

HOUSE BILL No. 5384

January 10, 2018, Introduced by Reps. Canfield, Faris, Elder, Cambensy, Liberati, Pagan, Pagel, Calley, Schor, Inman, Chang, LaGrand, Lucido, Howell, Howrylak, Phelps and Guerra and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 18, 20, 22b, and 31a (MCL 388.1618, 388.1620, 388.1622b, and 388.1631a), sections 18, 20, and 22b as amended by 2017 PA 108 and section 31a as amended by 2017 PA 143.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 18. (1) Except as provided in another section of this
2 article, each district or other entity shall apply the money
3 received by the district or entity under this article to salaries
4 and other compensation of teachers and other employees, tuition,
5 transportation, lighting, heating, ventilation, water service, the
6 purchase of textbooks, other supplies, and any other school
7 operating expenditures defined in section 7. However, not more than
8 20% of the total amount received by a district under sections 22a

1 and 22b or received by an intermediate district under section 81
2 may be transferred by the board to either the capital projects fund
3 or to the debt retirement fund for debt service. The money shall
4 not be applied or taken for a purpose other than as provided in
5 this section. The department shall determine the reasonableness of
6 expenditures and may withhold from a recipient of funds under this
7 article the apportionment otherwise due upon a violation by the
8 recipient.

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

19 (a) The annual operating budget and subsequent budget
20 revisions.

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

25 (i) A chart of personnel expenditures, broken into the
26 following subcategories:

27 (A) Salaries and wages.

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

4 (C) Retirement benefit costs.

5 (D) All other personnel costs.

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

8 (A) Instruction.

9 (B) Support services.

10 (C) Business and administration.

11 (D) Operations and maintenance.

12 (c) Links to all of the following:

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

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

20 (iii) The audit report of the audit conducted under subsection
21 ~~(4)~~-(5) for the most recent fiscal year for which it is available.

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

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

26 (vi) The district's written policy establishing specific
27 categories of reimbursable expenses, as described in section

1 1254(2) of the revised school code, MCL 380.1254.

2 (vii) Either the district's accounts payable check register
3 for the most recent school fiscal year or a statement of the total
4 amount of expenses incurred by board members or employees of the
5 district that were reimbursed by the district for the most recent
6 school fiscal year.

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

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

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

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

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

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

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

5 **(4) IN ADDITION TO THE INFORMATION REQUIRED UNDER SUBSECTION**
6 **(2), A DISTRICT THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551**
7 **OF THE REVISED SCHOOL CODE, MCL 380.551, SHALL MAKE AVAILABLE**
8 **THROUGH A LINK ON THE CYBER SCHOOL'S WEBSITE HOMEPAGE A BREAKDOWN**
9 **OF EXPENDITURES CODED AS PURCHASED OR CONTRACTED SERVICES AS IF**
10 **THEY WERE NOT PURCHASED OR CONTRACTED SERVICES, BROKEN INTO THE**
11 **FOLLOWING SUBCATEGORIES:**

12 **(A) SALARIES AND WAGES.**

13 **(B) EMPLOYEE BENEFIT COSTS, INCLUDING, BUT NOT LIMITED TO,**
14 **MEDICAL, DENTAL, VISION, LIFE, DISABILITY, AND LONG-TERM CARE**
15 **BENEFITS.**

16 **(C) RETIREMENT BENEFIT COSTS.**

17 **(D) ALL OTHER PERSONNEL COSTS.**

18 **(E) ANY PROFIT TO AN EDUCATIONAL MANAGEMENT ORGANIZATION WITH**
19 **WHICH THE CYBER SCHOOL HAS A CONTRACT THAT IS RELATED TO THE**
20 **CONTRACT WITH THE CYBER SCHOOL.**

21 **(5) ~~(4)~~—**For the purposes of determining the reasonableness of
22 expenditures, whether a district or intermediate district has
23 received the proper amount of funds under this article, and whether
24 a violation of this article has occurred, all of the following
25 apply:

26 (a) The department shall require that each district and
27 intermediate district have an audit of the district's or

1 intermediate district's financial and pupil accounting records
2 conducted at least annually, and at such other times as determined
3 by the department, at the expense of the district or intermediate
4 district, as applicable. The audits must be performed by a
5 certified public accountant or by the intermediate district
6 superintendent, as may be required by the department, or in the
7 case of a district of the first class by a certified public
8 accountant, the intermediate superintendent, or the auditor general
9 of the city. A district or intermediate district shall retain these
10 records for the current fiscal year and from at least the 3
11 immediately preceding fiscal years.

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

23 (c) A district's or intermediate district's annual financial
24 audit shall include an analysis of the financial and pupil
25 accounting data used as the basis for distribution of state school
26 aid.

27 (d) The pupil and financial accounting records and reports,

1 audits, and management letters are subject to requirements
2 established in the auditing and accounting manuals approved and
3 published by the department.

4 (e) All of the following shall be done not later than November
5 1 each year for reporting the prior fiscal year data:

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

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

10 (iii) The intermediate district shall enter the pupil
11 membership audit reports for its constituent districts and for the
12 intermediate district, for the pupil membership count day and
13 supplemental count day, in the Michigan student data system.

14 (f) The annual financial audit reports and pupil accounting
15 procedures reports shall be available to the public in compliance
16 with the freedom of information act, 1976 PA 442, MCL 15.231 to
17 15.246.

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

25 (6) ~~(5)~~—By November 1 each fiscal year, each district and
26 intermediate district shall submit to the center, in a manner
27 prescribed by the center, annual comprehensive financial data

1 consistent with the district's or intermediate district's audited
2 financial statements and consistent with accounting manuals and
3 charts of accounts approved and published by the department. For an
4 intermediate district, the report shall also contain the website
5 address where the department can access the report required under
6 section 620 of the revised school code, MCL 380.620. The department
7 shall ensure that the prescribed Michigan public school accounting
8 manual chart of accounts includes standard conventions to
9 distinguish expenditures by allowable fund function and object. The
10 functions shall include at minimum categories for instruction,
11 pupil support, instructional staff support, general administration,
12 school administration, business administration, transportation,
13 facilities operation and maintenance, facilities acquisition, and
14 debt service; and shall include object classifications of salary,
15 benefits, including categories for active employee health
16 expenditures, purchased services, supplies, capital outlay, and
17 other. Districts shall report the required level of detail
18 consistent with the manual as part of the comprehensive annual
19 financial report.

20 (7) ~~(6)~~—By September 30 of each year, each district and
21 intermediate district shall file with the department the special
22 education actual cost report, known as "SE-4096", on a form and in
23 the manner prescribed by the department.

24 (8) ~~(7)~~—By October 7 of each year, each district and
25 intermediate district shall file with the center the transportation
26 expenditure report, known as "SE-4094", on a form and in the manner
27 prescribed by the center.

1 (9) ~~(8)~~—The department shall review its pupil accounting and
2 pupil auditing manuals at least annually and shall periodically
3 update those manuals to reflect changes in this article.

4 (10) ~~(9)~~—If a district that is a public school academy
5 purchases property using money received under this article, the
6 public school academy shall retain ownership of the property unless
7 the public school academy sells the property at fair market value.

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

20 (12) ~~(11)~~—If a district or intermediate district does not
21 comply with subsection (2) ~~,~~ **OR (4), AS APPLICABLE**, the department
22 may withhold up to 10% of the total state school aid due to the
23 district or intermediate district under this article, beginning
24 with the next payment due to the district or intermediate district,
25 until the district or intermediate district complies with
26 subsection (2) **OR (4), AS APPLICABLE**. If the district or
27 intermediate district does not comply with subsection (2) **OR (4)**,

1 **AS APPLICABLE**, by the end of the fiscal year, the district or
2 intermediate district forfeits the amount withheld.

3 (13) ~~(12)~~—By November 1 of each year, if a district or
4 intermediate district offers virtual learning under section 21f,
5 the district or intermediate district shall submit to the
6 department a report that details the per-pupil costs of operating
7 the virtual learning by vendor type. The report shall include at
8 least all of the following information concerning the operation of
9 virtual learning for the immediately preceding school fiscal year:

10 (a) The name of the district operating the virtual learning
11 and of each district that enrolled students in the virtual
12 learning.

13 (b) The total number of students enrolled in the virtual
14 learning and the total number of membership pupils enrolled in the
15 virtual learning.

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

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

20 (e) The number of participating students who had previously
21 dropped out of school.

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

24 (g) The total cost to enroll a student in the program. This
25 cost shall be reported on a per-pupil, per-course, per-semester or
26 trimester basis by vendor type. The total shall include costs
27 broken down by cost for content development, content licensing,

1 training, virtual instruction and instructional support, personnel,
2 hardware and software, payment to each virtual learning provider,
3 and other costs associated with operating virtual learning.

4 (h) The name of each virtual education provider contracted by
5 the district and the state in which each virtual education provider
6 is headquartered.

7 **(14)** ~~(13)~~—By March 31 of each year, the department shall
8 submit to the house and senate appropriations subcommittees on
9 state school aid, the state budget director, and the house and
10 senate fiscal agencies a report summarizing the per-pupil costs by
11 vendor type of virtual courses available under section 21f.

12 **(15)** ~~(14)~~—As used in subsections ~~(12)~~ and ~~(13)~~, **(13) AND (14)**,
13 "vendor type" means the following:

14 (a) Virtual courses provided by the Michigan Virtual
15 University.

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

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

21 (d) Virtual courses created and offered by a district or
22 intermediate district.

23 **(16)** ~~(15)~~—An allocation to a district or another entity under
24 this article is contingent upon the district's or entity's
25 compliance with this section.

26 **(17)** ~~(16)~~—Beginning October 1, 2017, and not less than once
27 every 3 months after that date, the department shall submit to the

1 senate and house subcommittees on school aid and to the senate and
2 house standing committees on education an itemized list of
3 allocations under this article to any association or consortium
4 consisting of associations. The report shall detail the recipient
5 or recipients, the amount allocated, and the purpose for which the
6 funds were distributed.

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

8 (a) The basic foundation allowance is \$8,289.00.

9 (b) The minimum foundation allowance is \$7,631.00.

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

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

17 (a) Except as otherwise provided in this subdivision, for a
18 district that had a foundation allowance for the immediately
19 preceding state fiscal year that was at least equal to the minimum
20 foundation allowance for the immediately preceding state fiscal
21 year, but less than the basic foundation allowance for the
22 immediately preceding state fiscal year, the district shall receive
23 a foundation allowance in an amount equal to the sum of the
24 district's foundation allowance for the immediately preceding state
25 fiscal year plus the difference between twice the dollar amount of
26 the adjustment from the immediately preceding state fiscal year to
27 the current state fiscal year made in the basic foundation

1 allowance and [(the difference between the basic foundation
2 allowance for the current state fiscal year and basic foundation
3 allowance for the immediately preceding state fiscal year minus
4 \$20.00) times (the difference between the district's foundation
5 allowance for the immediately preceding state fiscal year and the
6 minimum foundation allowance for the immediately preceding state
7 fiscal year) divided by the difference between the basic foundation
8 allowance for the current state fiscal year and the minimum
9 foundation allowance for the immediately preceding state fiscal
10 year.] However, the foundation allowance for a district that had
11 less than the basic foundation allowance for the immediately
12 preceding state fiscal year shall not exceed the basic foundation
13 allowance for the current state fiscal year.

14 (b) Except as otherwise provided in this subsection, for a
15 district that in the immediately preceding state fiscal year had a
16 foundation allowance in an amount equal to the amount of the basic
17 foundation allowance for the immediately preceding state fiscal
18 year, the district shall receive a foundation allowance for 2017-
19 2018 in an amount equal to the basic foundation allowance for 2017-
20 2018.

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

1 fiscal year, as compared to the immediately preceding state fiscal
2 year, or the product of the district's foundation allowance for the
3 immediately preceding state fiscal year times the percentage
4 increase in the United States ~~consumer price index~~ **CONSUMER PRICE**
5 **INDEX** in the calendar year ending in the immediately preceding
6 fiscal year as reported by the May revenue estimating conference
7 conducted under section 367b of the management and budget act, 1984
8 PA 431, MCL 18.1367b.

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

12 (e) For a district that received a foundation allowance
13 supplemental payment calculated under section 20m and paid under
14 section 22b for 2016-2017, the district's 2016-2017 foundation
15 allowance is considered to have been an amount equal to the sum of
16 the district's actual 2016-2017 foundation allowance as otherwise
17 calculated under this section plus the lesser of the ~~per pupil~~ **PER-**
18 **PUPIL** amount of the district's supplemental payment for 2016-2017
19 as calculated under section 20m or the product of the district's
20 foundation allowance for the immediately preceding state fiscal
21 year times the percentage increase in the United States ~~consumer~~
22 ~~price index~~ **CONSUMER PRICE INDEX** in the calendar year ending in the
23 immediately preceding fiscal year as reported by the May revenue
24 estimating conference conducted under section 367b of the
25 management and budget act, 1984 PA 431, MCL 18.1367b.

26 (4) Except as otherwise provided in this subsection, beginning
27 in 2014-2015, the state portion of a district's foundation

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

1 the community district.

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

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

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

21 **BEGINNING IN 2017-2018, FOR PUPILS IN MEMBERSHIP, OTHER THAN**
22 **SPECIAL EDUCATION PUPILS, IN A PUBLIC SCHOOL ACADEMY THAT WAS**
23 **ISSUED A CONTRACT UNDER SECTION 552 OF THE REVISED SCHOOL CODE, MCL**
24 **380.552, TO OPERATE AS A SCHOOL OF EXCELLENCE THAT IS A CYBER**
25 **SCHOOL AND IS IN AT LEAST ITS SECOND YEAR OF OPERATION, THE**
26 **ALLOCATION CALCULATED UNDER THIS SECTION IS AN AMOUNT EQUAL TO 80%**
27 **OF THE AMOUNT AS WOULD OTHERWISE BE CALCULATED UNDER THIS**

1 **SUBSECTION FOR THAT PUBLIC SCHOOL ACADEMY.**

2 (7) Except as otherwise provided in this subsection, for
3 pupils in membership, other than special education pupils, in a
4 community district, the allocation calculated under this section is
5 an amount per membership pupil other than special education pupils
6 in the community district equal to the foundation allowance of the
7 qualifying school district, as described in section 12b of the
8 revised school code, MCL 380.12b, that is located within the same
9 geographic area as the community district.

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

25 (9) Each fraction used in making calculations under this
26 section shall be rounded to the fourth decimal place and the dollar
27 amount of an increase in the basic foundation allowance shall be

1 rounded to the nearest whole dollar.

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

5 (11) To assist the legislature in determining the basic
6 foundation allowance for the subsequent state fiscal year, each
7 revenue estimating conference conducted under section 367b of the
8 management and budget act, 1984 PA 431, MCL 18.1367b, shall
9 calculate a pupil membership factor, a revenue adjustment factor,
10 and an index as follows:

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

21 (b) The revenue adjustment factor shall be computed by
22 dividing the sum of the estimated total state school aid fund
23 revenue for the subsequent state fiscal year plus the estimated
24 total state school aid fund revenue for the current state fiscal
25 year, adjusted for any change in the rate or base of a tax the
26 proceeds of which are deposited in that fund and excluding money
27 transferred into that fund from the countercyclical budget and

1 economic stabilization fund under the management and budget act,
2 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
3 total school aid fund revenue for the current state fiscal year
4 plus the estimated total state school aid fund revenue for the
5 immediately preceding state fiscal year, adjusted for any change in
6 the rate or base of a tax the proceeds of which are deposited in
7 that fund. If a consensus revenue factor is not determined at the
8 revenue estimating conference, the principals of the revenue
9 estimating conference shall report their estimates to the house and
10 senate subcommittees responsible for school aid appropriations not
11 later than 7 days after the conclusion of the revenue conference.

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

19 (12) Payments to districts and public school academies shall
20 not be made under this section. Rather, the calculations under this
21 section shall be used to determine the amount of state payments
22 under section 22b.

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

1 (14) As used in this section:

2 (a) "Certified mills" means the lesser of 18 mills or the
3 number of mills of school operating taxes levied by the district in
4 1993-94.

5 (b) "Combined state and local revenue" means the aggregate of
6 the district's state school aid received by or paid on behalf of
7 the district under this section and the district's local school
8 operating revenue.

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

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

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

18 (f) "Immediately preceding state fiscal year" means the state
19 fiscal year immediately preceding the current state fiscal year.

20 (g) "Local portion of the district's foundation allowance"
21 means an amount that is equal to the difference between (the sum of
22 the product of the taxable value per membership pupil of all
23 property in the district that is nonexempt property times the
24 district's certified mills and, for a district with certified mills
25 exceeding 12, the product of the taxable value per membership pupil
26 of property in the district that is commercial personal property
27 times the certified mills minus 12 mills) and (the quotient of the

1 product of the captured assessed valuation under tax increment
2 financing acts times the district's certified mills divided by the
3 district's membership excluding special education pupils).

4 (h) "Local school operating revenue" means school operating
5 taxes levied under section 1211 of the revised school code, MCL
6 380.1211. For a receiving district, if school operating taxes are
7 to be levied on behalf of a dissolved district that has been
8 attached in whole or in part to the receiving district to satisfy
9 debt obligations of the dissolved district under section 12 of the
10 revised school code, MCL 380.12, local school operating revenue
11 does not include school operating taxes levied within the
12 geographic area of the dissolved district.

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

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

1 public school academies for the immediately preceding state fiscal
2 year and the minimum foundation allowance for the immediately
3 preceding state fiscal year) divided by the difference between the
4 basic foundation allowance for the current state fiscal year and
5 the minimum foundation allowance for the immediately preceding
6 state fiscal year.] For the purposes of this subdivision, for 2017-
7 2018, the maximum public school academy allocation is \$7,631.00.

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

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

16 (m) "Principal residence", "qualified agricultural property",
17 "qualified forest property", "supportive housing property",
18 "industrial personal property", and "commercial personal property"
19 mean those terms as defined in section 1211 of the revised school
20 code, MCL 380.1211.

21 (n) "Receiving district" means a district to which all or part
22 of the territory of a dissolved district is attached under section
23 12 of the revised school code, MCL 380.12.

24 (o) "School operating purposes" means the purposes included in
25 the operation costs of the district as prescribed in sections 7 and
26 18 and purposes authorized under section 1211 of the revised school
27 code, MCL 380.1211.

1 (p) "School operating taxes" means local ad valorem property
2 taxes levied under section 1211 of the revised school code, MCL
3 380.1211, and retained for school operating purposes.

4 (q) "Tax increment financing acts" means 1975 PA 197, MCL
5 125.1651 to 125.1681, the tax increment finance authority act, 1980
6 PA 450, MCL 125.1801 to 125.1830, the local development financing
7 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
8 redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~
9 **125.2670**, or the corridor improvement authority act, 2005 PA 280,
10 MCL 125.2871 to 125.2899.

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

17 Sec. 22b. (1) For discretionary nonmandated payments to
18 districts under this section, there is allocated for 2016-2017 an
19 amount not to exceed \$3,841,000,000.00 from the state school aid
20 fund and general fund appropriations in section 11 and an amount
21 not to exceed \$72,000,000.00 from the community district education
22 trust fund appropriation in section 11, and there is allocated for
23 2017-2018 an amount not to exceed ~~\$3,965,500,000.00~~
24 **\$3,949,500,000.00** from the state school aid fund and general fund
25 appropriations in section 11 and an amount not to exceed
26 \$72,000,000.00 from the community district education trust fund
27 appropriation in section 11. Except for money allocated from the

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

6 (2) Subject to subsection (3) and section 296, the allocation
7 to a district under this section shall be an amount equal to the
8 sum of the amounts calculated under sections 20, 20m, 51a(2),
9 51a(3), and 51a(11), minus the sum of the allocations to the
10 district under sections 22a and 51c. For a community district, the
11 allocation as otherwise calculated under this section shall be
12 increased by an amount equal to the amount of local school
13 operating tax revenue that would otherwise be due to the community
14 district if not for the operation of section 386 of the revised
15 school code, MCL 380.386, and this increase shall be paid from the
16 community district education trust fund allocation in subsection
17 (1) in order to offset the absence of local school operating
18 revenue in a community district in the funding of the state portion
19 of the foundation allowance under section 20(4).

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

22 (a) Comply with section 1280b of the revised school code, MCL
23 380.1280b.

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

26 (c) Furnish data and other information required by state and
27 federal law to the center and the department in the form and manner

1 specified by the center or the department, as applicable.

2 (d) Comply with section 1230g of the revised school code, MCL
3 380.1230g.

4 (e) Comply with section 21f.

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

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

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

23 (7) It is the intent of the legislature that all
24 constitutional obligations of this state have been fully funded
25 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
26 an entity receiving funds under this article that challenges the
27 legislative determination of the adequacy of this funding or

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

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

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

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

8 (11) If a lawsuit challenging payments made to districts
9 related to costs reimbursed by federal title XIX Medicaid funds is
10 filed against this state, then, for the purpose of addressing
11 potential liability under such a lawsuit, the state budget director
12 may place funds allocated under this section in escrow or allocate
13 money from the funds otherwise allocated under this section, up to
14 a maximum of 50% of the amount allocated in subsection (1). If
15 funds are placed in escrow under this subsection, those funds are a
16 work project appropriation and the funds are carried forward into
17 the following fiscal year. The purpose of the work project is to
18 provide for any payments that may be awarded to districts as a
19 result of the litigation. The work project shall be completed upon
20 resolution of the litigation. In addition, this state reserves the
21 right to terminate future federal title XIX Medicaid reimbursement
22 payments to districts if the amount or allocation of reimbursed
23 funds is challenged in the lawsuit. As used in this subsection,
24 "title XIX" means title XIX of the social security act, 42 USC 1396
25 to ~~1396v~~**1396w-5**.

26 Sec. 31a. (1) From the state school aid fund money
27 appropriated in section 11, there is allocated for 2017-2018 an

1 amount not to exceed ~~\$510,207,300.00~~ **\$526,207,300.00** for payments
2 to eligible districts and eligible public school academies for the
3 purposes of ensuring that pupils are proficient in English language
4 arts by the end of grade 3, that pupils are proficient in
5 mathematics by the end of grade 8, that pupils are attending school
6 regularly, that high school graduates are career and college ready,
7 and for the purposes under subsections (7) and (8).

8 (2) For a district that has combined state and local revenue
9 per membership pupil under sections 20 and 20m that is greater than
10 the basic foundation allowance under section 20 for the current
11 fiscal year, the allocation under this section shall be an amount
12 equal to 30% of the allocation for which it would otherwise be
13 eligible under this section before any proration under subsection
14 (14).

15 (3) For a district or public school academy to be eligible to
16 receive funding under this section, other than funding under
17 subsection (7) or (8), the district or public school academy, for
18 grades K to 3, shall comply with the requirements under section
19 1280f of the revised school code, MCL 380.1280f, and use resources
20 to address early literacy, and for at least grades 4 to 8 or, if
21 the district or public school academy does not operate all of
22 grades 4 to 8, for all of the grades it operates, must implement a
23 ~~multi-tiered~~ **MULTITIERED** system of supports that is an evidence-
24 based model that uses data-driven problem solving to integrate
25 academic and behavioral instruction and that uses intervention
26 delivered to all pupils in varying intensities based on pupil
27 needs. This ~~multi-tiered~~ **MULTITIERED** system of supports must

1 provide at least all of the following essential elements:

2 (a) Implements effective instruction for all learners.

3 (b) Intervenes early.

4 (c) Provides a ~~multi-tiered~~**MULTITIERED** model of instruction
5 and intervention that provides the following:

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

8 (ii) Targeted group interventions.

9 (iii) Intense individual interventions.

10 (d) Monitors pupil progress to inform instruction.

11 (e) Uses data to make instructional decisions.

12 (f) Uses assessments including universal screening,
13 diagnostics, and progress monitoring.

14 (g) Engages families and the community.

15 (h) Implements evidence-based, scientifically validated,
16 instruction and intervention.

17 (i) Implements instruction and intervention practices with
18 fidelity.

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

20 (4) Except as otherwise provided in this subsection, an
21 eligible district or eligible public school academy shall receive
22 under this section for each membership pupil in the district or
23 public school academy who is determined to be economically
24 disadvantaged, as reported to the center in the form and manner
25 prescribed by the center not later than the fifth Wednesday after
26 the pupil membership count day of the immediately preceding fiscal
27 year, an amount per pupil equal to 11.5% of the statewide weighted

1 average foundation allowance. However, a public school academy that
2 began operations as a public school academy after the pupil
3 membership count day of the immediately preceding school year shall
4 receive under this section for each membership pupil in the public
5 school academy, who is determined to be economically disadvantaged,
6 as reported to the center in the form and manner prescribed by the
7 center not later than the fifth Wednesday after the pupil
8 membership count day of the current fiscal year, an amount per
9 pupil equal to 11.5% of the statewide weighted average foundation
10 allowance.

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

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

9 (7) From the funds allocated under subsection (1), there is
10 allocated for 2017-2018 an amount not to exceed \$6,057,300.00 to
11 support primary health care services provided to children and
12 adolescents up to age 21. These funds shall be expended in a form
13 and manner determined jointly by the department and the department
14 of health and human services. If any funds allocated under this
15 subsection are not used for the purposes of this subsection for the
16 fiscal year in which they are allocated, those unused funds shall
17 be used that fiscal year to avoid or minimize any proration that
18 would otherwise be required under subsection (14) for that fiscal
19 year.

20 (8) From the funds allocated under subsection (1), there is
21 allocated for 2017-2018 an amount not to exceed \$5,150,000.00 for
22 the state portion of the hearing and vision screenings as described
23 in section 9301 of the public health code, 1978 PA 368, MCL
24 333.9301. A local public health department shall pay at least 50%
25 of the total cost of the screenings. The frequency of the
26 screenings shall be as required under R 325.13091 to R 325.13096
27 and R 325.3271 to R 325.3276 of the Michigan Administrative Code.

1 Funds shall be awarded in a form and manner approved jointly by the
2 department and the department of health and human services.
3 Notwithstanding section 17b, payments to eligible entities under
4 this subsection shall be paid on a schedule determined by the
5 department.

6 (9) Each district or public school academy receiving funds
7 under this section shall submit to the department by July 15 of
8 each fiscal year a report, in the form and manner prescribed by the
9 department, that includes a brief description of each program
10 conducted or services performed by the district or public school
11 academy using funds under this section, the amount of funds under
12 this section allocated to each of those programs or services, the
13 total number of at-risk pupils served by each of those programs or
14 services, and the data necessary for the department and the
15 department of health and human services to verify matching funds
16 for the temporary assistance for needy families program. In
17 prescribing the form and manner of the report, the department shall
18 ensure that districts are allowed to expend funds received under
19 this section on any activities that are permissible under this
20 section. If a district or public school academy does not comply
21 with this subsection, the department shall withhold an amount equal
22 to the August payment due under this section until the district or
23 public school academy complies with this subsection. If the
24 district or public school academy does not comply with this
25 subsection by the end of the state fiscal year, the withheld funds
26 shall be forfeited to the school aid fund.

27 (10) In order to receive funds under this section, a district

1 or public school academy shall allow access for the department or
2 the department's designee to audit all records related to the
3 program for which it receives those funds. The district or public
4 school academy shall reimburse the state for all disallowances
5 found in the audit.

6 (11) Subject to subsections (6), (7), and (8), a district or
7 public school academy may use up to 100% of the funds it receives
8 under this section to implement schoolwide reform in schools with
9 40% or more of their pupils identified as at-risk pupils by
10 providing instructional or noninstructional services consistent
11 with the school improvement plan.

12 (12) A district or public school academy that receives funds
13 under this section may use up to 3% of those funds to provide
14 research-based professional development to district and school
15 leadership and teachers that is aligned to professional learning
16 standards; is integrated into district, school building, and
17 classroom practices; and is solely related to the following:

18 (a) Implementing the ~~multi-tiered~~ **MULTITIERED** system of
19 supports required in subsection (3) with fidelity and utilizing the
20 data from that system to inform curriculum and instruction.

21 (b) Implementing section 1280f of the revised school code, MCL
22 380.1280f, as required under subsection (3), with fidelity.

23 (13) A district or public school academy that receives funds
24 under this section may use funds received under this section to
25 support instructional or behavioral coaches. Funds used for this
26 purpose are not subject to the cap under subsection (12).

27 (14) If necessary, and before any proration required under

1 section 296, the department shall prorate payments under this
2 section by reducing the amount of the allocation as otherwise
3 calculated under this section by an equal percentage per district.

4 (15) If a district is dissolved pursuant to section 12 of the
5 revised school code, MCL 380.12, the intermediate district to which
6 the dissolved school district was constituent shall determine the
7 estimated number of pupils that are economically disadvantaged and
8 that are enrolled in each of the other districts within the
9 intermediate district and provide that estimate to the department
10 for the purposes of distributing funds under this section within 60
11 days after the school district is declared dissolved.

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

25 (a) The district or public school academy shall determine the
26 proportion of total at-risk pupils that represents the number of
27 pupils in grade 3 that are not proficient in English language arts

1 by the end of grade 3, and the district or public school academy
2 shall expend that same proportion multiplied by 1/2 of its total
3 at-risk funds under this section on tutoring and other methods of
4 improving grade 3 English language arts proficiency.

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

16 (17) As used in subsection (16), "total at-risk pupils" means
17 the sum of the number of pupils in grade 3 that are not proficient
18 in English language arts by the end of third grade as measured on
19 the state assessment and the number of pupils in grade 11 that are
20 not career- and college-ready as measured by the student's score on
21 the English language arts, mathematics, and science content area
22 assessments on the grade 11 summative assessment under section
23 1279g(2)(a) of the revised school code, MCL 380.1279g.

24 (18) A district or public school academy that receives funds
25 under this section may use funds received under this section to
26 provide an anti-bullying or crisis intervention program.

27 (19) The department shall collaborate with the department of

1 health and human services to prioritize assigning Pathways to
2 Potential Success coaches to elementary schools that have a high
3 percentage of pupils in grades K to 3 who are not proficient in
4 English language arts, based upon state assessments for pupils in
5 those grades.

6 (20) For the purpose of determining the number of economically
7 disadvantaged pupils enrolled in a community district for 2017-
8 2018, disadvantaged pupils who were enrolled in the education
9 achievement system for 2016-2017 shall be considered to have been
10 enrolled in the community district for 2016-2017.

11 (21) As used in this section:

12 (a) "At-risk pupil" means a pupil for whom the district has
13 documentation that the pupil meets any of the following criteria:

14 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

24 (viii) The pupil did not complete high school in 4 years and
25 is still continuing in school as identified in the Michigan cohort
26 graduation and dropout report.

27 (ix) For pupils for whom the results of the state summative

1 assessment have been received, is a pupil who did not achieve
2 proficiency on the English language arts, mathematics, science, or
3 social studies content area assessment.

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

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

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

19 (d) "Statewide weighted average foundation allowance" means
20 the number that is calculated by adding together the result of each
21 district's or public school academy's foundation allowance or per
22 pupil payment calculated under section 20 multiplied by the number
23 of pupils in membership in that district or public school academy,
24 and then dividing that total by the statewide number of pupils in
25 membership. For the purposes of this calculation, a district's
26 foundation allowance shall not exceed the basic foundation
27 allowance under section 20 for the current state fiscal year.

1 Enacting section 1. This amendatory act takes effect 90 days
2 after the date it is enacted into law.