

**SCHOOL AID SUPPLEMENTAL: FY 2017-18**  
**Summary: House Committee Substitute**  
**SB 133 (H-1)**



**Analysts: Bethany Wicksall**  
**Samuel Christensen**

	FY 2017-18 YTD	FY 2017-18 Executive	FY 2017-18 Senate	FY 2017-18 House	FY 2017-18 Enrolled	Difference: House From FY 2017-18 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	NA	\$0	\$0	\$0	\$0	--
<b>Federal</b>	1,726,943,500	NA	1,726,943,500	1,726,943,500	0	0	--
<b>Local</b>	0	NA	0	0	0	0	--
<b>Private</b>	0	NA	0	0	0	0	--
<b>Restricted</b>	12,638,230,400	NA	12,642,370,400	12,642,370,400	0	4,140,000	0.0
<b>GF/GP</b>	213,690,000	NA	215,000,000	215,000,000	0	1,310,000	0.6
<b>Gross</b>	<b>\$14,578,863,900</b>	<b>NA</b>	<b>\$14,584,313,900</b>	<b>\$14,584,313,900</b>	<b>\$0</b>	<b>\$5,450,000</b>	<b>0.0</b>

<u>Major Budget Changes From FY 2017-18 YTD Appropriations</u>		FY 2017-18 Year-to-Date (as of 10/1/17)	FY 2017-18 House Change
<p><b>1. CTE Equipment Upgrades (Sec. 61c)</b>                      Adds \$2,900,000 GF/GP for a total of \$12.5 million GF/GP, but revises the funding allocations. Reduces across-the-board formula funding to career education planning districts (CEPDs) from \$9.3 million to \$7.0 million, and increases the allocation for Mechatronics programs from \$300,000 to \$500,000. Additionally, provides \$5.0 million to the CTE equipment and innovation competitive grant program to districts, ISDs, or consortia of districts and ISDs. Each grant must be at least \$100,000 and not exceed \$1.0 million. (See major boilerplate changes below for further detail on the CTE equipment and innovation competitive grant program.)</p>	<b>Gross GF/GP</b>	<b>\$9,600,000</b> \$9,600,000	<b>\$2,900,000</b> \$2,900,000
<p><b>2. Information Technology Certifications (Sec. 64d)</b>                      Adds \$1.3 million (GF/GP) for a total of \$2.3 million for the 1st of 3 years of funding for a competitive grant to provide information technology education opportunities to students attending districts, ISDs, or PSAs, CTE programs, and Community Colleges.</p>	<b>Gross GF/GP</b>	<b>\$1,000,000</b> \$1,000,000	<b>\$1,300,000</b> \$1,300,000
<p><b>3. Online Mathematics Tool (Sec. 99u)</b>                      Restores \$1.0 million, which was previously vetoed, for an online mathematics tool for students statewide aligned to state standards with personalized learning pathways and highly qualified, live teachers. Also requires compliance with Section 19b in order to receive funding. (See major boilerplate changes below for further detail on Section 19b.)</p>	<b>Gross GF/GP</b>	<b>\$0</b> \$0	<b>\$1,000,000</b> \$1,000,000
<p><b>4. Digital Literacy Preparation Pilot (Sec. 104e)</b>                      Restores \$250,000, which was previously vetoed, for the implementation of a pilot to assess pupil digital literacy skill levels.</p>	<b>Gross GF/GP</b>	<b>\$0</b> \$0	<b>\$250,000</b> \$250,000
<p><b>5. Foundation Allowances – Discretionary (Sec. 22b)</b>                      Effectively adjusts fund sources in Sec. 22b to account for an increase in the designated use of GF/GP in the supplemental.</p>	<b>Gross Restricted GF/GP</b>	<b>\$0</b> 0 \$0	<b>\$0</b> 4,140,000 (\$4,140,000)

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 19b. Grant Program Reports – NEW***

Adds new section to require reporting on the efficacy and usefulness for certain designated programs in the School Aid Act, which would currently apply to Sections 67a, 99t, and 99u. Requires separate reporting requirements for programs in their first year of funding and those in their second or subsequent year of funding, with the only difference being the need for subsequent reports to compare back to previous years and reports. Reporting requirements for programs would entail the following: 1) a report 3 months after receiving funds detailing dissemination and promotion of the program and how to expand coverage statewide as funding allows, proposed outcomes and performance measurements; 2) a report 3 months after the end of the fiscal year that includes the number of students that participated and districts where implemented, outcomes of measurements from the initial report, proposed amendments to benchmarks that may better indicate efficacy and usefulness, and reasoning for continuing the program and plans to expand further outreach.

### ***Sec. 21f. Virtual Courses – REVISED***

Revises to exempt part-time pupils enrolled under Section 166b (home school and nonpublic pupils) from creating an education development plan when an eligible pupil is enrolled in more than 2 virtual courses in a specific academic term. House makes this change retroactive to October 1, 2016.

### ***Sec. 25e. Pupil Transfer Process – REVISED***

Revises the pupil transfer process for online courses under Section 21f. Currently, the portion of the FTE pupil membership for which a pupil is enrolled in online courses under Section 21f is not to be counted or transferred under the pupil transfer process, with the original understanding that all online coursework costs would be paid up front; however, it is the case that online course costs are not always all paid up front, so the revised change would exempt the transfer of FTE costs that is representative of the amount that the primary district paid in course costs to the course provider.

### ***Sec. 31a. At Risk Pupils – REVISED***

House amends to revise the current definition of "at-risk pupils" (the pupils whom a district can serve in the program, not the pupils for which a district is paid under the at-risk distribution formula) as follows:

- Pupils who are economically disadvantaged – Maintained
- Pupils who are English language learners – Maintained
- Pupils who are chronically absent – Maintained
- Pupils who did not achieve proficiency on grade 3 ELA state assessment or grade 8 math state assessment – Deleted
- victims of child abuse or neglect - Added
- Pregnant teenagers or teenage parents - Added
- Pupils with a family history of school failure, incarceration, or substance abuse - Added
- Pupils who are immigrants who immigrated within the immediately preceding 3 years – added
- Pupils who did not complete high school in 4 years and are continuing in school as identified in the Michigan cohort graduation and dropout report – added
- Pupils who did not achieve proficiency on the ELA, math, science or social studies state assessment – added
- Pupils who are at risk of not meeting the district's core academic curricular objectives in ELA or math as demonstrated on local assessments - Added

House also restores language deleted in PA 108 of 2017 (HB 4313) to allow a district to use up to 100% of its funds to implement schoolwide reform in school buildings with 40% or more of their pupils identified as at-risk pupils by providing instruction or noninstructional services consistent with the school improvement plan.

House allows a district to use funds for instructional and behavioral coaches, and exempts these expenditures from the cap on professional development under subsection (12).

### ***Sec. 31j. Local Produce in School Meals – REVISED***

Revises to allow the department to administer the local produce in school meals program if a memorandum of understanding between the department and the prosperity region is created. Allows the department to retain up to 10%, same percentage that the prosperity region would have been allowed, of that prosperity region's funding for administration.

### ***Sec. 32d. Great Start Readiness Program – REVISED***

Revises to permit a parent initiated waiver for a child that is not 4 years old as of September 1, but who will be 4 years old not later than December 1, if the program has capacity, and if the child meets eligibility and prioritization guidelines. Also, revises to permit Great Start Readiness Program (GSRP) or a GSRP/Head Start Blended programs to utilize AmeriCorps Pre-K reading corps members in classrooms implementing research-based early literacy intervention strategies.

### ***Sec. 35a. Early Learning Initiatives – REVISED***

Revises the matching formula for literacy coaches **from** intermediate school districts (ISDs) providing funds for at least 50% of the cost of the literacy coach **to** ISDs providing funds for at least 50% of the grant amount awarded to support the cost of the literacy coach. In other words, since grant awards may not exceed \$75,000 per coach, the maximum required ISD matching allocation would be \$37,500 per coach.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 61c. CTE Equipment Upgrades – REVISED***

Revises to add a \$5.0 million competitive grant for CTE equipment and innovation for districts, ISDs or a consortia of either. Current funding for career education planning districts is distributed by an across-the-board formula based on the total appropriation (\$7.0 million under the supplemental) divided by the number of CEPDs applying for funding. The review process for the new competitive grant for CTE equipment and innovation would be assessed by the Department of Education (MDE), the Department of Talent and Economic Development (TED), and allow a member of the governor's Talent Investment board to serve in an advisory capacity. The competitive grant would be evaluated based on the following criteria:

- (1) Description of how the proposed capital infrastructure initiative will provide increased career opportunities for students and adult learners in high-wage, high-skill, and high-demand occupations.
- (2) Demonstrated evidence of employer demand for the initiative and related CTE training, including documentation of industry involvement in the initiative that will allow for work-based learning opportunities, apprenticeships, teacher externships, or a combination of these.
- (3) Detailed budget for the initiative that demonstrates local and regional partners' commitment to sustain the initiative beyond the initial grant funding.
- (4) Description of how the initiative aligns with other CTE and community college programs and how the equipment will be used by initiative partners
- (5) Descriptions as further requested by MDE and TED.

Each grant recipient would be required to submit a report by December 15 identifying growth data on program involvement, retention, and development of student and adult learner skills.

### ***Sec. 67a. Online Career Preparation – REVISED***

Revises to require compliance with Section 19b (see Section 19b summary above) in order to receive funding.

### ***Sec. 95b. Value-added Growth Model – REVISED***

Revises to add several required qualifications for a model value-added growth and projection analytics system to be eligible for funding including the following: demonstration of prior statewide implementation in at least 2 other states for at least 10 years; has a native roster verification system built into the value-added reporting platform that has been implemented statewide in at least 2 other states; and has a "help/contact us" ticketing system built into the value-added reporting platform.

### ***Sec. 99h. FIRST Robotics Grants – REVISED***

Revises to add that for nonpublic schools to receive FIRST Robotics grants they must be registered with MDE and meet all applicable state reporting requirements for nonpublic schools.

### ***Sec. 99r. MiSTEM Network – REVISED***

Revises the date to hire MiSTEM network staff **from** between January 1, 2018 and April 1, 2018 **to** no later than July 1, 2018.

### ***Sec. 99t. Online Algebra Tool – REVISED***

Revises to require compliance with Section 19b (see Section 19b summary above) in order to receive funding.

### ***Sec. 102d. Financial Analysis Tools – REVISED***

Revises to permit public school academy authorizing bodies as allowable entities for reimbursements for the licensing of school data analytical tools.

### ***Sec. 104c. State Student Assessments – REVISED***

Revises the requirements for the summative assessment system to add that beginning with the 2017-2018 school year, the summative assessment system will not take longer than 3 hours, on average, for pupils in any one grade level.

Also, revises to remove a request for proposals for a statewide summative assessment by October 1, 2017, and a requirement that not later than January 1, 2018, MDE approve a statewide summative assessment from that request for proposal. Changes a request for proposal to a request for information for at least 3 benchmark assessments, and adds a requirement that as part of the request for information process that the vendor must be willing to negotiate a discounted state rate for pricing. Revises to require MDE use the responses to the request for information to create a benchmark assessment budget request for FY 2018-19.

House revises to require that MDE approve at least 3 (instead of 2) benchmark assessments by January 1, 2018.

### ***Sec. 107. Adult Education – REVISED***

Revises the grant amount for pilot program of funding 5 programs connecting adult education participants with employers from \$400,000 to up to \$400,000.

### ***Sec. 147a(2). MPERS Assumed Rate of Return (AROR) – Employer Normal Cost Increase Offset – REVISED***

Makes a technical adjustment for payments for employer normal cost increase offsets **from** participating entities **to** participating districts and intermediate districts.

**Major Boilerplate Changes From FY 2017-18**

***Sec. 166b. Enrollment in Nonpublic School or Home School – REVISED***

Revises to make mathematics, science, social studies, and English language arts courses in 1-8 essential only if they are required for grade progression and makes all of Kindergarten considered nonessential. House revises to "required by the district for grade progression".