

**SUBSTITUTE FOR  
HOUSE BILL NO. 5579**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 6, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 19,  
20, 20d, 20f, 21f, 21h, 22a, 22b, 22d, 22g, 22m, 22n, 24, 24a, 24c,  
25e, 25f, 25g, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 32d, 32p,  
32q, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a,  
61b, 61c, 62, 64b, 64d, 65, 67, 74, 81, 94, 94a, 95b, 98, 99h, 99s,  
99t, 99u, 102d, 104, 104b, 104c, 104d, 104e, 107, 147, 147a, 147b,  
147c, 147e, 152a, 152b, 163, 164h, 166b, 169a, 201, 201a, 206,  
207a, 207b, 207c, 209, 210b, 217, 225, 226, 229, 229a, 230, 236,  
236a, 236b, 236c, 241, 245, 251, 252, 256, 263, 264, 265, 265a,  
267, 268, 269, 270, 274, 274c, 274d, 275b, 276, 277, 278, 279, 280,  
281, 282, and 289 (MCL 388.1606, 388.1611, 388.1611a, 388.1611j,  
388.1611k, 388.1611m, 388.1611s, 388.1615, 388.1618, 388.1619,

388.1620, 388.1620d, 388.1620f, 388.1621f, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1622m, 388.1622n, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1631j, 388.1632d, 388.1632p, 388.1632q, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1664d, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695b, 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1699u, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1704e, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1747e, 388.1752a, 388.1752b, 388.1763, 388.1764h, 388.1766b, 388.1769a, 388.1801, 388.1801a, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1817, 388.1825, 388.1826, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1845, 388.1851, 388.1852, 388.1856, 388.1863, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1874c, 388.1874d, 388.1875b, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, and 388.1889), sections 6, 11a, 11j, 11k, 11m, 11s, 15, 18, 20, 20d, 20f, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31b, 31d, 31f, 32p, 32q, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99s, 104, 104d, 147, 147b, 147c, 152a, 152b, 201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 225, 226, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 245, 251, 252, 256, 263, 264, 265, 265a, 267, 268, 269, 270, 274, 274c, 276, 277, 278,

279, 280, 281, and 282 as amended and sections 21h, 22m, 22n, 147e, 164h, and 274d as added by 2017 PA 108, sections 11, 21f, 25e, 31a, 31j, 32d, 35a, 61c, 64d, 95b, 99h, 99t, 102d, 104c, 107, 147a, and 166b as amended and sections 99u and 104e as added by 2017 PA 143, section 19 as amended by 2016 PA 533, section 104b as amended by 2016 PA 249, section 163 as amended by 2015 PA 85, section 169a as amended by 1997 PA 93, section 275b as added by 2015 PA 44, and section 289 as amended by 2013 PA 60, and by adding sections 17c, 22p, 25h, 31m, 35b, 54d, 61d, 61e, 99v, 167b, 209a, 210f, 215, 236f, 245a, 265b, 265c, 265d, and 265e; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 6. (1) "Center program" means a program operated by a  
2 district or by an intermediate district for special education  
3 pupils from several districts in programs for pupils with autism  
4 spectrum disorder, pupils with severe cognitive impairment, pupils  
5 with moderate cognitive impairment, pupils with severe multiple  
6 impairments, pupils with hearing impairment, pupils with visual  
7 impairment, and pupils with physical impairment or other health  
8 impairment. Programs for pupils with emotional impairment housed in  
9 buildings that do not serve regular education pupils also qualify.  
10 Unless otherwise approved by the department, a center program  
11 either shall serve all constituent districts within an intermediate  
12 district or shall serve several districts with less than 50% of the  
13 pupils residing in the operating district. In addition, special  
14 education center program pupils placed part-time in noncenter  
15 programs to comply with the least restrictive environment

1 provisions of section 612 of part B of the individuals with  
2 disabilities education act, 20 USC 1412, may be considered center  
3 program pupils for pupil accounting purposes for the time scheduled  
4 in either a center program or a noncenter program.

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

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

14 (4) "Membership", except as otherwise provided in this  
15 article, means for a district, a public school academy, or an  
16 intermediate district the sum of the product of .90 times the  
17 number of full-time equated pupils in grades K to 12 actually  
18 enrolled and in regular daily attendance on the pupil membership  
19 count day for the current school year, plus the product of .10  
20 times the final audited count from the supplemental count day for  
21 the immediately preceding school year. A district's, public school  
22 academy's, or intermediate district's membership shall be adjusted  
23 as provided under section 25e for pupils who enroll after the pupil  
24 membership count day in a strict discipline academy operating under  
25 sections 1311b to 1311m of the revised school code, MCL 380.1311b  
26 to 380.1311m. However, for a district that is a community district,  
27 "membership" means the sum of the product of .90 times the number

1 of full-time equated pupils in grades K to 12 actually enrolled and  
2 in regular daily attendance in the community district on the pupil  
3 membership count day for the current school year, plus the product  
4 of .10 times the sum of the final audited count from the  
5 supplemental count day of pupils in grades K to 12 actually  
6 enrolled and in regular daily attendance in the community district  
7 for the immediately preceding school year plus the final audited  
8 count from the supplemental count day of pupils in grades K to 12  
9 actually enrolled and in regular daily attendance in the education  
10 achievement system for the immediately preceding school year. All  
11 pupil counts used in this subsection are as determined by the  
12 department and calculated by adding the number of pupils registered  
13 for attendance plus pupils received by transfer and minus pupils  
14 lost as defined by rules promulgated by the superintendent, and as  
15 corrected by a subsequent department audit. The amount of the  
16 foundation allowance for a pupil in membership is determined under  
17 section 20. In making the calculation of membership, all of the  
18 following, as applicable, apply to determining the membership of a  
19 district, a public school academy, or an intermediate district:

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

25 (b) If a pupil is educated in a district other than the  
26 pupil's district of residence, if the pupil is not being educated  
27 as part of a cooperative education program, if the pupil's district

1 of residence does not give the educating district its approval to  
2 count the pupil in membership in the educating district, and if the  
3 pupil is not covered by an exception specified in subsection (6) to  
4 the requirement that the educating district must have the approval  
5 of the pupil's district of residence to count the pupil in  
6 membership, the pupil shall not be counted in membership in any  
7 district.

8 (c) A special education pupil educated by the intermediate  
9 district shall be counted in membership in the intermediate  
10 district.

11 (d) A pupil placed by a court or state agency in an on-grounds  
12 program of a juvenile detention facility, a child caring  
13 institution, or a mental health institution, or a pupil funded  
14 under section 53a, shall be counted in membership in the district  
15 or intermediate district approved by the department to operate the  
16 program.

17 (e) A pupil enrolled in the Michigan Schools for the Deaf and  
18 Blind shall be counted in membership in the pupil's intermediate  
19 district of residence.

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

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

1 (h) For the purposes of this section and section 6a, for a  
2 cyber school, as defined in section 551 of the revised school code,  
3 MCL 380.551, that is in compliance with section 553a of the revised  
4 school code, MCL 380.553a, a pupil's participation in the cyber  
5 school's educational program is considered regular daily  
6 attendance, and for a district or public school academy, a pupil's  
7 participation in a virtual course as defined in section 21f is  
8 considered regular daily attendance. **FOR THE PURPOSES OF THIS**  
9 **SUBDIVISION, FOR A PUPIL ENROLLED IN A CYBER SCHOOL AND UTILIZING**  
10 **SEQUENTIAL LEARNING, PARTICIPATION MEANS THAT TERM AS DEFINED IN**  
11 **THE PUPIL ACCOUNTING MANUAL, SECTION 5-O-D: REQUIREMENTS FOR**  
12 **COUNTING PUPILS IN MEMBERSHIP-SUBSECTION 10.**

13 (i) For a new district or public school academy beginning its  
14 operation after December 31, 1994, membership for the first 2 full  
15 or partial fiscal years of operation shall be determined as  
16 follows:

17 (i) If operations begin before the pupil membership count day  
18 for the fiscal year, membership is the average number of full-time  
19 equated pupils in grades K to 12 actually enrolled and in regular  
20 daily attendance on the pupil membership count day for the current  
21 school year and on the supplemental count day for the current  
22 school year, as determined by the department and calculated by  
23 adding the number of pupils registered for attendance on the pupil  
24 membership count day plus pupils received by transfer and minus  
25 pupils lost as defined by rules promulgated by the superintendent,  
26 and as corrected by a subsequent department audit, plus the final  
27 audited count from the supplemental count day for the current

1 school year, and dividing that sum by 2.

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

8 (j) If a district is the authorizing body for a public school  
9 academy, then, in the first school year in which pupils are counted  
10 in membership on the pupil membership count day in the public  
11 school academy, the determination of the district's membership  
12 shall exclude from the district's pupil count for the immediately  
13 preceding supplemental count day any pupils who are counted in the  
14 public school academy on that first pupil membership count day who  
15 were also counted in the district on the immediately preceding  
16 supplemental count day.

17 (k) For an extended school year program approved by the  
18 superintendent, a pupil enrolled, but not scheduled to be in  
19 regular daily attendance, on a pupil membership count day, shall be  
20 counted in membership.

21 (l) To be counted in membership, a pupil shall meet the  
22 minimum age requirement to be eligible to attend school under  
23 section 1147 of the revised school code, MCL 380.1147, or shall be  
24 enrolled under subsection (3) of that section, and shall be less  
25 than 20 years of age on September 1 of the school year except as  
26 follows:

27 (i) A special education pupil who is enrolled and receiving



1 instruction in a special education program or service approved by  
2 the department, who does not have a high school diploma, and who is  
3 less than 26 years of age as of September 1 of the current school  
4 year shall be counted in membership.

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

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

11 (B) Had dropped out of school.

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

14 (iii) If a child does not meet the minimum age requirement to  
15 be eligible to attend school for that school year under section  
16 1147 of the revised school code, MCL 380.1147, but will be 5 years  
17 of age not later than December 1 of that school year, the district  
18 may count the child in membership for that school year if the  
19 parent or legal guardian has notified the district in writing that  
20 he or she intends to enroll the child in kindergarten for that  
21 school year.

22 (m) An individual who has achieved a high school diploma shall  
23 not be counted in membership. An individual who has achieved a high  
24 school equivalency certificate shall not be counted in membership  
25 unless the individual is a student with a disability as defined in  
26 R 340.1702 of the Michigan Administrative Code. An individual  
27 participating in a job training program funded under former section

1 107a or a jobs program funded under former section 107b,  
2 administered by the department of talent and economic development,  
3 or participating in any successor of either of those 2 programs,  
4 shall not be counted in membership.

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

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

27 (ii) If the public school academy provides instruction for

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

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

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

17 (q) The number of class hours used to calculate full-time  
18 equated memberships shall be consistent with section 101. In  
19 determining full-time equated memberships for pupils who are  
20 enrolled in a postsecondary institution **OR FOR PUPILS ENGAGED IN AN**  
21 **INTERNSHIP OR WORK EXPERIENCE UNDER SECTION 1279H OF THE REVISED**  
22 **SCHOOL CODE, MCL 380.1279H**, a pupil shall not be considered to be  
23 less than a full-time equated pupil solely because of the effect of  
24 his or her postsecondary enrollment **OR ENGAGEMENT IN THE INTERNSHIP**  
25 **OR WORK EXPERIENCE**, including necessary travel time, on the number  
26 of class hours provided by the district to the pupil.

27 (r) Full-time equated memberships for pupils in kindergarten

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

15 (s) For a district or a public school academy that has pupils  
16 enrolled in a grade level that was not offered by the district or  
17 public school academy in the immediately preceding school year, the  
18 number of pupils enrolled in that grade level to be counted in  
19 membership is the average of the number of those pupils enrolled  
20 and in regular daily attendance on the pupil membership count day  
21 and the supplemental count day of the current school year, as  
22 determined by the department. Membership shall be calculated by  
23 adding the number of pupils registered for attendance in that grade  
24 level on the pupil membership count day plus pupils received by  
25 transfer and minus pupils lost as defined by rules promulgated by  
26 the superintendent, and as corrected by subsequent department  
27 audit, plus the final audited count from the supplemental count day

1 for the current school year, and dividing that sum by 2.

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

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

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

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

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

1 alternative education program.

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

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

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

21 (x) If a district's membership for a particular fiscal year,  
22 as otherwise calculated under this subsection, would be less than  
23 1,550 pupils and the district has 4.5 or fewer pupils per square  
24 mile, as determined by the department, and if the district does not  
25 receive funding under section 22d(2), the district's membership  
26 shall be considered to be the membership figure calculated under  
27 this subdivision. If a district educates and counts in its

1 membership pupils in grades 9 to 12 who reside in a contiguous  
2 district that does not operate grades 9 to 12 and if 1 or both of  
3 the affected districts request the department to use the  
4 determination allowed under this sentence, the department shall  
5 include the square mileage of both districts in determining the  
6 number of pupils per square mile for each of the districts for the  
7 purposes of this subdivision. The membership figure calculated  
8 under this subdivision is the greater of the following:

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

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

16 (y) Full-time equated memberships for special education pupils  
17 who are not enrolled in kindergarten but are enrolled in a  
18 classroom program under R 340.1754 of the Michigan Administrative  
19 Code shall be determined by dividing the number of class hours  
20 scheduled and provided per year by 450. Full-time equated  
21 memberships for special education pupils who are not enrolled in  
22 kindergarten but are receiving early childhood special education  
23 services under R 340.1755 or R 340.1862 of the Michigan  
24 Administrative Code shall be determined by dividing the number of  
25 hours of service scheduled and provided per year per-pupil by 180.

26 (z) A pupil of a district that begins its school year after  
27 Labor Day who is enrolled in an intermediate district program that

1 begins before Labor Day shall not be considered to be less than a  
2 full-time pupil solely due to instructional time scheduled but not  
3 attended by the pupil before Labor Day.

4 (aa) For the first year in which a pupil is counted in  
5 membership on the pupil membership count day in a middle college  
6 program, the membership is the average of the full-time equated  
7 membership on the pupil membership count day and on the  
8 supplemental count day for the current school year, as determined  
9 by the department. If a pupil described in this subdivision was  
10 counted in membership by the operating district on the immediately  
11 preceding supplemental count day, the pupil shall be excluded from  
12 the district's immediately preceding supplemental count for the  
13 purposes of determining the district's membership.

14 (bb) A district or public school academy that educates a pupil  
15 who attends a United States Olympic Education Center may count the  
16 pupil in membership regardless of whether or not the pupil is a  
17 resident of this state.

18 (cc) A pupil enrolled in a district other than the pupil's  
19 district of residence pursuant to section 1148(2) of the revised  
20 school code, MCL 380.1148, shall be counted in the educating  
21 district.

22 (dd) For a pupil enrolled in a dropout recovery program that  
23 meets the requirements of section 23a, the pupil shall be counted  
24 as 1/12 of a full-time equated membership for each month that the  
25 district operating the program reports that the pupil was enrolled  
26 in the program and was in full attendance. However, if the special  
27 membership counting provisions under this subdivision and the



1 operation of the other membership counting provisions under this  
2 subsection result in a pupil being counted as more than 1.0 FTE in  
3 a fiscal year, the payment made for the pupil under sections 22a  
4 and 22b shall not be based on more than 1.0 FTE for that pupil, and  
5 any portion of an FTE for that pupil that exceeds 1.0 shall instead  
6 be paid under section 25g. The district operating the program shall  
7 report to the center the number of pupils who were enrolled in the  
8 program and were in full attendance for a month not later than 30  
9 days after the end of the month. A district shall not report a  
10 pupil as being in full attendance for a month unless both of the  
11 following are met:

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

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

23 (ee) A pupil participating in a virtual course under section  
24 21f shall be counted in membership in the district enrolling the  
25 pupil.

26 (ff) If a public school academy that is not in its first or  
27 second year of operation closes at the end of a school year and

1 does not reopen for the next school year, the department shall  
2 adjust the membership count of the district or other public school  
3 academy in which a former pupil of the closed public school academy  
4 enrolls and is in regular daily attendance for the next school year  
5 to ensure that the district or other public school academy receives  
6 the same amount of membership aid for the pupil as if the pupil  
7 were counted in the district or other public school academy on the  
8 supplemental count day of the preceding school year.

9 (gg) If a special education pupil is expelled under section  
10 1311 or 1311a of the revised school code, MCL 380.1311 and  
11 380.1311a, and is not in attendance on the pupil membership count  
12 day because of the expulsion, and if the pupil remains enrolled in  
13 the district and resumes regular daily attendance during that  
14 school year, the district's membership shall be adjusted to count  
15 the pupil in membership as if he or she had been in attendance on  
16 the pupil membership count day.

17 (hh) A pupil enrolled in a community district shall be counted  
18 in membership in the community district.

19 (ii) A part-time pupil enrolled in a nonpublic school in  
20 grades K to 12 in accordance with section 166b shall not be counted  
21 as more than 0.75 of a full-time equated membership.

22 (jj) A district that borders another state or a public school  
23 academy that operates at least grades 9 to 12 and is located within  
24 20 miles of a border with another state may count in membership a  
25 pupil who is enrolled in a course at a college or university that  
26 is located in the bordering state and within 20 miles of the border  
27 with this state if all of the following are met:

1           (i) The pupil would meet the definition of an eligible student  
2 under the postsecondary enrollment options act, 1996 PA 160, MCL  
3 388.511 to 388.524, if the course were an eligible course under  
4 that act.

5           (ii) The course in which the pupil is enrolled would meet the  
6 definition of an eligible course under the postsecondary enrollment  
7 options act, 1996 PA 160, MCL 388.511 to 388.524, if the course  
8 were provided by an eligible postsecondary institution under that  
9 act.

10           (iii) The department determines that the college or university  
11 is an institution that, in the other state, fulfills a function  
12 comparable to a state university or community college, as those  
13 terms are defined in section 3 of the postsecondary enrollment  
14 options act, 1996 PA 160, MCL 388.513, or is an independent  
15 nonprofit degree-granting college or university.

16           (iv) The district or public school academy pays for a portion  
17 of the pupil's tuition at the college or university in an amount  
18 equal to the eligible charges that the district or public school  
19 academy would pay to an eligible postsecondary institution under  
20 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511  
21 to 388.524, as if the course were an eligible course under that  
22 act.

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

26           (kk) A pupil enrolled in a middle college program may be  
27 counted for more than a total of 1.0 full-time equated membership

1 if the pupil is enrolled in more than the minimum number of  
2 instructional days and hours required under section 101 and the  
3 pupil is expected to complete the 5-year program with both a high  
4 school diploma and at least 60 transferable college credits or is  
5 expected to earn an associate's degree in fewer than 5 years.

6 (II) IF A DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S MEMBERSHIP FOR  
7 A PARTICULAR FISCAL YEAR, AS OTHERWISE CALCULATED UNDER THIS  
8 SUBSECTION, INCLUDES PUPILS COUNTED IN MEMBERSHIP WHO ARE ENROLLED  
9 UNDER SECTION 166B, ALL OF THE FOLLOWING APPLY FOR THE PURPOSES OF  
10 THIS SUBDIVISION:

11 (i) IF THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S MEMBERSHIP  
12 FOR PUPILS COUNTED UNDER SECTION 166B EQUALS OR EXCEEDS 5% OF THE  
13 DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S MEMBERSHIP FOR PUPILS NOT  
14 COUNTED IN MEMBERSHIP UNDER SECTION 166B IN THE IMMEDIATELY  
15 PRECEDING FISCAL YEAR, THEN THE GROWTH IN THE DISTRICT'S OR PUBLIC  
16 SCHOOL ACADEMY'S MEMBERSHIP FOR PUPILS COUNTED UNDER SECTION 166B  
17 MUST NOT EXCEED 10%.

18 (ii) IF THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S MEMBERSHIP  
19 FOR PUPILS COUNTED UNDER SECTION 166B IS LESS THAN 5% OF THE  
20 DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S MEMBERSHIP FOR PUPILS NOT  
21 COUNTED IN MEMBERSHIP UNDER SECTION 166B IN THE IMMEDIATELY  
22 PRECEDING FISCAL YEAR, THEN THE DISTRICT'S OR PUBLIC SCHOOL  
23 ACADEMY'S MEMBERSHIP FOR PUPILS COUNTED UNDER SECTION 166B MUST NOT  
24 EXCEED THE GREATER OF THE FOLLOWING:

25 (A) 5% OF THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S MEMBERSHIP  
26 FOR PUPILS NOT COUNTED IN MEMBERSHIP UNDER SECTION 166B.

27 (B) 10% MORE THAN THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S

1 MEMBERSHIP FOR PUPILS COUNTED UNDER SECTION 166B IN THE IMMEDIATELY  
2 PRECEDING FISCAL YEAR.

3 (iii) IF 1 OR MORE DISTRICTS CONSOLIDATE OR ARE PARTIES TO AN  
4 ANNEXATION, THEN THE CALCULATIONS UNDER SUBDIVISIONS (i) AND (ii)  
5 MUST BE APPLIED TO THE COMBINED TOTAL MEMBERSHIP FOR PUPILS COUNTED  
6 IN THOSE DISTRICTS FOR THE FISCAL YEAR IMMEDIATELY PRECEDING THE  
7 CONSOLIDATION OR ANNEXATION.

8 (MM) IF A DISTRICT, INTERMEDIATE DISTRICT, OR PUBLIC SCHOOL  
9 ACADEMY CHARGES TUITION FOR A PUPIL THAT RESIDED OUT OF STATE IN  
10 THE IMMEDIATELY PRECEDING SCHOOL YEAR, THE PUPIL SHALL NOT BE  
11 COUNTED IN MEMBERSHIP IN THE DISTRICT, INTERMEDIATE DISTRICT, OR  
12 PUBLIC SCHOOL ACADEMY.

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

15 (6) "Pupil" means an individual in membership in a public  
16 school. A district must have the approval of the pupil's district  
17 of residence to count the pupil in membership, except approval by  
18 the pupil's district of residence is not required for any of the  
19 following:

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

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

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

25 (d) A pupil enrolled in a district other than the pupil's  
26 district of residence under an intermediate district schools of  
27 choice pilot program as described in section 91a or former section

1 91 if the intermediate district and its constituent districts have  
2 been exempted from section 105.

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

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

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

24 (ii) "Serious assault" means an act that constitutes a felony  
25 violation of chapter XI of the Michigan penal code, 1931 PA 328,  
26 MCL 750.81 to 750.90h, or that constitutes an assault and  
27 infliction of serious or aggravated injury under section 81a of the

1 Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

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

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

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

1 380.1311a.

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

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

9 (n) 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.

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

17 However, except for pupils enrolled in the youth challenge  
18 program at the site at which the youth challenge program operated  
19 for 2015-2016, if a district educates pupils who reside in another  
20 district and if the primary instructional site for those pupils is  
21 established by the educating district after 2009-2010 and is  
22 located within the boundaries of that other district, the educating  
23 district must have the approval of that other district to count  
24 those pupils in membership.

25 (7) "Pupil membership count day" of a district or intermediate  
26 district means:

27 (a) Except as provided in subdivision (b), the first Wednesday



1 in October each school year or, for a district or building in which  
2 school is not in session on that Wednesday due to conditions not  
3 within the control of school authorities, with the approval of the  
4 superintendent, the immediately following day on which school is in  
5 session in the district or building.

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

8 (i) Fourth Wednesday in July.

9 (ii) First Wednesday in October.

10 (iii) Second Wednesday in February.

11 (iv) Fourth Wednesday in April.

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

1 equated membership. In addition, a pupil who was enrolled and in  
2 attendance in a district, intermediate district, or public school  
3 academy before the pupil membership count day or supplemental count  
4 day of a particular year but was expelled or suspended on the pupil  
5 membership count day or supplemental count day shall only be  
6 counted as 1.0 full-time equated membership if the pupil resumed  
7 attendance in the district, intermediate district, or public school  
8 academy within 45 days after the pupil membership count day or  
9 supplemental count day of that particular year. Pupils not counted  
10 as 1.0 full-time equated membership due to an absence from a class  
11 shall be counted as a prorated membership for the classes the pupil  
12 attended. For purposes of this subsection, "class" means a period  
13 of time in 1 day when pupils and a certificated teacher or ~~legally~~  
14 ~~qualified~~ **AN INDIVIDUAL WORKING UNDER A VALID** substitute teacher  
15 **PERMIT, AUTHORIZATION, OR APPROVAL ISSUED BY THE DEPARTMENT,** are  
16 together and instruction is taking place.

17 (9) "Rule" means a rule promulgated pursuant to the  
18 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
19 24.328.

20 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to  
21 380.1852.

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

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

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

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

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

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

11 Tuition pupil does not include a pupil who is a special education  
12 pupil, a pupil described in subsection (6)(c) to (o), or a pupil  
13 whose parent or guardian voluntarily enrolls the pupil in a  
14 district that is not the pupil's district of residence. A pupil's  
15 district of residence shall not require a high school tuition  
16 pupil, as provided under section 111, to attend another school  
17 district after the pupil has been assigned to a school district.

18 (17) "State school aid fund" means the state school aid fund  
19 established in section 11 of article IX of the state constitution  
20 of 1963.

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

24 (19) "Textbook" means a book, electronic book, or other  
25 instructional print or electronic resource that is selected and  
26 approved by the governing board of a district and that contains a  
27 presentation of principles of a subject, or that is a literary work

1 relevant to the study of a subject required for the use of  
2 classroom pupils, or another type of course material that forms the  
3 basis of classroom instruction.

4 (20) "Total state aid" or "total state school aid" means the  
5 total combined amount of all funds due to a district, intermediate  
6 district, or other entity under this article.

7 Sec. 11. (1) ~~For the fiscal year ending September 30, 2017,~~  
8 ~~there is appropriated for the public schools of this state and~~  
9 ~~certain other state purposes relating to education the sum of~~  
10 ~~\$12,069,644,300.00 from the state school aid fund, the sum of~~  
11 ~~\$179,100,000.00 from the general fund, an amount not to exceed~~  
12 ~~\$72,000,000.00 from the community district education trust fund~~  
13 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~  
14 ~~489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~  
15 ~~emergency reserve fund.~~ For the fiscal year ending September 30,  
16 2018, there is appropriated for the public schools of this state  
17 and certain other state purposes relating to education the sum of  
18 ~~\$12,547,270,300.00~~ **\$12,682,127,200.00** from the state school aid  
19 fund, the sum of ~~\$215,000,000.00~~ **\$78,500,000.00** from the general  
20 fund, an amount not to exceed \$72,000,000.00 from the community  
21 district education trust fund created under section 12 of the  
22 Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to  
23 exceed \$23,100,000.00 from the MPERS retirement obligation reform  
24 reserve fund, and an amount not to exceed \$100.00 from the water  
25 emergency reserve fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30,**  
26 **2019, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE**  
27 **AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF**

1 \$12,876,825,200.00 FROM THE STATE SCHOOL AID FUND, THE SUM OF  
2 \$60,000,000.00 FROM THE GENERAL FUND, AN AMOUNT NOT TO EXCEED  
3 \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND  
4 CREATED UNDER SECTION 12 OF THE MICHIGAN TRUST FUND ACT, 2000 PA  
5 489, MCL 12.262, AN AMOUNT NOT TO EXCEED \$31,900,000.00 FROM THE  
6 MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND, AND AN AMOUNT NOT  
7 TO EXCEED \$100.00 FROM THE WATER EMERGENCY RESERVE FUND. In  
8 addition, all available federal funds are appropriated each fiscal  
9 year for the fiscal years ending September 30, ~~2017-2018~~ and  
10 September 30, ~~2018-2019~~.

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

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

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

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

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

1 the bookclosing for that fiscal year.

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

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

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

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

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

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

1 as required under section 296(2) and state payments in an amount  
2 equal to the remainder of the projected shortfall shall be prorated  
3 in the manner provided under section 296(3).

4 (7) For ~~2016-2017 and for 2017-2018,~~ **2018-2019**, in addition to  
5 the appropriations in section 11, there is appropriated from the  
6 school aid stabilization fund to the state school aid fund the  
7 amount necessary to fully fund the allocations under this article.

8 Sec. 11j. From the appropriation in section 11, there is  
9 allocated an amount not to exceed \$125,500,000.00 for ~~2017-2018~~  
10 **2018-2019** for payments to the school loan bond redemption fund in  
11 the department of treasury on behalf of districts and intermediate  
12 districts. Notwithstanding section 296 or any other provision of  
13 this act, funds allocated under this section are not subject to  
14 proration and shall be paid in full.

15 Sec. 11k. For ~~2017-2018,~~ **2018-2019**, there is appropriated from  
16 the general fund to the school loan revolving fund an amount equal  
17 to the amount of school bond loans assigned to the Michigan finance  
18 authority, not to exceed the total amount of school bond loans held  
19 in reserve as long-term assets. As used in this section, "school  
20 loan revolving fund" means that fund created in section 16c of the  
21 shared credit rating act, 1985 PA 227, MCL 141.1066c.

22 Sec. 11m. From the appropriation in section 11, ~~there is~~  
23 ~~allocated for 2016-2017 an amount not to exceed \$5,500,000.00 and~~  
24 there is allocated for 2017-2018 an amount not to exceed  
25 ~~\$6,500,000.00~~ **\$18,000,000.00 AND THERE IS ALLOCATED FOR 2018-2019**  
26 **AN AMOUNT NOT TO EXCEED \$24,000,000.00** for fiscal year cash-flow  
27 borrowing costs solely related to the state school aid fund

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

3       Sec. 11s. (1) From the general fund appropriation in section  
4 11, ~~there is allocated \$10,142,500.00 for 2016-2017 and there is~~  
5 ~~allocated \$8,730,000.00 for 2017-2018~~ **\$3,230,000.00 FOR 2018-2019**  
6 for the purpose of providing services and programs to children who  
7 reside within the boundaries of a district with the majority of its  
8 territory located within the boundaries of a city for which an  
9 executive proclamation of emergency is issued in the current or  
10 immediately preceding ~~2-3~~ fiscal years under the emergency  
11 management act, 1976 PA 390, MCL 30.401 to 30.421. From the funding  
12 appropriated in section 11, there is allocated for ~~each~~ fiscal year  
13 ~~for 2016-2017 and for 2017-2018~~ **2018-2019** \$100.00 from the water  
14 emergency reserve fund for the purposes of this section.

15       (2) From the allocation in subsection (1), there is allocated  
16 to a district with the majority of its territory located within the  
17 boundaries of a city in which an executive proclamation of  
18 emergency is issued in the current or immediately preceding ~~2-3~~  
19 fiscal years and that has at least 4,500 pupils in membership for  
20 the 2016-2017 fiscal year or has at least 4,000 pupils in  
21 membership for a fiscal year after 2016-2017, an amount not to  
22 exceed ~~\$1,292,500.00 for 2016-2017 and an amount not to exceed~~  
23 ~~\$2,625,000.00 for 2017-2018~~ **\$2,625,000.00 FOR 2018-2019** for the  
24 purpose of employing school nurses, **CLASSROOM AIDES**, and school  
25 social workers. The district shall provide a report to the  
26 department in a form, manner, and frequency prescribed by the  
27 department. The department shall provide a copy of that report to



1 the governor, the house and senate school aid subcommittees, the  
2 house and senate fiscal agencies, and the state budget director  
3 within 5 days after receipt. The report shall provide at least the  
4 following information:

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

7 (b) A description of the services provided to pupils by those  
8 personnel.

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

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

14 ~~—— (3) From the allocation in subsection (1), there is allocated~~  
15 ~~to an intermediate district that has a constituent district~~  
16 ~~described in subsection (2) an amount not to exceed \$1,195,000.00~~  
17 ~~for 2016-2017 and an amount not to exceed \$2,500,000.00 for 2017-~~  
18 ~~2018 to augment staff for the purpose of providing additional early~~  
19 ~~childhood services and for nutritional services to children~~  
20 ~~described in subsection (1), regardless of location of school of~~  
21 ~~attendance. For 2016-2017, the early childhood services to be~~  
22 ~~provided under this subsection are state early intervention~~  
23 ~~services as described in subsection (4) and early literacy~~  
24 ~~services. Beginning with 2017-2018, the early childhood services to~~  
25 ~~be provided under this subsection are state early intervention~~  
26 ~~services that are similar to the services described in the early on~~  
27 ~~Michigan state plan, including ensuring that all children described~~

1 ~~in subsection (1) who are less than 4 years of age as of September~~  
2 ~~1, 2016 are assessed and evaluated at least twice annually. In~~  
3 ~~addition, funds allocated under this subsection may also be~~  
4 ~~expended to provide informational resources to parents, educators,~~  
5 ~~and the community, and to coordinate services with other local~~  
6 ~~agencies. The intermediate district shall provide a report to the~~  
7 ~~department in a form, manner, and frequency approved by the~~  
8 ~~department. The department shall provide a copy of that report to~~  
9 ~~the governor, the house and senate school aid subcommittees, the~~  
10 ~~house and senate fiscal agencies, and the state budget director~~  
11 ~~within 5 days after receipt. The report shall provide at least the~~  
12 ~~following information:~~

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

15 ~~—— (b) A description of the services provided to children by~~  
16 ~~those personnel.~~

17 ~~—— (c) What types of additional nutritional services were~~  
18 ~~provided.~~

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

21 ~~—— (e) What types of informational resources and coordination~~  
22 ~~efforts were provided.~~

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

26 **(3)** ~~(4)~~ For 2016-2017 **2018-2019** only, from the allocation in  
27 subsection (1), there is allocated an amount not to exceed

1 ~~6,155,000.00~~ **\$0.00** to **AN** intermediate districts described in  
2 subsection (3) **DISTRICT THAT HAS A CONSTITUENT DISTRICT DESCRIBED**  
3 **IN SUBSECTION (2)** to provide state early intervention services for  
4 children described in subsection (1) who are less than 4 years of  
5 age as of September 1, 2016. The intermediate district shall use  
6 these funds to provide state early intervention services that are  
7 similar to the services described in the early on Michigan state  
8 plan, including ensuring that all children described in subsection  
9 (1) who are less than 4 years of age as of September 1, 2016 are  
10 assessed and evaluated at least twice annually.

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

20 **(4)** ~~(6)~~ For ~~2017-2018,~~ **2018-2019**, from the allocation in  
21 subsection (1), there is allocated an amount not to exceed  
22 \$605,000.00 for nutritional services to children described in  
23 subsection (1).

24 **(5)** ~~(7)~~ In addition to other funding allocated and  
25 appropriated in this section, there is appropriated an amount not  
26 to exceed \$15,000,000.00 ~~each fiscal year for 2016-2017 and 2017-~~  
27 ~~2018~~ **FOR FISCAL YEAR 2018-2019** for state restricted contingency

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

5 (6) ~~(8)~~—Notwithstanding section 17b, payments under this  
6 section shall be paid on a schedule determined by the department.

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 9 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. ~~At the request of a district and upon the district~~  
18 ~~presenting evidence satisfactory to the department of the hardship,~~  
19 ~~the department may waive all or a portion of the adjustments under~~  
20 ~~this subsection if the department determines that all of the~~  
21 ~~following apply:~~

22 ~~—— (a) The district would otherwise experience a significant~~  
23 ~~hardship in satisfying its financial obligations.~~

24 ~~—— (b) The district would otherwise experience a significant~~  
25 ~~hardship in satisfying its responsibility to provide instruction to~~  
26 ~~its pupils.~~

27 ~~—— (c) The district has taken sufficient corrective action to~~

1 ~~ensure that the circumstance or circumstances that necessitated the~~  
2 ~~adjustment under this subsection do not recur.~~

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

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

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

1 funded by revenue from the write-off of prior year accruals.

2 ~~—— (6) The department shall not deduct any funds from a district~~  
 3 ~~due to a pupil being counted in membership before the effective~~  
 4 ~~date of the amendatory act that added section 6(4)(jj), or~~  
 5 ~~otherwise reduce an allocation under this article to a district~~  
 6 ~~relative to the counting of a pupil in membership as provided under~~  
 7 ~~section 6(4)(jj), if the district substantially complied with the~~  
 8 ~~requirements under section 6(4)(jj) in a previous fiscal year as if~~  
 9 ~~section 6(4)(jj) had been in effect in the previous fiscal year.~~

10 (6) ~~(7)~~—In addition to funds appropriated in section 11 for  
 11 all programs and services, there is appropriated for ~~2017-2018~~  
 12 **2018-2019** for obligations in excess of applicable appropriations an  
 13 amount equal to the collection of overpayments, but not to exceed  
 14 amounts available from overpayments.

15 **SEC. 17C. (1) EXCEPT AS OTHERWISE PROVIDED UNDER THIS ARTICLE,**  
 16 **THE DEPARTMENT SHALL DO BOTH OF THE FOLLOWING FOR FUNDS**  
 17 **APPROPRIATED UNDER THIS ARTICLE FOR GRANTS DISTRIBUTED BY THE**  
 18 **DEPARTMENT TO DISTRICTS, INTERMEDIATE DISTRICTS, AND ELIGIBLE**  
 19 **ENTITIES:**

20 (A) NOT LATER THAN SEPTEMBER 1 OF EACH FISCAL YEAR, OPEN THE  
 21 GRANT APPLICATION FOR FUNDS APPROPRIATED FOR THE SUBSEQUENT FISCAL  
 22 YEAR. THE DEPARTMENT SHALL ALSO PROVIDE TO DISTRICTS, INTERMEDIATE  
 23 DISTRICTS, AND ELIGIBLE ENTITIES, AND POST ON ITS PUBLICLY  
 24 ACCESSIBLE WEBSITE, THE GRANT APPLICATION AND AWARD PROCESS  
 25 SCHEDULE AND THE LIST OF STATE GRANTS AND CONTRACTS AVAILABLE IN  
 26 THE SUBSEQUENT FISCAL YEAR.

27 (B) NOT LATER THAN DECEMBER 1 OF EACH FISCAL YEAR, PUBLISH

1 GRANT AWARDS FOR FUNDS APPROPRIATED IN THAT FISCAL YEAR.

2 (2) INFORMATION FOR GRANTS AWARDED FROM FUNDS APPROPRIATED  
3 UNDER THIS ARTICLE MUST BE PLACED ON THE STATE BOARD AGENDA IN  
4 AUGUST OF THE PRECEDING FISCAL YEAR.

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

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



1 may make the information available through a link on its  
2 intermediate district's website homepage, in a form and manner  
3 prescribed by the department:

4 (a) The annual operating budget and subsequent budget  
5 revisions.

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

10 (i) A chart of personnel expenditures, 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 (ii) A chart of all district expenditures, broken into the  
19 following subcategories:

20 (A) Instruction.

21 (B) Support services.

22 (C) Business and administration.

23 (D) Operations and maintenance.

24 (c) Links to all of the following:

25 (i) The current collective bargaining agreement for each  
26 bargaining unit.

27 (ii) Each health care benefits plan, including, but not

1 limited to, medical, dental, vision, disability, long-term care, or  
2 any other type of benefits that would constitute health care  
3 services, offered to any bargaining unit or employee in the  
4 district.

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

7 (iv) The bids required under section 5 of the public employees  
8 health ~~benefits~~-**BENEFIT** act, 2007 PA 106, MCL 124.75.

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

11 (vi) The district's written policy establishing specific  
12 categories of reimbursable expenses, as described in section  
13 1254(2) of the revised school code, MCL 380.1254.

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

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

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

24 (f) The annual amount spent on lobbying or lobbying services.

25 As used in this subdivision, "lobbying" means that term as defined  
26 in section 5 of 1978 PA 472, MCL 4.415.

27 (g) Any deficit elimination plan or enhanced deficit

1 elimination plan the district was required to submit under the  
2 revised school code.

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

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

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

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

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

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

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

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

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

27 (e) All of the following shall be done not later than November

1 1 each year for reporting the prior fiscal year data:

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

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

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

10 (f) The annual financial audit reports and pupil accounting  
11 procedures reports shall be available to the public in compliance  
12 with the freedom of information act, 1976 PA 442, MCL 15.231 to  
13 15.246.

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

21 (5) By November 1 each fiscal year, each district and  
22 intermediate district shall submit to the center, in a manner  
23 prescribed by the center, annual comprehensive financial data  
24 consistent with the district's or intermediate district's audited  
25 financial statements and consistent with accounting manuals and  
26 charts of accounts approved and published by the department. For an  
27 intermediate district, the report shall also contain the website

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

16 (6) By September 30 of each year, each district and  
17 intermediate district shall file with the ~~department~~**CENTER** the  
18 special education actual cost report, known as "SE-4096", on a form  
19 and in the manner prescribed by the ~~department~~**CENTER. AN**  
20 **INTERMEDIATE DISTRICT SHALL PERFORM THE AUDIT OF A DISTRICT'S**  
21 **REPORT.**

22 (7) By October 7 of each year, each district and intermediate  
23 district shall file with the center the **AUDITED** transportation  
24 expenditure report, known as "SE-4094", on a form and in the manner  
25 prescribed by the center. **AN INTERMEDIATE DISTRICT SHALL PERFORM**  
26 **THE AUDIT OF A DISTRICT'S REPORT.**

27 (8) The department shall review its pupil accounting and pupil

1 auditing manuals at least annually and shall periodically update  
2 those manuals to reflect changes in this article.

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

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

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

1           (12) By November 1 of each year, if a district or intermediate  
2 district offers virtual learning under section 21f, **OR FOR A SCHOOL**  
3 **OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF**  
4 **THE REVISED SCHOOL CODE, MCL 380.551**, the district or intermediate  
5 district shall submit to the department a report that details the  
6 per-pupil costs of operating the virtual learning by vendor type  
7 **AND VIRTUAL LEARNING MODEL**. The report shall include ~~at least all~~  
8 ~~of the following~~ information concerning the operation of virtual  
9 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.~~ **YEAR, INCLUDING INFORMATION CONCERNING SUMMER**  
7 **PROGRAMMING. INFORMATION MUST BE COLLECTED IN A FORM AND MANNER**  
8 **DETERMINED BY THE DEPARTMENT AND MUST BE COLLECTED IN THE MOST**  
9 **EFFICIENT MANNER POSSIBLE TO REDUCE THE ADMINISTRATIVE BURDEN ON**  
10 **REPORTING ENTITIES.**

11 (13) By March 31 of each year, the department shall submit to  
12 the house and senate appropriations subcommittees on state school  
13 aid, the state budget director, and the house and senate fiscal  
14 agencies a report summarizing the per-pupil costs by vendor type of  
15 virtual courses available under section 21f **AND VIRTUAL COURSES**  
16 **PROVIDED BY A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS**  
17 **DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551.**

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

20 (a) Virtual courses provided by the Michigan Virtual  
21 University.

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

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

27 (d) Virtual courses created and offered by a district or

1 intermediate district.

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

5 (16) Beginning October 1, ~~2017, and not less than once every 3~~  
6 ~~months after that date, the~~ **2018, AND ANNUALLY THEREAFTER, THE**  
7 department shall submit to the senate and house subcommittees on  
8 school aid and to the senate and house standing committees on  
9 education an itemized list of allocations under this article to any  
10 association or consortium consisting of associations **IN THE**  
11 **IMMEDIATELY PRECEDING FISCAL YEAR.** The report shall detail the  
12 recipient or recipients, the amount allocated, and the purpose for  
13 which the funds were distributed.

14 Sec. 19. (1) A district or intermediate district shall comply  
15 with all applicable reporting requirements specified in state and  
16 federal law. Data provided to the center, in a form and manner  
17 prescribed by the center, shall be aggregated and disaggregated as  
18 required by state and federal law. In addition, a district or  
19 intermediate district shall cooperate with all measures taken by  
20 the center to establish and maintain a statewide P-20 longitudinal  
21 data system.

22 (2) Each district shall furnish to the center not later than 5  
23 weeks after the pupil membership count day and by ~~June 30~~ **THE LAST**  
24 **BUSINESS DAY IN JUNE** of the school fiscal year ending in the fiscal  
25 year, in a manner prescribed by the center, the information  
26 necessary for the preparation of the district and high school  
27 graduation report **AND FOR THE PREPARATION OF THE STATE AND FEDERAL**

1 **ACCOUNTABILITY REPORTS.** This information shall meet requirements  
2 established in the pupil auditing manual approved and published by  
3 the department. The center shall calculate an annual graduation and  
4 pupil dropout rate for each high school, each district, and this  
5 state, in compliance with nationally recognized standards for these  
6 calculations. The center shall report all graduation and dropout  
7 rates to the senate and house education committees and  
8 appropriations committees, the state budget director, and the  
9 department not later than 30 days after the publication of the list  
10 described in subsection (5). Before reporting these graduation and  
11 dropout rates, the department shall allow a school or district to  
12 appeal the calculations. The department shall consider and act upon  
13 the appeal within 30 days after it is submitted and shall not  
14 report these graduation and dropout rates until after all appeals  
15 have been considered and decided.

16 (3) By the first business day in December and by ~~June 30~~ **THE**  
17 **LAST BUSINESS DAY IN JUNE** of each year, a district shall furnish to  
18 the center, in a manner prescribed by the center, information  
19 related to educational personnel as necessary for reporting  
20 required by state and federal law. For the purposes of this  
21 subsection, the center shall only require districts and  
22 intermediate districts to report information that is not already  
23 available from the office of retirement services in the department  
24 of technology, management, and budget.

25 (4) If a district or intermediate district fails to meet the  
26 requirements of this section, the department shall withhold 5% of  
27 the total funds for which the district or intermediate district

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

7 (5) Before publishing a list of school or district  
8 accountability designations as required by the no child left behind  
9 act of 2001, Public Law 107-110, or the every student succeeds act,  
10 Public Law 114-95, **AND UTILIZING DATA THAT WERE CERTIFIED AS**  
11 **ACCURATE AND COMPLETE AFTER DISTRICTS AND INTERMEDIATE DISTRICTS**  
12 **ADHERED TO DEADLINES, DATA QUALITY REVIEWS, AND CORRECTION**  
13 **PROCESSES LEADING TO LOCAL CERTIFICATION OF FINAL STUDENT DATA IN**  
14 **SUBSECTION (2)**, the department shall allow a school or district to  
15 appeal ~~that determination.~~ **ANY CALCULATION ERRORS USED IN THE**  
16 **PREPARATION OF ACCOUNTABILITY METRICS.** The department shall  
17 consider and act upon the appeal within 30 days after it is  
18 submitted and shall not publish the list until after all appeals  
19 have been considered and decided.

20 (6) Beginning in 2016-2017, the department shall implement  
21 statewide standard reporting requirements for education data  
22 approved by the department in conjunction with the center. The  
23 department shall work with the center, intermediate districts,  
24 districts, and other interested stakeholders to implement this  
25 policy change. A district or intermediate district shall implement  
26 the statewide standard reporting requirements not later than 2017-  
27 2018 or when a district or intermediate district updates its

1 education data reporting system, whichever is later.

2 Sec. 20. (1) For ~~2017-2018~~, **2018-2019**, both of the following  
3 apply:

4 (a) The basic foundation allowance is ~~\$8,289.00~~ **\$8,409.00**.

5 (b) The minimum foundation allowance is ~~\$7,631.00~~ **\$7,871.00**.

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

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

13 (a) Except as otherwise provided in this subdivision, for a  
14 district that had a foundation allowance for the immediately  
15 preceding state fiscal year that was at least equal to the minimum  
16 foundation allowance for the immediately preceding state fiscal  
17 year, but less than the basic foundation allowance for the  
18 immediately preceding state fiscal year, the district shall receive  
19 a foundation allowance in an amount equal to the sum of the  
20 district's foundation allowance for the immediately preceding state  
21 fiscal year plus the difference between twice the dollar amount of  
22 the adjustment from the immediately preceding state fiscal year to  
23 the current state fiscal year made in the basic foundation  
24 allowance and [(the difference between the basic foundation  
25 allowance for the current state fiscal year and basic foundation  
26 allowance for the immediately preceding state fiscal year minus  
27 ~~\$20.00~~) **\$40.00**] times (the difference between the district's

1 foundation allowance 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.] However, the foundation allowance for a  
7 district that had less than the basic foundation allowance for the  
8 immediately preceding state fiscal year shall not exceed the basic  
9 foundation allowance for the current state fiscal year.

10 (b) Except as otherwise provided in this subsection, for a  
11 district that in the immediately preceding state fiscal year had a  
12 foundation allowance in an amount equal to the amount of the basic  
13 foundation allowance for the immediately preceding state fiscal  
14 year, the district shall receive a foundation allowance for ~~2017-~~  
15 ~~2018-2018-2019~~ in an amount equal to the basic foundation allowance  
16 for ~~2017-2018-2018-2019~~.

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

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

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

7 (e) For a district that received a foundation allowance  
8 supplemental payment calculated under section 20m and paid under  
9 section 22b for ~~2016-2017,~~ **2017-2018**, the district's ~~2016-2017~~  
10 **2017-2018** foundation allowance is considered to have been an amount  
11 equal to the sum of the district's actual ~~2016-2017~~ **2017-2018**  
12 foundation allowance as otherwise calculated under this section  
13 plus the lesser of the per pupil amount of the district's  
14 supplemental payment for ~~2016-2017~~ **2017-2018** as calculated under  
15 section 20m or the product of the district's foundation allowance  
16 for the immediately preceding state fiscal year times the  
17 percentage increase in the United States consumer price index in  
18 the calendar year ending in the immediately preceding fiscal year  
19 as reported by the May revenue estimating conference conducted  
20 under section 367b of the management and budget act, 1984 PA 431,  
21 MCL 18.1367b.

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

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

25 (5) The allocation calculated under this section for a pupil  
26 shall be based on the foundation allowance of the pupil's district  
27 of residence. For a pupil enrolled pursuant to section 105 or 105c



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

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

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

17 (7) Except as otherwise provided in this subsection, for  
18 pupils in membership, other than special education pupils, in a  
19 community district, the allocation calculated under this section is  
20 an amount per membership pupil other than special education pupils  
21 in the community district equal to the foundation allowance of the  
22 qualifying school district, as described in section 12b of the  
23 revised school code, MCL 380.12b, that is located within the same  
24 geographic area as the community district.

25 (8) Subject to subsection (4), for a district that is formed  
26 or reconfigured after June 1, 2002 by consolidation of 2 or more  
27 districts or by annexation, the resulting district's foundation

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

13 (9) Each fraction used in making calculations under this  
14 section shall be rounded to the fourth decimal place and the dollar  
15 amount of an increase in the basic foundation allowance shall be  
16 rounded to the nearest whole dollar.

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

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

26 (a) The pupil membership factor shall be computed by dividing  
27 the estimated membership in the school year ending in the current

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

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

27 (c) The index shall be calculated by multiplying the pupil

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

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

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

16 (14) As used in this section:

17 (a) "Certified mills" means the lesser of 18 mills or the  
18 number of mills of school operating taxes levied by the district in  
19 1993-94.

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

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

27 (d) "Current state fiscal year" means the state fiscal year

1 for which a particular calculation is made.

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

6 (f) "Immediately preceding state fiscal year" means the state  
7 fiscal year immediately preceding the current state fiscal year.

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

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

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

4 (j) "Maximum public school academy allocation", except as  
5 otherwise provided in this subdivision, means the maximum per-pupil  
6 allocation as calculated by adding the highest per-pupil allocation  
7 among all public school academies for the immediately preceding  
8 state fiscal year plus the difference between twice the amount of  
9 the difference between the basic foundation allowance for the  
10 current state fiscal year and the basic foundation allowance for  
11 the immediately preceding state fiscal year and [(the amount of the  
12 difference between the basic foundation allowance for the current  
13 state fiscal year and the basic foundation allowance for the  
14 immediately preceding state fiscal year minus ~~\$20.00~~-\$40.00) times  
15 (the difference between the highest per-pupil allocation among all  
16 public school academies for the immediately preceding state fiscal  
17 year and the minimum foundation allowance for the immediately  
18 preceding state fiscal year) divided by the difference between the  
19 basic foundation allowance for the current state fiscal year and  
20 the minimum foundation allowance for the immediately preceding  
21 state fiscal year.] For the purposes of this subdivision, for ~~2017-~~  
22 ~~2018-~~2018-2019, the maximum public school academy allocation is  
23 ~~\$7,631.00~~-\$7,871.00.

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

27 (l) "Nonexempt property" means property that is not a

1 principal residence, qualified agricultural property, qualified  
2 forest property, supportive housing property, industrial personal  
3 property, commercial personal property, or property occupied by a  
4 public school academy.

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

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

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

17 (p) "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.

20 (q) "Tax increment financing acts" means 1975 PA 197, MCL  
21 125.1651 to 125.1681, the tax increment finance authority act, 1980  
22 PA 450, MCL 125.1801 to 125.1830, the local development financing  
23 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
24 redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~  
25 **125.2670**, or the corridor improvement authority act, 2005 PA 280,  
26 MCL 125.2871 to 125.2899.

27 (r) "Taxable value per membership pupil" means taxable value,



1 as certified by the county treasurer and reported to the  
2 department, for the calendar year ending in the current state  
3 fiscal year divided by the district's membership excluding special  
4 education pupils for the school year ending in the current state  
5 fiscal year.

6 Sec. 20d. In making the final determination required under  
7 former section 20a of a district's combined state and local revenue  
8 per membership pupil in 1993-94 and in making calculations under  
9 section 20 for ~~2017-2018~~, **2018-2019**, the department and the  
10 department of treasury shall comply with all of the following:

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

27 (b) If a district had an adjustment made to its 1993-94 total

1 state school aid that excluded payments made under former section  
2 146 and under section 147 on behalf of the district's employees who  
3 provided direct services for intermediate district center programs  
4 operated by the district under sections 51 to 56, if nonresident  
5 pupils attending the center programs were included in the  
6 district's membership for purposes of calculating the combined  
7 state and local revenue per membership pupil for 1993-94, and if  
8 there is a signed agreement by all constituent districts of the  
9 intermediate district that an adjustment under this subdivision  
10 shall be made, the foundation allowances for 1995-96 and 1996-97 of  
11 all districts that had pupils attending the intermediate district  
12 center program operated by the district that had the adjustment  
13 shall be calculated as if their combined state and local revenue  
14 per membership pupil for 1993-94 included resident pupils attending  
15 the center program and excluded nonresident pupils attending the  
16 center program.

17       Sec. 20f. (1) From the funds appropriated in section 11, there  
18 is allocated an amount not to exceed \$18,000,000.00 for ~~2017-2018~~  
19 **2018-2019** for payments to eligible districts under this section.

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

25       (a) The increase in the district's foundation allowance or  
26 per-pupil payment as calculated under section 20 from 2012-2013 to  
27 2013-2014.

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

3 (c) The quotient of the district's allocation under section  
4 147a for 2012-2013 divided by the district's membership pupils for  
5 2012-2013 minus the quotient of the district's allocation under  
6 section 147a for 2013-2014 divided by the district's membership  
7 pupils for 2013-2014.

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

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

15 (a) The increase in the district's foundation allowance or  
16 per-pupil payment as calculated under section 20 from 2014-2015 to  
17 2015-2016.

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

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

22 (d) The quotient of the district's allocation under section  
23 31a for 2015-2016 divided by the district's membership pupils for  
24 2015-2016 minus the quotient of the district's allocation under  
25 section 31a for 2014-2015 divided by the district's membership  
26 pupils for 2014-2015.

27 (5) The amount allocated to each eligible district under

1 subsection (4) is an amount per membership pupil equal to \$25.00  
2 minus the sum of the following:

3 (a) The increase in the district's foundation allowance or  
4 per-pupil payment as calculated under section 20 from 2014-2015 to  
5 2015-2016.

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

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

10 (d) The quotient of the district's allocation under section  
11 31a for 2015-2016 divided by the district's membership pupils for  
12 2015-2016 minus the quotient of the district's allocation under  
13 section 31a for 2014-2015 divided by the district's membership  
14 pupils for 2014-2015.

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

19 Sec. 21f. (1) A primary district shall enroll an eligible  
20 pupil 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) Subject to subsection (3), a primary district shall enroll  
5 an eligible pupil in up to 2 virtual courses as requested by the  
6 pupil during an academic term, semester, or trimester.

7 (3) A pupil may be enrolled in more than 2 virtual courses in  
8 a specific academic term, semester, or trimester if all of the  
9 following conditions are met:

10 (a) The primary district has determined that it is in the best  
11 interest of the pupil.

12 (b) The pupil agrees with the recommendation of the primary  
13 district.

14 (c) The primary district, in collaboration with the pupil, has  
15 developed an education development plan, in a form and manner  
16 specified by the department, that is kept on file by the district.  
17 Beginning October 1, 2016, this subdivision does not apply to a  
18 pupil enrolled as a part-time pupil under section 166b.

19 (4) If the number of applicants eligible for acceptance in a  
20 virtual course does not exceed the capacity of the provider to  
21 provide the virtual course, the provider shall accept for  
22 enrollment all of the applicants eligible for acceptance. If the  
23 number of applicants exceeds the provider's capacity to provide the  
24 virtual course, the provider shall use a random draw system,  
25 subject to the need to abide by state and federal  
26 antidiscrimination laws and court orders. A primary district that  
27 is also a provider shall determine whether or not it has the

1 capacity to accept applications for enrollment from nonresident  
2 applicants in virtual courses and may use that limit as the reason  
3 for refusal to enroll a nonresident applicant.

4 (5) A primary district may not establish additional  
5 requirements beyond those specified in this subsection that would  
6 prohibit a pupil from taking a virtual course. A pupil's primary  
7 district may deny the pupil enrollment in an online course if any  
8 of the following apply, as determined by the district:

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

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

12 (c) The virtual course is not capable of generating academic  
13 credit.

14 (d) The virtual course is inconsistent with the remaining  
15 graduation requirements or career interests of the pupil.

16 (e) The pupil has not completed the prerequisite coursework  
17 for the requested virtual course or has not demonstrated  
18 proficiency in the prerequisite course content.

19 (f) The pupil has failed a previous virtual course in the same  
20 subject during the 2 most recent academic years.

21 (g) The virtual course is of insufficient quality or rigor. A  
22 primary district that denies a pupil enrollment request for this  
23 reason shall enroll the pupil in a virtual course in the same or a  
24 similar subject that the primary district determines is of  
25 acceptable rigor and quality.

26 (h) The cost of the virtual course exceeds the amount  
27 identified in subsection ~~(9)~~, **(10)**, unless the pupil or the pupil's

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

3 (i) The request for a virtual course enrollment did not occur  
4 within the same timelines established by the primary district for  
5 enrollment and schedule changes for regular courses.

6 (j) The request for a virtual course enrollment was not made  
7 in the academic term, semester, trimester, or summer preceding the  
8 enrollment. This subdivision does not apply to a request made by a  
9 pupil who is newly enrolled in the primary district.

10 (6) If a pupil is denied enrollment in a virtual course by the  
11 pupil's primary district, the primary district shall provide  
12 written notification to the pupil of the denial, the reason or  
13 reasons for the denial pursuant to subsection (5), and a  
14 description of the appeal process. The pupil may appeal the denial  
15 by submitting a letter to the superintendent of the intermediate  
16 district in which the pupil's primary district is located. The  
17 letter of appeal shall include the reason provided by the primary  
18 district for not enrolling the pupil and the reason why the pupil  
19 is claiming that the enrollment should be approved. The  
20 intermediate district superintendent or designee shall respond to  
21 the appeal within 5 days after it is received. If the intermediate  
22 district superintendent or designee determines that the denial of  
23 enrollment does not meet 1 or more of the reasons specified in  
24 subsection (5), the primary district shall enroll the pupil in the  
25 virtual course.

26 (7) To provide a virtual course to an eligible pupil under  
27 this section, a provider shall do all of the following:

1           (a) Ensure that the virtual course has been published in the  
2 pupil's primary district's catalog of board-approved courses or  
3 published in the statewide catalog of virtual courses maintained by  
4 the Michigan Virtual University.

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

11           (c) Offer the virtual course on an open entry and exit method,  
12 or aligned to a semester, trimester, or accelerated academic term  
13 format.

14           (d) If the virtual course is offered to eligible pupils in  
15 more than 1 district, the following additional requirements must  
16 also be met:

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

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

27           (8) To provide an online course under this section, a



1 community college shall ensure that each online course it provides  
2 under this section generates postsecondary credit.

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

7 (10) For a pupil enrolled in 1 or more virtual courses, the  
8 primary district shall use foundation allowance or per-pupil funds  
9 calculated under section 20 to pay for the expenses associated with  
10 the virtual course or courses. A primary district is not required  
11 to pay toward the cost of a virtual course an amount that exceeds  
12 6.67% of the minimum foundation allowance for the current fiscal  
13 year as calculated under section 20.

14 (11) A virtual learning pupil shall have the same rights and  
15 access to technology in his or her primary district's school  
16 facilities as all other pupils enrolled in the pupil's primary  
17 district. The department shall establish standards for hardware,  
18 software, and ~~Internet~~**INTERNET** access for pupils who are enrolled  
19 in more than 2 virtual courses in an academic term, semester, or  
20 trimester taken at a location other than a school facility.

21 (12) If a pupil successfully completes a virtual course, as  
22 determined by the pupil's primary district, the pupil's primary  
23 district shall grant appropriate academic credit for completion of  
24 the course and shall count that credit toward completion of  
25 graduation and subject area requirements. A pupil's school record  
26 and transcript shall identify the virtual course title as it  
27 appears in the virtual course syllabus.

1           (13) The enrollment of a pupil in 1 or more virtual courses  
2 shall not result in a pupil being counted as more than 1.0 full-  
3 time equivalent pupils under this article. The minimum requirements  
4 to count the pupil in membership are those established by the pupil  
5 accounting manual as it was in effect for the 2015-2016 school year  
6 or as subsequently amended by the department if the department  
7 notifies the legislature about the proposed amendment at least 60  
8 days before the amendment becomes effective.

9           (14) As used in this section:

10           (a) "Instructor" means an individual who is employed by or  
11 contracted through a community college.

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

19           (c) "Primary district" means the district that enrolls the  
20 pupil and reports the pupil for pupil membership purposes.

21           (d) "Provider" means the district, intermediate district, or  
22 community college that the primary district pays to provide the  
23 virtual course or the Michigan Virtual University if it is  
24 providing the virtual course.

25           (e) "Teacher of record" means a teacher who meets all of the  
26 following:

27           (i) Holds a valid Michigan teaching certificate or a teaching

1 permit recognized by the department.

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

4 (iii) Is responsible for providing instruction, determining  
5 instructional methods for each pupil, diagnosing learning needs,  
6 assessing pupil learning, prescribing intervention strategies and  
7 modifying lessons, reporting outcomes, and evaluating the effects  
8 of instruction and support strategies.

9 (iv) Has a personnel identification code provided by the  
10 center.

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

13 (f) "Virtual course" means a course of study that is capable  
14 of generating a credit or a grade and that is provided in an  
15 interactive learning environment where the majority of the  
16 curriculum is delivered using the ~~Internet~~**INTERNET** and in which  
17 pupils may be separated from their instructor or teacher of record  
18 by time or location, or both.

19 (g) "Virtual course syllabus" means a document that includes  
20 all of the following:

21 (i) An alignment document detailing how the course meets  
22 applicable state standards or, if the state does not have state  
23 standards, nationally recognized standards.

24 (ii) The virtual course content outline.

25 (iii) The virtual course required assessments.

26 (iv) The virtual course prerequisites.

27 (v) Expectations for actual instructor or teacher of record

1 contact time with the virtual learning pupil and other  
2 communications between a pupil and the instructor or teacher of  
3 record.

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

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

6 (viii) The name of the institution or organization providing  
7 the virtual content.

8 (ix) The name of the institution or organization providing the  
9 instructor or teacher of record.

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

13 (xi) The number of eligible pupils that will be accepted by  
14 the provider in the virtual course. A primary district that is also  
15 the provider may limit the enrollment to those pupils enrolled in  
16 the primary district.

17 (xii) The results of the virtual course quality review using  
18 the guidelines and model review process published by the Michigan  
19 Virtual University.

20 (h) "Virtual learning pupil" means a pupil enrolled in 1 or  
21 more virtual courses.

22 Sec. 21h. (1) From the appropriation in section 11, there is  
23 allocated ~~\$6,000,000.00~~ **\$7,000,000.00** for ~~2017-2018~~ **2018-2019** for  
24 assisting districts assigned by the superintendent to participate  
25 in a partnership to improve student achievement. The purpose of the  
26 partnership is to identify district needs, develop intervention  
27 plans, and partner with public, private, and nonprofit

1 organizations to coordinate resources and improve student  
2 achievement. Assignment of a district to a partnership is at the  
3 sole discretion of the superintendent.

4 (2) A district assigned to a partnership by the superintendent  
5 is eligible for funding under this section if the district includes  
6 at least 1 school that has been rated with a grade of "F", or  
7 comparable performance rating, in the most recent state  
8 accountability system rating, that is not under the supervision of  
9 the state school reform/redesign office, and that does all of the  
10 following:

11 (a) Completes a comprehensive needs evaluation in  
12 collaboration with an intermediate school district, community  
13 members, education organizations, and postsecondary institutions,  
14 as applicable and approved by the superintendent, within 90 days of  
15 assignment to the partnership described in this section. The  
16 comprehensive needs evaluation shall include at least all of the  
17 following:

18 (i) A review of the district's implementation and utilization  
19 of a multi-tiered system of supports to ensure that it is used to  
20 appropriately inform instruction.

21 (ii) A review of the district and school building leadership  
22 and educator capacity to substantially improve student outcomes.

23 (iii) A review of classroom, instructional, and operational  
24 practices and curriculum to ensure alignment with research-based  
25 instructional practices and state curriculum standards.

26 (b) Develops an intervention plan that has been approved by  
27 the superintendent and that addresses the needs identified in the

1 comprehensive needs evaluation completed under subdivision (a). The  
2 intervention plan shall include at least all of the following:

3 (i) Specific actions that will be taken by the district and  
4 each of its partners to improve student achievement.

5 (ii) Specific measurable benchmarks that will be met within 18  
6 months to improve student achievement and identification of  
7 expected student achievement outcomes to be attained within 3 years  
8 after assignment to the partnership.

9 **(C) CRAFTS ACADEMIC GOALS THAT PUT PUPILS ON TRACK TO MEET OR**  
10 **EXCEED GRADE LEVEL PROFICIENCY.**

11 (3) Upon approval of the intervention plan developed under  
12 subsection (2), the department shall assign a team of individuals  
13 with expertise in comprehensive school and district reform to  
14 partner with the district, the intermediate district, community  
15 organizations, education organizations, and postsecondary  
16 institutions identified in the intervention plan to review the  
17 district's use of existing financial resources to ensure that those  
18 resources are being used as efficiently and effectively as possible  
19 to improve student academic achievement. **THE SUPERINTENDENT OF**  
20 **PUBLIC INSTRUCTION MAY WAIVE BURDENSOME ADMINISTRATIVE RULES FOR A**  
21 **PARTNERSHIP DISTRICT FOR THE DURATION OF THE PARTNERSHIP AGREEMENT.**

22 (4) Funds allocated under this section may be used to pay for  
23 district expenditures approved by the superintendent to improve  
24 student achievement. Funds may be used for professional development  
25 for teachers or district or school leadership, increased  
26 instructional time, teacher mentors, or other expenditures that  
27 directly impact student achievement and cannot be paid from

1 existing district financial resources. An eligible district shall  
2 not receive funds under this section for more than 3 years.  
3 Notwithstanding section 17b, payments to eligible districts under  
4 this section shall be paid on a schedule determined by the  
5 department.

6 (5) The department shall annually report **IN PERSON** to the  
7 legislature on the activities funded under this section and how  
8 those activities impacted student achievement in eligible districts  
9 that received funds under this section. **TO THE EXTENT POSSIBLE,**  
10 **PARTICIPATING DISTRICTS RECEIVING FUNDING UNDER THIS SECTION SHALL**  
11 **PARTICIPATE IN THE REPORT.**

12 Sec. 22a. (1) From the appropriation in section 11, ~~there is~~  
13 ~~allocated an amount not to exceed \$5,207,000,000.00 for 2016-2017~~  
14 ~~and there is allocated an amount not to exceed \$5,181,800,000.00~~  
15 **\$5,176,000,000.00** for 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT**  
16 **NOT TO EXCEED \$5,107,000,000.00 FOR 2018-2019** for payments to  
17 districts and qualifying public school academies to guarantee each  
18 district and qualifying public school academy an amount equal to  
19 its 1994-95 total state and local per pupil revenue for school  
20 operating purposes under section 11 of article IX of the state  
21 constitution of 1963. Pursuant to section 11 of article IX of the  
22 state constitution of 1963, this guarantee does not apply to a  
23 district in a year in which the district levies a millage rate for  
24 school district operating purposes less than it levied in 1994.  
25 However, subsection (2) applies to calculating the payments under  
26 this section. Funds allocated under this section that are not  
27 expended in the state fiscal year for which they were allocated, as

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

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

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



1 under section 12 of the revised school code, MCL 380.12, taxable  
2 value per membership pupil of all property in the receiving  
3 district that is nonexempt property and taxable value per  
4 membership pupil of property in the receiving district that is  
5 commercial personal property do not include property within the  
6 geographic area of the dissolved district; ad valorem property tax  
7 revenue of the receiving district captured under tax increment  
8 financing acts does not include ad valorem property tax revenue  
9 captured within the geographic boundaries of the dissolved district  
10 under tax increment financing acts; and certified mills do not  
11 include the certified mills of the dissolved district. For a  
12 community district, the allocation as otherwise calculated under  
13 this section shall be reduced by an amount equal to the amount of  
14 local school operating tax revenue that would otherwise be due to  
15 the community district if not for the operation of section 386 of  
16 the revised school code, MCL 380.386, and the amount of this  
17 reduction shall be offset by the increase in funding under section  
18 22b(2).

19 (b) For a district that had a 1994-95 foundation allowance  
20 greater than \$6,500.00, the state payment under this subsection  
21 shall be the sum of the amount calculated under subdivision (a)  
22 plus the amount calculated under this subdivision. The amount  
23 calculated under this subdivision shall be equal to the difference  
24 between the district's 1994-95 foundation allowance minus \$6,500.00  
25 and the current year hold harmless school operating taxes per  
26 pupil. If the result of the calculation under subdivision (a) is  
27 negative, the negative amount shall be an offset against any state

1 payment calculated under this subdivision. If the result of a  
2 calculation under this subdivision is negative, there shall not be  
3 a state payment or a deduction under this subdivision. The taxable  
4 values per membership pupil used in the calculations under this  
5 subdivision are as adjusted by ad valorem property tax revenue  
6 captured under tax increment financing acts divided by the  
7 district's membership. For a receiving district, if school  
8 operating taxes are to be levied on behalf of a dissolved district  
9 that has been attached in whole or in part to the receiving  
10 district to satisfy debt obligations of the dissolved district  
11 under section 12 of the revised school code, MCL 380.12, ad valorem  
12 property tax revenue captured under tax increment financing acts do  
13 not include ad valorem property tax revenue captured within the  
14 geographic boundaries of the dissolved district under tax increment  
15 financing acts.

16 (3) Beginning in 2003-2004, for pupils in membership in a  
17 qualifying public school academy, there is allocated under this  
18 section to the authorizing body that is the fiscal agent for the  
19 qualifying public school academy for forwarding to the qualifying  
20 public school academy an amount equal to the 1994-95 per pupil  
21 payment to the qualifying public school academy under section 20.

22 (4) A district or qualifying public school academy may use  
23 funds allocated under this section in conjunction with any federal  
24 funds for which the district or qualifying public school academy  
25 otherwise would be eligible.

26 (5) Except as otherwise provided in this subsection, for a  
27 district that is formed or reconfigured after June 1, 2000 by

1 consolidation of 2 or more districts or by annexation, the  
2 resulting district's 1994-95 foundation allowance under this  
3 section beginning after the effective date of the consolidation or  
4 annexation shall be the average of the 1994-95 foundation  
5 allowances of each of the original or affected districts,  
6 calculated as provided in this section, weighted as to the  
7 percentage of pupils in total membership in the resulting district  
8 in the state fiscal year in which the consolidation takes place who  
9 reside in the geographic area of each of the original districts. If  
10 an affected district's 1994-95 foundation allowance is less than  
11 the 1994-95 basic foundation allowance, the amount of that  
12 district's 1994-95 foundation allowance shall be considered for the  
13 purpose of calculations under this subsection to be equal to the  
14 amount of the 1994-95 basic foundation allowance. This subsection  
15 does not apply to a receiving district unless there is a subsequent  
16 consolidation or annexation that affects the district.

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

18 (7) As used in this section:

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

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

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

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

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

16 (f) "Hold harmless millage" means, for a district with a 1994-  
17 95 foundation allowance greater than \$6,500.00, the number of mills  
18 by which the exemption from the levy of school operating taxes on a  
19 homestead, qualified agricultural property, qualified forest  
20 property, supportive housing property, industrial personal  
21 property, commercial personal property, and property occupied by a  
22 public school academy could be reduced as provided in section 1211  
23 of the revised school code, MCL 380.1211, and the number of mills  
24 of school operating taxes that could be levied on all property as  
25 provided in section 1211(2) of the revised school code, MCL  
26 380.1211, as certified by the department of treasury for the 1994  
27 tax year. For a receiving district, if school operating taxes are

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

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

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

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

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

23 (k) "Receiving district" means a district to which all or part  
24 of the territory of a dissolved district is attached under section  
25 12 of the revised school code, MCL 380.12.

26 (l) "School operating taxes" means local ad valorem property  
27 taxes levied under section 1211 of the revised school code, MCL

1 380.1211, and retained for school operating purposes as defined in  
2 section 20.

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

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

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

1 dissolved district.

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

13 Sec. 22b. (1) For discretionary nonmandated payments to  
14 districts under this section, there is allocated for ~~2016-2017 an~~  
15 ~~amount not to exceed \$3,841,000,000.00 from the state school aid~~  
16 ~~fund and general fund appropriations in section 11 and an amount~~  
17 ~~not to exceed \$72,000,000.00 from the community district education~~  
18 ~~trust fund appropriation in section 11, and there is allocated for~~  
19 2017-2018 an amount not to exceed ~~\$3,965,500,000.00~~  
20 **\$3,957,000,000.00** from the state school aid fund and general fund  
21 appropriations in section 11 and an amount not to exceed  
22 \$72,000,000.00 from the community district education trust fund  
23 appropriation in section 11, **AND THERE IS ALLOCATED FOR 2018-2019**  
24 **AN AMOUNT NOT TO EXCEED \$4,252,000,000.00 FROM THE STATE SCHOOL AID**  
25 **FUND AND GENERAL FUND APPROPRIATIONS IN SECTION 11 AND AN AMOUNT**  
26 **NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION**  
27 **TRUST FUND APPROPRIATION IN SECTION 11.** Except for money allocated

1 from the community district trust fund, money allocated under this  
2 section that is not expended in the state fiscal year for which it  
3 was 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 **(F) FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT HAS ENTERED**  
6 **INTO A PARTNERSHIP AGREEMENT WITH THE DEPARTMENT, COMPLY WITH**  
7 **SECTION 22P.**

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

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

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

26 (7) It is the intent of the legislature that all  
27 constitutional obligations of this state have been fully funded

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

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

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

1 If the claim exceeds \$10,000,000.00, this state may remove the  
2 action to the court of appeals, and the court of appeals shall have  
3 and shall exercise jurisdiction over the claim.

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

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

1 to ~~1396v~~.1396w-5.

2           Sec. 22d. (1) From the appropriation in section 11, an amount  
3 not to exceed ~~\$5,000,000.00~~ **\$6,000,000.00** is allocated for ~~2017-~~  
4 ~~2018-2018-2019~~ for supplemental payments to rural districts under  
5 this section.

6           (2) From the allocation under subsection (1), there is  
7 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed  
8 \$957,300.00 for payments under this subsection to districts that  
9 meet all of the following:

10           (a) Operates grades K to 12.

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

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

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

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

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

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

7 (4) Subject to subsection (6), from the allocation in  
8 subsection (1), there is allocated for ~~2017-2018~~ **2018-2019** an  
9 amount not to exceed ~~\$4,042,700.00~~ **\$5,042,700.00** for payments under  
10 this subsection to districts that have ~~7.3-7.7~~ or fewer pupils per  
11 square mile as determined by the department.

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

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

16 Sec. 22g. (1) From the funds appropriated in section 11, there  
17 is allocated for ~~2016-2017~~ **2017-2018** only an amount not to exceed  
18 ~~\$500,000.00~~ **\$2,800,000.00** for ~~competitive assistance grants to~~  
19 ~~districts and intermediate districts.~~ **THAT WERE AWARDED FUNDS UNDER**  
20 **THIS SECTION IN 2016-2017 BUT DID NOT RECEIVE THOSE FUNDS.**

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

1 ~~—— (3) In addition to the amount allocated under subsection (1),~~  
2 ~~from the funds appropriated in section 11, there is allocated for~~  
3 ~~2016-2017 an amount not to exceed \$2,500,000.00 for grants to~~  
4 ~~districts or intermediate districts that received a grant under~~  
5 ~~this section as it was in effect for 2015-2016 for reimbursement of~~  
6 ~~remaining transition costs associated with a dissolution,~~  
7 ~~consolidation, or annexation that was approved during 2015-2016 by~~  
8 ~~the school electors of the applicable district or intermediate~~  
9 ~~district.~~

10 ~~—— (4) Notwithstanding section 17b, grant payments under this~~  
11 ~~section shall be paid on a schedule determined by the department.~~

12       Sec. 22m. (1) From the appropriations in section 11, there is  
13 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed  
14 \$2,200,000.00 for supporting the integration of local data systems  
15 into the Michigan data hub network based on common standards and  
16 applications that are in compliance with section 19(6).

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

23       (3) The center shall work with an advisory committee composed  
24 of representatives from intermediate districts within each of the  
25 data hub regions to coordinate the activities of the Michigan data  
26 hub network.

27       (4) The center, in collaboration with the Michigan data hub

1 network, shall determine the amount of funds distributed under this  
2 section to each participating regional data hub within the network,  
3 based upon a competitive grant process. Entities receiving funding  
4 under this section shall represent geographically diverse areas in  
5 this state.

6 (5) Notwithstanding section 17b, payments under this section  
7 shall be made on a schedule determined by the center.

8 (6) To receive funding under this section, a regional data hub  
9 must have a governance model that ensures local control of data,  
10 data security, and student privacy issues. The integration of data  
11 within each of the regional data hubs shall provide for the  
12 actionable use of data by districts and intermediate districts  
13 through common reports and dashboards and for efficiently providing  
14 information to meet state and federal reporting purposes.

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

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

19 (a) Creating an infrastructure that effectively manages the  
20 movement of data between data systems used by intermediate  
21 districts, districts, and other educational organizations in  
22 Michigan based on common data standards to improve student  
23 achievement.

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

27 (c) Promoting the use of a more common set of applications by

1 promoting systems that integrate with the Michigan data hub  
2 network.

3 (d) Promoting 100% district adoption of the Michigan data hub  
4 network by September 30, ~~2018~~**2020**.

5 (e) Ensuring local control of data, data security, and student  
6 data privacy.

7 (f) Utilizing the infrastructure to promote the actionable use  
8 of data through common reports and dashboards that are consistent  
9 statewide.

10 (g) Creating a governance model to facilitate sustainable  
11 operations of the infrastructure in the future, including  
12 administration, legal agreements, documentation, staffing, hosting,  
13 and funding.

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

17 (9) Not later than January 1 ~~, 2018,~~ **OF EACH FISCAL YEAR**, the  
18 center shall prepare a summary report of information provided by  
19 each entity that received funds under this section that includes  
20 measurable outcomes based on the objectives described under this  
21 section. The report shall include a summary of compiled data from  
22 each entity to provide a means to evaluate the effectiveness of the  
23 project. The center shall submit the report to the house and senate  
24 appropriations subcommittees on state school aid and to the house  
25 and senate fiscal agencies.

26 Sec. 22n. (1) From the appropriation in section 11, there is  
27 allocated an amount not to exceed \$11,000,000.00 for ~~2017-2018~~



1 **2018-2019** for additional payments to districts for the higher  
2 instructional costs of educating high school pupils.

3 (2) A district is eligible for a payment under this section if  
4 it educates pupils in 1 or more of grades 9 to 12.

5 (3) The payment to each eligible district under this section  
6 shall be an amount equal to \$25.00 multiplied by the district's  
7 total pupil membership in grades 9 to 12 as calculated under  
8 section 6 for the current fiscal year. If the allocation under  
9 subsection (1) is insufficient to fully fund payments under this  
10 subsection, the department shall prorate payments under this  
11 section on an equal per-pupil basis.

12 **SEC. 22P. IN ORDER TO RECEIVE FUNDING UNDER SECTION 22B, A**  
13 **DISTRICT OR PUBLIC SCHOOL ACADEMY THAT HAS A SIGNED PARTNERSHIP**  
14 **AGREEMENT WITH THE DEPARTMENT MUST MEET BOTH OF THE FOLLOWING:**

15 (A) **AMENDS THE PARTNERSHIP AGREEMENT TO INCLUDE MEASURABLE**  
16 **ACADEMIC OUTCOMES THAT WILL BE ACHIEVED AFTER 18 MONTHS AND AFTER**  
17 **36 MONTHS FROM THE DATE THE AGREEMENT WAS ORIGINALLY SIGNED.**  
18 **MEASURABLE ACADEMIC OUTCOMES UNDER THIS SUBDIVISION MUST INCLUDE**  
19 **OUTCOMES THAT PUT PUPILS ON TRACK TO MEET OR EXCEED GRADE LEVEL**  
20 **PROFICIENCY.**

21 (B) **AMENDS THE PARTNERSHIP AGREEMENT TO INCLUDE ACCOUNTABILITY**  
22 **MEASURES TO BE IMPOSED IF THE DISTRICT OR PUBLIC SCHOOL ACADEMY**  
23 **DOES NOT ACHIEVE THE MEASURABLE ACADEMIC OUTCOMES UNDER SUBDIVISION**  
24 **(A) FOR A SCHOOL SUBJECT TO A PARTNERSHIP AGREEMENT. ACCOUNTABILITY**  
25 **MEASURES UNDER THIS SUBDIVISION MAY INCLUDE EITHER THE CLOSURE OF**  
26 **THE SCHOOL AT THE END OF THE CURRENT SCHOOL YEAR OR THE**  
27 **RECONSTITUTION OF THE SCHOOL IN A FINAL ATTEMPT TO IMPROVE STUDENT**

1 EDUCATIONAL PERFORMANCE OR TO AVOID INTERRUPTION OF THE EDUCATIONAL  
2 PROCESS. FOR A PUBLIC SCHOOL ACADEMY THAT AMENDS A PARTNERSHIP  
3 AGREEMENT UNDER THIS SUBDIVISION, THE AMENDED AGREEMENT MUST  
4 INCLUDE A REQUIREMENT THAT IF RECONSTITUTION IS IMPOSED ON A SCHOOL  
5 THAT IS OPERATED BY THE PUBLIC SCHOOL ACADEMY AND THAT IS SUBJECT  
6 TO THE PARTNERSHIP AGREEMENT, THE SCHOOL SHALL BE RECONSTITUTED AS  
7 DESCRIBED IN SECTION 507 OF THE REVISED SCHOOL CODE, MCL 380.507.  
8 FOR A DISTRICT THAT AMENDS A PARTNERSHIP AGREEMENT UNDER THIS  
9 SUBDIVISION, THE AMENDED AGREEMENT MUST INCLUDE A REQUIREMENT THAT  
10 IF RECONSTITUTION IS IMPOSED ON A SCHOOL THAT IS OPERATED BY THE  
11 DISTRICT AND THAT IS SUBJECT TO THE PARTNERSHIP AGREEMENT, ALL OF  
12 THE FOLLOWING APPLY:

13 (i) THE DISTRICT SHALL MAKE SIGNIFICANT CHANGES TO THE  
14 INSTRUCTIONAL AND NONINSTRUCTIONAL PROGRAMMING OF THE SCHOOL BASED  
15 ON THE NEEDS IDENTIFIED THROUGH A COMPREHENSIVE REVIEW OF DATA.

16 (ii) THE DISTRICT SHALL REPLACE AT LEAST 25% OF THE FACULTY  
17 AND STAFF OF THE SCHOOL.

18 (iii) THE DISTRICT SHALL REPLACE THE PRINCIPAL OF THE SCHOOL,  
19 UNLESS THE CURRENT PRINCIPAL HAS BEEN IN PLACE FOR LESS THAN 3  
20 YEARS AND THE BOARD OF THE DISTRICT DETERMINES THAT IT IS IN THE  
21 BEST INTERESTS OF THE DISTRICT TO RETAIN CURRENT SCHOOL LEADERSHIP.

22 (iv) THE RECONSTITUTION PLAN FOR THE SCHOOL SHALL REQUIRE THE  
23 ADOPTION OF GOALS SIMILAR TO THE GOALS INCLUDED IN A PARTNERSHIP  
24 AGREEMENT, WITH A LIMIT OF 5 YEARS TO ACHIEVE THE GOALS. IF THE  
25 GOALS ARE NOT ACHIEVED WITHIN 5 YEARS, THE SUPERINTENDENT OF PUBLIC  
26 INSTRUCTION SHALL EITHER IMPOSE A SECOND RECONSTITUTION PLAN ON THE  
27 SCHOOL OR CLOSE THE SCHOOL.

1           Sec. 24. (1) From the appropriation in section 11, there is  
2 allocated **EACH FISCAL YEAR** for 2017-2018 **AND FOR 2018-2019** an  
3 amount not to exceed ~~\$8,000,000.00~~ **\$7,150,000.00** for payments to  
4 the educating district or intermediate district for educating  
5 pupils assigned by a court or the department of health and human  
6 services to reside in or to attend a juvenile detention facility or  
7 child caring institution licensed by the department of health and  
8 human services and approved by the department to provide an on-  
9 grounds education program. The amount of the payment under this  
10 section to a district or intermediate district shall be calculated  
11 as prescribed under 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 ~~\$1,339,000.00 for 2017-2018~~  
24 **\$1,355,700.00 FOR 2018-2019** for payments to intermediate districts  
25 for pupils who are placed in juvenile justice service facilities  
26 operated by the department of health and human services. Each  
27 intermediate district shall receive an amount equal to the state

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

15       Sec. 24c. **(1)** From the appropriation in section 11, there is  
16 allocated an amount not to exceed \$1,528,400.00 ~~for 2017-2018~~ **FOR**  
17 **2018-2019** for payments to districts for pupils who are enrolled in  
18 a nationally administered community-based education and youth  
19 mentoring program, known as the youth challenge program, that is  
20 administered by the department of military and veterans affairs.  
21 Both of the following apply to a district receiving payments under  
22 this section:

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

27       (b) The district may retain for its administrative expenses an

1 amount not to exceed 3% of the amount of the payment the district  
2 receives under this section.

3 **(2) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),**  
4 **FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT**  
5 **NOT TO EXCEED \$80,000.00 FOR 2018-2019 TO A DISTRICT FOR PUPILS WHO**  
6 **ENROLLED IN THE YOUTH CHALLENGE PROGRAM BUT DROPPED OUT BEFORE THE**  
7 **PUPIL MEMBERSHIP COUNT DAY. THE DISTRICT SHALL USE THESE FUNDS TO**  
8 **SUPPORT THE YOUTH CHALLENGE PROGRAM.**

9 Sec. 25e. (1) The pupil membership transfer application and  
10 pupil transfer process administered by the center under this  
11 section shall be used for processing pupil transfers.

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

1 intermediate district as described in this subsection, the pupil  
2 transfer process shall do the following:

3 (a) Notify the district in which the pupil was previously  
4 enrolled.

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

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

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

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

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

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

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



1 subsequent payments under this article for the fiscal year to the  
2 affected districts or intermediate districts on this recalculation  
3 of state school aid.

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

12 (6) The portion of the full-time equated pupil membership for  
13 which a pupil is enrolled in 1 or more online courses under section  
14 21f that is representative of the amount that the primary district  
15 paid in course costs to the course provider shall not be counted or  
16 transferred under the pupil transfer process under this section.

17 (7) It is the intent of the legislature that the center  
18 determine the number of pupils who did not reside in this state as  
19 of the 2018-2019 pupil membership count day but who newly enrolled  
20 in a district or intermediate district after that pupil membership  
21 count day and before the 2018-2019 supplemental count day. It is  
22 the intent of the legislature that the center further determine the  
23 number of pupils who were counted in membership for the 2018-2019  
24 pupil membership count day but who left this state before the 2018-  
25 2019 supplemental count day. In 2019-2020, the center shall provide  
26 a report to the senate and house appropriations subcommittees on  
27 state school aid, and to the senate and house fiscal agencies,

1 detailing the number of pupils transferring in from ~~another state~~  
2 ~~or transferring out from this state~~ **OUTSIDE THE PUBLIC SCHOOL**  
3 **SYSTEM OF THIS STATE AND THE NUMBER OF PUPILS TRANSFERRING OUT OF**  
4 **THE PUBLIC SCHOOL SYSTEM IN THIS STATE** between the pupil membership  
5 count day and supplemental count day as described in this  
6 subsection. ~~The center shall include in the report a discussion of~~  
7 ~~benefits and obstacles to developing a pupil enrollment process for~~  
8 ~~pupils who newly enroll in a district or intermediate district~~  
9 ~~after the pupil membership count day and before the supplemental~~  
10 ~~count day, and developing a process for deducting pupils who were~~  
11 ~~counted on the pupil membership count day and transfer out of this~~  
12 ~~state before the supplemental count day.~~

13 (8) As used in this section:

14 (a) "Educating district or intermediate district" means the  
15 district or intermediate district in which a pupil enrolls after  
16 the pupil membership count day or after an adjustment was made in  
17 another district's or intermediate district's membership  
18 calculation under this section due to the pupil's enrollment and  
19 attendance.

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

23 Sec. 25f. (1) From the state school aid fund money  
24 appropriated in section 11, there is allocated an amount not to  
25 exceed ~~\$750,000.00~~ **\$1,600,000.00 EACH FISCAL YEAR** for 2017-2018 **AND**  
26 **FOR 2018-2019** for payments to strict discipline academies  
27 established under sections 1311b to 1311m of the revised school

1 code, MCL 380.1311b to 380.1311m, as provided under this section.

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

6 (3) The total amount allocated to a strict discipline academy  
7 under this section ~~is an amount equal to~~ **SHALL FIRST BE DISTRIBUTED**  
8 **AS** the lesser of the strict discipline academy's added cost or the  
9 department's approved per-pupil allocation for the strict  
10 discipline academy. **ANY FUNDS REMAINING AFTER THE FIRST**  
11 **DISTRIBUTION SHALL BE DISTRIBUTED BY PRORATING ON AN EQUAL PER-**  
12 **PUPIL MEMBERSHIP BASIS, NOT TO EXCEED A STRICT DISCIPLINE ACADEMY'S**  
13 **ADDED COST.** However, the sum of the amounts received by a strict  
14 discipline academy under this section and under section 24 shall  
15 not exceed the product of the strict discipline academy's per-pupil  
16 allocation calculated under section 20 multiplied by the strict  
17 discipline academy's full-time equated membership. The department  
18 shall allocate funds to strict discipline academies under this  
19 section on a monthly 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 \$750,000.00 for ~~2017-2018~~ **2018-2019** for the purposes of this  
21 section. If the operation of the special membership counting  
22 provisions under section 6(4)(dd) and the other membership counting  
23 provisions under section 6(4) result in a pupil being counted as  
24 more than 1.0 FTE in a fiscal year, then the payment made for the  
25 pupil under sections 22a and 22b shall not be based on more than  
26 1.0 FTE for that pupil, and that portion of the FTE that exceeds  
27 1.0 shall be paid under this section in an amount equal to that

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

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

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

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

10 **SEC. 25H. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**  
11 **IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$100,000.00 TO**  
12 **AN ELIGIBLE DISTRICT FOR A PROGRAM TO REDUCE THE NUMBER OF HIGH**  
13 **SCHOOL DROPOUTS.**

14 (2) A DISTRICT IS ELIGIBLE FOR FUNDS UNDER THIS SECTION IF THE  
15 DISTRICT MEETS ALL OF THE FOLLOWING:

16 (A) HAS A PUPIL MEMBERSHIP GREATER THAN 15,000.

17 (B) IS LOCATED IN AN INTERMEDIATE DISTRICT FOR WHICH THE  
18 COMBINED PUPIL MEMBERSHIPS OF ALL OF ITS CONSTITUENT DISTRICTS IS  
19 GREATER THAN 100,000 AND LESS THAN 120,000.

20 (C) COLLABORATES WITH A PROGRAM ALIGNED WITH THE GOALS AND  
21 STRATEGIES OF THE DEPARTMENT'S TOP TEN IN TEN AND THE  
22 RECOMMENDATIONS OF THE CAREER PATHWAY ALLIANCE TO INCREASE DISTRICT  
23 GRADUATION RATES, ATTENDANCE RATES, AND CAREER READINESS FOR AT-  
24 RISK YOUTH.

25 Sec. 26a. From the funds appropriated in section 11, there is  
26 allocated an amount not to exceed ~~\$17,000,000.00~~ each fiscal year  
27 ~~for 2016-2017 and~~ **\$15,000,000.00** for 2017-2018 **AND THERE IS**

1 **ALLOCATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR 2018-2019** to  
2 reimburse districts and intermediate districts pursuant to section  
3 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,  
4 for taxes levied in ~~2016 and 2017~~ **2017 AND 2018**, as applicable. The  
5 allocations shall be made not later than 60 days after the  
6 department of treasury certifies to the department and to the state  
7 budget director that the department of treasury has received all  
8 necessary information to properly determine the amounts due to each  
9 eligible recipient.

10 Sec. 26b. (1) From the appropriation in section 11, there is  
11 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed  
12 \$4,405,100.00 for payments to districts, intermediate districts,  
13 and community college districts for the portion of the payment in  
14 lieu of taxes obligation that is attributable to districts,  
15 intermediate districts, and community college districts ~~pursuant to~~  
16 **UNDER** section 2154 of the natural resources and environmental  
17 protection act, 1994 PA 451, MCL 324.2154.

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

22 Sec. 26c. (1) From the appropriation in section 11, there is  
23 allocated an amount not to exceed ~~\$1,500,000.00~~ **\$1,600,000.00** for  
24 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**  
25 **\$3,000,000.00 FOR 2018-2019** to the promise zone fund created in  
26 subsection (3). The funds allocated under this section reflect the  
27 amount of revenue from the collection of the state education tax

1 captured under section 17(2) of the Michigan promise zone authority  
2 act, 2008 PA 549, MCL 390.1677.

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

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

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

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

25 (4) Subject to subsection (2), the state treasurer may make  
26 payments from the promise zone fund to eligible districts and  
27 intermediate districts pursuant to the Michigan promise zone

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

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

6 Sec. 31a. (1) From the state school aid fund money  
7 appropriated in section 11, there is allocated for ~~2017-2018-2018-~~  
8 **2019** an amount not to exceed \$510,207,300.00 for payments to  
9 eligible districts and eligible public school academies for the  
10 purposes of ensuring that pupils are proficient in English language  
11 arts by the end of grade 3, that pupils are proficient in  
12 mathematics by the end of grade 8, that pupils are attending school  
13 regularly, that high school graduates are career and college ready,  
14 and for the purposes under subsections (7) and (8).

15 (2) For a district that has combined state and local revenue  
16 per membership pupil under sections 20 and 20m that is greater than  
17 the basic foundation allowance under section 20 for the current  
18 fiscal year, the allocation under this section shall be an amount  
19 equal to 30% of the allocation for which it would otherwise be  
20 eligible under this section before any proration under subsection  
21 (14).

22 (3) For a district or public school academy to be eligible to  
23 receive funding under this section, other than funding under  
24 subsection (7) or (8), the district or public school academy, for  
25 grades K to ~~3-~~**12**, shall comply with the requirements under section  
26 1280f of the revised school code, MCL 380.1280f, and **SHALL** use  
27 resources to address early literacy **AND NUMERACY**, and for at least



1 grades ~~4-K~~ to ~~8-12~~ or, if the district or public school academy  
 2 does not operate all of grades ~~4-K~~ to ~~8-12~~, for all of the grades  
 3 it operates, must implement a multi-tiered system of supports that  
 4 is an evidence-based ~~model~~ **FRAMEWORK** that uses data-driven problem  
 5 solving to integrate academic and behavioral instruction and that  
 6 uses intervention delivered to all pupils in varying intensities  
 7 based on pupil needs. ~~This~~ **THE** multi-tiered system of supports  
 8 **DESCRIBED IN THIS SUBSECTION** must provide at least all of the  
 9 following essential ~~elements~~: **COMPONENTS:**

10 (a) ~~Implements effective instruction for all learners.~~ **TEAM-**  
 11 **BASED LEADERSHIP.**

12 (b) ~~Intervenes early.~~ **A TIERED DELIVERY SYSTEM.**

13 ~~— (c) Provides a multi-tiered model of instruction and~~  
 14 ~~intervention that provides the following:~~

15 ~~— (i) A core curriculum and classroom interventions available to~~  
 16 ~~all pupils that meet the needs of most pupils.~~

17 ~~— (ii) Targeted group interventions.~~

18 ~~— (iii) Intense individual interventions.~~

19 **(C) SELECTION AND IMPLEMENTATION OF INSTRUCTION,**  
 20 **INTERVENTIONS, AND SUPPORTS.**

21 (d) ~~Monitors pupil progress to inform instruction.~~ **A**  
 22 **COMPREHENSIVE SCREENING AND ASSESSMENT SYSTEM.**

23 (e) ~~Uses data to make instructional decisions.~~ **CONTINUOUS DATA-**  
 24 **BASED DECISION MAKING.**

25 ~~— (f) Uses assessments including universal screening,~~  
 26 ~~diagnostics, and progress monitoring.~~

27 ~~— (g) Engages families and the community.~~

1 ~~———— (h) Implements evidence based, scientifically validated,~~  
2 ~~instruction and intervention.~~

3 ~~———— (i) Implements instruction and intervention practices with~~  
4 ~~fidelity.~~

5 ~~———— (j) Uses a collaborative problem-solving model.~~

6 (4) Except as otherwise provided in this subsection, an  
7 eligible district or eligible public school academy shall receive  
8 under this section for each membership pupil in the district or  
9 public school academy who is determined to be economically  
10 disadvantaged, as reported to the center in the form and manner  
11 prescribed by the center not later than the fifth Wednesday after  
12 the pupil membership count day of the immediately preceding fiscal  
13 year, an amount per pupil equal to 11.5% of the statewide weighted  
14 average foundation allowance. However, a public school academy that  
15 began operations as a public school academy after the pupil  
16 membership count day of the immediately preceding school year shall  
17 receive under this section for each membership pupil in the public  
18 school academy, who is determined to be economically disadvantaged,  
19 as reported to the center in the form and manner prescribed by the  
20 center not later than the fifth Wednesday after the pupil  
21 membership count day of the current fiscal year, an amount per  
22 pupil equal to 11.5% of the statewide weighted average foundation  
23 allowance.

24 (5) Except as otherwise provided in this section, a district  
25 or public school academy receiving funding under this section shall  
26 use that money only to provide instructional programs and direct  
27 noninstructional services, including, but not limited to, medical,

1 mental health, or counseling services, for at-risk pupils; for  
2 school health clinics; and for the purposes of subsection (6), (7),  
3 or (8). In addition, a district that is a school district of the  
4 first class or a district or public school academy in which at  
5 least 50% of the pupils in membership were determined to be  
6 economically disadvantaged in the immediately preceding state  
7 fiscal year, as determined and reported as described in subsection  
8 (4), may use not more than 20% of the funds it receives under this  
9 section for school security. A district or public school academy  
10 shall not use any of that money for administrative costs. The  
11 instruction or direct noninstructional services provided under this  
12 section may be conducted before or after regular school hours or by  
13 adding extra school days to the school year. **FUNDS SPENT ON SCHOOL**  
14 **SECURITY UNDER THIS SUBSECTION MUST BE COUNTED TOWARD REQUIRED**  
15 **SPENDING UNDER SUBSECTION (16) (B).**

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

24 (7) From the funds allocated under subsection (1), there is  
25 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed  
26 \$6,057,300.00 to support primary health care services provided to  
27 children and adolescents up to age 21. These funds shall be

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

8 (8) From the funds allocated under subsection (1), there is  
9 allocated for ~~2017-2018~~**2018-2019** an amount not to exceed  
10 \$5,150,000.00 for the state portion of the hearing and vision  
11 screenings as described in section 9301 of the public health code,  
12 1978 PA 368, MCL 333.9301. A local public health department shall  
13 pay at least 50% of the total cost of the screenings. The frequency  
14 of the screenings shall be as required under R 325.13091 to R  
15 325.13096 and R 325.3271 to R 325.3276 of the Michigan  
16 Administrative Code. Funds shall be awarded in a form and manner  
17 approved jointly by the department and the department of health and  
18 human services. Notwithstanding section 17b, payments to eligible  
19 entities under this subsection shall be paid on a schedule  
20 determined by the department.

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

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

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

21 (11) Subject to subsections (6), (7), and (8), **FOR SCHOOLS IN**  
22 **WHICH MORE THAN 40% OF PUPILS ARE IDENTIFIED AS AT-RISK**, a district  
23 or public school academy may use ~~up to 100% of~~ the funds it  
24 receives under this section to implement schoolwide ~~reform in~~  
25 ~~schools with 40% or more of their pupils identified as at-risk~~  
26 ~~pupils by providing instructional or noninstructional services~~  
27 ~~consistent with the school improvement plan.~~ **REFORMS THAT ARE GUIDED**

1 BY THE DISTRICT'S COMPREHENSIVE NEEDS ASSESSMENT AND ARE INCLUDED  
2 IN THE DISTRICT IMPROVEMENT PLAN. SCHOOLWIDE REFORMS MUST INCLUDE  
3 PARENT AND COMMUNITY SUPPORTS, ACTIVITIES, AND SERVICES, THAT MAY  
4 INCLUDE THE PATHWAYS TO POTENTIAL PROGRAM CREATED BY THE DEPARTMENT  
5 OF HEALTH AND HUMAN SERVICES OR THE COMMUNITIES IN SCHOOLS PROGRAM.

6 (12) A district or public school academy that receives funds  
7 under this section may use up to ~~3%~~5% of those funds to provide  
8 research-based professional development **AND TO IMPLEMENT A COACHING**  
9 **MODEL THAT SUPPORTS THE MULTI-TIERED SYSTEM OF SUPPORTS FRAMEWORK.**  
10 **PROFESSIONAL DEVELOPMENT MAY BE PROVIDED** to district and school  
11 leadership and teachers ~~that is~~**AND MUST BE** aligned to professional  
12 learning standards; ~~is~~integrated into district, school building,  
13 and classroom practices; and ~~is~~solely related to the following:

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

17 (b) Implementing section 1280f of the revised school code, MCL  
18 380.1280f, as required under subsection (3), with fidelity.

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

23 (14) If necessary, and before any proration required under  
24 section 296, the department shall prorate payments under this  
25 section by reducing the amount of the allocation as otherwise  
26 calculated under this section by an equal percentage per district.

27 (15) If a district is dissolved pursuant to section 12 of the

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

8 (16) Beginning in ~~2018-2019~~, **2019-2020**, if a district or  
9 public school academy does not demonstrate to the satisfaction of  
10 the department that at least 50% of at-risk pupils are proficient  
11 in English language arts by the end of grade 3 as measured by the  
12 state assessment for the immediately preceding school year **OR HAVE**  
13 **ACHIEVED AT LEAST 1 YEAR'S GROWTH IN ENGLISH LANGUAGE ARTS DURING**  
14 **GRADE 3 AS MEASURED BY A LOCAL BENCHMARK ASSESSMENT FOR THE**  
15 **IMMEDIATELY PRECEDING SCHOOL YEAR, DEMONSTRATE TO THE SATISFACTION**  
16 **OF THE DEPARTMENT THAT AT LEAST 50% OF AT-RISK PUPILS ARE**  
17 **PROFICIENT IN MATHEMATICS BY THE END OF GRADE 8 AS MEASURED BY THE**  
18 **STATE ASSESSMENT FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR OR HAVE**  
19 **ACHIEVED AT LEAST 1 YEAR'S GROWTH IN MATHEMATICS DURING GRADE 8 AS**  
20 **MEASURED BY A LOCAL BENCHMARK ASSESSMENT FOR THE IMMEDIATELY**  
21 **PRECEDING SCHOOL YEAR**, and demonstrate to the satisfaction of the  
22 department improvement over each of the 3 immediately preceding  
23 school years in the percentage of at-risk pupils that are career-  
24 and college-ready as determined by proficiency on the English  
25 language arts, mathematics, and science content area assessments on  
26 the grade 11 summative assessment under section 1279g(2)(a) of the  
27 revised school code, MCL 380.1279g, the district or public school

1 academy shall ensure all of the following:

2 (a) The district or public school academy shall determine the  
3 proportion of total at-risk pupils that represents the number of  
4 pupils in grade 3 that are not proficient in English language arts  
5 by the end of grade 3 **OR THAT DID NOT ACHIEVE AT LEAST 1 YEAR'S**  
6 **GROWTH IN ENGLISH LANGUAGE ARTS DURING GRADE 3**, and the district or  
7 public school academy shall expend that same proportion multiplied  
8 by ~~1/2~~**1/3** of its total at-risk funds under this section on  
9 tutoring and other methods of improving grade 3 English language  
10 arts proficiency **OR GROWTH**.

11 **(B) THE DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL DETERMINE THE**  
12 **PROPORTION OF TOTAL AT-RISK PUPILS THAT REPRESENTS THE NUMBER OF**  
13 **PUPILS IN GRADE 8 THAT ARE NOT PROFICIENT IN MATHEMATICS BY THE END**  
14 **OF GRADE 8 OR THAT DID NOT ACHIEVE AT LEAST 1 YEAR'S GROWTH IN**  
15 **MATHEMATICS DURING GRADE 8, AND THE DISTRICT OR PUBLIC SCHOOL**  
16 **ACADEMY SHALL EXPEND THAT SAME PROPORTION MULTIPLIED BY 1/3 OF ITS**  
17 **TOTAL AT-RISK FUNDS UNDER THIS SECTION ON TUTORING AND OTHER**  
18 **METHODS OF IMPROVING GRADE 8 MATHEMATICS PROFICIENCY OR GROWTH.**

19 (C) ~~(b)~~The district or public school academy shall determine  
20 the proportion of total at-risk pupils that represent the number of  
21 pupils in grade 11 that are not career- and college-ready as  
22 measured by the student's score on the English language arts,  
23 mathematics, and science content area assessments on the grade 11  
24 summative assessment under section 1279g(2)(a) of the revised  
25 school code, MCL 380.1279g, and the district or public school  
26 academy shall expend that same proportion multiplied by ~~1/2~~**1/3** of  
27 its total at-risk funds under this section on tutoring and other



1 activities to improve scores on the college entrance examination  
2 portion of the Michigan merit examination.

3 (17) As used in subsection (16), "total at-risk pupils" means  
4 the sum of the number of pupils in grade 3 that are ~~not proficient~~  
5 ~~in English language arts by the end of third grade as measured on~~  
6 ~~the state assessment~~ **AT-RISK AND THE NUMBER OF PUPILS IN GRADE 8**  
7 **THAT ARE AT-RISK** and the number of pupils in grade 11 that are ~~not~~  
8 ~~career- and college-ready as measured by the student's score on the~~  
9 ~~English language arts, mathematics, and science content area~~  
10 ~~assessments on the grade 11 summative assessment under section~~  
11 ~~1279g(2)(a) of the revised school code, MCL 380.1279g.~~ **AT-RISK.**

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

15 (19) The department shall collaborate with the department of  
16 health and human services to prioritize assigning Pathways to  
17 Potential Success coaches to elementary schools that have a high  
18 percentage of pupils in grades K to 3 who are not proficient in  
19 English language arts, based upon state assessments for pupils in  
20 those grades.

21 ~~(20) For the purpose of determining the number of economically~~  
22 ~~disadvantaged pupils enrolled in a community district for 2017-~~  
23 ~~2018, disadvantaged pupils who were enrolled in the education~~  
24 ~~achievement system for 2016-2017 shall be considered to have been~~  
25 ~~enrolled in the community district for 2016-2017.~~

26 (20) ~~(21)~~ As used in this section:

27 (a) "At-risk pupil" means a pupil **IN GRADES K TO 12** for whom

1 the district has documentation that the pupil meets any of the  
2 following criteria:

3 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

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

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

24 (b) "Economically disadvantaged" means a pupil who has been  
25 determined eligible for free or reduced-price meals as determined  
26 under the Richard B. Russell national school lunch act, 42 USC 1751  
27 to 1769j; who is in a household receiving supplemental nutrition

1 assistance program or temporary assistance for needy families  
2 assistance; or who is homeless, migrant, or in foster care, as  
3 reported to the center.

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

8 (d) "Statewide weighted average foundation allowance" means  
9 the number that is calculated by adding together the result of each  
10 district's or public school academy's foundation allowance or per  
11 pupil payment calculated under section 20 multiplied by the number  
12 of pupils in membership in that district or public school academy,  
13 and then dividing that total by the statewide number of pupils in  
14 membership. For the purposes of this calculation, a district's  
15 foundation allowance shall not exceed the basic foundation  
16 allowance under section 20 for the current state fiscal year.

17 Sec. 31b. (1) From the appropriations in section 11, there is  
18 allocated an amount not to exceed ~~\$1,500,000.00~~ **\$750,000.00** for  
19 ~~2017-2018-2018-2019~~ for grants to at-risk districts for  
20 implementing a balanced calendar instructional program for at least  
21 1 of its schools.

22 (2) The department shall select districts for grants under  
23 this section from among applicant districts that meet both of the  
24 following:

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

26 (i) Is eligible in ~~2017-2018-2018-2019~~ for the community  
27 eligibility option for free and reduced price lunch under 42 USC

1 1759a.

2 (ii) At least 50% of the pupils in membership in the district  
3 met the income eligibility criteria for free breakfast, lunch, or  
4 milk in the immediately preceding state fiscal year, as determined  
5 under the Richard B. Russell national school lunch act, 42 USC 1751  
6 to 1769j.

7 (b) The board of the district has adopted a resolution stating  
8 that the district will implement for the first time a balanced  
9 calendar instructional program that will begin in ~~2018-2019-2019-~~  
10 **2020** for at least 1 school operated by the district and committing  
11 to providing the balanced calendar instructional program in each of  
12 those schools for at least 3 school years.

13 (3) A district seeking a grant under this section shall apply  
14 to the department in the form and manner prescribed by the  
15 department not later than December 1, ~~2017-~~**2018**. The department  
16 shall select districts for grants and make notification not later  
17 than February 1, ~~2018-~~**2019**.

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

21 (a) Giving priority to districts that, in the immediately  
22 preceding fiscal year, had lower general fund balances as a  
23 percentage of revenues.

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

27 (c) Ensuring that grant funding includes both rural and urban

1 districts.

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

4 (6) A grant payment under this section to a district shall be  
5 used for necessary modifications to instructional facilities and  
6 other nonrecurring costs of preparing for the operation of a  
7 balanced calendar instructional program as approved by the  
8 department.

9 (7) A district receiving a grant under this section is not  
10 required to provide more than the minimum number of days and hours  
11 of pupil instruction prescribed under section 101, but shall spread  
12 at least those minimum amounts of pupil instruction over the entire  
13 year in each of its schools in which a balanced calendar  
14 instructional calendar is implemented. The district shall commit to  
15 providing the balanced calendar instructional calendar in each of  
16 those schools for at least 3 school years.

17 (8) For a district receiving a grant under this section,  
18 excessive heat is considered to be a condition not within the  
19 control of school authorities for the purpose of days or hours  
20 being counted as days or hours of pupil instruction under section  
21 101(4).

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

25 Sec. 31d. (1) From the appropriations in section 11, there is  
26 allocated an amount not to exceed ~~\$22,495,100.00~~ **\$22,802,000.00** for  
27 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**

1 **\$23,144,000.00 FOR 2018-2019** for the purpose of making payments to  
2 districts and other eligible entities under this section.

3 (2) The amounts allocated from state sources under this  
4 section shall be used to pay the amount necessary to reimburse  
5 districts for 6.0127% of the necessary costs of the state mandated  
6 portion of the school lunch programs provided by those districts.  
7 The amount due to each district under this section shall be  
8 computed by the department using the methods of calculation adopted  
9 by the Michigan supreme court in the consolidated cases known as  
10 ~~Durant v State of Michigan,~~ **Durant v State of Michigan**, 456 Mich  
11 175 (1997).

12 (3) The payments made under this section include all state  
13 payments made to districts so that each district receives at least  
14 6.0127% of the necessary costs of operating the state mandated  
15 portion of the school lunch program in a fiscal year.

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

22 (5) From the federal funds appropriated in section 11, there  
23 is allocated for ~~2017-2018~~ **2018-2019** all available federal funding,  
24 estimated at \$520,000,000.00 for the national school lunch program  
25 and all available federal funding, estimated at \$3,200,000.00 for  
26 the emergency food assistance program.

27 (6) Notwithstanding section 17b, payments to eligible entities

1 other than districts under this section shall be paid on a schedule  
2 determined by the department.

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

7 Sec. 31f. (1) From the appropriations in section 11, there is  
8 allocated an amount not to exceed \$4,500,000.00 ~~each fiscal year~~  
9 ~~for 2016-2017 and for 2017-2018~~ **FOR 2018-2019** for the purpose of  
10 making payments to districts to reimburse for the cost of providing  
11 breakfast.

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

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

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

20 (3) The payment for a district under this section is at a per  
21 meal rate equal to the lesser of the district's actual cost or 100%  
22 of the statewide average cost of a breakfast served, as determined  
23 and approved by the department, less federal reimbursement,  
24 participant payments, and other state reimbursement. The statewide  
25 average cost shall be determined by the department using costs as  
26 reported in a manner approved by the department for the preceding  
27 school year.

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

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

7 Sec. 31j. (1) From the general fund money appropriated in  
8 section 11, there is allocated an amount not to exceed ~~\$375,000.00~~  
9 **\$575,000.00** for ~~2017-2018-2018-2019~~ for a pilot project to support  
10 districts in the purchase of locally grown fruits and vegetables as  
11 described in this section.

12 (2) The department shall provide funding **IN AN AMOUNT EQUAL TO**  
13 **\$125,000.00 PER REGION** to districts in prosperity regions 2, 4, 6,  
14 and 9 for the pilot project described under this section. **IN**  
15 **ADDITION, THE DEPARTMENT SHALL PROVIDE FUNDING IN AN AMOUNT EQUAL**  
16 **TO \$75,000.00 TO DISTRICTS IN PROSPERITY REGION 8 FOR THE PILOT**  
17 **PROJECT DESCRIBED UNDER THIS SECTION.** From the funding to districts  
18 in subsection (1), funding retained by prosperity regions that  
19 administer the project shall not exceed 10%, and funding retained  
20 by the department for administration shall not exceed 6%. A  
21 prosperity region may enter into a memorandum of understanding with  
22 the department or another prosperity region, or both, to administer  
23 the project. If the department administers the project for a  
24 prosperity region, the department may retain up to 10% of that  
25 prosperity region's funding for administration.

26 (3) The department shall develop and implement a competitive  
27 grant program for districts within the identified prosperity



1 regions to assist in paying for the costs incurred by the district  
2 to purchase or increase purchases of whole or minimally processed  
3 fruits, vegetables, and legumes grown in this state. The maximum  
4 amount that may be drawn down on a grant to a district shall be  
5 based on the number of meals served by the school district during  
6 the previous school year under the Richard B. Russell national  
7 school lunch act, 42 USC 1751 to 1769j. The department shall  
8 collaborate with the Michigan department of agriculture and rural  
9 development to provide training to newly participating schools and  
10 electronic information on Michigan agriculture.

11 (4) The goals of the pilot project include improving daily  
12 nutrition and eating habits for children through the school  
13 settings while investing in Michigan's agricultural and related  
14 food business economy.

15 (5) A district that receives a grant under this section shall  
16 use those funds for the costs incurred by the school district to  
17 purchase whole or minimally processed fruits, vegetables, and  
18 legumes that meet all of the following:

19 (a) Are purchased on or after the date the district received  
20 notification from the department of the amount to be distributed to  
21 the district under this subsection, including purchases made to  
22 launch meals in September ~~2017-2018~~ for the ~~2017-2018-2018-2019~~  
23 school year.

24 (b) Are grown in this state and, if minimally processed, are  
25 also processed in this state.

26 (c) Are used for meals that are served as part of the United  
27 States Department of Agriculture's child nutrition programs.

1           (6) For Michigan-grown fruits, vegetables, and legumes that  
2 satisfy the requirements of subsection (5), matching reimbursements  
3 shall be made in an amount not to exceed 10 cents for every school  
4 meal that is served as part of the United States Department of  
5 Agriculture's child nutrition programs and that uses Michigan-grown  
6 fruits, vegetables, and legumes.

7           (7) A district that receives a grant for reimbursement under  
8 this section shall use the grant to purchase whole or minimally  
9 processed fruits, vegetables, and legumes that are grown in this  
10 state and, if minimally processed, are also processed in this  
11 state.

12           (8) In awarding grants under this section, the department  
13 shall work in conjunction with prosperity region offices, in  
14 consultation with Michigan-based farm to school resource  
15 organizations, to develop scoring criteria that assess an  
16 applicant's ability to procure Michigan-grown products, prepare and  
17 menu Michigan-grown products, promote and market Michigan-grown  
18 products, and submit letters of intent from districts on plans for  
19 educational activities that promote the goals of the program.

20           (9) The department shall give preference to districts that  
21 propose educational activities that meet 1 or more of the  
22 following: promote healthy food activities; have clear educational  
23 objectives; involve parents or the community; ~~and~~ connect to a  
24 school's farm-to-school procurement activities; **AND MARKET AND**  
25 **PROMOTE THE PROGRAM, LEADING TO INCREASED PUPIL KNOWLEDGE AND**  
26 **CONSUMPTION OF MICHIGAN-GROWN PRODUCTS. APPLICATIONS WITH ROBUST**  
27 **MARKETING AND PROMOTIONAL ACTIVITIES SHALL RECEIVE STRONGER**

1 **WEIGHTING AND CONSIDERATION.**

2 (10) In awarding grants, the department shall also consider  
3 all of the following: the percentage of children who qualify for  
4 free or reduced price school meals under the Richard B. Russell  
5 national school lunch act, 42 USC 1751 to 1769j; the variety of  
6 school sizes and geographic locations within the identified  
7 prosperity regions; and existing or future collaboration  
8 opportunities between more than 1 district in a prosperity region.

9 (11) As a condition of receiving a grant under this section, a  
10 district shall provide or direct its vendors to provide to  
11 prosperity region offices copies of monthly receipts that show the  
12 quantity of different Michigan-grown fruits, vegetables, and  
13 legumes purchased, the amount of money spent on each of these  
14 products, ~~and~~ the name and Michigan location of the farm that grew  
15 the products, **AND THE METHODS OR PLANS TO MARKET AND PROMOTE THE**  
16 **PROGRAM.** The district shall also provide to the prosperity region  
17 monthly lunch numbers and lunch participation rates, and calendars  
18 or monthly menus noting when and how Michigan-grown products were  
19 used in meals. The district and school food service director or  
20 directors also shall agree to respond to brief online surveys and  
21 to provide a report that shows the percentage relationship of  
22 Michigan spending compared to total food spending. Not later than  
23 March 1, ~~2018,~~ **2019**, each prosperity region office, either on its  
24 own or in conjunction with another prosperity region, shall submit  
25 a report to the department on expected outcomes and related  
26 measurements for economic development and children's nutrition and  
27 readiness to learn based on progress so far. The report shall

1 include at least all of the following:

2 (a) The extent to which farmers and related businesses,  
3 including distributors and processors, see an increase in market  
4 opportunities and income generation through sales of Michigan or  
5 local products to districts. All of the following apply for  
6 purposes of this subdivision:

7 (i) The data used to determine the amount of this increase  
8 shall be the total dollar amount of Michigan or local fruits,  
9 vegetables, and legumes purchased by schools, along with the number  
10 of different types of products purchased; school food purchasing  
11 trends identified along with products that are of new and growing  
12 interest among food service directors; the number of businesses  
13 impacted; and the percentage of total food budget spent on  
14 Michigan-grown fruits, vegetables, and legumes.

15 (ii) The prosperity region office shall use purchasing data  
16 collected for the project and surveys of school food service  
17 directors on the impact and success of the project as the source  
18 for the data described in subparagraph (i).

19 (b) The ability to which pupils can access a variety of  
20 healthy Michigan-grown foods through schools and increase their  
21 consumption of those foods. All of the following apply for purposes  
22 of this subdivision:

23 (i) The data used to determine whether this subparagraph is  
24 met shall be the number of pupils exposed to Michigan-grown fruits,  
25 vegetables, and legumes at schools; the variety of products served;  
26 new items taste-tested or placed on menus; and the increase in  
27 pupil willingness to try new local, healthy foods.

1           (ii) The prosperity region office shall use purchasing data  
2 collected for the project, meal count and enrollment numbers,  
3 school menu calendars, and surveys of school food service directors  
4 as the source for the data described in subparagraph (i).

5           (12) The department shall compile the reports provided by  
6 prosperity region offices under subsection (11) into 1 legislative  
7 report. The department shall provide this report not later than  
8 April 1, ~~2018~~2019 to the house and senate subcommittees  
9 responsible for school aid, the house and senate fiscal agencies,  
10 and the state budget director.

11           **SEC. 31M. (1) THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES**  
12 **FUND IS CREATED AS A SEPARATE ACCOUNT WITHIN THE STATE SCHOOL AID**  
13 **FUND.**

14           **(2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM**  
15 **ANY SOURCE FOR DEPOSIT INTO THE SCHOOL MENTAL HEALTH AND SUPPORT**  
16 **SERVICES FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF**  
17 **THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES FUND AND SHALL CREDIT**  
18 **TO THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES FUND INTEREST AND**  
19 **EARNINGS FROM THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES FUND.**

20           **(3) MONEY AVAILABLE IN THE SCHOOL MENTAL HEALTH AND SUPPORT**  
21 **SERVICES FUND SHALL NOT BE EXPENDED WITHOUT A SPECIFIC**  
22 **APPROPRIATION.**

23           **(4) MONEY IN THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES**  
24 **FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE SCHOOL**  
25 **MENTAL HEALTH AND SUPPORT SERVICES FUND AND SHALL NOT LAPSE TO THE**  
26 **STATE SCHOOL AID FUND OR TO THE GENERAL FUND. THE DEPARTMENT OF**  
27 **TREASURY SHALL BE THE ADMINISTRATOR OF THE SCHOOL MENTAL HEALTH AND**

1 SUPPORT SERVICES FUND FOR AUDITING PURPOSES.

2 (5) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018,  
3 \$30,000,000.00 FROM THE STATE SCHOOL AID FUND SHALL BE DEPOSITED  
4 INTO THE SCHOOL MENTAL HEALTH AND SUPPORT SERVICES FUND TO BE USED  
5 TO SUPPORT EFFORTS TO IMPROVE MENTAL HEALTH AND SUPPORT SERVICES  
6 FOR K-12 PUPILS IN THIS STATE, INCLUDING, BUT NOT LIMITED TO,  
7 IMPROVED ACCESS TO COUNSELING SERVICES, EDUCATIONAL AWARENESS  
8 PROGRAMS, AND ENHANCED MENTAL HEALTH AND CLINICAL SERVICES.

9 Sec. 32d. (1) From the funds appropriated in section 11, there  
10 is allocated to eligible intermediate districts and consortia of  
11 intermediate districts for great start readiness programs an amount  
12 not to exceed \$243,600,000.00 for ~~2017-2018.~~ **2018-2019**. Funds  
13 allocated under this section for great start readiness programs  
14 shall be used to provide part-day, school-day, or GSRP/Head Start  
15 blended comprehensive free compensatory classroom programs designed  
16 to improve the readiness and subsequent achievement of  
17 educationally disadvantaged children who meet the participant  
18 eligibility and prioritization guidelines as defined by the  
19 department. For a child to be eligible to participate in a program  
20 under this section, the child shall be at least 4, but less than 5,  
21 years of age as of September 1 of the school year in which the  
22 program is offered and shall meet those eligibility and  
23 prioritization guidelines. A child who is not 4 years of age as of  
24 September 1, but who will be 4 years of age not later than December  
25 1, is eligible to participate if the child's parent or legal  
26 guardian seeks a waiver from the September 1 eligibility date by  
27 submitting a request for enrollment in a program to the responsible

1 intermediate district, if the program has capacity on or after  
2 September 1 of the school year, and if the child meets eligibility  
3 and prioritization guidelines.

4 (2) ~~Funds~~ **FROM THE FUNDS** allocated under subsection (1), ~~shall~~  
5 ~~be~~ **AN AMOUNT NOT TO EXCEED \$242,600,000.00 IS** allocated to  
6 intermediate districts or consortia of intermediate districts based  
7 on the formula in section 39. An intermediate district or  
8 consortium of intermediate districts receiving funding under this  
9 section shall act as the fiduciary for the great start readiness  
10 programs. In order to be eligible to receive funds allocated under  
11 this subsection from an intermediate district or consortium of  
12 intermediate districts, a district, a consortium of districts, or a  
13 public or private for-profit or nonprofit legal entity or agency  
14 shall comply with this section and section 39.

15 (3) In addition to the allocation under subsection (1), from  
16 the general fund money appropriated under section 11, there is  
17 allocated an amount not to exceed \$300,000.00 for ~~2017-2018-2018-~~  
18 **2019** for a competitive grant to continue a longitudinal evaluation  
19 of children who have participated in great start readiness  
20 programs.

21 (4) To be eligible for funding under this section, a program  
22 shall prepare children for success in school through comprehensive  
23 part-day, school-day, or GSRP/Head Start blended programs that  
24 contain all of the following program components, as determined by  
25 the department:

26 (a) Participation in a collaborative recruitment and  
27 enrollment process to assure that each child is enrolled in the

1 program most appropriate to his or her needs and to maximize the  
2 use of federal, state, and local funds.

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

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

9 (d) Physical and dental health and developmental screening  
10 services for all program participants.

11 (e) Referral services for families of program participants to  
12 community social service agencies, including mental health  
13 services, as appropriate.

14 (f) Active and continuous involvement of the parents or  
15 guardians of the program participants.

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

19 (h) Participation in a school readiness advisory committee  
20 convened as a workgroup of the great start collaborative that  
21 provides for the involvement of classroom teachers, parents or  
22 guardians of program participants, and community, volunteer, and  
23 social service agencies and organizations, as appropriate. The  
24 advisory committee annually shall review and make recommendations  
25 regarding the program components listed in this subsection. The  
26 advisory committee also shall make recommendations to the great  
27 start collaborative regarding other community services designed to



1 improve all children's school readiness.

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

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

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

9 (a) Ensure compliance with all program components described in  
10 subsection (4).

11 (b) Except as otherwise provided in this subdivision, ensure  
12 that at least 90% of the children participating in an eligible  
13 great start readiness program for whom the intermediate district is  
14 receiving funds under this section are children who live with  
15 families with a household income that is equal to or less than 250%  
16 of the federal poverty level. If the intermediate district  
17 determines that all eligible children are being served and that  
18 there are no children on the waiting list who live with families  
19 with a household income that is equal to or less than 250% of the  
20 federal poverty level, the intermediate district may then enroll  
21 children who live with families with a household income that is  
22 equal to or less than 300% of the federal poverty level. The  
23 enrollment process shall consider income and risk factors, such  
24 that children determined with higher need are enrolled before  
25 children with lesser need. For purposes of this subdivision, all  
26 age-eligible children served in foster care or who are experiencing  
27 homelessness or who have individualized education plans

1 recommending placement in an inclusive preschool setting shall be  
2 considered to live with families with household income equal to or  
3 less than 250% of the federal poverty level regardless of actual  
4 family income and shall be prioritized for enrollment within the  
5 lowest quintile.

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

8 (i) Teachers possessing proper training. A lead teacher must  
9 have a valid teaching certificate with an early childhood (ZA or  
10 ZS) endorsement or a bachelor's or higher degree in child  
11 development or early childhood education with specialization in  
12 preschool teaching. However, if an applicant demonstrates to the  
13 department that it is unable to fully comply with this subparagraph  
14 after making reasonable efforts to comply, teachers who have  
15 significant but incomplete training in early childhood education or  
16 child development may be used if the applicant provides to the  
17 department, and the department approves, a plan for each teacher to  
18 come into compliance with the standards in this subparagraph. A  
19 teacher's compliance plan must be completed within 2 years of the  
20 date of employment. Progress toward completion of the compliance  
21 plan shall consist of at least 2 courses per calendar year.

22 (ii) Paraprofessionals possessing proper training in early  
23 childhood education, including an associate's degree in early  
24 childhood education or child development or the equivalent, or a  
25 child development associate (CDA) credential. However, if an  
26 applicant demonstrates to the department that it is unable to fully  
27 comply with this subparagraph after making reasonable efforts to

1 comply, the applicant may use paraprofessionals who have completed  
2 at least 1 course that earns college credit in early childhood  
3 education or child development if the applicant provides to the  
4 department, and the department approves, a plan for each  
5 paraprofessional to come into compliance with the standards in this  
6 subparagraph. A paraprofessional's compliance plan must be  
7 completed within 2 years of the date of employment. Progress toward  
8 completion of the compliance plan shall consist of at least 2  
9 courses or 60 clock hours of training per calendar year.

10 (d) Include a program budget that contains only those costs  
11 that are not reimbursed or reimbursable by federal funding, that  
12 are clearly and directly attributable to the great start readiness  
13 program, and that would not be incurred if the program were not  
14 being offered. Eligible costs include transportation costs. The  
15 program budget shall indicate the extent to which these funds will  
16 supplement other federal, state, local, or private funds. Funds  
17 received under this section shall not be used to supplant any  
18 federal funds received by the applicant to serve children eligible  
19 for a federally funded preschool program that has the capacity to  
20 serve those children.

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

25 (7) For a grant recipient that enrolls pupils in a GSRP/Head  
26 Start blended program, the grant recipient shall ensure that all  
27 Head Start and GSRP policies and regulations are applied to the

1 blended slots, with adherence to the highest standard from either  
2 program, to the extent allowable under federal law.

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

9 (9) An intermediate district or consortium of intermediate  
10 districts may retain for administrative services provided by the  
11 intermediate district or consortium of intermediate districts an  
12 amount not to exceed 4% of the grant amount. Expenses incurred by  
13 subrecipients engaged by the intermediate district or consortium of  
14 intermediate districts for directly running portions of the program  
15 shall be considered program costs or a contracted program fee for  
16 service.

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

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

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

18 (12) An intermediate district or consortium of intermediate  
19 districts receiving a grant under this section shall allow parents  
20 of eligible children who are residents of the intermediate district  
21 or within the consortium to choose a program operated by or  
22 contracted with another intermediate district or consortium of  
23 intermediate districts and shall enter into a written agreement  
24 regarding payment, in a manner prescribed by the department.

25 (13) An intermediate district or consortium of intermediate  
26 districts receiving a grant under this section shall conduct a  
27 local process to contract with interested and eligible public and

1 private for-profit and nonprofit community-based providers that  
2 meet all requirements of subsection (4) for at least 30% of its  
3 total allocation. For the purposes of this 30% allocation, an  
4 intermediate district or consortium of intermediate districts may  
5 count children served by a Head Start grantee or delegate in a  
6 blended Head Start and great start readiness school-day program.  
7 Children served in a program funded only through Head Start shall  
8 not be counted toward this 30% allocation. The intermediate  
9 district or consortium shall report to the department, in a manner  
10 prescribed by the department, a detailed list of community-based  
11 providers by provider type, including private for-profit, private  
12 nonprofit, community college or university, Head Start grantee or  
13 delegate, and district or intermediate district, and the number and  
14 proportion of its total allocation allocated to each provider as  
15 subrecipient. If the intermediate district or consortium is not  
16 able to contract for at least 30% of its total allocation, the  
17 grant recipient shall notify the department and, if the department  
18 verifies that the intermediate district or consortium attempted to  
19 contract for at least 30% of its total allocation and was not able  
20 to do so, then the intermediate district or consortium may retain  
21 and use all of its allocation as provided under this section. To be  
22 able to use this exemption, the intermediate district or consortium  
23 shall demonstrate to the department that the intermediate district  
24 or consortium increased the percentage of its total allocation for  
25 which it contracts with a community-based provider and the  
26 intermediate district or consortium shall submit evidence  
27 satisfactory to the department, and the department must be able to

1 verify this evidence, demonstrating that the intermediate district  
2 or consortium took measures to contract for at least 30% of its  
3 total allocation as required under this subsection, including, but  
4 not limited to, at least all of the following measures:

5 (a) The intermediate district or consortium notified each  
6 nonparticipating licensed child care center located in the service  
7 area of the intermediate district or consortium regarding the  
8 center's eligibility to participate, in a manner prescribed by the  
9 department.

10 (b) The intermediate district or consortium provided to each  
11 nonparticipating licensed child care center located in the service  
12 area of the intermediate district or consortium information  
13 regarding great start readiness program requirements and a  
14 description of the application and selection process for community-  
15 based providers.

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

20 (14) If an intermediate district or consortium of intermediate  
21 districts receiving a grant under this section fails to submit  
22 satisfactory evidence to demonstrate its effort to contract for at  
23 least 30% of its total allocation, as required under subsection  
24 (13), the department shall reduce the allocation to the  
25 intermediate district or consortium by a percentage equal to the  
26 difference between the percentage of an intermediate district's or  
27 consortium's total allocation awarded to community-based providers

1 and 30% of its total allocation.

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

6 (a) Ensure that a great start resource center or the  
7 department provides each intermediate district or consortium  
8 receiving a grant under this section with the contact information  
9 for each licensed child care center located in the service area of  
10 the intermediate district or consortium by March 1 of each year.

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

15 (c) Ensure that all intermediate district, district, community  
16 college or university, Head Start grantee or delegate, private for-  
17 profit, and private nonprofit providers are subject to a single  
18 great start to quality rating system. The rating system shall  
19 ensure that regulators process all prospective providers at the  
20 same pace on a first-come, first-served basis and shall not allow 1  
21 type of provider to receive a great start to quality rating ahead  
22 of any other type of provider.

23 (d) Not later than December 1 of each year, compile the  
24 results of the information reported by each intermediate district  
25 or consortium under subsection (13) and report to the legislature a  
26 list by intermediate district or consortium with the number and  
27 percentage of each intermediate district's or consortium's total



1 allocation allocated to community-based providers by provider type,  
2 including private for-profit, private nonprofit, community college  
3 or university, Head Start grantee or delegate, and district or  
4 intermediate district.

5 (16) A recipient of funds under this section shall report to  
6 the ~~department~~**CENTER** in a form and manner prescribed by the  
7 ~~department~~**CENTER** the number of children participating in the  
8 program who meet the income eligibility criteria under subsection  
9 (5)(b) and the total number of children participating in the  
10 program. ~~For children participating in the program who meet the~~  
11 ~~income eligibility criteria specified under subsection (5)(b), a~~  
12 ~~recipient shall also report whether or not a parent is available to~~  
13 ~~provide care based on employment status. For the purposes of this~~  
14 ~~subsection, "employment status" shall be defined by the department~~  
15 ~~of health and human services in a manner consistent with maximizing~~  
16 ~~the amount of spending that may be claimed for temporary assistance~~  
17 ~~for needy families maintenance of effort purposes.~~

18 (17) As used in this section:

19 (a) "GSRP/Head Start blended program" means a part-day program  
20 funded under this section and a Head Start program, which are  
21 combined for a school-day program.

22 (b) "Part-day program" means a program that operates at least  
23 4 days per week, 30 weeks per year, for at least 3 hours of  
24 teacher-child contact time per day but for fewer hours of teacher-  
25 child contact time per day than a school-day program.

26 (c) "School-day program" means a program that operates for at  
27 least the same length of day as a district's first grade program

1 for a minimum of 4 days per week, 30 weeks per year. A classroom  
2 that offers a school-day program must enroll all children for the  
3 school day to be considered a school-day program.

4 (18) An intermediate district or consortium of intermediate  
5 districts receiving funds under this section shall establish and  
6 charge tuition according to a sliding scale of tuition rates based  
7 upon household income for children participating in an eligible  
8 great start readiness program who live with families with a  
9 household income that is more than 250% of the federal poverty  
10 level to be used by all of its providers, as approved by the  
11 department.

12 (19) From the amount appropriated in subsection (1), there is  
13 allocated an amount not to exceed \$10,000,000.00 for reimbursement  
14 of transportation costs for children attending great start  
15 readiness programs funded under this section. To receive  
16 reimbursement under this subsection, not later than November 1,  
17 ~~2017,~~ **2018**, a program funded under this section that provides  
18 transportation shall submit to the intermediate district that is  
19 the fiscal agent for the program a projected transportation budget.  
20 The amount of the reimbursement for transportation under this  
21 subsection shall be no more than the projected transportation  
22 budget or \$300.00 multiplied by the number of children funded for  
23 the program under this section. If the amount allocated under this  
24 subsection is insufficient to fully reimburse the transportation  
25 costs for all programs that provide transportation and submit the  
26 required information, the reimbursement shall be prorated in an  
27 equal amount per child funded. Payments shall be made to the

1 intermediate district that is the fiscal agent for each program,  
2 and the intermediate district shall then reimburse the program  
3 provider for transportation costs as prescribed under this  
4 subsection.

5 (20) SUBJECT TO, AND FROM THE FUNDS ALLOCATED UNDER,  
6 SUBSECTION (19), THE DEPARTMENT SHALL REIMBURSE A PROGRAM FOR  
7 TRANSPORTATION COSTS RELATED TO PARENT- OR GUARDIAN-ACCOMPANIED  
8 TRANSPORTATION PROVIDED BY TRANSPORTATION SERVICE COMPANIES, BUSES,  
9 OR OTHER PUBLIC TRANSPORTATION SERVICES. TO BE ELIGIBLE FOR  
10 REIMBURSEMENT UNDER THIS SUBSECTION, A PROGRAM MUST BE A COMMUNITY-  
11 BASED PROVIDER AND MUST SUBMIT TO THE DEPARTMENT ALL OF THE  
12 FOLLOWING:

13 (A) THE NAMES OF FAMILIES PROVIDED WITH TRANSPORTATION SUPPORT  
14 ALONG WITH A DOCUMENTED REASON FOR THE NEED FOR TRANSPORTATION  
15 SUPPORT AND THE TYPE OF TRANSPORTATION PROVIDED.

16 (B) FINANCIAL DOCUMENTATION OF ACTUAL TRANSPORTATION COSTS  
17 INCURRED BY THE PROGRAM, INCLUDING, BUT NOT LIMITED TO, RECEIPTS  
18 AND MILEAGE REPORTS, AS DETERMINED BY THE DEPARTMENT.

19 (C) ANY OTHER DOCUMENTATION OR INFORMATION DETERMINED  
20 NECESSARY BY THE DEPARTMENT.

21 (21) ~~(20)~~The department shall implement a process to review  
22 and approve age-appropriate comprehensive classroom level quality  
23 assessments for GSRP grantees that support the early childhood  
24 standards of quality for prekindergarten children adopted by the  
25 state board. The department shall ~~complete the approval process and~~  
26 make available to intermediate districts at least 2 ~~approved~~  
27 classroom level quality assessments ~~no later than April 1,~~

1 ~~2018-THAT WERE APPROVED IN 2018.~~

2           **(22)** ~~(21)~~—An intermediate district that is a GSRP grantee may  
3 approve the use of a supplemental curriculum that aligns with and  
4 enhances the age-appropriate educational curriculum in the  
5 classroom. If the department objects to the use of a supplemental  
6 curriculum approved by an intermediate district, the superintendent  
7 of public instruction shall establish a review committee  
8 independent of the department. The review committee shall meet  
9 within 60 days of the department registering its objection in  
10 writing and provide a final determination on the validity of the  
11 objection within 60 days of the review committee's first meeting.

12           **(23) THE DEPARTMENT SHALL IMPLEMENT A PROCESS TO EVALUATE AND**  
13 **APPROVE AGE-APPROPRIATE EDUCATIONAL CURRICULA THAT ARE IN**  
14 **COMPLIANCE WITH THE EARLY CHILDHOOD STANDARDS OF QUALITY FOR**  
15 **PREKINDERGARTEN CHILDREN ADOPTED BY THE STATE BOARD.**

16           **(24) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS**  
17 **ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR PAYMENTS TO**  
18 **INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS FOR**  
19 **PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN PROGRAMS IMPLEMENTING NEW**  
20 **CURRICULA IN 2019-2020.**

21           **(25)** ~~(22)~~—A great start readiness program or a GSRP/Head Start  
22 blended program funded under this section shall be permitted to  
23 utilize AmeriCorps Pre-K Reading Corps members in classrooms  
24 implementing research-based early literacy intervention strategies.

25           Sec. 32p. (1) From the appropriation in section 11, there is  
26 allocated an amount not to exceed \$13,400,000.00 to intermediate  
27 districts for ~~2017-2018-2018-2019~~ for the purpose of providing

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

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

19 (a) Children born healthy.

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

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

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

26 (3) Each local great start collaborative and parent coalition  
27 shall convene workgroups to make recommendations about community

1 services designed to achieve the outcomes described in subsection  
2 (2) and to ensure that its local great start system includes the  
3 following supports for children from birth through age 8:

4 (a) Physical health.

5 (b) Social-emotional health.

6 (c) Family supports and basic needs.

7 (d) Parent education.

8 (e) Early education, including the child's development of  
9 skills linked to success in foundational literacy, and care.

10 (4) From the funds allocated in subsection (1), at least  
11 \$2,500,000.00 shall be used for the purpose of providing home  
12 visits to at-risk children and their families. The home visits  
13 shall be conducted as part of a locally coordinated, family-  
14 centered, evidence-based, data-driven home visit strategic plan  
15 that is approved by the department. The goals of the home visits  
16 funded under this subsection shall be to improve school readiness  
17 using evidence-based methods, including a focus on developmentally  
18 appropriate outcomes for early literacy, to reduce the number of  
19 pupils retained in grade level, ~~and~~ to reduce the number of pupils  
20 requiring special education services, **TO IMPROVE POSITIVE PARENTING**  
21 **PRACTICES, AND TO IMPROVE FAMILY ECONOMIC SELF-SUFFICIENCY WHILE**  
22 **REDUCING THE IMPACT OF HIGH-RISK FACTORS THROUGH COMMUNITY**  
23 **RESOURCES AND REFERRALS.** The department shall coordinate the goals  
24 of the home visit strategic plans approved under this subsection  
25 with other state agency home visit programs in a way that  
26 strengthens Michigan's home visiting infrastructure and maximizes  
27 federal funds available for the purposes of at-risk family home

1 visits. The coordination among departments and agencies is intended  
2 to avoid duplication of state services and spending, and should  
3 emphasize efficient service delivery of home visiting programs.

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

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

26 Sec. 32q. From the state school aid fund allocation under  
27 section 11, there is allocated to an eligible intermediate district

1 an amount equal to \$175,000.00 ~~in 2017-2018~~ **FOR 2018-2019** for the  
2 purpose of this section. An intermediate district receiving a grant  
3 under this section shall partner with an early childhood  
4 collaborative to conduct a pilot program as provided under this  
5 section. It is the intent of the legislature that this is the  
6 ~~second~~ **THIRD** of 3 years of funding, and that funding **FOR THE PILOT**  
7 **PROGRAM** shall **NOT** continue in ~~2018-2019~~ **2019-2020**. Funding  
8 allocated to an intermediate district shall be used in partnership  
9 with a collaborative to conduct a pilot program to evaluate the  
10 relative impact on vulnerable children of 1 versus 2 years of  
11 preschool education. All of the following apply to the pilot  
12 program funded under this section:

13 (a) An eligible intermediate district is an intermediate  
14 district that is located in a county with a population as of the  
15 most recent federal decennial census that was greater than 500,000  
16 but fewer than 800,000 and that has an early learning collaborative  
17 located within its boundaries.

18 (b) The funds shall be used for research, family coaching  
19 support, administration, information systems, and evaluation.

20 (c) In order to be eligible to receive the allocated funds,  
21 the early learning collaborative, in partnership with the  
22 intermediate district, shall provide the funding for all eligible  
23 children included in the pilot program.

24 (d) The early learning collaborative, in partnership with the  
25 intermediate district, shall develop a 3-year pilot program under  
26 the supervision of the office of great start in the department.

27 (e) For a child to be eligible for participation in the pilot



1 program under this section, the child shall be 3 years of age as of  
2 the date specified for determining a child's eligibility to attend  
3 school under section 1147 of the revised school code, MCL 380.1147.

4 (f) A child participating in the pilot program shall meet the  
5 participant eligibility and prioritization guidelines as defined by  
6 the department.

7 (g) Notwithstanding section 17b, the department shall  
8 distribute funds under this section not later than November 15 of  
9 the fiscal year.

10 (h) The early learning collaborative, in partnership with the  
11 intermediate district, shall provide annual progress evaluations to  
12 the office of great start.

13 (i) By December 1, 2019, the early learning collaborative, in  
14 partnership with the intermediate district, shall provide a pilot  
15 program report and evaluation to the office of great start. The  
16 office of great start shall review the pilot program report and  
17 evaluation and, by February 15, 2020, provide a report to the  
18 senate and house appropriations subcommittees on state school aid  
19 and to the senate and house fiscal agencies of its evaluation of  
20 the pilot program.

21 Sec. 35a. (1) From the appropriations in section 11, there is  
22 allocated for ~~2017-2018-2018-2019~~ for the purposes of this section  
23 an amount not to exceed \$26,900,000.00 from the state school aid  
24 fund and an amount not to exceed ~~\$2,500,000.00~~ **\$3,000,000.00** from  
25 the general fund. **THE SUPERINTENDENT SHALL DESIGNATE STAFF OR**  
26 **CONTRACTED EMPLOYEES FUNDED UNDER THIS SECTION AS CRITICAL**  
27 **SHORTAGE. PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO ENSURE**

1 **THAT THIS STATE WILL BE IN THE TOP 10 MOST IMPROVED STATES IN GRADE**  
2 **4 READING PROFICIENCY BY THE 2019 NATIONAL ASSESSMENT OF**  
3 **EDUCATIONAL PROGRESS (NAEP) AND WILL BE IN THE TOP 10 STATES**  
4 **OVERALL IN GRADE 4 READING PROFICIENCY BY 2025.**

5 (2) A district that receives funds under subsection (5) may  
6 spend up to 5% of those funds for professional development for  
7 educators in a department-approved research-based training program  
8 related to current state literacy standards for pupils in grades K  
9 to 3. The professional development shall also include training in  
10 the use of screening and diagnostic tools, progress monitoring, and  
11 intervention methods used to address barriers to learning and  
12 delays in learning that are diagnosed through the use of these  
13 tools.

14 (3) A district that receives funds under subsection (5) may  
15 use up to 5% of those funds to administer department-approved  
16 screening and diagnostic tools to monitor the development of early  
17 literacy and early reading skills of pupils in grades K to 3 and to  
18 support research-based professional development for educators in  
19 administering screening and diagnostic tools and in data  
20 interpretation of the results obtained through the use of those  
21 tools for the purpose of implementing a multi-tiered system of  
22 support to improve reading proficiency among pupils in grades K to  
23 3. A department-approved screening and diagnostic tool administered  
24 by a district using funding under this section must include all of  
25 the following components: phonemic awareness, phonics, fluency, and  
26 comprehension. Further, all of the following sub-skills must be  
27 assessed within each of these components:

1 (a) Phonemic awareness - segmentation, blending, and sound  
2 manipulation (deletion and substitution).

3 (b) Phonics - decoding (reading) and encoding (spelling).

4 (c) Fluency - reading rate, accuracy, and expression.

5 (d) Comprehension - making meaning of text.

6 (4) From the allocations under subsection (1), there is  
7 allocated an amount not to exceed ~~\$6,000,000.00~~ **\$7,000,000.00** for  
8 ~~2017-2018-2018-2019~~ for the purpose of providing early literacy  
9 coaches at intermediate districts to assist teachers in developing  
10 and implementing instructional strategies for pupils in grades K to  
11 3 so that pupils are reading at grade level by the end of grade 3.  
12 All of the following apply to funding under this subsection:

13 (a) The department shall develop an application process  
14 consistent with the provisions of this subsection. An application  
15 shall provide assurances that literacy coaches funded under this  
16 subsection are knowledgeable about at least the following:

17 (i) Current state literacy standards for pupils in grades K to  
18 3.

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

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

1 (b) From the allocation under this subsection, the department  
2 shall award grants to intermediate districts for the support of  
3 early literacy coaches. An intermediate district must provide  
4 matching funds for at least 50% of the grant amount awarded to  
5 support the cost of the literacy coach. The department shall  
6 provide this funding in the following manner:

7 (i) Each intermediate district shall be awarded grant funding  
8 to support the cost of 1 early literacy coach in an equal amount  
9 per early literacy coach, not to exceed \$75,000.00.

10 (ii) After distribution of the grant funding under  
11 subparagraph (i), the department shall distribute the remainder of  
12 grant funding for additional early literacy coaches in an amount  
13 not to exceed \$75,000.00 per early literacy coach. The number of  
14 funded early literacy coaches for each intermediate district shall  
15 be based on the percentage of the total statewide number of pupils  
16 in grades K to 3 who meet the income eligibility standards for the  
17 federal free and reduced-price lunch programs who are enrolled in  
18 districts in the intermediate district. For each additional early  
19 literacy coach funded under this subparagraph, the department shall  
20 not make an award to an intermediate district under this  
21 subparagraph in an amount that is less than the amount necessary to  
22 pay 1/2 of the total cost of that additional early literacy coach.

23 (5) From the allocations under subsection (1), there is  
24 allocated an amount not to exceed ~~\$20,900,000.00~~ **\$19,900,000.00** for  
25 ~~2017-2018-2018-2019~~ to districts that provide additional  
26 instructional time to those pupils in grades K to 3 who have been  
27 identified by using department-approved screening and diagnostic

1 tools as needing additional supports and interventions in order to  
 2 be reading at grade level by the end of grade 3. Additional  
 3 instructional time may be provided before, during, and after  
 4 regular school hours or as part of a year-round balanced school  
 5 calendar. All of the following apply to funding under this  
 6 subsection:

7 (a) In order to be eligible to receive funding, a district  
 8 shall demonstrate to the satisfaction of the department that the  
 9 district has done all of the following:

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

17 ~~—— (A) Implements effective instruction for all learners.~~

18 ~~—— (B) Intervenes early.~~

19 ~~—— (C) Provides a multi-tiered model of instruction and~~  
 20 ~~intervention that provides the following: a core curriculum and~~  
 21 ~~classroom interventions available to all pupils that meet the needs~~  
 22 ~~of most pupils; targeted group interventions; and intense~~  
 23 ~~individual interventions.~~

24 ~~—— (D) Monitors pupil progress to inform instruction.~~

25 ~~—— (E) Uses data to make instructional decisions.~~

26 ~~—— (F) Uses assessments including universal screening,~~  
 27 ~~diagnostics, and progress monitoring.~~

1 ~~—— (G) Engages families and the community.~~

2 ~~—— (H) Implements evidence-based, scientifically validated,~~  
3 ~~instruction and intervention.~~

4 ~~—— (I) Implements instruction and intervention practices with~~  
5 ~~fidelity.~~

6 ~~—— (J) Uses a collaborative problem-solving model.~~

7 **(A) TEAM-BASED LEADERSHIP.**

8 **(B) A TIERED DELIVERY SYSTEM.**

9 **(C) SELECTION AND IMPLEMENTATION OF INSTRUCTION,**  
10 **INTERVENTIONS, AND SUPPORTS.**

11 **(D) A COMPREHENSIVE SCREENING AND ASSESSMENT SYSTEM.**

12 **(E) CONTINUOUS DATA-BASED DECISION MAKING.**

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 (v) Complied with the requirements under section 1280f of the  
24 revised school code, MCL 380.1280f.

25 (b) Funding allocated under this subsection shall be  
26 distributed to eligible districts ~~by multiplying the number of~~  
27 ~~full-time-equivalent pupils in grade 1 in the district by~~

1 ~~210.00~~-ON AN EQUAL PER-FIRST-GRADE-PUPIL BASIS.

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

6 (6) NOT LATER THAN SEPTEMBER 1, 2019, A DISTRICT THAT RECEIVES  
7 FUNDING UNDER THIS SECTION, IN CONJUNCTION WITH THE MICHIGAN DATA  
8 HUB NETWORK, IF POSSIBLE, SHALL PROVIDE TO THE DEPARTMENT A REPORT  
9 THAT INCLUDES AT LEAST BOTH OF THE FOLLOWING, IN A FORM AND MANNER  
10 PRESCRIBED BY THE DEPARTMENT:

11 (A) FOR PUPILS IN GRADES K TO 3, THE PUPILS, SCHOOLS, AND  
12 GRADES SERVED WITH FUNDS UNDER THIS SECTION AND THE CATEGORIES OF  
13 SERVICES PROVIDED.

14 (B) FOR PUPILS IN GRADES K TO 3, PUPIL PROFICIENCY AND GROWTH  
15 DATA THAT ALLOWS ANALYSIS BOTH IN THE AGGREGATE AND BY EACH OF THE  
16 FOLLOWING SUBGROUPS, AS APPLICABLE:

17 (i) SCHOOL.

18 (ii) GRADE LEVEL.

19 (iii) GENDER.

20 (iv) RACE.

21 (v) ETHNICITY.

22 (vi) ECONOMICALLY DISADVANTAGED STATUS.

23 (vii) DISABILITY.

24 (viii) PUPILS IDENTIFIED AS HAVING READING DEFICIENCIES.

25 (7) ~~(6)~~ From the general fund money allocated in subsection  
26 (1), the department shall allocate the amount of \$2,500,000.00 ~~for~~  
27 ~~2017-2018~~ FOR 2018-2019 to the Michigan Education Corps FOR THE

1 **PREK READING CORPS, THE K3 READING CORPS, AND THE MATH CORPS.** All  
2 of the following apply to funding under this subsection:

3 (a) By ~~August~~**SEPTEMBER** 1 of the current fiscal year, the  
4 Michigan Education Corps shall provide a report concerning its use  
5 of the funding to the senate and house appropriations subcommittees  
6 on state school aid, the senate and house fiscal agencies, and the  
7 senate and house caucus policy offices on outcomes and performance  
8 measures of the Michigan Education Corps, including, but not  
9 limited to, the degree to which the Michigan Education Corps's  
10 replication of the Michigan **PREK** Reading Corps, ~~program~~**K3 READING**  
11 **CORPS, AND MATH CORPS PROGRAMS** is demonstrating sufficient efficacy  
12 and impact. The report must include data pertaining to at least all  
13 of the following:

14 (i) The current impact of the ~~Michigan Reading Corps~~**PROGRAMS**  
15 on this state in terms of numbers of children and ~~programs~~**SCHOOLS**  
16 receiving support. This portion of the report shall specify the  
17 number of children tutored, including dosage and completion, and  
18 the demographics of those children.

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

23 (iii) Whether the literacy **OR MATH** improvement of children  
24 participating in the ~~Michigan Reading Corps~~**PROGRAMS** is consistent  
25 with expectations. This portion of the report shall detail at least  
26 all of the following:

27 (A) Growth rate by grade **OR AGE** level, in comparison to



1 targeted growth rate.

2 (B) Average linear growth rates.

3 (C) Exit rates.

4 (D) Percentage of children who exit who also meet or exceed  
5 spring benchmarks.

6 (iv) The impact of the ~~Michigan Reading Corps~~ **PROGRAMS** on  
7 organizations and stakeholders, including, but not limited to,  
8 school administrators, internal coaches, and AmeriCorps members.

9 (b) If the department determines that the Michigan Education  
10 Corps has misused the funds allocated under this subsection, the  
11 Michigan Education Corps shall reimburse this state for the amount  
12 of state funding misused.

13 (c) The department may not reserve any portion of the  
14 allocation provided under this subsection for an evaluation of the  
15 Michigan Education Corps, the Michigan Education Corps' funding, or  
16 the Michigan Education Corps' programming **UNLESS AGREED TO IN**  
17 **WRITING BY THE MICHIGAN EDUCATION CORPS.** The department shall award  
18 the entire \$2,500,000.00 allocated under this subsection to the  
19 Michigan Education Corps and shall not condition the awarding of  
20 this funding on the implementation of an independent evaluation.

21 **(8) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION**  
22 **(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR**  
23 **2018-2019 FOR A GRANT TO AN ELIGIBLE PROGRAM THAT HAS A GOAL TO**  
24 **SLOW OR PREVENT THE K TO 4 SUMMER READING SLIDE AMONG ALL PUPILS**  
25 **ENROLLED IN GRADES K TO 4, PARTICULARLY THOSE FROM ECONOMICALLY**  
26 **DISADVANTAGED HOUSEHOLDS. FUNDS ALLOCATED UNDER THIS SUBSECTION ARE**  
27 **GRANT FUNDS AND MUST BE DISTRIBUTED BY THE DEPARTMENT. A PROGRAM IS**

1 ELIGIBLE IF IT MEETS AT LEAST ALL OF THE FOLLOWING:

2 (A) THE PROGRAM'S OBJECTIVE IS TO DELIVER A BILINGUAL, IN-  
3 HOME, INDIVIDUALIZED SUMMER READING PROGRAM CONSISTING OF SELF-  
4 SELECTED, INDEPENDENT READING LEVEL BOOKS TO K TO 4 PUPILS EACH  
5 WEEK DURING THE SUMMER.

6 (B) IS EVALUATED QUANTITATIVELY AND QUALITATIVELY USING PRE-  
7 AND POST-STANDARDIZED TEST SCORE COMPARISON AND PARENT AND SCHOOL  
8 SURVEYS SPECIFIC TO EACH DISTRICT.

9 (C) INCORPORATES AT LEAST WEEKLY INTERACTIVE PARENTAL AND  
10 FAMILY ENGAGEMENT DURING THE SUMMER.

11 (D) BUILDS ON PEDAGOGICAL AND LITERACY PRINCIPLES TO SCAFFOLD  
12 FLUENCY TO IMPROVE READING COMPREHENSION WITH PUPIL EXERCISES.

13 (E) PROVIDES AT LEAST 4, AND UP TO 9, STUDENT-SELECTED NEW  
14 BOOKS TO READ AND KEEP.

15 (F) COLLECTS, ANALYZES, AND REPORTS DETAILED DATA ON PARENTAL  
16 ENGAGEMENT, BOOKS READ, AND SPRING-TO-FALL READING SCORES.

17 (G) FOLLOWS THE DEPARTMENT'S TOP 10 IN 10 GOALS AND  
18 STRATEGIES, WITH AN EMPHASIS ON GOALS 4 AND 5.

19 (H) FOCUSES ON IN-HOME PROGRAM DELIVERY THROUGH WEEKLY  
20 MAILINGS.

21 (I) PROVIDES SUMMARY DATA TO THE LEGISLATURE AND TO THE  
22 DEPARTMENT FOR ALL PUPILS SERVED BY THE PROGRAM AFTER EACH SUMMER.

23 SEC. 35B. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE  
24 IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR  
25 A GRANT TO BE DISTRIBUTED BY THE DEPARTMENT TO AN ELIGIBLE DISTRICT  
26 TO CREATE A PILOT PROGRAM TO USE A MULTISENSORY STRUCTURED LANGUAGE  
27 EDUCATION METHOD TO IMPROVE READING PROFICIENCY RATES AND TO COMPLY

1 WITH SECTION 1280F OF THE REVISED SCHOOL CODE, MCL 380.1280F.

2 (2) A DISTRICT IS ELIGIBLE FOR A GRANT UNDER THIS SECTION IF  
3 ALL OF THE FOLLOWING ARE MET:

4 (A) A DYSLEXIA CENTER ACCREDITED BY THE INTERNATIONAL  
5 MULTISENSORY STRUCTURED LANGUAGE EDUCATION COUNCIL IS LOCATED IN  
6 THE DISTRICT.

7 (B) THE DISTRICT PARTNERS WITH THE DYSLEXIA CENTER DESCRIBED  
8 IN SUBDIVISION (A) TO PROVIDE MULTISENSORY STRUCTURED LANGUAGE  
9 EDUCATION FOR PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING AN EARLY  
10 LITERACY DELAY OR READING DEFICIENCY.

11 (C) THE DISTRICT HAS A PUPIL MEMBERSHIP GREATER THAN 7,000 AND  
12 LESS THAN 8,000.

13 (3) A DISTRICT MAY EXPEND GRANT FUNDS AWARDED UNDER THIS  
14 SECTION, IN COLLABORATION WITH THE DYSLEXIA CENTER DESCRIBED IN  
15 SUBSECTION (2) (A), FOR THE FOLLOWING PURPOSES:

16 (A) PROFESSIONAL DEVELOPMENT INCLUDING TRAINING STAFF AND  
17 TUTORS IN THE MULTISENSORY, SEQUENTIAL, SYSTEMATIC EDUCATION  
18 APPROACH USED BY THE DYSLEXIA CENTER.

19 (B) ADDITIONAL INSTRUCTIONAL TIME BEFORE, DURING, OR AFTER  
20 SCHOOL FOR PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING AN EARLY  
21 LITERACY DELAY OR READING DEFICIENCY USING THE MULTISENSORY,  
22 SEQUENTIAL, SYSTEMATIC EDUCATION APPROACH USED BY THE DYSLEXIA  
23 CENTER.

24 (4) NOT LATER THAN DECEMBER 1, 2020, A DISTRICT THAT RECEIVES  
25 GRANT FUNDS UNDER THIS SECTION SHALL REPORT TO THE HOUSE AND SENATE  
26 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID, THE HOUSE AND SENATE  
27 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON ALL OF THE

1 FOLLOWING FOR THE GRANT FUNDS AWARDED UNDER THIS SECTION:

2 (A) THE NUMBER OF STAFF AND TUTORS TRAINED.

3 (B) THE NUMBER OF PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING  
4 AN EARLY LITERACY DELAY OR READING DEFICIENCY SERVED.

5 (C) THE NUMBER OF HOURS OF ADDED INSTRUCTIONAL TIME PROVIDED  
6 TO PUPILS SERVED.

7 (D) PUPIL READING PROFICIENCY AND GROWTH DATA OF PUPILS SERVED  
8 NECESSARY TO EVALUATE THE EFFECTIVENESS OF THE PROGRAM.

9 Sec. 39. (1) An eligible applicant receiving funds under  
10 section 32d shall submit an application, in a form and manner  
11 prescribed by the department, by a date specified by the department  
12 in the immediately preceding state fiscal year. **THE APPLICATION**  
13 **SHALL NOT REQUIRE AN ELIGIBLE APPLICANT TO AMEND THE APPLICANT'S**  
14 **CURRENT ACCOUNTING CYCLE OR ADOPT THIS STATE'S FISCAL YEAR**  
15 **ACCOUNTING CYCLE IN ACCOUNTING FOR FINANCIAL TRANSACTIONS UNDER**  
16 **THIS SECTION.** The application shall include all of the following:

17 (a) For ~~2017-2018-2018-2019~~ calculations, the estimated total  
18 number of children in the community who meet the criteria of  
19 section 32d, as provided to the applicant by the department  
20 utilizing the most recent population data available from the  
21 American ~~community survey~~ **COMMUNITY SURVEY** conducted by the United  
22 States Census Bureau. Beginning in 2018-2019, the department shall  
23 ensure that it provides updated American ~~community survey~~ **COMMUNITY**  
24 **SURVEY** population data at least once every 3 years.

25 (b) The estimated number of children in the community who meet  
26 the criteria of section 32d and are being served exclusively by  
27 Head Start programs operating in the community.

1 (c) The number of children whom the applicant has the capacity  
2 to serve who meet the criteria of section 32d including a  
3 verification of physical facility and staff resources capacity.

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

10 (3) The initial allocation to each eligible applicant under  
11 section 32d shall be the lesser of the following:

12 (a) The sum of the number of children served in a school-day  
13 program in the preceding school year multiplied by \$7,250.00 and  
14 the number of children served in a GSRP/Head Start blended program  
15 or a part-day program in the preceding school year multiplied by  
16 \$3,625.00.

17 (b) The sum of the number of children the applicant has the  
18 capacity to serve in ~~2017-2018~~**2018-2019** in a school-day program  
19 multiplied by \$7,250.00 and the number of children served in a  
20 GSRP/Head Start blended program or a part-day program the applicant  
21 has the capacity to serve in ~~2017-2018~~**2018-2019** multiplied by  
22 \$3,625.00.

23 (4) If funds remain after the allocations under subsection  
24 (3), the department shall distribute the remaining funds to each  
25 intermediate district or consortium of intermediate districts that  
26 serves less than the state percentage benchmark determined under  
27 subsection (5). These remaining funds shall be distributed to each

1 eligible applicant based upon each applicant's proportionate share  
2 of the remaining unserved children necessary to meet the statewide  
3 percentage benchmark in intermediate districts or consortia of  
4 intermediate districts serving less than the statewide percentage  
5 benchmark. When all applicants have been given the opportunity to  
6 reach the statewide percentage benchmark, the statewide percentage  
7 benchmark may be reset, as determined by the department, until  
8 greater equity of opportunity to serve eligible children across all  
9 intermediate school districts has been achieved.

10 (5) For the purposes of subsection (4), for the ~~2017-2018~~  
11 **2018-2019** program year, the department shall calculate a percentage  
12 of children served by each intermediate district or consortium of  
13 intermediate districts by dividing the number of children served in  
14 the immediately preceding year by that intermediate district or  
15 consortium by the total number of children within the intermediate  
16 district or consortium of intermediate districts who meet the  
17 criteria of section 32d as determined by the department utilizing  
18 the most recent population data available from the American  
19 ~~community survey~~ **COMMUNITY SURVEY** conducted by the United States  
20 Census Bureau. The department shall compare the resulting  
21 percentage of eligible children served to a statewide percentage  
22 benchmark to determine if the intermediate district or consortium  
23 is eligible for additional funds under subsection (4). For ~~2017-~~  
24 ~~2018,~~ **2018-2019**, the statewide percentage benchmark is 60%.

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

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

5 (7) The department shall review the program components under  
6 section 32d and under this section at least biennially. The  
7 department also shall convene a committee of internal and external  
8 stakeholders at least once every 5 years to ensure that the funding  
9 structure under this section reflects current system needs under  
10 section 32d.

11 (8) As used in this section, "school-day program", "GSRP/Head  
12 Start blended program", and "part-day program" mean those terms as  
13 defined in section 32d.

14 Sec. 39a. (1) From the federal funds appropriated in section  
15 11, there is allocated ~~each fiscal year for 2016-2017 and for 2017-~~  
16 ~~2018~~ **FOR 2018-2019** to districts, intermediate districts, and other  
17 eligible entities all available federal funding, estimated at  
18 ~~\$744,039,900.00 for 2016-2017 and \$731,600,000.00 for 2017-2018~~  
19 **\$730,600,000.00** for the federal programs under the no child left  
20 behind act of 2001, Public Law 107-110, or the every student  
21 succeeds act, Public Law 114-95. These funds are allocated as  
22 follows:

23 (a) An amount estimated at \$1,200,000.00 ~~each fiscal year~~ **FOR**  
24 **2018-2019** to provide students with drug- and violence-prevention  
25 programs and to implement strategies to improve school safety,  
26 funded from DED-OESE, drug-free schools and communities funds.

27 (b) An amount estimated at ~~\$111,111,900.00 for 2016-2017 and~~

1 \$100,000,000.00 for ~~2017-2018~~ **2018-2019** for the purpose of  
2 preparing, training, and recruiting high-quality teachers and class  
3 size reduction, funded from DED-OESE, improving teacher quality  
4 funds.

5 (c) An amount estimated at ~~\$12,200,000.00 for 2016-2017 and~~  
6 \$11,000,000.00 for ~~2017-2018~~ **2018-2019** for programs to teach  
7 English to limited English proficient (LEP) children, funded from  
8 DED-OESE, language acquisition state grant funds.

9 ~~— (d) An amount estimated at \$250,000.00 for 2016-2017 only for~~  
10 ~~the Michigan charter school subgrant program, funded from DED-OESE,~~  
11 ~~charter school funds.~~

12 (D) ~~(e)~~ An amount estimated at ~~\$3,000,000.00 for 2016-2017 and~~  
13 \$2,800,000.00 for ~~2017-2018~~ **2018-2019** for rural and low income  
14 schools, funded from DED-OESE, rural and low income school funds.

15 (E) ~~(f)~~ An amount estimated at \$535,000,000.00 ~~each fiscal~~  
16 ~~year~~ **FOR 2018-2019** to provide supplemental programs to enable  
17 educationally disadvantaged children to meet challenging academic  
18 standards, funded from DED-OESE, title I, disadvantaged children  
19 funds.

20 (F) ~~(g)~~ An amount estimated at ~~\$8,878,000.00 for 2016-2017 and~~  
21 \$9,200,000.00 for ~~2017-2018~~ **2018-2019** for the purpose of  
22 identifying and serving migrant children, funded from DED-OESE,  
23 title I, migrant education funds.

24 (G) ~~(h)~~ An amount estimated at \$39,000,000.00 ~~each fiscal year~~  
25 **FOR 2018-2019** for the purpose of providing high-quality extended  
26 learning opportunities, after school and during the summer, for  
27 children in low-performing schools, funded from DED-OESE, twenty-



1 first century community learning center funds.

2 (H) ~~(i)~~—An amount estimated at ~~\$18,000,000.00 each fiscal year~~  
 3 **\$12,000,000.00 FOR 2018-2019** to help support local school  
 4 improvement efforts, funded from DED-OESE, title I, local school  
 5 improvement grants.

6 (I) ~~(j)~~—An amount estimated at ~~\$15,400,000.00 each fiscal year~~  
 7 **FOR 2018-2019** to improve the academic achievement of students,  
 8 funded from DED-OESE, title IV, student support and academic  
 9 enrichment grants.

10 (J) **AN AMOUNT ESTIMATED AT \$5,000,000.00 FOR 2018-2019 FOR THE**  
 11 **REMAINING BALANCE OF THE AMOUNT APPROPRIATED UNDER THE FORMER**  
 12 **SECTION 32R, FOR FEDERAL FUNDING AWARDED TO THIS STATE UNDER**  
 13 **SECTIONS 14005, 14006, AND 14013 OF TITLE XIV OF THE AMERICAN**  
 14 **RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, FOR THE**  
 15 **RACE TO THE TOP EARLY LEARNING CHALLENGE GRANT.**

16 (2) From the federal funds appropriated in section 11, there  
 17 is allocated for ~~2016-2017 and for 2017-2018~~ **2018-2019** to  
 18 districts, intermediate districts, and other eligible entities all  
 19 available federal funding, estimated at ~~\$30,800,000.00 for 2016-~~  
 20 ~~2017 and~~ \$30,000,000.00 for ~~2017-2018~~ **2018-2019** for the following  
 21 programs that are funded by federal grants:

22 (a) An amount estimated at ~~\$200,000.00 for 2016-2017 and~~  
 23 \$100,000.00 for ~~2017-2018~~ **2018-2019** for acquired immunodeficiency  
 24 syndrome education grants, funded from HHS - Centers for Disease  
 25 Control and Prevention, AIDS funding.

26 (b) An amount estimated at ~~\$2,600,000.00 for 2016-2017 and~~  
 27 \$1,900,000.00 for ~~2017-2018~~ **2018-2019** to provide services to

1 homeless children and youth, funded from DED-OVAE, homeless  
2 children and youth funds.

3 (c) An amount estimated at \$4,000,000.00 ~~each fiscal year~~ **FOR**  
4 **2018-2019** to provide mental health, substance abuse, or violence  
5 prevention services to students, funded from HHS-SAMHSA.

6 (d) An amount estimated at \$24,000,000.00 ~~each fiscal year~~ **FOR**  
7 **2018-2019** for providing career and technical education services to  
8 pupils, funded from DED-OVAE, basic grants to states.

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

13 Notwithstanding section 17b, payments of federal funds to  
14 districts, intermediate districts, and other eligible entities  
15 under this section shall be paid on a schedule determined by the  
16 department.

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

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

1 receive under the formula allocation under title I, part A,  
2 whichever is greater.

3 (6) As used in this section:

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

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

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

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

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

13 Sec. 41. (1) For a district or public school academy to be  
14 eligible to receive funding under this section, the district or  
15 public school academy must administer to English language learners  
16 the English language proficiency assessment known as the "WIDA  
17 ACCESS for English language learners" or the "WIDA Alternate  
18 ACCESS". From the appropriation in section 11, there is allocated  
19 an amount not to exceed \$6,000,000.00 for ~~2017-2018~~**2018-2019** for  
20 payments to eligible districts and eligible public school academies  
21 for services for English language learners who have been  
22 administered the WIDA ACCESS for English language learners.

23 (2) Funding allocated under this section shall be distributed  
24 to eligible districts and eligible public school academies based on  
25 the number of full-time equivalent English language learners as  
26 follows:

27 (a) \$620.00 per full-time equivalent English language learner

1 who has been assessed under the WIDA ACCESS for English language  
2 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA  
3 Alternate ACCESS composite score between 1.0 and 1.9, or less, as  
4 applicable to each assessment.

5 (b) \$410.00 per full-time equivalent English language learner  
6 who has been assessed under the WIDA ACCESS for English language  
7 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA  
8 Alternate ACCESS composite score between 2.0 and 2.9, or less, as  
9 applicable to each assessment.

10 (3) If funds allocated under this section are insufficient to  
11 fully fund the payments as prescribed under subsection (2),  
12 payments shall be prorated on an equal percentage basis, with the  
13 same percentage proration applied to both funding categories.

14 (4) Each district or public school academy receiving funds  
15 under this section shall submit to the department by July 15 of  
16 each fiscal year a report, not to exceed 10 pages, on the usage by  
17 the district or public school academy of funds under this section,  
18 in a form and manner determined by the department, which shall  
19 include a brief description of each program conducted or services  
20 performed by the district or public school academy using funds  
21 under this section and the amount of funds under this section  
22 allocated to each of those programs or services. If a district or  
23 public school academy does not comply with this section, the  
24 department shall withhold an amount equal to the August payment due  
25 under this section until the district or public school academy  
26 complies with this subsection. If the district or public school  
27 academy does not comply with this section by the end of the state

1 fiscal year, the withheld funds shall be forfeited to the school  
2 aid fund.

3 (5) In order to receive funds under this section, a district  
4 or public school academy shall allow access for the department or  
5 the department's designee to audit all records related to the  
6 program for which it receives those funds. The district or public  
7 school academy shall reimburse this state for all disallowances  
8 found in the audit.

9 (6) Beginning July 1, 2020, and every 3 years thereafter, the  
10 department shall review the per-pupil distribution under subsection  
11 (2), to ensure that funding levels are appropriate and make  
12 recommendations for adjustments to the members of the senate and  
13 house subcommittees on K-12 school aid appropriations.

14 Sec. 51a. (1) From the appropriation in section 11, there is  
15 allocated an amount not to exceed ~~\$941,946,100.00 for 2016-2017 and~~  
16 ~~there is allocated an amount not to exceed \$956,246,100.00~~  
17 **\$960,446,100.00** for 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT NOT**  
18 **TO EXCEED \$983,196,100.00 FOR 2018-2019** from state sources and all  
19 available federal funding under sections 611 to 619 of part B of  
20 the individuals with disabilities education act, 20 USC 1411 to  
21 1419, estimated at \$370,000,000.00 each fiscal year ~~for 2016-2017~~  
22 ~~and for 2017-2018~~ **AND FOR 2018-2019**, plus any carryover federal  
23 funds from previous year appropriations. In addition, from the  
24 general fund appropriation in section 11, there is allocated to the  
25 department an amount not to exceed \$500,000.00 for **EACH FISCAL YEAR**  
26 **FOR 2017-2018 AND FOR 2018-2019** for the purpose of subsection (16).  
27 The allocations under this subsection are for the purpose of

1 reimbursing districts and intermediate districts for special  
2 education programs, services, and special education personnel as  
3 prescribed in article 3 of the revised school code, MCL 380.1701 to  
4 ~~380.1766~~; **380.1761**; net tuition payments made by intermediate  
5 districts to the Michigan Schools for the Deaf and Blind; and  
6 special education programs and services for pupils who are eligible  
7 for special education programs and services according to statute or  
8 rule. For meeting the costs of special education programs and  
9 services not reimbursed under this article, a district or  
10 intermediate district may use money in general funds or special  
11 education funds, not otherwise restricted, or contributions from  
12 districts to intermediate districts, tuition payments, gifts and  
13 contributions from individuals or other entities, or federal funds  
14 that may be available for this purpose, as determined by the  
15 intermediate district plan prepared pursuant to article 3 of the  
16 revised school code, MCL 380.1701 to ~~380.1766~~. **380.1761**.  
17 Notwithstanding section 17b, payments of federal funds to  
18 districts, intermediate districts, and other eligible entities  
19 under this section shall be paid on a schedule determined by the  
20 department.

21 (2) From the funds allocated under subsection (1), there is  
22 allocated the amount necessary, and estimated at ~~\$260,700,000.00~~  
23 ~~for 2016-2017 and estimated at \$264,200,000.00~~ **\$266,900,000.00** for  
24 2017-2018 **AND ESTIMATED AT \$273,100,000.00 FOR 2018-2019**, for  
25 payments toward reimbursing districts and intermediate districts  
26 for 28.6138% of total approved costs of special education,  
27 excluding costs reimbursed under section 53a, and 70.4165% of total

1 approved costs of special education transportation. Allocations  
2 under this subsection shall be made as follows:

3 (a) The initial amount allocated to a district under this  
4 subsection toward fulfilling the specified percentages shall be  
5 calculated by multiplying the district's special education pupil  
6 membership, excluding pupils described in subsection (11), times  
7 the foundation allowance under section 20 of the pupil's district  
8 of residence plus the amount of the district's per-pupil allocation  
9 under section 20m, not to exceed the basic foundation allowance  
10 under section 20 for the current fiscal year, or, for a special  
11 education pupil in membership in a district that is a public school  
12 academy, times an amount equal to the amount per membership pupil  
13 calculated under section 20(6). For an intermediate district, the  
14 amount allocated under this subdivision toward fulfilling the  
15 specified percentages shall be an amount per special education  
16 membership pupil, excluding pupils described in subsection (11),  
17 and shall be calculated in the same manner as for a district, using  
18 the foundation allowance under section 20 of the pupil's district  
19 of residence, not to exceed the basic foundation allowance under  
20 section 20 for the current fiscal year, and that district's per-  
21 pupil allocation under section 20m.

22 (b) After the allocations under subdivision (a), districts and  
23 intermediate districts for which the payments calculated under  
24 subdivision (a) do not fulfill the specified percentages shall be  
25 paid the amount necessary to achieve the specified percentages for  
26 the district or intermediate district.

27 (3) From the funds allocated under subsection (1), there is

1 allocated ~~each fiscal year for 2016-2017 and for 2017-2018~~ an  
2 amount not to exceed ~~\$1,000,000.00~~ **\$1,300,000.00 AND THERE IS**  
3 **ALLOCATED AN AMOUNT NOT TO EXCEED \$1,300,000.00 FOR 2018-2019** to  
4 make payments to districts and intermediate districts under this  
5 subsection. If the amount allocated to a district or intermediate  
6 district for a fiscal year under subsection (2) (b) is less than the  
7 sum of the amounts allocated to the district or intermediate  
8 district for 1996-97 under sections 52 and 58, there is allocated  
9 to the district or intermediate district for the fiscal year an  
10 amount equal to that difference, adjusted by applying the same  
11 proration factor that was used in the distribution of funds under  
12 section 52 in 1996-97 as adjusted to the district's or intermediate  
13 district's necessary costs of special education used in  
14 calculations for the fiscal year. This adjustment is to reflect  
15 reductions in special education program operations or services  
16 between 1996-97 and subsequent fiscal years. Adjustments for  
17 reductions in special education program operations or services  
18 shall be made in a manner determined by the department and shall  
19 include adjustments for program or service shifts.

20 (4) If the department determines that the sum of the amounts  
21 allocated for a fiscal year to a district or intermediate district  
22 under subsection (2) (a) and (b) is not sufficient to fulfill the  
23 specified percentages in subsection (2), then the shortfall shall  
24 be paid to the district or intermediate district during the fiscal  
25 year beginning on the October 1 following the determination and  
26 payments under subsection (3) shall be adjusted as necessary. If  
27 the department determines that the sum of the amounts allocated for



1 a fiscal year to a district or intermediate district under  
2 subsection (2) (a) and (b) exceeds the sum of the amount necessary  
3 to fulfill the specified percentages in subsection (2), then the  
4 department shall deduct the amount of the excess from the  
5 district's or intermediate district's payments under this article  
6 for the fiscal year beginning on the October 1 following the  
7 determination and payments under subsection (3) shall be adjusted  
8 as necessary. However, if the amount allocated under subsection  
9 (2) (a) in itself exceeds the amount necessary to fulfill the  
10 specified percentages in subsection (2), there shall be no  
11 deduction under this subsection.

12 (5) State funds shall be allocated on a total approved cost  
13 basis. Federal funds shall be allocated under applicable federal  
14 requirements, except that an amount not to exceed \$3,500,000.00 may  
15 be allocated by the department each fiscal year for ~~2016-2017 and~~  
16 ~~for 2017-2018~~ **AND FOR 2018-2019** to districts, intermediate  
17 districts, or other eligible entities on a competitive grant basis  
18 for programs, equipment, and services that the department  
19 determines to be designed to benefit or improve special education  
20 on a statewide scale.

21 (6) From the amount allocated in subsection (1), there is  
22 allocated an amount not to exceed \$2,200,000.00 each fiscal year  
23 for ~~2016-2017 and for 2017-2018~~ **AND FOR 2018-2019** to reimburse 100%  
24 of the net increase in necessary costs incurred by a district or  
25 intermediate district in implementing the revisions in the  
26 administrative rules for special education that became effective on  
27 July 1, 1987. As used in this subsection, "net increase in

1 necessary costs" means the necessary additional costs incurred  
2 solely because of new or revised requirements in the administrative  
3 rules minus cost savings permitted in implementing the revised  
4 rules. Net increase in necessary costs shall be determined in a  
5 manner specified by the department.

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

8 (a) "Total approved costs of special education" shall be  
9 determined in a manner specified by the department and may include  
10 indirect costs, but shall not exceed 115% of approved direct costs  
11 for section 52 and section 53a programs. The total approved costs  
12 include salary and other compensation for all approved special  
13 education personnel for the program, including payments for social  
14 security and Medicare and public school employee retirement system  
15 contributions. The total approved costs do not include salaries or  
16 other compensation paid to administrative personnel who are not  
17 special education personnel as defined in section 6 of the revised  
18 school code, MCL 380.6. Costs reimbursed by federal funds, other  
19 than those federal funds included in the allocation made under this  
20 article, are not included. Special education approved personnel not  
21 utilized full time in the evaluation of students or in the delivery  
22 of special education programs, ancillary, and other related  
23 services shall be reimbursed under this section only for that  
24 portion of time actually spent providing these programs and  
25 services, with the exception of special education programs and  
26 services provided to youth placed in child caring institutions or  
27 juvenile detention programs approved by the department to provide

1 an on-grounds education program.

2 (b) Beginning with the 2004-2005 fiscal year, a district or  
3 intermediate district that employed special education support  
4 services staff to provide special education support services in  
5 2003-2004 or in a subsequent fiscal year and that in a fiscal year  
6 after 2003-2004 receives the same type of support services from  
7 another district or intermediate district shall report the cost of  
8 those support services for special education reimbursement purposes  
9 under this article. This subdivision does not prohibit the transfer  
10 of special education classroom teachers and special education  
11 classroom aides if the pupils counted in membership associated with  
12 those special education classroom teachers and special education  
13 classroom aides are transferred and counted in membership in the  
14 other district or intermediate district in conjunction with the  
15 transfer of those teachers and aides.

16 (c) If the department determines before bookclosing for a  
17 fiscal year that the amounts allocated for that fiscal year under  
18 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56  
19 will exceed expenditures for that fiscal year under subsections  
20 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a  
21 district or intermediate district whose reimbursement for that  
22 fiscal year would otherwise be affected by subdivision (b),  
23 subdivision (b) does not apply to the calculation of the  
24 reimbursement for that district or intermediate district and  
25 reimbursement for that district or intermediate district shall be  
26 calculated in the same manner as it was for 2003-2004. If the  
27 amount of the excess allocations under subsections (2), (3), (6),

1 and (11) and sections 53a, 54, and 56 is not sufficient to fully  
2 fund the calculation of reimbursement to those districts and  
3 intermediate districts under this subdivision, then the  
4 calculations and resulting reimbursement under this subdivision  
5 shall be prorated on an equal percentage basis. Beginning in 2015-  
6 2016, the amount of reimbursement under this subdivision for a  
7 fiscal year shall not exceed \$2,000,000.00 for any district or  
8 intermediate district.

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

21 (e) Beginning with calculations for 2004-2005, if an  
22 intermediate district purchases a special education pupil  
23 transportation service from a constituent district that was  
24 previously purchased from a private entity; if the purchase from  
25 the constituent district is at a lower cost, adjusted for changes  
26 in fuel costs; and if the cost shift from the intermediate district  
27 to the constituent does not result in any net change in the revenue

1 the constituent district receives from payments under sections 22b  
2 and 51c, then upon application by the intermediate district, the  
3 department shall direct the intermediate district to continue to  
4 report the cost associated with the specific identified special  
5 education pupil transportation service and shall adjust the costs  
6 reported by the constituent district to remove the cost associated  
7 with that specific service.

8 (8) A pupil who is enrolled in a full-time special education  
9 program conducted or administered by an intermediate district or a  
10 pupil who is enrolled in the Michigan schools for the deaf and  
11 blind shall not be included in the membership count of a district,  
12 but shall be counted in membership in the intermediate district of  
13 residence.

14 (9) Special education personnel transferred from 1 district to  
15 another to implement the revised school code shall be entitled to  
16 the rights, benefits, and tenure to which the person would  
17 otherwise be entitled had that person been employed by the  
18 receiving district originally.

19 (10) If a district or intermediate district uses money  
20 received under this section for a purpose other than the purpose or  
21 purposes for which the money is allocated, the department may  
22 require the district or intermediate district to refund the amount  
23 of money received. Money that is refunded shall be deposited in the  
24 state treasury to the credit of the state school aid fund.

25 (11) From the funds allocated in subsection (1), there is  
26 allocated the amount necessary, ~~estimated at \$3,500,000.00 for~~  
27 ~~2016-2017, and estimated at \$3,600,000.00~~ **\$3,200,000.00** for 2017-

1 2018, **AND ESTIMATED AT \$3,400,000.00 FOR 2018-2019**, to pay the  
2 foundation allowances for pupils described in this subsection. The  
3 allocation to a district under this subsection shall be calculated  
4 by multiplying the number of pupils described in this subsection  
5 who are counted in membership in the district times the sum of the  
6 foundation allowance under section 20 of the pupil's district of  
7 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 pupil  
10 described in this subsection who is counted in membership in a  
11 district that is a public school academy, times an amount equal to  
12 the amount per membership pupil under section 20(6) or, for a pupil  
13 described in this subsection who is counted in membership in the  
14 education achievement system, times an amount equal to the amount  
15 per membership pupil under section 20(7). The allocation to an  
16 intermediate district under this subsection shall be calculated in  
17 the same manner as for a district, using the foundation allowance  
18 under section 20 of the pupil's district of residence, not to  
19 exceed the basic foundation allowance under section 20 for the  
20 current fiscal year, and that district's per-pupil allocation under  
21 section 20m. This subsection applies to all of the following  
22 pupils:

23 (a) Pupils described in section 53a.

24 (b) Pupils counted in membership in an intermediate district  
25 who are not special education pupils and are served by the  
26 intermediate district in a juvenile detention or child caring  
27 facility.

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

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

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

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

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

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

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

17 (13) The allocations under subsections (2), (3), and (11)  
18 shall be allocations to intermediate districts only and shall not  
19 be allocations to districts, but instead shall be calculations used  
20 only to determine the state payments under section 22b.

21 (14) If a public school academy that is not a cyber school, as  
22 defined in section 551 of the revised school code, MCL 380.551,  
23 enrolls under this section a pupil who resides outside of the  
24 intermediate district in which the public school academy is located  
25 and who is eligible for special education programs and services  
26 according to statute or rule, or who is a child with disabilities,  
27 as defined under the individuals with disabilities education act,

1 Public Law 108-446, the intermediate district in which the public  
2 school academy is located and the public school academy shall enter  
3 into a written agreement with the intermediate district in which  
4 the pupil resides for the purpose of providing the pupil with a  
5 free appropriate public education, and the written agreement shall  
6 include at least an agreement on the responsibility for the payment  
7 of the added costs of special education programs and services for  
8 the pupil. If the public school academy that enrolls the pupil does  
9 not enter into an agreement under this subsection, the public  
10 school academy shall not charge the pupil's resident intermediate  
11 district or the intermediate district in which the public school  
12 academy is located the added costs of special education programs  
13 and services for the pupil, and the public school academy is not  
14 eligible for any payouts based on the funding formula outlined in  
15 the resident or nonresident intermediate district's plan. If a  
16 pupil is not enrolled in a public school academy under this  
17 subsection, the provision of special education programs and  
18 services and the payment of the added costs of special education  
19 programs and services for a pupil described in this subsection are  
20 the responsibility of the district and intermediate district in  
21 which the pupil resides.

22 (15) For the purpose of receiving its federal allocation under  
23 part B of the individuals with disabilities education act, Public  
24 Law 108-446, a public school academy 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, shall directly receive the federal allocation under part



1 B of the individuals with disabilities education act, Public Law  
2 108-446, from the intermediate district in which the cyber school  
3 is located, as the subrecipient. If the intermediate district does  
4 not distribute the funds described in this subsection to the cyber  
5 school by the part B application due date of July 1, the department  
6 may distribute the funds described in this subsection directly to  
7 the cyber school according to the formula prescribed in 34 CFR  
8 300.705 and 34 CFR 300.816.

9 (16) For a public school academy that is a cyber school, as  
10 defined in section 551 of the revised school code, MCL 380.551, and  
11 is in compliance with section 553a of the revised school code, MCL  
12 380.553a, that enrolls a pupil under this section, the intermediate  
13 district in which the cyber school is located shall ensure that the  
14 cyber school complies with sections 1701a, 1703, 1704, 1751, 1752,  
15 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703,  
16 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable  
17 rules; and the individuals with disabilities education act, Public  
18 Law 108-446. From the general fund appropriation under subsection  
19 (1), the department shall provide appropriate administrative  
20 funding to the intermediate district in which that cyber school is  
21 located for the purpose of ensuring that compliance.

22 (17) For the purposes of this section, the department or the  
23 center shall only require a district or intermediate district to  
24 report information that is not already available from the financial  
25 information database maintained by the center.

26 Sec. 51c. As required by the court in the consolidated cases  
27 known as Durant v State of Michigan, ***Durant v State of Michigan***,

1 456 Mich 175 (1997), from the allocation under section 51a(1),  
2 there is allocated each fiscal year ~~for 2016-2017 and for 2017-2018~~  
3 **AND FOR 2018-2019** the amount necessary, estimated at  
4 ~~\$624,600,000.00 for 2016-2017 and \$635,300,000.00~~ **\$636,900,000.00**  
5 for 2017-2018 **AND \$651,000,000.00 FOR 2018-2019**, for payments to  
6 reimburse districts for 28.6138% of total approved costs of special  
7 education excluding costs reimbursed under section 53a, and  
8 70.4165% of total approved costs of special education  
9 transportation. Funds allocated under this section that are not  
10 expended in the state fiscal year for which they were allocated, as  
11 determined by the department, may be used to supplement the  
12 allocations under sections 22a and 22b in order to fully fund those  
13 calculated allocations for the same fiscal year.

14 Sec. 51d. (1) From the federal funds appropriated in section  
15 11, there is allocated ~~each fiscal year for 2016-2017 and for 2017-~~  
16 ~~2018,~~ **FOR 2018-2019** all available federal funding, estimated at  
17 \$61,000,000.00, ~~each fiscal year,~~ for special education programs  
18 and services that are funded by federal grants. All federal funds  
19 allocated under this section shall be distributed in accordance  
20 with federal law. Notwithstanding section 17b, payments of federal  
21 funds to districts, intermediate districts, and other eligible  
22 entities under this section shall be paid on a schedule determined  
23 by the department.

24 (2) From the federal funds allocated under subsection (1), the  
25 following amounts are allocated ~~each fiscal year for 2016-2017 and~~  
26 ~~for 2017-2018:~~ **FOR 2018-2019:**

27 (a) An amount estimated at \$14,000,000.00 ~~each fiscal year for~~

1 handicapped infants and toddlers, funded from DED-OSERS,  
2 handicapped infants and toddlers funds.

3 (b) An amount estimated at \$12,000,000.00 ~~each fiscal year~~ for  
4 preschool grants (Public Law 94-142), funded from DED-OSERS,  
5 handicapped preschool incentive funds.

6 (c) An amount estimated at \$35,000,000.00 ~~each fiscal year~~ for  
7 special education programs funded by DED-OSERS, handicapped  
8 program, individuals with disabilities act funds.

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

12 Sec. 53a. (1) For districts, reimbursement for pupils  
13 described in subsection (2) shall be 100% of the total approved  
14 costs of operating special education programs and services approved  
15 by the department and included in the intermediate district plan  
16 adopted pursuant to article 3 of the revised school code, MCL  
17 380.1701 to ~~380.1766~~, **380.1761**, minus the district's foundation  
18 allowance calculated under section 20 and minus the district's per-  
19 pupil allocation under section 20m. For intermediate districts,  
20 reimbursement for pupils described in subsection (2) shall be  
21 calculated in the same manner as for a district, using the  
22 foundation allowance under section 20 of the pupil's district of  
23 residence, not to exceed the basic foundation allowance under  
24 section 20 for the current fiscal year, and that district's per-  
25 pupil allocation under section 20m.

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

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

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

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

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

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

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

24 (4) The costs of transportation shall be funded under this  
25 section and shall not be reimbursed under section 58.

26 (5) Not more than \$10,500,000.00 of the allocation for ~~2017-~~  
27 ~~2018-2018-2019~~ in section 51a(1) shall be allocated under this

1 section.

2       Sec. 54. Each intermediate district shall receive an amount  
3 per-pupil for each pupil in attendance at the Michigan schools for  
4 the deaf and blind. The amount shall be proportionate to the total  
5 instructional cost at each school. Not more than \$1,688,000.00 of  
6 the allocation for ~~2017-2018-2018-2019~~ in section 51a(1) shall be  
7 allocated under this section.

8       Sec. 54b. (1) From the general fund appropriation in section  
9 11, there is allocated an amount not to exceed \$1,600,000.00 for  
10 ~~2017-2018-2018-2019~~ to continue the implementation of the  
11 recommendations of the special education reform task force  
12 published in January 2016.

13       (2) ~~Except as provided in subsection (3), the~~ **THE** department  
14 shall use funds allocated under this section for the purpose of  
15 piloting statewide implementation of the Michigan Integrated  
16 Behavior and Learning Support Initiative (MiBLSI), a nationally  
17 recognized program that includes positive behavioral intervention  
18 and supports and provides a statewide structure to support local  
19 initiatives for an integrated behavior and reading program. With  
20 the assistance of the intermediate districts involved in MiBLSI,  
21 the department shall identify a number of intermediate districts to  
22 participate in the pilot that is sufficient to ensure that MiBLSI  
23 can be implemented statewide with fidelity and sustainability. In  
24 addition, the department shall identify an intermediate district to  
25 act as a fiscal agent for these funds.

26 ~~—— (3) In addition to the purpose under subsection (2), the~~  
27 ~~department shall use funds allocated under this section for the~~

~~1 purpose of providing training to intermediate districts and  
2 districts related to the safe implementation of emergency  
3 restraints and seclusion. The department shall develop and  
4 implement a training program that is based on the state board's  
5 adopted standards and on any other legislation enacted by the  
6 legislature regarding the emergency use of seclusion and restraint.~~

7       **SEC. 54D. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS  
8 ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2018-2019 TO  
9 INTERMEDIATE DISTRICTS FOR THE PURPOSE OF PROVIDING STATE EARLY ON  
10 SERVICES PILOT PROGRAMS FOR CHILDREN FROM BIRTH TO 3 YEARS OF AGE  
11 WITH A DEVELOPMENTAL DELAY OR A DISABILITY, OR BOTH, AND THEIR  
12 FAMILIES, AS DESCRIBED IN THE EARLY ON MICHIGAN STATE PLAN, AS  
13 APPROVED BY THE DEPARTMENT.**

14       **(2) TO BE ELIGIBLE TO RECEIVE GRANT FUNDING UNDER THIS  
15 SECTION, EACH INTERMEDIATE DISTRICT SHALL APPLY IN A FORM AND  
16 MANNER DETERMINED BY THE DEPARTMENT.**

17       **(3) THE GRANT FUNDING ALLOCATED UNDER THIS SECTION SHALL BE  
18 USED TO INCREASE EARLY ON SERVICES AND RESOURCES AVAILABLE TO  
19 CHILDREN THAT DEMONSTRATE DEVELOPMENTAL DELAYS TO HELP PREPARE THEM  
20 FOR SUCCESS AS THEY ENTER SCHOOL. STATE EARLY ON SERVICES INCLUDE  
21 EVALUATING AND PROVIDING EARLY INTERVENTION SERVICES FOR ELIGIBLE  
22 INFANTS AND TODDLERS AND THEIR FAMILIES TO ADDRESS DEVELOPMENTAL  
23 DELAYS, INCLUDING THOSE AFFECTING PHYSICAL, COGNITIVE,  
24 COMMUNICATION, ADAPTIVE, SOCIAL, OR EMOTIONAL DEVELOPMENT. GRANT  
25 FUNDS MUST NOT BE USED TO SUPPLANT EXISTING SERVICES THAT ARE  
26 CURRENTLY BEING PROVIDED.**

27       **(4) THE FUNDS ALLOCATED UNDER SUBSECTION (1) SHALL BE**

1 DISTRIBUTED TO INTERMEDIATE DISTRICTS ACCORDING TO THE DEPARTMENT'S  
2 EARLY ON FUNDING FORMULA UTILIZED TO DISTRIBUTE THE FEDERAL AWARD  
3 TO MICHIGAN UNDER PART C OF THE INDIVIDUALS WITH DISABILITIES  
4 EDUCATION ACT. FUNDS RECEIVED UNDER THIS SECTION MUST NOT SUPPLANT  
5 EXISTING FUNDS OR RESOURCES ALLOCATED FOR EARLY ON EARLY  
6 INTERVENTION SERVICES. AN INTERMEDIATE DISTRICT RECEIVING FUNDS  
7 UNDER THIS SECTION SHALL MAXIMIZE THE CAPTURE OF MEDICAID FUNDS TO  
8 SUPPORT EARLY ON EARLY INTERVENTION SERVICES TO THE EXTENT  
9 POSSIBLE.

10 (5) EACH INTERMEDIATE DISTRICT THAT RECEIVES FUNDS UNDER THIS  
11 SECTION SHALL REPORT DATA AND OTHER INFORMATION TO THE DEPARTMENT  
12 IN A FORM, MANNER, AND FREQUENCY PRESCRIBED BY THE DEPARTMENT TO  
13 ALLOW FOR MONITORING AND EVALUATION OF THE PILOT PROJECTS AND TO  
14 ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED  
15 APPROPRIATE LEVELS AND TYPES OF SERVICES DELIVERED BY QUALIFIED  
16 PERSONNEL, BASED ON THE INDIVIDUAL NEEDS OF THE CHILDREN AND THEIR  
17 FAMILIES.

18 (6) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION  
19 SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

20 Sec. 55. (1) From the **GENERAL FUND** money appropriated in  
21 section 11, there is allocated an amount not to exceed ~~\$150,000.00~~  
22 ~~for 2017-2018 to Michigan State University, Department of~~  
23 ~~Epidemiology, for a study of \$250,000.00 FOR 2018-2019 TO~~ the  
24 Conductive Learning Center located at Aquinas College. This funding  
25 shall **MUST** be used to  
26 ~~develop and implement an evaluation of the effectiveness of~~  
27 ~~conductive education for children with cerebral palsy. The~~

1 ~~evaluation shall be multidimensional and shall include a control~~  
 2 ~~group of children with cerebral palsy not enrolled in conductive~~  
 3 ~~education. It should include an assessment of the motor system~~  
 4 ~~itself as well as the impact of conductive education on each of the~~  
 5 ~~following:~~

6 ~~—— (a) The acquisition of skills permitting complex motor~~  
 7 ~~functions.~~

8 ~~—— (b) The performance of tasks essential to daily living.~~

9 ~~—— (c) The attitudes and feelings of both children and parents.~~

10 ~~—— (d) The long-term need for special education for children with~~  
 11 ~~cerebral palsy.~~

12 ~~—— (2) This funding is for the third of 3 years of funding for~~  
 13 ~~this purpose.~~ **SUPPORT THE OPERATIONAL COSTS OF THE CONDUCTIVE**

14 **EDUCATION MODEL TAUGHT AT THE CONDUCTIVE LEARNING CENTER TO**

15 **MAXIMIZE THE INDEPENDENCE AND MOBILITY OF CHILDREN AND ADULTS WITH**

16 **NEUROMOTOR DISABILITIES. THE CONDUCTIVE EDUCATION MODEL FUNDED**

17 **UNDER THIS SECTION MUST BE BASED ON THE CONCEPT OF NEUROPLASTICITY**

18 **AND THE ABILITY OF PEOPLE TO LEARN AND IMPROVE WHEN THEY ARE**

19 **MOTIVATED, REGARDLESS OF THE SEVERITY OF THEIR DISABILITY.**

20 **(2) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL**  
 21 **DISTRIBUTE THE FUNDING ALLOCATED UNDER THIS SECTION TO THE**  
 22 **CONDUCTIVE LEARNING CENTER NOT LATER THAN DECEMBER 1, 2018.**

23 **Sec. 56. (1) For the purposes of this section:**

24 **(a) "Membership" means for a particular fiscal year the total**  
 25 **membership for the immediately preceding fiscal year of the**  
 26 **intermediate district and the districts constituent to the**  
 27 **intermediate district.**



1 (b) "Millage levied" means the millage levied for special  
2 education pursuant to part 30 of the revised school code, MCL  
3 380.1711 to ~~380.1743~~, **380.1741**, including a levy for debt service  
4 obligations.

5 (c) "Taxable value" means the total taxable value of the  
6 districts constituent to an intermediate district, except that if a  
7 district has elected not to come under part 30 of the revised  
8 school code, MCL 380.1711 to ~~380.1743~~, **380.1741**, membership and  
9 taxable value of the district shall not be included in the  
10 membership and taxable value of the intermediate district.

11 (2) From the allocation under section 51a(1), there is  
12 allocated an amount not to exceed \$37,758,100.00 ~~each fiscal year~~  
13 ~~for 2016-2017 and for 2017-2018~~ **AND AN AMOUNT NOT TO EXCEED**  
14 **\$40,008,100.00 FOR 2018-2019** to reimburse intermediate districts  
15 levying millages for special education pursuant to part 30 of the  
16 revised school code, MCL 380.1711 to ~~380.1743~~. **380.1741**. The  
17 purpose, use, and expenditure of the reimbursement shall be limited  
18 as if the funds were generated by these millages and governed by  
19 the intermediate district plan adopted pursuant to article 3 of the  
20 revised school code, MCL 380.1701 to ~~380.1766~~. **380.1761**. As a  
21 condition of receiving funds under this section, an intermediate  
22 district distributing any portion of special education millage  
23 funds to its constituent districts shall submit for departmental  
24 approval and implement a distribution plan.

25 ~~—— (3) Reimbursement for those millages levied in 2015-2016 shall~~  
26 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~  
27 ~~computed by subtracting from \$180,900.00 the 2015-2016 taxable~~

1 ~~value behind each membership pupil and multiplying the resulting~~  
2 ~~difference by the 2015-2016 millage levied.~~

3       **(3)** ~~(4)~~ Reimbursement for those millages levied in 2016-2017  
4 shall be made in 2017-2018 at an amount per 2016-2017 membership  
5 pupil computed by subtracting from ~~\$183,200.00~~ **\$185,000.00** the  
6 2016-2017 taxable value behind each membership pupil and  
7 multiplying the resulting difference by the 2016-2017 millage  
8 levied, and then subtracting from that amount the 2016-2017 local  
9 community stabilization share revenue for special education  
10 purposes behind each membership pupil for reimbursement of personal  
11 property exemption loss under the local community stabilization  
12 authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

13       **(4) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,**  
14 **REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2017-2018 SHALL BE MADE**  
15 **IN 2018-2019 AT AN AMOUNT PER 2017-2018 MEMBERSHIP PUPIL COMPUTED**  
16 **BY SUBTRACTING FROM \$193,700.00 THE 2017-2018 TAXABLE VALUE BEHIND**  
17 **EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY**  
18 **THE 2017-2018 MILLAGE LEVIED, AND THEN SUBTRACTING FROM THAT AMOUNT**  
19 **THE 2017-2018 LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR**  
20 **SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL FOR**  
21 **REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL**  
22 **COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO**  
23 **123.1362. REIMBURSEMENT IN 2018-2019 FOR AN INTERMEDIATE DISTRICT**  
24 **WHOSE 2017-2018 ALLOCATION WAS AFFECTED BY THE OPERATION OF**  
25 **SUBSECTION (5) SHALL BE AN AMOUNT EQUAL TO 102.5% OF THE 2017-2018**  
26 **ALLOCATION TO THAT INTERMEDIATE DISTRICT.**

27       (5) The amount paid to a single intermediate district under

1 this section shall not exceed 62.9% of the total amount allocated  
2 under subsection (2).

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

7 Sec. 61a. (1) From the appropriation in section 11, there is  
8 allocated an amount not to exceed \$36,611,300.00 for ~~2017-2018~~  
9 **2018-2019** to reimburse on an added cost basis districts, except for  
10 a district that served as the fiscal agent for a vocational  
11 education consortium in the 1993-94 school year and that has a  
12 foundation allowance as calculated under section 20 greater than  
13 the minimum foundation allowance under that section, and secondary  
14 area vocational-technical education centers for secondary-level  
15 career and technical education programs according to rules approved  
16 by the superintendent. Applications for participation in the  
17 programs shall be submitted in the form prescribed by the  
18 department. The department shall determine the added cost for each  
19 career and technical education program area. The allocation of  
20 added cost funds shall be prioritized based on the capital and  
21 program expenditures needed to operate the career and technical  
22 education programs provided; the number of pupils enrolled; the  
23 advancement of pupils through the instructional program; the  
24 existence of an articulation agreement with at least 1  
25 postsecondary institution that provides pupils with opportunities  
26 to earn postsecondary credit during the pupil's participation in  
27 the career and technical education program and transfers those

1 credits to the postsecondary institution upon completion of the  
2 career and technical education program; and the program rank in  
3 student placement, job openings, and wages, and shall not exceed  
4 75% of the added cost of any program. Notwithstanding any rule or  
5 department determination to the contrary, when determining a  
6 district's allocation or the formula for making allocations under  
7 this section, the department shall include the participation of  
8 pupils in grade 9 in all of those determinations and in all  
9 portions of the formula. With the approval of the department, the  
10 board of a district maintaining a secondary career and technical  
11 education program may offer the program for the period from the  
12 close of the school year until September 1. The program shall use  
13 existing facilities and shall be operated as prescribed by rules  
14 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 subsections (1) ~~7~~  
4 **AND** (5), ~~and (6),~~ from the general fund money appropriated in  
5 section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount  
6 not to exceed ~~\$79,000.00~~ **\$100,000.00** to an eligible Michigan-  
7 approved 501(c)(3) organization for the purposes of teaching or  
8 training restaurant management and culinary arts for career and  
9 professional development. The department shall oversee funds  
10 distributed to an eligible grantee under this section. As used in  
11 this subsection, "eligible Michigan-approved 501(c)(3)  
12 organization" means an organization that is exempt from taxation  
13 under section 501(c)(3) of the internal revenue code of 1986, 26  
14 USC 501, that provides the ProStart curriculum and training to  
15 state-approved career and technical education programs with  
16 classification of instructional programs (CIP) codes in the 12.05xx  
17 category, and that administers national certification for the  
18 purpose of restaurant management and culinary arts for career and  
19 professional development.

20 (5) In addition to the funds allocated under subsections (1) ~~7~~  
21 **AND** (4), ~~and (6),~~ from the funds appropriated in section 11, there  
22 is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed  
23 \$1,000,000.00 for competitive grants to intermediate districts to  
24 hire career and technical education counselors. All of the  
25 following apply to this funding:

26 (a) An intermediate district seeking a grant under this  
27 subsection shall apply to the department in a form and manner

1 specified by the department.

2 (b) The department shall award grants under this subsection ~~on~~  
3 ~~a competitive basis to no more than 3 intermediate districts but~~  
4 ~~shall give priority to the intermediate district that has the~~  
5 ~~greatest number of pupils enrolled in its constituent districts and~~  
6 ~~shall ensure that grants are equitably distributed to the various~~  
7 ~~geographic areas of this state and to urban and rural areas.~~**THAT**  
8 **RECEIVED FUNDING UNDER THIS SUBSECTION IN 2017-2018.**

9 (c) To be eligible for funding under this subsection, an  
10 intermediate district shall do all of the following:

11 (i) Catalog all available K-12 and other workforce development  
12 programs and services, including job search, job training, pre-  
13 employment certifications, career awareness programs, career and  
14 technical education programs, and other related programs and  
15 services offered by districts or intermediate districts,  
16 postsecondary institutions, and other private or public service  
17 organizations.

18 (ii) Develop an outreach program that educates students about  
19 career and technical education options and connects students to the  
20 services cataloged under subparagraph (i).

21 (iii) Track student placement and report on student placement  
22 to the house and senate appropriations subcommittees on school aid  
23 no later than June 30, ~~2018-2019~~ in the form and manner prescribed  
24 by the department.

25 ~~— (6) In addition to the funds allocated under subsections (1),~~  
26 ~~(4), and (5), there is allocated an amount not to exceed~~  
27 ~~\$160,000.00 for 2017-2018 to eligible districts under this~~

1 ~~subsection for the purpose of career and technical education~~  
2 ~~counselors. To be eligible to receive funding under this~~  
3 ~~subsection, an eligible district must be a constituent district of~~  
4 ~~an intermediate district that is located in prosperity region 6 and~~  
5 ~~borders prosperity regions 5, 7, and 9, and must have at least~~  
6 ~~1,600 pupils in membership in 2017-2018. A grant to an eligible~~  
7 ~~district under this subsection shall be \$80,000.00.~~

8       Sec. 61b. (1) From the appropriation in section 11, there is  
9 allocated an amount not to exceed \$8,000,000.00 each fiscal year  
10 for ~~2016-2017 and 2017-2018~~ **AND FOR 2018-2019** for CTE early/middle  
11 college and CTE dual enrollment programs authorized under this  
12 section and for planning grants for the development or expansion of  
13 CTE early/middle college programs. The purpose of these programs is  
14 to increase the number of Michigan residents with high-quality  
15 degrees or credentials, and to increase the number of students who  
16 are college and career ready upon high school graduation.

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

25       (3) To be an eligible fiscal agent, an intermediate district  
26 must agree to do all of the following in a form and manner  
27 determined by the department:

1 (a) Distribute funds to eligible CTE early/middle college and  
2 CTE dual enrollment programs in a prosperity region or subregion as  
3 described in this section.

4 (b) Collaborate with the ~~talent district career council~~ **CAREER**  
5 **AND EDUCATIONAL ADVISORY COUNCIL** that is located in the prosperity  
6 region or subregion to develop a regional strategic plan under  
7 subsection (4) that aligns CTE programs and services into an  
8 efficient and effective delivery system for high school students.

9 (c) Implement a regional process to rank career clusters in  
10 the prosperity region or subregion as described under subsection  
11 (4). Regional processes shall be approved by the department before  
12 the ranking of career clusters.

13 (d) Report CTE early/middle college and CTE dual enrollment  
14 program and student data and information as prescribed by the  
15 department **AND THE CENTER**.

16 (4) A regional strategic plan must be approved by the ~~talent~~  
17 ~~district-career~~ **AND EDUCATIONAL ADVISORY** council before submission  
18 to the department. A regional strategic plan shall include, but not  
19 be limited to, the following:

20 (a) An identification of regional employer need based on a  
21 ranking of all career clusters in the prosperity region or  
22 subregion ranked by 10-year job openings projections and median  
23 wage for each standard occupational code in each career cluster as  
24 obtained from the United States Bureau of Labor Statistics.  
25 Standard occupational codes within high-ranking clusters also may  
26 be further ranked by median wage. The rankings shall be reviewed by  
27 the ~~talent district-career~~ **AND EDUCATIONAL ADVISORY** council located



1 in the prosperity region or subregion and modified if necessary to  
2 accurately reflect employer demand for talent in the prosperity  
3 region or subregion. A ~~talent district~~ career **AND EDUCATIONAL**  
4 **ADVISORY** council shall document that it has conducted this review  
5 and certify that it is accurate. These career cluster rankings  
6 shall be determined and updated once every 4 years.

7 (b) An identification of educational entities in the  
8 prosperity region or subregion that will provide eligible CTE  
9 early/middle college and CTE dual enrollment programs including  
10 districts, intermediate districts, postsecondary institutions, and  
11 noncredit occupational training programs leading to an industry-  
12 recognized credential.

13 (c) A strategy to inform parents and students of CTE  
14 early/middle college and CTE dual enrollment programs in the  
15 prosperity region or subregion.

16 (d) Any other requirements as defined by the department.

17 (5) An eligible CTE program is a program that meets all of the  
18 following:

19 (a) Has been identified in the highest 5 career cluster  
20 rankings in any of the 10 regional strategic plans jointly approved  
21 by the Michigan talent investment agency in the department of  
22 talent and economic development and the department.

23 (b) Has a coherent sequence of courses that will allow a  
24 student to earn a high school diploma and achieve at least 1 of the  
25 following in a specific career cluster:

26 (i) An associate degree.

27 (ii) An industry-recognized technical certification approved

1 by the Michigan talent investment agency in the department of  
2 talent and economic development.

3 (iii) Up to 60 transferable college credits.

4 (iv) Participation in a registered apprenticeship, **PRE-**  
5 **APPRENTICESHIP, OR APPRENTICE READINESS PROGRAM.**

6 (c) Is aligned with the Michigan merit curriculum.

7 (d) Has an articulation agreement with at least 1  
8 postsecondary institution that provides students with opportunities  
9 to receive postsecondary credits during the student's participation  
10 in the CTE early/middle college or CTE dual enrollment program and  
11 transfers those credits to the postsecondary institution upon  
12 completion of the CTE early/middle college or CTE dual enrollment  
13 program.

14 (e) Provides instruction that is supervised, directed, or  
15 coordinated by an appropriately certificated CTE teacher or, for  
16 concurrent enrollment courses, a postsecondary faculty member.

17 (f) Provides for highly integrated student support services  
18 that include at least the following:

19 (i) Teachers as academic advisors.

20 (ii) Supervised course selection.

21 (iii) Monitoring of student progress and completion.

22 (iv) Career planning services provided by a local one-stop  
23 service center as described in the Michigan works one-stop service  
24 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a  
25 high school counselor or advisor.

26 (g) Has courses that are taught on a college campus, are  
27 college courses offered at the high school and taught by college

1 faculty, or are courses taught in combination with online  
2 instruction.

3 (6) Funds to eligible CTE early/middle college and CTE dual  
4 enrollment programs shall be distributed as follows:

5 (a) The department shall determine statewide average CTE costs  
6 per pupil for each CIP code program by calculating statewide  
7 average costs for each CIP code program for the 3 most recent  
8 fiscal years.

9 (b) Distribution to each eligible CTE early/middle college or  
10 CTE dual enrollment program shall be the product of 50% of CTE  
11 costs per pupil times the current year pupil enrollment of each  
12 eligible CTE early/middle college or CTE dual enrollment program.

13 (7) In order to receive funds under this section, a CTE  
14 early/middle college or CTE dual enrollment program shall furnish  
15 to the intermediate district that is the fiscal agent identified in  
16 subsection ~~(1)~~, **(2)**, in a form and manner determined by the  
17 department, all information needed to administer this program and  
18 meet federal reporting requirements; shall allow the department or  
19 the department's designee to review all records related to the  
20 program for which it receives funds; and shall reimburse the state  
21 for all disallowances found in the review, as determined by the  
22 department.

23 (8) There is allocated from the funds under subsection (1) an  
24 amount not to exceed \$500,000.00 **EACH FISCAL YEAR** for 2017-2018 **AND**  
25 **FOR 2018-2019** for grants to intermediate districts or consortia of  
26 intermediate districts for the purpose of planning for new or  
27 expanded early middle college programs. Applications for grants

1 shall be submitted in a form and manner determined by the  
2 department. The amount of a grant under this subsection shall not  
3 exceed \$50,000.00. To be eligible for a grant under this  
4 subsection, an intermediate district or consortia of intermediate  
5 districts must provide matching funds equal to the grant received  
6 under this subsection. Notwithstanding section 17b, payments under  
7 this subsection may be made as determined by the department.

8 (9) Funds distributed under this section may be used to fund  
9 program expenditures that would otherwise be paid from foundation  
10 allowances. A program receiving funding under section 61a may  
11 receive funding under this section for allowable costs that exceed  
12 the reimbursement the program received under section 61a. The  
13 combined payments received by a program under section 61a and this  
14 section shall not exceed the total allowable costs of the program.  
15 A program provider shall not use more than 5% of the funds  
16 allocated under this section to the program for administrative  
17 costs.

18 (10) If the allocation under subsection (1) is insufficient to  
19 fully fund payments as otherwise calculated under this section, the  
20 department shall prorate payments under this section on an equal  
21 percentage basis.

22 (11) If pupils enrolled in a career cluster in an eligible CTE  
23 early/middle college or CTE dual enrollment program qualify to be  
24 reimbursed under this section, those pupils continue to qualify for  
25 reimbursement until graduation, even if the career cluster is no  
26 longer identified as being in the highest 5 career cluster  
27 rankings.

1 (12) As used in this section:

2 (a) "Allowable costs" means those costs directly attributable  
3 to the program as jointly determined by the Michigan talent  
4 investment agency and the department.

5 **(B) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN**  
6 **ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED**  
7 **IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,**  
8 **AND PARENT REPRESENTATIVES.**

9 (C) ~~(b)~~—"CIP" means classification of instructional programs.

10 (D) ~~(e)~~—"CTE" means career and technical education programs.

11 (E) ~~(d)~~—"CTE dual enrollment program" means a 4-year high  
12 school program of postsecondary courses offered by eligible  
13 postsecondary educational institutions that leads to an industry-  
14 recognized certification or degree.

15 (F) ~~(e)~~—"Early/middle college program" means a 5-year high  
16 school program.

17 (G) ~~(f)~~—"Eligible postsecondary educational institution" means  
18 that term as defined in section 3 of the career and technical  
19 preparation act, 2000 PA 258, MCL 388.1903.

20 ~~—(g) "Talent district career council" means an advisory council~~  
21 ~~to the local workforce development boards located in a prosperity~~  
22 ~~region consisting of educational, employer, labor, and parent~~  
23 ~~representatives.~~

24 Sec. 61c. (1) From the general fund appropriation in section  
25 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to  
26 exceed ~~\$7,000,000.00~~ **\$2,500,000.00** to **ELIGIBLE** career education  
27 planning districts for the CTE skilled trades initiative described

1 in subsections (2) to (5). **TO BE ELIGIBLE TO RECEIVE FUNDING UNDER**  
2 **THIS SECTION, AT LEAST 50% OF THE AREA SERVED BY A CEPD MUST BE**  
3 **LOCATED IN AN INTERMEDIATE DISTRICT THAT DID NOT LEVY A VOCATIONAL**  
4 **EDUCATION MILLAGE IN 2018.**

5 (2) ~~To be eligible to receive~~ funding under subsection (1),  
6 each **ELIGIBLE** CEPD shall apply in a form and manner determined by  
7 the department. Funding to each **ELIGIBLE** CEPD shall be equal to the  
8 quotient of the allocation under subsection (1) and the sum of the  
9 number of career education planning districts applying for funding  
10 under subsection (1) **THAT ARE LOCATED IN AN INTERMEDIATE DISTRICT**  
11 **THAT DID NOT LEVY A VOCATIONAL EDUCATION MILLAGE IN 2018.**

12 (3) ~~The~~ **AT LEAST 50% OF THE** funding allocated to each **ELIGIBLE**  
13 CEPD shall be used to update equipment in current CTE programs that  
14 have been identified in the highest 5 career cluster rankings in  
15 any of the 10 regional strategic plans jointly approved by the  
16 Michigan talent investment agency in the department of talent and  
17 economic development and the department, for training on new  
18 equipment, for professional development relating to computer  
19 science or coding, or for new and emerging certified CTE programs  
20 to allow CEPD administrators to provide programming in communities  
21 that will enhance economic development. The funding for equipment  
22 should be used to support and enhance community areas that have  
23 sustained job growth, and act as a commitment to build a more  
24 qualified and skilled workforce. In addition, each CEPD is  
25 encouraged to explore the option of leasing equipment from local  
26 private industry to encourage the use of the most advanced  
27 equipment.

1           (4) The allocation of funds at the local level shall be  
2 determined by CEPD administrators using data from the state,  
3 region, and local sources to make well-informed decisions on  
4 program equipment improvements. Grants awarded by CEPD  
5 administrators for capital infrastructure shall be used to ensure  
6 that CTE programs can deliver educational programs in high-wage,  
7 high-skill, and high-demand occupations. Each CEPD shall continue  
8 to ensure that program advisory boards make recommendations on  
9 needed improvements for equipment that support job growth and job  
10 skill development and retention for both the present and the  
11 future.

12           (5) Not later than September 15 of each fiscal year, each CEPD  
13 receiving funding ~~under subsection (1)~~ shall annually report to the  
14 department, the senate and house appropriations subcommittees on  
15 state school aid, and the senate and house fiscal agencies and  
16 legislature on equipment purchased under subsection (1). In  
17 addition, the report shall identify growth data on program  
18 involvement, retention, and development of student skills.

19 ~~—— (6) In addition to the funds allocated under subsection (1),~~  
20 ~~from the general fund appropriation in section 11, there is~~  
21 ~~allocated for 2017-2018 an amount not to exceed \$500,000.00 to~~  
22 ~~districts for a competitive grant to mechatronics programs that~~  
23 ~~operated in 2016-2017 for updating mechatronics program equipment.~~

24 ~~—— (7) In addition to the funds allocated under subsections (1)~~  
25 ~~and (6), from the general fund appropriation in section 11, there~~  
26 ~~is allocated for 2017-2018 an amount not to exceed \$5,000,000.00~~  
27 ~~for grants to districts and intermediate districts or consortia of~~

1 ~~districts and intermediate districts for the CTE equipment and~~  
2 ~~innovation competitive grant program described in subsections (8)~~  
3 ~~to (10).~~

4 ~~—— (8) To be eligible to receive a competitive grant under~~  
5 ~~subsection (7), an applicant shall apply in a form and manner~~  
6 ~~determined by the department. The amount of a grant awarded from~~  
7 ~~the allocation under subsection (7) shall be at least \$100,000.00~~  
8 ~~but shall not exceed \$1,000,000.00 and shall be used for the~~  
9 ~~purchase or lease of equipment from private industry partners and~~  
10 ~~for related capacity building activities. A grant application for a~~  
11 ~~grant awarded from the allocation under subsection (7) shall~~  
12 ~~include at least all of the following information:~~

13 ~~—— (a) A description of how the proposed capital infrastructure~~  
14 ~~initiative will provide increased career opportunities for students~~  
15 ~~and adult learners in high-wage, high-skill, and high-demand~~  
16 ~~occupations.~~

17 ~~—— (b) Demonstrated evidence of employer demand for the~~  
18 ~~initiative and related CTE training, including documentation of~~  
19 ~~industry involvement in the initiative that will allow for work-~~  
20 ~~based learning opportunities, apprenticeships, teacher externships,~~  
21 ~~or a combination of these.~~

22 ~~—— (c) A budget for the initiative, including demonstrated~~  
23 ~~commitment of local or regional partners to sustain the initiative~~  
24 ~~beyond the initial grant funding.~~

25 ~~—— (d) A description of how the initiative aligns with other CTE~~  
26 ~~and community college programs and how the equipment will be~~  
27 ~~utilized by initiative partners.~~



1 ~~—— (e) Other information as requested by the department and the~~  
 2 ~~department of talent and economic development.~~

3 ~~—— (9) The department shall evaluate grant applications under~~  
 4 ~~subsection (8) in collaboration with the department of talent and~~  
 5 ~~economic development. A member of the governor's talent investment~~  
 6 ~~board may serve in an advisory capacity in the evaluation process~~  
 7 ~~as determined by the department of talent and economic development.~~

8 ~~—— (10) Not later than December 15 of each fiscal year, each~~  
 9 ~~grant recipient receiving funding under subsection (7) shall~~  
 10 ~~annually report to the department, the department of talent and~~  
 11 ~~economic development, the house and senate appropriations~~  
 12 ~~subcommittees on state school aid, the house and senate fiscal~~  
 13 ~~agencies, and the state budget director on equipment purchased~~  
 14 ~~under subsection (7) in the immediately preceding school year. The~~  
 15 ~~report shall identify growth data on program involvement,~~  
 16 ~~retention, and development of student and adult learner skills.~~

17 (6) ~~(11)~~ As used in this section:

18 (a) "CEPD" means a career education planning district  
 19 described in this section.

20 (b) "CTE" means career and technical education.

21 **SEC. 61D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**  
 22 **ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2018-2019 FOR**  
 23 **ADDITIONAL PAYMENTS TO DISTRICTS FOR CAREER AND TECHNICAL EDUCATION**  
 24 **PROGRAMS FOR THE PURPOSE OF INCREASING THE NUMBER OF MICHIGAN**  
 25 **RESIDENTS WITH HIGH-QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE**  
 26 **THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH**  
 27 **SCHOOL GRADUATION.**

1 (2) PAYMENTS TO DISTRICTS UNDER THIS SECTION MUST BE  
2 CALCULATED IN THE FOLLOWING MANNER:

3 (A) A PAYMENT OF \$25.00 MULTIPLIED BY THE NUMBER OF PUPILS IN  
4 GRADES 9 TO 12 WHO ARE COUNTED IN MEMBERSHIP IN THE DISTRICT AND  
5 ARE ENROLLED IN AT LEAST 1 CAREER AND TECHNICAL EDUCATION PROGRAM.

6 (B) AN ADDITIONAL PAYMENT OF \$25.00 MULTIPLIED BY THE NUMBER  
7 OF PUPILS IN GRADES 9 TO 12 WHO ARE COUNTED IN MEMBERSHIP IN THE  
8 DISTRICT AND ARE ENROLLED IN AT LEAST 1 CAREER AND TECHNICAL  
9 EDUCATION PROGRAM THAT PROVIDES INSTRUCTION IN CRITICAL SKILLS AND  
10 HIGH-DEMAND CAREER FIELDS.

11 (3) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO  
12 FULLY FUND PAYMENTS UNDER SUBSECTION (2), THE DEPARTMENT SHALL  
13 PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL PER-PUPIL BASIS.

14 (4) AS USED IN THIS SECTION:

15 (A) "CAREER AND TECHNICAL EDUCATION PROGRAM" MEANS A STATE-  
16 APPROVED CAREER AND TECHNICAL EDUCATION PROGRAM, AS DETERMINED BY  
17 THE DEPARTMENT.

18 (B) "CAREER AND TECHNICAL EDUCATION PROGRAM THAT PROVIDES  
19 INSTRUCTION IN CRITICAL SKILLS AND HIGH-DEMAND CAREER FIELD" MEANS  
20 A CAREER AND TECHNICAL EDUCATION PROGRAM CLASSIFIED UNDER ANY OF  
21 THE FOLLOWING 2-DIGIT CLASSIFICATION OF INSTRUCTIONAL PROGRAMS  
22 (CIP) CODES:

23 (i) 01, WHICH REFERS TO "AGRICULTURE, AGRICULTURE OPERATIONS,  
24 AND RELATED SCIENCES".

25 (ii) 03, WHICH REFERS TO "NATURAL RESOURCES AND CONSERVATION".

26 (iii) 10 THROUGH 11, WHICH REFERS TO "COMMUNICATIONS  
27 TECHNOLOGIES/TECHNICIANS AND SUPPORT SERVICES" AND "COMPUTER AND

1 INFORMATION SCIENCES AND SUPPORT SERVICES".

2 (iv) 14 THROUGH 15, WHICH REFERS TO "ENGINEERING" AND  
3 "ENGINEERING TECHNOLOGIES AND ENGINEERING-RELATED FIELDS".

4 (v) 26, WHICH REFERS TO "BIOLOGICAL AND BIOMEDICAL SCIENCES".

5 (vi) 46 THROUGH 48, WHICH REFERS TO "CONSTRUCTION TRADES",  
6 "MECHANIC AND REPAIR TECHNOLOGIES/TECHNICIANS", AND "PRECISION  
7 PRODUCTION".

8 (vii) 51, WHICH REFERS TO "HEALTH PROFESSIONS AND RELATED  
9 PROGRAMS".

10 SEC. 61E. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE  
11 IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$250,000.00 TO A  
12 DISTRICT FOR REGIONAL CAREER AND TECHNICAL EDUCATION PLANNING.

13 (2) A DISTRICT IS ELIGIBLE TO RECEIVE FUNDS UNDER THIS SECTION  
14 IF IT MEETS ALL OF THE FOLLOWING:

15 (A) IS LOCATED IN AN INTERMEDIATE DISTRICT IN WHICH THE  
16 COMBINED PUPIL MEMBERSHIPS OF THE INTERMEDIATE DISTRICT'S  
17 CONSTITUENT DISTRICTS IN 2017-2018 IS AT LEAST 26,000 AND LESS THAN  
18 28,000.

19 (B) IS LOCATED IN A COUNTY WITH A POPULATION OF NOT MORE THAN  
20 160,000 AS OF THE MOST RECENT FEDERAL DECENNIAL CENSUS.

21 (C) HAS A PUPIL MEMBERSHIP GREATER THAN 2,900 BUT LESS THAN  
22 3,100.

23 (D) COLLABORATES WITH OTHER DISTRICTS, AREA NONPROFITS, LOCAL  
24 EMPLOYERS, AND COMMUNITY COLLEGES.

25 (3) THE DISTRICT SHALL SUBMIT A REPORT INCLUDING A REGIONAL  
26 CAREER AND TECHNICAL PLAN TO THE DEPARTMENT NOT LATER THAN NOVEMBER  
27 30, 2018. THE REPORT REQUIRED UNDER THIS SUBSECTION MUST INCLUDE

1 ALL OF THE FOLLOWING:

2 (A) A PLAN FOR THE JOINT DELIVERY OF CAREER AND TECHNICAL  
3 SERVICES TO URBAN AND RURAL YOUTH, SPECIFICALLY WHILE OVERCOMING  
4 SOCIAL AND ECONOMIC BARRIERS THAT ADVERSELY AFFECT YOUTH  
5 POPULATIONS AND PROVIDING WRAPAROUND SERVICES TO MITIGATE BARRIERS  
6 TO EDUCATION.

7 (B) AN OUTLINE OF UNIQUE OPPORTUNITIES FOR EDUCATION,  
8 WORKFORCE BOARDS, AND BUSINESS AND INDUSTRY TO CREATE A  
9 COLLABORATIVE, JOINTLY OPERATED, AND SUSTAINABLE CAREER AND  
10 TECHNICAL EDUCATION MODEL.

11 (C) A DISCUSSION OF THE PROJECT'S ABILITY TO ENGAGE THE AT-  
12 RISK YOUTH POPULATION IN CHALLENGING EDUCATION AND TRAINING  
13 ENVIRONMENTS.

14 (D) A LIST OF SOLUTIONS TO INDUSTRY DEMAND FOR THE REGIONAL  
15 WORKFORCE THROUGH AN UNDERSTANDING OF ECONOMIC TRENDS.

16 (4) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION  
17 MAY BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

18 Sec. 62. (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 or the total membership for the immediately  
23 preceding fiscal year of the area vocational-technical program.

24 (b) "Millage levied" means the millage levied for area  
25 vocational-technical education pursuant to sections 681 to 690 of  
26 the revised school code, MCL 380.681 to 380.690, including a levy  
27 for debt service obligations incurred as the result of borrowing

1 for capital outlay projects and in meeting capital projects fund  
2 requirements of area vocational-technical education.

3 (c) "Taxable value" means the total taxable value of the  
4 districts constituent to an intermediate district or area  
5 vocational-technical education program, except that if a district  
6 has elected not to come under sections 681 to 690 of the revised  
7 school code, MCL 380.681 to 380.690, the membership and taxable  
8 value of that district shall not be included in the membership and  
9 taxable value of the intermediate district. However, the membership  
10 and taxable value of a district that has elected not to come under  
11 sections 681 to 690 of the revised school code, MCL 380.681 to  
12 380.690, shall be included in the membership and taxable value of  
13 the intermediate district if the district meets both of the  
14 following:

15 (i) The district operates the area vocational-technical  
16 education program pursuant to a contract with the intermediate  
17 district.

18 (ii) The district contributes an annual amount to the  
19 operation of the program that is commensurate with the revenue that  
20 would have been raised for operation of the program if millage were  
21 levied in the district for the program under sections 681 to 690 of  
22 the revised school code, MCL 380.681 to 380.690.

23 (2) From the appropriation in section 11, there is allocated  
24 an amount not to exceed \$9,190,000.00 each fiscal year ~~for 2016-~~  
25 ~~2017 and for 2017-2018~~ **AND FOR 2018-2019** to reimburse intermediate  
26 districts and area vocational-technical education programs  
27 established under section 690(3) of the revised school code, MCL

1 380.690, levying millages for area vocational-technical education  
2 pursuant to sections 681 to 690 of the revised school code, MCL  
3 380.681 to 380.690. The purpose, use, and expenditure of the  
4 reimbursement shall be limited as if the funds were generated by  
5 those millages.

6 ~~—— (3) Reimbursement for the millages levied in 2015-2016 shall~~  
7 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~  
8 ~~computed by subtracting from \$198,100.00 the 2015-2016 taxable~~  
9 ~~value behind each membership pupil and multiplying the resulting~~  
10 ~~difference by the 2015-2016 millage levied.~~

11 (3) ~~(4)~~ Reimbursement for those millages levied in 2016-2017  
12 shall be made in 2017-2018 at an amount per 2016-2017 membership  
13 pupil computed by subtracting from \$199,000.00 ~~\$200,800.00~~ the  
14 2016-2017 taxable value behind each membership pupil and  
15 multiplying the resulting difference by the 2016-2017 millage  
16 levied, and then subtracting from that amount the 2016-2017 local  
17 community stabilization share revenue for area vocational technical  
18 education behind each membership pupil for reimbursement of  
19 personal property exemption loss under the local community  
20 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

21 (4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2017-2018 SHALL  
22 BE MADE IN 2018-2019 AT AN AMOUNT PER 2017-2018 MEMBERSHIP PUPIL  
23 COMPUTED BY SUBTRACTING FROM \$205,700.00 THE 2017-2018 TAXABLE  
24 VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING  
25 DIFFERENCE BY THE 2017-2018 MILLAGE LEVIED, AND THEN SUBTRACTING  
26 FROM THAT AMOUNT THE 2017-2018 LOCAL COMMUNITY STABILIZATION SHARE  
27 REVENUE FOR AREA VOCATIONAL TECHNICAL EDUCATION BEHIND EACH

1 **MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION**  
2 **LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA**  
3 **86, MCL 123.1341 TO 123.1362.**

4 (5) The amount paid to a single intermediate district under  
5 this section shall not exceed 38.4% of the total amount allocated  
6 under subsection (2).

7 (6) The amount paid to a single intermediate district under  
8 this section shall not be less than 75% of the amount allocated to  
9 the intermediate district under this section for the immediately  
10 preceding fiscal year.

11 Sec. 64b. (1) From the appropriation in section 11, there is  
12 allocated an amount not to exceed \$1,750,000.00 for ~~2017-2018-2018-~~  
13 **2019** for supplemental payments to districts that support the  
14 attendance of district pupils in grades 9 to 12 under the  
15 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
16 388.524, or under the career and technical preparation act, 2000 PA  
17 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that  
18 support the attendance of district pupils in a concurrent  
19 enrollment program if the district meets the requirements under  
20 subsection (3). Programs funded under this section are intended to  
21 increase the number of pupils who are college- and career-ready  
22 upon high school graduation.

23 (2) To be eligible for payments under this section for  
24 supporting the attendance of district pupils under the  
25 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
26 388.524, or under the career and technical preparation act, 2000 PA  
27 258, MCL 388.1901 to 388.1913, a district shall do all of the

1 following:

2 (a) Provide information to all high school pupils on  
3 postsecondary enrollment options, including enrollment eligibility,  
4 the institutions and types of courses that are eligible for  
5 participation, the decision-making process for granting academic  
6 credit, and an explanation of eligible charges that will be paid by  
7 the district.

8 (b) Enter into a written agreement with a postsecondary  
9 institution before the enrollment of district pupils.

10 (c) Agree to pay all eligible charges pursuant to section 21b.

11 (d) Award high school credit for the postsecondary course if  
12 the pupil successfully completes the course.

13 (3) To be eligible for payments under this section for pupils  
14 enrolled in a concurrent enrollment program, a district shall do  
15 all of the following:

16 (a) Provide information to all high school pupils on  
17 postsecondary enrollment options, including enrollment eligibility,  
18 the institutions and types of courses that are eligible for  
19 participation, the decision-making process for granting academic  
20 credit, and an explanation of eligible charges that will be paid by  
21 the district.

22 (b) Enter into a written agreement with a postsecondary  
23 institution establishing the concurrent enrollment program before  
24 the enrollment of district pupils in a postsecondary course through  
25 the postsecondary institution.

26 (c) Ensure that the course is taught by either a high school  
27 teacher or postsecondary faculty pursuant to standards established



1 by the postsecondary institution with which the district has  
2 entered into a written agreement to operate the concurrent  
3 enrollment program.

4 (d) Ensure that the written agreement provides that the  
5 postsecondary institution agrees not to charge the pupil for any  
6 cost of the program.

7 (e) Ensure that the course is taught in the local district or  
8 intermediate district.

9 (f) Ensure that the pupil is awarded both high school and  
10 college credit at a community college or state public university in  
11 this state upon successful completion of the course as outlined in  
12 the agreement with the postsecondary institution.

13 (4) Funds shall be awarded to eligible districts under this  
14 section in the following manner:

15 (a) A payment of \$10.00 per credit, for up to 3 credits, for a  
16 credit-bearing course in which a pupil enrolls during the current  
17 school year, as described under either subsection (2) or (3).

18 (b) An additional payment of \$30.00 per-pupil per course  
19 identified in subdivision (a), if the pupil successfully completes,  
20 and is awarded both high school and postsecondary credit for, the  
21 course during the current school year.

22 (5) A district requesting payment under this section shall  
23 submit an application to the department in the form and manner  
24 prescribed by the department. Notwithstanding section 17b, payments  
25 under this section shall be made on a schedule determined by the  
26 department.

27 Sec. 64d. (1) From the general fund appropriation under

1 section 11, there is allocated an amount not to exceed  
2 \$2,300,000.00 ~~for 2017-2018~~ **FOR 2018-2019** for a ~~competitive~~ grant  
3 to provide information technology education opportunities to  
4 students attending schools operating grades K-12, career and  
5 technical centers and career academies, and community colleges and  
6 universities. It is the intent of the legislature that ~~2017-2018~~  
7 **2018-2019** is the ~~first~~ **SECOND** of 3 years of funding for the  
8 ~~competitive~~ grant program. Funds allocated under this section shall  
9 be used for instruction in information technology skills and  
10 competencies that are essential for the workplace and requested by  
11 employers and shall allow participating students and faculties to  
12 secure broad-based information technology certifications and, if  
13 applicable, college credit.

14 (2) The department shall select a ~~THE~~ provider ~~using a~~  
15 ~~competitive request for proposals process~~. ~~Proposals submitted~~  
16 ~~under this subsection shall~~ **THAT RECEIVED FUNDING UNDER THIS**  
17 **SECTION IN 2017-2018. A PROGRAM FUNDED UNDER THIS SECTION MUST**  
18 include at least the following components:

19 (a) Research- and skill-development-based and information  
20 technology curriculum.

21 (b) Online access to the curriculum.

22 (c) Instructional software for classroom and student use.

23 (d) A program that includes coding curriculum and material  
24 that are aligned to the CS AP exam and grants a certificate upon  
25 completion of the program.

26 (e) Components for all grade levels on computational thinking  
27 skills development using the latest gaming software.

1 (f) A process for students to obtain certifications of skills  
 2 and competencies in a broad base of information technology-related  
 3 skill areas.

4 (g) Professional development for faculty.

5 (h) Implementation and program support, including, but not  
 6 limited to, integration with current curriculum standards.

7 (i) Methods for students to earn college credit.

8 ~~——(3) The department shall give priority to proposals by~~  
 9 ~~providers that have previously demonstrated success in this state~~  
 10 ~~in providing high-quality information technology education~~  
 11 ~~opportunities to students.~~

12 (3) ~~(4)~~The funds allocated under this section for ~~2017-2018~~  
 13 **2018-2019** are a work project appropriation, and any unexpended  
 14 funds for ~~2017-2018~~**2018-2019** are to be carried forward into ~~2018-~~  
 15 ~~2019.~~**2019-2020**. The purpose of the work project is to continue to  
 16 provide information technology education opportunities described in  
 17 this section. The estimated completion date of the work project is  
 18 September 30, 2020.

19 Sec. 65. (1) From the ~~general fund money appropriated~~  
 20 **APPROPRIATION** under section 11, there is allocated an amount not to  
 21 exceed ~~\$340,000.00 for 2017-2018~~**\$400,000.00 FOR 2018-2019** for a  
 22 pre-college engineering K-12 educational program that is focused on  
 23 the development of a diverse future Michigan workforce, that serves  
 24 multiple communities within southeast Michigan, that enrolls pupils  
 25 from multiple districts, and that received funds appropriated for  
 26 this purpose in the appropriations act that provided the Michigan  
 27 strategic fund budget for 2014-2015.

1           (2) To be eligible for funding under this section, a program  
2 must have the ability to expose pupils to, and motivate and prepare  
3 pupils for, science, technology, engineering, and mathematics  
4 careers and postsecondary education with special attention given to  
5 groups of pupils who are at-risk and underrepresented in technical  
6 professions and careers.

7           Sec. 67. (1) From the general fund amount appropriated in  
8 section 11, there is allocated an amount not to exceed  
9 \$3,000,000.00 for ~~2017-2018~~**2018-2019** for college access programs.  
10 The programs funded under this section are intended to inform  
11 students of college and career options and to provide resources  
12 intended to increase the number of pupils who are adequately  
13 prepared with the information needed to make informed decisions on  
14 college and career. The funds appropriated under this section are  
15 intended to be used to increase the number of Michigan residents  
16 with high-quality degrees or credentials. Funds appropriated under  
17 this section shall not be used to supplant funding for counselors  
18 already funded by districts.

19           (2) The talent investment agency of the department of talent  
20 and economic development shall administer funds allocated under  
21 this section in collaboration with the Michigan college access  
22 network. These funds may be used for any of the following purposes:

23           (a) Michigan college access network operations, programming,  
24 and services to local college access networks.

25           (b) Local college access networks, which are community-based  
26 college access/success partnerships committed to increasing the  
27 college participation and completion rates within geographically

1 defined communities through a coordinated strategy.

2 (c) The Michigan college advising program, a program intended  
3 to place trained, recently graduated college advisors in high  
4 schools that serve significant numbers of low-income and first-  
5 generation college-going pupils. State funds used for this purpose  
6 may not exceed 33% of the total funds available under this  
7 subsection.

8 (d) Subgrants of up to \$5,000.00 to districts with  
9 comprehensive high schools that establish a college access team and  
10 implement specific strategies to create a college-going culture in  
11 a high school in a form and manner approved by the Michigan college  
12 access network and the Michigan talent investment agency.

13 (e) The Michigan college access portal, an online one-stop  
14 portal to help pupils and families plan and apply for college.

15 (f) Public awareness and outreach campaigns to encourage low-  
16 income and first-generation college-going pupils to take necessary  
17 steps toward college and to assist pupils and families in  
18 completing a timely and accurate free application for federal  
19 student aid.

20 (g) Subgrants to postsecondary institutions to recruit, hire,  
21 and train college student mentors and college advisors to assist  
22 high school pupils in navigating the postsecondary planning and  
23 enrollment process.

24 (3) For the purposes of this section, "college" means any  
25 postsecondary educational opportunity that leads to a career,  
26 including, but not limited to, a postsecondary degree, industry-  
27 recognized technical certification, or registered apprenticeship.

1           Sec. 74. (1) From the amount appropriated in section 11, there  
2 is allocated an amount not to exceed ~~\$3,730,300.00 for 2017-2018~~  
3 **\$3,754,900.00 FOR 2018-2019** for the purposes of this section.

4           (2) From the allocation in subsection (1), there is allocated  
5 for each fiscal year the amount necessary for payments to state  
6 supported colleges or universities and intermediate districts  
7 providing school bus driver safety instruction pursuant to section  
8 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The  
9 payments shall be in an amount determined by the department not to  
10 exceed the actual cost of instruction and driver compensation for  
11 each public or nonpublic school bus driver attending a course of  
12 instruction. For the purpose of computing compensation, the hourly  
13 rate allowed each school bus driver shall not exceed the hourly  
14 rate received for driving a school bus. Reimbursement compensating  
15 the driver during the course of instruction shall be made by the  
16 department to the college or university or intermediate district  
17 providing the course of instruction.

18           (3) From the allocation in subsection (1), there is allocated  
19 for ~~2017-2018~~**2018-2019** the amount necessary to pay the reasonable  
20 costs of nonspecial education auxiliary services transportation  
21 provided pursuant to section 1323 of the revised school code, MCL  
22 380.1323. Districts funded under this subsection shall not receive  
23 funding under any other section of this article for nonspecial  
24 education auxiliary services transportation.

25           (4) From the funds allocated in subsection (1), there is  
26 allocated an amount not to exceed ~~\$1,705,300.00 for 2017-2018~~  
27 **\$1,729,900.00 FOR 2018-2019** for reimbursement to districts and

1 intermediate districts for costs associated with the inspection of  
2 school buses and pupil transportation vehicles by the department of  
3 state police as required under section 715a of the Michigan vehicle  
4 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil  
5 transportation act, 1990 PA 187, MCL 257.1839. The department of  
6 state police shall prepare a statement of costs attributable to  
7 each district for which bus inspections are provided and submit it  
8 to the department and to an intermediate district serving as  
9 fiduciary in a time and manner determined jointly by the department  
10 and the department of state police. Upon review and approval of the  
11 statement of cost, the department shall forward to the designated  
12 intermediate district serving as fiduciary the amount of the  
13 reimbursement on behalf of each district and intermediate district  
14 for costs detailed on the statement within 45 days after receipt of  
15 the statement. The designated intermediate district shall make  
16 payment in the amount specified on the statement to the department  
17 of state police within 45 days after receipt of the statement. The  
18 total reimbursement of costs under this subsection shall not exceed  
19 the amount allocated under this subsection. Notwithstanding section  
20 17b, payments to eligible entities under this subsection shall be  
21 paid on a schedule prescribed by the department.

22       Sec. 81. (1) From the appropriation in section 11, there is  
23 allocated for ~~2017-2018-2018-2019~~ to the intermediate districts the  
24 sum necessary, but not to exceed ~~\$67,108,000.00~~ **\$68,453,000.00** to  
25 provide state aid to intermediate districts under this section.

26       (2) The amount allocated under this section to each  
27 intermediate district is an amount equal to ~~100%~~ **102%** of the amount

1 allocated to the intermediate district under this section for ~~2016-~~  
2 ~~2017.-2017-2018~~. Funding provided under this section shall be used  
3 to comply with requirements of this article and the revised school  
4 code that are applicable to intermediate districts, and for which  
5 funding is not provided elsewhere in this article, and to provide  
6 technical assistance to districts as authorized by the intermediate  
7 school board.

8 (3) Intermediate districts receiving funds under this section,  
9 shall collaborate with the department to develop expanded  
10 professional development opportunities for teachers to update and  
11 expand their knowledge and skills needed to support the Michigan  
12 merit curriculum.

13 (4) From the allocation in subsection (1), there is allocated  
14 to an intermediate district, formed by the consolidation or  
15 annexation of 2 or more intermediate districts or the attachment of  
16 a total intermediate district to another intermediate school  
17 district or the annexation of all of the constituent K-12 districts  
18 of a previously existing intermediate school district which has  
19 disorganized, an additional allotment of \$3,500.00 each fiscal year  
20 for each intermediate district included in the new intermediate  
21 district for 3 years following consolidation, annexation, or  
22 attachment.

23 (5) In order to receive funding under this section, an  
24 intermediate district shall do all of the following:

25 (a) Demonstrate to the satisfaction of the department that the  
26 intermediate district employs at least 1 person who is trained in  
27 pupil accounting and auditing procedures, rules, and regulations.



1 (b) Demonstrate to the satisfaction of the department that the  
2 intermediate district employs at least 1 person who is trained in  
3 rules, regulations, and district reporting procedures for the  
4 individual-level student data that serves as the basis for the  
5 calculation of the district and high school graduation and dropout  
6 rates.

7 (c) Comply with sections 1278a and 1278b of the revised school  
8 code, MCL 380.1278a and 380.1278b.

9 (d) Furnish data and other information required by state and  
10 federal law to the center and the department in the form and manner  
11 specified by the center or the department, as applicable.

12 (e) Comply with section 1230g of the revised school code, MCL  
13 380.1230g.

14 ~~\_\_\_\_\_ (f) Comply with section 761 of the revised school code, MCL~~  
15 ~~380.761.~~

16 Sec. 94. (1) From the general fund appropriation in section  
17 11, there is allocated to the department for 2017-2018 an amount  
18 not to exceed \$750,000.00 **AND THERE IS ALLOCATED TO THE DEPARTMENT**  
19 **FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$1,000,000.00** for efforts to  
20 increase the number of pupils who participate and succeed in  
21 advanced placement and international baccalaureate programs, **AND,**  
22 **BEGINNING IN 2018-2019, TO SUPPORT THE COLLEGE-LEVEL EXAMINATION**  
23 **PROGRAM (CLEP) .**

24 (2) From the funds allocated under this section, the  
25 department shall award funds to cover all or part of the costs of  
26 advanced placement test fees or international baccalaureate test  
27 fees and international baccalaureate registration fees for low-

1 income pupils who take an advanced placement or an international  
2 baccalaureate test, **AND, BEGINNING IN 2018-2019, CLEP FEES FOR LOW-**  
3 **INCOME PUPILS WHO TAKE A CLEP TEST.** ~~Payments shall not exceed~~  
4 ~~\$20.00 per test completed or \$150.00 per international~~  
5 ~~baccalaureate registration fees per pupil registered.~~

6 (3) The department shall only award funds under this section  
7 if the department determines that all of the following criteria are  
8 met:

9 (a) Each pupil for whom payment is made meets eligibility  
10 requirements of the federal advanced placement test fee program  
11 under section 1701 of the no child left behind act of 2001, Public  
12 Law 107-110, or under a corresponding provision of the every  
13 student succeeds act, Public Law 114-95.

14 (b) The tests are administered by the college board, the  
15 international baccalaureate organization, or another test provider  
16 approved by the department.

17 (c) The pupil for whom payment is made pays at least \$5.00  
18 toward the cost of each test for which payment is made.

19 (4) The department shall establish procedures for awarding  
20 funds under this section.

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

23 Sec. 94a. (1) There is created within the state budget office  
24 in the department of technology, management, and budget the center  
25 for educational performance and information. The center shall do  
26 all of the following:

27 (a) Coordinate the collection of all data required by state

1 and federal law from districts, intermediate districts, and  
2 postsecondary institutions.

3 (b) Create, maintain, and enhance this state's P-20  
4 longitudinal data system and ensure that it meets the requirements  
5 of subsection (4).

6 (c) Collect data in the most efficient manner possible in  
7 order to reduce the administrative burden on reporting entities,  
8 including, but not limited to, electronic transcript services.

9 (d) Create, maintain, and enhance this state's web-based  
10 educational portal to provide information to school leaders,  
11 teachers, researchers, and the public in compliance with all  
12 federal and state privacy laws. Data shall include, but are not  
13 limited to, all of the following:

14 (i) Data sets that link teachers to student information,  
15 allowing districts to assess individual teacher impact on student  
16 performance and consider student growth factors in teacher and  
17 principal evaluation systems.

18 (ii) Data access or, if practical, data sets, provided for  
19 regional data hubs that, in combination with local data, can  
20 improve teaching and learning in the classroom.

21 (iii) Research-ready data sets for researchers to perform  
22 research that advances this state's educational performance.

23 (e) Provide data in a useful manner to allow state and local  
24 policymakers to make informed policy decisions.

25 (f) Provide public reports to the citizens of this state to  
26 allow them to assess allocation of resources and the return on  
27 their investment in the education system of this state.

1 (g) Other functions as assigned by the state budget director.

2 (2) Each state department, officer, or agency that collects  
3 information from districts, intermediate districts, or  
4 postsecondary institutions as required under state or federal law  
5 shall make arrangements with the center to ensure that the state  
6 department, officer, or agency is in compliance with subsection  
7 (1). This subsection does not apply to information collected by the  
8 department of treasury under the uniform budgeting and accounting  
9 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal  
10 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond  
11 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to  
12 388.1939; or section 1351a of the revised school code, MCL  
13 380.1351a.

14 (3) The center may enter into any interlocal agreements  
15 necessary to fulfill its functions.

16 (4) The center shall ensure that the P-20 longitudinal data  
17 system required under subsection (1)(b) meets all of the following:

18 (a) Includes data at the individual student level from  
19 preschool through postsecondary education and into the workforce.

20 (b) Supports interoperability by using standard data  
21 structures, data formats, and data definitions to ensure linkage  
22 and connectivity in a manner that facilitates the exchange of data  
23 among agencies and institutions within the state and between  
24 states.

25 (c) Enables the matching of individual teacher and student  
26 records so that an individual student may be matched with those  
27 teachers providing instruction to that student.

1 (d) Enables the matching of individual teachers with  
2 information about their certification and the institutions that  
3 prepared and recommended those teachers for state certification.

4 (e) Enables data to be easily generated for continuous  
5 improvement and decision-making, including timely reporting to  
6 parents, teachers, and school leaders on student achievement.

7 (f) Ensures the reasonable quality, validity, and reliability  
8 of data contained in the system.

9 (g) Provides this state with the ability to meet federal and  
10 state reporting requirements.

11 (h) For data elements related to preschool through grade 12  
12 and postsecondary, meets all of the following:

13 (i) Contains a unique statewide student identifier that does  
14 not permit a student to be individually identified by users of the  
15 system, except as allowed by federal and state law.

16 (ii) Contains student-level enrollment, demographic, and  
17 program participation information.

18 (iii) Contains student-level information about the points at  
19 which students exit, transfer in, transfer out, drop out, or  
20 complete education programs.

21 (iv) Has the capacity to communicate with higher education  
22 data systems.

23 (i) For data elements related to preschool through grade 12  
24 only, meets all of the following:

25 (i) Contains yearly test records of individual students for  
26 assessments approved by DED-OESE for accountability purposes under  
27 section 1111(b) of the elementary and secondary education act of

1 1965, 20 USC 6311, including information on individual students not  
2 tested, by grade and subject.

3 (ii) Contains student-level transcript information, including  
4 information on courses completed and grades earned.

5 (iii) Contains student-level college readiness test scores.

6 (j) For data elements related to postsecondary education only:

7 (i) Contains data that provide information regarding the  
8 extent to which individual students transition successfully from  
9 secondary school to postsecondary education, including, but not  
10 limited to, all of the following:

11 (A) Enrollment in remedial coursework.

12 (B) Completion of 1 year's worth of college credit applicable  
13 to a degree within 2 years of enrollment.

14 (ii) Contains data that provide other information determined  
15 necessary to address alignment and adequate preparation for success  
16 in postsecondary education.

17 (5) From the general fund appropriation in section 11, there  
18 is allocated an amount not to exceed ~~\$10,173,200.00 for 2016-2017~~  
19 ~~and an amount not to exceed \$16,216,000.00~~ **\$16,356,700.00** for ~~2017-~~  
20 ~~2018-2018-2019~~ to the department of technology, management, and  
21 budget to support the operations of the center. In addition, from  
22 the federal funds appropriated in section 11 there is allocated for  
23 ~~each fiscal year for 2016-2017 and for 2017-2018-2018-2019~~ the  
24 amount necessary, estimated at \$193,500.00, to support the  
25 operations of the center and to establish a P-20 longitudinal data  
26 system necessary for state and federal reporting purposes. The  
27 center shall cooperate with the department to ensure that this

1 state is in compliance with federal law and is maximizing  
2 opportunities for increased federal funding to improve education in  
3 this state.

4 (6) From the funds allocated in subsection (5), the center may  
5 use an amount determined by the center for competitive grants for  
6 ~~2017-2018-2018-2019~~ to support collaborative efforts on the P-20  
7 longitudinal data system. All of the following apply to grants  
8 awarded under this subsection:

9 (a) The center shall award competitive grants to eligible  
10 intermediate districts or a consortium of intermediate districts  
11 based on criteria established by the center.

12 (b) Activities funded under the grant shall support the P-20  
13 longitudinal data system portal and may include portal hosting,  
14 hardware and software acquisition, maintenance, enhancements, user  
15 support and related materials, and professional learning tools and  
16 activities aimed at improving the utility of the P-20 longitudinal  
17 data system.

18 (c) An applicant that received a grant under this subsection  
19 for the immediately preceding fiscal year shall receive priority  
20 for funding under this section. However, after 3 fiscal years of  
21 continuous funding, an applicant is required to compete openly with  
22 new applicants.

23 (7) Funds allocated under this section that are not expended  
24 in the fiscal year in which they were allocated may be carried  
25 forward to a subsequent fiscal year and are appropriated for the  
26 purposes for which the funds were originally allocated.

27 (8) The center may bill departments as necessary in order to

1 fulfill reporting requirements of state and federal law. The center  
2 may also enter into agreements to supply custom data, analysis, and  
3 reporting to other principal executive departments, state agencies,  
4 local units of government, and other individuals and organizations.  
5 The center may receive and expend funds in addition to those  
6 authorized in subsection (5) to cover the costs associated with  
7 salaries, benefits, supplies, materials, and equipment necessary to  
8 provide such data, analysis, and reporting services.

9 (9) As used in this section:

10 (a) "DED-OESE" means the United States Department of Education  
11 Office of Elementary and Secondary Education.

12 (b) "State education agency" means the department.

13 Sec. 95b. (1) From the general fund appropriation under  
14 section 11, there is allocated to the department an amount not to  
15 exceed \$2,500,000.00 for ~~2017-2018~~**2018-2019** for the department to  
16 adopt a model value-added growth and projection analytics system  
17 and to incorporate that model into its reporting requirements under  
18 the every student succeeds act, Public Law 114-95. The adopted  
19 model shall do at least all of the following:

20 (a) Utilize existing assessments and any future assessments  
21 that are suitable for measuring student growth.

22 (b) Report student growth measures at the district, school,  
23 teacher, and subgroup levels.

24 (c) Recognize the growth of tested students, including those  
25 who may have missing assessment data.

26 (d) Include all available prior standardized assessment data  
27 that meet inclusion criteria across grades, subjects, and state and



1 local assessments.

2 (e) Allow student growth results to be disaggregated.

3 (f) Provide individual student projections showing the  
4 probability of a student reaching specific performance levels on  
5 future assessments.

6 (g) Demonstrate any prior success with this state's  
7 assessments through the Michigan council of educator effectiveness  
8 teacher evaluation pilot.

9 (h) Demonstrate prior statewide implementation in at least 2  
10 other states for at least 10 years.

11 (i) Have a native roster verification system built into the  
12 value-added reporting platform that has been implemented statewide  
13 in at least 2 other states.

14 (j) Have a "Help/Contact Us" ticketing system built into the  
15 value-added reporting platform.

16 (2) The department shall provide internet-based electronic  
17 student growth and projection reporting based on the model adopted  
18 under subsection (1) to educators at the school, district, and  
19 state levels. The model shall include role-based permissions that  
20 allow educators to access information about the performance of the  
21 students within their immediate responsibility in accordance with  
22 applicable privacy laws.

23 (3) The model adopted under subsection (1) must not be a  
24 mandatory part of teacher evaluation or educator pay-for-  
25 performance systems.

26 **(4) THE MODEL ADOPTED UNDER SUBSECTION (1) MUST BE A MODEL**  
27 **THAT RECEIVED FUNDING UNDER THIS SECTION IN 2017-2018.**

1           Sec. 98. (1) From the general fund money appropriated in  
2 section 11, there is allocated an amount not to exceed  
3 \$7,387,500.00 for ~~2017-2018~~**2018-2019** for the purposes described in  
4 this section. The Michigan Virtual University shall provide a  
5 report to the legislature not later than November 1 ~~, 2017~~**OF EACH**  
6 **YEAR** that includes its mission, its plans, and proposed benchmarks  
7 it must meet, which shall include a plan to achieve a ~~50% increase~~  
8 ~~in documented improvement in each requirement of the Michigan~~  
9 ~~Virtual Learning Research Institute and Michigan Virtual School,~~  
10 ~~and all other~~**THE** organizational priorities identified in this  
11 section, in order to receive full funding for ~~2018-2019.~~**2019-2020.**  
12 Not later than March 1 ~~, 2018,~~**OF EACH YEAR,** the Michigan Virtual  
13 University shall provide an update to the house and senate  
14 appropriations subcommittees on school aid to show the progress  
15 being made to meet the benchmarks identified.

16           (2) The Michigan Virtual University shall operate the Michigan  
17 Virtual Learning Research Institute. The Michigan Virtual Learning  
18 Research Institute shall do all of the following:

19           (a) Support and accelerate innovation in education through the  
20 following activities:

21           (i) Test, evaluate, and recommend as appropriate new  
22 technology-based instructional tools and resources.

23           (ii) Research, design, and recommend virtual education  
24 delivery models for use by pupils and teachers that include age-  
25 appropriate multimedia instructional content.

26           (iii) Research, develop, and recommend annually to the  
27 department criteria by which cyber schools and virtual course

1 providers should be monitored and evaluated to ensure a quality  
2 education for their pupils.

3 (iv) Based on pupil completion and performance data reported  
4 to the department or the center for educational performance and  
5 information from cyber schools and other virtual course providers  
6 operating in this state, analyze the effectiveness of virtual  
7 learning delivery models in preparing pupils to be college- and  
8 career-ready and publish a report that highlights enrollment  
9 totals, completion rates, and the overall impact on pupils. The  
10 report shall be submitted to the house and senate appropriations  
11 subcommittees on state school aid, the state budget director, the  
12 house and senate fiscal agencies, the department, districts, and  
13 intermediate districts not later than March 31 ~~2018~~. **OF EACH YEAR.**

14 (v) Provide an extensive professional development program to  
15 at least 30,000 educational personnel, including teachers, school  
16 administrators, and school board members, that focuses on the  
17 effective integration of virtual learning into curricula and  
18 instruction. The Michigan Virtual Learning Research Institute is  
19 encouraged to work with the MiSTEM advisory council created under  
20 section 99s to coordinate professional development of teachers in  
21 applicable fields. In addition, the Michigan Virtual Learning  
22 Research Institute and external stakeholders are encouraged to  
23 coordinate with the department for professional development in this  
24 state. Not later than December 1 ~~2018~~, **OF EACH YEAR**, the Michigan  
25 Virtual Learning Research Institute shall submit a report to the  
26 house and senate appropriations subcommittees on state school aid,  
27 the state budget director, the house and senate fiscal agencies,

1 and the department on the number ~~and percentage~~ of teachers, school  
2 administrators, and school board members who have received  
3 professional development services from the Michigan Virtual  
4 University. The report shall also identify barriers and other  
5 opportunities to encourage the adoption of virtual learning in the  
6 public education system.

7 (vi) Identify and share best practices for planning,  
8 implementing, and evaluating virtual and blended education delivery  
9 models with intermediate districts, districts, and public school  
10 academies to accelerate the adoption of innovative education  
11 delivery models statewide.

12 (b) Provide leadership for this state's system of virtual  
13 learning education by doing the following activities:

14 (i) Develop and report policy recommendations to the governor  
15 and the legislature that accelerate the expansion of effective  
16 virtual learning in this state's schools.

17 (ii) Provide a clearinghouse for research reports, academic  
18 studies, evaluations, and other information related to virtual  
19 learning.

20 (iii) Promote and distribute the most current instructional  
21 design standards and guidelines for virtual teaching.

22 (iv) In collaboration with the department and interested  
23 colleges and universities in this state, support implementation and  
24 improvements related to effective virtual learning instruction.

25 (v) Pursue public/private partnerships that include districts  
26 to study and implement competency-based technology-rich virtual  
27 learning models.

1           (vi) Create a statewide network of school-based mentors  
2 serving as liaisons between pupils, virtual instructors, parents,  
3 and school staff, as provided by the department or the center, and  
4 provide mentors with research-based training and technical  
5 assistance designed to help more pupils be successful virtual  
6 learners.

7           (vii) Convene focus groups and conduct annual surveys of  
8 teachers, administrators, pupils, parents, and others to identify  
9 barriers and opportunities related to virtual learning.

10          (viii) Produce an annual consumer awareness report for schools  
11 and parents about effective virtual education providers and  
12 education delivery models, performance data, cost structures, and  
13 research trends.

14          (ix) ~~Research and establish~~ **PROVIDE** an internet-based platform  
15 that educators can use to create student-centric learning tools and  
16 resources **FOR SHARING IN THE STATE'S OPEN EDUCATIONAL RESOURCE**  
17 **REPOSITORY** and facilitate a user network that assists educators in  
18 using the **CONTENT CREATION** platform **AND STATE REPOSITORY FOR OPEN**  
19 **EDUCATIONAL RESOURCES**. As part of this initiative, the Michigan  
20 Virtual University shall work collaboratively with districts and  
21 intermediate districts to establish a plan to make available  
22 virtual resources that align to Michigan's K-12 curriculum  
23 standards for use by students, educators, and parents.

24          (x) Create and maintain a public statewide catalog of virtual  
25 learning courses being offered by all public schools and community  
26 colleges in this state. The Michigan Virtual Learning Research  
27 Institute shall identify and develop a list of nationally

1 recognized best practices for virtual learning and use this list to  
2 support reviews of virtual course vendors, courses, and  
3 instructional practices. The Michigan Virtual Learning Research  
4 Institute shall also provide a mechanism for intermediate districts  
5 to use the identified best practices to review content offered by  
6 constituent districts. The Michigan Virtual Learning Research  
7 Institute shall review the virtual course offerings of the Michigan  
8 Virtual University, and make the results from these reviews  
9 available to the public as part of the statewide catalog. The  
10 Michigan Virtual Learning Research Institute shall ensure that the  
11 statewide catalog is made available to the public on the Michigan  
12 Virtual University website and shall allow the ability to link it  
13 to each district's website as provided for in section 21f. The  
14 statewide catalog shall also contain all of the following:

15 (A) The number of enrollments in each virtual course in the  
16 immediately preceding school year.

17 (B) The number of enrollments that earned 60% or more of the  
18 total course points for each virtual course in the immediately  
19 preceding school year.

20 (C) The ~~completion~~ **PASS** rate for each virtual course.

21 (xi) ~~Develop prototype and pilot~~ **SUPPORT** registration, payment  
22 services, and transcript functionality ~~to~~ **FOR** the statewide catalog  
23 and train key stakeholders on how to use new features.

24 (xii) Collaborate with key stakeholders to examine district  
25 level accountability and teacher effectiveness issues related to  
26 virtual learning under section 21f and make findings and  
27 recommendations publicly available.

1           (xiii) Provide a report on the activities of the Michigan  
2 Virtual Learning Research Institute.

3           (3) To further enhance its expertise and leadership in virtual  
4 learning, the Michigan Virtual University shall continue to operate  
5 the Michigan Virtual School as a statewide laboratory and quality  
6 model of instruction by implementing virtual and blended learning  
7 solutions for Michigan schools in accordance with the following  
8 parameters:

9           (a) The Michigan Virtual School must maintain its  
10 accreditation status from recognized national and international  
11 accrediting entities.

12           (b) The Michigan Virtual University shall use no more than  
13 \$1,000,000.00 of the amount allocated under this section to  
14 subsidize the cost paid by districts for virtual courses.

15           (c) In providing educators responsible for the teaching of  
16 virtual courses as provided for in this section, the Michigan  
17 Virtual School shall follow the requirements to request and assess,  
18 and the department of state police shall provide, a criminal  
19 history check and criminal records check under sections 1230 and  
20 1230a of the revised school code, MCL 380.1230 and 380.1230a, in  
21 the same manner as if the Michigan Virtual School were a school  
22 district under those sections.

23           (4) From the funds allocated under subsection (1), the  
24 Michigan Virtual University shall allocate up to \$500,000.00 to  
25 support the expansion of new online and blended educator  
26 professional development programs.

27           (5) If the course offerings are included in the statewide

1 catalog of virtual courses under subsection (2)(b)(x), the Michigan  
2 Virtual School operated by the Michigan Virtual University may  
3 offer virtual course offerings, including, but not limited to, all  
4 of the following:

5 (a) Information technology courses.

6 (b) College level equivalent courses, as defined in section  
7 1471 of the revised school code, MCL 380.1471.

8 (c) Courses and dual enrollment opportunities.

9 (d) Programs and services for at-risk pupils.

10 (e) High school equivalency test preparation courses for  
11 adjudicated youth.

12 (f) Special interest courses.

13 (g) Professional development programs for teachers, school  
14 administrators, other school employees, and school board members.

15 (6) If a home-schooled or nonpublic school student is a  
16 resident of a district that subscribes to services provided by the  
17 Michigan Virtual School, the student may use the services provided  
18 by the Michigan Virtual School to the district without charge to  
19 the student beyond what is charged to a district pupil using the  
20 same services.

21 (7) Not later than December 1 of each fiscal year, the  
22 Michigan Virtual University shall provide a report to the house and  
23 senate appropriations subcommittees on state school aid, the state  
24 budget director, the house and senate fiscal agencies, and the  
25 department that includes at least all of the following information  
26 related to the Michigan Virtual School for the preceding state  
27 fiscal year:



1 (a) A list of the districts served by the Michigan Virtual  
2 School.

3 (b) A list of virtual course titles available to districts.

4 (c) The total number of virtual course enrollments and  
5 information on registrations and completions by course.

6 (d) The overall course completion rate percentage.

7 (8) In addition to the information listed in subsection (7),  
8 the report under subsection (7) shall also include a plan to serve  
9 at least 600 schools with courses from the Michigan Virtual School  
10 or with content available through the internet-based platform  
11 identified in subsection (2) (b) (ix).

12 (9) The governor may appoint an advisory group for the  
13 Michigan Virtual Learning Research Institute established under  
14 subsection (2). The members of the advisory group shall serve at  
15 the pleasure of the governor and shall serve without compensation.  
16 The purpose of the advisory group is to make recommendations to the  
17 governor, the legislature, and the president and board of the  
18 Michigan Virtual University that will accelerate innovation in this  
19 state's education system in a manner that will prepare elementary  
20 and secondary students to be career and college ready and that will  
21 promote the goal of increasing the percentage of citizens of this  
22 state with high-quality degrees and credentials to at least 60% by  
23 2025.

24 (10) Not later than November 1 ~~, 2017,~~ **OF EACH YEAR,** the  
25 Michigan Virtual University shall submit to the house and senate  
26 appropriations subcommittees on state school aid, the state budget  
27 director, and the house and senate fiscal agencies a detailed

1 budget for ~~the 2017-2018~~ **THAT** fiscal year that includes a breakdown  
2 on its projected costs to deliver virtual educational services to  
3 districts and a summary of the anticipated fees to be paid by  
4 districts for those services. Not later than March 1 each year, the  
5 Michigan Virtual University shall submit to the house and senate  
6 appropriations subcommittees on state school aid, the state budget  
7 director, and the house and senate fiscal agencies a breakdown on  
8 its actual costs to deliver virtual educational services to  
9 districts and a summary of the actual fees paid by districts for  
10 those services based on audited financial statements for the  
11 immediately preceding fiscal year.

12 (11) As used in this section:

13 (a) "Blended learning" means a hybrid instructional delivery  
14 model where pupils are provided content, instruction, and  
15 assessment, in part at a supervised educational facility away from  
16 home where the pupil and a teacher with a valid Michigan teaching  
17 certificate are in the same physical location and in part through  
18 internet-connected learning environments with some degree of pupil  
19 control over time, location, and pace of instruction.

20 (b) "Cyber school" means a full-time instructional program of  
21 virtual courses for pupils that may or may not require attendance  
22 at a physical school location.

23 (c) "Virtual course" means a course of study that is capable  
24 of generating a credit or a grade and that is provided in an  
25 interactive learning environment in which the majority of the  
26 curriculum is delivered using the internet and in which pupils are  
27 separated from their instructor or teacher of record by time or

1 location, or both.

2       Sec. 99h. (1) From the state school aid fund appropriation in  
3 section 11, there is allocated an amount not to exceed  
4 ~~\$2,500,000.00~~ **\$3,000,000.00 FOR 2017-2018 AND AN AMOUNT NOT TO**  
5 **EXCEED \$3,000,000.00** for ~~2017-2018-2018-2019~~ for competitive grants  
6 to districts **AND INTERMEDIATE DISTRICTS**, and from the general fund  
7 appropriation in section 11, there is allocated an amount not to  
8 exceed \$300,000.00 **EACH FISCAL YEAR** for 2017-2018 **AND FOR 2018-2019**  
9 for competitive grants to nonpublic schools ~~—~~that provide pupils  
10 in grades K to 12 with expanded opportunities to improve  
11 mathematics, science, and technology skills by participating in  
12 events hosted by a science and technology development program known  
13 as FIRST (for inspiration and recognition of science and  
14 technology) Robotics, including JR FIRST Lego League, FIRST Lego  
15 League, FIRST tech challenge, and FIRST Robotics competition, **OR,**  
16 **BEGINNING IN 2018-2019, OTHER COMPETITIVE ROBOTICS PROGRAMS,**  
17 **INCLUDING THOSE HOSTED BY THE ROBOTICS EDUCATION AND COMPETITION**  
18 **(REC) FOUNDATION.** Programs funded under this section are intended  
19 to increase the number of pupils demonstrating proficiency in  
20 science and mathematics on the state assessments and to increase  
21 the number of pupils who are college- and career-ready upon high  
22 school graduation. Notwithstanding section 17b, grant payments to  
23 districts, ~~and~~ nonpublic schools, **AND INTERMEDIATE DISTRICTS** under  
24 this section shall be paid on a schedule determined by the  
25 department. The department shall set maximum grant awards for each  
26 different level of competition in a manner that both maximizes the  
27 number of teams that will be able to receive funds and expands the

1 geographical distribution of teams.

2 (2) A district, ~~or~~ nonpublic school, **OR INTERMEDIATE DISTRICT**  
3 applying for a grant under this section shall submit an application  
4 in a form and manner determined by the department. To be eligible  
5 for a grant, a district, ~~or~~ nonpublic school, **OR INTERMEDIATE**  
6 **DISTRICT** shall demonstrate in its application that the district, ~~or~~  
7 nonpublic school, **OR INTERMEDIATE DISTRICT** has established a  
8 partnership for the purposes of the ~~FIRST Robotics~~ **ROBOTICS** program  
9 with at least 1 sponsor, business entity, higher education  
10 institution, or technical school, shall submit a spending plan, and  
11 shall pay at least 25% of the cost of the ~~FIRST Robotics~~ **ROBOTICS**  
12 program.

13 (3) The department shall distribute the grant funding under  
14 this section for the following purposes:

15 (a) Grants to districts, ~~or~~ nonpublic schools, **OR INTERMEDIATE**  
16 **DISTRICTS** to pay for stipends not to exceed \$1,500.00 for 1 coach  
17 per team.

18 (b) Grants to districts, ~~or~~ nonpublic schools, **OR INTERMEDIATE**  
19 **DISTRICTS** for event registrations, materials, travel costs, and  
20 other expenses associated with the preparation for and attendance  
21 at ~~FIRST Robotics~~ **ROBOTICS** events and competitions. Each grant  
22 recipient shall provide a local match from other private or local  
23 funds for the funds received under this subdivision equal to at  
24 least 50% of the costs of participating in an event.

25 (c) Grants to districts, ~~or~~ nonpublic schools, **OR INTERMEDIATE**  
26 **DISTRICTS** for awards to teams that advance to the state and world  
27 championship competitions. The department shall determine an equal

1 amount per team for those teams that advance to the state  
2 championship and a second equal award amount to those teams that  
3 advance to the world championship.

4 (4) A nonpublic school that receives a grant under this  
5 section may use the funds for either ~~FIRST Robotics~~ **ROBOTICS** or  
6 Science Olympiad programs.

7 (5) To be eligible to receive funds under this section, a  
8 nonpublic school must be a nonpublic school registered with the  
9 department and must meet all applicable state reporting  
10 requirements for nonpublic schools.

11 **(6) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2017-2018 ARE A**  
12 **WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2017-2018**  
13 **ARE CARRIED FORWARD INTO 2018-2019. THE PURPOSE OF THE WORK PROJECT**  
14 **IS TO CONTINUE SUPPORT OF FIRST ROBOTICS AND MUST NOT BE USED TO**  
15 **SUPPORT OTHER ROBOTICS COMPETITIONS. THE ESTIMATED COMPLETION DATE**  
16 **OF THE WORK PROJECT IS SEPTEMBER 30, 2020.**

17 Sec. 99s. (1) From the funds appropriated under section 11,  
18 there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed  
19 ~~\$6,234,300.00~~ **\$7,634,300.00** from the state school aid fund  
20 appropriation and an amount not to exceed ~~\$1,600,000.00~~ **\$300,000.00**  
21 from the general fund appropriation for Michigan science,  
22 technology, engineering, and mathematics (MiSTEM) programs. In  
23 addition, from the federal funds appropriated in section 11, there  
24 is allocated for ~~2017-2018~~ **2018-2019** an amount estimated at  
25 ~~\$4,700,000.00~~ **\$3,500,000.00** from DED-OESE, title II, mathematics  
26 and science partnership grants. Programs funded under this section  
27 are intended to increase the number of pupils demonstrating

1 proficiency in science and mathematics on the state assessments and  
2 to increase the number of pupils who are college- and career-ready  
3 upon high school graduation. Notwithstanding section 17b, payments  
4 under this section shall be paid on a schedule determined by the  
5 department.

6 ~~(2) From the general fund allocation in subsection (1), there~~  
7 ~~is allocated an amount not to exceed \$50,000.00 to the department~~  
8 ~~for administrative, training, and travel costs related to the~~  
9 ~~MiSTEM advisory council. All of the following apply to the MiSTEM~~  
10 ~~advisory council: funded under this subsection:~~

11 (a) The MiSTEM advisory council is created. The MiSTEM  
12 advisory council shall provide to the governor, legislature,  
13 department of talent and economic development, and department  
14 recommendations designed to improve and promote innovation in STEM  
15 education and to prepare students for careers in science,  
16 technology, engineering, and mathematics.

17 (b) The MiSTEM advisory council created under subdivision (a)  
18 shall consist of the following members:

19 (i) The governor shall appoint 11 voting members who are  
20 representative of business sectors that are important to Michigan's  
21 economy and rely on a STEM-educated workforce, nonprofit  
22 organizations and associations that promote STEM education, K-12  
23 and postsecondary education entities involved in STEM-related  
24 career education, or other sectors as considered appropriate by the  
25 governor. Each of these members shall serve at the pleasure of the  
26 governor and for a term determined by the governor.

27 (ii) The senate majority leader shall appoint 2 members of the

1 senate to serve as nonvoting, ex-officio members of the MiSTEM  
2 advisory council, including 1 majority party member and 1 minority  
3 party member.

4 (iii) The speaker of the house of representatives shall  
5 appoint 2 members of the house of representatives to serve as  
6 nonvoting, ex-officio members of the MiSTEM advisory council,  
7 including 1 majority party member and 1 minority party member.

8 (c) Each member of the MiSTEM advisory council shall serve  
9 without compensation.

10 (d) The MiSTEM advisory council annually shall review and make  
11 recommendations to the governor, the legislature, and the  
12 department concerning changes to the statewide strategy adopted by  
13 the council for delivering STEM education-related opportunities to  
14 pupils. The MiSTEM advisory council shall use funds received under  
15 this subsection to ensure that its members or their designees are  
16 trained in the Change the Equation STEMworks rating system program  
17 for the purpose of rating STEM programs.

18 (e) The MiSTEM advisory council shall make specific funding  
19 recommendations for the funds allocated under subsection (3) by  
20 December 15 of each fiscal year. ~~The amount of each grant~~  
21 ~~recommended shall not exceed \$100,000.00.~~ Each specific funding  
22 recommendation shall be for a program approved by the MiSTEM  
23 advisory council. To be eligible for MiSTEM advisory council  
24 approval, a program must satisfy all of the following:

25 (i) Align with this state's academic standards.

26 (ii) Have STEMworks certification.

27 (iii) Provide project-based experiential learning, student

1 programming, or educator professional learning experiences.

2 (iv) Focus predominantly on classroom-based STEM experiences  
3 or professional learning experiences.

4 (f) The MiSTEM advisory council shall approve programs that  
5 **REPRESENT ALL NETWORK REGIONS AND** include a diverse array of  
6 options for students and educators and at least 1 program in each  
7 of the following areas:

8 (i) Robotics.

9 (ii) Computer science or coding.

10 (iii) Engineering or bioscience.

11 (g) The MiSTEM advisory council is encouraged to work with the  
12 ~~MiSTEM Network regions~~ **NETWORK** to develop locally and regionally  
13 developed programs and professional development experiences for the  
14 programs on the list of approved programs.

15 (h) If the MiSTEM advisory council is unable to make specific  
16 funding recommendations by December 15 of a fiscal year, the  
17 ~~department of technology, management, and budget~~ shall award and  
18 ~~the department shall~~ distribute the funds allocated under  
19 subsection (3) on a competitive grant basis that at least follows  
20 the statewide STEM strategy plan and rating system recommended by  
21 the MiSTEM advisory council. Each grant ~~shall not exceed~~  
22 ~~\$100,000.00~~ and must provide STEM education-related opportunities  
23 for pupils.

24 (i) The MiSTEM advisory council shall work with the executive  
25 director of the MiSTEM network ~~funded under section 99r~~ to  
26 implement the statewide STEM strategy adopted by the MiSTEM  
27 advisory council.



1 (3) From the state school aid fund money allocated under  
2 subsection (1), there is allocated for ~~2017-2018~~ **2018-2019** an  
3 amount not to exceed ~~\$2,850,000.00~~ **\$3,050,000.00** for the purpose of  
4 funding programs under this section for ~~2017-2018,~~ **2018-2019**, as  
5 recommended by the MiSTEM advisory council.

6 ~~—— (4) From the state school aid fund allocation under subsection~~  
7 ~~(1), there is allocated for 2017-2018 an amount not to exceed~~  
8 ~~\$3,299,300.00 to support the activities and programs of mathematics~~  
9 ~~and science centers. In addition, from the federal funds allocated~~  
10 ~~under subsection (1), there is allocated for 2017-2018 an amount~~  
11 ~~estimated at \$4,700,000.00 from DED-OESE, title II, mathematics and~~  
12 ~~science partnership grants, for the purposes of this subsection.~~  
13 ~~All of the following apply to the programs and funding under this~~  
14 ~~subsection:~~

15 ~~—— (a) Within a service area designated locally, approved by the~~  
16 ~~department, and consistent with the comprehensive master plan for~~  
17 ~~mathematics and science centers developed by the department and~~  
18 ~~approved by the state board, an established mathematics and science~~  
19 ~~center shall provide 2 or more of the following 6 basic services,~~  
20 ~~as described in the master plan, to constituent districts and~~  
21 ~~communities: leadership, pupil services, curriculum support,~~  
22 ~~community involvement, professional development, and resource~~  
23 ~~clearinghouse services.~~

24 ~~—— (b) The department shall not award a state grant under this~~  
25 ~~subsection to more than 1 mathematics and science center located in~~  
26 ~~a designated region as prescribed in the 2007 master plan unless~~  
27 ~~each of the grants serves a distinct target population or provides~~

1 ~~a service that does not duplicate another program in the designated~~  
2 ~~region.~~

3 ~~—— (c) As part of the technical assistance process, the~~  
4 ~~department shall provide minimum standard guidelines that may be~~  
5 ~~used by the mathematics and science center for providing fair~~  
6 ~~access for qualified pupils and professional staff as prescribed in~~  
7 ~~this subsection.~~

8 ~~—— (d) Allocations under this subsection to support the~~  
9 ~~activities and programs of mathematics and science centers shall be~~  
10 ~~continuing support grants to all 33 established mathematics and~~  
11 ~~science centers. For 2017-2018, each established mathematics and~~  
12 ~~science center shall receive state funding in an amount equal to~~  
13 ~~100% of the amount it was allocated under former section 99 for~~  
14 ~~2014-2015. If a center declines state funding or a center closes,~~  
15 ~~the remaining money available under this subsection shall be~~  
16 ~~distributed to the remaining centers, as determined by the~~  
17 ~~department.~~

18 ~~—— (e) From the funds allocated under this subsection, the~~  
19 ~~department shall distribute for 2017-2018 an amount not to exceed~~  
20 ~~\$750,000.00 in a form and manner determined by the department to~~  
21 ~~those centers able to provide curriculum and professional~~  
22 ~~development support to assist districts in implementing the~~  
23 ~~Michigan merit curriculum components for mathematics and science.~~  
24 ~~Funding under this subdivision is in addition to funding allocated~~  
25 ~~under subdivision (d).~~

26 ~~—— (f) It is the intent of the legislature that the funding~~  
27 ~~allocated under this subsection represents the final year of~~

1 ~~funding for mathematics and science centers and that mathematics~~  
 2 ~~and science centers shall not be funded in 2018-2019.~~

3 ~~—— (5) From the funds allocated under subsection (1), there is~~  
 4 ~~allocated an amount not to exceed \$85,000.00 to the Michigan~~  
 5 ~~Mathematics and Science Centers Network to reimburse intermediate~~  
 6 ~~school districts for transition costs incurred as the centers~~  
 7 ~~transition to MiSTEM network regions.~~

8 **(4)** ~~(6)~~ From the ~~general~~ **SCHOOL AID** fund allocation under  
 9 subsection (1), there is allocated an amount not to exceed  
 10 ~~\$1,400,000.00 to~~ **\$3,834,300.00 FOR 2018-2019 TO SUPPORT THE**  
 11 **ACTIVITIES AND PROGRAMS OF** the MiSTEM network regions. ~~For 2017-~~  
 12 ~~2018, each established MiSTEM network region shall receive funding~~  
 13 ~~under this subsection in an amount equal to 50% of the state~~  
 14 ~~funding amount allocated for 2017-2018 to the mathematics and~~  
 15 ~~science centers located within that region to allow the MiSTEM~~  
 16 ~~network region to begin operating by April 1, 2018. For former~~  
 17 ~~mathematics and science centers with territory in more than 1~~  
 18 ~~MiSTEM network region, the amount allocated shall be divided~~  
 19 ~~proportionally.~~ **IN ADDITION, FROM THE FEDERAL FUNDS ALLOCATED UNDER**  
 20 **SUBSECTION (1), THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT**  
 21 **ESTIMATED AT \$3,500,000.00 FROM DED-OESE, TITLE II, MATHEMATICS AND**  
 22 **SCIENCE PARTNERSHIP GRANTS, FOR THE PURPOSES OF THIS SUBSECTION.**  
 23 **BEGINNING IN 2018-2019, THE FISCAL AGENT FOR EACH MISTEM NETWORK**  
 24 **REGION SHALL RECEIVE \$200,000.00 FOR THE BASE OPERATIONS OF EACH**  
 25 **REGION. THE REMAINING FUNDS WILL BE DISTRIBUTED TO EACH FISCAL**  
 26 **AGENT IN AN EQUAL AMOUNT PER PUPIL, BASED ON THE NUMBER OF K TO 12**  
 27 **PUPILS ENROLLED IN DISTRICTS WITHIN EACH REGION IN THE PRIOR FISCAL**

1 **YEAR.**

2 (5) ~~(7)~~—A MiSTEM network region shall do all of the following:

3 (a) Collaborate with the ~~talent district~~ career **AND**

4 **EDUCATIONAL ADVISORY** council that is located in the ~~prosperity~~

5 **MISTEM** region to develop a regional strategic plan for STEM

6 education that creates a robust regional STEM culture, that

7 empowers STEM teachers, that integrates business and education into

8 the STEM network, and that ensures high-quality STEM experiences

9 for pupils. At a minimum, a regional STEM strategic plan should do

10 all of the following:

11 (i) Identify regional employer need for STEM.

12 (ii) Identify processes for regional employers and educators

13 to create guided pathways for STEM careers that include internships

14 or externships, apprenticeships, and other experiential engagements

15 for pupils.

16 (iii) Identify educator professional development

17 opportunities, including internships or externships and

18 apprenticeships, that integrate this state's science ~~content~~

19 standards into high-quality STEM experiences that engage pupils.

20 (b) Facilitate regional STEM events such as educator and

21 employer networking and STEM career fairs to raise STEM awareness.

22 (c) Contribute to the MiSTEM website and engage in other

23 MiSTEM network functions to further the mission of STEM in this

24 state in coordination with the MiSTEM advisory council and its

25 executive director.

26 (d) Facilitate application and implementation of state and

27 federal funds under this subsection and any other grants or funds

1 for the MiSTEM network region.

2 (e) Work with districts to provide STEM programming and  
3 professional development.

4 (f) Coordinate recurring discussions and work with the ~~talent~~  
5 ~~district-career~~ **AND EDUCATIONAL ADVISORY** council to ensure that  
6 feedback and best practices are being shared, including funding,  
7 program, professional learning opportunities, and regional  
8 strategic plans.

9 **(6) FROM THE SCHOOL AID FUNDS ALLOCATED UNDER SUBSECTION (1),**  
10 **THE DEPARTMENT SHALL DISTRIBUTE FOR 2018-2019 AN AMOUNT NOT TO**  
11 **EXCEED \$750,000.00, IN A FORM AND MANNER DETERMINED BY THE**  
12 **DEPARTMENT, TO THOSE NETWORK REGIONS ABLE TO PROVIDE CURRICULUM AND**  
13 **PROFESSIONAL DEVELOPMENT SUPPORT TO ASSIST DISTRICTS IN**  
14 **IMPLEMENTING THE MICHIGAN MERIT CURRICULUM COMPONENTS FOR**  
15 **MATHEMATICS AND SCIENCE.**

16 **(7)** ~~(8)~~—In order to receive state or federal funds under  
17 subsection (4) or (6), a grant recipient shall allow access for the  
18 department or the department's designee to audit all records  
19 related to the program for which it receives those funds. The grant  
20 recipient shall reimburse the state for all disallowances found in  
21 the audit.

22 **(8)** ~~(9)~~—In order to receive state funds under subsection (4)  
23 or (6), a grant recipient shall provide at least a 10% local match  
24 from local public or private resources for the funds received under  
25 this subsection.

26 **(9)** ~~(10)~~—Not later than July 1, 2019 and July 1 of each year  
27 thereafter, a MiSTEM network region that receives funds under

1 subsection ~~(6)~~ **(4)** shall report to the executive director of the  
2 MiSTEM network in a form and manner prescribed by the executive  
3 director on performance measures developed by the MiSTEM network  
4 regions and approved by the executive director. The performance  
5 measures shall be designed to ensure that the activities of the  
6 MiSTEM network are improving student academic outcomes.

7 **(10)** ~~(11)~~ Not more than 5% of a MiSTEM network region grant  
8 under subsection **(4)** OR (6) may be retained by a fiscal agent for  
9 serving as the fiscal agent of a MiSTEM network region.

10 **(11) FROM THE GENERAL FUND ALLOCATION UNDER SUBSECTION (1),**  
11 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 TO THE**  
12 **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET TO SUPPORT THE**  
13 **FUNCTIONS OF THE EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT FOR THE**  
14 **MISTEM NETWORK, AND FOR ADMINISTRATIVE, TRAINING, AND TRAVEL COSTS**  
15 **RELATED TO THE MISTEM ADVISORY COUNCIL. THE EXECUTIVE DIRECTOR AND**  
16 **EXECUTIVE ASSISTANT FOR THE MISTEM NETWORK SHALL DO ALL OF THE**  
17 **FOLLOWING:**

18 **(A) SERVE AS A LIAISON AMONG AND BETWEEN THE DEPARTMENT, THE**  
19 **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET, THE MISTEM**  
20 **ADVISORY COUNCIL, THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS**  
21 **NETWORK, THE GOVERNOR'S TALENT INVESTMENT BOARD, THE GENERAL**  
22 **EDUCATION LEADERSHIP NETWORK, AND THE MISTEM REGIONS IN A MANNER**  
23 **THAT CREATES A ROBUST STATEWIDE STEM CULTURE, THAT EMPOWERS STEM**  
24 **TEACHERS, THAT INTEGRATES BUSINESS AND EDUCATION INTO THE STEM**  
25 **NETWORK, AND THAT ENSURES HIGH-QUALITY STEM EXPERIENCES FOR PUPILS.**

26 **(B) COORDINATE THE IMPLEMENTATION OF A MARKETING CAMPAIGN,**  
27 **INCLUDING, BUT NOT LIMITED TO, A WEBSITE THAT INCLUDES DASHBOARDS**

1 OF OUTCOMES, TO BUILD STEM AWARENESS AND COMMUNICATE STEM NEEDS AND  
2 OPPORTUNITIES TO PUPILS, PARENTS, EDUCATORS, AND THE BUSINESS  
3 COMMUNITY.

4 (C) WORK WITH THE DEPARTMENT AND THE MISTEM ADVISORY COUNCIL  
5 TO COORDINATE, AWARD, AND MONITOR MISTEM STATE AND FEDERAL GRANTS  
6 TO THE MISTEM NETWORK REGIONS AND CONDUCT REVIEWS OF GRANT  
7 RECIPIENTS, INCLUDING, BUT NOT LIMITED TO, PUPIL EXPERIENCE AND  
8 FEEDBACK.

9 (D) REPORT TO THE GOVERNOR, THE LEGISLATURE, THE DEPARTMENT,  
10 AND THE MISTEM ADVISORY COUNCIL ANNUALLY ON THE ACTIVITIES AND  
11 PERFORMANCE OF THE MISTEM NETWORK REGIONS.

12 (E) COORDINATE RECURRING DISCUSSIONS AND WORK WITH REGIONAL  
13 STAFF TO ENSURE THAT A NETWORK OR LOOP OF FEEDBACK AND BEST  
14 PRACTICES ARE SHARED, INCLUDING FUNDING, PROGRAMMING, PROFESSIONAL  
15 LEARNING OPPORTUNITIES, DISCUSSION OF MISTEM STRATEGIC VISION, AND  
16 REGIONAL OBJECTIVES.

17 (F) COORDINATE MAJOR GRANT APPLICATION EFFORTS WITH THE MISTEM  
18 ADVISORY COUNCIL TO ASSIST REGIONAL STAFF WITH GRANT APPLICATIONS  
19 ON A LOCAL LEVEL. THE MISTEM ADVISORY COUNCIL SHALL LEVERAGE  
20 PRIVATE AND NONPROFIT RELATIONSHIPS TO COORDINATE AND ALIGN PRIVATE  
21 FUNDS IN ADDITION TO FUNDS APPROPRIATED UNDER THIS SECTION.

22 (G) TRAIN STATE AND REGIONAL STAFF IN THE STEMWORKS RATING  
23 SYSTEM, IN COLLABORATION WITH THE MISTEM ADVISORY COUNCIL AND THE  
24 DEPARTMENT.

25 (H) COLLABORATE WITH THE MISTEM NETWORK TO HIRE MISTEM NETWORK  
26 REGION STAFF.

27 (12) As used in this section:

1           (A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN  
2   ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED  
3   IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,  
4   AND PARENT REPRESENTATIVES.

5           (B) ~~(a)~~—"DED" means the United States Department of Education.

6           (C) ~~(b)~~—"DED-OESE" means the DED Office of Elementary and  
7   Secondary Education.

8           (D) ~~(c)~~—"STEM" means science, technology, engineering, and  
9   mathematics delivered in an integrated fashion using cross-  
10   disciplinary learning experiences that can include language arts,  
11   performing and fine arts, and career and technical education.

12   ~~—— (d) "Talent district career council" means an advisory council~~  
13   ~~to the local workforce development boards located in a prosperity~~  
14   ~~region consisting of educational, employer, labor, and parent~~  
15   ~~representatives.~~

16   ~~—— (13) From the general fund allocation under subsection (1),~~  
17   ~~there is allocated an amount not to exceed \$150,000.00 for 2017-~~  
18   ~~2018 for a grant to the Van Andel Education Institute for the~~  
19   ~~purposes of advancing and promoting science education and~~  
20   ~~increasing the number of students who choose to pursue careers in~~  
21   ~~science or science-related fields. Funds allocated under this~~  
22   ~~subsection shall be used to provide professional development for~~  
23   ~~science teachers in using student driven, inquiry based~~  
24   ~~instruction.~~

25   ~~—— (14) Not later than January 1, 2019, the executive director of~~  
26   ~~the MiSTEM centers network shall report to the house and senate~~  
27   ~~appropriations subcommittees on school aid and the house and senate~~



1 ~~fiscal agencies on the number of male and female MiSTEM center~~  
2 ~~program participants and the steps, if any, that the MiSTEM centers~~  
3 ~~are taking to reduce any disparity between the number of male and~~  
4 ~~female participants.~~

5       Sec. 99t. (1) From the general fund appropriation under  
6 section 11, there is allocated an amount not to exceed  
7 ~~\$1,100,000.00 for 2017-2018~~ **\$1,500,000.00 FOR 2018-2019** to purchase  
8 statewide access to an online algebra tool that meets all of the  
9 following:

10       (a) Provides students statewide with complete access to videos  
11 aligned with state standards including study guides and workbooks  
12 that are aligned with the videos.

13       (b) Provides students statewide with access to a personalized  
14 online algebra learning tool including adaptive diagnostics.

15       (c) Provides students statewide with dynamic algebra practice  
16 assessments that emulate the state assessment with immediate  
17 feedback and help solving problems.

18       (d) Provides students statewide with online access to algebra  
19 help 24 hours a day and 7 days a week from study experts, teachers,  
20 and peers on a moderated social networking platform.

21       (e) Provides an online algebra professional development  
22 network for teachers.

23       (f) Is already provided under a statewide contract in at least  
24 1 other state that has a population of at least 18,000,000 but not  
25 more than 19,000,000 according to the most recent decennial census  
26 and is offered in that state in partnership with a public  
27 university.

1 (2) The department shall purchase the online algebra tool that  
2 was chosen under this section in 2016-2017.

3 (3) A grantee receiving funding under this section shall  
4 comply with the requirements of section 19b.

5 Sec. 99u. (1) From the general fund appropriation under  
6 section 11, there is allocated for ~~2017-2018~~**2018-2019** an amount  
7 not to exceed ~~\$1,000,000.00~~**\$1,500,000.00** to purchase statewide  
8 access to an online mathematics tool that meets all of the  
9 following:

10 (a) Provides students statewide with complete access to  
11 mathematics support aligned with state standards through a program  
12 that has all of the following elements:

13 (i) Student motivation.

14 (ii) Valid and reliable assessments.

15 (iii) Personalized learning pathways.

16 (iv) Highly qualified, live teachers available all day and all  
17 year.

18 (v) Twenty-four-hour reporting.

19 (vi) Content built for rigorous mathematics.

20 (b) Has a record of improving student mathematics scores in at  
21 least 5 other states.

22 **(C) RECEIVED FUNDING UNDER THIS SECTION IN 2017-2018.**

23 (2) A grantee that receives funding under this section shall  
24 comply with the requirements of section 19b.

25 **(3) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),**  
26 **FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS**  
27 **ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$500,000.00 FOR A**

1 SOFTWARE-BASED SOLUTION DESIGNED TO TEACH SPANISH LANGUAGE LITERACY  
2 TO STUDENTS IN PRE-KINDERGARTEN THROUGH FIRST GRADE. A PROGRAM  
3 FUNDED UNDER THIS SUBSECTION SHALL BE A GRANT TO A PROVIDER THAT  
4 PROMOTES BILINGUALISM AND BILITERACY, AND IS BASED ON RESEARCH THAT  
5 SHOWS HOW STUDENTS WHO BECOME PROFICIENT READERS IN THEIR FIRST  
6 LANGUAGE HAVE AN EASIER TIME MAKING THE TRANSITION TO READING  
7 PROFICIENCY IN A SECOND LANGUAGE. A PROVIDER OF PROGRAMMING UNDER  
8 SUBSECTION (1) IS AN ELIGIBLE PROVIDER OF PROGRAMMING UNDER THIS  
9 SUBSECTION.

10 SEC. 99V. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11,  
11 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$25,000.00 FOR 2018-2019  
12 FOR A GRANT TO BE DISTRIBUTED BY THE DEPARTMENT TO A PROVIDER THAT  
13 DEVELOPS AND SCALES EFFECTIVE INNOVATIONS TO SUPPORT EDUCATORS,  
14 ADMINISTRATORS, AND POLICYMAKERS IN CREATING SEAMLESS TRANSITIONS  
15 THROUGHOUT THE K-14 SYSTEM FOR ALL STUDENTS, ESPECIALLY THE  
16 UNDERSERVED. A GRANTEE MUST HAVE EXPERTISE IN K-12 SERVICES, ONLINE  
17 COURSE PROGRAMS, DIGITAL PLATFORM SERVICES, LEADERSHIP NETWORKS,  
18 AND HIGHER EDUCATION, AND WORK TO DEVELOP A MATHEMATICS PATHWAYS  
19 ALIGNMENT. A GRANTEE THAT RECEIVES A GRANT UNDER THIS SECTION SHALL  
20 FACILITATE A 2-DAY MATH WORKSHOP WITH HIGH SCHOOL AND COLLEGE  
21 FACULTY FOCUSED ON SHARING INFORMATION ABOUT HIGH-IMPACT PRACTICES,  
22 DEFINING THE PROBLEM OR PROBLEMS, AND USING DATA AND PLANNING  
23 STRATEGIES TO ADDRESS THOSE PROBLEMS. IN ADDITION, THE GRANTEE  
24 SHALL USE FUNDS TO CONDUCT 3 VIRTUAL CHECK-INS DURING WHICH THE  
25 WORKING GROUPS WILL REPORT ON PROGRESS AND IDENTIFY CHALLENGES AND  
26 QUESTIONS, WITH THE GRANTEE PROVIDING GUIDANCE AND RESOURCES AS  
27 APPROPRIATE.

1           Sec. 102d. (1) From the funds appropriated in section 11,  
2 there is allocated an amount not to exceed \$1,500,000.00 for ~~2017-~~  
3 ~~2018-2018-2019~~ for reimbursements to districts, intermediate  
4 districts, and authorizing bodies of public school academies for  
5 the licensing of school data analytical tools as described under  
6 this section. The reimbursement is for districts, intermediate  
7 districts, and authorizing bodies of public school academies that  
8 choose to use a school data analytical tool to assist the district,  
9 intermediate district, or authorizing body of a public school  
10 academy and that enter into a licensing agreement for a school data  
11 analytical tool with 1 of the vendors approved by the department of  
12 technology, management, and budget under subsection (2). Funds  
13 allocated under this section are intended to provide districts,  
14 intermediate districts, and authorizing bodies of public school  
15 academies with financial forecasting and transparency reporting  
16 tools to help improve the financial health of districts and to  
17 improve communication with the public, resulting in increased fund  
18 balances for districts and intermediate districts.

19           (2) ~~Not later than October 15, 2017, the department of~~  
20 ~~technology, management, and budget shall review vendors for school~~  
21 ~~data analytical tools and provide districts, intermediate~~  
22 ~~districts, and authorizing bodies of public school academies with a~~  
23 ~~list of up to 2 approved vendors that districts, intermediate~~  
24 ~~districts, and authorizing bodies of public school academies may~~  
25 ~~use to be eligible for a reimbursement paid under this section. In~~  
26 ~~addition, a~~ **A** vendor approved under this section for ~~2016-2017~~  
27 **2017-2018** is ~~considered to be approved~~ for use by a district,

1 intermediate district, or authorizing body of a public school  
 2 academy and for reimbursement for ~~2017-2018~~. ~~An approved school~~  
 3 ~~data analytical tool supplied by the vendor must meet at least all~~  
 4 ~~of the following:~~**2018-2019.**

5 ~~—— (a) Analyzes financial data.~~

6 ~~—— (b) Analyzes academic data.~~

7 ~~—— (c) Provides early warning indicators of financial stress.~~

8 ~~—— (d) Has the capability to provide peer district comparisons of~~  
 9 ~~both financial and academic data.~~

10 ~~—— (e) Has the capability to provide financial projections for at~~  
 11 ~~least 3 subsequent fiscal years.~~

12 (3) Funds allocated under this section shall be paid to  
 13 districts, intermediate districts, and authorizing bodies of public  
 14 school academies as a reimbursement for already having a licensing  
 15 agreement or for entering into a licensing agreement not later than  
 16 December 1, ~~2017-2018~~ with a vendor approved under subsection (2)  
 17 to implement a school data analytical tool. Reimbursement will be  
 18 prorated for the portion of the state fiscal year not covered by  
 19 the licensing agreement. However, a licensing agreement that takes  
 20 effect after October 1, ~~2017-2018~~ and before December 1, ~~2017-2018~~  
 21 will not be prorated if the term of the agreement is at least 1  
 22 year. Reimbursement under this section shall be made as follows:

23 (a) All districts, intermediate districts, and authorizing  
 24 bodies of public school academies seeking reimbursement shall  
 25 submit requests not later than December 1, ~~2017-2018~~ indicating the  
 26 cost paid for the ~~financial-~~**SCHOOL** data analytical tool.

27 (b) The department shall determine the sum of the funding

1 requests under subdivision (a) and, if there are sufficient funds,  
2 shall pay 1/2 of the costs submitted under subdivision (a). If  
3 there are insufficient funds to pay 1/2 of the costs submitted  
4 under (a), then reimbursement shall be made on an equal percentage  
5 basis.

6 (c) Funds remaining after the calculation and payment under  
7 subdivision (b) shall be distributed on an equal per-pupil basis,  
8 with an intermediate district's pupils considered to be the sum of  
9 the pupil memberships of the constituent districts for which the  
10 intermediate district is purchasing the ~~financial~~-**SCHOOL** data  
11 analytical tool, and with an authorizing body's pupils considered  
12 to be the sum of the pupil memberships of the public school  
13 academies authorized by the authorizing body for which the  
14 authorizing body is purchasing the ~~financial~~-**SCHOOL** data analytical  
15 tool.

16 (d) The reimbursement to a district, intermediate district, or  
17 authorizing body of a public school academy shall not be greater  
18 than the amount paid for a data analytics application.

19 (e) A district, intermediate district, or authorizing body of  
20 a public school academy shall not be reimbursed for the purchase of  
21 more than 1 software application.

22 (4) If an intermediate district purchases both a school data  
23 analytical tool specifically for intermediate district finances and  
24 a school data analytical tool for those constituent districts that  
25 opt in, the intermediate district shall be reimbursed for both  
26 purchases under this section.

27 (5) If an intermediate district makes available to 1 or more

1 of its constituent districts a school data analytical tool funded  
2 under this section, that constituent district shall not be  
3 reimbursed under this section for the purchase of that school data  
4 analytical tool if the constituent district has opted in for that  
5 tool.

6 (6) If an authorizing body of a public school academy makes  
7 available to 1 or more public school academies a school data  
8 analytical tool funded under this section, the public school  
9 academy shall not be reimbursed under this section for the purchase  
10 of a school data analytical tool if the public school academy opted  
11 in for that tool.

12 (7) Notwithstanding section 17b, payments under this section  
13 shall be made on a schedule determined by the department.

14 Sec. 104. (1) In order to receive state aid under this  
15 article, a district shall comply with sections 1249, 1278a, 1278b,  
16 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,  
17 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970  
18 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from  
19 the state school aid fund money appropriated in section 11, there  
20 is allocated for 2017-2018 an amount not to exceed ~~\$34,709,400.00~~  
21 **\$29,709,400.00 AND THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT**  
22 **TO EXCEED \$32,509,400.00** for payments on behalf of districts for  
23 costs associated with complying with those provisions of law. In  
24 addition, from the federal funds appropriated in section 11, there  
25 is allocated **EACH FISCAL YEAR** for 2017-2018 **AND FOR 2018-2019** an  
26 amount estimated at \$6,250,000.00, funded from DED-OESE, title VI,  
27 state assessment funds, and from DED-OSERS, section 504 of part B

1 of the individuals with disabilities education act, Public Law 94-  
2 142, plus any carryover federal funds from previous year  
3 appropriations, for the purposes of complying with the federal no  
4 child left behind act of 2001, Public Law 107-110, or the every  
5 student succeeds act, Public Law 114-95.

6 (2) The results of each test administered as part of the  
7 Michigan student test of educational progress (M-STEP), including  
8 tests administered to high school students, shall include an item  
9 analysis that lists all items that are counted for individual pupil  
10 scores and the percentage of pupils choosing each possible  
11 response. The department shall work with the center to identify the  
12 number of students enrolled at the time assessments are given by  
13 each district. In calculating the percentage of pupils assessed for  
14 a district's scorecard, the department shall use only the number of  
15 pupils enrolled in the district at the time the district  
16 administers the assessments and shall exclude pupils who enroll in  
17 the district after the district administers the assessments.

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

22 (4) From the funds allocated in subsection (1), there is  
23 allocated an amount not to exceed \$1,000,000.00 for 2017-2018 **AND**  
24 **AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2018-2019** to an  
25 intermediate district described in this subsection to implement a  
26 Michigan kindergarten entry observation tool in 2017-2018 **AND 2018-**  
27 **2019**. The funding under this subsection is allocated to an



1 intermediate district in prosperity region 9 with at least 3,000  
2 kindergarten pupils enrolled in its constituent districts to  
3 continue participation in the Maryland-Ohio pilot and cover the  
4 costs of implementing the ~~pilot~~ observation tool, including a  
5 contract with a university for implementation of the ~~pilot~~  
6 observation tool **ALSO REFERRED TO AS THE KINDERGARTEN READINESS**  
7 **ASSESSMENT**. The intermediate district shall continue implementation  
8 of the ~~2016-2017 pilot study with existing participating~~  
9 ~~intermediate districts during the 2017-2018 school year~~. The  
10 Michigan **KINDERGARTEN ENTRY OBSERVATION (MKEO) AND THE** kindergarten  
11 ~~entry observation~~ **READINESS ASSESSMENT** shall be conducted in all  
12 kindergarten classrooms in districts located in prosperity regions  
13 4, 5, and 9 beginning in August 2018 **AND, BEGINNING AUGUST 1, 2019,**  
14 **IN DISTRICTS LOCATED IN PROSPERITY REGIONS 2, 3, 4, 5, 6, 7, 8, AND**  
15 **9**. A constituent district of an intermediate district located  
16 within **THESE** prosperity ~~region 4, 5, or 9~~ **REGIONS** shall administer  
17 the Maryland-Ohio tool within each kindergarten classroom to either  
18 the full census of kindergarten pupils or a representative sample  
19 of not less than 35% of the enrolled kindergarten pupils in each  
20 classroom. The intermediate district receiving the funding  
21 allocated under this subsection shall work with other intermediate  
22 districts to implement the Michigan kindergarten entry observation,  
23 engage with the office of great start and the department, and  
24 provide a report to the legislature on the demonstrated readiness  
25 of kindergarten pupils within the participating intermediate  
26 districts. That intermediate district may share this funding with  
27 the other affected intermediate districts and districts. Allowable

1 costs under this subsection include those incurred in July, August,  
2 and September 2017 as well as those incurred in 2017-2018. As used  
3 in this subsection, "kindergarten" may include a classroom for  
4 young 5-year-olds, commonly referred to as "young 5s" or  
5 "developmental kindergarten". The department shall approve the  
6 language and literacy domain within the Maryland-Ohio tool, also  
7 referred to as the "Kindergarten Readiness Assessment", for use by  
8 districts as an initial assessment that may be delivered to all  
9 kindergarten students to assist with identifying any possible area  
10 of concern for a student in English language arts.

11 (5) The department shall continue to make the kindergarten  
12 entry assessment developed by the department and field tested in  
13 2015-2016 available to districts in 2017-2018.

14 (6) The department may recommend, but may not require,  
15 districts to allow pupils to use an external keyboard with tablet  
16 devices for online M-STEP testing, including, but not limited to,  
17 open-ended test items such as constructed response or equation  
18 builder items.

19 (7) Notwithstanding section 17b, payments on behalf of  
20 districts, intermediate districts, and other eligible entities  
21 under this section shall be paid on a schedule determined by the  
22 department.

23 (8) From the allocation in subsection (1), there is allocated  
24 an amount not to exceed \$3,200,000.00 **FOR 2017-2018 AND AN AMOUNT**  
25 **NOT TO EXCEED \$500,000.00 FOR 2018-2019** for the development or  
26 selection of an online reporting tool to provide student-level  
27 assessment data in a secure environment to educators, parents, and

1 pupils immediately after assessments are scored. The department and  
2 the center shall ensure that any data collected by the online  
3 reporting tool do not provide individually identifiable student  
4 data to the federal government.

5 (9) As used in this section:

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

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

9 (c) "DED-OSERS" means the DED Office of Special Education and  
10 Rehabilitative Services.

11 Sec. 104b. (1) In order to receive state aid under this  
12 article, a district shall comply with this section and shall  
13 administer the Michigan merit examination to pupils in grade 11,  
14 and to pupils in grade 12 who did not take the complete Michigan  
15 merit examination in grade 11, as provided in this section. The  
16 Michigan merit examination consists of a college entrance test,  
17 work skills test, and the summative assessment known as the  
18 Michigan student test of educational progress (M-STEP).

19 (2) For the purposes of this section, the department of  
20 technology, management, and budget shall contract with 1 or more  
21 providers to develop, supply, and score the Michigan merit  
22 examination. The Michigan merit examination shall consist of all of  
23 the following:

24 (a) Assessment instruments that measure English language arts,  
25 mathematics, reading, and science, and are used by the majority of  
26 colleges and universities in this state for entrance purposes. This  
27 may include 1 or more writing components. In selecting assessment

1 instruments to fulfill the requirements of this subdivision, the  
2 department may consider the degree to which those assessment  
3 instruments are aligned to this state's content standards.

4 (b) One or more tests from 1 or more test developers that  
5 assess a pupil's ability to apply at least reading and mathematics  
6 skills in a manner that is intended to allow employers to use the  
7 results in making employment decisions. The department of  
8 technology, management, and budget and the superintendent shall  
9 ensure that any test or tests selected under this subdivision have  
10 all the components necessary to allow a pupil to be eligible to  
11 receive the results of a nationally recognized evaluation of  
12 workforce readiness if the pupil's test performance is adequate.

13 (c) A social studies component.

14 (d) Any other component that is necessary to obtain the  
15 approval of the United States Department of Education to use the  
16 Michigan merit examination for the purposes of the no child left  
17 behind act of 2001, Public Law 107-110, or the every student  
18 succeeds act, Public Law 114-95.

19 (3) In addition to all other requirements of this section, all  
20 of the following apply to the Michigan merit examination:

21 (a) The department of technology, management, and budget and  
22 the superintendent shall ensure that any contractor used for  
23 scoring the Michigan merit examination supplies an individual  
24 report for each pupil that will identify for the pupil's parents  
25 and teachers whether the pupil met expectations or failed to meet  
26 expectations for each standard, to allow the pupil's parents and  
27 teachers to assess and remedy problems before the pupil moves to

1 the next grade.

2 (b) The department of technology, management, and budget and  
3 the superintendent shall ensure that any contractor used for  
4 scoring, developing, or processing the Michigan merit examination  
5 meets quality management standards commonly used in the assessment  
6 industry, including at least meeting level 2 of the capability  
7 maturity model developed by the Software Engineering Institute of  
8 Carnegie Mellon University for the first year the Michigan merit  
9 examination is offered to all grade 11 pupils and at least meeting  
10 level 3 of the capability maturity model for subsequent years.

11 (c) The department of technology, management, and budget and  
12 the superintendent shall ensure that any contract for scoring,  
13 administering, or developing the Michigan merit examination  
14 includes specific deadlines for all steps of the assessment  
15 process, including, but not limited to, deadlines for the correct  
16 testing materials to be supplied to schools and for the correct  
17 results to be returned to schools, and includes penalties for  
18 noncompliance with these deadlines.

19 (d) The superintendent shall ensure that the Michigan merit  
20 examination meets all of the following:

21 (i) Is designed to test pupils on this state's content  
22 standards in all subjects tested.

23 (ii) Complies with requirements of the no child left behind  
24 act of 2001, Public Law 107-110 or the every student succeeds act,  
25 Public Law 114-95.

26 (iii) Is consistent with the code of fair testing practices in  
27 education prepared by the Joint Committee on Testing Practices of

1 the American Psychological Association.

2 (iv) Is factually accurate. If the superintendent determines  
3 that a question is not factually accurate and should be excluded  
4 from scoring, the state board and the superintendent shall ensure  
5 that the question is excluded from scoring.

6 (4) A district shall include on each pupil's high school  
7 transcript all of the following:

8 (a) For each high school graduate who has completed the  
9 Michigan merit examination under this section, the pupil's scaled  
10 score on each subject area component of the Michigan merit  
11 examination.

12 (b) The number of school days the pupil was in attendance at  
13 school each school year during high school and the total number of  
14 school days in session for each of those school years.

15 (5) The superintendent shall work with the provider or  
16 providers of the Michigan merit examination to produce Michigan  
17 merit examination subject area scores for each pupil participating  
18 in the Michigan merit examination. To the extent that the  
19 department determines that additional test items beyond those  
20 included in the college entrance component of the Michigan merit  
21 examination are required in a particular subject area, the  
22 department shall ensure that all test items in that subject area  
23 are scaled and merged for the purposes of producing a Michigan  
24 merit examination subject area score. The superintendent shall  
25 design and distribute to districts, intermediate districts, and  
26 nonpublic schools a simple and concise document that describes the  
27 scoring for each subject area and indicates the scaled score ranges

1 for each subject area.

2 (6) The Michigan merit examination shall be administered in  
3 each district during the last 12 weeks of the district's school  
4 year. The superintendent shall ensure that the Michigan merit  
5 examination is scored and the scores are returned to pupils, their  
6 parents or legal guardians, and districts not later than the  
7 beginning of the pupil's first semester of grade 12. The returned  
8 scores shall indicate at least the pupil's scaled score for each  
9 subject area component and the range of scaled scores for each  
10 subject area. In reporting the scores to pupils, parents, and  
11 schools, the superintendent shall provide standards-specific,  
12 meaningful, and timely feedback on the pupil's performance on the  
13 Michigan merit examination.

14 (7) A district shall administer the complete Michigan merit  
15 examination to a pupil only once and shall not administer the  
16 complete Michigan merit examination to the same pupil more than  
17 once. If a pupil does not take the complete Michigan merit  
18 examination in grade 11, the district shall administer the complete  
19 Michigan merit examination to the pupil in grade 12. If a pupil  
20 chooses to retake the college entrance examination component of the  
21 Michigan merit examination, as described in subsection (2)(a), the  
22 pupil may do so through the provider of the college entrance  
23 examination component and the cost of the retake is the  
24 responsibility of the pupil unless all of the following are met:

25 (a) The pupil has taken the complete Michigan merit  
26 examination.

27 (b) The pupil meets the income eligibility criteria for free

1 breakfast, lunch, or milk, as determined under the Richard B.  
2 Russell national school lunch act, 42 USC 1751 to 1769i.

3 (c) The pupil has applied to the provider of the college  
4 entrance examination component for a scholarship or fee waiver to  
5 cover the cost of the retake and that application has been denied.

6 (d) After taking the complete Michigan merit examination, the  
7 pupil has not already received a free retake of the college  
8 entrance examination component paid for either by this state or  
9 through a scholarship or fee waiver by the provider.

10 (8) The superintendent shall ensure that the length of the  
11 Michigan merit examination and the combined total time necessary to  
12 administer all of the components of the Michigan merit examination  
13 are the shortest possible that will still maintain the degree of  
14 reliability and validity of the Michigan merit examination results  
15 determined necessary by the superintendent. The superintendent  
16 shall ensure that the maximum total combined length of time that  
17 schools are required to set aside for pupils to answer all test  
18 questions on the Michigan merit examination does not exceed 8 hours  
19 if the superintendent determines that sufficient alignment to  
20 applicable Michigan merit curriculum content standards can be  
21 achieved within that time limit.

22 (9) A district shall provide accommodations to a pupil with  
23 disabilities for the Michigan merit examination, as provided under  
24 section 504 of title V of the rehabilitation act of 1973, 29 USC  
25 794; subtitle A of title II of the Americans with disabilities act  
26 of 1990, 42 USC 12131 to 12134; the individuals with disabilities  
27 education act amendments of 1997, Public Law 105-17; and the



1 implementing regulations for those statutes. The provider or  
2 providers of the Michigan merit examination and the superintendent  
3 shall mutually agree upon the accommodations to be provided under  
4 this subsection.

5 (10) To the greatest extent possible, the Michigan merit  
6 examination shall be based on this state's content standards, as  
7 appropriate. Annually, after each administration of the Michigan  
8 merit examination, the department shall provide a report of the  
9 points per standard so that teachers will know what content will be  
10 covered within the Michigan merit examination. The department may  
11 augment the college entrance and work skills components of the  
12 Michigan merit examination to develop the assessment, depending on  
13 the alignment of those components to this state's content  
14 standards. If these components do not align to these standards, the  
15 department shall produce additional components as required by law,  
16 while minimizing the amount of time needed for assessments.

17 (11) A child who is a student in a nonpublic school or home  
18 school may take the Michigan merit examination under this section.  
19 To take the Michigan merit examination, a child who is a student in  
20 a home school shall contact the district in which the child  
21 resides, and that district shall administer the Michigan merit  
22 examination, or the child may take the Michigan merit examination  
23 at a nonpublic school if allowed by the nonpublic school. Upon  
24 request from a nonpublic school, the superintendent shall direct  
25 the provider or providers to supply the Michigan merit examination  
26 to the nonpublic school and the nonpublic school may administer the  
27 Michigan merit examination. If a district administers the Michigan

1 merit examination under this subsection to a child who is not  
2 enrolled in the district, the scores for that child are not  
3 considered for any purpose to be scores of a pupil of the district.

4 (12) In contracting under subsection (2), the department of  
5 technology, management, and budget shall consider a contractor that  
6 provides electronically-scored essays with the ability to score  
7 constructed response feedback in multiple languages and provide  
8 ongoing instruction and feedback.

9 (13) The purpose of the Michigan merit examination is to  
10 assess pupil performance in mathematics, science, social studies,  
11 and English language arts for the purpose of improving academic  
12 achievement and establishing a statewide standard of competency.  
13 The assessment under this section provides a common measure of data  
14 that will contribute to the improvement of Michigan schools'  
15 curriculum and instruction by encouraging alignment with Michigan's  
16 curriculum framework standards and promotes pupil participation in  
17 higher level mathematics, science, social studies, and English  
18 language arts courses. These standards are based upon the  
19 expectations of what pupils should learn through high school and  
20 are aligned with national standards.

21 (14) For a pupil enrolled in a middle college program, other  
22 than a middle college operated as a shared educational entity or a  
23 specialized shared educational entity, if the pupil receives at  
24 least 50% of his or her instruction at the high school while in  
25 grade 11, the Michigan merit examination shall be administered to  
26 the pupil at the high school at which the pupil receives high  
27 school instruction, and the department shall include the pupil's

1 scores on the Michigan merit examination in the scores for that  
2 high school for all purposes for which a school's or district's  
3 results are reported. The department shall allow the middle college  
4 program to use a 5-year graduation rate for determining adequate  
5 yearly progress. As used in this subsection, "middle college" means  
6 a program consisting of a series of courses and other requirements  
7 and conditions, including an early college or other program created  
8 under a memorandum of understanding, that allows a pupil to  
9 graduate from high school with both a high school diploma and a  
10 certificate or degree from a community college or state public  
11 university.

12 (15) As used in this section:

13 (a) "English language arts" means reading and writing.

14 (b) "Social studies" means United States history, world  
15 history, world geography, economics, and American government.

16 **(16) FOR EACH REPORT MADE BY THE DEPARTMENT THAT INCLUDES THE**  
17 **STATEWIDE ASSESSMENT RESULTS FOR A SCHOOL BUILDING, THE DEPARTMENT**  
18 **SHALL INCLUDE THE SCORES FOR THE STATEWIDE ASSESSMENT AND THE**  
19 **GRADUATION RATE FOR CONSORTIUM PUPILS WITH THE SCORES FOR THE**  
20 **SCHOOL BUILDING IN THE PARTICIPATING DISTRICT IN WHICH THE**  
21 **CONSORTIUM PUPIL IS ENROLLED OR WOULD OTHERWISE ATTEND. THE**  
22 **STATEWIDE ASSESSMENT FOR A CONSORTIUM PUPIL MAY BE ADMINISTERED**  
23 **EITHER AT THE CONSORTIUM LOCATION OR AT THE SCHOOL BUILDING IN THE**  
24 **PARTICIPATING DISTRICT IN WHICH THE CONSORTIUM PUPIL IS ENROLLED OR**  
25 **WOULD OTHERWISE ATTEND. FOR THE PURPOSES OF THIS SUBSECTION, A**  
26 **CONSORTIUM PUPIL IS A PUPIL WHO IS ENROLLED OR PARTICIPATING IN A**  
27 **PARTICIPATING DISTRICT IN A SCHOOL OR PROGRAM OPERATED AS A**

1 CONSORTIUM OR UNDER A COOPERATIVE ARRANGEMENT FORMED BY 2 OR MORE  
2 DISTRICTS OR INTERMEDIATE DISTRICTS, INCLUDING, BUT NOT LIMITED TO,  
3 A CONSORTIUM OR COOPERATIVE ARRANGEMENT OPERATED AS A PROGRAM, A  
4 SHARED EDUCATIONAL ENTITY, A SPECIALIZED EDUCATIONAL ENTITY, OR A  
5 SPECIAL EDUCATION CENTER PROGRAM.

6 Sec. 104c. (1) In order to receive state aid under this  
7 article, a district shall administer the state assessments  
8 described in this section.

9 (2) For the purposes of this section, the department shall  
10 develop ~~for use in the spring of 2015-2016~~ **AND ADMINISTER** the  
11 Michigan student test of educational progress (M-STEP) assessments  
12 in English language arts and mathematics. These assessments shall  
13 be aligned to state standards.

14 (3) For the purposes of this section, the department shall  
15 implement a summative assessment system that is proven to be valid  
16 and reliable for administration to pupils as provided under this  
17 subsection. The summative assessment system shall meet all of the  
18 following requirements:

19 (a) The summative assessment system shall measure student  
20 proficiency on the current state standards, shall measure student  
21 growth for consecutive grade levels in which students are assessed  
22 in the same subject area in both grade levels, and shall be capable  
23 of measuring individual student performance.

24 (b) The summative assessments for English language arts and  
25 mathematics shall be administered to all public school pupils in  
26 grades 3 to 11, including those pupils as required by the federal  
27 individuals with disabilities education act, Public Law 108-446,

1 and by title I of the federal every student succeeds act (ESSA),  
2 Public Law 114-95.

3 (c) The summative assessments for science shall be  
4 administered to all public school pupils in at least grades ~~4~~ and  
5 ~~7~~, **5 AND 8**, including those pupils as required by the federal  
6 individuals with disabilities education act, Public Law 108-446,  
7 and by title I of the federal every student succeeds act (ESSA),  
8 Public Law 114-95.

9 (d) The summative assessments for social studies shall be  
10 administered to all public school pupils in at least grades 5 and  
11 8, including those pupils as required by the federal individuals  
12 with disabilities education act, Public Law 108-446, and by title I  
13 of the federal every student succeeds act (ESSA), Public Law 114-  
14 95.

15 (e) The content of the summative assessments shall be aligned  
16 to state standards.

17 (f) The pool of questions for the summative assessments shall  
18 be subject to a transparent review process for quality, bias, and  
19 sensitive issues involving educator review and comment. The  
20 department shall post samples from tests or retired tests featuring  
21 questions from this pool for review by the public.

22 (g) The summative assessment system shall ensure that  
23 students, parents, and teachers are provided with reports that  
24 convey individual student proficiency and growth on the assessment  
25 and that convey individual student domain-level performance in each  
26 subject area, including representative questions, and individual  
27 student performance in meeting state standards.

1 (h) The summative assessment system shall be capable of  
2 providing, and the department shall ensure that students, parents,  
3 teachers, administrators, and community members are provided with,  
4 reports that convey aggregate student proficiency and growth data  
5 by teacher, grade, school, and district.

6 (i) The summative assessment system shall ensure the  
7 capability of reporting the available data to support educator  
8 evaluations.

9 (j) The summative assessment system shall ensure that the  
10 reports provided to districts containing individual student data  
11 are available within 60 days after completion of the assessments.

12 (k) The summative assessment system shall ensure that access  
13 to individually identifiable student data meets all of the  
14 following:

15 (i) Is in compliance with 20 USC 1232g, commonly referred to  
16 as the family educational rights and privacy act of 1974.

17 (ii) Except as may be provided for in an agreement with a  
18 vendor to provide assessment services, as necessary to support  
19 educator evaluations pursuant to subdivision (i), or for research  
20 or program evaluation purposes, is available only to the student;  
21 to the student's parent or legal guardian; and to a school  
22 administrator or teacher, to the extent that he or she has a  
23 legitimate educational interest.

24 (l) The summative assessment system shall ensure that the  
25 assessments are pilot tested before statewide implementation.

26 (m) The summative assessment system shall ensure that  
27 assessments are designed so that the maximum total combined length

1 of time that schools are required to set aside for a pupil to  
2 answer all test questions on all assessments that are part of the  
3 system for the pupil's grade level does not exceed that maximum  
4 total combined length of time for the previous statewide assessment  
5 system or 9 hours, whichever is less. This subdivision does not  
6 limit the amount of time a district may allow a pupil to complete a  
7 test.

8 (n) The total cost of executing the summative assessment  
9 system statewide each year, including, but not limited to, the cost  
10 of contracts for administration, scoring, and reporting, shall not  
11 exceed an amount equal to 2 times the cost of executing the  
12 previous statewide assessment after adjustment for inflation.

13 (o) Beginning with the 2017-2018 school year, the summative  
14 assessment system shall not require more than 3 hours in duration,  
15 on average, for an individual pupil to complete the combined  
16 administration of the math and English language arts portions of  
17 the assessment for any 1 grade level.

18 **(P) THE SUMMATIVE ASSESSMENTS FOR ENGLISH LANGUAGE ARTS AND**  
19 **MATHEMATICS FOR PUPILS IN GRADES 8 TO 10 MUST BE ALIGNED TO THE**  
20 **COLLEGE ENTRANCE TEST PORTION OF THE MICHIGAN MERIT EXAMINATION**  
21 **REQUIRED UNDER SECTION 104B.**

22 ~~———— (4) In an effort to develop a cohesive state assessment~~  
23 ~~system, the department shall implement a request for information~~  
24 ~~process for a common formative assessment system that is fully~~  
25 ~~aligned to this state's content standards for English language arts~~  
26 ~~and mathematics. The department may use information compiled from a~~  
27 ~~request for proposal in 2016-2017 to satisfy this request.~~

1           (4) ~~(5) Beginning in the 2015-2016 school year, the~~ **THE**  
2 department shall ~~field test~~ **OFFER BENCHMARK** assessments in the fall  
3 and spring of each school year to measure English language arts and  
4 mathematics in each of grades K to 2. ~~for full implementation when~~  
5 ~~the assessments have been successfully field tested. This full~~ **FULL**  
6 implementation shall occur not later than the 2018-2019 school  
7 year. These assessments are necessary to determine a pupil's  
8 proficiency level before grade 3.

9           ~~(6) Not later than November 1, 2017, the department shall~~  
10 ~~issue a request for information for not less than 3 benchmark~~  
11 ~~assessments that each meet all of the following:~~

12           ~~(a) Assesses all of grades 3 through 7 in math and English~~  
13 ~~language arts.~~

14           ~~(b) Is aligned with this state's content standards such that~~  
15 ~~items were written for this state's content standards.~~

16           ~~(c) Is computer adaptive above and below grade level.~~

17           ~~(d) Produces a pupil's results in not more than 48 hours from~~  
18 ~~the time the benchmark assessment is administered.~~

19           ~~(e) Is self-scoring.~~

20           ~~(f) Aligns to this state's content standards.~~

21           ~~(g) Measures the academic growth of pupils and provides an~~  
22 ~~estimate for adequate yearly growth.~~

23           ~~(h) Demonstrates validity and reliability as appropriate for a~~  
24 ~~computer adaptive assessment.~~

25           ~~(i) Is provided by a vendor that is willing to negotiate a~~  
26 ~~discounted state rate for pricing.~~

27           ~~(7) Not later than March 1, 2018 and in consultation with~~



1 ~~experts in the field of education and educational assessment~~  
 2 ~~measurement, the department shall approve at least 3 benchmark~~  
 3 ~~assessments that were included in a response to the request for~~  
 4 ~~information under subsection (6) and meet the requirements~~  
 5 ~~described in subsection (6).~~

6 ~~— (8) The department shall use the responses to the request for~~  
 7 ~~information to create a benchmark assessment budget request for the~~  
 8 ~~2018-2019 fiscal year.~~

9 (5) ~~(9)~~—This section does not prohibit districts from adopting  
 10 interim assessments.

11 (6) ~~(10)~~—As used in this section, "English language arts"  
 12 means that term as defined in section 104b.

13 Sec. 104d. (1) From the state school aid fund money  
 14 appropriated in section 11, there is allocated for ~~2017-2018-2018-~~  
 15 ~~2019~~ an amount not to exceed ~~\$4,000,000.00~~ **\$9,200,000.00** for  
 16 providing reimbursement to districts that purchase a computer-  
 17 adaptive test, or that purchase 1 or more diagnostic tools ~~, OR~~  
 18 screening tools ~~, or benchmark assessments~~ for pupils in grades K  
 19 to 3 that are intended to increase reading proficiency by grade 4,  
 20 **OR THAT PURCHASE BENCHMARK ASSESSMENTS FOR PUPILS IN GRADES K TO 8.**

21 (2) In order to receive reimbursement under this section for  
 22 the purchase of a computer-adaptive test, the computer-adaptive  
 23 test must provide for at least all of the following:

24 (a) Internet-delivered, standards-based assessment using a  
 25 computer-adaptive model to target the instructional level of each  
 26 pupil.

27 (b) Unlimited testing opportunities throughout the ~~2017-2018~~

1 **2018-2019** school year.

2 (c) Valid and reliable diagnostic assessment data.

3 (d) Adjustment of testing difficulty based on previous answers  
4 to test questions.

5 (e) Immediate feedback to pupils and teachers.

6 (3) In order to receive reimbursement under this section for  
7 the purchase of 1 or more diagnostic tools or screening tools for  
8 pupils in grades K to 3, each of the tools must meet all of the  
9 following:

10 (a) Be reliable.

11 (b) Be valid.

12 (c) Be useful. As used in this subdivision, "useful" means  
13 that a tool is easy to administer and requires a short time to  
14 complete and that results are linked to intervention.

15 (4) In order to receive funding under this section for the  
16 purchase of ~~1 or more~~ benchmark assessments for pupils in grades K  
17 to ~~3, each of 8~~, the benchmark assessments must meet all of the  
18 following:

19 (a) Be aligned to the state standards of this state.

20 (b) Complement this state's summative assessment system.

21 (c) Be administered at least once a year before the  
22 administration of any summative assessment to monitor pupil  
23 progress.

24 (d) Provide information on pupil achievement with regard to  
25 learning the content required in a given year or grade span.

26 (5) Reimbursement under this section shall be made to eligible  
27 districts that purchase a computer-adaptive test or 1 or more

1 diagnostic tools, screening tools, or benchmark assessments  
2 described in this section by October 15, ~~2017~~**2018** and shall be  
3 made on an equal per-pupil basis according to the available  
4 funding, based on the number of pupils for whom assessments were  
5 purchased.

6 (6) In order to receive reimbursement under this section, a  
7 district shall demonstrate to the satisfaction of the department  
8 that each qualifying computer-adaptive test, diagnostic tool,  
9 screening tool, or benchmark assessment was purchased by the  
10 district by December 1, ~~2017~~**2018 AND SHALL REPORT TO THE**  
11 **DEPARTMENT WHICH TESTS, TOOLS, AND ASSESSMENTS THE DISTRICT**  
12 **PURCHASED.**

13 (7) **NOT LATER THAN FEBRUARY 1, 2019, THE DEPARTMENT SHALL**  
14 **COMPILE THE DATA PROVIDED BY DISTRICTS UNDER SUBSECTION (6) AND**  
15 **REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON**  
16 **SCHOOL AID AND THE HOUSE AND SENATE FISCAL AGENCIES THE NUMBER OF**  
17 **DISTRICTS THAT PURCHASED EACH TEST, TOOL, AND ASSESSMENT.**

18 (8) **DISTRICTS SEEKING REIMBURSEMENT UNDER THIS SECTION FOR A**  
19 **BENCHMARK ASSESSMENT SHALL COMMIT TO USING THE SAME BENCHMARK**  
20 **ASSESSMENT FOR NO LESS THAN 3 YEARS WITHOUT SWITCHING TO ANOTHER**  
21 **BENCHMARK ASSESSMENT.**

22 Sec. 104e. (1) From the general fund appropriation in section  
23 11, there is allocated an amount not to exceed \$250,000.00 for the  
24 implementation of an assessment digital literacy preparation pilot  
25 project for pupils enrolled in grades K to 8 **FOR 2017-2018.** The  
26 department shall ensure that a pilot project funded under this  
27 subsection satisfies all of the following:

1 (a) Is available to districts in the 2017-2018 school year.

2 (b) Focuses on ensuring pupils have the necessary skills  
3 required for state online assessments by assessing pupil digital  
4 literacy skill levels and providing teachers with a digital  
5 curriculum targeted at areas of determined weakness.

6 (c) Allows pupils to engage with the digital curriculum in an  
7 independent or teacher-facilitated modality.

8 (d) Includes training and professional development for  
9 teachers.

10 (e) Is implemented in at least ~~220~~**50** districts that operate  
11 grades K to 8 and that represent a diverse geography and socio-  
12 economic demographic.

13 (2) Funding under subsection (1) shall be allocated to a  
14 district that operates at least grades K to 8 and has a partnership  
15 with a third party that is experienced in the assessment of digital  
16 literacy and the preparation of digital literacy skills and has  
17 demonstrable experience serving districts in this state and local  
18 education agencies in other states. The district, along with its  
19 third-party partner, shall provide a report to the house and senate  
20 appropriations subcommittees on school aid and the house and senate  
21 fiscal agencies on the efficacy and usefulness of the assessment  
22 digital literacy preparation pilot project no later than ~~September~~  
23 ~~30, 2018~~**APRIL 1, 2019**.

24 (3) Notwithstanding section 17b, payments under subsection (1)  
25 shall be made in a manner determined by the department.

26 Sec. 107. (1) From the appropriation in section 11, there is  
27 allocated an amount not to exceed ~~\$27,000,000.00 for 2017-2018~~

1 **\$30,000,000.00 FOR 2018-2019** for adult education programs  
 2 authorized under this section. Except as otherwise provided under  
 3 subsections (14) ~~, (15), and (19),~~ **AND (15)**, funds allocated under  
 4 this section are restricted for adult education programs as  
 5 authorized under this section only. A recipient of funds under this  
 6 section shall not use those funds for any other purpose.

7 (2) To be eligible for funding under this section, an eligible  
 8 adult education provider shall employ certificated teachers and  
 9 qualified administrative staff and shall offer continuing education  
 10 opportunities for teachers to allow them to maintain certification.

11 (3) To be eligible to be a participant funded under this  
 12 section, an individual shall be enrolled in an adult basic  
 13 education program, an adult secondary education program, an adult  
 14 English as a second language program, a high school equivalency  
 15 test preparation program, or a high school completion program, that  
 16 meets the requirements of this section, and for which instruction  
 17 is provided, and **THE INDIVIDUAL** shall ~~meet either of the following:~~

18 ~~—— (a) Has attained 20 years of age.~~

19 ~~—— (b) Has attained 18 years of age and the individual's~~

20 ~~graduating class has graduated.~~ **BE AT LEAST 18 YEARS OF AGE AND THE**  
 21 **INDIVIDUAL'S GRADUATING CLASS SHALL HAVE GRADUATED.**

22 (4) By April 1 of each fiscal year, the intermediate districts  
 23 within a prosperity region or subregion shall determine which  
 24 intermediate district will serve as the prosperity region's or  
 25 subregion's fiscal agent for the next fiscal year and shall notify  
 26 the department in a form and manner determined by the department.  
 27 The department shall approve or disapprove of the prosperity

1 region's or subregion's selected fiscal agent. From the funds  
2 allocated under subsection (1), an amount as determined under this  
3 subsection shall be allocated to each intermediate district serving  
4 as a fiscal agent for adult education programs in each of the  
5 prosperity regions or subregions identified by the department. An  
6 intermediate district shall not use more than 5% of the funds  
7 allocated under this subsection for administration costs for  
8 serving as the fiscal agent. Beginning in 2014-2015, 67% of the  
9 allocation provided to each intermediate district serving as a  
10 fiscal agent shall be based on the proportion of total funding  
11 formerly received by the adult education providers in that  
12 prosperity region or subregion in 2013-2014, and 33% shall be  
13 allocated based on the factors in subdivisions (a), (b), and (c).  
14 For 2018-2019, 33% of the allocation provided to each intermediate  
15 district serving as a fiscal agent shall be based upon the  
16 proportion of total funding formerly received by the adult  
17 education providers in that prosperity region in 2013-2014 and 67%  
18 of the allocation shall be based upon the factors in subdivisions  
19 (a), (b), and (c). **HOWEVER, IF THE ALLOCATION TO AN INTERMEDIATE**  
20 **DISTRICT AS CALCULATED UNDER THE PRECEDING SENTENCE IS LESS THAN**  
21 **THE AMOUNT RECEIVED BY THE INTERMEDIATE DISTRICT UNDER THIS**  
22 **SUBSECTION FOR 2017-2018, THE INTERMEDIATE DISTRICT SHALL INSTEAD**  
23 **RECEIVE IN 2018-2019 AN AMOUNT EQUAL TO WHAT THE INTERMEDIATE**  
24 **DISTRICT RECEIVED IN 2017-2018.** Beginning in 2019-2020, ~~100% of the~~  
25 allocation provided to each intermediate district serving as a  
26 fiscal agent shall be ~~based on the factors in subdivisions (a),~~  
27 ~~(b), and (c).~~ **EQUAL TO WHAT THE INTERMEDIATE DISTRICT RECEIVED IN**

1 **2018-2019.** 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~~ **COMMUNITY SURVEY** (ACS) from the  
8 United States Census 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~~ **COMMUNITY SURVEY** (ACS) from the United States  
15 Census Bureau.

16 (c) Five percent of this portion of the funding shall be  
17 distributed based upon the proportion of the state population of  
18 individuals age 18 or older who lack basic English language  
19 proficiency that resides in each of the prosperity regions or  
20 subregions, as reported by the most recent 5-year estimates from  
21 the American ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the  
22 United States Census Bureau.

23 (5) To be an eligible fiscal agent, an intermediate district  
24 must agree to do the following in a form and manner determined by  
25 the department:

26 (a) Distribute funds to adult education programs in a  
27 prosperity region or subregion as described in this section.

1 (b) Collaborate with the ~~talent district~~ career **AND**  
2 **EDUCATIONAL ADVISORY** council, which is an advisory council of the  
3 workforce development boards located in the prosperity region or  
4 subregion, or its successor, to develop a regional strategy that  
5 aligns adult education programs and services into an efficient and  
6 effective delivery system for adult education learners, with  
7 special consideration for providing contextualized learning and  
8 career pathways and addressing barriers to education and  
9 employment.

10 (c) Collaborate with the ~~talent district~~ career **AND**  
11 **EDUCATIONAL ADVISORY** council, which is an advisory council of the  
12 workforce development boards located in the prosperity region or  
13 subregion, or its successor, to create a local process and criteria  
14 that will identify eligible adult education providers to receive  
15 funds allocated under this section based on location, demand for  
16 services, past performance, quality indicators as identified by the  
17 department, and cost to provide instructional services. The fiscal  
18 agent shall determine all local processes, criteria, and provider  
19 determinations. However, the local processes, criteria, and  
20 provider services must be approved by the department before funds  
21 may be distributed to the fiscal agent.

22 (d) Provide oversight to its adult education providers  
23 throughout the program year to ensure compliance with the  
24 requirements of this section.

25 (e) Report adult education program and participant data and  
26 information as prescribed by the department.

27 (6) An adult basic education program, an adult secondary



1 education program, or an adult English as a second language program  
2 operated on a year-round or school year basis may be funded under  
3 this section, subject to all of the following:

4 (a) The program enrolls adults who are determined by a  
5 department-approved assessment, in a form and manner prescribed by  
6 the department, to be below twelfth grade level in reading or  
7 mathematics, or both, or to lack basic English proficiency.

8 (b) The program tests individuals for eligibility under  
9 subdivision (a) before enrollment and upon completion of the  
10 program in compliance with the state-approved assessment policy.

11 (c) A participant in an adult basic education program is  
12 eligible for reimbursement until 1 of the following occurs:

13 (i) The participant's reading and mathematics proficiency are  
14 assessed at or above the ninth grade level.

15 (ii) The participant fails to show progress on 2 successive  
16 assessments after having completed at least 450 hours of  
17 instruction.

18 (d) A participant in an adult secondary education program is  
19 eligible for reimbursement until 1 of the following occurs:

20 (i) The participant's reading and mathematics proficiency are  
21 assessed above the twelfth grade level.

22 (ii) The participant fails to show progress on 2 successive  
23 assessments after having at least 450 hours of instruction.

24 (e) A funding recipient enrolling a participant in an English  
25 as a second language program is eligible for funding according to  
26 subsection (9) until the participant meets 1 of the following:

27 (i) The participant is assessed as having attained basic

1 English proficiency as determined by a department-approved  
2 assessment.

3 (ii) The participant fails to show progress on 2 successive  
4 department-approved assessments after having completed at least 450  
5 hours of instruction. The department shall provide information to a  
6 funding recipient regarding appropriate assessment instruments for  
7 this program.

8 (7) A high school equivalency test preparation program  
9 operated on a year-round or school year basis may be funded under  
10 this section, subject to all of the following:

11 (a) The program enrolls adults who do not have a high school  
12 diploma or a high school equivalency certificate.

13 (b) The program shall administer a pre-test approved by the  
14 department before enrolling an individual to determine the  
15 individual's literacy levels, shall administer a high school  
16 equivalency practice test to determine the individual's potential  
17 for success on the high school equivalency test, and shall  
18 administer a post-test upon completion of the program in compliance  
19 with the state-approved assessment policy.

20 (c) A funding recipient shall receive funding according to  
21 subsection (9) for a participant, and a participant may be enrolled  
22 in the program until 1 of the following occurs:

23 (i) The participant achieves a high school equivalency  
24 certificate.

25 (ii) The participant fails to show progress on 2 successive  
26 department-approved assessments used to determine readiness to take  
27 a high school equivalency test after having completed at least 450

1 hours of instruction.

2 (8) A high school completion program operated on a year-round  
3 or school year basis may be funded under this section, subject to  
4 all of the following:

5 (a) The program enrolls adults who do not have a high school  
6 diploma.

7 (b) The program tests participants described in subdivision  
8 (a) before enrollment and upon completion of the program in  
9 compliance with the state-approved assessment policy.

10 (c) A funding recipient shall receive funding according to  
11 subsection (9) for a participant in a course offered under this  
12 subsection until 1 of the following occurs:

13 (i) The participant passes the course and earns a high school  
14 diploma.

15 (ii) The participant fails to earn credit in 2 successive  
16 semesters or terms in which the participant is enrolled after  
17 having completed at least 900 hours of instruction.

18 (9) A funding recipient shall receive payments under this  
19 section in accordance with all of the following:

20 (a) Statewide allocation criteria, including 3-year average  
21 enrollments, census data, and local needs.

22 (b) Participant completion of the adult basic education  
23 objectives by achieving an educational gain as determined by the  
24 national reporting system levels; for achieving basic English  
25 proficiency, as determined by the department; for achieving a high  
26 school equivalency certificate or passage of 1 or more individual  
27 high school equivalency tests; for attainment of a high school

1 diploma or passage of a course required for a participant to attain  
2 a high school diploma; for enrollment in a postsecondary  
3 institution, or for entry into or retention of employment, as  
4 applicable.

5 (c) Participant completion of core indicators as identified in  
6 the innovation and opportunity act.

7 (d) Allowable expenditures.

8 (10) A person who is not eligible to be a participant funded  
9 under this section may receive adult education services upon the  
10 payment of tuition. In addition, a person who is not eligible to be  
11 served in a program under this section due to the program  
12 limitations specified in subsection (6), (7), or (8) may continue  
13 to receive adult education services in that program upon the  
14 payment of tuition. The tuition level shall be determined by the  
15 local or intermediate district conducting the program.

16 (11) An individual who is an inmate in a state correctional  
17 facility shall not be counted as a participant under this section.

18 (12) A funding recipient shall not commingle money received  
19 under this section or from another source for adult education  
20 purposes with any other funds and shall establish a separate ledger  
21 account for funds received under this section. This subsection does  
22 not prohibit a district from using general funds of the district to  
23 support an adult education or community education program.

24 (13) A funding recipient receiving funds under this section  
25 may establish a sliding scale of tuition rates based upon a  
26 participant's family income. A funding recipient may charge a  
27 participant tuition to receive adult education services under this

1 section from that sliding scale of tuition rates on a uniform  
2 basis. The amount of tuition charged per participant shall not  
3 exceed the actual operating cost per participant minus any funds  
4 received under this section per participant. A funding recipient  
5 may not charge a participant tuition under this section if the  
6 participant's income is at or below 200% of the federal poverty  
7 guidelines published by the United States Department of Health and  
8 Human Services.

9 (14) In order to receive funds under this section, a funding  
10 recipient shall furnish to the department, in a form and manner  
11 determined by the department, all information needed to administer  
12 this program and meet federal reporting requirements; shall allow  
13 the department or the department's designee to review all records  
14 related to the program for which it receives funds; and shall  
15 reimburse the state for all disallowances found in the review, as  
16 determined by the department. In addition, a funding recipient  
17 shall agree to pay to a career and technical education program  
18 under section 61a the amount of funding received under this section  
19 in the proportion of career and technical education coursework used  
20 to satisfy adult basic education programming, as billed to the  
21 funding recipient by programs operating under section 61a. **IN**  
22 **ADDITION TO THE FUNDING ALLOCATED UNDER SUBSECTION (1), THERE IS**  
23 **ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 TO REIMBURSE FUNDING**  
24 **RECIPIENTS FOR ADMINISTRATIVE AND INSTRUCTIONAL EXPENSES ASSOCIATED**  
25 **WITH COMMINGLING PROGRAMMING UNDER THIS SECTION AND SECTION 61A.**  
26 **PAYMENTS MADE TO EACH FUNDING RECIPIENT SHALL BE IN THE SAME**  
27 **PROPORTION AS FUNDING CALCULATED AND ALLOCATED UNDER SUBSECTION**

1 (4) .

2 ~~—— (15) From the amount appropriated in subsection (1), an amount~~  
3 ~~not to exceed \$500,000.00 shall be allocated for 2017-2018 to not~~  
4 ~~more than 1 pilot program that is located in a prosperity region~~  
5 ~~with 2 or more subregions and that connects adult education~~  
6 ~~participants directly with employers by linking adult education,~~  
7 ~~career and technical skills, and workforce development. To be~~  
8 ~~eligible for funding under this subsection, a pilot program shall~~  
9 ~~provide a collaboration linking adult education programs within the~~  
10 ~~county, the area career/technical center, and local employers, and~~  
11 ~~shall meet the additional criteria in subsections (16) and (17).~~  
12 ~~Funding under this subsection for 2017-2018 is for the third of 3~~  
13 ~~years of funding.~~

14 ~~—— (16) A pilot program funded under subsection (15) shall~~  
15 ~~require adult education staff to work with Michigan works! agency~~  
16 ~~to identify a cohort of participants who are most prepared to~~  
17 ~~successfully enter the workforce. Participants identified under~~  
18 ~~this subsection shall be dually enrolled in adult education~~  
19 ~~programming and at least 1 technical course at the area~~  
20 ~~career/technical center.~~

21 ~~—— (17) A pilot program funded under subsection (15) shall have~~  
22 ~~on staff an adult education navigator who will serve as a~~  
23 ~~caseworker for each participant identified under subsection (16).~~  
24 ~~The navigator shall work with adult education staff and potential~~  
25 ~~employers to design an educational program best suited to the~~  
26 ~~personal and employment needs of the participant, and shall work~~  
27 ~~with human service agencies or other entities to address any~~

1 ~~barrier in the way of participant access.~~

2 ~~—— (18) Not later than December 1, 2018, the pilot program funded~~  
 3 ~~under subsection (15) shall provide to the senate and house~~  
 4 ~~appropriations subcommittees on school aid, to the senate and house~~  
 5 ~~fiscal agencies, and to the state budget director a report~~  
 6 ~~detailing number of participants, graduation rates, and a measure~~  
 7 ~~of transitioning to employment.~~

8 **(15)** ~~(19)~~ From the amount appropriated in subsection (1), an  
 9 amount not to exceed ~~\$2,000,000.00~~ **\$4,000,000.00** shall be allocated  
 10 for ~~2017-2018~~ **2018-2019** for grants to ~~not more than 5 pilot~~ **ADULT**  
 11 **EDUCATION OR CAREER TECHNICAL CENTER** programs ~~that are additional~~  
 12 ~~to the pilot program funded under subsection (15) to~~ **THAT** connect  
 13 adult education participants with employers as provided under this  
 14 subsection. The grant to each ~~eligible pilot~~ program shall be up to  
 15 ~~\$400,000.00.~~ **\$350,000.00. TO BE ELIGIBLE FOR FUNDING UNDER THIS**  
 16 **SUBSECTION, A PROGRAM MUST PROVIDE A COLLABORATION LINKING ADULT**  
 17 **EDUCATION PROGRAMS WITHIN THE COUNTY, THE AREA CAREER TECHNICAL**  
 18 **CENTER, AND LOCAL EMPLOYERS.** To receive funding under this  
 19 subsection, an eligible ~~pilot~~ program shall satisfy all of the  
 20 following:

21 ~~—— (a) Meets 1 of the following:~~

22 ~~—— (i) Is located in prosperity region 1c.~~

23 ~~—— (ii) Is located in prosperity region 2 and borders prosperity~~  
 24 ~~region 4.~~

25 ~~—— (iii) Is located in prosperity region 4a and borders~~  
 26 ~~prosperity region 5.~~

27 ~~—— (iv) Is located in prosperity region 5 and borders Lake Huron.~~

1  ~~(v) Is located in prosperity region 9 and borders a~~  
2  ~~neighboring state.~~

3  ~~(b) Begins operations at the start of the 2017-2018 school~~  
4  ~~year.~~

5  ~~(c) Replicates the pilot program funded under subsection (15).~~

6  ~~(d) Meets the requirements under subsections (15), (16), and~~  
7  ~~(17) for a pilot program funded under subsection (15).~~

8  **(A) SHALL CONNECT ADULT EDUCATION PARTICIPANTS DIRECTLY WITH**  
9  **EMPLOYERS BY LINKING ADULT EDUCATION, CAREER AND TECHNICAL SKILLS,**  
10  **AND WORKFORCE DEVELOPMENT.**

11  **(B) SHALL REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN**  
12  **WORKS! AGENCY TO IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST**  
13  **PREPARED TO SUCCESSFULLY ENTER THE WORKFORCE. PARTICIPANTS**  
14  **IDENTIFIED UNDER THIS SUBSECTION SHALL BE DUALY ENROLLED IN ADULT**  
15  **EDUCATION PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA**  
16  **CAREER AND TECHNICAL CENTER.**

17  **(C) SHALL HAVE AN INDIVIDUAL STAFFED AS AN ADULT EDUCATION**  
18  **NAVIGATOR WHO WILL SERVE AS A CASEWORKER FOR EACH PARTICIPANT**  
19  **IDENTIFIED UNDER SUBDIVISION (B). THE NAVIGATOR SHALL WORK WITH**  
20  **ADULT EDUCATION STAFF AND POTENTIAL EMPLOYERS TO DESIGN AN**  
21  **EDUCATIONAL PROGRAM BEST SUITED TO THE PERSONAL AND EMPLOYMENT**  
22  **NEEDS OF THE PARTICIPANT AND SHALL WORK WITH HUMAN SERVICE AGENCIES**  
23  **OR OTHER ENTITIES TO ADDRESS ANY BARRIER IN THE WAY OF PARTICIPANT**  
24  **ACCESS.**

25  **(16) A PROGRAM THAT WAS A PILOT PROGRAM IN 2017-2018 AND THAT**  
26  **WAS FUNDED UNDER THIS SECTION IN 2017-2018 SHALL BE FUNDED IN 2018-**  
27  **2019 UNLESS THE PROGRAM CEASES OPERATION. THE INTERMEDIATE DISTRICT**



1 IN WHICH THAT PILOT PROGRAM WAS FUNDED SHALL BE THE FISCAL AGENT  
2 FOR THAT PROGRAM AND SHALL APPLY FOR THAT PROGRAM'S FUNDING UNDER  
3 SUBSECTION (15).

4 (17) EACH PROGRAM FUNDED UNDER SUBSECTION (15) WILL RECEIVE  
5 FUNDING FOR 3 YEARS. AFTER 3 YEARS OF OPERATIONS AND FUNDING, A  
6 PROGRAM MUST REAPPLY FOR FUNDING.

7 (18) ~~(20)~~ Not later than December 1, 2018, ~~2019~~, a pilot  
8 program funded under subsection ~~(19)~~ (15) shall provide a report to  
9 the senate and house appropriations subcommittees on school aid, to  
10 the senate and house fiscal agencies, and to the state budget  
11 director identifying the number of participants, graduation rates,  
12 and a measure of transition to employment.

13 (19) ~~(21)~~ The department shall approve at least 3 high school  
14 equivalency tests and determine whether a high school equivalency  
15 certificate meets the requisite standards for high school  
16 equivalency in this state.

17 (20) ~~(22)~~ As used in this section:

18 (A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN  
19 ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED  
20 IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,  
21 AND PARENT REPRESENTATIVES.

22 (B) ~~(a)~~ "Career pathway" means a combination of rigorous and  
23 high-quality education, training, and other services that comply  
24 with all of the following:

25 (i) Aligns with the skill needs of industries in the economy  
26 of this state or in the regional economy involved.

27 (ii) Prepares an individual to be successful in any of a full

1 range of secondary or postsecondary education options, including  
2 apprenticeships registered under the act of August 16, 1937  
3 (commonly known as the "national apprenticeship act"), 29 USC 50 et  
4 seq.

5 (iii) Includes counseling to support an individual in  
6 achieving the individual's education and career goals.

7 (iv) Includes, as appropriate, education offered concurrently  
8 with and in the same context as workforce preparation activities  
9 and training for a specific occupation or occupational cluster.

10 (v) Organizes education, training, and other services to meet  
11 the particular needs of an individual in a manner that accelerates  
12 the educational and career advancement of the individual to the  
13 extent practicable.

14 (vi) Enables an individual to attain a secondary school  
15 diploma or its recognized equivalent, and at least 1 recognized  
16 postsecondary credential.

17 (vii) Helps an individual enter or advance within a specific  
18 occupation or occupational cluster.

19 (C) ~~(b)~~—"Department" means the department of talent and  
20 economic development.

21 (D) ~~(e)~~—"Eligible adult education provider" means a district,  
22 intermediate district, a consortium of districts, a consortium of  
23 intermediate districts, or a consortium of districts and  
24 intermediate districts that is identified as part of the local  
25 process described in subsection (5) (c) and approved by the  
26 department.

27 Sec. 147. (1) The allocation for ~~2017-2018~~**2018-2019** for the

1 public school employees' retirement system pursuant to the public  
2 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301  
3 to 38.1437, shall be made using the individual projected benefit  
4 entry age normal cost method of valuation and risk assumptions  
5 adopted by the public school employees retirement board and the  
6 department of technology, management, and budget.

7 (2) The annual level percentage of payroll contribution rates  
8 for the ~~2017-2018~~ **2018-2019** fiscal year, as determined by the  
9 retirement system, are estimated as follows:

10 (a) For public school employees who first worked for a public  
11 school reporting unit before July 1, 2010 and who are enrolled in  
12 the health premium subsidy, the annual level percentage of payroll  
13 contribution rate is estimated at ~~36.88%~~, **38.39%**, with ~~25.56%~~  
14 **26.18%** paid directly by the employer.

15 (b) For public school employees who first worked for a public  
16 school reporting unit on or after July 1, 2010 and who are enrolled  
17 in the health premium subsidy, the annual level percentage of  
18 payroll contribution rate is estimated at ~~35.60%~~, **36.60%**, with  
19 ~~24.28%~~ **24.39%** paid directly by the employer.

20 (c) For public school employees who first worked for a public  
21 school reporting unit on or after July 1, 2010 and who participate  
22 in the personal healthcare fund, the annual level percentage of  
23 payroll contribution rate is estimated at ~~35.35%~~, **36.24%**, with  
24 24.03% paid directly by the employer.

25 (d) For public school employees who first worked for a public  
26 school reporting unit on or after September 4, 2012, who elect  
27 defined contribution, and who participate in the personal

1 healthcare fund, the annual level percentage of payroll  
2 contribution rate is estimated at ~~32.28%~~, **33.17%**, with 20.96% paid  
3 directly by the employer.

4 (e) For public school employees who first worked for a public  
5 school reporting unit before July 1, 2010, who elect defined  
6 contribution, and who are enrolled in the health premium subsidy,  
7 the annual level percentage of payroll contribution rate is  
8 estimated at ~~32.53%~~, **33.53%**, with ~~21.21%~~ **21.32%** paid directly by  
9 the employer.

10 (f) For public school employees who first worked for a public  
11 school reporting unit before July 1, 2010, who elect defined  
12 contribution, and who participate in the personal healthcare fund,  
13 the annual level percentage of payroll contribution rate is  
14 estimated at ~~32.28%~~, **33.17%**, with 20.96% paid directly by the  
15 employer.

16 (g) For public school employees who first worked for a public  
17 school reporting unit before July 1, 2010 and who participate in  
18 the personal healthcare fund, the annual level percentage of  
19 payroll contribution rate is estimated at ~~36.63%~~, **38.03%**, with  
20 ~~25.31%~~ **25.82%** paid directly by the employer.

21 **(H) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC**  
22 **SCHOOL REPORTING UNIT AFTER JANUARY 31, 2018 AND WHO ELECT TO**  
23 **BECOME MEMBERS OF THE MPSERS PLAN, THE ANNUAL LEVEL PERCENTAGE OF**  
24 **PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 39.37%, WITH 27.16% PAID**  
25 **DIRECTLY BY THE EMPLOYER.**

26 (3) In addition to the employer payments described in  
27 subsection (2), the employer shall pay the applicable contributions

1 to the Tier 2 plan, as determined by the public school employees  
2 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

3 (4) The contribution rates in subsection (2) reflect an  
4 amortization period of ~~21~~**20** years for ~~2017-2018~~**-2018-2019**. The  
5 public school employees' retirement system board shall notify each  
6 district and intermediate district by February 28 of each fiscal  
7 year of the estimated contribution rate for the next fiscal year.

8 Sec. 147a. (1) From the appropriation in section 11, there is  
9 allocated for ~~2017-2018~~**-2018-2019** an amount not to exceed  
10 \$100,000,000.00 for payments to participating districts. A  
11 participating district that receives money under this subsection  
12 shall use that money solely for the purpose of offsetting a portion  
13 of the retirement contributions owed by the district for the fiscal  
14 year in which it is received. The amount allocated to each  
15 participating district under this subsection shall be based on each  
16 participating district's percentage of the total statewide payroll  
17 for all participating districts for the immediately preceding  
18 fiscal year. As used in this subsection, "participating district"  
19 means a district that is a reporting unit of the Michigan public  
20 school employees' retirement system under the public school  
21 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
22 38.1437, and that reports employees to the Michigan public school  
23 employees' retirement system for the applicable fiscal year.

24 (2) In addition to the allocation under subsection (1), from  
25 the state school aid fund money appropriated under section 11,  
26 there is allocated an amount not to exceed ~~\$48,940,000.00 for 2017-~~  
27 ~~2018~~**\$88,091,000.00 FOR 2018-2019** for payments to participating

1 districts and intermediate districts and from the general fund  
2 money appropriated under section 11, there is allocated an amount  
3 not to exceed ~~\$29,000.00 for 2017-2018~~ **\$48,000.00 FOR 2018-2019** for  
4 payments to participating district libraries. The amount allocated  
5 to each participating entity under this subsection shall be based  
6 on each participating entity's percentage of the total statewide  
7 payroll for that type of participating entity for the immediately  
8 preceding fiscal year. A participating entity that receives money  
9 under this subsection shall use that money solely for the purpose  
10 of offsetting a portion of the normal cost contribution rate. As  
11 used in this subsection:

12 (a) "District library" means a district library established  
13 under the district library establishment act, 1989 PA 24, MCL  
14 397.171 to 397.196.

15 (b) "Participating entity" means a district, intermediate  
16 district, or district library that is a reporting unit of the  
17 Michigan public school employees' retirement system under the  
18 public school employees retirement act of 1979, 1980 PA 300, MCL  
19 38.1301 to 38.1437, and that reports employees to the Michigan  
20 public school employees' retirement system for the applicable  
21 fiscal year.

22 Sec. 147b. (1) The MPSERS retirement obligation reform reserve  
23 fund is created as a separate account within the state school aid  
24 fund.

25 (2) The state treasurer may receive money or other assets from  
26 any source for deposit into the MPSERS retirement obligation reform  
27 reserve fund. The state treasurer shall direct the investment of

1 the MPERS retirement obligation reform reserve fund. The state  
2 treasurer shall credit to the MPERS retirement obligation reform  
3 reserve fund interest and earnings from the MPERS retirement  
4 obligation reform reserve fund.

5 (3) Money available in the MPERS retirement obligation reform  
6 reserve fund shall not be expended without a specific  
7 appropriation.

8 (4) Money in the MPERS retirement obligation reform reserve  
9 fund at the close of the fiscal year shall remain in the MPERS  
10 retirement obligation reform reserve fund and shall not lapse to  
11 the state school aid fund or to the general fund. The department of  
12 treasury shall be the administrator of the MPERS retirement  
13 obligation reform reserve fund for auditing purposes.

14 ~~—— (5) If the contributions described in section 43e of the~~  
15 ~~public school employees retirement act of 1979, 1980 PA 300, MCL~~  
16 ~~38.1343e, as that section was added by 2010 PA 75, are determined~~  
17 ~~by a final order of a court of competent jurisdiction for which all~~  
18 ~~rights of appeal have been exhausted to be constitutional and if~~  
19 ~~the order for preliminary injunction in case no. 10-45-MM issued on~~  
20 ~~July 13, 2010 is lifted, the money placed in a separate interest~~  
21 ~~bearing account as a result of implementing the preliminary~~  
22 ~~injunction shall be deposited into the MPERS retirement obligation~~  
23 ~~reform reserve fund created in this section to be used solely for~~  
24 ~~health care unfunded accrued liabilities.~~

25 ~~—— (6) For the fiscal year ending September 30, 2018,~~  
26 ~~\$55,000,000.00 from the state school aid fund shall be deposited~~  
27 ~~into the MPERS retirement obligation reform reserve fund to be~~

1 ~~used for the purposes under section 147e.~~

2       Sec. 147c. ~~(1)~~ From the appropriation in section 11, there is  
3 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed  
4 ~~\$960,130,000.00~~ **\$1,032,000,000.00** from the state school aid fund  
5 for payments to districts and intermediate districts that are  
6 participating entities of the Michigan public school employees'  
7 retirement system. In addition, from the general fund money  
8 appropriated in section 11, there is allocated for ~~2017-2018~~ **2018-**  
9 **2019** an amount not to exceed ~~\$654,000.00~~ **\$700,000.00** for payments  
10 to district libraries that are participating entities of the  
11 Michigan public school employees' retirement system. All of the  
12 following apply to funding under this subsection:

13       (a) For ~~2017-2018~~, **2018-2019**, the amounts allocated under this  
14 subsection are estimated to provide an average MPSERS rate cap per  
15 pupil amount of ~~\$640.00~~ **\$690.00** and are estimated to provide a rate  
16 cap per pupil for districts ranging between \$4.00 and  
17 ~~\$3,020.00~~ **\$3,000.00**.

18       (b) Payments made under this subsection shall be equal to the  
19 difference between the unfunded actuarial accrued liability  
20 contribution rate as calculated pursuant to section 41 of the  
21 public school employees retirement act of 1979, 1980 PA 300, MCL  
22 38.1341, as calculated without taking into account the maximum  
23 employer rate of 20.96% included in section 41 of the public school  
24 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the  
25 maximum employer rate of 20.96% included in section 41 of the  
26 public school employees retirement act of 1979, 1980 PA 300, MCL  
27 38.1341.



1 (c) The amount allocated to each participating entity under  
2 this subsection shall be based on each participating entity's  
3 proportion of the total covered payroll for the immediately  
4 preceding fiscal year for the same type of participating entities.  
5 A participating entity that receives funds under this subsection  
6 shall use the funds solely for the purpose of retirement  
7 contributions as specified in subdivision (d).

8 (d) Each participating entity receiving funds under this  
9 subsection shall forward an amount equal to the amount allocated  
10 under subdivision (c) to the retirement system in a form, manner,  
11 and time frame determined by the retirement system.

12 (e) Funds allocated under this subsection should be considered  
13 when comparing a district's growth in total state aid funding from  
14 1 fiscal year to the next.

15 (f) Not later than December 20, ~~2017~~, **2018**, the department  
16 shall publish and post on its website an estimated MPERS rate cap  
17 per pupil for each district.

18 (g) It is the intent of the legislature that any funds  
19 allocated under this subsection are first applied to pension  
20 contributions, and if any funds remain after that payment, those  
21 remaining funds shall be applied to other postemployment benefit  
22 contributions.

23 (h) As used in this subsection:

24 (i) "District library" means a district library established  
25 under the district library establishment act, 1989 PA 24, MCL  
26 397.171 to 397.196.

27 (ii) "MPERS rate cap per pupil" means an amount equal to the

1 quotient of the district's payment under this subsection divided by  
2 the district's pupils in membership.

3 (iii) "Participating entity" means a district, intermediate  
4 district, or district library that is a reporting unit of the  
5 Michigan public school employees' retirement system under the  
6 public school employees retirement act of 1979, 1980 PA 300, MCL  
7 38.1301 to 38.1437, and that reports employees to the Michigan  
8 public school employees' retirement system for the applicable  
9 fiscal year.

10 (iv) "Retirement board" means the board that administers the  
11 retirement system under the public school employees retirement act  
12 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

13 (v) "Retirement system" means the Michigan public school  
14 employees' retirement system under the public school employees  
15 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

16 ~~—— (2) In addition to the funds allocated under subsection (1),~~  
17 ~~from the appropriation in section 11, there is allocated for 2017-~~  
18 ~~2018 only an amount not to exceed \$200,000,000.00 for payments to~~  
19 ~~participating entities. Notwithstanding section 17b, payments to~~  
20 ~~eligible participating entities under this subsection shall be paid~~  
21 ~~in 1 installment no later than October 20, 2017. Payments under~~  
22 ~~this subsection shall be made as follows:~~

23 ~~—— (a) The amount allocated to each participating entity under~~  
24 ~~this subsection shall be based on each participating entity's~~  
25 ~~proportion of the total covered payroll for the fiscal year ending~~  
26 ~~September 30, 2016. A participating entity that receives funds~~  
27 ~~under this subsection shall use the funds solely for purposes of~~

1 ~~this subsection.~~

2 ~~—— (b) Each participating entity receiving funds under this~~  
3 ~~subsection shall forward an amount equal to the sum of the amount~~  
4 ~~allocated under this subsection and the amount allocated under~~  
5 ~~subsection (1) to the retirement system in a form, manner, and time~~  
6 ~~frame prescribed by the retirement system.~~

7 ~~—— (c) Payments under this subsection shall be used by the~~  
8 ~~retirement system specifically for the payment or prepayment of the~~  
9 ~~final years or partial years of any additional costs to the~~  
10 ~~retirement system due to the operation of section 81b of the public~~  
11 ~~school employees retirement act of 1979, 1980 PA 300, MCL 38.1381b,~~  
12 ~~without regard to the amortization of those costs under section~~  
13 ~~81b(5) of the public school employees retirement act of 1979, 1980~~  
14 ~~PA 300, MCL 38.1381b, and in a manner and form as determined by the~~  
15 ~~office of retirement services.~~

16 ~~—— (d) As used in this subsection:~~

17 ~~—— (i) "Participating entity" means a district, intermediate~~  
18 ~~district, community college, or district library that is a~~  
19 ~~reporting unit of the Michigan public school employees' retirement~~  
20 ~~system under the public school employees retirement act of 1979,~~  
21 ~~1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to~~  
22 ~~the Michigan public school employees' retirement system for the~~  
23 ~~applicable fiscal year.~~

24 ~~—— (ii) "Retirement system" means the Michigan public school~~  
25 ~~employees' retirement system under the public school employees~~  
26 ~~retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

27       Sec. 147e. (1) From the appropriation in section 11, there is

1 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed  
2 ~~\$23,100,000.00~~ **\$31,900,000.00** from the MPSERS retirement obligation  
3 reform reserve fund **AND \$5,700,000.00 FROM THE STATE SCHOOL AID**  
4 **FUND** for payments to participating entities.

5 (2) The payment to each participating entity under this  
6 section shall be the sum of the amounts under this subsection as  
7 follows:

8 (a) An amount equal to the contributions made by a  
9 participating entity for the additional contribution made to a  
10 qualified participant's Tier 2 account in an amount equal to the  
11 contribution made by the qualified participant not to exceed 3% of  
12 the qualified participant's compensation as provided for under  
13 section 131(6) of the public school employees retirement act of  
14 1979, 1980 PA 300, MCL 38.1431. ~~, if that act is amended by either~~  
15 ~~Senate Bill No. 401 or House Bill No. 4647 of the 99th Legislature.~~

16 (b) Beginning October 1, 2017, an amount equal to the  
17 contributions made by a participating entity for a qualified  
18 participant who is only a Tier 2 qualified participant under  
19 section 81d of the public school employees retirement act of 1979,  
20 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning  
21 February 1, 2018, not to exceed 1%, of the qualified participant's  
22 compensation. ~~, if that act is amended by either Senate Bill No.~~  
23 ~~401 or House Bill No. 4647 of the 99th Legislature.~~

24 (c) An amount equal to the increase in employer normal cost  
25 contributions under section 41b(2) of the public school employees  
26 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member  
27 that was hired after February 1, 2018 and chose to participate in

1 Tier 1, compared to the employer normal cost contribution for a  
2 member under section 41b(1) of the public school employees  
3 retirement act of 1979, 1980 PA 300, MCL 38.1341b. ~~if section 41b~~  
4 ~~of the public school employees retirement act of 1979, 1980 PA 300,~~  
5 ~~MCL 38.1341b, is amended by either Senate Bill No. 401 or House~~  
6 ~~Bill No. 4647 of the 99th Legislature.~~

7 (3) As used in this section:

8 (a) "Member" means that term as defined under the public  
9 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301  
10 to 38.1437.

11 (b) "Participating entity" means a district, intermediate  
12 district, or community college that is a reporting unit of the  
13 Michigan public school employees' retirement system under the  
14 public school employees retirement act of 1979, 1980 PA 300, MCL  
15 38.1301 to 38.1437, and that reports employees to the Michigan  
16 public school employees' retirement system for the applicable  
17 fiscal year.

18 (c) "Qualified participant" means that term as defined under  
19 section 124 of the public school employees retirement act of 1979,  
20 1980 PA 300, MCL 38.1424.

21 Sec. 152a. (1) As required by the court in the consolidated  
22 cases known as Adair v State of Michigan, **Adair v State of**  
23 **Michigan**, 486 Mich 468 (2010), from the state school aid fund money  
24 appropriated in section 11 there is allocated for ~~2017-2018-2018-~~  
25 **2019** an amount not to exceed \$38,000,500.00 to be used solely for  
26 the purpose of paying necessary costs related to the state-mandated  
27 collection, maintenance, and reporting of data to this state.

1           (2) From the allocation in subsection (1), the department  
2 shall make payments to districts and intermediate districts in an  
3 equal amount per-pupil based on the total number of pupils in  
4 membership in each district and intermediate district. The  
5 department shall not make any adjustment to these payments after  
6 the final installment payment under section 17b is made.

7           Sec. 152b. (1) From the general fund money appropriated under  
8 section 11, there is allocated an amount not to exceed  
9 \$2,500,000.00 ~~for each fiscal year for 2016-2017 and for 2017-2018~~  
10 **AND AN AMOUNT NOT TO EXCEED \$250,000.00 FOR 2018-2019** to reimburse  
11 actual costs incurred by nonpublic schools in complying with a  
12 health, safety, or welfare requirement mandated by a law or  
13 administrative rule of this state.

14           (2) By January 1 of each applicable fiscal year, the  
15 department shall publish a form for reporting actual costs incurred  
16 by a nonpublic school in complying with a health, safety, or  
17 welfare requirement mandated under state law containing each  
18 health, safety, or welfare requirement mandated by a law or  
19 administrative rule of this state applicable to a nonpublic school  
20 and with a reference to each relevant provision of law or  
21 administrative rule for the requirement. The form shall be posted  
22 on the department's website in electronic form.

23           (3) By June 30 of each applicable fiscal year, a nonpublic  
24 school seeking reimbursement for actual costs incurred in complying  
25 with a health, safety, or welfare requirement under a law or  
26 administrative rule of this state during each applicable school  
27 year shall submit a completed form described in subsection (2) to

1 the department. This section does not require a nonpublic school to  
2 submit a form described in subsection (2). A nonpublic school is  
3 not eligible for reimbursement under this section if the nonpublic  
4 school does not submit the form described in subsection (2) in a  
5 timely manner.

6 (4) By August 15 of each applicable fiscal year, the  
7 department shall distribute funds to each nonpublic school that  
8 submits a completed form described under subsection (2) in a timely  
9 manner. The superintendent shall determine the amount of funds to  
10 be paid to each nonpublic school in an amount that does not exceed  
11 the nonpublic school's actual costs in complying with a health,  
12 safety, or welfare requirement under a law or administrative rule  
13 of this state. The superintendent shall calculate a nonpublic  
14 school's actual cost in accordance with this section.

15 (5) If the funds allocated under this section are insufficient  
16 to fully fund payments as otherwise calculated under this section,  
17 the department shall distribute funds under this section on a  
18 prorated or other equitable basis as determined by the  
19 superintendent.

20 (6) The department may review the records of a nonpublic  
21 school submitting a form described in subsection (2) only for the  
22 limited purpose of verifying the nonpublic school's compliance with  
23 this section. If a nonpublic school does not allow the department  
24 to review records under this subsection, the nonpublic school is  
25 not eligible for reimbursement under this section.

26 (7) The funds appropriated under this section are for purposes  
27 related to education, are considered to be incidental to the

1 operation of a nonpublic school, are noninstructional in character,  
2 and are intended for the public purpose of ensuring the health,  
3 safety, and welfare of the children in nonpublic schools and to  
4 reimburse nonpublic schools for costs described in this section.

5 (8) Funds allocated under this section are not intended to aid  
6 or maintain any nonpublic school, support the attendance of any  
7 student at a nonpublic school, employ any person at a nonpublic  
8 school, support the attendance of any student at any location where  
9 instruction is offered to a nonpublic school student, or support  
10 the employment of any person at any location where instruction is  
11 offered to a nonpublic school student.

12 (9) For purposes of this section, "actual cost" means the  
13 hourly wage for the employee or employees performing a task or  
14 tasks required to comply with a health, safety, or welfare  
15 requirement under a law or administrative rule of this state  
16 identified by the department under subsection (2) and is to be  
17 calculated in accordance with the form published by the department  
18 under subsection (2), which shall include a detailed itemization of  
19 costs. The nonpublic school shall not charge more than the hourly  
20 wage of its lowest-paid employee capable of performing a specific  
21 task regardless of whether that individual is available and  
22 regardless of who actually performs a specific task. Labor costs  
23 under this subsection shall be estimated and charged in increments  
24 of 15 minutes or more, with all partial time increments rounded  
25 down. When calculating costs under subsection (4), fee components  
26 shall be itemized in a manner that expresses both the hourly wage  
27 and the number of hours charged. The nonpublic school may not



1 charge any applicable labor charge amount to cover or partially  
2 cover the cost of health or fringe benefits. A nonpublic school  
3 shall not charge any overtime wages in the calculation of labor  
4 costs.

5 (10) For the purposes of this section, the actual cost  
6 incurred by a nonpublic school for taking daily student attendance  
7 shall be considered an actual cost in complying with a health,  
8 safety, or welfare requirement under a law or administrative rule  
9 of this state. Training fees, inspection fees, and criminal  
10 background check fees are considered actual costs in complying with  
11 a health, safety, or welfare requirement under a law or  
12 administrative rule of this state.

13 (11) The funds allocated under this section for ~~2016-2017~~  
14 **2017-2018** are a work project appropriation, and any unexpended  
15 funds for ~~2016-2017-2017-2018~~ are carried forward into ~~2017-2018-~~  
16 **2018-2019**. The purpose of the work project is to continue to  
17 reimburse nonpublic schools for actual costs incurred in complying  
18 with a health, safety, or welfare requirement mandated by a law or  
19 administrative rule of this state. The estimated completion date of  
20 the work project is September 30, ~~2019-2020~~.

21 **(12) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2018-2019 ARE**  
22 **A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2018-**  
23 **2019 ARE CARRIED FORWARD INTO 2019-2020. THE PURPOSE OF THE WORK**  
24 **PROJECT IS TO CONTINUE TO REIMBURSE NONPUBLIC SCHOOLS FOR ACTUAL**  
25 **COSTS INCURRED IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE**  
26 **REQUIREMENT MANDATED BY A LAW OR ADMINISTRATIVE RULE OF THIS STATE.**  
27 **THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,**

1 2020.

2 Sec. 163. (1) Except as provided in the revised school code,  
3 the board of a district or intermediate district shall not permit  
4 any of the following:

5 (a) ~~A noncertificated educator~~ **AN INDIVIDUAL WHO DOES NOT HOLD**  
6 **A VALID CERTIFICATE OR WHO IS NOT WORKING UNDER A VALID SUBSTITUTE**  
7 **PERMIT, AUTHORIZATION, OR APPROVAL ISSUED UNDER RULES PROMULGATED**  
8 **BY THE DEPARTMENT** to teach in an elementary or secondary school. ~~or~~  
9 ~~in an adult basic education or high school completion program.~~

10 (b) ~~A noncertificated educator~~ **AN INDIVIDUAL WHO DOES NOT**  
11 **SATISFY THE REQUIREMENTS OF SECTION 1233 OF THE REVISED SCHOOL**  
12 **CODE, MCL 380.1233, AND RULES PROMULGATED BY THE DEPARTMENT** to  
13 provide ~~counseling~~ **SCHOOL COUNSELOR** services to pupils in an  
14 elementary or secondary school. ~~or in an adult basic education or~~  
15 ~~high school completion program.~~

16 (c) ~~A noncertificated educator to administer~~ **AN INDIVIDUAL WHO**  
17 **DOES NOT SATISFY THE REQUIREMENTS OF SECTION 1246 OF THE REVISED**  
18 **SCHOOL CODE, MCL 380.1246, OR WHO IS NOT WORKING UNDER A VALID**  
19 **SUBSTITUTE PERMIT ISSUED UNDER RULES PROMULGATED BY THE DEPARTMENT,**  
20 **TO BE EMPLOYED AS A SUPERINTENDENT, PRINCIPAL, OR ASSISTANT**  
21 **PRINCIPAL, OR AS AN INDIVIDUAL WHOSE PRIMARY RESPONSIBILITY IS TO**  
22 **ADMINISTER** instructional programs in an elementary or secondary  
23 school, or in an ~~adult basic education or high school completion~~  
24 ~~program, unless that educator is fulfilling applicable continuing~~  
25 ~~education requirements.~~ **A DISTRICT OR INTERMEDIATE DISTRICT.**

26 (2) Except as provided in the revised school code, a district  
27 or intermediate district employing ~~educators not legally~~

1 ~~certificated or licensed~~ **INDIVIDUALS IN VIOLATION OF THIS SECTION**  
 2 shall have deducted the sum equal to the amount paid the ~~educators~~  
 3 **INDIVIDUALS** for the period of ~~noncertificated, unlicensed, or~~  
 4 ~~illegal~~ employment. Each intermediate superintendent shall notify  
 5 the department of the name of the ~~noncertificated or unlicensed~~  
 6 ~~educator,~~ **INDIVIDUAL EMPLOYED IN VIOLATION OF THIS SECTION,** and the  
 7 district employing that individual and the amount of salary the  
 8 ~~noncertificated or unlicensed educator~~ **INDIVIDUAL** was paid within a  
 9 constituent district.

10 (3) If a school official is notified by the department that he  
 11 or she is employing a ~~nonapproved, noncertificated, or unlicensed~~  
 12 ~~educator~~ **AN INDIVIDUAL** in violation of this section and knowingly  
 13 continues to employ that ~~educator,~~ **INDIVIDUAL,** the school official  
 14 is guilty of a misdemeanor ~~—~~ punishable by a fine of \$1,500.00 for  
 15 each incidence. This penalty is in addition to all other financial  
 16 penalties otherwise specified in this article.

17 Sec. 164h. (1) Beginning October 1, 2017, a district or  
 18 intermediate district shall not enter into a collective bargaining  
 19 agreement that does any of the following:

20 (a) Establishes racial or religious preferences for employees.

21 (b) Automatically deducts union dues from employee  
 22 compensation.

23 (c) Is in conflict with any state or federal law regarding  
 24 district or intermediate district transparency.

25 (d) Includes a method of compensation that does not comply  
 26 with section 1250 of the revised school code, MCL 380.1250. **THIS**  
 27 **SUBDIVISION SHALL NOT BE CONSTRUED TO AFFECT THE OPERATION OF**

1 SECTION 15(3) (O) OF 1947 PA 336, MCL 423.215, THE OPERATION OF  
2 SECTION 1231 OF THE REVISED SCHOOL CODE, MCL 380.1231, OR THE  
3 REQUIREMENT TO CONFER IN GOOD FAITH WITH RESPECT TO WAGES UNDER  
4 SECTION 15(1) OF 1947 PA 336, MCL 423.215.

5 (2) A district or intermediate district that enters into a  
6 collective bargaining agreement in violation of subsection (1)  
7 shall forfeit an amount equal to 5% of the funds due to the  
8 district or intermediate district under this article.

9 Sec. 166b. (1) This act does not prohibit a parent or legal  
10 guardian of a minor who is enrolled in any of grades kindergarten  
11 to 12 in a nonpublic school or who is being home-schooled from also  
12 enrolling the minor in a district, public school academy, or  
13 intermediate district in any curricular offering that is provided  
14 by the district, public school academy, or intermediate district at  
15 a public school site and is available to pupils in the minor's  
16 grade level or age group, subject to compliance with the same  
17 requirements that apply to a full-time pupil's participation in the  
18 offering. However, state school aid shall be provided under this  
19 act for a minor enrolled as described in this subsection only for **A**  
20 ~~curricular offerings that are~~ **OFFERING THAT IS RESTRICTED TO**  
21 **NONESSENTIAL ELECTIVE COURSES AND IS** available to full-time pupils  
22 in the minor's grade level or age group. **FOR THE PURPOSES OF THIS**  
23 **SUBSECTION, A CURRICULAR OFFERING INCLUDES OPTIONAL EXPERIENCES**  
24 **ASSOCIATED WITH THE CURRICULAR OFFERING.**

25 (2) This act does not prohibit a parent or legal guardian of a  
26 minor who is enrolled in any of grades kindergarten to 12 in a  
27 nonpublic school or who resides within ~~the~~ **A** district and is being

1 home-schooled from also enrolling the minor in the district in a  
2 **ANY NONESSENTIAL ELECTIVE** curricular offering being provided by the  
3 district at ~~the~~ **A nonpublic school site . However, state OR THAT IS**  
4 **PROVIDED BY THE DISTRICT, A PUBLIC SCHOOL ACADEMY, OR AN**  
5 **INTERMEDIATE DISTRICT AT A PUBLIC SCHOOL SITE, AND THAT IS**  
6 **AVAILABLE TO PUPILS IN THE MINOR'S GRADE LEVEL OR AGE GROUP,**  
7 **SUBJECT TO COMPLIANCE WITH THE SAME REQUIREMENTS THAT APPLY TO A**  
8 **FULL-TIME PUPIL'S PARTICIPATION IN THE OFFERING. FOR THE PURPOSES**  
9 **OF THIS SUBSECTION, A CURRICULAR OFFERING INCLUDES OPTIONAL**  
10 **EXPERIENCES ASSOCIATED WITH THE CURRICULAR OFFERING. STATE** school  
11 aid shall be provided under this act for a minor enrolled as  
12 described in this subsection only if all of the following apply:

13 (a) Either of the following:

14 (i) The nonpublic school site is located, or the nonpublic  
15 students are educated, within the geographic boundaries of the  
16 district.

17 (ii) If the nonpublic school has submitted a written request  
18 to the district in which the nonpublic school is located for the  
19 district to provide certain instruction under this subsection for a  
20 school year and the district does not agree to provide some or all  
21 of that instruction by May 1 immediately preceding that school year  
22 or, if the request is submitted after March 1 immediately preceding  
23 that school year, within 60 days after the nonpublic school submits  
24 the request, the instruction is instead provided by an eligible  
25 other district. This subparagraph does not require a nonpublic  
26 school to submit more than 1 request to the district in which the  
27 nonpublic school is located for that district to provide

1 instruction under this subsection, and does not require a nonpublic  
2 school to submit an additional request to the district in which the  
3 nonpublic school is located for that district to provide additional  
4 instruction under this subsection beyond the instruction requested  
5 in the original request, before having the instruction provided by  
6 an eligible other district. A public school academy that is located  
7 in the district in which the nonpublic school is located or in an  
8 eligible other district also may provide instruction under this  
9 subparagraph under the same conditions as an eligible other  
10 district. As used in this subparagraph, "eligible other district"  
11 means a district that is located in the same intermediate district  
12 as the district in which the nonpublic school is located or is  
13 located in an intermediate district that is contiguous to that  
14 intermediate district.

15 (b) The nonpublic school is registered with the department as  
16 a nonpublic school and meets all state reporting requirements for  
17 nonpublic schools.

18 (c) The instruction is provided directly by a certified  
19 teacher ~~at~~**OF** the district, ~~or~~ public school academy, or ~~at~~**an**  
20 intermediate district.

21 (d) The curricular offering is also available to full-time  
22 pupils in the minor's grade level or age group in the district or  
23 public school academy at a public school site.

24 (e) The curricular offering is restricted to nonessential  
25 elective courses for pupils in grades kindergarten to 12.

26 **(F) THE DISTRICT ENSURES THAT ALL INDIVIDUALS THAT HAVE**  
27 **CONTACT WITH PUPILS AS PART OF A COURSE PROVIDED TO PUPILS ENROLLED**

1 IN THE DISTRICT UNDER SECTION 166B AND COUNTED IN MEMBERSHIP UNDER  
2 SECTION 6 HAVE NOT BEEN CONVICTED OF SEXUAL MISCONDUCT.

3 (G) THE DISTRICT ENSURES THAT AN INDIVIDUAL WHO PROVIDES  
4 DIRECT OR INDIRECT CURRICULAR OFFERINGS TO PUPILS AS PART OF AN  
5 OPTIONAL OR REQUIRED COURSE PROVIDED TO PUPILS ENROLLED IN THE  
6 DISTRICT UNDER SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION  
7 6, OR WHO HAS UNSUPERVISED CONTACT WITH PUPILS AS PART OF SUCH A  
8 COURSE, IS SUBJECT TO THE REQUIREMENTS UNDER SECTIONS 1230, 1230A,  
9 1230B, 1230C, 1230D, 1230E, AND 1230G OF THE REVISED SCHOOL CODE,  
10 MCL 380.1230, 380.1230A, 380.1230B, 380.1230C, 380.1230D,  
11 380.1230E, AND 380.1230G, AS IF THE INDIVIDUAL IS OFFERED FULL-TIME  
12 OR PART-TIME EMPLOYMENT IN THE DISTRICT, IS AN EMPLOYEE OF THE  
13 DISTRICT, OR IS ASSIGNED TO REGULARLY AND CONTINUOUSLY WORK UNDER  
14 CONTRACT IN ANY OF ITS SCHOOLS, AS APPLICABLE.

15 (H) THE DISTRICT ENSURES THAT EACH OPTIONAL EXPERIENCE  
16 ASSOCIATED WITH A COURSE PROVIDED TO PUPILS ENROLLED IN THE  
17 DISTRICT UNDER SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION  
18 6 IS OFFERED ON A SCHEDULE THAT ENSURES THAT THE EXPERIENCE IS  
19 AVAILABLE TO THE MAJORITY OF FULL-TIME PUPILS IN MEMBERSHIP IN THE  
20 DISTRICT IN THE SAME GRADE LEVEL OR AGE GROUP AS PUPILS  
21 PARTICIPATING IN THE COURSE AND ENROLLED IN THE DISTRICT UNDER  
22 SECTION 166B.

23 (I) THE DISTRICT PROVIDES THE DEPARTMENT INFORMATION NECESSARY  
24 TO QUANTIFY ALL OF THE FOLLOWING, IN A FORM AND MANNER PRESCRIBED  
25 BY THE DEPARTMENT IN CONJUNCTION WITH THE CENTER:

26 (i) A COMPLETE LISTING OF ALL COURSES PROVIDED TO PUPILS  
27 COUNTED IN MEMBERSHIP IN THE DISTRICT.

1           **(ii) COURSE ENROLLMENTS BY EACH PARTICIPANT USING LOCAL CODING**  
2 **AND THE SCHOOL CODES FOR THE EXCHANGE OF DATA (SCED) .**

3           **(iii) IDENTIFICATION OF EACH COURSE TEACHER OR MENTOR.**

4           (3) A nonessential course in grades 1 to 8 is a course other  
5 than a mathematics, science, social studies, and English language  
6 arts course required by the district for grade progression.  
7 Nonessential courses in grades 9 to 12 are those other than algebra  
8 1, algebra 2, English 9-12, geometry, biology, chemistry, physics,  
9 economics, geography, American history, world history, the  
10 Constitution, government, and civics, or courses that fulfill the  
11 same credit requirement as these courses. Nonessential elective  
12 courses include courses offered by the local district for high  
13 school credit that are also capable of generating postsecondary  
14 credit, including, at least, advanced placement and international  
15 baccalaureate courses. College level courses taken by high school  
16 students for college credit are nonessential courses. Remedial  
17 courses for any grade in the above-listed essential courses are  
18 considered essential. Kindergarten is considered nonessential.

19           (4) Subject to section 6(4) (ii), a minor enrolled as described  
20 in this section is a part-time pupil for purposes of state school  
21 aid under this act.

22           (5) A district that receives a written request to provide  
23 instruction under subsection (2) shall reply to the request in  
24 writing by May 1 immediately preceding the applicable school year  
25 or, if the request is made after March 1 immediately preceding that  
26 school year, within 60 days after the nonpublic school submits the  
27 request. The written reply shall specify whether the district



1 agrees to provide or does not agree to provide the instruction for  
2 each portion of instruction included in the request.

3       **SEC. 167B. (1) NOT LATER THAN AUGUST 1, 2018, AND NOT LATER**  
4 **THAN AUGUST 1 OF EACH SUBSEQUENT YEAR, A DISTRICT OR INTERMEDIATE**  
5 **DISTRICT THAT OPERATES A SCHOOL VIOLENCE TIP LINE SHALL REPORT TO**  
6 **THE ATTORNEY GENERAL ON THE OPERATION OF THE TIP LINE. THE**  
7 **INFORMATION REPORTED MUST INCLUDE AT LEAST ALL OF THE FOLLOWING,**  
8 **FOR THE PURPOSES OF STUDYING BEST PRACTICES:**

9           **(A) WHETHER THE TIP LINE OPERATES 24 HOURS A DAY.**

10           **(B) WHETHER THE TIP LINE IS CONNECTED TO LOCAL LAW**  
11 **ENFORCEMENT.**

12           **(C) THE TYPE AND DURATION OF TRAINING FOR PERSONNEL WHO**  
13 **OPERATE THE TIP LINE.**

14           **(2) A DISTRICT OR INTERMEDIATE DISTRICT SHALL ANNUALLY**  
15 **DESIGNATE AT LEAST 1, BUT NO MORE THAN 2, EMPLOYEES AS THE SCHOOL**  
16 **OFFICIALS WHO WILL RECEIVE INFORMATION UNDER SECTION 3(4) OF THE**  
17 **STUDENT SAFETY ACT, 2013 PA 183, MCL 752.913, AND SHALL PROVIDE THE**  
18 **ATTORNEY GENERAL WITH THE CONTACT INFORMATION FOR THE DESIGNATED**  
19 **SCHOOL OFFICIALS THAT ALLOWS THE DESIGNATED SCHOOL OFFICIALS TO**  
20 **RECEIVE INFORMATION 24 HOURS A DAY, 365 DAYS A YEAR.**

21       Sec. 169a. (1) A board member, official, or employee of a  
22 district or intermediate district shall ~~not interfere with the~~  
23 ~~right or ability of~~ **PROVIDE ANY INFORMATION RECEIVED FROM** the  
24 Michigan schools for the deaf and blind ~~to provide information~~  
25 about ~~the~~ **ITS** residential program ~~among~~ **TO** parents and guardians of  
26 pupils ~~or~~ **WHO ARE DEAF, DEAF-BLIND, OR HARD OF HEARING AND TO ANY**  
27 residents of the district or intermediate district **WHO REQUEST THE**

1 **INFORMATION.**

2 (2) Upon determining that a pupil is deaf or hard of hearing,  
3 a district or intermediate district shall provide to the pupil's  
4 parent or legal guardian information, provided by the Michigan  
5 coalition for deaf and hard of hearing persons, on educational  
6 placement options for deaf and hard of hearing children.

7 (3) Upon determining that a pupil is blind, a district or  
8 intermediate district shall provide to the pupil's parent or legal  
9 guardian information, provided by the Michigan federation for the  
10 blind, on educational placement options for blind children.

11 **(4) A DISTRICT OR INTERMEDIATE DISTRICT THAT VIOLATES THIS**  
12 **SECTION SHALL FORFEIT AN AMOUNT EQUAL TO 5% OF THE FUNDS DUE TO THE**  
13 **DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE.**

14 Sec. 201. (1) Subject to the conditions set forth in this  
15 article, the amounts listed in this section are appropriated for  
16 community colleges for the fiscal year ending September 30, ~~2018,~~  
17 **2019**, from the funds indicated in this section. The following is a  
18 summary of the appropriations in this section:

19 (a) The gross appropriation is ~~\$399,326,500.00.~~  
20 **\$408,215,500.00.** After deducting total interdepartmental grants and  
21 intradepartmental transfers in the amount of \$0.00, the adjusted  
22 gross appropriation is ~~\$399,326,500.00.~~**\$408,215,500.00.**

23 (b) The sources of the adjusted gross appropriation described  
24 in subdivision (a) are as follows:

25 (i) Total federal revenues, \$0.00.

26 (ii) Total local revenues, \$0.00.

27 (iii) Total private revenues, \$0.00.

1 (iv) Total other state restricted revenues,  
2 ~~\$398,301,500.00.~~ **\$408,215,500.00.**

3 (v) State general fund/general purpose money,  
4 ~~\$1,025,000.00.~~ **\$0.00.**

5 (2) Subject to subsection (3), the amount appropriated for  
6 community college operations is ~~\$319,050,900.00,~~ **\$322,250,900.00,**  
7 allocated as follows:

8 (a) The appropriation for Alpena Community College is  
9 ~~\$5,627,500.00, \$5,596,200.00 for operations and \$31,300.00 for~~  
10 ~~performance funding.~~ **\$5,707,600.00, \$5,665,900.00 FOR OPERATIONS AND**  
11 **\$41,700.00 FOR PERFORMANCE FUNDING.**

12 (b) The appropriation for Bay de Noc Community College is  
13 ~~\$5,589,000.00, \$5,560,900.00 for operations and \$28,100.00 for~~  
14 ~~performance funding.~~ **\$5,624,800.00, \$5,589,000.00 FOR OPERATIONS AND**  
15 **\$35,800.00 FOR PERFORMANCE FUNDING.**

16 (c) The appropriation for Delta College is ~~\$14,990,700.00,~~  
17 ~~\$14,907,700.00 for operations and \$83,000.00 for performance~~  
18 ~~funding.~~ **\$15,104,300.00, \$14,990,700.00 FOR OPERATIONS AND**  
19 **\$113,600.00 FOR PERFORMANCE FUNDING.**

20 (d) The appropriation for Glen Oaks Community College is  
21 ~~\$2,601,400.00, \$2,586,900.00 for operations and \$14,500.00 for~~  
22 ~~performance funding.~~ **\$2,620,000.00, \$2,601,400.00 FOR OPERATIONS AND**  
23 **\$18,600.00 FOR PERFORMANCE FUNDING.**

24 (e) The appropriation for Gogebic Community College is  
25 ~~\$4,715,400.00, \$4,692,200.00 for operations and \$23,200.00 for~~  
26 ~~performance funding.~~ **\$4,844,300.00, \$4,809,700.00 FOR OPERATIONS AND**  
27 **\$34,600.00 FOR PERFORMANCE FUNDING.**

1 (f) The appropriation for Grand Rapids Community College is  
2 ~~\$18,556,800.00, \$18,450,500.00 for operations and \$106,300.00 for~~  
3 ~~performance funding.~~**\$18,709,300.00, \$18,556,800.00 FOR OPERATIONS**  
4 **AND \$152,500.00 FOR PERFORMANCE FUNDING.**

5 (g) The appropriation for Henry Ford College is  
6 ~~\$22,299,200.00, \$22,176,000.00 for operations and \$123,200.00 for~~  
7 ~~performance funding.~~**\$22,463,600.00, \$22,299,200.00 FOR OPERATIONS**  
8 **AND \$164,400.00 FOR PERFORMANCE FUNDING.**

9 (h) The appropriation for Jackson College is ~~\$12,590,100.00,~~  
10 ~~\$12,527,400.00 for operations and \$62,700.00 for performance~~  
11 ~~funding.~~**\$12,698,200.00, \$12,617,200.00 FOR OPERATIONS AND**  
12 **\$81,000.00 FOR PERFORMANCE FUNDING.**

13 (i) The appropriation for Kalamazoo Valley Community College  
14 is ~~\$12,948,700.00, \$12,873,900.00 for operations and \$74,800.00 for~~  
15 ~~performance funding.~~**\$13,046,600.00, \$12,948,700.00 FOR OPERATIONS**  
16 **AND \$97,900.00 FOR PERFORMANCE FUNDING.**

17 (j) The appropriation for Kellogg Community College is  
18 ~~\$10,143,600.00, \$10,087,500.00 for operations and \$56,100.00 for~~  
19 ~~performance funding.~~**\$10,214,400.00, \$10,143,600.00 FOR OPERATIONS**  
20 **AND \$70,800.00 FOR PERFORMANCE FUNDING.**

21 (k) The appropriation for Kirtland Community College is  
22 ~~\$3,289,400.00, \$3,270,000.00 for operations and \$19,400.00 for~~  
23 ~~performance funding.~~**\$3,321,600.00, \$3,289,400.00 FOR OPERATIONS AND**  
24 **\$32,200.00 FOR PERFORMANCE FUNDING.**

25 (l) The appropriation for Lake Michigan College is  
26 ~~\$5,523,600.00, \$5,492,800.00 for operations and \$30,800.00 for~~  
27 ~~performance funding.~~**\$5,672,100.00, \$5,631,000.00 FOR OPERATIONS AND**

1 **\$41,100.00 FOR PERFORMANCE FUNDING.**

2 (m) The appropriation for Lansing Community College is  
3 ~~\$32,324,200.00, \$32,165,600.00 for operations and \$158,600.00 for~~  
4 ~~performance funding.~~**\$32,725,800.00, \$32,515,500.00 FOR OPERATIONS**  
5 **AND \$210,300.00 FOR PERFORMANCE FUNDING.**

6 (n) The appropriation for Macomb Community College is  
7 ~~\$33,863,600.00, \$33,681,800.00 for operations and \$181,800.00 for~~  
8 ~~performance funding.~~**\$34,124,000.00, \$33,863,600.00 FOR OPERATIONS**  
9 **AND \$260,400.00 FOR PERFORMANCE FUNDING.**

10 (o) The appropriation for Mid Michigan Community College is  
11 ~~\$4,968,900.00, \$4,937,400.00 for operations and \$31,500.00 for~~  
12 ~~performance funding.~~**\$5,112,400.00, \$5,068,300.00 FOR OPERATIONS AND**  
13 **\$44,100.00 FOR PERFORMANCE FUNDING.**

14 (p) The appropriation for Monroe County Community College is  
15 ~~\$4,665,500.00, \$4,636,700.00 for operations and \$28,800.00 for~~  
16 ~~performance funding.~~**\$4,708,600.00, \$4,665,500.00 FOR OPERATIONS AND**  
17 **\$43,100.00 FOR PERFORMANCE FUNDING.**

18 (q) The appropriation for Montcalm Community College is  
19 ~~\$3,446,300.00, \$3,426,700.00 for operations and \$19,600.00 for~~  
20 ~~performance funding.~~**\$3,542,900.00, \$3,515,200.00 FOR OPERATIONS AND**  
21 **\$27,700.00 FOR PERFORMANCE FUNDING.**

22 (r) The appropriation for C.S. Mott Community College is  
23 ~~\$16,258,100.00, \$16,167,200.00 for operations and \$90,900.00 for~~  
24 ~~performance funding.~~**\$16,381,600.00, \$16,258,100.00 FOR OPERATIONS**  
25 **AND \$123,500.00 FOR PERFORMANCE FUNDING.**

26 (s) The appropriation for Muskegon Community College is  
27 ~~\$9,203,000.00, \$9,150,600.00 for operations and \$52,400.00 for~~

1 ~~performance funding.~~ **\$9,264,700.00, \$9,203,000.00 FOR OPERATIONS AND**  
2 **\$61,700.00 FOR PERFORMANCE FUNDING.**

3 (t) The appropriation for North Central Michigan College is  
4 ~~\$3,353,200.00, \$3,330,200.00 for operations and \$23,000.00 for~~  
5 ~~performance funding.~~ **\$3,402,600.00, \$3,368,400.00 FOR OPERATIONS AND**  
6 **\$34,200.00 FOR PERFORMANCE FUNDING.**

7 (u) The appropriation for Northwestern Michigan College is  
8 ~~\$9,508,900.00, \$9,459,800.00 for operations and \$49,100.00 for~~  
9 ~~performance funding.~~ **\$9,625,400.00, \$9,559,700.00 FOR OPERATIONS AND**  
10 **\$65,700.00 FOR PERFORMANCE FUNDING.**

11 (v) The appropriation for Oakland Community College is  
12 ~~\$21,905,700.00, \$21,770,900.00 for operations and \$134,800.00 for~~  
13 ~~performance funding.~~ **\$22,093,000.00, \$21,905,700.00 FOR OPERATIONS**  
14 **AND \$187,300.00 FOR PERFORMANCE FUNDING.**

15 (w) The appropriation for Schoolcraft College is  
16 ~~\$12,991,300.00, \$12,909,300.00 for operations and \$82,000.00 for~~  
17 ~~performance funding.~~ **\$13,112,900.00, \$12,991,300.00 FOR OPERATIONS**  
18 **AND \$121,600.00 FOR PERFORMANCE FUNDING.**

19 (x) The appropriation for Southwestern Michigan College is  
20 ~~\$6,860,700.00, \$6,827,000.00 for operations and \$33,700.00 for~~  
21 ~~performance funding.~~ **\$6,946,900.00, \$6,903,300.00 FOR OPERATIONS AND**  
22 **\$43,600.00 FOR PERFORMANCE FUNDING.**

23 (y) The appropriation for St. Clair County Community College  
24 is ~~\$7,300,100.00, \$7,259,300.00 for operations and \$40,800.00 for~~  
25 ~~performance funding.~~ **\$7,358,700.00, \$7,300,100.00 FOR OPERATIONS AND**  
26 **\$58,600.00 FOR PERFORMANCE FUNDING.**

27 (z) The appropriation for Washtenaw Community College is

1 ~~\$13,631,400.00, \$13,534,000.00 for operations and \$97,400.00 for~~  
2 ~~performance funding.~~ **\$13,764,000.00, \$13,631,400.00 FOR OPERATIONS**  
3 **AND \$132,600.00 FOR PERFORMANCE FUNDING.**

4 (aa) The appropriation for Wayne County Community College is  
5 ~~\$17,338,300.00, \$17,234,200.00 for operations and \$104,100.00 for~~  
6 ~~performance funding.~~ **\$17,487,200.00, \$17,338,300.00 FOR OPERATIONS**  
7 **AND \$148,900.00 FOR PERFORMANCE FUNDING.**

8 (bb) The appropriation for West Shore Community College is  
9 ~~\$2,556,300.00, \$2,540,000.00 for operations and \$16,300.00 for~~  
10 ~~performance funding.~~ **\$2,573,400.00, \$2,556,300.00 FOR OPERATIONS AND**  
11 **\$17,100.00 FOR PERFORMANCE FUNDING.**

12 (3) The amount appropriated in subsection (2) for community  
13 college operations is ~~\$319,050,900.00~~ **\$322,250,900.00** and is  
14 appropriated from the state school aid fund.

15 (4) From the appropriations described in subsection (1), both  
16 of the following apply:

17 (a) Subject to section 207a, the amount appropriated for  
18 fiscal year ~~2017-2018~~ **2018-2019** to offset certain fiscal year ~~2017-~~  
19 ~~2018~~ **2018-2019** retirement contributions is \$1,733,600.00,  
20 appropriated from the state school aid fund.

21 (b) For fiscal year ~~2017-2018~~ **2018-2019** only, there is  
22 allocated an amount not to exceed ~~\$3,612,000.00~~ **\$6,431,000.00** for  
23 payments to participating community colleges, appropriated from the  
24 state school aid fund. A community college that receives money  
25 under this subdivision shall use that money solely for the purpose  
26 of offsetting the normal cost contribution rate.

27 (5) From the appropriations described in subsection (1),

1 subject to section 207b, the amount appropriated for payments to  
2 community colleges that are participating entities of the  
3 retirement system is ~~\$70,805,000.00~~, **\$75,300,000.00**, appropriated  
4 from the state school aid fund.

5 (6) From the appropriations described in subsection (1),  
6 subject to section 207c, the amount appropriated for renaissance  
7 zone tax reimbursements is ~~\$3,100,000.00~~, **\$2,500,000.00**,  
8 appropriated from the state school aid fund.

9 ~~(7) From the appropriations described in subsection (1), there~~  
10 ~~is appropriated \$1,025,000.00 from general fund/general purpose~~  
11 ~~money, for fiscal year 2017-2018 only, to the Michigan Community~~  
12 ~~College Association, for the purpose of enhancing the Michigan~~  
13 ~~Transfer Network website to improve the transfer of college credit~~  
14 ~~among Michigan's postsecondary institutions. The Michigan Community~~  
15 ~~College Association shall provide information on request to the~~  
16 ~~house and senate subcommittees on community colleges, the house and~~  
17 ~~senate fiscal agencies, and the state budget director on the use of~~  
18 ~~these funds until the project is completed.~~

19 Sec. 201a. It is the intent of the legislature to provide  
20 appropriations for the fiscal year ending on September 30, ~~2019~~  
21 **2020** for the items listed in section 201. The fiscal year ~~2018-2019~~  
22 **2019-2020** appropriations are anticipated to be the same as those  
23 for fiscal year ~~2017-2018~~, **2018-2019**, except that the amounts will  
24 be adjusted for changes in retirement costs, caseload and related  
25 costs, federal fund match rates, economic factors, and available  
26 revenue. These adjustments will be determined after the January  
27 ~~2018-2019~~ consensus revenue estimating conference.



1           Sec. 206. (1) The funds appropriated in section 201 are  
2 appropriated for community colleges with fiscal years ending June  
3 30, ~~2018-2019~~ and shall be paid out of the state treasury and  
4 distributed by the state treasurer to the respective community  
5 colleges in 11 monthly installments on the sixteenth of each month,  
6 or the next succeeding business day, beginning with October 16,  
7 ~~2017-2018~~. Each community college shall accrue its July and August  
8 ~~2018-2019~~ payments to its institutional fiscal year ending June 30,  
9 ~~2018-2019~~.

10           (2) If the state budget director determines that a community  
11 college failed to submit any of the information described in  
12 subdivisions (a) to (f) in the form and manner specified by the  
13 center, the state treasurer shall, subject to subdivision (g),  
14 withhold the monthly installments from that community college until  
15 those data are submitted:

16           (a) ~~All verified~~ **THE** Michigan community colleges ~~activities~~  
17 ~~classification structure~~ **VERIFIED DATA INVENTORY** data for the  
18 preceding academic year to the center by November 1 of each year as  
19 specified in section 217.

20           (b) The college credit opportunity data set as specified in  
21 section 209.

22           (c) The longitudinal data set for the preceding academic year  
23 to the center as specified in section 219.

24           (d) The annual independent audit as specified in section 222.

25           (e) Tuition and mandatory fees information for the current  
26 academic year as specified in section 225.

27           (f) The number and type of associate degrees and other

1 certificates awarded during the previous academic year as specified  
2 in section 226.

3 (g) The state budget director shall notify the chairs of the  
4 house and senate appropriations subcommittees on community colleges  
5 at least 10 days before withholding funds from any community  
6 college.

7 Sec. 207a. All of the following apply to the allocation of the  
8 fiscal year ~~2017-2018~~**2018-2019** appropriations described in section  
9 201(4):

10 (a) A community college that receives money under section  
11 201(4) shall use that money solely for the purpose of offsetting a  
12 portion of the retirement contributions owed by the college for  
13 that fiscal year.

14 (b) The amount allocated to each participating community  
15 college under section 201(4) shall be based on each college's  
16 percentage of the total covered payroll for all community colleges  
17 that are participating colleges in the immediately preceding fiscal  
18 year.

19 Sec. 207b. All of the following apply to the allocation of the  
20 fiscal year ~~2017-2018~~**2018-2019** appropriations described in section  
21 201(5) for payments to community colleges that are participating  
22 entities of the retirement system:

23 (a) The amount of a payment under section 201(5) shall be the  
24 difference between the unfunded actuarial accrued liability  
25 contribution rate as calculated under section 41 of the public  
26 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,  
27 as calculated without taking into account the maximum employer rate

1 of 20.96% included in section 41 of the public school employees  
2 retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum  
3 employer rate of 20.96% under section 41 of the public school  
4 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

5 (b) The amount allocated to each community college under  
6 section 201(5) shall be based on each community college's  
7 percentage of the total covered payroll for all community colleges  
8 that are participating colleges in the immediately preceding fiscal  
9 year. A community college that receives funds under this  
10 subdivision shall use the funds solely for the purpose of  
11 retirement contributions under section 201(5).

12 (c) Each participating college that receives funds under  
13 section 201(5) shall forward an amount equal to the amount  
14 allocated under subdivision (b) to the retirement system in a form  
15 and manner determined by the retirement system.

16 Sec. 207c. All of the following apply to the allocation of the  
17 appropriations described in section 201(6) to community colleges  
18 described in section 12(3) of the Michigan renaissance zone act,  
19 1996 PA 376, MCL 125.2692:

20 (a) The amount allocated to each community college under  
21 section 201(6) for fiscal year ~~2017-2018~~**2018-2019** shall be based  
22 on that community college's proportion of total revenue lost by  
23 community colleges as a result of the exemption of property taxes  
24 levied in ~~2017-2018~~ under the Michigan renaissance zone act, 1996  
25 PA 376, MCL 125.2681 to 125.2696.

26 (b) The appropriations described in section 201(6) shall be  
27 made to each eligible community college within 60 days after the

1 department of treasury certifies to the state budget director that  
2 it has received all necessary information to properly determine the  
3 amounts payable to each eligible community college under section 12  
4 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

5 Sec. 209. (1) Within 30 days after the board of a community  
6 college adopts its annual operating budget for the following fiscal  
7 year, or after the board adopts a subsequent revision to that  
8 budget, the community college shall make all of the following  
9 available through a link on its website homepage:

10 (a) The annual operating budget and subsequent budget  
11 revisions.

12 (b) A link to the most recent ~~"Activities Classification~~  
13 ~~Structure Data Book and Companion"~~. **"MICHIGAN COMMUNITY COLLEGE DATA**  
14 **INVENTORY REPORT"**.

15 (c) General fund revenue and expenditure projections for the  
16 current fiscal year and the next fiscal year.

17 (d) A listing of all debt service obligations, detailed by  
18 project, anticipated ~~fiscal year~~ payment of each project, and total  
19 outstanding debt for the current fiscal year.

20 (e) Links to all of the following for the community college:

21 (i) The current collective bargaining agreement for each  
22 bargaining unit.

23 (ii) Each health care benefits plan, including, but not  
24 limited to, medical, dental, vision, disability, long-term care, or  
25 any other type of benefits that would constitute health care  
26 services, offered to any bargaining unit or employee of the  
27 community college.

1           (iii) Audits and financial reports for the most recent fiscal  
2 year for which they are available.

3           (iv) A copy of the board of trustees resolution regarding  
4 compliance with best practices for the local strategic value  
5 component described in section 230(2).

6           (2) For statewide consistency and public visibility, community  
7 colleges must use the icon badge provided by the department of  
8 technology, management, and budget consistent with the icon badge  
9 developed by the department of education for K-12 school districts.  
10 It must appear on the front of each community college's homepage.  
11 The size of the icon may be reduced to 150 x 150 pixels.

12           (3) The state budget director shall determine whether a  
13 community college has complied with this section. The state budget  
14 director may withhold a community college's monthly installments  
15 described in section 206 until the community college complies with  
16 this section. The state budget director shall notify the chairs of  
17 the house and senate appropriations subcommittee on community  
18 colleges at least 10 days before withholding funds from any  
19 community college.

20           (4) Each community college shall report the following  
21 information to the senate and house appropriations subcommittees on  
22 community colleges, the senate and house fiscal agencies, and the  
23 state budget office by November 15 of each fiscal year and post  
24 that information on its website as required under subsection (1):

25           (a) Budgeted current fiscal year general fund revenue from  
26 tuition and fees.

27           (b) Budgeted current fiscal year general fund revenue from

1 state appropriations.

2 (c) Budgeted current fiscal year general fund revenue from  
3 property taxes.

4 (d) Budgeted current fiscal year total general fund revenue.

5 (e) Budgeted current fiscal year total general fund  
6 expenditures.

7 (5) By November 15 of each year, a community college shall  
8 report the following information to the center and post the  
9 information on its website under the budget transparency icon  
10 badge:

11 (a) Opportunities for earning college credit through the  
12 following programs:

13 (i) State approved career and technical education or a tech  
14 prep articulated program of study.

15 (ii) Direct college credit or concurrent enrollment.

16 (iii) Dual enrollment.

17 (iv) An early college/middle college program.

18 (b) For each program described in subdivision (a) that the  
19 community college offers, all of the following information:

20 (i) The number of high school students participating in the  
21 program.

22 (ii) The number of school districts that participate in the  
23 program with the community college.

24 (iii) Whether a college professor, qualified local school  
25 district employee, or other individual teaches the course or  
26 courses in the program.

27 (iv) The total cost to the community college to operate the

1 program.

2 (v) The cost per credit hour for the course or courses in the  
3 program.

4 (vi) The location where the course or courses in the program  
5 are held.

6 (vii) Instructional resources offered to the program  
7 instructors.

8 (viii) Resources offered to the student in the program.

9 (ix) Transportation services provided to students in the  
10 program.

11 **SEC. 209A. (1) A PUBLIC COMMUNITY COLLEGE SHALL DEVELOP,**  
12 **MAINTAIN, AND UPDATE A "CAMPUS SAFETY INFORMATION AND RESOURCES"**  
13 **LINK, PROMINENTLY DISPLAYED ON THE HOMEPAGE OF ITS WEBSITE, TO A**  
14 **SECTION OF ITS WEBSITE CONTAINING ALL OF THE INFORMATION REQUIRED**  
15 **UNDER SUBSECTION (2).**

16 **(2) THE "CAMPUS SAFETY INFORMATION AND RESOURCES" SECTION OF A**  
17 **PUBLIC COMMUNITY COLLEGE'S WEBSITE SHALL INCLUDE, BUT NOT BE**  
18 **LIMITED TO, ALL OF THE FOLLOWING INFORMATION:**

19 **(A) EMERGENCY CONTACT NUMBERS FOR POLICE, FIRE, HEALTH, AND**  
20 **OTHER SERVICES.**

21 **(B) HOURS, LOCATIONS, PHONE NUMBERS, AND ELECTRONIC MAIL**  
22 **CONTACTS FOR CAMPUS PUBLIC SAFETY OFFICES AND TITLE IX OFFICES.**

23 **(C) A LIST OF SAFETY AND SECURITY SERVICES PROVIDED BY THE**  
24 **COMMUNITY COLLEGE, INCLUDING TRANSPORTATION, ESCORT SERVICES,**  
25 **BUILDING SURVEILLANCE, ANONYMOUS TIP LINES, AND OTHER AVAILABLE**  
26 **SECURITY SERVICES.**

27 **(D) A PUBLIC COMMUNITY COLLEGE'S POLICIES APPLICABLE TO MINORS**

1 ON COMMUNITY COLLEGE PROPERTY.

2 (E) A DIRECTORY OF RESOURCES AVAILABLE AT THE COMMUNITY  
3 COLLEGE OR SURROUNDING COMMUNITY FOR STUDENTS OR EMPLOYEES WHO ARE  
4 SURVIVORS OF SEXUAL ASSAULT OR SEXUAL ABUSE.

5 (F) AN ELECTRONIC COPY OF "A RESOURCE HANDBOOK FOR CAMPUS  
6 SEXUAL ASSAULT SURVIVORS, FRIENDS AND FAMILY," PUBLISHED IN 2018 BY  
7 THE OFFICE OF THE GOVERNOR IN CONJUNCTION WITH THE FIRST LADY OF  
8 MICHIGAN.

9 (G) CAMPUS SECURITY POLICIES AND CRIME STATISTICS PURSUANT TO  
10 THE STUDENT RIGHT-TO-KNOW AND CAMPUS SECURITY ACT, PUBLIC LAW 101-  
11 542, 104 STAT 2381. INFORMATION SHALL INCLUDE ALL MATERIAL PREPARED  
12 PURSUANT TO THE PUBLIC INFORMATION REPORTING REQUIREMENTS UNDER THE  
13 CRIME AWARENESS AND CAMPUS SECURITY ACT OF 1990, TITLE II OF THE  
14 STUDENT RIGHT-TO-KNOW AND CAMPUS SECURITY ACT, PUBLIC LAW 101-542,  
15 104 STAT 2381.

16 (3) A COMMUNITY COLLEGE SHALL CERTIFY TO THE STATE BUDGET  
17 DIRECTOR BY AUGUST 31, 2018 THAT IT IS IN COMPLIANCE WITH THIS  
18 SECTION. THE STATE BUDGET DIRECTOR MAY WITHHOLD A PUBLIC COMMUNITY  
19 COLLEGE'S MONTHLY INSTALLMENTS DESCRIBED IN SECTION 206 UNTIL THE  
20 PUBLIC COMMUNITY COLLEGE COMPLIES WITH THIS SECTION.

21 Sec. 210b. By March 1, ~~2018~~, 2019, the Michigan Community  
22 College Association and the Michigan Association of State  
23 Universities shall submit a report to the senate and house  
24 appropriations subcommittees on community colleges, the senate and  
25 house fiscal agencies, and the state budget director on the  
26 activities and programs of the transfer steering committee since  
27 the March 1, ~~2017~~ 2018 report required under this section,



1 including all of the following:

2 (a) The alignment of learning outcomes in gateway mathematics  
3 courses in the quantitative reasoning, college algebra, and  
4 statistics pathways and the transferability of mathematics gateway  
5 courses between and among community colleges and universities.

6 (b) The development of program-specific, statewide transfer  
7 pathways that meet program requirements for both associate and  
8 bachelor's degree programs.

9 (c) The development of an enhanced online communication tool  
10 to share information about postsecondary options in Michigan,  
11 course equivalencies, and transfer pathways that are clearly  
12 articulated.

13 (d) The establishment of clear timelines for developing and  
14 implementing transfer pathways.

15 (e) A progress report on the implementation of the Michigan  
16 transfer agreement.

17 **SEC. 210F. BY FEBRUARY 1, 2019, THE MICHIGAN COMMUNITY COLLEGE**  
18 **ASSOCIATION, THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND**  
19 **THE MICHIGAN INDEPENDENT COLLEGES AND UNIVERSITIES, ON BEHALF OF**  
20 **THEIR MEMBER COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE SENATE**  
21 **AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE**  
22 **SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY**  
23 **COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE**  
24 **BUDGET DIRECTOR A COMPREHENSIVE REPORT DETAILING THE NUMBER OF**  
25 **ACADEMIC PROGRAM PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES,**  
26 **PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES,**  
27 **INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING INFORMATION:**

1           (A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY  
2 OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE  
3 CAMPUSES.

4           (B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE  
5 DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC  
6 UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.

7           (C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES  
8 AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES  
9 OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED  
10 THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1,  
11 2017 THROUGH JUNE 30, 2018.

12           SEC. 215. BY OCTOBER 31, EACH COMMUNITY COLLEGE RECEIVING  
13 FUNDS UNDER SECTION 201 SHALL REPORT TO THE SENATE AND HOUSE  
14 APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND  
15 HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ITS ANNUAL  
16 TITLE IX REPORT, ALSO KNOWN AS THE STUDENT SEXUAL MISCONDUCT  
17 REPORT, ISSUED BY THE TITLE IX COORDINATOR, AS REQUIRED UNDER THE  
18 FEDERAL CAMPUS SAVE ACT OF 2013, PUBLIC LAW 113-4, SECTION 304, 127  
19 STAT 54, 89-92 (2013).

20           Sec. 217. (1) The center shall do all of the following:

21           (a) Establish, maintain, and coordinate the state community  
22 college database commonly known as the "~~activities classification~~  
23 ~~structure~~" or "~~ACS~~" database. "**MICHIGAN COMMUNITY COLLEGE DATA**  
24 **INVENTORY**".

25           (b) Collect data concerning community colleges and community  
26 college programs in this state, including data required by law.

27           (c) Establish procedures to ensure the validity and

1 reliability of the data and the collection process.

2 (d) Develop model data collection policies, including, but not  
3 limited to, policies that ensure the privacy of any individual  
4 student data. Privacy policies shall ensure that student social  
5 security numbers are not released to the public for any purpose.

6 (e) Provide data in a useful manner to allow state  
7 policymakers and community college officials to make informed  
8 policy decisions.

9 **(F) WORK WITH THE TALENT INVESTMENT AGENCY IN THE DEPARTMENT**  
10 **OF TALENT AND ECONOMIC DEVELOPMENT TO COMPILE AND PUBLISH**  
11 **ELECTRONICALLY THE DEMOGRAPHIC ENROLLMENT PROFILE.**

12 (2) There is created within the center the ~~activities~~  
13 ~~classification structure~~ **MICHIGAN COMMUNITY COLLEGE DATA INVENTORY**  
14 advisory committee. The committee shall provide advice to the  
15 director of the center regarding the management of the state  
16 community college database, including, but not limited to:

17 (a) Determining what data are necessary to collect and  
18 maintain to enable state and community college officials to make  
19 informed policy decisions.

20 (b) Defining the roles of all stakeholders in the data  
21 collection system.

22 (c) Recommending timelines for the implementation and ongoing  
23 collection of data.

24 (d) Establishing and maintaining data definitions, data  
25 transmission protocols, and system specifications and procedures  
26 for the efficient and accurate transmission and collection of data.

27 (e) Establishing and maintaining a process for ensuring the

1 accuracy of the data.

2 (f) Establishing and maintaining policies related to data  
3 collection, including, but not limited to, privacy policies related  
4 to individual student data.

5 (g) Ensuring that the data are made available to state  
6 policymakers and citizens of this state in the most useful format  
7 possible.

8 (h) Addressing other matters as determined by the director of  
9 the center or as required by law.

10 (3) The ~~activities classification structure~~ **MICHIGAN COMMUNITY**  
11 **COLLEGE DATA INVENTORY** advisory committee created in subsection (2)  
12 shall consist of the following members:

13 (a) One representative from the house fiscal agency, appointed  
14 by the director of the house fiscal agency.

15 (b) One representative from the senate fiscal agency,  
16 appointed by the director of the senate fiscal agency.

17 (c) One representative from the workforce development agency,  
18 appointed by the director of the workforce development agency.

19 (d) One representative from the center appointed by the  
20 director of the center.

21 (e) One representative from the state budget office, appointed  
22 by the state budget director.

23 (f) One representative from the governor's policy office,  
24 appointed by that office.

25 (g) Four representatives of the Michigan Community College  
26 Association, appointed by the president of the association. From  
27 the groupings of community colleges given in ~~table 17 of the~~

1 ~~activities classification structure~~ **THE MICHIGAN COMMUNITY COLLEGE**  
 2 **DATA INVENTORY** database described in subsection (1), the  
 3 association shall appoint 1 representative each from group 1, group  
 4 2, and group 3, and 1 representative from either group 3 or 4.

5       Sec. 225. Each community college shall report to the center by  
 6 August 31 of each year the tuition and mandatory fees paid by a  
 7 full-time in-district student and a full-time out-of-district  
 8 student as established by the college governing board for the  
 9 current academic year. This report should also include the annual  
 10 cost of ~~attendance~~ **TUITION AND FEES** based on a full-time course  
 11 load of 30 credits. **THIS REPORT MUST ALSO SPECIFY THE AMOUNT THAT**  
 12 **TUITION AND FEES HAVE INCREASED FOR EACH INSTITUTION FROM THE PRIOR**  
 13 **ACADEMIC YEAR.** Each community college shall also report any  
 14 revisions to the reported current academic year tuition and  
 15 mandatory fees adopted by the college governing board to the center  
 16 within 15 days of being adopted. The center shall provide this  
 17 information and any revisions to the house and senate fiscal  
 18 agencies and the state budget director.

19       Sec. 226. Each community college shall report to the center **BY**  
 20 **OCTOBER 15 OF EACH YEAR** the numbers and type of associate degrees  
 21 and other certificates awarded by the community college during the  
 22 previous ~~fiscal~~ **ACADEMIC** year . ~~The report shall be made not later~~  
 23 ~~than November 15 of each year. Community colleges shall work with~~  
 24 ~~the center to develop a systematic approach for meeting this~~  
 25 ~~requirement~~ using the P-20 longitudinal data system.

26       Sec. 229. (1) Each community college that receives an  
 27 appropriation in section 201 is expected to include in its

1 admission application process a specific question as to whether an  
2 applicant for admission has ever served or is currently serving in  
3 the United States Armed Forces or is the spouse or dependent of an  
4 individual who has served or is currently serving in the United  
5 States Armed Forces, in order to more quickly identify potential  
6 educational assistance available to that applicant.

7 (2) It is expected that each public community college that  
8 receives an appropriation in section 201 shall work with the house  
9 and senate community college subcommittees, the Michigan Community  
10 College Association, and veterans groups to review the issue of in-  
11 district tuition for veterans of this state when determining  
12 tuition rates and fees.

13 (3) As used in this section, "veteran" means an honorably  
14 discharged veteran entitled to educational assistance under the  
15 provisions of section 5003 of the post-911 veterans educational  
16 assistance act of 2008, 38 USC 3301 to ~~3325~~**3327**.

17 Sec. 229a. Included in the fiscal year ~~2017-2018~~**2018-2019**  
18 appropriations for the department of technology, management, and  
19 budget are appropriations totaling ~~\$30,879,600.00~~**\$36,378,100.00** to  
20 provide funding for the state share of costs for previously  
21 constructed capital projects for community colleges. Those  
22 appropriations for state building authority rent represent  
23 additional state general fund support for community colleges, and  
24 the following is an estimate of the amount of that support to each  
25 community college:

26 (a) Alpena Community College, ~~\$630,000.00~~**\$876,300.00**.

27 (b) Bay de Noc Community College, ~~\$682,400.00~~**\$677,000.00**.

- 1 (c) Delta College, ~~\$3,347,300.00~~ **\$3,798,700.00**.
- 2 (d) Glen Oaks Community College, ~~\$124,000.00~~ **\$123,000.00**.
- 3 (e) Gogebic Community College, ~~\$56,400.00~~ **\$56,000.00**.
- 4 (f) Grand Rapids Community College,  
5 ~~\$2,075,300.00~~ **\$2,536,500.00**.
- 6 (g) Henry Ford College, ~~\$1,036,200.00~~ **\$1,028,000.00**.
- 7 (h) Jackson College, ~~\$2,264,800.00~~ **\$2,164,000.00**.
- 8 (i) Kalamazoo Valley Community College,  
9 ~~\$1,957,400.00~~ **\$1,942,000.00**.
- 10 (j) Kellogg Community College, ~~\$524,100.00~~ **\$681,300.00**.
- 11 (k) Kirtland Community College, ~~\$365,900.00~~ **\$591,800.00**.
- 12 (l) Lake Michigan College, ~~\$342,700.00~~ **\$975,800.00**.
- 13 (m) Lansing Community College, ~~\$1,150,000.00~~ **\$1,141,000.00**.
- 14 (n) Macomb Community College, ~~\$1,662,100.00~~ **\$1,649,000.00**.
- 15 (o) Mid Michigan Community College,  
16 ~~\$1,627,800.00~~ **\$1,615,000.00**.
- 17 (p) Monroe County Community College,  
18 ~~\$1,273,000.00~~ **\$1,544,300.00**.
- 19 (q) Montcalm Community College, ~~\$978,700.00~~ **\$971,000.00**.
- 20 (r) C.S. Mott Community College, ~~\$1,817,300.00~~ **\$2,107,200.00**.
- 21 (s) Muskegon Community College, ~~\$570,500.00~~ **\$989,000.00**.
- 22 (t) North Central Michigan College, ~~\$416,300.00~~ **\$668,000.00**.
- 23 (u) Northwestern Michigan College,  
24 ~~\$1,315,400.00~~ **\$1,844,900.00**.
- 25 (v) Oakland Community College, ~~\$468,700.00~~ **\$465,000.00**.
- 26 (w) Schoolcraft College, ~~\$1,558,300.00~~ **\$2,296,000.00**.
- 27 (x) Southwestern Michigan College, ~~\$531,700.00~~ **\$887,500.00**.

1 (y) St. Clair County Community College,

2 ~~\$358,800.00~~. **\$723,500.00.**

3 (z) Washtenaw Community College, ~~\$1,689,300.00~~. **\$1,826,000.00.**

4 (aa) Wayne County Community College,

5 ~~\$1,473,600.00~~. **\$1,462,000.00.**

6 (bb) West Shore Community College, ~~\$581,600.00~~. **\$738,300.00.**

7 Sec. 230. (1) Money included in the appropriations for  
8 community college operations under section 201(2) in fiscal year  
9 ~~2017-2018-2018-2019~~ for performance funding is distributed based on  
10 the following formula:

11 (a) Allocated proportionate to fiscal year ~~2016-2017~~ **2017-2018**  
12 base appropriations, 30%.

13 (b) Based on a weighted student contact hour formula as  
14 provided for in the 2016 recommendations of the performance  
15 indicators task force, 30%.

16 (c) Based on the performance improvement as provided for in  
17 the 2016 recommendations of the performance indicators task force,  
18 10%.

19 (d) Based on the performance completion number as provided for  
20 in the 2016 recommendations of the performance indicators task  
21 force, 10%.

22 (e) Based on the performance completion rate as provided for  
23 in the 2016 recommendations of the performance indicators task  
24 force, 10%.

25 (f) Based on administrative costs, 5%.

26 (g) Based on the local strategic value component, as developed  
27 in cooperation with the Michigan Community College Association and



1 described in subsection (2), 5%.

2 (2) Money included in the appropriations for community college  
3 operations under section 201(2) for local strategic value shall be  
4 allocated to each community college that certifies to the state  
5 budget director, through a board of trustees resolution on or  
6 before October 15, ~~2017~~, **2018**, that the college has met 4 out of 5  
7 best practices listed in each category described in subsection (3).  
8 The resolution shall provide specifics as to how the community  
9 college meets each best practice measure within each category. One-  
10 third of funding available under the strategic value component  
11 shall be allocated to each category described in subsection (3).  
12 Amounts distributed under local strategic value shall be on a  
13 proportionate basis to each college's fiscal year ~~2016-2017~~ **2017-**  
14 **2018** operations funding. Payments to community colleges that  
15 qualify for local strategic value funding shall be distributed with  
16 the November installment payment described in section 206.

17 (3) For purposes of subsection (2), the following categories  
18 of best practices reflect functional activities of community  
19 colleges that have strategic value to the local communities and  
20 regional economies:

21 (a) For Category A, economic development and business or  
22 industry partnerships, the following:

23 (i) The community college has active partnerships with local  
24 employers including hospitals and health care providers.

25 (ii) The community college provides customized on-site  
26 training for area companies, employees, or both.

27 (iii) The community college supports entrepreneurship through

1 a small business assistance center or other training or consulting  
2 activities targeted toward small businesses.

3 (iv) The community college supports technological advancement  
4 through industry partnerships, incubation activities, or operation  
5 of a Michigan technical education center or other advanced  
6 technology center.

7 (v) The community college has active partnerships with local  
8 or regional workforce and economic development agencies.

9 (b) For Category B, educational partnerships, the following:

10 (i) The community college has active partnerships with  
11 regional high schools, intermediate school districts, and career-  
12 tech centers to provide instruction through dual enrollment,  
13 concurrent enrollment, direct credit, middle college, or academy  
14 programs.

15 (ii) The community college hosts, sponsors, or participates in  
16 enrichment programs for area K-12 students, such as college days,  
17 summer or after-school programming, or Science Olympiad.

18 (iii) The community college provides, supports, or  
19 participates in programming to promote successful transitions to  
20 college for traditional age students, including grant programs such  
21 as talent search, upward bound, or other activities to promote  
22 college readiness in area high schools and community centers.

23 (iv) The community college provides, supports, or participates  
24 in programming to promote successful transitions to college for new  
25 or reentering adult students, such as adult basic education, a high  
26 school equivalency test preparation program and testing, or  
27 recruiting, advising, or orientation activities specific to adults.

1 As used in this subparagraph, "high school equivalency test  
2 preparation program" means that term as defined in section 4.

3 (v) The community college has active partnerships with  
4 regional 4-year colleges and universities to promote successful  
5 transfer, such as articulation, 2+2, or reverse transfer agreements  
6 or operation of a university center.

7 (c) For Category C, community services, the following:

8 (i) The community college provides continuing education  
9 programming for leisure, wellness, personal enrichment, or  
10 professional development.

11 (ii) The community college operates or sponsors opportunities  
12 for community members to engage in activities that promote leisure,  
13 wellness, cultural or personal enrichment such as community sports  
14 teams, theater or musical ensembles, or artist guilds.

15 (iii) The community college operates public facilities to  
16 promote cultural, educational, or personal enrichment for community  
17 members, such as libraries, computer labs, performing arts centers,  
18 museums, art galleries, or television or radio stations.

19 (iv) The community college operates public facilities to  
20 promote leisure or wellness activities for community members,  
21 including gymnasiums, athletic fields, tennis courts, fitness  
22 centers, hiking or biking trails, or natural areas.

23 (v) The community college promotes, sponsors, or hosts  
24 community service activities for students, staff, or community  
25 members.

26 (4) Payments for performance funding under section 201(2)  
27 shall be made to a community college only if that community college

1 actively participates in the Michigan Transfer Network sponsored by  
2 the Michigan Association of Collegiate Registrars and Admissions  
3 Officers and submits timely updates, including updated course  
4 equivalencies at least every 6 months, to the Michigan transfer  
5 network. The state budget director shall determine if a community  
6 college has not satisfied this requirement. The state budget  
7 director may withhold payments for performance funding until a  
8 community college is in compliance with this section.

9 Sec. 236. (1) Subject to the conditions set forth in this  
10 article, the amounts listed in this section are appropriated for  
11 higher education for the fiscal year ending September 30, ~~2018,~~  
12 **2019**, from the funds indicated in this section. The following is a  
13 summary of the appropriations in this section:

14 (a) The gross appropriation is ~~\$1,629,224,400.00.~~  
15 **\$1,669,732,600.00**. After deducting total interdepartmental grants  
16 and intradepartmental transfers in the amount of \$0.00, the  
17 adjusted gross appropriation is  
18 ~~\$1,629,224,400.00.~~ **\$1,669,732,600.00.**

19 (b) The sources of the adjusted gross appropriation described  
20 in subdivision (a) are as follows:

21 (i) Total federal revenues, ~~\$111,526,400.00.~~ **\$123,526,400.00.**

22 (ii) Total local revenues, \$0.00.

23 (iii) Total private revenues, \$0.00.

24 (iv) Total other state restricted revenues,  
25 ~~\$238,443,500.00.~~ **\$500,188,300.00.**

26 (v) State general fund/general purpose money,  
27 ~~\$1,279,254,500.00.~~ **\$1,046,017,900.00.**

1 (2) Amounts appropriated for public universities are as  
2 follows:

3 (a) The appropriation for Central Michigan University is  
4 ~~\$85,654,400.00, \$83,925,500.00 for operations and \$1,728,900.00 for~~  
5 ~~performance funding.~~ **\$87,415,000.00, \$85,654,400.00 FOR OPERATIONS**  
6 **AND \$1,760,600.00 FOR PERFORMANCE FUNDING.**

7 (b) The appropriation for Eastern Michigan University is  
8 ~~\$75,169,900.00, \$73,593,800.00 for operations and \$1,576,100.00 for~~  
9 ~~performance funding.~~ **\$76,979,300.00, \$75,169,900.00 FOR OPERATIONS**  
10 **AND \$1,809,400.00 FOR PERFORMANCE FUNDING.**

11 (c) The appropriation for Ferris State University is  
12 ~~\$53,595,500.00, \$52,259,900.00 for operations and \$1,335,600.00 for~~  
13 ~~performance funding.~~ **\$54,950,700.00, \$53,595,500.00 FOR OPERATIONS**  
14 **AND \$1,355,200.00 FOR PERFORMANCE FUNDING.**

15 (d) The appropriation for Grand Valley State University is  
16 ~~\$70,100,100.00, \$68,227,900.00 for operations and \$1,872,200.00 for~~  
17 ~~performance funding.~~ **\$72,056,600.00, \$70,100,100.00 FOR OPERATIONS**  
18 **AND \$1,956,500.00 FOR PERFORMANCE FUNDING.**

19 (e) The appropriation for Lake Superior State University is  
20 ~~\$13,775,000.00, \$13,567,400.00 for operations and \$207,600.00 for~~  
21 ~~performance funding.~~ **\$13,987,000.00, \$13,775,000.00 FOR OPERATIONS**  
22 **AND \$212,000.00 FOR PERFORMANCE FUNDING.**

23 (f) The appropriation for Michigan State University is  
24 ~~\$344,404,800.00, \$275,862,100.00 for operations, \$5,377,000.00 for~~  
25 ~~performance funding, \$33,913,100.00 for MSU AgBioResearch, and~~  
26 ~~\$29,252,600.00 for MSU Extension.~~ **\$350,703,300.00, \$281,239,100.00**  
27 **FOR OPERATIONS, \$5,035,100.00 FOR PERFORMANCE FUNDING,**

1 **\$34,591,400.00 FOR MSU AGBIORESEARCH, AND \$29,837,700.00 FOR MSU**  
2 **EXTENSION.**

3 (g) The appropriation for Michigan Technological University is  
4 ~~\$49,052,200.00, \$48,097,500.00 for operations and \$954,700.00 for~~  
5 ~~performance funding.~~**\$49,949,600.00, \$49,052,200.00 FOR OPERATIONS**  
6 **AND \$897,400.00 FOR PERFORMANCE FUNDING.**

7 (h) The appropriation for Northern Michigan University is  
8 ~~\$47,137,400.00, \$46,279,200.00 for operations and \$858,200.00 for~~  
9 ~~performance funding.~~**\$47,998,400.00, \$47,137,400.00 FOR OPERATIONS**  
10 **AND \$861,000.00 FOR PERFORMANCE FUNDING.**

11 (i) The appropriation for Oakland University is  
12 ~~\$51,235,900.00, \$49,920,700.00 for operations and \$1,315,200.00 for~~  
13 ~~performance funding.~~**\$52,819,200.00, \$51,235,900.00 FOR OPERATIONS**  
14 **AND \$1,583,300.00 FOR PERFORMANCE FUNDING.**

15 (j) The appropriation for Saginaw Valley State University is  
16 ~~\$29,766,100.00, \$29,114,000.00 for operations and \$652,100.00 for~~  
17 ~~performance funding.~~**\$30,528,000.00, \$29,766,100.00 FOR OPERATIONS**  
18 **AND \$761,900.00 FOR PERFORMANCE FUNDING.**

19 (k) The appropriation for University of Michigan - Ann Arbor  
20 is ~~\$314,589,100.00, \$308,639,000.00 for operations and~~  
21 ~~\$5,950,100.00 for performance funding.~~**\$320,782,400.00,**  
22 **\$314,589,100.00 FOR OPERATIONS AND \$6,193,300.00 FOR PERFORMANCE**  
23 **FUNDING.**

24 (l) The appropriation for University of Michigan - Dearborn is  
25 ~~\$25,421,900.00, \$24,803,300.00 for operations and \$618,600.00 for~~  
26 ~~performance funding.~~**\$26,071,800.00, \$25,421,900.00 FOR OPERATIONS**  
27 **AND \$649,900.00 FOR PERFORMANCE FUNDING.**

1 (m) The appropriation for University of Michigan - Flint is  
2 ~~\$23,061,800.00, \$22,549,300.00 for operations and \$512,500.00 for~~  
3 ~~performance funding.~~ **\$23,585,400.00, \$23,061,800.00 FOR OPERATIONS**  
4 **AND \$523,600.00 FOR PERFORMANCE FUNDING.**

5 (n) The appropriation for Wayne State University is  
6 ~~\$199,169,800.00, \$196,064,500.00 for operations and \$3,105,300.00~~  
7 ~~for performance funding.~~ **\$202,363,200.00, \$199,169,800.00 FOR**  
8 **OPERATIONS AND \$3,193,400.00 FOR PERFORMANCE FUNDING.**

9 (o) The appropriation for Western Michigan University is  
10 ~~\$109,376,800.00, \$107,440,900.00 for operations and \$1,935,900.00~~  
11 ~~for performance funding.~~ **\$111,151,000.00, \$109,376,800.00 FOR**  
12 **OPERATIONS AND \$1,774,200.00 FOR PERFORMANCE FUNDING.**

13 (3) The amount appropriated in subsection (2) for public  
14 universities is appropriated from the following:

15 (a) State school aid fund, ~~\$231,219,500.00.~~ **\$494,286,300.00.**

16 (b) State general fund/general purpose money,  
17 ~~\$1,260,291,200.00.~~ **\$1,027,054,600.00.**

18 (4) The amount appropriated for Michigan public school  
19 employees' retirement system reimbursement is ~~\$6,705,000.00,~~  
20 **\$5,133,000.00**, appropriated from the state school aid fund.

21 (5) The amount appropriated for state and regional programs is  
22 \$315,000.00, appropriated from general fund/general purpose money  
23 and allocated as follows:

24 (a) Higher education database modernization and conversion,  
25 \$200,000.00.

26 (b) Midwestern Higher Education Compact, \$115,000.00.

27 (6) The amount appropriated for the Martin Luther King, Jr. -

1 Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated  
2 from general fund/general purpose money and allocated as follows:

3 (a) Select student support services, \$1,956,100.00.

4 (b) Michigan college/university partnership program,  
5 \$586,800.00.

6 (c) Morris Hood, Jr. educator development program,  
7 \$148,600.00.

8 (7) Subject to subsection (8), the amount appropriated for  
9 grants and financial aid is ~~\$127,583,200.00~~, ~~\$139,583,200.00~~,  
10 allocated as follows:

11 (a) State competitive scholarships,  
12 ~~\$26,361,700.00~~. **\$32,361,700.00.**

13 (b) Tuition grants, \$38,021,500.00.

14 (c) Tuition incentive program, ~~\$58,300,000.00~~. **\$64,300,000.00.**

15 (d) Children of veterans and officer's survivor tuition grant  
16 programs, \$1,400,000.00.

17 (e) Project GEAR-UP, \$3,200,000.00.

18 (f) North American Indian tuition waiver, \$300,000.00.

19 (8) The money appropriated in subsection (7) for grants and  
20 financial aid is appropriated from the following:

21 (a) Federal revenues under the United States Department of  
22 Education, Office of Elementary and Secondary Education, GEAR-UP  
23 program, \$3,200,000.00.

24 (b) Federal revenues under the social security act, temporary  
25 assistance for needy families, ~~\$108,326,400.00~~. **\$120,326,400.00.**

26 (c) Contributions to children of veterans tuition grant  
27 program, \$100,000.00.



1 (d) State general fund/general purpose money, \$15,956,800.00.

2 (9) For fiscal year ~~2017-2018~~**2018-2019** only, in addition to  
3 the allocation under subsection (4), from the appropriations  
4 described in subsection (1), there is allocated an amount not to  
5 exceed ~~\$419,000.00~~**\$669,000.00** for payments to participating public  
6 universities, appropriated from the state school aid fund. A  
7 university that receives money under this subsection shall use that  
8 money solely for the purpose of offsetting the normal cost  
9 contribution rate. As used in this subsection, "participating  
10 public universities" means public universities that are a reporting  
11 unit of the Michigan public school employees' retirement system  
12 under the public school employees retirement act of 1979, 1980 PA  
13 300, MCL 38.1301 to 38.1437, and that pay contributions to the  
14 Michigan public school employees' retirement system for the state  
15 fiscal year.

16 Sec. 236a. It is the intent of the legislature to provide  
17 appropriations for the fiscal year ending on September 30, ~~2019~~  
18 **2020** for the items listed in section 236. The fiscal year ~~2018-2019~~  
19 **2019-2020** appropriations are anticipated to be the same as those  
20 for fiscal year ~~2017-2018~~**2018-2019**, except that the amounts will  
21 be adjusted for changes in caseload and related costs, federal fund  
22 match rates, economic factors, and available revenue. These  
23 adjustments will be determined after the January ~~2018-2019~~  
24 consensus revenue estimating conference.

25 Sec. 236b. In addition to the funds appropriated in section  
26 236, there is appropriated for grants and financial aid in fiscal  
27 year ~~2017-2018~~**2018-2019** an amount not to exceed \$6,000,000.00 for

1 federal contingency funds. These funds are not available for  
 2 expenditure until they have been transferred under section 393(2)  
 3 of the management and budget act, 1984 PA 431, MCL 18.1393, for  
 4 another purpose under this article.

5       Sec. 236c. In addition to the funds appropriated for fiscal  
 6 year ~~2017-2018-2018-2019~~ in section 236, appropriations to the  
 7 department of technology, management, and budget in the act  
 8 providing general appropriations for fiscal year ~~2017-2018-2018-~~  
 9 **2019** for state building authority rent, totaling an estimated  
 10 ~~\$144,995,300.00,~~ **\$155,478,500.00**, provide funding for the state  
 11 share of costs for previously constructed capital projects for  
 12 state universities. These appropriations for state building  
 13 authority rent represent additional state general fund support  
 14 provided to public universities, and the following is an estimate  
 15 of the amount of that support to each university:

16       (a) Central Michigan University,

17 ~~\$12,570,900.00.~~ **\$12,936,500.00.**

18       (b) Eastern Michigan University, ~~\$5,177,500.00.~~ **\$7,083,900.00.**

19       (c) Ferris State University, ~~\$6,658,300.00.~~ **\$8,275,000.00.**

20       (d) Grand Valley State University,

21 ~~\$7,057,800.00.~~ **\$8,800,000.00.**

22       (e) Lake Superior State University,

23 ~~\$1,832,400.00.~~ **\$2,285,800.00.**

24       (f) Michigan State University, ~~\$15,500,500.00.~~ **\$16,790,400.00.**

25       (g) Michigan Technological University,

26 ~~\$7,225,100.00.~~ **\$6,782,000.00.**

27       (h) Northern Michigan University, ~~\$7,786,500.00.~~ **\$7,309,000.00.**

1 (i) Oakland University, ~~\$13,492,400.00~~ **\$12,665,000.00.**

2 (j) Saginaw Valley State University,

3 ~~\$10,918,500.00~~ **\$10,984,000.00.**

4 (k) University of Michigan - Ann Arbor,

5 ~~\$10,586,200.00~~ **\$11,861,000.00.**

6 (l) University of Michigan - Dearborn,

7 ~~\$9,581,500.00~~ **\$10,918,000.00.**

8 (m) University of Michigan - Flint,

9 ~~\$4,315,600.00~~ **\$6,244,800.00.**

10 (n) Wayne State University, ~~\$16,378,300.00~~ **\$16,480,200.00.**

11 (o) Western Michigan University,

12 ~~\$15,913,800.00~~ **\$16,062,900.00.**

13 **SEC. 236F. SUBJECT TO THE CONDITIONS SET FORTH IN THIS**  
14 **ARTICLE, THE ALLOCATION OF THE AMOUNT APPROPRIATED FOR GRANTS AND**  
15 **FINANCIAL AID UNDER SECTION 236(7) FOR THE FISCAL YEAR ENDING**  
16 **SEPTEMBER 30, 2018 IS REVISED AS FOLLOWS:**

17 **(A) THE ALLOCATION FOR STATE COMPETITIVE SCHOLARSHIPS UNDER**  
18 **SECTION 236(7) (A) IS INCREASED \$6,000,000.00, RESULTING IN A TOTAL**  
19 **ALLOCATION OF \$32,361,700.00 FOR STATE COMPETITIVE SCHOLARSHIPS**  
20 **UNDER SECTION 236(7) (A) FOR THE FISCAL YEAR ENDING SEPTEMBER 30,**  
21 **2018.**

22 **(B) THE ALLOCATION FOR TUITION GRANTS UNDER SECTION 236(7) (B)**  
23 **IS DECREASED \$6,000,000.00, RESULTING IN A TOTAL ALLOCATION OF**  
24 **\$32,021,500.00 FOR TUITION GRANTS UNDER SECTION 236(7) (B) FOR THE**  
25 **FISCAL YEAR ENDING SEPTEMBER 30, 2018.**

26 Sec. 241. (1) Subject to sections 244 and 265a, the funds  
27 appropriated in section 236 to public universities shall be paid

1 out of the state treasury and distributed by the state treasurer to  
2 the respective institutions in 11 equal monthly installments on the  
3 sixteenth of each month, or the next succeeding business day,  
4 beginning with October 16, ~~2017.~~**2018**. Except for Wayne State  
5 University, each institution shall accrue its July and August ~~2018~~  
6 **2019** payments to its institutional fiscal year ending June 30,  
7 ~~2018.~~**2019**.

8 (2) All public universities shall submit higher education  
9 institutional data inventory (HEIDI) data and associated financial  
10 and program information requested by and in a manner prescribed by  
11 the state budget director. For public universities with fiscal  
12 years ending June 30, ~~2017,~~**2018**, these data shall be submitted to  
13 the state budget director by October 15, ~~2017.~~**2018**. Public  
14 universities with a fiscal year ending September 30, ~~2017~~**2018**  
15 shall submit preliminary HEIDI data by November 15, ~~2017~~**2018** and  
16 final data by December 15, ~~2017.~~**2018**. If a public university fails  
17 to submit HEIDI data and associated financial aid program  
18 information in accordance with this reporting schedule, the state  
19 treasurer may withhold the monthly installments under subsection  
20 (1) to the public university until those data are submitted.

21 Sec. 245. (1) A public university shall maintain a public  
22 transparency website available through a link on its website  
23 homepage. The public university shall update this website within 30  
24 days after the university's governing board adopts its annual  
25 operating budget for the next academic year, or after the governing  
26 board adopts a subsequent revision to that budget.

27 (2) The website required under subsection (1) shall include

1 all of the following concerning the public university:

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

4 (b) A summary of current expenditures for the most recent  
5 fiscal year for which they are available, expressed as pie charts  
6 in the following 2 categories:

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

9 (A) Earnings and wages.

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

13 (C) Retirement benefit costs.

14 (D) All other personnel costs.

15 (ii) A chart of all current expenditures the public university  
16 reported as part of its higher education institutional data  
17 inventory data under section 241(2), broken into the same  
18 subcategories in which it reported those data.

19 (c) Links to all of the following for the public university:

20 (i) The current collective bargaining agreement for each  
21 bargaining unit.

22 (ii) Each health care benefits plan, including, but not  
23 limited to, medical, dental, vision, disability, long-term care, or  
24 any other type of benefits that would constitute health care  
25 services, offered to any bargaining unit or employee of the public  
26 university.

27 (iii) Audits and financial reports for the most recent fiscal

1 year for which they are available.

2 ~~—— (iv) Campus security policies and crime statistics pursuant to~~  
3 ~~the student right-to-know and campus security act, Public Law 101-~~  
4 ~~542, 104 Stat 2381. Information shall include all material prepared~~  
5 ~~pursuant to the public information reporting requirements under the~~  
6 ~~crime awareness and campus security act of 1990, title II of the~~  
7 ~~student right-to-know and campus security act, Public Law 101-542,~~  
8 ~~104 Stat 2381.~~

9 (d) A list of all positions funded partially or wholly through  
10 institutional general fund revenue that includes the position title  
11 and annual salary or wage amount for each position.

12 (e) General fund revenue and expenditure projections for the  
13 current fiscal year and the next fiscal year.

14 (f) A listing of all debt service obligations, detailed by  
15 project, anticipated fiscal year payment for each project, and  
16 total outstanding debt for the current fiscal year.

17 (g) The institution's policy regarding the transferability of  
18 core college courses between community colleges and the university.

19 (h) A listing of all community colleges that have entered into  
20 reverse transfer agreements with the university.

21 (3) On the website required under subsection (1), a public  
22 university shall provide a dashboard or report card demonstrating  
23 the university's performance in several "best practice" measures.  
24 The dashboard or report card shall include at least all of the  
25 following for the 3 most recent academic years for which the data  
26 are available:

27 (a) Enrollment.

1 (b) Student retention rate.

2 (c) Six-year graduation rates.

3 (d) Number of Pell grant recipients and graduating Pell grant  
4 recipients.

5 (e) Geographic origination of students, categorized as in-  
6 state, out-of-state, and international.

7 (f) Faculty to student ratios and total university employee to  
8 student ratios.

9 (g) Teaching load by faculty classification.

10 (h) Graduation outcome rates, including employment and  
11 continuing education.

12 (4) For statewide consistency and public visibility, public  
13 universities must use the icon badge provided by the department of  
14 technology, management, and budget consistent with the icon badge  
15 developed by the department of education for K-12 school districts.  
16 It must appear on the front of each public university's homepage.  
17 The size of the icon may be reduced to 150 x 150 pixels. The font  
18 size and style for this reporting must be consistent with other  
19 documents on each university's website.

20 (5) The state budget director shall determine whether a public  
21 university has complied with this section. The state budget  
22 director may withhold a public university's monthly installments  
23 described in section 241 until the public university complies with  
24 this section.

25 (6) By November 15 of each year, a public university shall  
26 report the following information to the center and post the  
27 information on its website under the budget transparency icon

1 badge:

2 (a) Opportunities for earning college credit through the  
3 following programs:

4 (i) State approved career and technical education or a tech  
5 prep articulated program of study.

6 (ii) Direct college credit or concurrent enrollment.

7 (iii) Dual enrollment.

8 (iv) An early college/middle college program.

9 (b) For each program described in subdivision (a) that the  
10 public university offers, all of the following information:

11 (i) The number of high school students participating in the  
12 program.

13 (ii) The number of school districts that participate in the  
14 program with the public university.

15 (iii) Whether a university professor, qualified local school  
16 district employee, or other individual teaches the course or  
17 courses in the program.

18 (iv) The total cost to the public university to operate the  
19 program.

20 (v) The cost per credit hour for the course or courses in the  
21 program.

22 (vi) The location where the course or courses in the program  
23 are held.

24 (vii) Instructional resources offered to the program  
25 instructors.

26 (viii) Resources offered to the student in the program.

27 (ix) Transportation services provided to students in the



1 program.

2 SEC. 245A. (1) A PUBLIC UNIVERSITY SHALL DEVELOP, MAINTAIN,  
3 AND UPDATE A "CAMPUS SAFETY INFORMATION AND RESOURCES" LINK,  
4 PROMINENTLY DISPLAYED ON THE HOMEPAGE OF ITS WEBSITE, TO A SECTION  
5 OF ITS WEBSITE CONTAINING ALL OF THE INFORMATION REQUIRED UNDER  
6 SUBSECTION (2).

7 (2) THE "CAMPUS SAFETY INFORMATION AND RESOURCES" SECTION OF A  
8 PUBLIC UNIVERSITY'S WEBSITE SHALL INCLUDE, BUT NOT BE LIMITED TO,  
9 ALL OF THE FOLLOWING INFORMATION:

10 (A) EMERGENCY CONTACT NUMBERS FOR POLICE, FIRE, HEALTH, AND  
11 OTHER SERVICES.

12 (B) HOURS, LOCATIONS, PHONE NUMBERS, AND ELECTRONIC MAIL  
13 CONTACTS FOR CAMPUS PUBLIC SAFETY OFFICES AND TITLE IX OFFICES.

14 (C) A LISTING OF SAFETY AND SECURITY SERVICES PROVIDED BY THE  
15 UNIVERSITY, INCLUDING TRANSPORTATION, ESCORT SERVICES, BUILDING  
16 SURVEILLANCE, ANONYMOUS TIP LINES, AND OTHER AVAILABLE SECURITY  
17 SERVICES.

18 (D) A PUBLIC UNIVERSITY'S POLICIES APPLICABLE TO MINORS ON  
19 UNIVERSITY PROPERTY.

20 (E) A DIRECTORY OF RESOURCES AVAILABLE AT THE UNIVERSITY OR  
21 SURROUNDING COMMUNITY FOR STUDENTS OR EMPLOYEES WHO ARE SURVIVORS  
22 OF SEXUAL ASSAULT OR SEXUAL ABUSE.

23 (F) AN ELECTRONIC COPY OF "A RESOURCE HANDBOOK FOR CAMPUS  
24 SEXUAL ASSAULT SURVIVORS, FRIENDS AND FAMILY", PUBLISHED IN 2018 BY  
25 THE OFFICE OF THE GOVERNOR IN CONJUNCTION WITH THE FIRST LADY OF  
26 MICHIGAN.

27 (G) CAMPUS SECURITY POLICIES AND CRIME STATISTICS PURSUANT TO

1 THE STUDENT RIGHT-TO-KNOW AND CAMPUS SECURITY ACT, PUBLIC LAW 101-  
2 542, 104 STAT 2381. INFORMATION SHALL INCLUDE ALL MATERIAL PREPARED  
3 PURSUANT TO THE PUBLIC INFORMATION REPORTING REQUIREMENTS UNDER THE  
4 CRIME AWARENESS AND CAMPUS SECURITY ACT OF 1990, TITLE II OF THE  
5 STUDENT RIGHT-TO-KNOW AND CAMPUS SECURITY ACT, PUBLIC LAW 101-542,  
6 104 STAT 2381.

7 (3) A PUBLIC UNIVERSITY SHALL CERTIFY TO THE STATE BUDGET  
8 DIRECTOR BY AUGUST 31, 2018 THAT IT IS IN COMPLIANCE WITH THIS  
9 SECTION. THE STATE BUDGET DIRECTOR MAY WITHHOLD A PUBLIC  
10 UNIVERSITY'S MONTHLY INSTALLMENTS DESCRIBED IN SECTION 241 UNTIL  
11 THE PUBLIC UNIVERSITY COMPLIES WITH THIS SECTION.

12 Sec. 251. (1) Payments of the amounts included in section 236  
13 for the state competitive scholarship program shall be distributed  
14 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

15 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the  
16 department of treasury shall determine an actual maximum state  
17 competitive scholarship award per student, which shall be not less  
18 than \$1,000.00, that ensures that the aggregate payments for the  
19 state competitive scholarship program do not exceed the  
20 appropriation contained in section 236 for the state competitive  
21 scholarship program. If the department determines that insufficient  
22 funds are available to establish a maximum award amount equal to at  
23 least \$1,000.00, the department shall immediately report to the  
24 house and senate appropriations subcommittees on higher education,  
25 the house and senate fiscal agencies, and the state budget director  
26 regarding the estimated amount of additional funds necessary to  
27 establish a \$1,000.00 maximum award amount.

1           (3) The department of treasury shall implement a proportional  
2 competitive scholarship maximum award level for recipients enrolled  
3 less than full-time in a given semester or term.

4           (4) If a student who receives an award under this section has  
5 his or her tuition and fees paid under the Michigan educational  
6 trust program, pursuant to the Michigan education trust act, 1986  
7 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the  
8 funds awarded under this section may be used for educational  
9 expenses other than tuition and fees.

10          (5) If the department of treasury increases the maximum award  
11 per eligible student from that provided in the previous fiscal  
12 year, it shall not have the effect of reducing the number of  
13 eligible students receiving awards in relation to the total number  
14 of eligible applicants. Any increase in the maximum grant shall be  
15 proportional for all eligible students receiving awards.

16          (6) Veterans Administration benefits shall not be considered  
17 in determining eligibility for the award of scholarships under 1964  
18 PA 208, MCL 390.971 to 390.981.

19          (7) Any unexpended and unencumbered funds remaining on  
20 September 30, ~~2018-2019~~ from the amounts appropriated in section  
21 236 for the state competitive scholarship program for fiscal year  
22 ~~2017-2018-2018-2019~~ do not lapse on September 30, ~~2018, 2019~~, but  
23 continue to be available for the expenditure for state competitive  
24 scholarships provided in the ~~2018-2019-2019-2020~~ fiscal year under  
25 a work project account. The use of these unexpended fiscal year  
26 ~~2017-2018-2018-2019~~ funds terminates at the end of the ~~2018-2019~~  
27 **2019-2020** fiscal year.

1           Sec. 252. (1) The amounts appropriated in section 236 for the  
2 state tuition grant program shall be distributed pursuant to 1966  
3 PA 313, MCL 390.991 to 390.997a.

4           (2) Tuition grant awards shall be made to all eligible  
5 Michigan residents enrolled in undergraduate degree programs who  
6 are qualified and who apply before ~~July 1, 2017 for the 2017-2018~~  
7 ~~academic year. Beginning with the 2018-2019 academic year, tuition~~  
8 ~~grant awards shall be made to all eligible Michigan residents~~  
9 ~~enrolled in undergraduate degree programs who are qualified and who~~  
10 ~~apply before March 1 of each year for the next academic year.~~

11 ~~—— (3) Beginning with the 2018-2019 academic year, a tuition~~  
12 ~~grant may be renewed for not more than 10 semesters or its~~  
13 ~~equivalent in trimesters or quarters of undergraduate education, or~~  
14 ~~if an eligible applicant has not completed using the grant within~~  
15 ~~10 years after his or her eligibility is determined, whichever~~  
16 ~~occurs first. The department shall determine an equivalent to 10~~  
17 ~~semesters or its equivalent in trimesters or quarters of~~  
18 ~~undergraduate education for less than full-time but more than half-~~  
19 ~~time students.~~

20           **(3)** ~~(4)~~ Pursuant to section 5 of 1966 PA 313, MCL 390.995, and  
21 subject to subsections ~~(8)~~ **(7)** and ~~(9)~~, **(8)**, the department of  
22 treasury shall determine an actual maximum tuition grant award per  
23 student, which shall be no less than ~~\$2,000.00,~~ **\$2,400.00**, that  
24 ensures that the aggregate payments for the tuition grant program  
25 do not exceed the appropriation contained in section 236 for the  
26 state tuition grant program. If the department determines that  
27 insufficient funds are available to establish a maximum award

1 amount equal to at least ~~\$2,000.00~~, **\$2,400.00**, the department shall  
2 immediately report to the house and senate appropriations  
3 subcommittees on higher education, the house and senate fiscal  
4 agencies, and the state budget director regarding the estimated  
5 amount of additional funds necessary to establish a ~~\$2,000.00~~  
6 **\$2,400.00** maximum award amount. If the department determines that  
7 sufficient funds are available to establish a maximum award amount  
8 equal to at least ~~\$2,000.00~~, **\$2,400.00**, the department shall  
9 immediately report to the house and senate appropriations  
10 subcommittees on higher education, the house and senate fiscal  
11 agencies, and the state budget director regarding the maximum award  
12 amount established and the projected amount of any projected year-  
13 end appropriation balance based on that maximum award amount. By  
14 February 18 of each fiscal year, the department shall analyze the  
15 status of award commitments, shall make any necessary adjustments,  
16 and shall confirm that those award commitments will not exceed the  
17 appropriation contained in section 236 for the tuition grant  
18 program. The determination and actions shall be reported to the  
19 state budget director and the house and senate fiscal agencies no  
20 later than the final day of February of each year. If award  
21 adjustments are necessary, the students shall be notified of the  
22 adjustment by March 4 of each year.

23       **(4)** ~~(5)~~ Any unexpended and unencumbered funds remaining on  
24 September 30, ~~2018~~**2019** from the amounts appropriated in section  
25 236 for the tuition grant program for fiscal year ~~2017-2018~~**2018-**  
26 **2019** do not lapse on September 30, ~~2018~~**2019**, but continue to be  
27 available for expenditure for tuition grants provided in the ~~2018-~~

1 ~~2019-2019-2020~~ fiscal year under a work project account. ~~The use of~~  
2 ~~these unexpended fiscal year 2017-2018 funds terminates at the end~~  
3 ~~of the 2018-2019 fiscal year.~~

4 (5) ~~(6)~~—The department of treasury shall continue a  
5 proportional tuition grant maximum award level for recipients  
6 enrolled less than full-time in a given semester or term.

7 (6) ~~(7)~~—If the department of treasury increases the maximum  
8 award per eligible student from that provided in the previous  
9 fiscal year, it shall not have the effect of reducing the number of  
10 eligible students receiving awards in relation to the total number  
11 of eligible applicants. Any increase in the maximum grant shall be  
12 proportional for all eligible students receiving awards for that  
13 fiscal year.

14 (7) ~~(8)~~—Except as provided in subsection ~~(5)~~, **(4)**, the  
15 department of treasury shall not award more than ~~\$3,500,000.00~~  
16 **\$4,200,000.00** in tuition grants to eligible students enrolled in  
17 the same independent nonprofit college or university in this state.  
18 Any decrease in the maximum grant shall be proportional for all  
19 eligible students enrolled in that college or university, as  
20 determined by the department. **THE LIMIT DESCRIBED IN THIS**  
21 **SUBSECTION DOES NOT APPLY TO ANY OTHER STUDENT FINANCIAL AID**  
22 **PROGRAM OR IN COMBINATION WITH ANY OTHER STUDENT FINANCIAL AID**  
23 **PROGRAM.**

24 (8) ~~(9)~~—The department of treasury shall not award tuition  
25 grants to otherwise eligible students enrolled in an independent  
26 college or university that does not report, in a form and manner  
27 directed by and satisfactory to the department of treasury, by

1 October 31 of each year, all of the following:

2 (a) The number of students in the most recently completed  
3 academic year who in any academic year received a state tuition  
4 grant at the reporting institution and successfully completed a  
5 program or graduated.

6 (b) The number of students in the most recently completed  
7 academic year who in any academic year received a state tuition  
8 grant at the reporting institution and took a remedial education  
9 class.

10 (c) The number of students in the most recently completed  
11 academic year who in any academic year received a Pell grant at the  
12 reporting institution and successfully completed a program or  
13 graduated.

14 **(9)** ~~(10)~~—By February 1, ~~2018,~~**2019**, each independent college  
15 and university participating in the tuition grant program shall  
16 report to the senate and house appropriations subcommittees on  
17 higher education, the senate and house fiscal agencies, and the  
18 state budget director on its efforts to develop and implement  
19 sexual assault response training for the institution's title IX  
20 coordinator, campus law enforcement personnel, campus public safety  
21 personnel, and any other campus personnel charged with responding  
22 to on-campus incidents, including information on sexual assault  
23 response training materials and the status of implementing sexual  
24 assault response training for institutional personnel.

25 Sec. 256. (1) The funds appropriated in section 236 for the  
26 tuition incentive program shall be distributed as provided in this  
27 section and pursuant to the administrative procedures for the

1 tuition incentive program of the department of treasury.

2 (2) As used in this section:

3 (a) "Phase I" means the first part of the tuition incentive  
4 program defined as the academic period of 80 semester or 120 term  
5 credits, or less, leading to an associate degree or certificate.  
6 Students must be enrolled in a certificate or associate degree  
7 program and taking classes within the program of study for a  
8 certificate or associate degree. Tuition will not be covered for  
9 courses outside of a certificate or associate degree program.

10 (b) "Phase II" means the second part of the tuition incentive  
11 program which provides assistance in the third and fourth year of  
12 4-year degree programs.

13 (c) "Department" means the department of treasury.

14 (d) "High school equivalency certificate" means that term as  
15 defined in section 4.

16 (3) An individual shall meet the following basic criteria and  
17 financial thresholds to be eligible for tuition incentive program  
18 benefits:

19 (a) To be eligible for phase I, an individual shall meet all  
20 of the following criteria:

21 (i) Apply for certification to the department any time after  
22 he or she begins the sixth grade but before August 31 of the school  
23 year in which he or she graduates from high school or before  
24 achieving a high school equivalency certificate.

25 (ii) Be less than 20 years of age at the time he or she  
26 graduates from high school with a diploma or certificate of  
27 completion or achieves a high school equivalency certificate or,



1 for students attending a 5-year middle college approved by the  
2 Michigan department of education, be less than 21 years of age when  
3 he or she graduates from high school.

4 (iii) Be a United States citizen and a resident of this state  
5 according to institutional criteria.

6 (iv) Be at least a half-time student, earning less than 80  
7 semester or 120 term credits at a participating educational  
8 institution within 4 years of high school graduation or achievement  
9 of a high school equivalency certificate. All program eligibility  
10 expires 6 years from high school graduation or achievement of a  
11 high school equivalency certificate.

12 (v) Meet the satisfactory academic progress policy of the  
13 educational institution he or she attends.

14 (b) To be eligible for phase II, an individual shall meet  
15 either of the following criteria in addition to the criteria in  
16 subdivision (a):

17 (i) Complete at least 56 transferable semester or 84  
18 transferable term credits.

19 (ii) Obtain an associate degree or certificate at a  
20 participating institution.

21 (c) To be eligible for phase I or phase II, an individual must  
22 not be incarcerated and must be financially eligible as determined  
23 by the department. An individual is financially eligible for the  
24 tuition incentive program if he or she was eligible for Medicaid  
25 from this state for 24 months within the 36 consecutive months  
26 before application. The department shall accept certification of  
27 Medicaid eligibility only from the department of health and human

1 services for the purposes of verifying if a person is Medicaid  
2 eligible for 24 months within the 36 consecutive months before  
3 application. Certification of eligibility may begin in the sixth  
4 grade. As used in this subdivision, "incarcerated" does not include  
5 detention of a juvenile in a state-operated or privately operated  
6 juvenile detention facility.

7 ~~— (4) Beginning in fiscal year 2017-2018, the department shall~~  
8 ~~not award more than \$8,500,000.00 annually in tuition incentive~~  
9 ~~program funds to eligible students enrolled in the same college or~~  
10 ~~university in this state.~~

11 (4) ~~(5)~~ For phase I, the department shall provide payment on  
12 behalf of a person eligible under subsection (3). The department  
13 shall only accept standard per-credit hour tuition billings and  
14 shall reject billings that are excessive or outside the guidelines  
15 for the type of educational institution.

16 (5) ~~(6)~~ For phase I, all of the following apply:

17 (a) Payments for associate degree or certificate programs  
18 shall not be made for more than 80 semester or 120 term credits for  
19 any individual student at any participating institution.

20 (b) For persons enrolled at a Michigan community college, the  
21 department shall pay the current in-district tuition and mandatory  
22 fees. For persons residing in an area that is not included in any  
23 community college district, the out-of-district tuition rate may be  
24 authorized.

25 (c) For ~~fiscal year 2017-2018~~, for persons enrolled at a  
26 Michigan public university, the department shall pay lower division  
27 resident tuition and mandatory fees for the current year. ~~Beginning~~

1 ~~in fiscal year 2018-2019, for persons enrolled at a Michigan public~~  
2 ~~university, the department shall pay mandatory fees for the current~~  
3 ~~year and a per-credit payment that does not exceed 3 times the~~  
4 ~~average community college in-district per-credit tuition rate as~~  
5 ~~reported on August 1 for the immediately preceding academic year.~~

6 (d) For persons enrolled at a Michigan independent, nonprofit  
7 degree-granting college or university, or a Michigan federal  
8 tribally controlled community college, or Focus: HOPE, the  
9 department shall pay mandatory fees for the current year and a per-  
10 credit payment that does not exceed the average community college  
11 in-district per-credit tuition rate as reported on August 1, for  
12 the immediately preceding academic year.

13 (6) ~~(7)~~—A person participating in phase II may be eligible for  
14 additional funds not to exceed \$500.00 per semester or \$400.00 per  
15 term up to a maximum of \$2,000.00 subject to the following  
16 conditions:

17 (a) Credits are earned in a 4-year program at a Michigan  
18 degree-granting 4-year college or university.

19 (b) The tuition reimbursement is for coursework completed  
20 within 30 months of completion of the phase I requirements.

21 (7) ~~(8)~~—The department shall work closely with participating  
22 institutions to develop an application and eligibility  
23 determination process that will provide the highest level of  
24 participation and ensure that all requirements of the program are  
25 met.

26 (8) ~~(9)~~—Applications for the tuition incentive program may be  
27 approved at any time after the student begins the sixth grade. If a

1 determination of financial eligibility is made, that determination  
2 is valid as long as the student meets all other program  
3 requirements and conditions.

4       **(9)** ~~(10)~~—Each institution shall ensure that all known  
5 available restricted grants for tuition and fees are used prior to  
6 billing the tuition incentive program for any portion of a  
7 student's tuition and fees.

8       **(10)** ~~(11)~~—The department shall ensure that the tuition  
9 incentive program is well publicized and that eligible Medicaid  
10 clients are provided information on the program. The department  
11 shall provide the necessary funding and staff to fully operate the  
12 program.

13       **(11)** ~~(12)~~—Any unexpended and unencumbered funds remaining on  
14 September 30, ~~2018~~**2019** from the amounts appropriated in section  
15 236 for the tuition incentive program for fiscal year ~~2017-2018~~  
16 **2018-2019** do not lapse on September 30, ~~2018,~~**2019**, but continue to  
17 be available for expenditure for tuition incentive program funds  
18 provided in the ~~2018-2019~~**2019-2020** fiscal year under a work  
19 project account. The use of these unexpended fiscal year ~~2017-2018~~  
20 **2018-2019** funds terminates at the end of the ~~2018-2019~~**2019-2020**  
21 fiscal year.

22       **(12)** ~~(13)~~—The department of treasury shall collaborate with  
23 the center to use the P-20 longitudinal data system to report the  
24 following information for each qualified postsecondary institution:

25       (a) The number of phase I students in the most recently  
26 completed academic year who in any academic year received a tuition  
27 incentive program award and who successfully completed a degree or

1 certificate program. Cohort graduation rates for phase I students  
2 shall be calculated using the established success rate methodology  
3 developed by the center in collaboration with the postsecondary  
4 institutions.

5 (b) The number of students in the most recently completed  
6 academic year who in any academic year received a Pell grant at the  
7 reporting institution and who successfully completed a degree or  
8 certificate program. Cohort graduation rates for students who  
9 received Pell grants shall be calculated using the established  
10 success rate methodology developed by the center in collaboration  
11 with the postsecondary institutions.

12 **(13)** ~~(14)~~—If a qualified postsecondary institution does not  
13 report the data necessary to comply with subsection ~~(13)~~ **(12)** to  
14 the P-20 longitudinal data system, the institution shall report, in  
15 a form and manner satisfactory to the department of treasury and  
16 the center, all of the information needed to comply with subsection  
17 ~~(13)~~ **(12)** by December 1, ~~2017~~ **2019**.

18 **(14)** ~~(15)~~—Beginning in fiscal year ~~2018–2019~~, **2019–2020**, if a  
19 qualified postsecondary institution does not report the data  
20 necessary to complete the reporting in subsection ~~(13)~~ **(12)** to the  
21 P-20 longitudinal data system by October 15 for the prior academic  
22 year, the department of treasury shall not award phase I tuition  
23 incentive program funding to otherwise eligible students enrolled  
24 in that institution until the data are submitted.

25 Sec. 263. (1) Included in the appropriation in section 236 for  
26 fiscal year ~~2017–2018~~ **2018–2019** for MSU AgBioResearch is  
27 \$2,982,900.00 and included in the appropriation in section 236 for

1 MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN  
2 is intended to address critical regulatory, food safety, economic,  
3 and environmental problems faced by this state's plant-based  
4 agriculture, forestry, and processing industries. "GREEN" is an  
5 acronym for Generating Research and Extension to Meet Environmental  
6 and Economic Needs.

7 (2) The department of agriculture and rural development and  
8 Michigan State University, in consultation with agricultural  
9 commodity groups and other interested parties, shall develop  
10 Project GREEN and its program priorities.

11 Sec. 264. Included in the appropriation in section 236 for  
12 fiscal year ~~2017-2018~~**2018-2019** for Michigan State University is  
13 \$80,000.00 for the Michigan Future Farmers of America Association.  
14 This \$80,000.00 allocation shall not supplant any existing support  
15 that Michigan State University provides to the Michigan Future  
16 Farmers of America Association.

17 Sec. 265. (1) Payments under section 265a for performance  
18 funding **FOR FISCAL YEARS 2018-2019, 2019-2020, AND 2020-2021** shall  
19 only be made to a public university that certifies to the state  
20 budget director by August 31, ~~2017-2018~~ that its board did not  
21 adopt an increase in tuition and fee rates for resident  
22 undergraduate students after September 1, ~~2016-2017~~ for the ~~2016-~~  
23 ~~2017-2017-2018~~ academic year and that its board will not adopt an  
24 increase in tuition and fee rates for resident undergraduate  
25 students for the ~~2017-2018~~**2018-2019** academic year that is greater  
26 than 3.8% or ~~\$475.00,~~**\$490.00**, whichever is greater. As used in  
27 this subsection:

1 (a) "Fee" means any board-authorized fee that will be paid by  
2 more than 1/2 of all resident undergraduate students at least once  
3 during their enrollment at a public university, as described in the  
4 higher education institutional data inventory (HEIDI) user manual.  
5 A university increasing a fee that applies to a specific subset of  
6 students or courses shall provide sufficient information to prove  
7 that the increase applied to that subset will not cause the  
8 increase in the average amount of board-authorized total tuition  
9 and fees paid by resident undergraduate students in the ~~2017-2018~~  
10 **2018-2019** academic year to exceed the limit established in this  
11 subsection.

12 (b) "Tuition and fee rate" means the average of full-time  
13 rates paid by a majority of students in each undergraduate class,  
14 based on an unweighted average of the rates authorized by the  
15 university board and actually charged to students, deducting any  
16 uniformly rebated or refunded amounts, for the 2 semesters with the  
17 highest levels of full-time equated resident undergraduate  
18 enrollment during the academic year, as described in the higher  
19 education institutional data inventory (HEIDI) user manual.

20 (c) For purposes of subdivision (a), for a public university  
21 that compels resident undergraduate students to be covered by  
22 health insurance as a condition to enroll at the university, "fee"  
23 includes the annual amount a student is charged for coverage by the  
24 university-affiliated group health insurance policy if he or she  
25 does not provide proof that he or she is otherwise covered by  
26 health insurance. This subdivision does not apply to limited  
27 subsets of resident undergraduate students to be covered by health

1 insurance for specific reasons other than general enrollment at the  
2 university.

3 (2) The state budget director shall implement uniform  
4 reporting requirements to ensure that a public university receiving  
5 a payment under section 265a for performance funding has satisfied  
6 the tuition restraint requirements of this section. The state  
7 budget director shall have the sole authority to determine if a  
8 public university has met the requirements of this section.  
9 Information reported by a public university to the state budget  
10 director under this subsection shall also be reported to the house  
11 and senate appropriations subcommittees on higher education and the  
12 house and senate fiscal agencies.

13 (3) Universities that exceed the tuition and fee rate cap  
14 described in subsection (1) shall not receive a planning or  
15 construction authorization for a state-funded capital outlay  
16 project in fiscal year ~~2018-2019~~ **or 2019-2020**, fiscal year ~~2019-~~  
17 ~~2020-2020-2021~~, **OR FISCAL YEAR 2021-2022.**

18 (4) Notwithstanding any other provision of this act, the  
19 legislature may at any time adjust appropriations for a university  
20 that adopts an increase in tuition and fee rates for resident  
21 undergraduate students that exceeds the rate cap established in  
22 subsection (1).

23 Sec. 265a. (1) Appropriations to public universities in  
24 section 236 for fiscal ~~year 2017-2018~~ **YEARS 2018-2019, 2019-2020,**  
25 **AND 2020-2021** for performance funding shall be paid only to a  
26 public university that complies with section 265 and certifies to  
27 the state budget director, the house and senate appropriations



1 subcommittees on higher education, and the house and senate fiscal  
2 agencies by August 31, ~~2017~~**2018** that it complies with all of the  
3 following requirements:

4 (a) The university participates in reverse transfer agreements  
5 described in section 286 with at least 3 Michigan community  
6 colleges.

7 (b) The university does not and will not consider whether dual  
8 enrollment credits earned by an incoming student were utilized  
9 towards his or her high school graduation requirements when making  
10 a determination as to whether those credits may be used by the  
11 student toward completion of a university degree or certificate  
12 program.

13 (c) The university actively participates in and submits timely  
14 updates to the Michigan Transfer Network created as part of the  
15 Michigan Association of Collegiate Registrars and Admissions  
16 Officers transfer agreement.

17 (2) Any performance funding amounts under section 236 that are  
18 not paid to a public university because it did not comply with 1 or  
19 more requirements under subsection (1) are unappropriated and  
20 reappropriated for performance funding to those public universities  
21 that meet the requirements under subsection (1), distributed in  
22 proportion to their performance funding appropriation amounts under  
23 section 236.

24 (3) The state budget director shall report to the house and  
25 senate appropriations subcommittees on higher education and the  
26 house and senate fiscal agencies by September 30, ~~2017~~**2018**,  
27 regarding any performance funding amounts that are not paid to a

1 public university because it did not comply with 1 or more  
2 requirements under subsection (1) and any reappropriation of funds  
3 under subsection (2).

4 (4) Performance funding amounts described in section 236 are  
5 distributed based on the following formula:

6 (a) Proportional to each university's share of total  
7 operations funding appropriated in fiscal year 2010-2011, 50%.

8 (b) Based on weighted undergraduate completions in critical  
9 skills areas, 11.1%.

10 (c) Based on research and development expenditures, for  
11 universities classified in Carnegie classifications as doctoral  
12 universities: moderate research activity, doctoral universities:  
13 higher research activity, or doctoral universities: highest  
14 research activity only, 5.6%.

15 (d) Based on 6-year graduation rate, total degree completions,  
16 and institutional support as a percentage of core expenditures, and  
17 the percentage of students receiving Pell grants, scored against  
18 national Carnegie classification peers and weighted by total  
19 undergraduate fiscal year equated students, 33.3%.

20 (5) For purposes of determining the score of a university  
21 under subsection (4)(d), each university is assigned 1 of the  
22 following scores:

23 (a) A university classified as in the top 20%, a score of 3.

24 (b) A university classified as above national median, a score  
25 of 2.

26 (c) A university classified as improving, a score of 2. It is  
27 the intent of the legislature that, beginning in the ~~2018-2019~~

1 2019-2020 state fiscal year, a university classified as improving  
2 is assigned a score of 1.

3 (d) A university that is not included in subdivision (a), (b),  
4 or (c), a score of 0.

5 (6) As used in this section, "Carnegie classification" means  
6 the basic classification of the university according to the most  
7 recent version of the Carnegie classification of institutions of  
8 higher education, published by the Carnegie Foundation for the  
9 Advancement of Teaching.

10 (7) It is the intent of the legislature to allocate more  
11 funding based on performance metrics in future years.

12 **SEC. 265B. (1) APPROPRIATIONS TO PUBLIC UNIVERSITIES IN**  
13 **SECTION 236 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019 FOR**  
14 **OPERATIONS FUNDING SHALL BE REDUCED BY 10% PURSUANT TO THE**  
15 **PROCEDURES DESCRIBED IN SUBDIVISION (A) FOR A PUBLIC UNIVERSITY**  
16 **THAT FAILS TO SUBMIT CERTIFICATION TO THE STATE BUDGET DIRECTOR,**  
17 **THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER**  
18 **EDUCATION, AND THE HOUSE AND SENATE FISCAL AGENCIES BY AUGUST 31,**  
19 **2018 THAT THE UNIVERSITY COMPLIES WITH SECTIONS 274C AND 274D AND**  
20 **THAT IT COMPLIES WITH ALL OF THE REQUIREMENTS DESCRIBED IN**  
21 **SUBDIVISIONS (B) TO (I), AS FOLLOWS:**

22 (A) IF A UNIVERSITY FAILS TO SUBMIT CERTIFICATION, THE STATE  
23 BUDGET DIRECTOR SHALL WITHHOLD 10% OF THAT UNIVERSITY'S ANNUAL  
24 OPERATIONS FUNDING UNTIL THE UNIVERSITY SUBMITS CERTIFICATION. IF A  
25 UNIVERSITY FAILS TO SUBMIT CERTIFICATION BY THE END OF THE FISCAL  
26 YEAR, THE 10% OF ITS ANNUAL OPERATIONS FUNDING THAT IS WITHHELD  
27 SHALL LAPSE TO THE GENERAL FUND.

1 (B) FOR TITLE IX INVESTIGATIONS OF ALLEGED SEXUAL MISCONDUCT,  
2 THE UNIVERSITY PROHIBITS THE USE OF MEDICAL EXPERTS THAT HAVE AN  
3 ACTUAL OR APPARENT CONFLICT OF INTEREST.

4 (C) FOR TITLE IX INVESTIGATIONS OF ALLEGED SEXUAL MISCONDUCT,  
5 THE UNIVERSITY PROHIBITS THE ISSUANCE OF DIVERGENT REPORTS TO  
6 COMPLAINANTS, RESPONDENTS, AND ADMINISTRATION AND INSTEAD REQUIRES  
7 THAT IDENTICAL REPORTS BE ISSUED TO THEM.

8 (D) CONSISTENT WITH THE UNIVERSITY'S OBLIGATIONS UNDER 20 USC  
9 1092(F), THE UNIVERSITY NOTIFIES EACH INDIVIDUAL WHO REPORTS HAVING  
10 EXPERIENCED SEXUAL ASSAULT BY A STUDENT, FACULTY MEMBER, OR STAFF  
11 MEMBER OF THE UNIVERSITY THAT THE INDIVIDUAL HAS THE OPTION TO  
12 REPORT THE MATTER TO LAW ENFORCEMENT, TO THE UNIVERSITY, TO BOTH,  
13 OR TO NEITHER, AS THE INDIVIDUAL MAY CHOOSE.

14 (E) THE UNIVERSITY PROVIDES BOTH OF THE FOLLOWING:

15 (i) FOR ALL FRESHMEN AND INCOMING TRANSFER STUDENTS ENROLLED,  
16 AN IN-PERSON SEXUAL MISCONDUCT PREVENTION PRESENTATION OR COURSE,  
17 WHICH MUST INCLUDE CONTACT INFORMATION FOR THE TITLE IX OFFICE OF  
18 THE UNIVERSITY.

19 (ii) FOR ALL STUDENTS NOT CONSIDERED FRESHMEN OR INCOMING  
20 TRANSFER STUDENTS, AN ONLINE OR ELECTRONIC SEXUAL MISCONDUCT  
21 PREVENTION PRESENTATION OR COURSE.

22 (F) THE UNIVERSITY PROHIBITS SEEKING COMPENSATION FROM THE  
23 RECIPIENT OF ANY MEDICAL PROCEDURE, TREATMENT, OR CARE PROVIDED BY  
24 A MEDICAL PROFESSIONAL WHO HAS BEEN CONVICTED OF A FELONY ARISING  
25 OUT OF THE MEDICAL PROCEDURE, TREATMENT, OR CARE.

26 (G) THE UNIVERSITY HAS OR PLANS TO HAVE A THIRD PARTY REVIEW  
27 ITS TITLE IX COMPLIANCE OFFICE AND RELATED POLICIES AND PROCEDURES

1 BY THE END OF THE 2018-2019 ACADEMIC YEAR. A COPY OF THE THIRD-  
2 PARTY REVIEW SHALL BE TRANSMITTED TO THE STATE BUDGET DIRECTOR, THE  
3 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,  
4 AND THE HOUSE AND SENATE FISCAL AGENCIES. AFTER THE THIRD-PARTY  
5 REVIEW HAS BEEN CONDUCTED FOR THE 2018-2019 ACADEMIC YEAR, THE  
6 UNIVERSITY SHALL HAVE A THIRD-PARTY REVIEW ONCE EVERY THREE YEARS  
7 AND A COPY OF THE THIRD-PARTY REVIEW SHALL BE TRANSMITTED TO THE  
8 STATE BUDGET DIRECTOR, THE HOUSE AND SENATE APPROPRIATIONS  
9 SUBCOMMITTEES ON HIGHER EDUCATION, AND THE HOUSE AND SENATE FISCAL  
10 AGENCIES.

11 (H) THE UNIVERSITY REQUIRES THAT THE GOVERNING BOARD AND THE  
12 PRESIDENT OR CHANCELLOR OF THE UNIVERSITY RECEIVE NOT LESS THAN  
13 QUARTERLY REPORTS FROM THEIR TITLE IX COORDINATOR OR TITLE IX  
14 OFFICE. THE REPORT SHALL CONTAIN AGGREGATED DATA OF THE NUMBER OF  
15 SEXUAL MISCONDUCT REPORTS THAT THE OFFICE RECEIVED FOR THE ACADEMIC  
16 YEAR, THE TYPES OF REPORTS RECEIVED, INCLUDING REPORTS RECEIVED  
17 AGAINST EMPLOYEES, AND A SUMMARY OF THE GENERAL OUTCOMES OF THE  
18 REPORTS AND INVESTIGATIONS. A MEMBER OF THE GOVERNING BOARD MAY  
19 REQUEST TO REVIEW A TITLE IX INVESTIGATION REPORT INVOLVING A  
20 COMPLAINT AGAINST AN EMPLOYEE, AND THE UNIVERSITY SHALL PROVIDE THE  
21 REPORT IN A MANNER IT CONSIDERS APPROPRIATE. THE UNIVERSITY SHALL  
22 PROTECT THE COMPLAINANT'S ANONYMITY, AND THE REPORT SHALL NOT  
23 CONTAIN SPECIFIC IDENTIFYING INFORMATION.

24 (I) IF ALLEGATIONS AGAINST AN EMPLOYEE ARE MADE IN MORE THAN 1  
25 TITLE IX COMPLAINT THAT RESULTED IN THE UNIVERSITY FINDING THAT NO  
26 MISCONDUCT OCCURRED, THE UNIVERSITY REQUIRES THAT THE TITLE IX  
27 OFFICER PROMPTLY NOTIFY THE PRESIDENT OR CHANCELLOR AND A MEMBER OF

1 THE UNIVERSITY'S GOVERNING BOARD IN WRITING AND TAKE ALL  
2 APPROPRIATE STEPS TO ENSURE THAT THE MATTER IS BEING INVESTIGATED  
3 THOROUGHLY, INCLUDING HIRING AN OUTSIDE INVESTIGATOR FOR FUTURE  
4 CASES INVOLVING THAT EMPLOYEE. A THIRD-PARTY TITLE IX INVESTIGATION  
5 UNDER THIS SUBDIVISION DOES NOT PROHIBIT THE UNIVERSITY FROM  
6 SIMULTANEOUSLY CONDUCTING ITS OWN TITLE IX INVESTIGATION THROUGH  
7 ITS OWN TITLE IX COORDINATOR.

8 (2) EACH PUBLIC UNIVERSITY THAT RECEIVES AN APPROPRIATION IN  
9 SECTION 236 SHALL ALSO CERTIFY THAT ITS PRESIDENT OR CHANCELLOR AND  
10 A MEMBER OF ITS GOVERNING BOARD HAS REVIEWED ALL TITLE IX REPORTS  
11 INVOLVING THE ALLEGED SEXUAL MISCONDUCT OF AN EMPLOYEE OF THE  
12 UNIVERSITY, AND SHALL SEND THE CERTIFICATION TO THE HOUSE AND  
13 SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE  
14 AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY AUGUST  
15 31, 2018.

16 (3) FOR PURPOSES OF THIS SECTION, "SEXUAL MISCONDUCT"  
17 INCLUDES, BUT IS NOT LIMITED TO, ANY OF THE FOLLOWING:

- 18 (A) INTIMATE PARTNER VIOLENCE.
- 19 (B) NONCONSENSUAL SEXUAL CONDUCT.
- 20 (C) SEXUAL ASSAULT.
- 21 (D) SEXUAL EXPLOITATION.
- 22 (E) SEXUAL HARASSMENT.
- 23 (F) STALKING.

24 SEC. 265C. BY FEBRUARY 1, 2019, THE MICHIGAN COMMUNITY COLLEGE  
25 ASSOCIATION, THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND  
26 THE MICHIGAN INDEPENDENT COLLEGES AND UNIVERSITIES, ON BEHALF OF  
27 THEIR MEMBER COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE SENATE

1 AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE  
2 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY  
3 COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE  
4 BUDGET DIRECTOR A COMPREHENSIVE REPORT DETAILING THE NUMBER OF  
5 ACADEMIC PROGRAM PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES,  
6 PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES,  
7 INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING INFORMATION:

8 (A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY  
9 OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE  
10 CAMPUSES.

11 (B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE  
12 DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC  
13 UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.

14 (C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES  
15 AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES  
16 OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED  
17 THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1,  
18 2017 THROUGH JUNE 30, 2018.

19 SEC. 265D. THE LEGISLATURE ENCOURAGES EACH PUBLIC UNIVERSITY  
20 THAT RECEIVES AN APPROPRIATION IN SECTION 236 TO ENTER INTO A  
21 MEMORANDUM OF UNDERSTANDING WITH AT LEAST 1 LOCAL LAW ENFORCEMENT  
22 AGENCY WITH JURISDICTION ON OR AROUND CAMPUS FOR THE COMMUNICATION  
23 AND COORDINATION OF RESPONSES TO INCIDENTS OF SEXUAL ASSAULT.

24 SEC. 265E. IT IS THE INTENT OF THE LEGISLATURE THAT PUBLIC  
25 UNIVERSITIES USE A PORTION OF FUNDS RECEIVED IN SECTION 236 FOR  
26 CAMPUS SAFETY PROGRAMS, SEXUAL ASSAULT PREVENTION PROGRAMS, AND  
27 STUDENT MENTAL HEALTH PROGRAMS.

1           Sec. 267. All public universities shall submit the amount of  
2 tuition and fees actually charged to a full-time resident  
3 undergraduate student for academic year ~~2017-2018~~**2018-2019** as part  
4 of their higher education institutional data inventory (HEIDI) data  
5 by August 31 of each year. A public university shall report any  
6 revisions for any semester of the reported academic year ~~2017-2018~~  
7 **2018-2019** tuition and fee charges to HEIDI within 15 days of being  
8 adopted.

9           Sec. 268. (1) For the fiscal year ending September 30, ~~2018,~~  
10 **2019**, it is the intent of the legislature that funds be allocated  
11 for unfunded North American Indian tuition waiver costs incurred by  
12 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,  
13 from the general fund.

14           (2) Appropriations in section 236(7)(f) for North American  
15 Indian tuition waivers shall be paid to universities under section  
16 2a of 1976 PA 174, MCL 390.1252a. Allocations shall be adjusted for  
17 amounts included in university operations appropriations. If funds  
18 are insufficient to support the entire cost of waivers, amounts  
19 shall be prorated proportionate to each institution's shortfall as  
20 a percentage of its fiscal year ~~2017-2018~~**2018-2019** state  
21 appropriation for operations.

22           (3) By February 15 of each year, the department of civil  
23 rights shall annually submit to the state budget director, the  
24 house and senate appropriations subcommittees on higher education,  
25 and the house and senate fiscal agencies a report on North American  
26 Indian tuition waivers for the preceding academic year that  
27 includes, but is not limited to, all of the following information:



1 (a) The number of waiver applications received and the number  
2 of waiver applications approved.

3 (b) For each university submitting information under  
4 subsection (4), all of the following:

5 (i) The number of graduate and undergraduate North American  
6 Indian students enrolled each term for the previous academic year.

7 (ii) The number of North American Indian waivers granted each  
8 term, including to continuing education students, and the monetary  
9 value of the waivers for the previous academic year.

10 (iii) The number of graduate and undergraduate students  
11 attending under a North American Indian tuition waiver who withdrew  
12 from the university each term during the previous academic year.  
13 For purposes of this subparagraph, a withdrawal occurs when a  
14 student who has been awarded the waiver withdraws from the  
15 institution at any point during the term, regardless of enrollment  
16 in subsequent terms.

17 (iv) The number of graduate and undergraduate students  
18 attending under a North American Indian tuition waiver who  
19 successfully complete a degree or certificate program, separated by  
20 degree or certificate level, and the graduation rate for graduate  
21 and undergraduate students attending under a North American Indian  
22 tuition waiver who complete a degree or certificate within 150% of  
23 the normal time to complete, separated by the level of the degree  
24 or certificate.

25 (4) A public university that receives funds under section 236  
26 shall provide to the department of civil rights any information  
27 necessary for preparing the report detailed in subsection (3),

1 using guidelines and procedures developed by the department of  
2 civil rights.

3 (5) The department of civil rights may consolidate the report  
4 required under this section with the report required under section  
5 223, but a consolidated report must separately identify data for  
6 universities and data for community colleges.

7 Sec. 269. For fiscal year ~~2017-2018~~, **2018-2019**, from the  
8 amount appropriated in section 236 to Central Michigan University  
9 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal  
10 College for the costs of waiving tuition for North American Indians  
11 under 1976 PA 174, MCL 390.1251 to 390.1253.

12 Sec. 270. For fiscal year ~~2017-2018~~, **2018-2019**, from the  
13 amount appropriated in section 236 to Lake Superior State  
14 University for operations, \$100,000.00 shall be paid to Bay Mills  
15 Community College for the costs of waiving tuition for North  
16 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

17 Sec. 274. It is the intent of the legislature that public and  
18 private organizations that conduct human embryonic stem cell  
19 derivation subject to section 27 of article I of the state  
20 constitution of 1963 will provide information to the director of  
21 the department of health and human services by December 1, ~~2017~~  
22 **2018** that includes all of the following:

23 (a) Documentation that the organization conducting human  
24 embryonic stem cell derivation is conducting its activities in  
25 compliance with the requirements of section 27 of article I of the  
26 state constitution of 1963 and all relevant National Institutes of  
27 Health guidelines pertaining to embryonic stem cell derivation.

1 (b) A list of all human embryonic stem cell lines submitted by  
2 the organization to the National Institutes of Health for inclusion  
3 in the Human Embryonic Stem Cell Registry before and during fiscal  
4 year ~~2016-2017,~~**2017-2018**, and the status of each submission as  
5 approved, pending approval, or review completed but not yet  
6 accepted.

7 (c) Number of human embryonic stem cell lines derived and not  
8 submitted for inclusion in the Human Embryonic Stem Cell Registry,  
9 before and during fiscal year ~~2016-2017.~~**2017-2018**.

10 Sec. 274c. By February 1, ~~2018,~~**2019**, each university  
11 receiving funds under section 236 shall report to the senate and  
12 house appropriations subcommittees on higher education, the senate  
13 and house fiscal agencies, and the state budget director on its  
14 efforts to develop and implement sexual assault response training  
15 for the university's title IX coordinator, campus law enforcement  
16 personnel, campus public safety personnel, and any other campus  
17 personnel charged with responding to on-campus incidents, including  
18 information on sexual assault response training materials and the  
19 status of implementing sexual assault response training for campus  
20 personnel.

21 Sec. 274d. **(1)** By October 31, each university receiving funds  
22 under section 236 shall report to the senate and house  
23 appropriations subcommittees on higher education, the senate and  
24 house fiscal agencies, ~~and~~the state budget director, **AND THE**  
25 **ATTORNEY GENERAL** its annual title IX report, also known as the  
26 student sexual misconduct report, issued by the title IX  
27 coordinator, as required under the federal campus save act of 2013,

1 Public Law 113-4, section 304, 127 Stat 54, 89-92 (2013).

2 (2) FOR PURPOSES OF THE REPORT REQUIRED UNDER SUBSECTION (1),  
3 EACH UNIVERSITY SHALL INCLUDE A TITLE IX SUMMARY REPORT THAT  
4 INCLUDES ALL OF THE FOLLOWING INFORMATION:

5 (A) THE AMOUNTS AND DESCRIPTIONS OF ALL FEES INCURRED IN TITLE  
6 IX-RELATED CIVIL AND CRIMINAL LITIGATION.

7 (B) THE NUMBER OF TITLE IX COMPLAINTS.

8 (C) THE AVERAGE LENGTH OF TIME FOR INVESTIGATION AND  
9 RESOLUTION OF TITLE IX COMPLAINTS.

10 (D) THE AGGREGATE NUMBER OF TITLE IX CASES, INVESTIGATIONS,  
11 AND COMPLAINTS FOR EACH OF THE CATEGORIES DESCRIBED IN  
12 SUBPARAGRAPHS (i) TO (iii), SUBJECT TO SUBPARAGRAPH (iv), AS  
13 FOLLOWS:

14 (i) CASES INVESTIGATED FOR LESS THAN 15 DAYS.

15 (ii) CASES INVESTIGATED FOR AT LEAST 30 DAYS AND LESS THAN 60  
16 DAYS.

17 (iii) CASES INVESTIGATED FOR 90 DAYS OR MORE.

18 (iv) IF, FOR ANY CATEGORY OF CASES UNDER SUBPARAGRAPHS (i) TO  
19 (iii), THERE IS AN AGGREGATE OF FEWER THAN 5 CASES INVESTIGATED,  
20 THE UNIVERSITY SHALL NOT REPORT THE AGGREGATE NUMBER OF CASES AND  
21 INSTEAD SHALL REPORT THAT FEWER THAN 5 CASES WERE INVESTIGATED.

22 (E) THE NUMBER OF TITLE IX APPEALS AND THE RESOLUTIONS OF  
23 THOSE APPEALS.

24 (F) THE NUMBER OF TITLE IX-RELATED COMPLAINTS FILED BY THE  
25 UNIVERSITY WITH LAW ENFORCEMENT AGENCIES.

26 Sec. 275b. (1) Each public university receiving funds under  
27 section 236 shall ensure that the public university does all of the

1 following in its admission application process if it knows that an  
2 applicant for admission is currently serving, or has ever served,  
3 as a member of the military, the ~~national guard,~~ **NATIONAL GUARD**, or  
4 the military reserves:

5 (a) Inform the applicant that he or she may receive academic  
6 credit for college-level training and education he or she received  
7 while serving in the military.

8 (b) Inform the applicant that he or she may submit a  
9 transcript of his or her college-level military training and  
10 education to the public university.

11 (c) If the applicant submits a transcript described in  
12 subdivision (b), evaluate that transcript and notify the applicant  
13 of what transfer credits are available to the applicant from the  
14 public university for his or her college-level military training  
15 and education.

16 (2) As used in this section, "transcript" includes a joint  
17 services transcript prepared for the applicant under the American  
18 council on education registry of credit recommendations.

19 Sec. 276. (1) Included in the appropriation for fiscal year  
20 ~~2017-2018-2018-2019~~ for each public university in section 236 is  
21 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
22 future faculty program that is intended to increase the pool of  
23 academically or economically disadvantaged candidates pursuing  
24 faculty teaching careers in postsecondary education. Preference may  
25 not be given to applicants on the basis of race, color, ethnicity,  
26 gender, or national origin. Institutions should encourage  
27 applications from applicants who would otherwise not adequately be

1 represented in the graduate student and faculty populations. Each  
2 public university shall apply the percentage change applicable to  
3 every public university in the calculation of appropriations in  
4 section 236 to the amount of funds allocated to the future faculty  
5 program.

6 (2) The program shall be administered by each public  
7 university in a manner prescribed by the workforce development  
8 agency. The workforce development agency shall use a good faith  
9 effort standard to evaluate whether a fellowship is in default.

10 Sec. 277. (1) Included in the appropriation for fiscal year  
11 ~~2017-2018-2018-2019~~ for each public university in section 236 is  
12 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
13 college day program that is intended to introduce academically or  
14 economically disadvantaged schoolchildren to the potential of a  
15 college education. Preference may not be given to participants on  
16 the basis of race, color, ethnicity, gender, or national origin.  
17 Public universities should encourage participation from those who  
18 would otherwise not adequately be represented in the student  
19 population.

20 (2) Individual program plans of each public university shall  
21 include a budget of equal contributions from this program, the  
22 participating public university, the participating school district,  
23 and the participating independent degree-granting college. College  
24 day funds shall not be expended to cover indirect costs. Not more  
25 than 20% of the university match shall be attributable to indirect  
26 costs. Each public university shall apply the percentage change  
27 applicable to every public university in the calculation of

1 appropriations in section 236 to the amount of funds allocated to  
2 the college day program.

3 (3) The program described in this section shall be  
4 administered by each public university in a manner prescribed by  
5 the workforce development agency.

6 Sec. 278. (1) Included in section 236 for fiscal year ~~2017-~~  
7 ~~2018-2018-2019~~ is funding for the Martin Luther King, Jr. - Cesar  
8 Chavez - Rosa Parks select student support services program for  
9 developing academically or economically disadvantaged student  
10 retention programs for 4-year public and independent educational  
11 institutions in this state. Preference may not be given to  
12 participants on the basis of race, color, ethnicity, gender, or  
13 national origin. Institutions should encourage participation from  
14 those who would otherwise not adequately be represented in the  
15 student population.

16 (2) An award made under this program to any 1 institution  
17 shall not be greater than \$150,000.00, and the amount awarded shall  
18 be matched on a 70% state, 30% college or university basis.

19 (3) The program described in this section shall be  
20 administered by the workforce development agency.

21 Sec. 279. (1) Included in section 236 for fiscal year ~~2017-~~  
22 ~~2018-2018-2019~~ is funding for the Martin Luther King, Jr. - Cesar  
23 Chavez - Rosa Parks college/university partnership program between  
24 4-year public and independent colleges and universities and public  
25 community colleges, which is intended to increase the number of  
26 academically or economically disadvantaged students who transfer  
27 from community colleges into baccalaureate programs. Preference may

1 not be given to participants on the basis of race, color,  
2 ethnicity, gender, or national origin. Institutions should  
3 encourage participation from those who would otherwise not  
4 adequately be represented in the transfer student population.

5 (2) The grants shall be made under the program described in  
6 this section to Michigan public and independent colleges and  
7 universities. An award to any 1 institution shall not be greater  
8 than \$150,000.00, and the amount awarded shall be matched on a 70%  
9 state, 30% college or university basis.

10 (3) The program described in this section shall be  
11 administered by the workforce development agency.

12 Sec. 280. (1) Included in the appropriation for fiscal year  
13 ~~2017-2018-2018-2019~~ for each public university in section 236 is  
14 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
15 visiting professors program which is intended to increase the  
16 number of instructors in the classroom to provide role models for  
17 academically or economically disadvantaged students. Preference may  
18 not be given to participants on the basis of race, color,  
19 ethnicity, gender, or national origin. Public universities should  
20 encourage participation from those who would otherwise not  
21 adequately be represented in the student population.

22 (2) The program described in this section shall be  
23 administered by the workforce development agency.

24 Sec. 281. (1) Included in the appropriation for fiscal year  
25 ~~2017-2018-2018-2019~~ in section 236 is funding under the Martin  
26 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the  
27 Morris Hood, Jr. educator development program which is intended to



1 increase the number of academically or economically disadvantaged  
2 students who enroll in and complete K-12 teacher education programs  
3 at the baccalaureate level. Preference may not be given to  
4 participants on the basis of race, color, ethnicity, gender, or  
5 national origin. Institutions should encourage participation from  
6 those who would otherwise not adequately be represented in the  
7 teacher education student population.

8 (2) The program described in this section shall be  
9 administered by each state-approved teacher education institution  
10 in a manner prescribed by the workforce development agency.

11 (3) Approved teacher education institutions may and are  
12 encouraged to use student support services funding in coordination  
13 with the Morris Hood, Jr. funding to achieve the goals of the  
14 program described in this section.

15 Sec. 282. Each institution receiving funds for fiscal year  
16 ~~2017-2018-2018-2019~~ under section 278, 279, or 281 shall provide to  
17 the workforce development agency by April 15, ~~2018-2019~~ the  
18 unobligated and unexpended funds as of March 31, ~~2018-2019~~ and a  
19 plan to expend the remaining funds by the end of the fiscal year.  
20 Notwithstanding the award limitations in sections 278 and 279, the  
21 amount of funding reported as not being expended will be  
22 reallocated to the institutions that intend to expend all funding  
23 received under section 278, 279, or 281.

24 Sec. 289. (1) ~~The~~ **NOT LESS THAN EVERY 4 YEARS, THE** auditor  
25 general shall ~~periodically~~ audit higher education institutional  
26 data inventory (HEIDI) data submitted by all public universities  
27 under section 241 and may perform audits of selected public

1 universities if determined necessary. The audits shall be based  
2 upon the definitions, requirements, and uniform reporting  
3 categories established by the state budget director in consultation  
4 with the HEIDI advisory committee. The auditor general shall submit  
5 a report of findings to the house and senate appropriations  
6 committees and the state budget director no later than July 1 of  
7 each year an audit takes place.

8 (2) Student credit hours reports shall not include the  
9 following:

10 (a) Student credit hours generated through instructional  
11 activity by faculty or staff in classrooms located outside  
12 Michigan, with the exception of instructional activity related to  
13 study-abroad programs or field programs.

14 (b) Student credit hours generated through distance learning  
15 instruction for students not eligible for the public university's  
16 in-state main campus resident tuition rate. However, in instances  
17 where a student is enrolled in distance education and non-distance  
18 education credit hours in a given term and the student's non-  
19 distance education enrollment is at a campus or site located within  
20 Michigan, student credit hours per the student's eligibility for  
21 in-state or out-of-state tuition rates may be reported.

22 (c) Student credit hours generated through credit by  
23 examination.

24 (d) Student credit hours generated through inmate prison  
25 programs regardless of teaching location.

26 (e) Student credit hours generated in new degree programs  
27 created on or after January 1, 1975 and before January 1, 2013,

1 that were not specifically authorized for funding by the  
2 legislature, except spin-off programs converted from existing core  
3 programs, and student credit hours generated in any new degree  
4 programs created after January 1, 2013, that are specifically  
5 excluded from reporting by the legislature under this section.

6 (3) "Distance learning instruction" as used in subsection (2)  
7 means instruction that occurs solely in other than a traditional  
8 classroom setting where the student and instructor are in the same  
9 physical location and for which a student receives course credits  
10 and is charged tuition and fees. Examples of distance learning  
11 instruction are instruction delivered solely through the internet,  
12 cable television, teleconference, or mail.

13 Enacting section 1. (1) In accordance with section 30 of  
14 article IX of the state constitution of 1963, total state spending  
15 from state sources on state school aid under article I of the state  
16 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as  
17 amended by 2017 PA 143 and this amendatory act for fiscal year  
18 2017-2018 is estimated at \$12,855,727,300.00 and state  
19 appropriations for school aid to be paid to local units of  
20 government for fiscal year 2017-2018 are estimated at  
21 \$12,668,569,700.00. In accordance with section 30 of article IX of  
22 the state constitution of 1963, total state spending on school aid  
23 under article I of the state school aid act of 1979, 1979 PA 94,  
24 MCL 388.1601 to 388.1772, as amended by this amendatory act from  
25 state sources for fiscal year 2018-2019 is estimated at  
26 \$13,040,725,300.00 and state appropriations for school aid to be  
27 paid to local units of government for fiscal year 2018-2019 are

1 estimated at \$12,847,081,000.00.

2 (2) In accordance with section 30 of article IX of the state  
3 constitution of 1963, total state spending from state sources for  
4 community colleges for fiscal year 2018-2019 under article II of  
5 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to  
6 388.1830, is estimated at \$408,215,500.00 and the amount of that  
7 state spending from state sources to be paid to local units of  
8 government for fiscal year 2018-2019 is estimated at  
9 \$408,215,500.00.

10 (3) In accordance with section 30 of article IX of the state  
11 constitution of 1963, total state spending from state sources for  
12 higher education for fiscal year 2018-2019 under article III of the  
13 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891,  
14 is estimated at \$1,546,206,200.00 and the amount of that state  
15 spending from state sources to be paid to local units of government  
16 for fiscal year 2018-2019 is estimated at \$0.00.

17 Enacting section 2. Sections 21j, 22g, 35, 61e, 67a, 99k, 99r,  
18 104e, and 236f of the state school aid act of 1979, 1979 PA 94, MCL  
19 388.1621j, 388.1622g, 388.1635, 388.1667a, 388.1699k, 388.1699r,  
20 388.1704e, and 388.1836f, are repealed effective October 1, 2018.

21 Enacting section 3. (1) Except as otherwise provided in  
22 subsection (2), this amendatory act takes effect October 1, 2018.

23 (2) Sections 11, 11m, 17c, 21f, 22a, 22b, 22g, 24, 25f, 26a,  
24 26c, 31d, 31m, 51a, 51c, 56, 61b, 61e, 62, 94, 99h, 104, 104e,  
25 152b, 167b, and 236f of the state school aid act of 1979, 1979 PA  
26 94, MCL 388.1611, 388.1611m, 388.1617c, 388.1621f, 388.1622a,  
27 388.1622b, 388.1622g, 388.1624, 388.1625f, 388.1626a, 388.1626c,

1 388.1631d, 388.1631m, 388.1651a, 388.1651c, 388.1656, 388.1661b,  
2 388.1661e, 388.1662, 388.1694, 388.1699h, 388.1704, 388.1704e,  
3 388.1752b, 388.1767b, and 388.1836f, as amended by this amendatory  
4 act, take effect upon enactment of this amendatory act.