
16 applicable, for the current school year. In addition, a district
17 maintaining school during the entire year, as provided under
18 section 1561 of the revised school code, MCL 380.1561, shall submit
19 to the center and the intermediate superintendent, in the form and
20 manner prescribed by the center, the number of pupils enrolled and
21 in regular daily attendance in the district for the current school
22 year pursuant to rules promulgated by the superintendent. Not later
23 than the sixth Wednesday after the pupil membership count day and
24 not later than the sixth Wednesday after the supplemental count
25 day, the district shall certify the data in a form and manner
26 prescribed by the center and file the certified data with the
27 intermediate superintendent. If a district fails to submit and

1 certify the attendance data, as required under this subsection, the
2 center shall notify the department and state aid due to be
3 distributed under this article shall be withheld from the
4 defaulting district immediately, beginning with the next payment
5 after the failure and continuing with each payment until the
6 district complies with this subsection. If a district does not
7 comply with this subsection by the end of the fiscal year, the
8 district forfeits the amount withheld. A person who willfully
9 falsifies a figure or statement in the certified and sworn copy of
10 enrollment shall be punished in the manner prescribed by section
11 161.

12 (2) To be eligible to receive state aid under this article,
13 not later than the twenty-fourth Wednesday after the pupil
14 membership count day and not later than the twenty-fourth Wednesday
15 after the supplemental count day, an intermediate district shall
16 submit to the center, in a form and manner prescribed by the
17 center, the audited enrollment and attendance data for the pupils
18 of its constituent districts and of the intermediate district. If
19 an intermediate district fails to submit the audited data as
20 required under this subsection, state aid due to be distributed
21 under this article shall be withheld from the defaulting
22 intermediate district immediately, beginning with the next payment
23 after the failure and continuing with each payment until the
24 intermediate district complies with this subsection. If an
25 intermediate district does not comply with this subsection by the
26 end of the fiscal year, the intermediate district forfeits the
27 amount withheld.

1 (3) Except as otherwise provided in subsections (11) and (12),
2 all of the following apply to the provision of pupil instruction:

3 (a) Except as otherwise provided in this section, each
4 district shall provide at least 1,098 hours and, beginning in 2010-
5 2011, the required minimum number of days of pupil instruction.
6 Beginning in 2014-2015, the required minimum number of days of
7 pupil instruction is 175. However, all of the following apply to
8 these requirements:

9 (i) If a collective bargaining agreement that provides a
10 complete school calendar was in effect for employees of a district
11 as of July 1, 2013, and if that school calendar is not in
12 compliance with this subsection, then this subsection does not
13 apply to that district until after the expiration of that
14 collective bargaining agreement. If a district entered into a
15 collective bargaining agreement on or after July 1, 2013 and if
16 that collective bargaining agreement did not provide for at least
17 175 days of pupil instruction beginning in 2014-2015, then the
18 department shall withhold from the district's total state school
19 aid an amount equal to 5% of the funding the district receives in
20 2014-2015 under sections 22a and 22b.

21 (ii) A district may apply for a waiver under subsection (9)
22 from the requirements of this subdivision.

23 (b) Beginning in 2016-2017, the required minimum number of
24 days of pupil instruction is 180. If a collective bargaining
25 agreement that provides a complete school calendar was in effect
26 for employees of a district as of the effective date of the
27 amendatory act that added this subdivision, and if that school

1 calendar is not in compliance with this subdivision, then this
2 subdivision does not apply to that district until after the
3 expiration of that collective bargaining agreement. A district may
4 apply for a waiver under subsection (9) from the requirements of
5 this subdivision.

6 (c) Except as otherwise provided in this article, a district
7 failing to comply with the required minimum hours and days of pupil
8 instruction under this subsection shall forfeit from its total
9 state aid allocation an amount determined by applying a ratio of
10 the number of hours or days the district was in noncompliance in
11 relation to the required minimum number of hours and days under
12 this subsection. Not later than August 1, the board of each
13 district shall **EITHER** certify to the department **THAT THE DISTRICT**
14 **WAS IN FULL COMPLIANCE WITH THIS SECTION REGARDING** the number of
15 hours and days of pupil instruction in the previous school year, **OR**
16 **REPORT TO THE DEPARTMENT, IN A FORM AND MANNER PRESCRIBED BY THE**
17 **CENTER, EACH INSTANCE OF NONCOMPLIANCE.** If the district did not
18 provide at least the required minimum number of hours and days of
19 pupil instruction under this subsection, the deduction of state aid
20 shall be made in the following fiscal year from the first payment
21 of state school aid. A district is not subject to forfeiture of
22 funds under this subsection for a fiscal year in which a forfeiture
23 was already imposed under subsection (6).

24 (d) Hours or days lost because of strikes or teachers'
25 conferences shall not be counted as hours or days of pupil
26 instruction.

27 (e) If a collective bargaining agreement that provides a

1 complete school calendar is in effect for employees of a district
2 as of October 19, 2009, and if that school calendar is not in
3 compliance with this subsection, then this subsection does not
4 apply to that district until after the expiration of that
5 collective bargaining agreement.

6 (f) Except as otherwise provided in subdivisions (g) and (h),
7 a district not having at least 75% of the district's membership in
8 attendance on any day of pupil instruction shall receive state aid
9 in that proportion of 1/180 that the actual percent of attendance
10 bears to the specified percentage.

11 (g) If a district adds 1 or more days of pupil instruction to
12 the end of its instructional calendar for a school year to comply
13 with subdivision (a) because the district otherwise would fail to
14 provide the required minimum number of days of pupil instruction
15 even after the operation of subsection (4) due to conditions not
16 within the control of school authorities, then subdivision (f) does
17 not apply for any day of pupil instruction that is added to the end
18 of the instructional calendar. Instead, for any of those days, if
19 the district does not have at least 60% of the district's
20 membership in attendance on that day, the district shall receive
21 state aid in that proportion of 1/180 that the actual percentage of
22 attendance bears to the specified percentage. For any day of pupil
23 instruction added to the instructional calendar as described in
24 this subdivision, the district shall report to the department the
25 percentage of the district's membership that is in attendance, in
26 the form and manner prescribed by the department.

27 (h) At the request of a district that operates a department-

1 approved alternative education program and that does not provide
2 instruction for pupils in all of grades K to 12, the superintendent
3 shall grant a waiver from the requirements of subdivision (f). The
4 waiver shall indicate that an eligible district is subject to the
5 proration provisions of subdivision (f) only if the district does
6 not have at least 50% of the district's membership in attendance on
7 any day of pupil instruction. In order to be eligible for this
8 waiver, a district must maintain records to substantiate its
9 compliance with the following requirements:

10 (i) The district offers the minimum hours of pupil instruction
11 as required under this section.

12 (ii) For each enrolled pupil, the district uses appropriate
13 academic assessments to develop an individual education plan that
14 leads to a high school diploma.

15 (iii) The district tests each pupil to determine academic
16 progress at regular intervals and records the results of those
17 tests in that pupil's individual education plan.

18 (i) All of the following apply to a waiver granted under
19 subdivision (h):

20 (i) If the waiver is for a blended model of delivery, a waiver
21 that is granted for the 2011-2012 fiscal year or a subsequent
22 fiscal year remains in effect unless it is revoked by the
23 superintendent.

24 (ii) If the waiver is for a 100% online model of delivery and
25 the educational program for which the waiver is granted makes
26 educational services available to pupils for a minimum of at least
27 1,098 hours during a school year and ensures that each pupil

1 participates in the educational program for at least 1,098 hours
2 during a school year, a waiver that is granted for the 2011-2012
3 fiscal year or a subsequent fiscal year remains in effect unless it
4 is revoked by the superintendent.

5 (iii) A waiver that is not a waiver described in subparagraph
6 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
7 to remain in effect.

8 (j) The superintendent shall promulgate rules for the
9 implementation of this subsection.

10 (4) Except as otherwise provided in this subsection, the first
11 6 days or the equivalent number of hours for which pupil
12 instruction is not provided because of conditions not within the
13 control of school authorities, such as severe storms, fires,
14 epidemics, utility power unavailability, water or sewer failure, or
15 health conditions as defined by the city, county, or state health
16 authorities, shall be counted as hours and days of pupil
17 instruction. With the approval of the superintendent of public
18 instruction, the department shall count as hours and days of pupil
19 instruction for a fiscal year not more than 3 additional days or
20 the equivalent number of additional hours for which pupil
21 instruction is not provided in a district due to unusual and
22 extenuating occurrences resulting from conditions not within the
23 control of school authorities such as those conditions described in
24 this subsection. Subsequent such hours or days shall not be counted
25 as hours or days of pupil instruction.

26 (5) A district shall not forfeit part of its state aid
27 appropriation because it adopts or has in existence an alternative

1 scheduling program for pupils in kindergarten if the program
2 provides at least the number of hours required under subsection (3)
3 for a full-time equated membership for a pupil in kindergarten as
4 provided under section 6(4).

5 (6) In addition to any other penalty or forfeiture under this
6 section, if at any time the department determines that 1 or more of
7 the following have occurred in a district, the district shall
8 forfeit in the current fiscal year beginning in the next payment to
9 be calculated by the department a proportion of the funds due to
10 the district under this article that is equal to the proportion
11 below the required minimum number of hours and days of pupil
12 instruction under subsection (3), as specified in the following:

13 (a) The district fails to operate its schools for at least the
14 required minimum number of hours and days of pupil instruction
15 under subsection (3) in a school year, including hours and days
16 counted under subsection (4).

17 (b) The board of the district takes formal action not to
18 operate its schools for at least the required minimum number of
19 hours and days of pupil instruction under subsection (3) in a
20 school year, including hours and days counted under subsection (4).

21 (7) In providing the minimum number of hours and days of pupil
22 instruction required under subsection (3), a district shall use the
23 following guidelines, and a district shall maintain records to
24 substantiate its compliance with the following guidelines:

25 (a) Except as otherwise provided in this subsection, a pupil
26 must be scheduled for at least the required minimum number of hours
27 of instruction, excluding study halls, or at least the sum of 90

1 hours plus the required minimum number of hours of instruction,
2 including up to 2 study halls.

3 (b) The time a pupil is assigned to any tutorial activity in a
4 block schedule may be considered instructional time, unless that
5 time is determined in an audit to be a study hall period.

6 (c) Except as otherwise provided in this subdivision, a pupil
7 in grades 9 to 12 for whom a reduced schedule is determined to be
8 in the individual pupil's best educational interest must be
9 scheduled for a number of hours equal to at least 80% of the
10 required minimum number of hours of pupil instruction to be
11 considered a full-time equivalent pupil. A pupil in grades 9 to 12
12 who is scheduled in a 4-block schedule may receive a reduced
13 schedule under this subsection if the pupil is scheduled for a
14 number of hours equal to at least 75% of the required minimum
15 number of hours of pupil instruction to be considered a full-time
16 equivalent pupil.

17 (d) If a pupil in grades 9 to 12 who is enrolled in a
18 cooperative education program or a special education pupil cannot
19 receive the required minimum number of hours of pupil instruction
20 solely because of travel time between instructional sites during
21 the school day, that travel time, up to a maximum of 3 hours per
22 school week, shall be considered to be pupil instruction time for
23 the purpose of determining whether the pupil is receiving the
24 required minimum number of hours of pupil instruction. However, if
25 a district demonstrates to the satisfaction of the department that
26 the travel time limitation under this subdivision would create
27 undue costs or hardship to the district, the department may

1 consider more travel time to be pupil instruction time for this
2 purpose.

3 (e) In grades 7 through 12, instructional time that is part of
4 a junior reserve officer training corps (JROTC) program shall be
5 considered to be pupil instruction time regardless of whether the
6 instructor is a certificated teacher if all of the following are
7 met:

8 (i) The instructor has met all of the requirements established
9 by the United States Department of Defense and the applicable
10 branch of the armed services for serving as an instructor in the
11 junior reserve officer training corps program.

12 (ii) The board of the district or intermediate district
13 employing or assigning the instructor complies with the
14 requirements of sections 1230 and 1230a of the revised school code,
15 MCL 380.1230 and 380.1230a, with respect to the instructor to the
16 same extent as if employing the instructor as a regular classroom
17 teacher.

18 (8) Except as otherwise provided in subsections (11) and (12),
19 the department shall apply the guidelines under subsection (7) in
20 calculating the full-time equivalency of pupils.

21 (9) Upon application by the district for a particular fiscal
22 year, the superintendent shall waive for a district the minimum
23 number of hours and days of pupil instruction requirement of
24 subsection (3) for a department-approved alternative education
25 program or another innovative program approved by the department,
26 including a 4-day school week. If a district applies for and
27 receives a waiver under this subsection and complies with the terms

1 of the waiver, the district is not subject to forfeiture under this
2 section for the specific program covered by the waiver. If the
3 district does not comply with the terms of the waiver, the amount
4 of the forfeiture shall be calculated based upon a comparison of
5 the number of hours and days of pupil instruction actually provided
6 to the minimum number of hours and days of pupil instruction
7 required under subsection (3). Pupils enrolled in a department-
8 approved alternative education program under this subsection shall
9 be reported to the center in a form and manner determined by the
10 center. All of the following apply to a waiver granted under this
11 subsection:

12 (a) If the waiver is for a blended model of delivery, a waiver
13 that is granted for the 2011-2012 fiscal year or a subsequent
14 fiscal year remains in effect unless it is revoked by the
15 superintendent.

16 (b) If the waiver is for a 100% online model of delivery and
17 the educational program for which the waiver is granted makes
18 educational services available to pupils for a minimum of at least
19 1,098 hours during a school year and ensures that each pupil is on
20 track for course completion at proficiency level, a waiver that is
21 granted for the 2011-2012 fiscal year or a subsequent fiscal year
22 remains in effect unless it is revoked by the superintendent.

23 (c) A waiver that is not a waiver described in subdivision (a)
24 or (b) is valid for 1 fiscal year and must be renewed annually to
25 remain in effect.

26 (10) Until 2014-2015, a district may count up to 38 hours of
27 qualifying professional development for teachers as hours of pupil

1 instruction. However, if a collective bargaining agreement that
2 provides for the counting of up to 38 hours of qualifying
3 professional development for teachers as pupil instruction is in
4 effect for employees of a district as of July 1, 2013, then until
5 the school year that begins after the expiration of that collective
6 bargaining agreement a district may count up to the contractually
7 specified number of hours of qualifying professional development
8 for teachers as hours of pupil instruction. Professional
9 development provided online is allowable and encouraged, as long as
10 the instruction has been approved by the district. The department
11 shall issue a list of approved online professional development
12 providers, which shall include the Michigan Virtual School. As used
13 in this subsection, "qualifying professional development" means
14 professional development that is focused on 1 or more of the
15 following:

16 (a) Achieving or improving adequate yearly progress as defined
17 under the no child left behind act of 2001, Public Law 107-110.

18 (b) Achieving accreditation or improving a school's
19 accreditation status under section 1280 of the revised school code,
20 MCL 380.1280.

21 (c) Achieving highly qualified teacher status as defined under
22 the no child left behind act of 2001, Public Law 107-110.

23 (d) Integrating technology into classroom instruction.

24 (e) Maintaining teacher certification.

25 (11) Subsections (3) and (8) do not apply to a school of
26 excellence that is a cyber school, as defined in section 551 of the
27 revised school code, MCL 380.551, and is in compliance with section

1 553a of the revised school code, MCL 380.553a.

2 (12) Subsections (3) and (8) do not apply to eligible pupils
3 enrolled in a dropout recovery program that meets the requirements
4 of section 23a. As used in this subsection, "eligible pupil" means
5 that term as defined in section 23a.

6 (13) Beginning in 2013, at least every 2 years the
7 superintendent shall review the waiver standards set forth in the
8 pupil accounting and auditing manuals to ensure that the waiver
9 standards and waiver process continue to be appropriate and
10 responsive to changing trends in online learning. The
11 superintendent shall solicit and consider input from stakeholders
12 as part of this review.

13 Sec. 102d. (1) From the funds appropriated in section 11,
14 there is allocated an amount not to exceed \$1,500,000.00 for ~~2015-~~
15 ~~2016-2016-2017~~ for reimbursements to districts **AND INTERMEDIATE**
16 **DISTRICTS** for the licensing of school data analytical tools as
17 described under this section. The reimbursement is for districts
18 **AND INTERMEDIATE DISTRICTS** that choose to use a school data
19 analytical tool to assist the district **OR INTERMEDIATE DISTRICT** and
20 that enter into a licensing agreement for a school data analytical
21 tool with 1 of the vendors approved by the department of
22 technology, management, and budget under subsection (2). **FUNDS**
23 **ALLOCATED UNDER THIS SECTION ARE INTENDED TO PROVIDE DISTRICTS AND**
24 **INTERMEDIATE DISTRICTS WITH FINANCIAL FORECASTING AND TRANSPARENCY**
25 **REPORTING TOOLS TO HELP IMPROVE THE FINANCIAL HEALTH OF DISTRICTS**
26 **AND TO IMPROVE COMMUNICATION WITH THE PUBLIC, RESULTING IN**
27 **INCREASED FUND BALANCES FOR DISTRICTS AND INTERMEDIATE DISTRICTS.**

(2) Not later than October 15, ~~2015~~, **2016**, the department of technology, management, and budget shall review vendors for school data analytical tools and provide districts **AND INTERMEDIATE DISTRICTS** with a list of ~~at least 2 and up to 4~~ **2** approved vendors that districts **AND INTERMEDIATE DISTRICTS** may use to be eligible for a reimbursement paid under this section. ~~For a vendor to be approved under this section, the department of technology, management, and budget must determine that the~~ **IN ADDITION, A VENDOR APPROVED UNDER THIS SECTION FOR 2015-2016 IS CONSIDERED TO BE APPROVED FOR USE BY A DISTRICT OR INTERMEDIATE DISTRICT AND FOR REIMBURSEMENT FOR 2016-2017. AN APPROVED** school data analytical tool supplied by the vendor ~~meets~~ **MUST MEET** at least all of the following:

- (a) Analyzes financial data.
- (b) Analyzes academic data.
- (c) Provides early warning indicators of financial stress.
- (d) Has the capability to provide peer district comparisons of both financial and academic data.
- (e) Has the capability to provide financial projections for at least 3 subsequent fiscal years.

(3) Funds allocated under this section shall be paid to districts **AND INTERMEDIATE DISTRICTS** as a reimbursement for already having a licensing agreement or for entering into a licensing agreement not later than December 1, ~~2015~~ **2016** with a vendor approved under subsection (2) to implement a school data analytical tool. **REIMBURSEMENT WILL BE PRORATED FOR THE PORTION OF THE STATE FISCAL YEAR NOT COVERED BY THE LICENSING AGREEMENT. HOWEVER, A**

1 LICENSING AGREEMENT THAT TAKES EFFECT AFTER OCTOBER 1, 2016 AND
2 BEFORE DECEMBER 1, 2016 WILL NOT BE PRORATED IF THE TERM OF THE
3 AGREEMENT IS AT LEAST 1 YEAR. Reimbursement under this section
4 shall be made ~~on an equal per pupil basis.~~ AS FOLLOWS:

5 (A) ALL DISTRICTS AND INTERMEDIATE DISTRICTS SEEKING
6 REIMBURSEMENT SHALL SUBMIT REQUESTS NOT LATER THAN DECEMBER 1, 2016
7 INDICATING THE COST PAID FOR THE FINANCIAL DATA ANALYTICAL TOOL.

8 (B) THE DEPARTMENT SHALL DETERMINE THE SUM OF THE FUNDING
9 REQUESTS UNDER SUBDIVISION (A) AND, IF THERE ARE SUFFICIENT FUNDS,
10 SHALL PAY 1/2 OF THE COSTS SUBMITTED UNDER SUBDIVISION (A). IF
11 THERE ARE INSUFFICIENT FUNDS TO PAY 1/2 OF THE COSTS SUBMITTED
12 UNDER (A), THEN REIMBURSEMENT SHALL BE MADE ON AN EQUAL PERCENTAGE
13 BASIS.

14 (C) FUNDS REMAINING AFTER THE CALCULATION AND PAYMENT UNDER
15 SUBDIVISION (B) SHALL BE DISTRIBUTED ON AN EQUAL PER-PUPIL BASIS,
16 WITH AN INTERMEDIATE DISTRICT'S PUPILS CONSIDERED TO BE THE SUM OF
17 THE PUPIL MEMBERSHIPS OF THE CONSTITUENT DISTRICTS FOR WHICH THE
18 INTERMEDIATE DISTRICT IS PURCHASING THE FINANCIAL DATA ANALYTICAL
19 TOOL.

20 (D) THE REIMBURSEMENT TO A DISTRICT OR INTERMEDIATE DISTRICT
21 SHALL NOT BE GREATER THAN THE AMOUNT PAID FOR A DATA ANALYTICS
22 APPLICATION.

23 (E) A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT BE
24 REIMBURSED FOR THE PURCHASE OF MORE THAN 1 SOFTWARE APPLICATION.

25 (4) Notwithstanding section 17b, payments under this section
26 shall be made on a schedule determined by the department.

27 Sec. 104. (1) In order to receive state aid under this

1 article, a district shall comply with sections 1249, 1278a, 1278b,
2 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
3 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
4 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
5 the state school aid fund money appropriated in section 11, there
6 is allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
7 ~~\$43,994,400.00~~ **\$33,894,400.00** for payments on behalf of districts
8 for costs associated with complying with those provisions of law.
9 In addition, from the federal funds appropriated in section 11,
10 there is allocated for ~~2015-2016-2016-2017~~ an amount estimated at
11 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
12 funds, and from DED-OSERS, section 504 of part B of the individuals
13 with disabilities education act, Public Law 94-142, plus any
14 carryover federal funds from previous year appropriations, for the
15 purposes of complying with the federal no child left behind act of
16 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC**
17 **LAW 114-95.**

18 (2) The results of each test administered as part of the
19 Michigan student test of educational progress (M-STEP), including
20 tests administered to high school students, shall include an item
21 analysis that lists all items that are counted for individual pupil
22 scores and the percentage of pupils choosing each possible
23 response. **THE DEPARTMENT SHALL WORK WITH THE CENTER TO IDENTIFY THE**
24 **NUMBER OF STUDENTS ENROLLED AT THE TIME ASSESSMENTS ARE GIVEN BY**
25 **EACH DISTRICT. IN CALCULATING THE PERCENTAGE OF PUPILS ASSESSED FOR**
26 **A DISTRICT'S SCORECARD, THE DEPARTMENT SHALL USE ONLY THE NUMBER OF**
27 **PUPILS ENROLLED IN THE DISTRICT AT THE TIME THE DISTRICT**

1 ADMINISTERS THE ASSESSMENTS AND SHALL EXCLUDE PUPILS WHO ENROLL IN
2 THE DISTRICT AFTER THE DISTRICT ADMINISTERS THE ASSESSMENTS.

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

7 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
8 AN AMOUNT NOT TO EXCEED \$185,000.00 FOR THE IMPLEMENTATION OF A
9 KINDERGARTEN READINESS ASSESSMENT PILOT PROJECT IN 2016-2017. THE
10 FUNDING WOULD BE ALLOCATED TO AN INTERMEDIATE DISTRICT LOCATED IN A
11 PROSPERITY REGION WITH 2 OR MORE SUBREGIONS TO PARTICIPATE IN THE
12 MARYLAND-OHIO PILOT AND COVER THE COST OF A CONTRACT WITH A
13 UNIVERSITY FOR IMPLEMENTATION OF VERSION 1.75 OF THE KINDERGARTEN
14 READINESS ASSESSMENT TOOL. THE KINDERGARTEN READINESS ASSESSMENT
15 PILOT SHALL ASSESS AN ESTIMATED 4,000 CHILDREN, AND THE DESIGNATED
16 INTERMEDIATE DISTRICT SHALL WORK WITH OTHER INTERMEDIATE DISTRICTS
17 TO IMPLEMENT THE PILOT PROJECT, ENGAGE WITH THE OFFICE OF GREAT
18 START AND THE DEPARTMENT, AND PROVIDE A REPORT TO THE LEGISLATURE
19 ON THE EFFICACY AND USEFULNESS OF A KINDERGARTEN READINESS
20 ASSESSMENT. ALLOWABLE COSTS UNDER THIS PILOT PROGRAM INCLUDE THOSE
21 INCURRED IN AUGUST AND SEPTEMBER 2016.

22 (5) THE DEPARTMENT SHALL CONTINUE TO MAKE THE KINDERGARTEN
23 ENTRY ASSESSMENT DEVELOPED BY THE DEPARTMENT AND FIELD TESTED IN
24 2015-2016 AVAILABLE TO DISTRICTS IN 2016-2017.

25 (6) THE DEPARTMENT MAY RECOMMEND, BUT MAY NOT REQUIRE,
26 DISTRICTS TO ALLOW PUPILS TO USE AN EXTERNAL KEYBOARD WITH TABLET
27 DEVICES FOR ONLINE M-STEP TESTING, INCLUDING, BUT NOT LIMITED TO,

1 OPEN-ENDED TEST ITEMS SUCH AS CONSTRUCTED RESPONSE OR EQUATION
2 BUILDER ITEMS.

3 (7) ~~(4)~~ Notwithstanding section 17b, payments on behalf of
4 districts, intermediate districts, and other eligible entities
5 under this section shall be paid on a schedule determined by the
6 department.

7 ~~From the allocation in subsection (1), there is allocated~~
8 ~~an amount not to exceed \$8,500,000.00 for the following purposes:~~

9 ~~(a) Converting existing student assessments to online~~
10 ~~assessments.~~

11 ~~(b) Providing paper and pencil test versions to districts not~~
12 ~~prepared to implement online assessments.~~

13 ~~(c) Expanding writing assessments to additional grade levels.~~

14 ~~(d) Providing an increased number of constructed response test~~
15 ~~questions so that pupils can demonstrate higher order skills such~~
16 ~~as problem solving and communicating reasoning.~~

17 (8) ~~(6)~~ From the allocation in subsection (1), there is
18 allocated an amount not to exceed \$3,200,000.00 for the development
19 or selection of an online reporting tool to provide student-level
20 assessment data in a secure environment to educators, parents, and
21 pupils immediately after assessments are scored. The department and
22 the center shall ensure that any data collected by the online
23 reporting tool do not provide individually identifiable student
24 data to the federal government.

25 (9) ~~(7)~~ From the allocation in subsection (1), there is
26 allocated an amount not to exceed \$5,600,000.00 for the purpose of
27 implementing a summative assessment system pursuant to section

1 104c.

2 (10) ~~(8)~~—As used in this section:

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

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

6 (c) "DED-OSERS" means the DED Office of Special Education and
7 Rehabilitative Services.

8 Sec. 104b. (1) In order to receive state aid under this
9 article, a district shall comply with this section and shall
10 administer the Michigan merit examination to pupils in grade 11,
11 and to pupils in grade 12 who did not take the complete Michigan
12 merit examination in grade 11, as provided in this section. The
13 Michigan merit examination consists of a college entrance test,
14 work skills test, and the summative assessment known as the
15 Michigan student test of educational progress (M-STEP).

16 (2) For the purposes of this section, the department of
17 technology, management, and budget shall contract with 1 or more
18 providers to develop, supply, and score the Michigan merit
19 examination. The Michigan merit examination shall consist of all of
20 the following:

21 (a) Assessment instruments that measure English language arts,
22 mathematics, reading, and science, and are used by the majority of
23 colleges and universities in this state for entrance purposes. This
24 may include 1 or more writing components. In selecting assessment
25 instruments to fulfill the requirements of this subdivision, the
26 department may consider the degree to which those assessment
27 instruments are aligned to this state's content standards.

1 (b) One or more tests from 1 or more test developers that
2 assess a pupil's ability to apply at least reading and mathematics
3 skills in a manner that is intended to allow employers to use the
4 results in making employment decisions. The department of
5 technology, management, and budget and the superintendent shall
6 ensure that any test or tests selected under this subdivision have
7 all the components necessary to allow a pupil to be eligible to
8 receive the results of a nationally recognized evaluation of
9 workforce readiness if the pupil's test performance is adequate.

10 (c) A social studies component.

11 (d) Any other component that is necessary to obtain the
12 approval of the United States Department of Education to use the
13 Michigan merit examination for the purposes of the no child left
14 behind act of 2001, Public Law 107-110, **OR THE EVERY STUDENT**
15 **SUCCEEDS ACT, PUBLIC LAW 114-95.**

16 (3) In addition to all other requirements of this section, all
17 of the following apply to the Michigan merit examination:

18 (a) The department of technology, management, and budget and
19 the superintendent shall ensure that any contractor used for
20 scoring the Michigan merit examination supplies an individual
21 report for each pupil that will identify for the pupil's parents
22 and teachers whether the pupil met expectations or failed to meet
23 expectations for each standard, to allow the pupil's parents and
24 teachers to assess and remedy problems before the pupil moves to
25 the next grade.

26 (b) The department of technology, management, and budget and
27 the superintendent shall ensure that any contractor used for

1 scoring, developing, or processing the Michigan merit examination
2 meets quality management standards commonly used in the assessment
3 industry, including at least meeting level 2 of the capability
4 maturity model developed by the Software Engineering Institute of
5 Carnegie Mellon University for the first year the Michigan merit
6 examination is offered to all grade 11 pupils and at least meeting
7 level 3 of the capability maturity model for subsequent years.

8 (c) The department of technology, management, and budget and
9 the superintendent shall ensure that any contract for scoring,
10 administering, or developing the Michigan merit examination
11 includes specific deadlines for all steps of the assessment
12 process, including, but not limited to, deadlines for the correct
13 testing materials to be supplied to schools and for the correct
14 results to be returned to schools, and includes penalties for
15 noncompliance with these deadlines.

16 (d) The superintendent shall ensure that the Michigan merit
17 examination meets all of the following:

18 (i) Is designed to test pupils on this state's content
19 standards in all subjects tested.

20 (ii) Complies with requirements of the no child left behind
21 act of 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT,**
22 **PUBLIC LAW 114-95.**

23 (iii) Is consistent with the code of fair testing practices in
24 education prepared by the Joint Committee on Testing Practices of
25 the American Psychological Association.

26 (iv) Is factually accurate. If the superintendent determines
27 that a question is not factually accurate and should be excluded

1 from scoring, the state board and the superintendent shall ensure
2 that the question is excluded from scoring.

3 (4) A district shall include on each pupil's high school
4 transcript all of the following:

5 (a) For each high school graduate who has completed the
6 Michigan merit examination under this section, the pupil's scaled
7 score on each subject area component of the Michigan merit
8 examination.

9 (b) The number of school days the pupil was in attendance at
10 school each school year during high school and the total number of
11 school days in session for each of those school years.

12 (5) The superintendent shall work with the provider or
13 providers of the Michigan merit examination to produce Michigan
14 merit examination subject area scores for each pupil participating
15 in the Michigan merit examination. To the extent that the
16 department determines that additional test items beyond those
17 included in the college entrance component of the Michigan merit
18 examination are required in a particular subject area, the
19 department shall ensure that all test items in that subject area
20 are scaled and merged for the purposes of producing a Michigan
21 merit examination subject area score. The superintendent shall
22 design and distribute to districts, intermediate districts, and
23 nonpublic schools a simple and concise document that describes the
24 scoring for each subject area and indicates the scaled score ranges
25 for each subject area.

26 (6) The Michigan merit examination shall be administered in
27 each district during the last 12 weeks of the district's school

1 year. The superintendent shall ensure that the Michigan merit
2 examination is scored and the scores are returned to pupils, their
3 parents or legal guardians, and districts not later than the
4 beginning of the pupil's first semester of grade 12. The returned
5 scores shall indicate at least the pupil's scaled score for each
6 subject area component and the range of scaled scores for each
7 subject area. In reporting the scores to pupils, parents, and
8 schools, the superintendent shall provide standards-specific,
9 meaningful, and timely feedback on the pupil's performance on the
10 Michigan merit examination.

11 (7) A district shall administer the complete Michigan merit
12 examination to a pupil only once and shall not administer the
13 complete Michigan merit examination to the same pupil more than
14 once. If a pupil does not take the complete Michigan merit
15 examination in grade 11, the district shall administer the complete
16 Michigan merit examination to the pupil in grade 12. If a pupil
17 chooses to retake the college entrance examination component of the
18 Michigan merit examination, as described in subsection (2)(a), the
19 pupil may do so through the provider of the college entrance
20 examination component and the cost of the retake is the
21 responsibility of the pupil unless all of the following are met:

22 (a) The pupil has taken the complete Michigan merit
23 examination.

24 (b) The pupil meets the income eligibility criteria for free
25 breakfast, lunch, or milk, as determined under the Richard B.
26 Russell national school lunch act, 42 USC 1751 to 1769i.

27 (c) The pupil has applied to the provider of the college

1 entrance examination component for a scholarship or fee waiver to
2 cover the cost of the retake and that application has been denied.

3 (d) After taking the complete Michigan merit examination, the
4 pupil has not already received a free retake of the college
5 entrance examination component paid for either by this state or
6 through a scholarship or fee waiver by the provider.

7 (8) The superintendent shall ensure that the length of the
8 Michigan merit examination and the combined total time necessary to
9 administer all of the components of the Michigan merit examination
10 are the shortest possible that will still maintain the degree of
11 reliability and validity of the Michigan merit examination results
12 determined necessary by the superintendent. The superintendent
13 shall ensure that the maximum total combined length of time that
14 schools are required to set aside for pupils to answer all test
15 questions on the Michigan merit examination does not exceed 8 hours
16 if the superintendent determines that sufficient alignment to
17 applicable Michigan merit curriculum content standards can be
18 achieved within that time limit.

19 (9) A district shall provide accommodations to a pupil with
20 disabilities for the Michigan merit examination, as provided under
21 section 504 of title V of the rehabilitation act of 1973, 29 USC
22 794; subtitle A of title II of the Americans with disabilities act
23 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
24 education act amendments of 1997, Public Law 105-17; and the
25 implementing regulations for those statutes. The provider or
26 providers of the Michigan merit examination and the superintendent
27 shall mutually agree upon the accommodations to be provided under

1 this subsection.

2 (10) To the greatest extent possible, the Michigan merit
3 examination shall be based on this state's content standards, as
4 appropriate. Annually, after each administration of the Michigan
5 merit examination, the department shall provide a report of the
6 points per standard so that teachers will know what content will be
7 covered within the Michigan merit examination. The department may
8 augment the college entrance and work skills components of the
9 Michigan merit examination to develop the assessment, depending on
10 the alignment of those components to this state's content
11 standards. If these components do not align to these standards, the
12 department shall produce additional components as required by law,
13 while minimizing the amount of time needed for assessments.

14 (11) A child who is a student in a nonpublic school or home
15 school may take the Michigan merit examination under this section.
16 To take the Michigan merit examination, a child who is a student in
17 a home school shall contact the district in which the child
18 resides, and that district shall administer the Michigan merit
19 examination, or the child may take the Michigan merit examination
20 at a nonpublic school if allowed by the nonpublic school. Upon
21 request from a nonpublic school, the superintendent shall direct
22 the provider or providers to supply the Michigan merit examination
23 to the nonpublic school and the nonpublic school may administer the
24 Michigan merit examination. If a district administers the Michigan
25 merit examination under this subsection to a child who is not
26 enrolled in the district, the scores for that child are not
27 considered for any purpose to be scores of a pupil of the district.

1 (12) In contracting under subsection (2), the department of
2 technology, management, and budget shall consider a contractor that
3 provides electronically-scored essays with the ability to score
4 constructed response feedback in multiple languages and provide
5 ongoing instruction and feedback.

6 (13) The purpose of the Michigan merit examination is to
7 assess pupil performance in mathematics, science, social studies,
8 and English language arts for the purpose of improving academic
9 achievement and establishing a statewide standard of competency.
10 The assessment under this section provides a common measure of data
11 that will contribute to the improvement of Michigan schools'
12 curriculum and instruction by encouraging alignment with Michigan's
13 curriculum framework standards and promotes pupil participation in
14 higher level mathematics, science, social studies, and English
15 language arts courses. These standards are based upon the
16 expectations of what pupils should learn through high school and
17 are aligned with national standards.

18 (14) For a pupil enrolled in a middle college program, other
19 than a middle college operated as a shared educational entity or a
20 specialized shared educational entity, if the pupil receives at
21 least 50% of his or her instruction at the high school while in
22 grade 11, the Michigan merit examination shall be administered to
23 the pupil at the high school at which the pupil receives high
24 school instruction, and the department shall include the pupil's
25 scores on the Michigan merit examination in the scores for that
26 high school for all purposes for which a school's or district's
27 results are reported. The department shall allow the middle college

1 program to use a 5-year graduation rate for determining adequate
2 yearly progress. As used in this subsection, "middle college" means
3 a program consisting of a series of courses and other requirements
4 and conditions, including an early college or other program created
5 under a memorandum of understanding, that allows a pupil to
6 graduate from high school with both a high school diploma and a
7 certificate or degree from a community college or state public
8 university.

9 (15) As used in this section:

10 (a) "English language arts" means reading and writing.

11 (b) "Social studies" means United States history, world
12 history, world geography, economics, and American government.

13 Sec. 104c. (1) In order to receive state aid under this
14 article, a district shall administer the state assessments
15 described in this section.

16 (2) For the purposes of this section, the department shall
17 develop for use in the spring of 2015-2016 the Michigan student
18 test of educational progress (M-STEP) assessments in English
19 language arts and mathematics. These assessments shall be aligned
20 to state standards.

21 (3) For the purposes of this section, the department shall
22 implement a summative assessment system that is proven to be valid
23 and reliable for administration to pupils as provided under this
24 subsection. The summative assessment system shall meet all of the
25 following requirements:

26 (a) The summative assessment system shall measure student
27 proficiency on the current state standards, shall measure student

1 growth for consecutive grade levels in which students are assessed
2 in the same subject area in both grade levels, and shall be capable
3 of measuring individual student performance.

4 (b) The summative assessments for English language arts and
5 mathematics shall 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 elementary and secondary education
9 act.

10 (c) The summative assessments for science shall be
11 administered to all public school pupils in at least grades 4 and
12 7, including those pupils as required by the federal individuals
13 with disabilities education act, Public Law 108-446, and by title I
14 of the federal elementary and secondary education act.

15 (d) The summative assessments for social studies shall 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 elementary and secondary education act.

20 (e) The content of the summative assessments shall be aligned
21 to state standards.

22 (f) The pool of questions for the summative assessments shall
23 be subject to a transparent review process for quality, bias, and
24 sensitive issues involving educator review and comment. The
25 department shall post samples from tests or retired tests featuring
26 questions from this pool for review by the public.

27 (g) The summative assessment system shall ensure that

1 students, parents, and teachers are provided with reports that
2 convey individual student proficiency and growth on the assessment
3 and that convey individual student domain-level performance in each
4 subject area, including representative questions, and individual
5 student performance in meeting state standards.

6 (h) The summative assessment system shall be capable of
7 providing, and the department shall ensure that students, parents,
8 teachers, administrators, and community members are provided with,
9 reports that convey aggregate student proficiency and growth data
10 by teacher, grade, school, and district.

11 (i) The summative assessment system shall ensure the
12 capability of reporting the available data to support educator
13 evaluations.

14 (j) The summative assessment system shall ensure that the
15 reports provided to districts containing individual student data
16 are available within 60 days after completion of the assessments.

17 (k) The summative assessment system shall ensure that access
18 to individually identifiable student data meets all of the
19 following:

20 (i) Is in compliance with 20 USC 1232g, commonly referred to
21 as the family educational rights and privacy act of 1974.

22 (ii) Except as may be provided for in an agreement with a
23 vendor to provide assessment services, as necessary to support
24 educator evaluations pursuant to subdivision (i), or for research
25 or program evaluation purposes, is available only to the student;
26 to the student's parent or legal guardian; and to a school
27 administrator or teacher, to the extent that he or she has a

1 legitimate educational interest.

2 (l) The summative assessment system shall ensure that the
3 assessments are pilot tested before statewide implementation.

4 (m) The summative assessment system shall ensure that
5 assessments are designed so that the maximum total combined length
6 of time that schools are required to set aside for a pupil to
7 answer all test questions on all assessments that are part of the
8 system for the pupil's grade level does not exceed that maximum
9 total combined length of time for the previous statewide assessment
10 system or 9 hours, whichever is less. This subdivision does not
11 limit the amount of time a district may allow a pupil to complete a
12 test.

13 (n) The total cost of executing the summative assessment
14 system statewide each year, including, but not limited to, the cost
15 of contracts for administration, scoring, and reporting, shall not
16 exceed an amount equal to 2 times the cost of executing the
17 previous statewide assessment after adjustment for inflation.

18 (4) Beginning in the 2015-2016 school year, the department
19 shall field test ~~additional components in the assessment system~~
20 ~~under this subsection~~ **ASSESSMENTS IN THE FALL AND SPRING OF EACH**
21 **SCHOOL YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN**
22 **EACH OF GRADES K TO 2** for full implementation in ~~the 2016-2017~~
23 ~~SUBSEQUENT~~ school year. ~~The additional components~~ **YEARS. THESE**
24 **ASSESSMENTS** are necessary to determine a pupil's proficiency level
25 before grade 3. ~~The additional components are as follows:~~

26 ~~— (a) Assessments administered in the fall and spring of each~~
27 ~~year to measure English language arts and mathematics in each of~~

1 ~~grades 1 and 2.~~

2 ~~—— (b) The kindergarten entry assessment (KEA), to be~~
3 ~~administered in the fall of the kindergarten year. The KEA shall~~
4 ~~include the same components as under subdivision (a) and also may~~
5 ~~include observational components that measure cognitive, social-~~
6 ~~emotional, and physical skills.~~

7 (5) This section does not prohibit districts from adopting
8 interim assessments.

9 (6) As used in this section, "English language arts" means
10 that term as defined in section 104b.

11 Sec. 104d. (1) From the state school aid fund money
12 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
13 **2017** an amount not to exceed \$4,000,000.00 for providing
14 reimbursement to districts that purchase a computer-adaptive test,
15 ~~for each pupil enrolled in the district or that purchase 1 or more~~
16 diagnostic tools, screening tools, or benchmark assessments for
17 pupils in grades K to 3 that are intended to increase reading
18 proficiency by grade 4.

19 (2) In order to receive reimbursement under this section for
20 the purchase of a computer-adaptive test, the computer-adaptive
21 test must provide for at least all of the following:

22 (a) Internet-delivered, standards-based assessment using a
23 computer-adaptive model to target the instructional level of each
24 pupil.

25 (b) Unlimited testing opportunities throughout the ~~2015-2016~~
26 **2016-2017** school year.

27 (c) Valid and reliable diagnostic assessment data.

1 (d) Adjustment of testing difficulty based on previous answers
2 to test questions.

3 (e) Immediate feedback to pupils and teachers.

4 (3) In order to receive reimbursement under this section for
5 the purchase of 1 or more diagnostic tools or screening tools for
6 pupils in grades K to 3, each of the tools must meet all of the
7 following:

8 (a) Be reliable.

9 (b) Be valid.

10 (c) Be useful. As used in this subdivision, "useful" means
11 that a tool is easy to administer and requires a short time to
12 complete and that results are linked to intervention.

13 (4) In order to receive funding under this section for the
14 purchase of 1 or more benchmark assessments for pupils in grades K
15 to 3, each of the benchmark assessments must meet all of the
16 following:

17 (a) Be aligned to the state standards of this state.

18 (b) Complement this state's summative assessment system.

19 (c) Be administered at least once a year before the
20 administration of any summative assessment to monitor pupil
21 progress.

22 (d) Provide information on pupil achievement with regard to
23 learning the content required in a given year or grade span.

24 (5) Reimbursement under this section shall be made to eligible
25 districts that purchase a computer-adaptive test or 1 or more
26 diagnostic tools, screening tools, or benchmark assessments
27 described in this section by October 15, ~~2015~~**2016** and shall be

1 made on an equal per-pupil basis according to the available
2 funding, **BASED ON THE NUMBER OF PUPILS FOR WHOM ASSESSMENTS WERE**
3 **PURCHASED.**

4 (6) In order to receive reimbursement under this section, a
5 district shall demonstrate to the satisfaction of the department
6 that each qualifying computer-adaptive test, diagnostic tool,
7 screening tool, or benchmark assessment was purchased by the
8 district by December 1, ~~2015-2016~~.

9 Sec. 107. (1) From the appropriation in section 11, there is
10 allocated an amount not to exceed \$25,000,000.00 for ~~2015-2016~~
11 **2016-2017** for adult education programs authorized under this
12 section. Except as otherwise provided under subsections ~~(16) and~~
13 ~~(18),~~ **(14) AND (15)**, funds allocated under this section are
14 restricted for adult education programs as authorized under this
15 section only. A recipient of funds under this section shall not use
16 those funds for any other purpose.

17 (2) To be eligible for funding under this section, an eligible
18 adult education provider shall employ certificated teachers and
19 qualified administrative staff and shall offer continuing education
20 opportunities for teachers to allow them to maintain certification.

21 (3) To be eligible to be a participant funded under this
22 section, an individual shall be enrolled in an adult basic
23 education program, **AN ADULT SECONDARY EDUCATION PROGRAM**, an adult
24 English as a second language program, a high school equivalency
25 test preparation program, ~~a job or employment related program, or~~
26 a high school completion program, that meets the requirements of
27 this section, and for which instruction is provided, and shall meet

1 either of the following: ~~, as applicable:~~

2 ~~—— (a) If the individual has achieved a high school equivalency~~
3 ~~certificate, the individual meets 1 of the following:~~

4 ~~—— (i) Is less than 20 years of age on September 1 of the school~~
5 ~~year, is not attending an institution of higher education, and is~~
6 ~~enrolled in a job or employment related program through a referral~~
7 ~~by an employer or by a Michigan workforce agency.~~

8 ~~—— (ii) Is enrolled in an English as a second language program.~~

9 ~~—— (iii) Is enrolled in a high school completion program.~~

10 ~~—— (iv) Is at least 20 years of age on September 1 of the school~~
11 ~~year, is enrolled in an adult basic education program, and is~~
12 ~~determined by a department approved assessment, in a form and~~
13 ~~manner prescribed by the department, to be below grade 9 level in~~
14 ~~reading or mathematics, or both.~~

15 ~~—— (b) If the individual has not obtained a high school diploma~~
16 ~~or high school equivalency certificate, the individual meets 1 of~~
17 ~~the following:~~

18 ~~—— (i) Is at least 20 years of age on September 1 of the school~~
19 ~~year.~~

20 ~~—— (ii) Is at least 16 years of age on September 1 of the school~~
21 ~~year, has been permanently expelled from school under section~~
22 ~~1311(2) or 1311a of the revised school code, MCL 380.1311 and~~
23 ~~380.1311a, and has no appropriate alternative education program~~
24 ~~available through his or her district of residence.~~

25 (A) HAS ATTAINED 20 YEARS OF AGE.

26 (B) HAS ATTAINED 18 YEARS OF AGE AND THE INDIVIDUAL'S
27 GRADUATING CLASS HAS GRADUATED.

(4) By April 1 of each fiscal year, the intermediate districts within a prosperity region or subregion shall determine which intermediate district will serve as the prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify the department in a form and manner determined by the department. The department shall approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for adult education programs in each of the prosperity regions or subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administration costs for serving as the fiscal agent. Beginning in 2014-2015, 67% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the proportion of total funding formerly received by the adult education providers in that prosperity region or subregion in 2013-2014, and 33% shall be allocated based on the factors in subdivisions (a), (b), and (c). For ~~2016-2017,~~ **2017-2018**, 33% of the allocation provided to each intermediate district serving as a fiscal agent shall be based upon the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the factors in subdivisions (a), (b), and (c). Beginning in ~~2017-2018,~~ **2018-2019**, 100% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the factors in subdivisions (a),

1 (b), and (c). The funding factors for this section are as follows:

2 (a) Sixty percent of this portion of the funding shall be
3 distributed based upon the proportion of the state population of
4 individuals between the ages of 18 and 24 that are not high school
5 graduates that resides in each of the prosperity regions or
6 subregions, as reported by the most recent 5-year estimates from
7 the American community survey (ACS) from the United States Census
8 Bureau.

9 (b) Thirty-five percent of this portion of the funding shall
10 be distributed based upon the proportion of the state population of
11 individuals age 25 or older who are not high school graduates that
12 resides in each of the prosperity regions or subregions, as
13 reported by the most recent 5-year estimates from the American
14 community survey (ACS) from the United States Census Bureau.

15 (c) Five percent of this portion of the funding shall be
16 distributed based upon the proportion of the state population of
17 individuals age 18 or older who lack basic English language
18 proficiency that resides in each of the prosperity regions or
19 subregions, as reported by the most recent 5-year estimates from
20 the American community survey (ACS) from the United States Census
21 Bureau.

22 (5) To be an eligible fiscal agent, an intermediate district
23 must agree to do the following in a form and manner determined by
24 the department:

25 (a) Distribute funds to adult education programs in a
26 prosperity region or subregion as described in this section.

27 (b) Collaborate with the talent district career council, which

1 is an advisory council of the workforce development boards located
2 in the prosperity region or subregion, or its successor, to develop
3 a regional strategy that aligns adult education programs and
4 services into an efficient and effective delivery system for adult
5 education learners, with special consideration for providing
6 contextualized learning and career pathways **AND ADDRESSING BARRIERS**
7 **TO EDUCATION AND EMPLOYMENT.**

8 (c) Collaborate with the talent district career council, which
9 is an advisory council of the workforce development boards located
10 in the prosperity region or subregion, or its successor, to create
11 a local process and criteria that will identify eligible adult
12 education providers to receive funds allocated under this section
13 based on location, demand for services, past performance, quality
14 indicators as identified by the department, and cost to provide
15 instructional services. The fiscal agent shall determine all local
16 processes, criteria, and provider determinations. However, the
17 local processes, criteria, and provider services must be approved
18 by the department before funds may be distributed to the fiscal
19 agent.

20 (d) Provide oversight to its adult education providers
21 throughout the program year to ensure compliance with the
22 requirements of this section.

23 (e) Report adult education program and participant data and
24 information as prescribed by the department.

25 ~~—— (6) The amount allocated under this section per full-time~~
26 ~~equated participant shall not exceed \$2,850.00 for a 450-hour~~
27 ~~program. The amount shall be proportionately reduced for a program~~

1 ~~offering less than 450 hours of instruction.~~

2 (6) ~~(7)~~ An adult basic education program, **AN ADULT SECONDARY**
 3 **EDUCATION PROGRAM**, or an adult English as a second language program
 4 operated on a year-round or school year basis may be funded under
 5 this section, subject to all of the following:

6 (a) The program enrolls adults who are determined by a
 7 department-approved assessment, in a form and manner prescribed by
 8 the department, to be below ~~ninth~~ **TWELFTH** grade level in reading or
 9 mathematics, or both, or to lack basic English proficiency.

10 (b) The program tests individuals for eligibility under
 11 subdivision (a) before enrollment and upon completion of the
 12 program in compliance with the state-approved assessment policy.

13 (c) A participant in an adult basic education program is
 14 eligible for reimbursement until 1 of the following occurs:

15 (i) The participant's reading and mathematics proficiency are
 16 assessed at or above the ninth grade level.

17 (ii) The participant fails to show progress on 2 successive
 18 assessments after having completed at least 450 hours of
 19 instruction.

20 **(D) A PARTICIPANT IN AN ADULT SECONDARY EDUCATION PROGRAM IS**
 21 **ELIGIBLE FOR REIMBURSEMENT UNTIL 1 OF THE FOLLOWING OCCURS:**

22 **(i) THE PARTICIPANT'S READING AND MATHEMATICS PROFICIENCY ARE**
 23 **ASSESSED ABOVE THE TWELFTH GRADE LEVEL.**

24 **(ii) THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE**
 25 **ASSESSMENTS AFTER HAVING AT LEAST 450 HOURS OF INSTRUCTION.**

26 **(E) ~~(d)~~** A funding recipient enrolling a participant in an
 27 English as a second language program is eligible for funding

1 according to subsection ~~(11)~~ (9) until the participant meets 1 of
2 the following:

3 (i) The participant is assessed as having attained basic
4 English proficiency as determined by a department-approved
5 assessment.

6 (ii) The participant fails to show progress on 2 successive
7 department-approved assessments after having completed at least 450
8 hours of instruction. The department shall provide information to a
9 funding recipient regarding appropriate assessment instruments for
10 this program.

11 (7) ~~(8)~~—A high school equivalency test preparation program
12 operated on a year-round or school year basis may be funded under
13 this section, subject to all of the following:

14 (a) The program enrolls adults who do not have a high school
15 diploma **OR A HIGH SCHOOL EQUIVALENCY CERTIFICATE.**

16 (b) The program shall administer a pre-test approved by the
17 department before enrolling an individual to determine the
18 individual's literacy levels, shall administer a high school
19 equivalency practice test to determine the individual's potential
20 for success on the high school equivalency test, and shall
21 administer a post-test upon completion of the program in compliance
22 with the state-approved assessment policy.

23 (c) A funding recipient shall receive funding according to
24 subsection ~~(11)~~ (9) for a participant, and a participant may be
25 enrolled in the program until 1 of the following occurs:

26 (i) The participant achieves a high school equivalency
27 certificate.

1 (ii) The participant fails to show progress on 2 successive
2 department-approved assessments used to determine readiness to take
3 a high school equivalency test after having completed at least 450
4 hours of instruction.

5 (8) ~~(9)~~—A high school completion program operated on a year-
6 round or school year basis may be funded under this section,
7 subject to all of the following:

8 (a) The program enrolls adults who do not have a high school
9 diploma.

10 (b) The program tests participants described in subdivision
11 (a) before enrollment and upon completion of the program in
12 compliance with the state-approved assessment policy.

13 (c) A funding recipient shall receive funding according to
14 subsection ~~(11)~~ (9) for a participant in a course offered under
15 this subsection until 1 of the following occurs:

16 (i) The participant passes the course and earns a high school
17 diploma.

18 (ii) The participant fails to earn credit in 2 successive
19 semesters or terms in which the participant is enrolled after
20 having completed at least 900 hours of instruction.

21 ~~—— (10) A job or employment related adult education program~~
22 ~~operated on a year round or school year basis may be funded under~~
23 ~~this section, subject to all of the following:~~

24 ~~—— (a) The program enrolls adults referred by their employer who~~
25 ~~are less than 20 years of age, have a high school diploma, are~~
26 ~~determined to be in need of remedial mathematics or communication~~
27 ~~arts skills, and are not attending an institution of higher~~

1 ~~education.~~

2 ~~—— (b) The program tests participants described in subdivision~~
 3 ~~(a) before enrollment and upon completion of the program in~~
 4 ~~compliance with the department approved assessment policy.~~

5 ~~—— (c) An individual may be enrolled in this program and the~~
 6 ~~grant recipient shall receive funding according to subsection (11)~~
 7 ~~until 1 of the following occurs:~~

8 ~~—— (i) The individual achieves the requisite skills as determined~~
 9 ~~by department approved assessment instruments.~~

10 ~~—— (ii) The individual fails to show progress on 2 successive~~
 11 ~~assessments after having completed at least 450 hours of~~
 12 ~~instruction.~~

13 (9) ~~(11)~~ A funding recipient shall receive payments under this
 14 section in accordance with **ALL OF** the following:

15 (a) ~~Eighty percent for enrollment of eligible~~
 16 ~~participants.~~ **STATEWIDE ALLOCATION CRITERIA, INCLUDING 3-YEAR**
 17 **AVERAGE ENROLLMENTS, CENSUS DATA, AND LOCAL NEEDS.**

18 (b) ~~Twenty percent for participant~~ **PARTICIPANT** completion of
 19 the adult basic education objectives by achieving an educational
 20 gain as determined by the national reporting system levels; for
 21 achieving basic English proficiency, as determined by the
 22 department; for achieving a high school equivalency certificate or
 23 passage of 1 or more individual high school equivalency tests; for
 24 attainment of a high school diploma or passage of a course required
 25 for a participant to attain a high school diploma; for enrollment
 26 in a postsecondary institution, or for entry into or retention of
 27 employment, as applicable.

1 (C) PARTICIPANT COMPLETION OF CORE INDICATORS AS IDENTIFIED IN
2 THE INNOVATION AND OPPORTUNITY ACT.

3 (D) ALLOWABLE EXPENDITURES.

4 (10) ~~(12)~~—A person who is not eligible to be a participant
5 funded under this section may receive adult education services upon
6 the payment of tuition. In addition, a person who is not eligible
7 to be served in a program under this section due to the program
8 limitations specified in subsection ~~(7), (8), (9), or (10)~~ (6),
9 (7), OR (8) may continue to receive adult education services in
10 that program upon the payment of tuition. The tuition level shall
11 be determined by the local or intermediate district conducting the
12 program.

13 (11) ~~(13)~~—An individual who is an inmate in a state
14 correctional facility shall not be counted as a participant under
15 this section.

16 (12) ~~(14)~~—A funding recipient shall not commingle money
17 received under this section or from another source for adult
18 education purposes with any other funds and shall establish a
19 separate ledger account for funds received under this section. This
20 subsection does not prohibit a district from using general funds of
21 the district to support an adult education or community education
22 program.

23 (13) ~~(15)~~—A funding recipient receiving funds under this
24 section may establish a sliding scale of tuition rates based upon a
25 participant's family income. A funding recipient may charge a
26 participant tuition to receive adult education services under this
27 section from that sliding scale of tuition rates on a uniform

1 basis. The amount of tuition charged per participant shall not
2 exceed the actual operating cost per participant minus any funds
3 received under this section per participant. A funding recipient
4 may not charge a participant tuition under this section if the
5 participant's income is at or below 200% of the federal poverty
6 guidelines published by the United States Department of Health and
7 Human Services.

8 (14) ~~(16)~~—In order to receive funds under this section, a
9 funding recipient shall furnish to the department, in a form and
10 manner determined by the department, all information needed to
11 administer this program and meet federal reporting requirements;
12 shall allow the department or the department's designee to review
13 all records related to the program for which it receives funds; and
14 shall reimburse the state for all disallowances found in the
15 review, as determined by the department. In addition, a funding
16 recipient shall agree to pay to a career and technical education
17 program under section 61a the amount of funding received under this
18 section in the proportion of career and technical education
19 coursework used to satisfy adult basic education programming, as
20 billed to the funding recipient by programs operating under section
21 61a.

22 ~~—— (17) All intermediate district participant audits of adult~~
23 ~~education programs shall be performed pursuant to the adult~~
24 ~~education participant auditing and accounting manuals published by~~
25 ~~the department.~~

26 (15) ~~(18)~~—From the amount appropriated in subsection (1), an
27 amount not to exceed \$500,000.00 shall be allocated for ~~2015–2016~~

1 ~~2016-2017~~ to not more than 1 pilot program that is located in a
 2 prosperity region with 2 or more subregions and that connects adult
 3 education participants directly with employers by linking adult
 4 education, career and technical skills, and workforce development.
 5 To be eligible for funding under this subsection, a pilot program
 6 shall provide a collaboration linking adult education programs
 7 within the county, the area career/technical center, and local
 8 employers, and shall meet the additional criteria in subsections
 9 ~~(19) and (20).~~ **(16) AND (17)**. Funding under this subsection for
 10 ~~2015-2016-2016-2017~~ is for the ~~first~~ **SECOND** of 3 years of funding.

11 **(16)** ~~(19)~~—A pilot program funded under subsection ~~(18)~~ **(15)**
 12 shall require adult education staff to work with Michigan works
 13 agency to identify a cohort of participants who are most prepared
 14 to successfully enter the workforce. Participants identified under
 15 this subsection shall be dually enrolled in adult education
 16 programming and at least 1 technical course at the area
 17 career/technical center.

18 **(17)** ~~(20)~~—A pilot program funded under subsection ~~(18)~~ **(15)**
 19 shall have on staff an adult education navigator who will serve as
 20 a caseworker for each participant identified under subsection ~~(19)~~.
 21 **(16)**. The navigator shall work with adult education staff and
 22 potential employers to design an educational program best suited to
 23 the personal and employment needs of the participant, and shall
 24 work with human service agencies or other entities to address any
 25 barrier in the way of participant access.

26 **(18)** ~~(21)~~—Not later than December 1, ~~2016,~~ **2017**, the pilot
 27 program funded under subsection ~~(18)~~ **(15)** shall provide to the

senate and house appropriations subcommittees on school aid and to the senate and house fiscal agencies a report detailing number of participants, graduation rates, and a measure of transitioning to employment.

(19) ~~(22)~~—The department shall develop an application process for a pilot program to be funded under subsection ~~(18)~~—(15) and shall award funding not later than ~~November 1, 2015.~~ **OCTOBER 1, 2016.** Funding allocated under subsection ~~(18)~~—(15) may be paid on a schedule other than that specified under section 17b.

(20) ~~(23)~~—The department shall approve at least ~~1~~—3 high school equivalency ~~test~~—**TESTS** and determine whether a high school equivalency certificate meets the requisite standards for high school equivalency in this state.

(21) ~~(24)~~—As used in this section:

(a) "Career pathway" means a combination of rigorous and high-quality education, training, and other services that comply with all of the following:

(i) Aligns with the skill needs of industries in the economy of this state or in the regional economy involved.

(ii) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the act of August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

(iii) Includes counseling to support an individual in achieving the individual's education and career goals.

(iv) Includes, as appropriate, education offered concurrently

1 with and in the same context as workforce preparation activities
2 and training for a specific occupation or occupational cluster.

3 (v) Organizes education, training, and other services to meet
4 the particular needs of an individual in a manner that accelerates
5 the educational and career advancement of the individual to the
6 extent practicable.

7 (vi) Enables an individual to attain a secondary school
8 diploma or its recognized equivalent, and at least 1 recognized
9 postsecondary credential.

10 (vii) Helps an individual enter or advance within a specific
11 occupation or occupational cluster.

12 (b) "Department" means the department of talent and economic
13 development.

14 (c) "Eligible adult education provider" means a district,
15 intermediate district, a consortium of districts, a consortium of
16 intermediate districts, or a consortium of districts and
17 intermediate districts that is identified as part of the local
18 process described in subsection (5)(c) and approved by the
19 department.

20 ~~—— (d) "Participant" means the sum of the number of full-time~~
21 ~~equated individuals enrolled in and attending a department approved~~
22 ~~adult education program under this section, using quarterly~~
23 ~~participant count days on the schedule described in section~~
24 ~~6(7)(b).~~

25 Sec. 147. (1) The allocation for ~~2015-2016~~ **2016-2017** for the
26 public school employees' retirement system pursuant to the public
27 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301

1 to 38.1408, shall be made using the individual projected benefit
2 entry age normal cost method of valuation and risk assumptions
3 adopted by the public school employees retirement board and the
4 department of technology, management, and budget.

5 (2) The annual level percentage of payroll contribution rates
6 for the ~~2015-2016-2016-2017~~ fiscal year, as determined by the
7 retirement system, are estimated as follows:

8 (a) For public school employees who first worked for a public
9 school reporting unit before July 1, 2010 and who are enrolled in
10 the health premium subsidy, the annual level percentage of payroll
11 contribution rate is estimated at ~~36.31%, 36.64%~~, with ~~25.78%~~
12 **24.94%** paid directly by the employer.

13 (b) For public school employees who first worked for a public
14 school reporting unit on or after July 1, 2010 and who are enrolled
15 in the health premium subsidy, the annual level percentage of
16 payroll contribution rate is estimated at ~~35.09%, 36.01%~~, with
17 ~~24.56% 24.31%~~ paid directly by the employer.

18 (c) For public school employees who first worked for a public
19 school reporting unit on or after July 1, 2010 and who participate
20 in the personal healthcare fund, the annual level percentage of
21 payroll contribution rate is estimated at ~~34.66%, 35.79%~~, with
22 ~~24.13% 24.09%~~ paid directly by the employer.

23 (d) For public school employees who first worked for a public
24 school reporting unit on or after September 4, 2012, who elect
25 defined contribution, and who participate in the personal
26 healthcare fund, the annual level percentage of payroll
27 contribution rate is estimated at ~~31.49%, 32.66%~~, with 20.96% paid

1 directly by the employer.

2 (e) For public school employees who first worked for a public
3 school reporting unit before July 1, 2010, who elect defined
4 contribution, and who are enrolled in the health premium subsidy,
5 the annual level percentage of payroll contribution rate is
6 estimated at ~~31.92%~~, **32.88%**, with ~~21.39%~~ **21.18%** paid directly by
7 the employer.

8 (f) For public school employees who first worked for a public
9 school reporting unit before July 1, 2010, who elect defined
10 contribution, and who participate in the personal healthcare fund,
11 the annual level percentage of payroll contribution rate is
12 estimated at ~~31.49%~~, **32.66%**, with 20.96% paid directly by the
13 employer.

14 (g) For public school employees who first worked for a public
15 school reporting unit before July 1, 2010 and who participate in
16 the personal healthcare fund, the annual level percentage of
17 payroll contribution rate is estimated at ~~35.88%~~, **36.42%**, with
18 ~~25.35%~~ **24.72%** paid directly by the employer.

19 (3) In addition to the employer payments described in
20 subsection (2), the employer shall pay the applicable contributions
21 to the Tier 2 plan, as determined by the public school employees
22 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

23 (4) The contribution rates in subsection (2) reflect an
24 amortization period of ~~23~~ **22** years for ~~2015-2016~~. **2016-2017**. The
25 public school employees' retirement system board shall notify each
26 district and intermediate district by February 28 of each fiscal
27 year of the estimated contribution rate for the next fiscal year.

1 Sec. 147a. From the appropriation in section 11, there is
2 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
3 \$100,000,000.00 for payments to participating districts. A district
4 that receives money under this section shall use that money solely
5 for the purpose of offsetting a portion of the retirement
6 contributions owed by the district for the fiscal year in which it
7 is received. The amount allocated to each participating district
8 under this section shall be based on each participating district's
9 percentage of the total statewide payroll for all participating
10 districts for the immediately preceding fiscal year. As used in
11 this section, "participating district" means a district that is a
12 reporting unit of the Michigan public school employees' retirement
13 system under the public school employees retirement act of 1979,
14 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to
15 the Michigan public school employees' retirement system for the
16 applicable fiscal year.

17 Sec. 147c. (1) From the appropriation in section 11, there is
18 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
19 ~~\$892,900,000.00~~ **\$982,200,000.00** from the state school aid fund for
20 payments to districts and intermediate districts that are
21 participating entities of the Michigan public school employees'
22 retirement system. In addition, from the general fund money
23 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
24 **2017** an amount not to exceed \$600,000.00 for payments to district
25 libraries that are participating entities of the Michigan public
26 school employees' retirement system.

27 (2) For ~~2015-2016,~~ **2016-2017**, the amounts allocated under

1 subsection (1) are estimated to provide an average MPSERS rate cap
2 per pupil amount of ~~\$601.00~~ **\$660.00** and are estimated to provide a
3 rate cap per pupil for districts ranging between ~~\$4.00~~ **\$5.00** and
4 ~~\$2,300.00~~ **\$3,100.00**.

5 (3) Payments made under this section ~~for 2015-2016~~ shall be
6 equal to the difference between the unfunded actuarial accrued
7 liability contribution rate as calculated pursuant to section 41 of
8 the public school employees retirement act of 1979, 1980 PA 300,
9 MCL 38.1341, as calculated without taking into account the maximum
10 employer rate of 20.96% included in section 41 of the public school
11 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
12 maximum employer rate of 20.96% included in section 41 of the
13 public school employees retirement act of 1979, 1980 PA 300, MCL
14 38.1341.

15 (4) The amount allocated to each participating entity under
16 this section shall be based on each participating entity's
17 proportion of the total covered payroll for the immediately
18 preceding fiscal year for the same type of participating entities.
19 A participating entity that receives funds under this section shall
20 use the funds solely for the purpose of retirement contributions as
21 specified in subsection (5).

22 (5) Each participating entity receiving funds under this
23 section shall forward an amount equal to the amount allocated under
24 subsection (4) to the retirement system in a form, manner, and time
25 frame determined by the retirement system.

26 (6) Funds allocated under this section should be considered
27 when comparing a district's growth in total state aid funding from

1 1 fiscal year to the next.

2 (7) Not later than December 20, ~~2015~~, **2016**, the department
3 shall publish and post on its website an estimated MPERS rate cap
4 per pupil for each district.

5 (8) As used in this section:

6 (a) "MPERS rate cap per pupil" means an amount equal to the
7 quotient of the district's payment under this section divided by
8 the district's pupils in membership.

9 (b) "Participating entity" means a district, intermediate
10 district, or district library that is a reporting unit of the
11 Michigan public school employees' retirement system under the
12 public school employees retirement act of 1979, 1980 PA 300, MCL
13 38.1301 to 38.1437, and that reports employees to the Michigan
14 public school employees' retirement system for the applicable
15 fiscal year.

16 (c) "Retirement board" means the board that administers the
17 retirement system under the public school employees retirement act
18 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

19 (d) "Retirement system" means the Michigan public school
20 employees' retirement system under the public school employees
21 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

22 Sec. 152a. (1) As required by the court in the consolidated
23 cases known as Adair v State of Michigan, Michigan supreme court
24 docket nos. 137424 and 137453, from the state school aid fund money
25 appropriated in section 11 there is allocated for ~~2015-2016-2016-~~
26 **2017** an amount not to exceed \$38,000,500.00 to be used solely for
27 the purpose of paying necessary costs related to the state-mandated

1 collection, maintenance, and reporting of data to this state.

2 (2) From the allocation in subsection (1), the department
3 shall make payments to districts and intermediate districts in an
4 equal amount per-pupil based on the total number of pupils in
5 membership in each district and intermediate district. The
6 department shall not make any adjustment to these payments after
7 the final installment payment under section 17b is made.

8 **SEC. 152B. (1) FROM THE GENERAL FUND MONEY APPROPRIATED UNDER**
9 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
10 **\$2,500,000.00 FOR 2016-2017 TO REIMBURSE COSTS INCURRED BY**
11 **NONPUBLIC SCHOOLS AS IDENTIFIED IN THE NONPUBLIC SCHOOL MANDATE**
12 **REPORT PUBLISHED BY THE DEPARTMENT ON NOVEMBER 25, 2014 AND UNDER**
13 **SUBSECTION (2).**

14 (2) BY JANUARY 1, 2017, THE DEPARTMENT SHALL PUBLISH A FORM
15 CONTAINING THE REQUIREMENTS IDENTIFIED IN THE REPORT UNDER
16 SUBSECTION (1). THE DEPARTMENT SHALL INCLUDE OTHER REQUIREMENTS ON
17 THE FORM THAT WERE ENACTED INTO LAW AFTER PUBLICATION OF THE
18 REPORT. THE FORM SHALL BE POSTED ON THE DEPARTMENT'S WEBSITE IN
19 ELECTRONIC FORM.

20 (3) BY JUNE 15, 2017, A NONPUBLIC SCHOOL SEEKING REIMBURSEMENT
21 UNDER SUBSECTION (1) OF COSTS INCURRED DURING THE 2016-2017 SCHOOL
22 YEAR SHALL SUBMIT THE FORM DESCRIBED IN SUBSECTION (2) TO THE
23 DEPARTMENT. THIS SECTION DOES NOT REQUIRE A NONPUBLIC SCHOOL TO
24 SUBMIT A FORM DESCRIBED IN SUBSECTION (2). A NONPUBLIC SCHOOL IS
25 NOT ELIGIBLE FOR REIMBURSEMENT UNDER THIS SECTION UNLESS THE
26 NONPUBLIC SCHOOL SUBMITS THE FORM DESCRIBED IN SUBSECTION (2) IN A
27 TIMELY MANNER.

1 (4) BY AUGUST 15, 2017, THE DEPARTMENT SHALL DISTRIBUTE FUNDS
2 TO NONPUBLIC SCHOOLS THAT SUBMIT A COMPLETED FORM DESCRIBED UNDER
3 SUBSECTION (2) IN A TIMELY MANNER. THE SUPERINTENDENT SHALL
4 DETERMINE THE AMOUNT OF FUNDS TO BE PAID TO EACH NONPUBLIC SCHOOL
5 IN AN AMOUNT THAT DOES NOT EXCEED THE NONPUBLIC SCHOOL'S ACTUAL
6 COST TO COMPLY WITH REQUIREMENTS UNDER SUBSECTIONS (1) AND (2). THE
7 SUPERINTENDENT SHALL CALCULATE A NONPUBLIC SCHOOL'S ACTUAL COST IN
8 ACCORDANCE WITH THIS SECTION.

9 (5) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
10 TO FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION,
11 THE DEPARTMENT SHALL DISTRIBUTE FUNDS UNDER THIS SECTION ON A
12 PRORATED OR OTHER EQUITABLE BASIS AS DETERMINED BY THE
13 SUPERINTENDENT.

14 (6) THE DEPARTMENT HAS THE AUTHORITY TO REVIEW THE RECORDS OF
15 A NONPUBLIC SCHOOL SUBMITTING A FORM DESCRIBED IN SUBSECTION (2)
16 ONLY FOR THE LIMITED PURPOSE OF VERIFYING THE NONPUBLIC SCHOOL'S
17 COMPLIANCE WITH THIS SECTION. IF A NONPUBLIC SCHOOL DOES NOT ALLOW
18 THE DEPARTMENT TO REVIEW RECORDS UNDER THIS SUBSECTION FOR THIS
19 LIMITED PURPOSE, THE NONPUBLIC SCHOOL IS NOT ELIGIBLE FOR
20 REIMBURSEMENT UNDER THIS SECTION.

21 (7) THE FUNDS APPROPRIATED UNDER THIS SECTION ARE FOR PURPOSES
22 RELATED TO EDUCATION, ARE CONSIDERED TO BE INCIDENTAL TO THE
23 OPERATION OF A NONPUBLIC SCHOOL, ARE NONINSTRUCTIONAL IN CHARACTER,
24 AND ARE INTENDED FOR THE PUBLIC PURPOSE OF ENSURING THE HEALTH,
25 SAFETY, AND WELFARE OF THE CHILDREN IN NONPUBLIC SCHOOLS AND TO
26 REIMBURSE NONPUBLIC SCHOOLS FOR COSTS DESCRIBED IN THIS SECTION.

27 (8) FUNDS ALLOCATED UNDER THIS SECTION ARE NOT INTENDED TO AID

1 OR MAINTAIN ANY NONPUBLIC SCHOOL, SUPPORT THE ATTENDANCE OF ANY
2 STUDENT AT A NONPUBLIC SCHOOL, EMPLOY ANY PERSON AT A NONPUBLIC
3 SCHOOL, SUPPORT THE ATTENDANCE OF ANY STUDENT AT ANY LOCATION WHERE
4 INSTRUCTION IS OFFERED TO A NONPUBLIC SCHOOL STUDENT, OR SUPPORT
5 THE EMPLOYMENT OF ANY PERSON AT ANY LOCATION WHERE INSTRUCTION IS
6 OFFERED TO A NONPUBLIC SCHOOL STUDENT.

7 (9) FOR PURPOSES OF THIS SECTION, "ACTUAL COST" MEANS THE
8 HOURLY WAGE FOR THE EMPLOYEE OR EMPLOYEES PERFORMING THE REPORTED
9 TASK OR TASKS AND IS TO BE CALCULATED IN ACCORDANCE WITH THE FORM
10 PUBLISHED BY THE DEPARTMENT UNDER SUBSECTION (2), WHICH SHALL
11 INCLUDE A DETAILED ITEMIZATION OF COST. THE NONPUBLIC SCHOOL SHALL
12 NOT CHARGE MORE THAN THE HOURLY WAGE OF ITS LOWEST-PAID EMPLOYEE
13 CAPABLE OF PERFORMING THE REPORTED TASK REGARDLESS OF WHETHER THAT
14 INDIVIDUAL IS AVAILABLE AND REGARDLESS OF WHO ACTUALLY PERFORMS THE
15 REPORTED TASK. LABOR COSTS UNDER THIS SUBSECTION SHALL BE ESTIMATED
16 AND CHARGED IN INCREMENTS OF 15 MINUTES OR MORE, WITH ALL PARTIAL
17 TIME INCREMENTS ROUNDED DOWN. WHEN CALCULATING COSTS UNDER
18 SUBSECTION (4), FEE COMPONENTS SHALL BE ITEMIZED IN A MANNER THAT
19 EXPRESSES BOTH THE HOURLY WAGE AND THE NUMBER OF HOURS CHARGED. THE
20 NONPUBLIC SCHOOL MAY NOT CHARGE ANY APPLICABLE LABOR CHARGE AMOUNT
21 TO COVER OR PARTIALLY COVER THE COST OF HEALTH OR FRINGE BENEFITS.
22 A NONPUBLIC SCHOOL SHALL NOT CHARGE ANY OVERTIME WAGES IN THE
23 CALCULATION OF LABOR COSTS.

24 Sec. 166. (1) ~~A district in which a school official, member of~~
25 ~~a board, or other person dispenses or otherwise distributes a~~
26 ~~family planning drug or device in a public school in violation of~~
27 ~~section 1507 of the revised school code, being section 380.1507 of~~

~~the Michigan Compiled Laws, dispenses prescriptions for any family planning drug, or makes referrals for abortions shall forfeit 5% of its total state aid appropriation.~~ THE GOVERNING BOARD OF A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AND IMPLEMENT A DISCIPLINARY POLICY AS DESCRIBED IN SUBSECTION (2) TO PROVIDE PENALTIES FOR VIOLATIONS OF SECTION 1507 OF THE REVISED SCHOOL CODE, MCL 380.1507, AND PENALTIES FOR A SCHOOL OFFICIAL, MEMBER OF A GOVERNING BOARD, EMPLOYEE OF THE DISTRICT OR INTERMEDIATE DISTRICT, OR OTHER PERSON WHO REFERS A PUPIL FOR AN ABORTION OR ASSISTS A PUPIL IN OBTAINING AN ABORTION. A DISTRICT OR INTERMEDIATE DISTRICT THAT FAILS TO ADOPT A POLICY REQUIRED UNDER THIS SECTION WITHIN 3 YEARS AFTER THE EFFECTIVE DATE OF THE 2016 AMENDMENTS TO THIS SECTION SHALL FORFEIT FROM ITS TOTAL STATE SCHOOL AID AN AMOUNT EQUAL TO \$100,000.00.

(2) A DISCIPLINARY POLICY REQUIRED UNDER SUBSECTION (1) SHALL PROVIDE FOR A FINANCIAL PENALTY TO BE APPLIED AGAINST AN INDIVIDUAL EMPLOYED BY THE DISTRICT OR INTERMEDIATE DISTRICT WHO VIOLATES THE POLICY UNDER SUBSECTION (1) THAT IS EQUIVALENT TO NOT LESS THAN 3% OF THAT INDIVIDUAL'S ANNUAL COMPENSATION.

(3) A DISTRICT OR INTERMEDIATE DISTRICT THAT APPLIES A FINANCIAL PENALTY AGAINST OR COLLECTS A FINE FROM AN INDIVIDUAL AS PROVIDED UNDER SUBSECTION (2) SHALL REFUND TO THE STATE SCHOOL AID FUND AN AMOUNT OF MONEY EQUAL TO THE AMOUNT OF THE PENALTY OR FINE.

Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades kindergarten to 12 in a nonpublic school or who is being home-schooled from also enrolling the minor in a district, public school academy, or

1 intermediate district in any curricular offering that is provided
2 by the district, public school academy, or intermediate district at
3 a public school site and is available to pupils in the minor's
4 grade level or age group, subject to compliance with the same
5 requirements that apply to a full-time pupil's participation in the
6 offering. However, state school aid shall be provided under this
7 act for a minor enrolled as described in this subsection only for
8 curricular offerings that are offered to full-time pupils in the
9 minor's grade level or age group during regularly scheduled school
10 hours.

11 (2) This act does not prohibit a parent or legal guardian of a
12 minor who is enrolled in any of grades kindergarten to 12 in a
13 nonpublic school or who resides within the district and is being
14 home-schooled from also enrolling the minor in the district in a
15 curricular offering being provided by the district at the nonpublic
16 school site. However, state school aid shall be provided under this
17 act for a minor enrolled as described in this subsection only if
18 all of the following apply:

19 (a) Either of the following:

20 (i) The nonpublic school site is located, or the nonpublic
21 students are educated, within the geographic boundaries of the
22 district.

23 (ii) If the nonpublic school has submitted a written request
24 to the district in which the nonpublic school is located for the
25 district to provide certain instruction under this subsection for a
26 school year and the district does not agree to provide some or all
27 of that instruction by May 1 immediately preceding that school year

1 or, if the request is submitted after March 1 immediately preceding
2 that school year, within 60 days after the nonpublic school submits
3 the request, the instruction is instead provided by an eligible
4 other district. This subparagraph does not require a nonpublic
5 school to submit more than 1 request to the district in which the
6 nonpublic school is located for that district to provide
7 instruction under this subsection, and does not require a nonpublic
8 school to submit an additional request to the district in which the
9 nonpublic school is located for that district to provide additional
10 instruction under this subsection beyond the instruction requested
11 in the original request, before having the instruction provided by
12 an eligible other district. A public school academy that is located
13 in the district in which the nonpublic school is located or in an
14 eligible other district also may provide instruction under this
15 subparagraph under the same conditions as an eligible other
16 district. As used in this subparagraph, "eligible other district"
17 means a district that is located in the same intermediate district
18 as the district in which the nonpublic school is located or is
19 located in an intermediate district that is contiguous to that
20 intermediate district.

21 (b) The nonpublic school is registered with the department as
22 a nonpublic school and meets all state reporting requirements for
23 nonpublic schools.

24 (c) The instruction is scheduled to occur during the regular
25 school day.

26 (d) The instruction is provided directly by a certified
27 teacher at the district or public school academy or at an

1 intermediate district.

2 (e) The curricular offering is also available to full-time
3 pupils in the minor's grade level or age group in the district or
4 public school academy during the regular school day at a public
5 school site.

6 (f) The curricular offering is restricted to nonessential
7 elective courses for pupils in grades kindergarten to 12.

8 (3) A minor enrolled as described in this section is a part-
9 time pupil for purposes of state school aid under this act.

10 (4) A district that receives a written request to provide
11 instruction under subsection (2) shall reply to the request in
12 writing by May 1 immediately preceding the applicable school year
13 or, if the request is made after March 1 immediately preceding that
14 school year, within 60 days after the nonpublic school submits the
15 request. The written reply shall specify whether the district
16 agrees to provide or does not agree to provide the instruction for
17 each portion of instruction included in the request.

18 (5) THE DEPARTMENT SHALL ESTABLISH A WORKGROUP CONSISTING OF
19 STAFF FROM THE DEPARTMENT, STAFF FROM THE CENTER, PUPIL ACCOUNTING
20 STAFF FROM DISTRICTS AND INTERMEDIATE DISTRICTS, OTHER APPLICABLE
21 STAFF FROM DISTRICTS AND INTERMEDIATE DISTRICTS, REPRESENTATIVES
22 FROM NONPUBLIC SCHOOLS, AND REPRESENTATIVES FROM HOME SCHOOLS TO
23 EXAMINE THE ISSUE OF PROVIDING A UNIFORM DEFINITION OF NONESSENTIAL
24 ELECTIVE COURSES, AND ALSO TO PROVIDE A UNIFORM DEFINITION OF A
25 PART-TIME PUPIL FOR THE PURPOSES OF THIS SECTION.

26 SEC. 167A. A DISTRICT IS ENCOURAGED TO IMPLEMENT A PLAN TO
27 REDUCE PUPIL EXPULSIONS AND SUSPENSIONS THAT EXCEED 10 DAYS. IT IS

1 THE INTENT OF THE LEGISLATURE THAT A DISTRICT THAT HAS NOT
 2 IMPLEMENTED A PLAN TO REDUCE PUPIL EXPULSIONS AND SUSPENSIONS THAT
 3 EXCEED 10 DAYS WILL BE SUBJECT TO FORFEITURE OF A PORTION OF ITS
 4 TOTAL STATE SCHOOL AID.

5 Sec. 201. (1) Subject to the conditions set forth in this
 6 article, the amounts listed in this section are appropriated for
 7 community colleges for the fiscal year ending September 30, ~~2016,~~
 8 **2017**, from the funds indicated in this section. The following is a
 9 summary of the appropriations in this section:

10 (a) The gross appropriation is ~~\$387,825,600.00.~~
 11 **\$395,925,600.00.** After deducting total interdepartmental grants and
 12 intradepartmental transfers in the amount of \$0.00, the adjusted
 13 gross appropriation is ~~\$387,825,600.00.~~**\$395,925,600.00.**

14 (b) The sources of the adjusted gross appropriation described
 15 in subdivision (a) are as follows:

16 (i) Total federal revenues, \$0.00.

17 (ii) Total local revenues, \$0.00.

18 (iii) Total private revenues, \$0.00.

19 (iv) Total other state restricted revenues,
 20 ~~\$256,714,800.00.~~**\$260,414,800.00.**

21 (v) State general fund/general purpose money,
 22 ~~\$131,110,800.00.~~**\$135,510,800.00.**

23 (2) Subject to subsection (3), the amount appropriated for
 24 community college operations is ~~\$311,492,000.00,~~**\$315,892,000.00,**
 25 allocated as follows:

26 (a) The appropriation for Alpena Community College is
 27 ~~\$5,464,400.00, \$5,390,700.00 for operations and \$73,700.00 for~~

1 ~~performance funding.~~\$5,544,700.00, \$5,464,400.00 FOR OPERATIONS AND
2 \$80,300.00 FOR PERFORMANCE FUNDING.

3 (b) The appropriation for Bay de Noc Community College is
4 ~~\$5,490,200.00, \$5,419,500.00 for operations and \$70,700.00 for~~
5 ~~performance funding.~~\$5,560,900.00, \$5,490,200.00 FOR OPERATIONS AND
6 \$70,700.00 FOR PERFORMANCE FUNDING.

7 (c) The appropriation for Delta College is ~~\$14,704,000.00,~~
8 ~~\$14,498,900.00 for operations and \$205,100.00 for performance~~
9 ~~funding.~~\$14,907,700.00, \$14,704,000.00 FOR OPERATIONS AND
10 \$203,700.00 FOR PERFORMANCE FUNDING.

11 (d) The appropriation for Glen Oaks Community College is
12 ~~\$2,551,100.00, \$2,516,100.00 for operations and \$35,000.00 for~~
13 ~~performance funding.~~\$2,586,900.00, \$2,551,100.00 FOR OPERATIONS AND
14 \$35,800.00 FOR PERFORMANCE FUNDING.

15 (e) The appropriation for Gogebic Community College is
16 ~~\$4,509,900.00, \$4,451,400.00 for operations and \$58,500.00 for~~
17 ~~performance funding.~~\$4,577,800.00, \$4,509,900.00 FOR OPERATIONS AND
18 \$67,900.00 FOR PERFORMANCE FUNDING.

19 (f) The appropriation for Grand Rapids Community College is
20 ~~\$18,187,300.00, \$17,947,500.00 for operations and \$239,800.00 for~~
21 ~~performance funding.~~\$18,450,500.00, \$18,187,300.00 FOR OPERATIONS
22 AND \$263,200.00 FOR PERFORMANCE FUNDING.

23 (g) The appropriation for Henry Ford College is
24 ~~\$21,893,300.00, \$21,623,800.00 for operations and \$269,500.00 for~~
25 ~~performance funding.~~\$22,176,000.00, \$21,893,300.00 FOR OPERATIONS
26 AND \$282,700.00 FOR PERFORMANCE FUNDING.

27 (h) The appropriation for Jackson College is ~~\$12,245,300.00,~~

1 ~~\$12,087,300.00 for operations and \$158,000.00 for performance~~
2 ~~funding.~~ **\$12,397,600.00, \$12,245,300.00 FOR OPERATIONS AND**
3 **\$152,300.00 FOR PERFORMANCE FUNDING.**

4 (i) The appropriation for Kalamazoo Valley Community College
5 is ~~\$12,689,400.00, \$12,503,100.00 for operations and \$186,300.00~~
6 ~~for performance funding.~~ **\$12,873,900.00, \$12,689,400.00 FOR**
7 **OPERATIONS AND \$184,500.00 FOR PERFORMANCE FUNDING.**

8 (j) The appropriation for Kellogg Community College is
9 ~~\$9,950,100.00, \$9,813,500.00 for operations and \$136,600.00 for~~
10 ~~performance funding.~~ **\$10,087,500.00, \$9,950,100.00 FOR OPERATIONS**
11 **AND \$137,400.00 FOR PERFORMANCE FUNDING.**

12 (k) The appropriation for Kirtland Community College is
13 ~~\$3,221,500.00, \$3,167,700.00 for operations and \$53,800.00 for~~
14 ~~performance funding.~~ **\$3,270,000.00, \$3,221,500.00 FOR OPERATIONS AND**
15 **\$48,500.00 FOR PERFORMANCE FUNDING.**

16 (l) The appropriation for Lake Michigan College is
17 ~~\$5,417,700.00, \$5,342,900.00 for operations and \$74,800.00 for~~
18 ~~performance funding.~~ **\$5,492,800.00, \$5,417,700.00 FOR OPERATIONS AND**
19 **\$75,100.00 FOR PERFORMANCE FUNDING.**

20 (m) The appropriation for Lansing Community College is
21 ~~\$31,288,200.00, \$30,877,600.00 for operations and \$410,600.00 for~~
22 ~~performance funding.~~ **\$31,677,300.00, \$31,288,200.00 FOR OPERATIONS**
23 **AND \$389,100.00 FOR PERFORMANCE FUNDING.**

24 (n) The appropriation for Macomb Community College is
25 ~~\$33,239,500.00, \$32,816,600.00 for operations and \$422,900.00 for~~
26 ~~performance funding.~~ **\$33,681,800.00, \$33,239,500.00 FOR OPERATIONS**
27 **AND \$442,300.00 FOR PERFORMANCE FUNDING.**

1 (o) The appropriation for Mid Michigan Community College is
2 ~~\$4,757,700.00, \$4,682,000.00 for operations and \$75,700.00 for~~
3 ~~performance funding.~~**\$4,834,100.00, \$4,757,700.00 FOR OPERATIONS AND**
4 **\$76,400.00 FOR PERFORMANCE FUNDING.**

5 (p) The appropriation for Monroe County Community College is
6 ~~\$4,565,600.00, \$4,492,900.00 for operations and \$72,700.00 for~~
7 ~~performance funding.~~**\$4,636,700.00, \$4,565,600.00 FOR OPERATIONS AND**
8 **\$71,100.00 FOR PERFORMANCE FUNDING.**

9 (q) The appropriation for Montcalm Community College is
10 ~~\$3,280,600.00, \$3,226,700.00 for operations and \$53,900.00 for~~
11 ~~performance funding.~~**\$3,343,100.00, \$3,280,600.00 FOR OPERATIONS AND**
12 **\$62,500.00 FOR PERFORMANCE FUNDING.**

13 (r) The appropriation for C.S. Mott Community College is
14 ~~\$15,901,700.00, \$15,686,100.00 for operations and \$215,600.00 for~~
15 ~~performance funding.~~**\$16,115,500.00, \$15,901,700.00 FOR OPERATIONS**
16 **AND \$213,800.00 FOR PERFORMANCE FUNDING.**

17 (s) The appropriation for Muskegon Community College is
18 ~~\$9,020,700.00, \$8,901,000.00 for operations and \$119,700.00 for~~
19 ~~performance funding.~~**\$9,150,600.00, \$9,020,700.00 FOR OPERATIONS AND**
20 **\$129,900.00 FOR PERFORMANCE FUNDING.**

21 (t) The appropriation for North Central Michigan College is
22 ~~\$3,224,800.00, \$3,172,400.00 for operations and \$52,400.00 for~~
23 ~~performance funding.~~**\$3,290,400.00, \$3,224,800.00 FOR OPERATIONS AND**
24 **\$65,600.00 FOR PERFORMANCE FUNDING.**

25 (u) The appropriation for Northwestern Michigan College is
26 ~~\$9,200,500.00, \$9,078,800.00 for operations and \$121,700.00 for~~
27 ~~performance funding.~~**\$9,318,000.00, \$9,200,500.00 FOR OPERATIONS AND**

1 **\$117,500.00 FOR PERFORMANCE FUNDING.**

2 (v) The appropriation for Oakland Community College is
3 ~~\$21,429,400.00, \$21,123,300.00 for operations and \$306,100.00 for~~
4 ~~performance funding.~~**\$21,770,900.00, \$21,429,400.00 FOR OPERATIONS**
5 **AND \$341,500.00 FOR PERFORMANCE FUNDING.**

6 ~~—— (w) The appropriation for St. Clair County Community College~~
7 ~~is \$7,158,000.00, \$7,061,600.00 for operations and \$96,400.00 for~~
8 ~~performance funding.~~

9 (W) ~~(x)~~ The appropriation for Schoolcraft College is
10 ~~\$12,706,400.00, \$12,513,700.00 for operations and \$192,700.00 for~~
11 ~~performance funding.~~**\$12,909,300.00, \$12,706,400.00 FOR OPERATIONS**
12 **AND \$202,900.00 FOR PERFORMANCE FUNDING.**

13 (X) ~~(y)~~ The appropriation for Southwestern Michigan College is
14 ~~\$6,657,600.00, \$6,576,400.00 for operations and \$81,200.00 for~~
15 ~~performance funding.~~**\$6,732,500.00, \$6,657,600.00 FOR OPERATIONS AND**
16 **\$74,900.00 FOR PERFORMANCE FUNDING.**

17 (Y) THE APPROPRIATION FOR ST. CLAIR COUNTY COMMUNITY COLLEGE
18 IS \$7,259,300.00, \$7,158,000.00 FOR OPERATIONS AND \$101,300.00 FOR
19 PERFORMANCE FUNDING.

20 (z) The appropriation for Washtenaw Community College is
21 ~~\$13,301,100.00, \$13,077,300.00 for operations and \$223,800.00 for~~
22 ~~performance funding.~~**\$13,534,000.00, \$13,301,100.00 FOR OPERATIONS**
23 **AND \$232,900.00 FOR PERFORMANCE FUNDING.**

24 (aa) The appropriation for Wayne County Community College is
25 ~~\$16,989,800.00, \$16,727,600.00 for operations and \$262,200.00 for~~
26 ~~performance funding.~~**\$17,234,200.00, \$16,989,800.00 FOR OPERATIONS**
27 **AND \$244,400.00 FOR PERFORMANCE FUNDING.**

(bb) The appropriation for West Shore Community College is
~~\$2,446,200.00, \$2,414,900.00 for operations and \$31,300.00 for~~
~~performance funding.~~ **\$2,478,000.00, \$2,446,200.00 FOR OPERATIONS AND**
\$31,800.00 FOR PERFORMANCE FUNDING.

(3) The amount appropriated in subsection (2) for community college operations is appropriated from the following:

(a) State school aid fund, ~~\$236,181,200.00.~~ **\$185,481,200.00.**

(b) State general fund/general purpose money,
~~\$75,310,800.00.~~ **\$130,410,800.00.**

(4) From the appropriations described in subsection (1), subject to section 207a, the amount appropriated for fiscal year ~~2015-2016-2016-2017~~ to offset certain fiscal year ~~2015-2016-2016-~~ **2017** retirement contributions is \$1,733,600.00, appropriated from the state school aid fund.

(5) From the appropriations described in subsection (1), subject to section 207b, the amount appropriated for payments to community colleges that are participating entities of the retirement system is ~~\$69,500,000.00, \$17,200,000.00~~ **\$73,200,000.00,** appropriated from the state school aid fund. ~~, and \$52,300,000.00 appropriated from general fund/general purpose money.~~

(6) From the appropriations described in subsection (1), subject to section 207c, the amount appropriated for renaissance zone tax reimbursements is \$5,100,000.00, ~~\$1,600,000.00~~ ~~appropriated from the state school aid fund, and \$3,500,000.00~~ appropriated from general fund/general purpose money.

Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2017~~

1 2018 for the items listed in section 201. The fiscal year ~~2016-2017~~
 2 2017-2018 appropriations are anticipated to be the same as those
 3 for fiscal year ~~2015-2016~~, **2016-2017**, except that the amounts will
 4 be adjusted for changes in retirement costs, caseload and related
 5 costs, federal fund match rates, economic factors, and available
 6 revenue. These adjustments will be determined after the January
 7 ~~2016-2017~~ consensus revenue estimating conference.

8 Sec. 202a. As used in this article:

9 (A) **"CENTER" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND**
 10 **INFORMATION CREATED IN SECTION 94A.**

11 (B) ~~(a)~~-"Michigan renaissance zone act" means the Michigan
 12 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

13 (C) ~~(b)~~-"Participating college" means a community college that
 14 is a reporting unit of the retirement system and that reports
 15 employees to the retirement system for the state fiscal year.

16 (D) ~~(c)~~-"Retirement board" means the board that administers
 17 the retirement system under the public school employees retirement
 18 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

19 (E) ~~(d)~~-"Retirement system" means the Michigan public school
 20 employees' retirement system under the public school employees
 21 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

22 (F) ~~(e)~~-"Workforce development agency" means the workforce
 23 development agency ~~of the Michigan strategic fund.~~ **WITHIN THE**
 24 **DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT--TALENT INVESTMENT**
 25 **AGENCY.**

26 Sec. 203. Unless otherwise specified, a community college that
 27 receives appropriations in section 201, ~~and the workforce~~

1 development agency, **AND THE CENTER** shall use the ~~internet~~**INTERNET**
2 to fulfill the reporting requirements of this article. This
3 requirement may include transmission of reports via electronic mail
4 to the recipients identified for each reporting requirement or it
5 may include placement of reports on an ~~internet~~**INTERNET** or
6 intranet site.

7 Sec. 206. The funds appropriated in section 201 are
8 appropriated for community colleges with fiscal years ending June
9 30, ~~2016~~**2017** and shall be paid out of the state treasury and
10 distributed by the state treasurer to the respective community
11 colleges in 11 monthly installments on the sixteenth of each month,
12 or the next succeeding business day, beginning with October 16,
13 ~~2015~~**2016**. Each community college shall accrue its July and August
14 ~~2016~~**2017** payments to its institutional fiscal year ending June 30,
15 ~~2016~~**2017**. However, if the state budget director determines that a
16 community college failed to submit all verified Michigan community
17 colleges activities classification structure data for school year
18 ~~2014-2015~~**2015-2016** to the ~~workforce development agency~~**CENTER** by
19 November 1, ~~2015~~**2016**, or failed to submit its longitudinal data
20 system data set for school year ~~2014-2015~~**2015-2016** to the center
21 ~~for educational performance and information~~ under section 219, the
22 state treasurer shall withhold the monthly installments from that
23 community college until those data are submitted. The state budget
24 director shall notify the chairs of the house and senate
25 appropriations subcommittees on community colleges at least 10 days
26 before withholding funds from any community college.

27 Sec. 207. (1) A community college shall pay the employer's

1 contributions to the Michigan public school employees' retirement
2 system created by the public school employees retirement act of
3 1979, 1980 PA 300, MCL 38.1301 to ~~38.1408~~-**38.1437**. This payment is
4 a condition of receiving funds appropriated under this article.

5 (2) A community college shall not pay an employer's
6 contribution to more than 1 retirement fund providing benefits for
7 an employee.

8 Sec. 207a. All of the following apply to the allocation of the
9 fiscal year ~~2015-2016~~-**2016-2017** appropriations described in section
10 201(4):

11 (a) A community college that receives money under section
12 201(4) shall use that money solely for the purpose of offsetting a
13 portion of the retirement contributions owed by the college for
14 that fiscal year.

15 (b) The amount allocated to each participating community
16 college under section 201(4) shall be based on each college's
17 percentage of the total covered payroll for all community colleges
18 that are participating colleges in the immediately preceding fiscal
19 year.

20 Sec. 207b. All of the following apply to the allocation of the
21 fiscal year ~~2015-2016~~-**2016-2017** appropriations described in section
22 201(5) for payments to community colleges that are participating
23 entities of the retirement system:

24 (a) The amount of a payment under section 201(5) shall be the
25 difference between the unfunded actuarial accrued liability
26 contribution rate as calculated under section 41 of the public
27 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,

1 and the maximum employer rate of 20.96% under section 41 of the
2 public school employees retirement act of 1979, 1980 PA 300, MCL
3 38.1341.

4 (b) The amount allocated to each community college under
5 section 201(5) shall be based on each community college's
6 percentage of the total covered payroll for all community colleges
7 that are participating colleges in the immediately preceding fiscal
8 year. A community college that receives funds under this
9 subdivision shall use the funds solely for the purpose of
10 retirement contributions under section 201(5).

11 (c) Each participating college that receives funds under
12 section 201(5) shall forward an amount equal to the amount
13 allocated under subdivision (b) to the retirement system in a form
14 and manner determined by the retirement system.

15 Sec. 207c. All of the following apply to the allocation of the
16 appropriations described in section 201(6) to community colleges
17 described in section 12(3) of the Michigan renaissance zone act,
18 1996 PA 376, MCL 125.2692:

19 (a) The amount allocated to each community college under
20 section 201(6) for fiscal year ~~2015-2016~~ **2016-2017** shall be based
21 on that community college's proportion of total revenue lost by
22 community colleges as a result of the exemption of property taxes
23 levied in ~~2015-2016~~ under the Michigan renaissance zone act, 1996
24 PA 376, MCL 125.2681 to 125.2696.

25 (b) The appropriations described in section 201(6) shall be
26 made to each eligible community college within 60 days after the
27 department of treasury certifies to the state budget director that

1 it has received all necessary information to properly determine the
2 amounts payable to each eligible community college under section 12
3 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

4 Sec. 209. (1) Within 30 days after the board of a community
5 college adopts its annual operating budget for the following fiscal
6 year, or after the board adopts a subsequent revision to that
7 budget, the community college shall make all of the following
8 available through a link on its website homepage:

9 (a) The annual operating budget and subsequent budget
10 revisions.

11 (b) A link to the most recent "Activities Classification
12 Structure Data Book and Companion".

13 (c) General fund revenue and expenditure projections for
14 fiscal year ~~2015-2016~~**2016-2017** and fiscal year ~~2016-2017~~**2017-**
15 **2018**.

16 (d) A listing of all debt service obligations, detailed by
17 project, anticipated fiscal year ~~2015-2016~~**2016-2017** payment of
18 each project, and total outstanding debt.

19 (e) The estimated cost to the community college resulting from
20 the patient protection and affordable care act, Public Law 111-148,
21 as amended by the health care and education reconciliation act of
22 2010, Public Law 111-152.

23 (f) Links to all of the following for the community college:

24 (i) The current collective bargaining agreement for each
25 bargaining unit.

26 (ii) Each health care benefits plan, including, but not
27 limited to, medical, dental, vision, disability, long-term care, or

1 any other type of benefits that would constitute health care
2 services, offered to any bargaining unit or employee of the
3 community college.

4 (iii) Audits and financial reports for the most recent fiscal
5 year for which they are available.

6 (iv) A copy of the board of trustees resolution regarding
7 compliance with best practices for the local strategic value
8 component described in section 230(2).

9 (2) For statewide consistency and public visibility, community
10 colleges must use the icon badge provided by the department of
11 technology, management, and budget consistent with the icon badge
12 developed by the department of education for K-12 school districts.
13 It must appear on the front of each community college's homepage.
14 The size of the icon may be reduced to 150 x 150 pixels.

15 (3) The state budget director shall determine whether a
16 community college has complied with this section. The state budget
17 director may withhold a community college's monthly installments
18 described in section 206 until the community college complies with
19 this section. The state budget director shall notify the chairs of
20 the house and senate appropriations subcommittee on community
21 colleges at least 10 days before withholding funds from any
22 community college.

23 (4) Each community college shall report the following
24 information to the senate and house appropriations subcommittees on
25 community colleges, the senate and house fiscal agencies, and the
26 state budget office by November 15 of each fiscal year and post
27 that information on its website as required under subsection (1):

1 (a) Budgeted fiscal year ~~2015-2016-2016-2017~~ general fund
2 revenue from tuition and fees.

3 (b) Budgeted fiscal year ~~2015-2016-2016-2017~~ general fund
4 revenue from state appropriations.

5 (c) Budgeted fiscal year ~~2015-2016-2016-2017~~ general fund
6 revenue from property taxes.

7 (d) Budgeted fiscal year ~~2015-2016-2016-2017~~ total general
8 fund revenue.

9 (e) Budgeted fiscal year ~~2015-2016-2016-2017~~total general
10 fund expenditures.

11 (5) By November 15 of each year, a community college shall
12 report the following information to the center ~~for educational~~
13 ~~performance and information~~ and post the information on its website
14 under the budget transparency icon badge:

15 (a) Opportunities for earning college credit through the
16 following programs:

17 (i) State approved career and technical education or a tech
18 prep articulated program of study.

19 (ii) Direct college credit or concurrent enrollment.

20 (iii) Dual enrollment.

21 (iv) An early college/middle college program.

22 (b) For each program described in subdivision (a) that the
23 community college offers, all of the following information:

24 (i) The number of high school students participating in the
25 program.

26 (ii) The number of school districts that participate in the
27 program with the community college.

1 (iii) Whether a college professor, qualified local school
2 district employee, or other individual teaches the course or
3 courses in the program.

4 (iv) The total cost to the community college to operate the
5 program.

6 (v) The cost per credit hour for the course or courses in the
7 program.

8 (vi) The location where the course or courses in the program
9 are held.

10 (vii) Instructional resources offered to the program
11 instructors.

12 (viii) Resources offered to the student in the program.

13 (ix) Transportation services provided to students in the
14 program.

15 Sec. 210b. ~~(1) It is the intent of the legislature that the~~
16 ~~Michigan Association of Collegiate Registrars and Admissions~~
17 ~~Officers implement any agreement or agreements among the community~~
18 ~~colleges and universities concerning the transferability of college~~
19 ~~courses resulting from the recommendations of the committee created~~
20 ~~under former section 210a.~~

21 ~~—— (2) It is the intent of the legislature that the Michigan~~
22 ~~Association of Collegiate Registrars and Admissions Officers, the~~
23 ~~Michigan Community College Association, and the Presidents Council,~~
24 ~~State Universities of Michigan shall together submit an~~
25 ~~implementation update report to the senate and house appropriations~~
26 ~~subcommittees on community colleges and higher education, the~~
27 ~~senate and house fiscal agencies, and the state budget director by~~

1 ~~March 1, 2016.~~ BY MARCH 1, 2017, THE MICHIGAN COMMUNITY COLLEGE
2 ASSOCIATION AND THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES
3 SHALL SUBMIT A REPORT TO THE SENATE AND HOUSE APPROPRIATIONS
4 SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL
5 AGENCIES, AND THE STATE BUDGET DIRECTOR THAT INCLUDES ALL OF THE
6 FOLLOWING:

7 (A) A PROGRESS REPORT ON THE IMPLEMENTATION OF THE MICHIGAN
8 TRANSFER AGREEMENT DEVELOPED BY THE STUDY COMMITTEE CREATED UNDER
9 FORMER SECTION 210A, INCLUDING AN UPDATE ON PROGRESS MADE ON
10 OUTSTANDING CONCERNS IDENTIFIED IN THE MARCH 1, 2016 IMPLEMENTATION
11 UPDATE.

12 (B) A REPORT ON IMPROVEMENTS TO ARTICULATION AND CREDIT
13 TRANSFER POLICIES AMONG AND BETWEEN ALL SECTORS OF POSTSECONDARY
14 EDUCATION IN THIS STATE. THE REPORT SHALL IDENTIFY AREAS OF
15 PROGRESS SINCE THE MARCH 1, 2016 REPORT REQUIRED BY FORMER SECTION
16 210C, INCLUDING ALL OF THE FOLLOWING:

17 (i) IDENTIFYING EFFECTIVE POLICIES AND PRACTICES DEVELOPED BY
18 OTHER STATES.

19 (ii) DEVELOPING SPECIFIC PATHWAYS, WHERE ADVISABLE, THAT MEET
20 PROGRAM REQUIREMENTS FOR BOTH ASSOCIATE'S AND BACHELOR'S DEGREE
21 PROGRAMS.

22 (iii) CREATING AN ENHANCED ONLINE COMMUNICATION TOOL TO SHARE
23 INFORMATION ABOUT POSTSECONDARY OPTIONS IN MICHIGAN, PARTICULARLY
24 CLEARLY ARTICULATING TRANSFER PATHWAYS.

25 (iv) ESTABLISHING CLEAR TIMELINES FOR FINALIZING TRANSFER
26 PATHWAYS.

27 SEC. 210E. BY FEBRUARY 1, 2017, THE MICHIGAN COMMUNITY COLLEGE

1 ASSOCIATION, THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND
2 THE MICHIGAN INDEPENDENT COLLEGES AND UNIVERSITIES, ON BEHALF OF
3 THEIR MEMBER COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE SENATE
4 AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE
5 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY
6 COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE
7 BUDGET DIRECTOR A COMPREHENSIVE REPORT DETAILING THE NUMBER OF
8 ACADEMIC PROGRAM PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES,
9 PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES,
10 INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING INFORMATION:

11 (A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY
12 OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE
13 CAMPUSES.

14 (B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE
15 DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC
16 UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.

17 (C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES
18 AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES
19 OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED
20 THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1,
21 2015 THROUGH JUNE 30, 2016.

22 Sec. 212. ~~It is the intent of the legislature to encourage~~
23 ~~community~~ **COMMUNITY** college districts **ARE ENCOURAGED** to evaluate
24 and pursue efficiency and cost-containment measures that maximize
25 state funding. Community colleges shall identify practices that
26 increase efficiencies, including, but not limited to, establishing
27 joint ventures, consolidating services, utilizing program

1 collaborations, maximizing educational benefits through optimal
2 class sizes and frequency of course offerings, increasing web-based
3 instruction, eliminating low-enrollment and high-cost instructional
4 programs, using self-insurance, practicing energy conservation, and
5 utilizing group purchasing. Community colleges shall also review
6 proposed capital outlay projects to increase coordination and
7 utilization of new facilities, renovation projects, and technology
8 improvements.

9 Sec. 217. (1) The ~~workforce development agency~~ **CENTER** shall do
10 all of the following:

11 (a) Establish, maintain, and coordinate the state community
12 college database commonly known as the "activities classification
13 structure" or "ACS" database.

14 (b) Collect data concerning community colleges and community
15 college programs in this state, including data required by law.

16 (c) Establish procedures to ensure the validity and
17 reliability of the data and the collection process.

18 (d) Develop model data collection policies, including, but not
19 limited to, policies that ensure the privacy of any individual
20 student data. Privacy policies shall ensure that student social
21 security numbers are not released to the public for any purpose.

22 (e) Provide data in a useful manner to allow state
23 policymakers and community college officials to make informed
24 policy decisions.

25 (f) Assist community colleges in complying with audits under
26 this section or federal law.

27 (2) There is created within the ~~workforce development agency~~

1 **CENTER** the activities classification structure advisory committee.
2 The committee shall provide advice to the director of the ~~workforce~~
3 ~~development agency~~ **CENTER** regarding the management of the state
4 community college database, including, but not limited to:

5 (a) Determining what data are necessary to collect and
6 maintain to enable state and community college officials to make
7 informed policy decisions.

8 (b) Defining the roles of all stakeholders in the data
9 collection system.

10 (c) Recommending timelines for the implementation and ongoing
11 collection of data.

12 (d) Establishing and maintaining data definitions, data
13 transmission protocols, and system specifications and procedures
14 for the efficient and accurate transmission and collection of data.

15 (e) Establishing and maintaining a process for ensuring the
16 accuracy of the data.

17 (f) Establishing and maintaining policies related to data
18 collection, including, but not limited to, privacy policies related
19 to individual student data.

20 (g) Ensuring that the data are made available to state
21 policymakers and citizens of this state in the most useful format
22 possible.

23 (h) Addressing other matters as determined by the director ~~of~~
24 ~~the workforce development agency~~ **CENTER** or as required by law.

25 (3) The activities classification structure advisory committee
26 created in subsection (2) shall consist of the following members:

27 (a) One representative from the house fiscal agency, appointed

1 by the director of the house fiscal agency.

2 (b) One representative from the senate fiscal agency,
3 appointed by the director of the senate fiscal agency.

4 (c) One representative from the workforce development agency,
5 appointed by the director of the workforce development agency.

6 **(D) ONE REPRESENTATIVE FROM THE CENTER APPOINTED BY THE**
7 **DIRECTOR OF THE CENTER.**

8 **(E)** ~~(d)~~ One representative from the state budget office,
9 appointed by the state budget director.

10 **(F)** ~~(e)~~ One representative from the governor's policy office,
11 appointed by that office.

12 **(G)** ~~(f)~~ Four representatives of the Michigan Community College
13 Association, appointed by the president of the association. From
14 the groupings of community colleges given in table 17 of the
15 activities classification structure database described in
16 subsection (1), the association shall appoint 1 representative each
17 from group 1, group 2, and group 3, and 1 representative from
18 either group 3 or 4.

19 Sec. 219. By ~~June 30~~ **OCTOBER 15** of each year, each community
20 college shall provide its longitudinal data system data set for the
21 preceding academic year to the center ~~for educational performance~~
22 ~~and information~~ for inclusion in the statewide P-20 education
23 longitudinal data system described in section 94a.

24 Sec. 220. (1) The auditor general or a certified public
25 accountant appointed by the auditor general may conduct performance
26 audits of community colleges as the auditor general considers
27 necessary.

1 (2) Within 60 days after an audit report is released by the
2 office of the auditor general, the principal executive officer of
3 the community college that was audited shall submit to the house
4 and senate appropriations committees, the house and senate fiscal
5 agencies, ~~the workforce development agency,~~ the auditor general,
6 and the state budget director a plan to comply with audit
7 recommendations. The plan shall contain projected dates and
8 resources required, if any, to achieve compliance with the audit
9 recommendations, or a documented explanation of the college's
10 noncompliance with the audit recommendations concerning the matters
11 on which the audited community college and office of the auditor
12 general disagree.

13 Sec. 222. Each community college shall have an annual audit of
14 all income and expenditures performed by an independent auditor and
15 shall furnish the independent auditor's management letter and an
16 annual audited accounting of all general and current funds income
17 and expenditures including audits of college foundations to the
18 members of the senate and house appropriations subcommittees on
19 community colleges, the senate and house fiscal agencies, the
20 auditor general, the workforce development agency, **THE CENTER**, and
21 the state budget director before November 15 of each year. If a
22 community college fails to furnish the audit materials, the monthly
23 state aid installments shall be withheld from that college until
24 the information is submitted. All reporting shall conform to the
25 requirements set forth in the "2001 Manual for Uniform Financial
26 Reporting, Michigan Public Community Colleges". A community college
27 shall make the information the community college is required to

1 provide under this section available to the public on its website.

2 Sec. 223. ~~Each community college shall report the following to~~
3 ~~the workforce development agency no later than November 1 of each~~
4 ~~year.~~

5 ~~—— (a) The number of North American Indian students enrolled each~~
6 ~~term for the previous fiscal year, using guidelines and procedures~~
7 ~~developed by the workforce development agency and the department of~~
8 ~~civil rights.~~

9 ~~—— (b) The number of North American Indian tuition waivers~~
10 ~~granted each term, and the monetary value of the waivers for the~~
11 ~~previous fiscal year.~~

12 (1) BY FEBRUARY 15 OF EACH YEAR, THE DEPARTMENT OF CIVIL
13 RIGHTS SHALL ANNUALLY SUBMIT TO THE STATE BUDGET DIRECTOR, THE
14 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY
15 COLLEGES, AND THE HOUSE AND SENATE FISCAL AGENCIES A REPORT ON
16 NORTH AMERICAN INDIAN TUITION WAIVERS FOR THE PRECEDING FISCAL YEAR
17 THAT INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING
18 INFORMATION:

19 (A) THE NUMBER OF WAIVER APPLICATIONS RECEIVED AND THE NUMBER
20 OF WAIVER APPLICATIONS APPROVED.

21 (B) FOR EACH COMMUNITY COLLEGE SUBMITTING INFORMATION UNDER
22 SUBSECTION (2), ALL OF THE FOLLOWING:

23 (i) THE NUMBER OF NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH
24 TERM FOR THE PREVIOUS FISCAL YEAR.

25 (ii) THE NUMBER OF NORTH AMERICAN INDIAN WAIVERS GRANTED EACH
26 TERM AND THE MONETARY VALUE OF THE WAIVERS FOR THE PREVIOUS FISCAL
27 YEAR.

(iii) THE NUMBER OF STUDENTS ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER WHO WITHDREW FROM THE COLLEGE DURING THE PREVIOUS FISCAL YEAR.

(iv) THE NUMBER OF STUDENTS ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER WHO SUCCESSFULLY COMPLETE A DEGREE OR CERTIFICATE PROGRAM, SEPARATED BY DEGREE OR CERTIFICATE LEVEL, AND THE GRADUATION RATE FOR STUDENTS ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER WHO COMPLETE A DEGREE WITHIN 150% OF THE NORMAL TIME TO COMPLETE, SEPARATED BY THE LEVEL OF THE DEGREE.

(2) A COMMUNITY COLLEGE THAT RECEIVES FUNDS UNDER SECTION 201 SHALL PROVIDE TO THE DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION NECESSARY FOR PREPARING THE REPORT DESCRIBED IN SUBSECTION (1), USING GUIDELINES AND PROCEDURES DEVELOPED BY THE DEPARTMENT OF CIVIL RIGHTS.

(3) THE DEPARTMENT OF CIVIL RIGHTS MAY CONSOLIDATE THE REPORT REQUIRED UNDER THIS SECTION WITH THE REPORT REQUIRED UNDER SECTION 268, BUT A CONSOLIDATED REPORT MUST SEPARATELY IDENTIFY DATA FOR UNIVERSITIES AND DATA FOR COMMUNITY COLLEGES.

Sec. 224. A community college shall use the P-20 longitudinal data system to inform interested Michigan high schools and the public of the aggregate academic status of its students for the previous academic year, in a manner prescribed by the Michigan ~~community college association~~ **COMMUNITY COLLEGE ASSOCIATION** and in cooperation with the Michigan ~~association of secondary school principals~~ **ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS**. Community colleges shall cooperate with the center ~~for educational performance and information~~ to maintain a systematic approach for

1 accomplishing this work.

2 Sec. 225. Each community college shall report to the house and
3 senate fiscal agencies, the state budget director, and the
4 ~~workforce development agency-CENTER~~ by August 31, ~~2015,~~2016, the
5 tuition and mandatory fees paid by a full-time in-district student
6 and a full-time out-of-district student as established by the
7 college governing board for the ~~2015-2016~~2016-2017 academic year.
8 This report should also include the annual cost of attendance based
9 on a full-time course load of 30 credits. Each community college
10 shall also report any revisions to the reported ~~2015-2016~~2016-2017
11 academic year tuition and mandatory fees adopted by the college
12 governing board to the house and senate fiscal agencies, the state
13 budget director, and the ~~workforce development agency-CENTER~~ within
14 15 days of being adopted.

15 Sec. 226. Each community college shall report to the ~~workforce~~
16 ~~development agency-CENTER~~ the numbers and type of associate degrees
17 and other certificates awarded during the previous fiscal year. The
18 report shall be made not later than November 15 of each year.
19 Community colleges shall work with the ~~workforce development agency~~
20 ~~and the center for educational performance and information to~~
21 develop a systematic approach for meeting this requirement.

22 Sec. 229a. Included in the fiscal year ~~2015-2016~~2016-2017
23 appropriations for the department of technology, management, and
24 budget are appropriations totaling ~~\$29,479,600.00~~\$30,879,600.00 to
25 provide funding for the state share of costs for previously
26 constructed capital projects for community colleges. Those
27 appropriations for state building authority rent represent

1 additional state general fund support for community colleges, and
2 the following is an estimate of the amount of that support to each
3 community college:

- 4 (a) Alpena Community College, ~~\$652,700.00~~ **\$632,500.00.**
- 5 (b) Bay de Noc Community College, ~~\$685,900.00~~ **\$685,100.00.**
- 6 (c) Delta College, ~~\$3,510,900.00~~ **\$3,360,600.00.**
- 7 (d) Glen Oaks Community College, ~~\$123,100.00~~ **\$124,500.00.**
- 8 (e) Gogebic Community College, ~~\$67,600.00~~ **\$56,700.00.**
- 9 (f) Grand Rapids Community College,
10 ~~\$2,126,000.00~~ **\$2,083,500.00.**
- 11 (g) Henry Ford College, ~~\$1,028,500.00~~ **\$1,040,300.00.**
- 12 (h) Jackson College, ~~\$1,677,800.00~~ **\$2,273,800.00.**
- 13 (i) Kalamazoo Valley Community College,
14 ~~\$1,557,700.00~~ **\$2,030,900.00.**
- 15 (j) Kellogg Community College, ~~\$520,200.00~~ **\$526,200.00.**
- 16 (k) Kirtland Community College, ~~\$363,200.00~~ **\$367,300.00.**
- 17 (l) Lake Michigan College, ~~\$340,200.00~~ **\$344,100.00.**
- 18 (m) Lansing Community College, ~~\$1,282,200.00~~ **\$1,154,600.00.**
- 19 (n) Macomb Community College, ~~\$1,377,400.00~~ **\$1,715,700.00.**
- 20 (o) Mid Michigan Community College,
21 ~~\$1,712,600.00~~ **\$1,634,300.00.**
- 22 (p) Monroe County Community College,
23 ~~\$1,263,600.00~~ **\$1,278,100.00.**
- 24 (q) Montcalm Community College, ~~\$971,500.00~~ **\$982,600.00.**
- 25 (r) C.S. Mott Community College, ~~\$1,803,900.00~~ **\$1,497,600.00.**
- 26 (s) Muskegon Community College, ~~\$267,800.00~~ **\$623,500.00.**
- 27 (t) North Central Michigan College, ~~\$469,400.00~~ **\$417,900.00.**

(u) Northwestern Michigan College,
~~\$1,305,600.00.~~ **\$1,320,600.00.**

(v) Oakland Community College, ~~\$465,200.00.~~ **\$470,500.00.**

~~(w) St. Clair County Community College, \$356,200.00.~~

(W) ~~(x)~~ Schoolcraft College, ~~\$1,546,700.00.~~ **\$1,564,400.00.**

(X) ~~(y)~~ Southwestern Michigan College,
~~\$286,900.00.~~ **\$574,800.00.**

(Y) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$360,200.00.

(z) Washtenaw Community College, ~~\$1,676,800.00.~~ **\$1,696,000.00.**

(aa) Wayne County Community College,
~~\$1,462,700.00.~~ **\$1,479,400.00.**

(bb) West Shore Community College, ~~\$577,300.00.~~ **\$583,900.00.**

Sec. 230. (1) Money included in the appropriations for
community college operations under section 201(2) in fiscal year
~~2015-2016-2016-2017~~ for performance funding is distributed based on
the following formula:

(a) Allocated proportionate to fiscal year ~~2014-2015-2015-2016~~
base appropriations, ~~50%-30%~~.

(b) Based on ~~contact hour equated students, 10%.~~ **A WEIGHTED
STUDENT CONTACT HOUR FORMULA AS PROVIDED FOR IN THE 2016
RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK FORCE, 30%.**

(c) Based on ~~administrative costs, 7.5%.~~ **THE PERFORMANCE
IMPROVEMENT AS PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE
PERFORMANCE INDICATORS TASK FORCE, 10%.**

(d) Based on ~~a weighted degree formula as provided for in the
2006 recommendations of the performance indicators task force,
17.5%.~~ **THE PERFORMANCE COMPLETION NUMBER AS PROVIDED FOR IN THE 2016**

1 **RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK FORCE, 10%.**

2 (e) ~~Based on the local strategic value component, as developed~~
3 ~~in cooperation with the Michigan Community College Association and~~
4 ~~described in subsection (2), 15%.~~ **THE PERFORMANCE COMPLETION RATE AS**
5 **PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE PERFORMANCE**
6 **INDICATORS TASK FORCE, 10%.**

7 (F) **BASED ON ADMINISTRATIVE COSTS, 5%.**

8 (G) **BASED ON THE LOCAL STRATEGIC VALUE COMPONENT, AS DEVELOPED**
9 **IN COOPERATION WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND**
10 **DESCRIBED IN SUBSECTION (2), 5%.**

11 (2) Money included in the appropriations for community college
12 operations under section 201(2) for local strategic value shall be
13 allocated to each community college that certifies to the state
14 budget director, through a board of trustees resolution on or
15 before October 15, ~~2015,~~ **2016**, that the college has met 4 out of 5
16 best practices listed in each category described in subsection (3).
17 The resolution shall provide specifics as to how the community
18 college meets each best practice measure within each category. One-
19 third of funding available under the strategic value component
20 shall be allocated to each category described in subsection (3).
21 Amounts distributed under local strategic value shall be on a
22 proportionate basis to each college's fiscal year ~~2014-2015-2015-~~
23 **2016** operations funding. Payments to community colleges that
24 qualify for local strategic value funding shall be distributed with
25 the November installment payment described in section 206.

26 (3) For purposes of subsection (2), the following categories
27 of best practices reflect functional activities of community

1 colleges that have strategic value to the local communities and
2 regional economies:

3 (a) For Category A, economic development and business or
4 industry partnerships, the following:

5 (i) The community college has active partnerships with local
6 employers including hospitals and health care providers.

7 (ii) The community college provides customized on-site
8 training for area companies, employees, or both.

9 (iii) The community college supports entrepreneurship through
10 a small business assistance center or other training or consulting
11 activities targeted toward small businesses.

12 (iv) The community college supports technological advancement
13 through industry partnerships, incubation activities, or operation
14 of a Michigan technical education center or other advanced
15 technology center.

16 (v) The community college has active partnerships with local
17 or regional workforce and economic development agencies.

18 (b) For Category B, educational partnerships, the following:

19 (i) The community college has active partnerships with
20 regional high schools, intermediate school districts, and career-
21 tech centers to provide instruction through dual enrollment,
22 concurrent enrollment, direct credit, middle college, or academy
23 programs.

24 (ii) The community college hosts, sponsors, or participates in
25 enrichment programs for area K-12 students, such as college days,
26 summer or after-school programming, or ~~science~~**SCIENCE** Olympiad.

27 (iii) The community college provides, supports, or

1 participates in programming to promote successful transitions to
2 college for traditional age students, including grant programs such
3 as talent search, upward bound, or other activities to promote
4 college readiness in area high schools and community centers.

5 (iv) The community college provides, supports, or participates
6 in programming to promote successful transitions to college for new
7 or reentering adult students, such as adult basic education, a high
8 school equivalency test preparation program and testing, or
9 recruiting, advising, or orientation activities specific to adults.

10 As used in this subparagraph, "high school equivalency test
11 preparation program" means that term as defined in section 4.

12 (v) The community college has active partnerships with
13 regional 4-year colleges and universities to promote successful
14 transfer, such as articulation, 2+2, or reverse transfer agreements
15 or operation of a university center.

16 (c) For Category C, community services, the following:

17 (i) The community college provides continuing education
18 programming for leisure, wellness, personal enrichment, or
19 professional development.

20 (ii) The community college operates or sponsors opportunities
21 for community members to engage in activities that promote leisure,
22 wellness, cultural or personal enrichment such as community sports
23 teams, theater or musical ensembles, or artist guilds.

24 (iii) The community college operates public facilities to
25 promote cultural, educational, or personal enrichment for community
26 members, such as libraries, computer labs, performing arts centers,
27 museums, art galleries, or television or radio stations.

1 (iv) The community college operates public facilities to
2 promote leisure or wellness activities for community members,
3 including gymnasiums, athletic fields, tennis courts, fitness
4 centers, hiking or biking trails, or natural areas.

5 (v) The community college promotes, sponsors, or hosts
6 community service activities for students, staff, or community
7 members.

8 (4) Payments for performance funding under section 201(2)
9 shall be made to a community college only if that community college
10 actively participates in the Michigan ~~transfer network~~ **TRANSFER**
11 **NETWORK** sponsored by the Michigan Association of Collegiate
12 Registrars and Admissions Officers and submits timely updates,
13 including updated course equivalencies at least every 6 months, to
14 the Michigan transfer network. The state budget director shall
15 determine if a community college has not satisfied this
16 requirement. The state budget director may withhold payments for
17 performance funding until a community college is in compliance with
18 this section.

19 Sec. 236. (1) Subject to the conditions set forth in this
20 article, the amounts listed in this section are appropriated for
21 higher education for the fiscal year ending September 30, ~~2016,~~
22 **2017**, from the funds indicated in this section. The following is a
23 summary of the appropriations in this section:

24 (a) The gross appropriation is ~~\$1,534,724,400.00.~~
25 **\$1,582,640,400.00.** After deducting total interdepartmental grants
26 and intradepartmental transfers in the amount of \$0.00, the
27 adjusted gross appropriation is

1 ~~\$1,534,724,400.00~~ **\$1,582,640,400.00.**

2 (b) The sources of the adjusted gross appropriation described
3 in subdivision (a) are as follows:

4 (i) Total federal revenues, ~~\$97,026,400.00~~ **\$101,526,400.00.**

5 (ii) Total local revenues, \$0.00.

6 (iii) Total private revenues, \$0.00.

7 (iv) Total other state restricted revenues,

8 ~~\$205,279,500.00~~ **\$237,209,500.00.**

9 (v) State general fund/general purpose money,

10 ~~\$1,232,418,500.00~~ **\$1,243,904,500.00.**

11 (2) Amounts appropriated for public universities are as
12 follows:

13 (a) The appropriation for Central Michigan University is
14 ~~\$80,904,400.00, \$79,164,800.00 for operations and \$1,739,600.00 for~~
15 ~~performance funding.~~ **\$83,925,500.00, \$81,127,100.00 FOR OPERATIONS**
16 **AND \$2,798,400.00 FOR PERFORMANCE FUNDING.**

17 (b) The appropriation for Eastern Michigan University is
18 ~~\$72,835,300.00, \$71,782,500.00 for operations and \$1,052,800.00 for~~
19 ~~performance funding.~~ **\$73,593,800.00, \$71,782,500.00 FOR OPERATIONS**
20 **AND \$1,811,300.00 FOR PERFORMANCE FUNDING.**

21 (c) The appropriation for Ferris State University is
22 ~~\$50,227,800.00, \$49,119,100.00 for operations and \$1,108,700.00 for~~
23 ~~performance funding.~~ **\$52,259,900.00, \$50,369,800.00 FOR OPERATIONS**
24 **AND \$1,890,100.00 FOR PERFORMANCE FUNDING.**

25 (d) The appropriation for Grand Valley State University is
26 ~~\$65,035,200.00, \$63,156,500.00 for operations and \$1,878,700.00 for~~
27 ~~performance funding.~~ **\$68,227,900.00, \$65,275,700.00 FOR OPERATIONS**

1 AND \$2,952,200.00 FOR PERFORMANCE FUNDING.

2 (e) The appropriation for Lake Superior State University is
3 ~~\$13,183,600.00, \$12,997,500.00 for operations and \$186,100.00 for~~
4 ~~performance funding.~~ \$13,567,400.00, \$13,207,400.00 FOR OPERATIONS
5 AND \$360,000.00 FOR PERFORMANCE FUNDING.

6 (f) The appropriation for Michigan State University is
7 ~~\$328,782,000.00, \$264,437,900.00 for operations, \$3,841,000.00 for~~
8 ~~performance funding, \$32,508,300.00 for MSU AgBioResearch, and~~
9 ~~\$27,994,800.00 for MSU Extension.~~ \$337,777,800.00, \$268,770,700.00
10 FOR OPERATIONS, \$7,091,400.00 FOR PERFORMANCE FUNDING,
11 \$33,243,100.00 FOR MSU AGBIORESEARCH, AND \$28,672,600.00 FOR MSU
12 EXTENSION.

13 (g) The appropriation for Michigan Technological University is
14 ~~\$46,662,000.00, \$45,938,000.00 for operations and \$724,000.00 for~~
15 ~~performance funding.~~ \$48,097,500.00, \$46,754,700.00 FOR OPERATIONS
16 AND \$1,342,800.00 FOR PERFORMANCE FUNDING.

17 (h) The appropriation for Northern Michigan University is
18 ~~\$45,020,400.00, \$44,338,300.00 for operations and \$682,100.00 for~~
19 ~~performance funding.~~ \$46,279,200.00, \$45,107,700.00 FOR OPERATIONS
20 AND \$1,171,500.00 FOR PERFORMANCE FUNDING.

21 (i) The appropriation for Oakland University is
22 ~~\$49,600,300.00, \$48,371,900.00 for operations and \$1,228,400.00 for~~
23 ~~performance funding.~~ \$49,920,700.00, \$48,371,900.00 FOR OPERATIONS
24 AND \$1,548,800.00 FOR PERFORMANCE FUNDING.

25 (j) The appropriation for Saginaw Valley State University is
26 ~~\$28,117,700.00, \$27,621,600.00 for operations and \$496,100.00 for~~
27 ~~performance funding.~~ \$29,114,000.00, \$28,181,200.00 FOR OPERATIONS

1 **AND \$932,800.00 FOR PERFORMANCE FUNDING.**

2 (k) The appropriation for University of Michigan - Ann Arbor
3 is ~~\$299,430,600.00, \$295,178,500.00 for operations and~~
4 ~~\$4,252,100.00 for performance funding.~~**\$308,639,000.00,**
5 **\$299,975,000.00 FOR OPERATIONS AND \$8,664,000.00 FOR PERFORMANCE**
6 **FUNDING.**

7 (l) The appropriation for University of Michigan - Dearborn is
8 ~~\$23,995,400.00, \$23,701,000.00 for operations and \$294,400.00 for~~
9 ~~performance funding.~~**\$24,803,300.00, \$24,033,100.00 FOR OPERATIONS**
10 **AND \$770,200.00 FOR PERFORMANCE FUNDING.**

11 (m) The appropriation for University of Michigan - Flint is
12 ~~\$21,763,700.00, \$21,359,600.00 for operations and \$404,100.00 for~~
13 ~~performance funding.~~**\$22,549,300.00, \$21,815,400.00 FOR OPERATIONS**
14 **AND \$733,900.00 FOR PERFORMANCE FUNDING.**

15 (n) The appropriation for Wayne State University is
16 ~~\$191,346,700.00, \$190,529,900.00 for operations and \$816,800.00 for~~
17 ~~performance funding.~~**\$196,064,500.00, \$191,451,300.00 FOR OPERATIONS**
18 **AND \$4,613,200.00 FOR PERFORMANCE FUNDING.**

19 (o) The appropriation for Western Michigan University is
20 ~~\$104,155,600.00, \$102,761,100.00 for operations and \$1,394,500.00~~
21 ~~for performance funding.~~**\$107,440,900.00, \$104,334,100.00 FOR**
22 **OPERATIONS AND \$3,106,800.00 FOR PERFORMANCE FUNDING.**

23 (3) The amount appropriated in subsection (2) for public
24 universities is appropriated from the following:

25 (a) State school aid fund, ~~\$200,019,500.00.~~**\$231,219,500.00.**

26 (b) State general fund/general purpose money,
27 ~~\$1,221,041,200.00.~~**\$1,231,041,200.00.**

1 (4) The amount appropriated for Michigan public school
2 employees' retirement system reimbursement is ~~\$5,160,000.00,~~
3 **\$5,890,000.00**, appropriated from the state school aid fund.

4 (5) The amount appropriated for state and regional programs is
5 \$315,000.00, appropriated from general fund/general purpose money
6 and allocated as follows:

7 (a) Higher education database modernization and conversion,
8 \$200,000.00.

9 (b) Midwestern Higher Education Compact, \$115,000.00.

10 (6) The amount appropriated for the Martin Luther King, Jr. -
11 Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated
12 from general fund/general purpose money and allocated as follows:

13 (a) Select student support services, \$1,956,100.00.

14 (b) Michigan college/university partnership program,
15 \$586,800.00.

16 (c) Morris Hood, Jr. educator development program,
17 \$148,600.00.

18 (7) Subject to subsection (8), the amount appropriated for
19 grants and financial aid is ~~\$105,497,200.00, \$110,983,200.00,~~
20 allocated as follows:

21 (a) State competitive scholarships, \$18,361,700.00.

22 (b) Tuition grants, ~~\$34,035,500.00-\$35,021,500.00.~~

23 (c) Tuition incentive program, ~~\$48,500,000.00-\$53,000,000.00.~~

24 (d) Children of veterans and officer's survivor tuition grant
25 programs, \$1,400,000.00.

26 (e) Project GEAR-UP, \$3,200,000.00.

27 (8) The money appropriated in subsection (7) for grants and

1 financial aid is appropriated from the following:

2 (a) Federal revenues under the United States Department of
3 Education, Office of Elementary and Secondary Education, GEAR-UP
4 program, \$3,200,000.00.

5 (b) Federal revenues under the social security act, temporary
6 assistance for needy families, ~~\$93,826,400.00~~ **\$98,326,400.00**.

7 (c) Contributions to children of veterans tuition grant
8 program, \$100,000.00.

9 (d) State general fund/general purpose money,
10 ~~\$8,370,800.00~~ **\$9,356,800.00**.

11 **(9) FOR FISCAL YEAR 2016-2017 ONLY, \$500,000.00 IS**
12 **APPROPRIATED FOR THE MICHIGAN STATE UNIVERSITY DIAGNOSTIC CENTER**
13 **FOR POPULATION AND ANIMAL HEALTH, APPROPRIATED FROM STATE GENERAL**
14 **FUND/GENERAL PURPOSE MONEY.**

15 Sec. 236a. It is the intent of the legislature to provide
16 appropriations for the fiscal year ending on September 30, ~~2017~~
17 ~~2018~~ for the items listed in section 236. The fiscal year ~~2016-2017~~
18 ~~2017-2018~~ appropriations are anticipated to be the same as those
19 for fiscal year ~~2015-2016, 2016-2017~~, except that the amounts will
20 be adjusted for changes in caseload and related costs, federal fund
21 match rates, economic factors, and available revenue. These
22 adjustments will be determined after the January ~~2016-2017~~
23 consensus revenue estimating conference.

24 Sec. 236b. In addition to the funds appropriated in section
25 236, there is appropriated for grants and financial aid in fiscal
26 year ~~2015-2016-2016-2017~~ an amount not to exceed \$6,000,000.00 for
27 federal contingency funds. These funds are not available for

expenditure until they have been transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

Sec. 236c. In addition to the funds appropriated for fiscal year ~~2015-2016-2016-2017~~ in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year ~~2015-2016-2016-~~ **2017** for state building authority rent, totaling an estimated ~~\$135,995,300.00,~~ **\$144,995,300.00**, provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each university:

(a) Central Michigan University, ~~\$9,551,800.00.~~ **\$11,819,500.00.**

(b) Eastern Michigan University, ~~\$4,860,900.00.~~ **\$4,868,000.00.**

(c) Ferris State University, ~~\$6,251,200.00.~~ **\$6,260,300.00.**

(d) Grand Valley State University,

~~\$6,952,300.00.~~ **\$6,635,900.00.**

(e) Lake Superior State University,

~~\$1,720,300.00.~~ **\$1,722,800.00.**

(f) Michigan State University, ~~\$16,549,200.00.~~ **\$18,827,000.00.**

(g) Michigan Technological University,

~~\$7,443,400.00.~~ **\$6,793,200.00.**

(h) Northern Michigan University, ~~\$9,706,200.00.~~ **\$9,447,600.00.**

(i) Oakland University, ~~\$12,993,400.00.~~ **\$12,685,900.00.**

(j) Saginaw Valley State University,

1 ~~\$9,865,800.00~~-\$10,331,000.00.

2 (k) University of Michigan - Ann Arbor,

3 ~~\$9,607,800.00~~-\$11,875,600.00.

4 (l) University of Michigan - Dearborn,

5 ~~\$6,745,200.00~~-\$9,008,800.00.

6 (m) University of Michigan - Flint,

7 ~~\$3,104,000.00~~-\$4,357,600.00.

8 (n) Wayne State University, ~~\$15,703,000.00~~-\$15,399,400.00.

9 (o) Western Michigan University,

10 ~~\$14,940,800.00~~-\$14,962,700.00.

11 SEC. 236D. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS
12 ARTICLE AND IN ADDITION TO THE AMOUNTS APPROPRIATED IN SECTION 236,
13 THERE IS APPROPRIATED \$4,500,000.00 FOR HIGHER EDUCATION TO
14 INCREASE THE ALLOCATION FOR THE TUITION INCENTIVE PROGRAM FOR THE
15 FISCAL YEAR ENDING SEPTEMBER 30, 2016. THE SUMMARY OF
16 APPROPRIATIONS IN SECTION 236(1)(A) AND (B) FOR THE FISCAL YEAR
17 ENDING SEPTEMBER 30, 2016 IS ACCORDINGLY REVISED AS FOLLOWS:

18 (A) THE GROSS APPROPRIATION IS \$1,539,224,400.00. AFTER
19 DEDUCTING TOTAL INTERDEPARTMENTAL GRANTS AND INTRADEPARTMENTAL
20 TRANSFERS IN THE AMOUNT OF \$0.00, THE ADJUSTED GROSS APPROPRIATION
21 IS \$1,539,224,400.00.

22 (B) THE SOURCES OF THE ADJUSTED GROSS APPROPRIATION DESCRIBED
23 IN SUBDIVISION (A) ARE AS FOLLOWS:

24 (i) TOTAL FEDERAL REVENUES, \$101,526,400.00.

25 (ii) TOTAL LOCAL REVENUES, \$0.00.

26 (iii) TOTAL PRIVATE REVENUES, \$0.00.

27 (iv) TOTAL OTHER STATE RESTRICTED REVENUES, \$205,279,500.00.

(v) STATE GENERAL FUND/GENERAL PURPOSE MONEY,
\$1,232,418,500.00.

(2) AS A RESULT OF THE APPROPRIATION IN SUBSECTION (1), THE
AMOUNT APPROPRIATED FOR GRANTS AND FINANCIAL AID FOR THE FISCAL
YEAR ENDING SEPTEMBER 30, 2016 IN SECTION 236(7) IS INCREASED TO
\$109,997,200.00, AND THE ALLOCATION FOR THE TUITION INCENTIVE
PROGRAM IN SECTION 236(7)(C) FOR THE FISCAL YEAR ENDING SEPTEMBER
30, 2016 IS INCREASED TO \$53,000,000.00.

(3) THE MONEY APPROPRIATED FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2016 IN SECTION 236(7) FOR GRANTS AND FINANCIAL AID,
AS REVISED IN SUBSECTION (2), IS APPROPRIATED BY INCREASING THE
APPROPRIATION FROM FEDERAL REVENUES UNDER THE SOCIAL SECURITY ACT,
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, TO \$98,326,400.00.

Sec. 237b. As used in this article, the term "workforce
development agency" means the workforce development agency ~~of the~~
~~Michigan strategic fund.~~ **WITHIN THE DEPARTMENT OF TALENT AND**
ECONOMIC DEVELOPMENT--TALENT INVESTMENT AGENCY.

Sec. 241. (1) Subject to sections 244 and 265a, the funds
appropriated in section 236 to public universities shall be paid
out of the state treasury and distributed by the state treasurer to
the respective institutions in 11 equal monthly installments on the
sixteenth of each month, or the next succeeding business day,
beginning with October 16, ~~2015.~~ **2016.** Except for Wayne State
University, each institution shall accrue its July and August ~~2016~~
2017 payments to its institutional fiscal year ending June 30,
~~2016-2017.~~

(2) All public universities shall submit higher education

1 institutional data inventory (HEIDI) data and associated financial
2 and program information requested by and in a manner prescribed by
3 the state budget director. For public universities with fiscal
4 years ending June 30, ~~2015~~, **2016**, these data shall be submitted to
5 the state budget director by October 15, ~~2015~~. **2016**. Public
6 universities with a fiscal year ending September 30, ~~2015~~ **2016**
7 shall submit preliminary HEIDI data by November 15, ~~2015~~ **2016** and
8 final data by December 15, ~~2015~~. **2016**. If a public university fails
9 to submit HEIDI data and associated financial aid program
10 information in accordance with this reporting schedule, the state
11 treasurer may withhold the monthly installments under subsection
12 (1) to the public university until those data are submitted.

13 Sec. 246. (1) All of the following apply to the allocation of
14 the ~~fiscal year 2015-2016~~ appropriations described in section
15 236(4) for payments to universities that are participating entities
16 of the Michigan public school employees' retirement system:

17 (a) The funds appropriated in section 236(4) for Michigan
18 public school employees' retirement system reimbursement shall be
19 allocated to each participating public university under this
20 section based on each participating public university's percentage
21 of the total combined payrolls of the universities' employees who
22 are members of the retirement system and who were hired before
23 January 1, 1996 and the universities' employees who would have been
24 members of the retirement system on or after January 1, 1996, but
25 for the enactment of 1995 PA 272 for all public universities that
26 are participating public universities for the immediately preceding
27 state fiscal year.

1 (b) The amount of a payment under section 236(4) shall be
2 equal to the difference between the unfunded actuarial accrued
3 liability contribution rate for university reporting units as
4 calculated under section 41 of the public school employees
5 retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated
6 without taking into account the maximum employer rate of 25.73%
7 included in section 41 of the public school employees retirement
8 act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer
9 rate for university reporting units of 25.73% under section 41 of
10 the public school employees retirement act of 1979, 1980 PA 300,
11 MCL 38.1341. Payments shall be made in a form and manner determined
12 by the office of retirement services.

13 (c) A public university that receives money under section
14 236(4) shall use that money solely for the purpose of retirement
15 contributions. Each participating university that receives funds
16 under section 236(4) shall forward an amount equal to the amount
17 received under section 236(4) to the Michigan public school
18 employees' retirement system in a form and manner determined by the
19 office of retirement services.

20 (2) As used in this section, "participating public university"
21 means a public university that is a reporting unit of the Michigan
22 public school employees' retirement system under the public school
23 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
24 38.1437, and that pays contributions to the Michigan public school
25 employees' retirement system for the state fiscal year.

26 Sec. 251. (1) Payments of the amounts included in section 236
27 for the state competitive scholarship program shall be distributed

1 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

2 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the
3 department of treasury shall determine an actual maximum state
4 competitive scholarship award per student, which shall be not less
5 than \$575.00, that ensures that the aggregate payments for the
6 state competitive scholarship program do not exceed the
7 appropriation contained in section 236 for the state competitive
8 scholarship program. If the department determines that insufficient
9 funds are available to establish a maximum award amount equal to at
10 least \$575.00, the department shall immediately report to the house
11 and senate appropriations subcommittees on higher education, the
12 house and senate fiscal agencies, and the state budget director
13 regarding the estimated amount of additional funds necessary to
14 establish a \$575.00 maximum award amount.

15 (3) The department of treasury shall implement a proportional
16 competitive scholarship maximum award level for recipients enrolled
17 less than full-time in a given semester or term.

18 (4) If a student who receives an award under this section has
19 his or her tuition and fees paid under the Michigan educational
20 trust program, pursuant to the Michigan education trust act, 1986
21 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
22 funds awarded under this section may be used for educational
23 expenses other than tuition and fees.

24 (5) If the department of treasury increases the maximum award
25 per eligible student from that provided in the previous fiscal
26 year, it shall not have the effect of reducing the number of
27 eligible students receiving awards in relation to the total number

1 of eligible applicants. Any increase in the maximum grant shall be
2 proportional for all eligible students receiving awards.

3 (6) Veterans ~~administration~~**ADMINISTRATION** benefits shall not
4 be considered in determining eligibility for the award of
5 scholarships under 1964 PA 208, MCL 390.971 to 390.981.

6 Sec. 252. (1) The amounts appropriated in section 236 for the
7 state tuition grant program shall be distributed pursuant to 1966
8 PA 313, MCL 390.991 to 390.997a.

9 (2) Tuition grant awards shall be made to all eligible
10 Michigan residents enrolled in undergraduate degree programs who
11 are qualified and who apply before July 1 of each year for the next
12 academic year.

13 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
14 subject to subsections (7) and (8), the department of treasury
15 shall determine an actual maximum tuition grant award per student,
16 which shall be no less than \$1,512.00, that ensures that the
17 aggregate payments for the tuition grant program do not exceed the
18 appropriation contained in section 236 for the state tuition grant
19 program. If the department determines that insufficient funds are
20 available to establish a maximum award amount equal to at least
21 \$1,512.00, the department shall immediately report to the house and
22 senate appropriations subcommittees on higher education, the house
23 and senate fiscal agencies, and the state budget director regarding
24 the estimated amount of additional funds necessary to establish a
25 \$1,512.00 maximum award amount. If the department determines that
26 sufficient funds are available to establish a maximum award amount
27 equal to at least \$1,512.00, the department shall immediately

1 report to the house and senate appropriations subcommittees on
2 higher education, the house and senate fiscal agencies, and the
3 state budget director regarding the maximum award amount
4 established and the projected amount of any projected year-end
5 appropriation balance based on that maximum award amount. By
6 February 18 of each fiscal year, the department shall analyze the
7 status of award commitments, shall make any necessary adjustments,
8 and shall confirm that those award commitments will not exceed the
9 appropriation contained in section 236 for the tuition grant
10 program. The determination and actions shall be reported to the
11 state budget director and the house and senate fiscal agencies no
12 later than the final day of February of each year. If award
13 adjustments are necessary, the students shall be notified of the
14 adjustment by March 4 of each year.

15 (4) Any unexpended and unencumbered funds remaining on
16 September 30, ~~2016-2017~~ from the amounts appropriated in section
17 236 for the tuition grant program for fiscal year ~~2015-2016-2016-~~
18 ~~2017~~ shall not lapse on September 30, ~~2016,~~~~2017,~~ but shall
19 continue to be available for expenditure for tuition grants
20 provided in the ~~2016-2017-2017-2018~~ fiscal year under a work
21 project account. The use of these unexpended fiscal year ~~2015-2016~~
22 ~~2016-2017~~ funds shall terminate at the end of the ~~2016-2017-2017-~~
23 ~~2018~~ fiscal year.

24 (5) The department of treasury shall continue a proportional
25 tuition grant maximum award level for recipients enrolled less than
26 full-time in a given semester or term.

27 (6) If the department of treasury increases the maximum award

1 per eligible student from that provided in the previous fiscal
2 year, it shall not have the effect of reducing the number of
3 eligible students receiving awards in relation to the total number
4 of eligible applicants. Any increase in the maximum grant shall be
5 proportional for all eligible students receiving awards for that
6 fiscal year.

7 (7) Except as provided in subsection (4), the department of
8 treasury shall not award more than \$3,200,000.00 in tuition grants
9 to eligible students enrolled in the same independent nonprofit
10 college or university in this state. Any decrease in the maximum
11 grant shall be proportional for all eligible students enrolled in
12 that college or university, as determined by the department.

13 (8) The department of treasury shall not award tuition grants
14 to otherwise eligible students enrolled in an independent college
15 or university that does not report, in a form and manner directed
16 by and satisfactory to the department of treasury, by September 30
17 of each year, all of the following:

18 (a) The number of students in the most recently completed
19 academic year who in any academic year received a state tuition
20 grant at the reporting institution and successfully completed a
21 program or graduated.

22 (b) The number of students in the most recently completed
23 academic year who in any academic year received a state tuition
24 grant at the reporting institution and took a remedial education
25 class.

26 (c) The number of students in the most recently completed
27 academic year who in any academic year received a Pell grant at the

1 reporting institution and successfully completed a program or
2 graduated.

3 (9) By February 1, ~~2016~~, **2017**, each independent college and
4 university participating in the tuition grant program shall report
5 to the senate and house appropriations subcommittees on higher
6 education, the senate and house fiscal agencies, and the state
7 budget director on its efforts to develop and implement sexual
8 assault response training for the institution's title IX
9 coordinator, campus law enforcement personnel, campus public safety
10 personnel, and any other campus personnel charged with responding
11 to on-campus incidents, including information on sexual assault
12 response training materials and the status of implementing sexual
13 assault response training for institutional personnel.

14 Sec. 254. The sums appropriated in section 236 for the state
15 competitive scholarship, tuition incentive, and tuition grant
16 programs shall be paid out of the state treasury and shall be
17 distributed to the respective institutions under a quarterly
18 payment system as follows:

19 **(A) FOR THE STATE COMPETITIVE SCHOLARSHIP AND TUITION GRANT**
20 **PROGRAMS**, 50% shall be paid at the beginning of the state's first
21 fiscal quarter, 30% during the state's second fiscal quarter, 10%
22 during the state's third fiscal quarter, and 10% during the state's
23 fourth fiscal quarter.

24 **(B) FOR THE TUITION INCENTIVE PROGRAM, 55% SHALL BE PAID AT**
25 **THE BEGINNING OF THE STATE'S FIRST FISCAL QUARTER, 40% DURING THE**
26 **STATE'S SECOND FISCAL QUARTER, AND 5% DURING THE STATE'S THIRD**
27 **FISCAL QUARTER.**

1 Sec. 256. (1) The funds appropriated in section 236 for the
2 tuition incentive program shall be distributed as provided in this
3 section and pursuant to the administrative procedures for the
4 tuition incentive program of the department of treasury.

5 (2) As used in this section:

6 (a) "Phase I" means the first part of the tuition incentive
7 assistance program defined as the academic period of 80 semester or
8 120 term credits, or less, leading to an associate degree or
9 certificate.

10 (b) "Phase II" means the second part of the tuition incentive
11 assistance program which provides assistance in the third and
12 fourth year of 4-year degree programs.

13 (c) "Department" means the department of treasury.

14 (d) "High school equivalency certificate" means that term as
15 defined in section 4.

16 (3) An individual shall meet the following basic criteria and
17 financial thresholds to be eligible for tuition incentive **PROGRAM**
18 benefits:

19 (a) To be eligible for phase I, an individual shall meet all
20 of the following criteria:

21 (i) Apply for certification to the department any time after
22 he or she begins the sixth grade but before August 31 of the school
23 year in which he or she graduates from high school or before
24 achieving a high school equivalency certificate.

25 (ii) Be less than 20 years of age at the time he or she
26 graduates from high school with a diploma or certificate of
27 completion or achieves a high school equivalency certificate.

1 (iii) Be a United States citizen and a resident of Michigan
2 according to institutional criteria.

3 (iv) Be at least a half-time student, earning less than 80
4 semester or 120 term credits at a participating educational
5 institution within 4 years of high school graduation or achievement
6 of a high school equivalency certificate.

7 (v) Request information on filing a FAFSA.

8 (vi) ~~Must meet~~ **MEET** the satisfactory academic progress policy
9 of the educational institution he or she attends.

10 (b) To be eligible for phase II, an individual shall meet
11 either of the following criteria in addition to the criteria in
12 subdivision (a):

13 (i) Complete at least 56 transferable semester or 84
14 transferable term credits.

15 (ii) Obtain an associate degree or certificate at a
16 participating institution.

17 (c) To be eligible for phase I or phase II, an individual must
18 not be incarcerated and must be financially eligible as determined
19 by the department. An individual is financially eligible for the
20 tuition incentive program if he or she was eligible for Medicaid
21 from the state of Michigan for 24 months within the 36 **CONSECUTIVE**
22 months before application. The department shall accept
23 certification of Medicaid eligibility only from the department of
24 health and human services for the purposes of verifying if a person
25 is Medicaid eligible for 24 months within the 36 **CONSECUTIVE** months
26 before application. Certification of eligibility may begin in the
27 sixth grade. As used in this subdivision, "incarcerated" does not

1 include detention of a juvenile in a state-operated or privately
2 operated juvenile detention facility.

3 (4) BEGINNING IN FISCAL YEAR 2017-2018, THE DEPARTMENT SHALL
4 NOT AWARD MORE THAN \$8,500,000.00 ANNUALLY IN TUITION INCENTIVE
5 PROGRAM FUNDS TO ELIGIBLE STUDENTS ENROLLED IN THE SAME COLLEGE OR
6 UNIVERSITY IN THIS STATE.

7 (5) ~~(4)~~—For phase I, the department shall provide payment on
8 behalf of a person eligible under subsection (3). The department
9 shall reject billings that are excessive or outside the guidelines
10 for the type of educational institution.

11 (6) ~~(5)~~—For phase I, all of the following apply:

12 (a) Payments for associate degree or certificate programs
13 shall not be made for more than 80 semester or 120 term credits for
14 any individual student at any participating institution.

15 (b) For persons enrolled at a Michigan community college, the
16 department shall pay the current in-district tuition and mandatory
17 fees. For persons residing in an area that is not included in any
18 community college district, the out-of-district tuition rate may be
19 authorized.

20 (c) For persons enrolled at a Michigan public university, the
21 department shall pay lower division resident tuition and mandatory
22 fees for the current year.

23 (d) For persons enrolled at a Michigan independent, nonprofit
24 degree-granting college or university, or a Michigan federal
25 tribally controlled community college, or Focus: HOPE, the
26 department shall pay mandatory fees for the current year and a per-
27 credit payment that does not exceed the average community college

1 in-district per-credit tuition rate as reported on August 1, for
2 the immediately preceding academic year.

3 (7) ~~(6)~~—A person participating in phase II may be eligible for
4 additional funds not to exceed \$500.00 per semester or \$400.00 per
5 term up to a maximum of \$2,000.00 subject to the following
6 conditions:

7 (a) Credits are earned in a 4-year program at a Michigan
8 degree-granting 4-year college or university.

9 (b) The tuition reimbursement is for coursework completed
10 within 30 months of completion of the phase I requirements.

11 (8) ~~(7)~~—The department shall work closely with participating
12 institutions to develop an application and eligibility
13 determination process that will provide the highest level of
14 participation and ensure that all requirements of the program are
15 met.

16 (9) ~~(8)~~—Applications for the tuition incentive program may be
17 approved at any time after the student begins the sixth grade. If a
18 determination of financial eligibility is made, that determination
19 is valid as long as the student meets all other program
20 requirements and conditions.

21 (10) ~~(9)~~—Each institution shall ensure that all known
22 available restricted grants for tuition and fees are used prior to
23 billing the tuition incentive program for any portion of a
24 student's tuition and fees.

25 (11) ~~(10)~~—The department shall ensure that the tuition
26 incentive program is well publicized and that eligible Medicaid
27 clients are provided information on the program. The department

1 shall provide the necessary funding and staff to fully operate the
2 program.

3 Sec. 263. (1) Included in the appropriation in section 236 for
4 fiscal year ~~2015-2016~~**2016-2017** for MSU AgBioResearch is
5 \$2,982,900.00 and included in the appropriation in section 236 for
6 MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN
7 is intended to address critical regulatory, food safety, economic,
8 and environmental problems faced by this state's plant-based
9 agriculture, forestry, and processing industries. "GREEN" is an
10 acronym for Generating Research and Extension to Meet Environmental
11 and Economic Needs.

12 (2) The department of agriculture and rural development and
13 Michigan State University, in consultation with agricultural
14 commodity groups and other interested parties, shall develop
15 Project GREEN and its program priorities.

16 Sec. 263a. (1) Not later than September 30 of each year,
17 Michigan State University shall submit a report on MSU
18 AgBioResearch and MSU Extension to the house and senate
19 appropriations subcommittees on agriculture and on higher
20 education, the house and senate standing committees on agriculture,
21 the house and senate fiscal agencies, and the state budget director
22 for the preceding academic fiscal year.

23 (2) The report required under subsection (1) shall include all
24 of the following:

25 (a) Total funds expended by MSU AgBioResearch and by MSU
26 Extension identified by state, local, private, federal, and
27 university fund sources.

1 (b) The metric goals that were used to evaluate the impacts of
2 programs operated by MSU Extension and MSU AgBioResearch. ~~It is the~~
3 ~~intent of the legislature that the~~ **THE** following metric goals will
4 be used to evaluate the impacts of those programs:

5 (i) Increasing the number of agriculture and food-related
6 firms collaborating with and using services of research and
7 extension faculty and staff by 3% per year.

8 (ii) Increasing the number of individuals utilizing MSU
9 Extension's educational services by 5% per year.

10 (iii) Increasing external funds generated in support of
11 research and extension, beyond state appropriations, by 10% over
12 the amounts generated in the past 3 state fiscal years.

13 (iv) Increasing the sector's total economic impact to at least
14 \$100,000,000,000.00.

15 (v) Increasing Michigan's agricultural exports to at least
16 \$3,500,000,000.00.

17 (vi) Increasing jobs in the food and agriculture sector by
18 10%.

19 (vii) Improving access by Michigan consumers to healthy foods
20 by 20%.

21 (c) A review of major programs within both MSU AgBioResearch
22 and MSU Extension with specific reference to accomplishments,
23 impacts, and the metrics described in subdivision (b), including a
24 specific accounting of Project GREEN expenditures and the impact
25 of those expenditures.

26 Sec. 264. Included in the appropriation in section 236 for
27 fiscal year ~~2015-2016~~ **2016-2017** for Michigan State University is

1 \$80,000.00 for the Michigan Future Farmers of America Association.
2 This \$80,000.00 allocation shall not supplant any existing support
3 that Michigan State University provides to the Michigan Future
4 Farmers of America Association.

5 Sec. 265. (1) Payments under section 265a for performance
6 funding shall only be made to a public university that certifies to
7 the state budget director by August 31, ~~2015-2016~~ that its board
8 did not adopt an increase in tuition and fee rates for resident
9 undergraduate students after September 1, ~~2014-2015~~ for the ~~2014-~~
10 ~~2015-2015-2016~~ academic year and that its board will not adopt an
11 increase in tuition and fee rates for resident undergraduate
12 students for the ~~2015-2016-2016-2017~~ academic year that is greater
13 than ~~3.2%-4.2%~~. As used in this subsection:

14 (a) "Fee" means any board-authorized fee that will be paid by
15 more than 1/2 of all resident undergraduate students at least once
16 during their enrollment at a public university, **AS DESCRIBED IN THE**
17 **HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) USER MANUAL.**
18 A university increasing a fee that applies to a specific subset of
19 students or courses shall provide sufficient information to prove
20 that the increase applied to that subset will not cause the
21 increase in the average amount of board-authorized total tuition
22 and fees paid by resident undergraduate students in the ~~2015-2016~~
23 ~~2016-2017~~ academic year to exceed the limit established in this
24 subsection.

25 (b) "Tuition and fee rate" means the average of full-time
26 rates ~~for all~~ **PAID BY A MAJORITY OF STUDENTS IN EACH** undergraduate
27 ~~classes,~~ **CLASS**, based on an **UNWEIGHTED** average of the rates

1 authorized by the university board and actually charged to
2 students, deducting any uniformly rebated or refunded amounts, for
3 the 2 semesters with the highest levels of full-time equated
4 resident undergraduate enrollment during the academic year, **AS**
5 **DESCRIBED IN THE HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY**
6 **(HEIDI) USER MANUAL.**

7 (c) For purposes of subdivision (a), for a public university
8 that compels resident undergraduate students to be covered by
9 health insurance as a condition to enroll at the university, "fee"
10 includes the annual amount a student is charged for coverage by the
11 university-affiliated group health insurance policy if he or she
12 does not provide proof that he or she is otherwise covered by
13 health insurance. This subdivision does not apply to limited
14 subsets of resident undergraduate students to be covered by health
15 insurance for specific reasons other than general enrollment at the
16 university.

17 (2) The state budget director shall implement uniform
18 reporting requirements to ensure that a public university receiving
19 a payment under section 265a for performance funding has satisfied
20 the tuition restraint requirements of this section. The state
21 budget director shall have the sole authority to determine if a
22 public university has met the requirements of this section.
23 Information reported by a public university to the state budget
24 director under this subsection shall also be reported to the house
25 and senate appropriations subcommittees on higher education and the
26 house and senate fiscal agencies.

27 **(3) UNIVERSITIES THAT EXCEED THE TUITION AND FEE RATE CAP**

1 DESCRIBED IN SUBSECTION (1) SHALL NOT RECEIVE A PLANNING OR
2 CONSTRUCTION AUTHORIZATION FOR A STATE-FUNDED CAPITAL OUTLAY
3 PROJECT IN FISCAL YEAR 2017-2018 OR FISCAL YEAR 2018-2019.

4 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE
5 LEGISLATURE MAY AT ANY TIME ADJUST APPROPRIATIONS FOR A UNIVERSITY
6 THAT ADOPTS AN INCREASE IN TUITION AND FEE RATES FOR RESIDENT
7 UNDERGRADUATE STUDENTS THAT EXCEEDS THE RATE CAP ESTABLISHED IN
8 SUBSECTION (1).

9 Sec. 265a. (1) Appropriations to public universities in
10 section 236 for fiscal year ~~2015-2016~~ **2016-2017** for performance
11 funding shall be paid only to a public university that complies
12 with section 265 and certifies to the state budget director, the
13 house and senate appropriations subcommittees on higher education,
14 and the house and senate fiscal agencies by August 31, ~~2015-2016~~
15 that it complies with all of the following requirements:

16 (a) The university participates in reverse transfer agreements
17 described in section 286 with at least 3 Michigan community
18 colleges. ~~or has made a good faith effort to enter into reverse~~
19 ~~transfer agreements.~~

20 (b) The university does not and will not consider whether dual
21 enrollment credits earned by an incoming student were utilized
22 towards his or her high school graduation requirements when making
23 a determination as to whether those credits may be used by the
24 student toward completion of a university degree or certificate
25 program.

26 (c) The university **ACTIVELY** participates in **AND SUBMITS TIMELY**
27 **UPDATES TO** the Michigan Transfer Network created as part of the

1 Michigan Association of Collegiate Registrars and Admissions
2 Officers transfer agreement.

3 (2) Any performance funding amounts under section 236 that are
4 not paid to a public university because it did not comply with 1 or
5 more requirements under subsection (1) are unappropriated and
6 reappropriated for performance funding to those public universities
7 that meet the requirements under subsection (1), distributed in
8 proportion to their performance funding appropriation amounts under
9 section 236.

10 (3) The state budget director shall report to the house and
11 senate appropriations subcommittees on higher education and the
12 house and senate fiscal agencies by September 30, ~~2015~~, **2016**,
13 regarding any performance funding amounts that are not paid to a
14 public university because it did not comply with 1 or more
15 requirements under subsection (1) and any reappropriation of funds
16 under subsection (2).

17 (4) Performance funding amounts described in section 236 are
18 distributed based on the following formula:

19 **(A) PROPORTIONAL TO EACH UNIVERSITY'S SHARE OF TOTAL**
20 **OPERATIONS FUNDING APPROPRIATED IN FISCAL YEAR 2010-2011, 50%.**

21 **(B)** ~~(a)~~—Based on weighted undergraduate completions in
22 critical skills areas, ~~22.2%~~ **11.1%**.

23 **(C)** ~~(b)~~—Based on research and development expenditures, for
24 universities classified in Carnegie classifications as
25 doctoral/research universities, research universities (high
26 research activity), or research universities (very high research
27 activity) only, ~~11.1%~~ **5.6%**.

1 (D) ~~(e)~~Based on 6-year graduation rate, total degree
 2 completions, and institutional support as a percentage of core
 3 expenditures, and the percentage of students receiving Pell grants,
 4 scored against national Carnegie classification peers and weighted
 5 by total undergraduate fiscal year equated students, ~~66.7%~~**33.3%**.

6 (5) For purposes of determining the score of a university
 7 under subsection ~~(4)(e)~~, **(4)(D)**, each university is assigned 1 of
 8 the following scores:

9 (a) A university classified as in the top 20%, a score of 3.

10 (b) A university classified as above national median, a score
 11 of 2.

12 (c) A university classified as improving, a score of 2. It is
 13 the intent of the legislature that, beginning in the ~~2016-2017~~
 14 **2017-2018** state fiscal year, a university classified as improving
 15 is assigned a score of 1.

16 (d) A university that is not included in subdivision (a), (b),
 17 or (c), a score of 0.

18 (6) ~~For purposes of~~ **AS USED IN** this section, "Carnegie
 19 classification" ~~shall mean~~ **MEANS** the basic classification of the
 20 university according to the most recent version **PRIOR TO FEBRUARY**
 21 **1, 2016** of the Carnegie classification of institutions of higher
 22 education, published by the Carnegie Foundation for the Advancement
 23 of Teaching.

24 Sec. 267. All public universities shall submit the amount of
 25 tuition and fees actually charged to a full-time resident
 26 undergraduate student for academic year ~~2015-2016~~ **2016-2017** as part
 27 of their higher education institutional data inventory (HEIDI) data

by August 31 of each year. A public university shall report any revisions for any semester of the reported academic year ~~2015-2016~~ **2016-2017** tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 268. (1) For the fiscal year ending September 30, ~~2016,~~ **2017**, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund.

(2) By February 15 of each year, the department of civil rights shall annually submit to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies a report on North American Indian tuition waivers for the preceding fiscal year that includes, but is not limited to, all of the following information: ~~for each postsecondary institution.~~

(a) The ~~total~~-number of waiver applications **RECEIVED AND THE NUMBER OF WAIVER APPLICATIONS APPROVED.**

(B) **FOR EACH UNIVERSITY SUBMITTING INFORMATION UNDER SUBSECTION (3), ALL OF THE FOLLOWING:**

(i) **THE NUMBER OF GRADUATE AND UNDERGRADUATE NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH TERM FOR THE PREVIOUS FISCAL YEAR.**

(ii) ~~(b)-The total-number of~~ **NORTH AMERICAN INDIAN** waivers granted **EACH TERM** and the monetary value of ~~each waiver.~~**THE WAIVERS FOR THE PREVIOUS FISCAL YEAR.**

(iii) ~~(c)-The number of~~ **GRADUATE AND UNDERGRADUATE** students **ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER** who ~~withdraw~~

1 WITHDREW from ~~classes~~.THE UNIVERSITY DURING THE PREVIOUS FISCAL
2 YEAR.

3 (iv) ~~(d)~~The number of GRADUATE AND UNDERGRADUATE students
4 ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER who
5 successfully complete a degree or certificate program, SEPARATED BY
6 DEGREE OR CERTIFICATE LEVEL, and the ~~6-year~~graduation rate FOR
7 GRADUATE AND UNDERGRADUATE STUDENTS ATTENDING UNDER A NORTH
8 AMERICAN INDIAN TUITION WAIVER WHO COMPLETE A DEGREE WITHIN 150% OF
9 THE NORMAL TIME TO COMPLETE, SEPARATED BY THE LEVEL OF THE DEGREE.

10 (3) A public university that receives funds under section 236
11 shall provide to the department of civil rights any information
12 necessary for preparing the report detailed in subsection (2),
13 USING GUIDELINES AND PROCEDURES DEVELOPED BY THE DEPARTMENT OF
14 CIVIL RIGHTS.

15 (4) THE DEPARTMENT OF CIVIL RIGHTS MAY CONSOLIDATE THE REPORT
16 REQUIRED UNDER THIS SECTION WITH THE REPORT REQUIRED UNDER SECTION
17 223, BUT A CONSOLIDATED REPORT MUST SEPARATELY IDENTIFY DATA FOR
18 UNIVERSITIES AND DATA FOR COMMUNITY COLLEGES.

19 Sec. 269. For fiscal year ~~2015-2016~~,2016-2017, from the
20 amount appropriated in section 236 to Central Michigan University
21 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
22 College for the costs of waiving tuition for North American Indians
23 under 1976 PA 174, MCL 390.1251 to 390.1253.

24 Sec. 270. For fiscal year ~~2015-2016~~,2016-2017, from the
25 amount appropriated in section 236 to Lake Superior State
26 University for operations, \$100,000.00 shall be paid to Bay Mills
27 Community College for the costs of waiving tuition for North

1 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

2 Sec. 274. It is the intent of the legislature that public and
3 private organizations that conduct human embryonic stem cell
4 derivation subject to section 27 of article I of the state
5 constitution of 1963 will provide information to the director of
6 the department of health and human services by December 1, ~~2015~~
7 **2016** that includes all of the following:

8 (a) Documentation that the organization conducting human
9 embryonic stem cell derivation is conducting its activities in
10 compliance with the requirements of section 27 of article I of the
11 state constitution of 1963 and all relevant National Institutes of
12 Health guidelines pertaining to embryonic stem cell derivation.

13 (b) A list of all human embryonic stem cell lines submitted by
14 the organization to the National Institutes of Health for inclusion
15 in the Human Embryonic Stem Cell Registry before and during fiscal
16 year ~~2014-2015,~~**2015-2016**, and the status of each submission as
17 approved, pending approval, or review completed but not yet
18 accepted.

19 (c) Number of human embryonic stem cell lines derived and not
20 submitted for inclusion in the Human Embryonic Stem Cell Registry,
21 before and during fiscal year ~~2014-2015.~~**2015-2016.**

22 Sec. 274c. By February 1, ~~2016,~~**2017**, each university
23 receiving funds under section 236 shall report to the senate and
24 house appropriations subcommittees on higher education, the senate
25 and house fiscal agencies, and the state budget director on its
26 efforts to develop and implement sexual assault response training
27 for the university's title IX coordinator, campus law enforcement

1 personnel, campus public safety personnel, and any other campus
 2 personnel charged with responding to on-campus incidents, including
 3 information on sexual assault response training materials and the
 4 status of implementing sexual assault response training for campus
 5 personnel.

6 Sec. 275. (1) It is the intent of the legislature that each
 7 public university that receives an appropriation in section 236 do
 8 all of the following:

9 (a) Meet the provisions of section 5003 of the post-911
 10 veterans educational assistance act of 2008, 38 USC 3301 to ~~3324,~~
 11 ~~3325,~~ including voluntary participation in the ~~yellow ribbon GI~~
 12 ~~education enhancement program~~ **YELLOW RIBBON GI EDUCATION**
 13 **ENHANCEMENT PROGRAM** established in that act in 38 USC 3317. By
 14 October 1 of each year, each public university shall report to the
 15 house and senate appropriations subcommittees on higher education,
 16 the house and senate fiscal agencies, and the ~~presidents council,~~
 17 ~~state universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE**
 18 **UNIVERSITIES** on whether or not it has chosen to participate in the
 19 ~~yellow ribbon GI education enhancement program.~~ **YELLOW RIBBON GI**
 20 **EDUCATION ENHANCEMENT PROGRAM.** If at any time during the fiscal
 21 year a university participating in the ~~yellow ribbon program~~ **YELLOW**
 22 **RIBBON PROGRAM** chooses to leave the ~~yellow ribbon program,~~ **YELLOW**
 23 **RIBBON PROGRAM,** it shall notify the house and senate appropriations
 24 subcommittees on higher education, the house and senate fiscal
 25 agencies, and the ~~presidents council, state universities of~~
 26 ~~Michigan.~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES.**

27 (b) Establish an on-campus veterans' liaison to provide

1 information and assistance to all student veterans.

2 (c) Provide flexible enrollment application deadlines for all
3 veterans.

4 (d) Include in its admission application process a specific
5 question as to whether an applicant for admission is a veteran, an
6 active member of the military, a member of the ~~national guard~~
7 **NATIONAL GUARD** or military reserves, or the spouse or dependent of
8 a veteran, active member of the military, or member of the ~~national~~
9 ~~guard~~ **NATIONAL GUARD** or military reserves, in order to more quickly
10 identify potential educational assistance available to that
11 applicant.

12 (e) Consider all veterans residents of this state for
13 determining their tuition rates and fees.

14 (f) Waive enrollment fees for all veterans.

15 (2) By October 1 of each year, each public university shall
16 report to the house and senate appropriations subcommittees on
17 higher education, the house and senate fiscal agencies, and the
18 department of military and veterans affairs regarding services
19 provided specifically to veterans and active military duty
20 personnel, including, but not limited to, the services described in
21 subsection (1).

22 (3) As used in this section, "veteran" means an honorably
23 discharged veteran entitled to educational assistance under the
24 provisions of section 5003 of the post-911 veterans educational
25 assistance act of 2008, 38 USC 3301 to ~~3324-3325~~.

26 Sec. 276. (1) Included in the appropriation for fiscal year
27 ~~2015-2016-2016-2017~~ for each public university in section 236 is

1 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
2 future faculty program that is intended to increase the pool of
3 academically or economically disadvantaged candidates pursuing
4 faculty teaching careers in postsecondary education. Preference may
5 not be given to applicants on the basis of race, color, ethnicity,
6 gender, or national origin. Institutions should encourage
7 applications from applicants who would otherwise not adequately be
8 represented in the graduate student and faculty populations. Each
9 public university shall apply the percentage change applicable to
10 every public university in the calculation of appropriations in
11 section 236 to the amount of funds allocated to the future faculty
12 program.

13 (2) The program shall be administered by each public
14 university in a manner prescribed by the workforce development
15 agency. The workforce development agency shall use a good faith
16 effort standard to evaluate whether a fellowship is in default.

17 Sec. 277. (1) Included in the appropriation for fiscal year
18 ~~2015-2016~~**2016-2017** for each public university in section 236 is
19 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
20 college day program that is intended to introduce academically or
21 economically disadvantaged schoolchildren to the potential of a
22 college education. Preference may not be given to participants on
23 the basis of race, color, ethnicity, gender, or national origin.
24 Public universities should encourage participation from those who
25 would otherwise not adequately be represented in the student
26 population.

27 (2) Individual program plans of each public university shall

1 include a budget of equal contributions from this program, the
2 participating public university, the participating school district,
3 and the participating independent degree-granting college. College
4 day funds shall not be expended to cover indirect costs. Not more
5 than 20% of the university match shall be attributable to indirect
6 costs. Each public university shall apply the percentage change
7 applicable to every public university in the calculation of
8 appropriations in section 236 to the amount of funds allocated to
9 the college day program.

10 (3) The program described in this section shall be
11 administered by each public university in a manner prescribed by
12 the workforce development agency.

13 Sec. 278. (1) Included in section 236 for fiscal year ~~2015-~~
14 ~~2016-2016-2017~~ is funding for the Martin Luther King, Jr. - Cesar
15 Chavez - Rosa Parks select student support services program for
16 developing academically or economically disadvantaged student
17 retention programs for 4-year public and independent educational
18 institutions in this state. Preference may not be given to
19 participants on the basis of race, color, ethnicity, gender, or
20 national origin. Institutions should encourage participation from
21 those who would otherwise not adequately be represented in the
22 student population.

23 (2) An award made under this program to any 1 institution
24 shall not be greater than \$150,000.00, and the amount awarded shall
25 be matched on a 70% state, 30% college or university basis.

26 (3) The program described in this section shall be
27 administered by the workforce development agency.

1 Sec. 279. (1) Included in section 236 for fiscal year ~~2015-~~
2 ~~2016-2016-2017~~ is funding for the Martin Luther King, Jr. - Cesar
3 Chavez - Rosa Parks college/university partnership program between
4 4-year public and independent colleges and universities and public
5 community colleges, which is intended to increase the number of
6 academically or economically disadvantaged students who transfer
7 from community colleges into baccalaureate programs. Preference may
8 not be given to participants on the basis of race, color,
9 ethnicity, gender, or national origin. Institutions should
10 encourage participation from those who would otherwise not
11 adequately be represented in the transfer student population.

12 (2) The grants shall be made under the program described in
13 this section to Michigan public and independent colleges and
14 universities. An award to any 1 institution shall not be greater
15 than \$150,000.00, and the amount awarded shall be matched on a 70%
16 state, 30% college or university basis.

17 (3) The program described in this section shall be
18 administered by the workforce development agency.

19 Sec. 280. (1) Included in the appropriation for fiscal year
20 ~~2015-2016-2016-2017~~ for each public university in section 236 is
21 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
22 visiting professors program which is intended to increase the
23 number of instructors in the classroom to provide role models for
24 academically or economically disadvantaged students. Preference may
25 not be given to participants on the basis of race, color,
26 ethnicity, gender, or national origin. Public universities should
27 encourage participation from those who would otherwise not

1 adequately be represented in the student population.

2 (2) The program described in this section shall be
3 administered by the workforce development agency.

4 Sec. 281. (1) Included in the appropriation for fiscal year
5 ~~2015-2016-2016-2017~~ in section 236 is funding under the Martin
6 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
7 Morris Hood, Jr. educator development program which is intended to
8 increase the number of academically or economically disadvantaged
9 students who enroll in and complete K-12 teacher education programs
10 at the baccalaureate level. Preference may not be given to
11 participants on the basis of race, color, ethnicity, gender, or
12 national origin. Institutions should encourage participation from
13 those who would otherwise not adequately be represented in the
14 teacher education student population.

15 (2) The program described in this section shall be
16 administered by each state-approved teacher education institution
17 in a manner prescribed by the workforce development agency.

18 (3) Approved teacher education institutions may and are
19 encouraged to use student support services funding in coordination
20 with the Morris Hood, Jr. funding to achieve the goals of the
21 program described in this section.

22 Sec. 282. Each institution receiving funds for fiscal year
23 ~~2015-2016-2016-2017~~ under section 278, 279, or 281 shall notify the
24 workforce development agency by April 15, ~~2016-2017~~ as to whether
25 it will expend by the end of its fiscal year the funds received
26 under section 278, 279, or 281. Notwithstanding the award
27 limitations in sections 278 and 279, the amount of funding reported

1 as not being expended will be reallocated to the institutions that
2 intend to expend all funding received under section 278, 279, or
3 281.

4 Sec. 283. (1) From the amount appropriated in section 236, the
5 public universities shall systematically inform Michigan high
6 schools regarding the academic status of students from each high
7 school in a manner prescribed by the ~~Presidents Council, State~~
8 ~~Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES**
9 in cooperation with the Michigan Association of Secondary School
10 Principals. Public universities shall also work with the center for
11 educational performance and information to maintain a systematic
12 approach for accomplishing this task.

13 (2) Michigan high schools shall systematically inform the
14 public universities about the use of information received under
15 this section in a manner prescribed by the Michigan Association of
16 Secondary School Principals in cooperation with the ~~Presidents~~
17 ~~Council, State Universities of Michigan~~ **MICHIGAN ASSOCIATION OF**
18 **STATE UNIVERSITIES.**

19 Sec. 284. From the amount appropriated in section 236, the
20 public universities shall inform Michigan community colleges
21 regarding the academic status of community college transfer
22 students in a manner prescribed by the ~~Presidents Council, State~~
23 ~~Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES**
24 in cooperation with the Michigan Community College Association.
25 Public universities shall also work with the center for educational
26 performance and information to maintain a systematic approach for
27 accomplishing this task.

1 SEC. 286A. BY FEBRUARY 1, 2017, THE MICHIGAN COMMUNITY COLLEGE
2 ASSOCIATION, THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND
3 THE MICHIGAN INDEPENDENT COLLEGES AND UNIVERSITIES, ON BEHALF OF
4 THEIR MEMBER COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE SENATE
5 AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE
6 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY
7 COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE
8 BUDGET DIRECTOR A COMPREHENSIVE REPORT DETAILING THE NUMBER OF
9 ACADEMIC PROGRAM PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES,
10 PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES,
11 INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING INFORMATION:

12 (A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY
13 OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE
14 CAMPUSES.

15 (B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE
16 DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC
17 UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.

18 (C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES
19 AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES
20 OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED
21 THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1,
22 2015 THROUGH JUNE 30, 2016.

23 Sec. 290. By March 1 of each year, the ~~presidents council,~~
24 ~~state universities of Michigan~~ MICHIGAN ASSOCIATION OF STATE
25 UNIVERSITIES shall provide a listing of new degree programs for
26 which enrollment information will be reported to HEIDI under
27 sections 241 and 289, as well as a listing of degree programs that

1 institutions of higher education will no longer offer in subsequent
2 academic years, to the house and senate appropriations
3 subcommittees on higher education, the house and senate fiscal
4 agencies, and the state budget director.

5 Enacting section 1. (1) In accordance with section 30 of
6 article IX of the state constitution of 1963, total state spending
7 from state sources on state school aid under article I of the state
8 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
9 amended by 2015 PA 85, 2015 PA 139, and this amendatory act for
10 fiscal year 2015-2016 is estimated at \$11,960,539,300.00 and state
11 appropriations for school aid to be paid to local units of
12 government for fiscal year 2015-2016 are estimated at
13 \$11,919,909,800.00. In accordance with section 30 of article IX of
14 the state constitution of 1963, total state spending on school aid
15 under article I of the state school aid act of 1979, 1979 PA 94,
16 MCL 388.1601 to 388.1772, as amended by this amendatory act, from
17 state sources for fiscal year 2016-2017 is estimated at
18 \$12,343,209,400.00 and state appropriations for school aid to be
19 paid to local units of government for fiscal year 2016-2017 are
20 estimated at \$12,181,929,700.00.

21 (2) In accordance with section 30 of article IX of the state
22 constitution of 1963, total state spending from state sources for
23 community colleges for fiscal year 2016-2017 under article II of
24 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to
25 388.1830a, as amended by this amendatory act, is estimated at
26 \$395,925,600.00 and the amount of that state spending from state
27 sources to be paid to local units of government for fiscal year

1 2016-2017 is estimated at \$395,925,600.00.

2 (3) In accordance with section 30 of article IX of the state
3 constitution of 1963, total state spending from state sources for
4 higher education for fiscal year 2016-2017 under article III of the
5 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1893,
6 as amended by this amendatory act, is estimated at
7 \$1,481,114,000.00 and the amount of that state spending from state
8 sources to be paid to local units of government for fiscal year
9 2016-2017 is estimated at \$0.

10 Enacting section 2. Sections 22i, 43, 99c, 210c, 230a, 236d,
11 239a, and 293 of the state school aid act of 1979, 1979 PA 94, MCL
12 388.1622i, 388.1643, 388.1699c, 388.1810c, 388.1830a, 388.1836d,
13 388.1839a, and 388.1893, are repealed effective October 1, 2016.

14 Enacting section 3. (1) Except as otherwise provided in
15 subsection (2), this amendatory act takes effect October 1, 2016.

16 (2) Sections 11, 11j, 11m, 11r, 20g, 22a, 22b, 24a, 26a, 26c,
17 31f, 35a, 51a, 51c, 56, 61a, 61b, 62, and 64b of the state school
18 aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611j, 388.1611m,
19 388.1611r, 388.1620g, 388.1622a, 388.1622b, 388.1624a, 388.1626a,
20 388.1626c, 388.1631f, 388.1635a, 388.1651a, 388.1651c, 388.1656,
21 388.1661a, 388.1661b, 388.1662, and 388.1664b, as amended by this
22 amendatory act, and sections 11o and 236d of the state school aid
23 act of 1979, 1979 PA 94, MCL 388.1611o and 388.1836d, as added by
24 this amendatory act, take effect upon enactment of this amendatory
25 act.