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**FISCAL YEARS 2018 AND 2019**  
**EXECUTIVE BUDGET RECOMMENDATION**  
**EDUCATION BUDGET**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 3, 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 18c, 20, 20d, 20f,  
20m, 21, 22a, 22b, 22d, 23a, 24, 24a, 24c, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 32d, 32p, 35,  
35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 56, 61a, 61b, 61c, 62, 64b, 67, 74, 81, 94,  
94a, 95a, 98, 99h, 99s, 104, 104c, 107, 147, 147a, 147c, 152a, 166b, 201, 206, 207a, 207b,  
207c, 209, 210b, 210e, 217, 222, 223, 224, 225, 226, 229a, 236, 236b, 236c, 237b, 241, 242,  
244, 245, 251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274c, 275,  
276, 277, 278, 279, 280, 281, 282, 283, 284, 286a, and 289 (MCL 388.1603, 388.1604,  
388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s,  
388.1615, 388.1618, 388.1618c, 388.1620, 388.1620d, 388.1620f, 388.1620m, 388.1621,  
388.1622a, 388.1622b, 388.1622d, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1626a,  
388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1632d, 388.1632p,

1 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d,  
2 388.1653a, 388.1654, 388.1654b, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662,  
3 388.1664b, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698,  
4 388.1699h, 388.1699s, 388.1704, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c,  
5 388.1752a, 388.1766b, 388.1801, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809,  
6 388.1810b, 388.1810e, 388.1817, 388.1822, 388.1823, 388.1824, 388.1825, 388.1826,  
7 388.1829a, 388.1836, 388.1836b, 388.1836c, 388.1837b, 388.1841, 388.1842, 388.1844,  
8 388.1845, 388.1851, 388.1852, 388.1854, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865,  
9 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874c, 388.1875, 388.1876, 388.1877,  
10 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1886a, and  
11 388.1889) sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 20d, 20f, 20m, 21, 22a,  
12 22b, 22d, 23a, 24, 24a, 24c, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 32d, 32p, 35, 35a, 39, 39a,  
13 41, 51c, 51d, 53a, 54, 54b, 56, 61b, 62, 64b, 67, 74, 81, 94, 94a, 99s, 104, 107, 147,  
14 147a, 147c, 152a, 166b, 201, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 223, 224, 225,  
15 226, 229a, 236, 236b, 236c, 237b, 241, 251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267,  
16 268, 269, 270, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284 as amended and 210e  
17 and 286a as added by 2016 PA 249, sections 8b, 95a, and 244 as amended by 2015 PA 85,  
18 sections 18c and 242 as amended by 2012 PA 201, section 20, 61a, 61c, 98, 99h, and 104c as  
19 amended by 2016 PA 313, section 51a as amended by 2016 PA 534, section 245 as amended by  
20 2014 PA 196, section 289 as amended by 2013 PA 60, and by adding sections 21h, 22m, 22n,  
21 23f, 29, 78, 99k, 249, and 250; and to repeal acts and parts of acts.

22  
23 **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

24 **ARTICLE 1**

25  
26 Sec. 3. ~~(1) "Achievement authority" means the education achievement authority, the~~  
27 ~~public body corporate and special authority initially created under section 5 of article~~  
28 ~~III and section 28 of article VII of the state constitution of 1963 and the urban~~  
29 ~~cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by an interlocal~~  
30 ~~agreement effective August 11, 2011, between the school district of the city of Detroit and~~  
31 ~~the board of regents of Eastern Michigan University, a state public university.~~

32 ~~(2) "Achievement school" means a public school within the education achievement~~

1 ~~system operated, managed, authorized, established, or overseen by the achievement~~  
2 ~~authority.~~

3 (1) ~~(3)~~ "Average daily attendance", for the purposes of complying with federal law,  
4 means 92% of the pupils counted in membership on the pupil membership count day, as defined  
5 in section 6(7).

6 (2) ~~(4)~~ "Board" means the governing body of a district or public school academy.

7 (3) ~~(5)~~ "Center" means the center for educational performance and information created  
8 in section 94a.

9 (4) ~~(6)~~ "Community district" means a school district organized under part 5b of the  
10 revised school code.

11 (5) ~~(7)~~ "Cooperative education program" means a written voluntary agreement between  
12 and among districts to provide certain educational programs for pupils in certain groups of  
13 districts. The written agreement shall be approved by all affected districts at least  
14 annually and shall specify the educational programs to be provided and the estimated number  
15 of pupils from each district who will participate in the educational programs.

16 (6) ~~(8)~~ "Department", except in section 107, means the department of education.

17 (7) ~~(9)~~ "District" means a local school district established under the revised school  
18 code or, except in sections 6(4), 6(6), 13, 20, 22a, **29**, 31a, 51a(14), 105, 105c, and 166b,  
19 a public school academy. ~~Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a, 105, 105c,~~  
20 ~~and 166b, district also includes the education achievement system.~~ Except in section 20,  
21 district also includes a community district.

22 (8) ~~(10)~~ "District of residence", except as otherwise provided in this subsection,  
23 means the district in which a pupil's custodial parent or parents or legal guardian  
24 resides. For a pupil described in section 24b, the pupil's district of residence is the  
25 district in which the pupil enrolls under that section. For a pupil described in section  
26 6(4)(d), the pupil's district of residence shall be considered to be the district or  
27 intermediate district in which the pupil is counted in membership under that section. For a  
28 pupil under court jurisdiction who is placed outside the district in which the pupil's  
29 custodial parent or parents or legal guardian resides, the pupil's district of residence  
30 shall be considered to be the educating district or educating intermediate district.

31 (9) ~~(11)~~ "District superintendent" means the superintendent of a district, ~~OR~~ the  
32 chief administrator of a public school academy, ~~or the chancellor of the achievement~~

1 authority.

2 Sec. 4. ~~(1) "Education achievement system" means the achievement authority and all~~  
3 ~~achievement schools.~~

4 (1) ~~(2)~~ "Elementary pupil" means a pupil in membership in grades K to 8 in a district  
5 not maintaining classes above the eighth grade or in grades K to 6 in a district  
6 maintaining classes above the eighth grade. For the purposes of calculating universal  
7 service fund (e-rate) discounts, "elementary pupil" includes children enrolled in a  
8 preschool program operated by a district in its facilities.

9 (2) ~~(3)~~ "Extended school year" means an educational program conducted by a district  
10 in which pupils must be enrolled but not necessarily in attendance on the pupil membership  
11 count day in an extended year program. The mandatory clock hours shall be completed by each  
12 pupil not more than 365 calendar days after the pupil's first day of classes for the school  
13 year prescribed. The department shall prescribe pupil, personnel, and other reporting  
14 requirements for the educational program.

15 (3) ~~(4)~~ "Fiscal year" means the state fiscal year that commences October 1 and  
16 continues through September 30.

17 (4) ~~(5)~~ "High school equivalency certificate" means a certificate granted for the  
18 successful completion of a high school equivalency test.

19 (5) ~~(6)~~ "High school equivalency test" means the G.E.D. test developed by the GED  
20 Testing Service, the Test Assessing Secondary Completion (TASC) developed by CTS/McGraw-  
21 Hill, the HISET test developed by the Education Testing Service (ETS), or another  
22 comparable test approved by the department of talent and economic development.

23 (6) ~~(7)~~ "High school equivalency test preparation program" means a program that has  
24 high school level courses in English language arts, social studies, science, and  
25 mathematics and that prepares an individual to successfully complete a high school  
26 equivalency test.

27 (7) ~~(8)~~ "High school pupil" means a pupil in membership in grades 7 to 12, except in  
28 a district not maintaining grades above the eighth grade.

29 Sec. 6. (1) "Center program" means a program operated by a district or by an  
30 intermediate district for special education pupils from several districts in programs for  
31 pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with  
32 moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing

1 impairment, pupils with visual impairment, and pupils with physical impairment or other  
2 health impairment. Programs for pupils with emotional impairment housed in buildings that  
3 do not serve regular education pupils also qualify. Unless otherwise approved by the  
4 department, a center program either shall serve all constituent districts within an  
5 intermediate district or shall serve several districts with less than 50% of the pupils  
6 residing in the operating district. In addition, special education center program pupils  
7 placed part-time in noncenter programs to comply with the least restrictive environment  
8 provisions of section 612 of part B of the individuals with disabilities education act, 20  
9 USC 1412, may be considered center program pupils for pupil accounting purposes for the  
10 time scheduled in either a center program or a noncenter program.

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

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

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

1 ~~a qualifying school district as defined in section 5 of the revised school code, MCL 380.5,~~  
2 ~~for the immediately preceding school year.~~ All pupil counts used in this subsection are as  
3 determined by the department and calculated by adding the number of pupils registered for  
4 attendance plus pupils received by transfer and minus pupils lost as defined by rules  
5 promulgated by the superintendent, and as corrected by a subsequent department audit. For  
6 the purposes of this section and section 6a, for a school of excellence that is a cyber  
7 school, as defined in section 551 of the revised school code, MCL 380.551, and is in  
8 compliance with section 553a of the revised school code, MCL 380.553a, a pupil's  
9 participation in the cyber school's educational program is considered regular daily  
10 attendance; ~~for the education achievement system, a pupil's participation in a virtual~~  
11 ~~educational program of the education achievement system or of an achievement school is~~  
12 ~~considered regular daily attendance;~~ and for a district, a pupil's participation in a  
13 virtual course as defined in section 21f is considered regular daily attendance. The amount  
14 of the foundation allowance for a pupil in membership is determined under section 20. In  
15 making the calculation of membership, all of the following, as applicable, apply to  
16 determining the membership of a district, a public school academy, ~~the education~~  
17 ~~achievement system,~~ or an intermediate district:

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

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

29 (c) A special education pupil educated by the intermediate district shall be counted  
30 in membership in the intermediate district.

31 (d) A pupil placed by a court or state agency in an on-grounds program of a juvenile  
32 detention facility, a child caring institution, or a mental health institution, or a pupil

1 funded under section 53a, shall be counted in membership in the district or intermediate  
2 district approved by the department to operate the program.

3 (e) A pupil enrolled in the Michigan schools for the deaf and blind shall be counted  
4 in membership in the pupil's intermediate district of residence.

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

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

11 ~~(h) A pupil enrolled in an achievement school shall be counted in membership in the~~  
12 ~~education achievement system.~~

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

17 (i) If operations begin before the pupil membership count day for the fiscal year,  
18 membership is the average number of full-time equated pupils in grades K to 12 actually  
19 enrolled and in regular daily attendance on the pupil membership count day for the current  
20 school year and on the supplemental count day for the current school year, as determined by  
21 the department and calculated by adding the number of pupils registered for attendance on  
22 the pupil membership count day plus pupils received by transfer and minus pupils lost as  
23 defined by rules promulgated by the superintendent, and as corrected by a subsequent  
24 department audit, plus the final audited count from the supplemental count day for the  
25 current school year, and dividing that sum by 2.

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

30 **(I)** ~~(j)~~ If a district is the authorizing body for a public school academy, then, in  
31 the first school year in which pupils are counted in membership on the pupil membership  
32 count day in the public school academy, the determination of the district's membership

1 shall exclude from the district's pupil count for the immediately preceding supplemental  
2 count day any pupils who are counted in the public school academy on that first pupil  
3 membership count day who were also counted in the district on the immediately preceding  
4 supplemental count day.

5 **(J)** ~~(K)~~ In a district, a public school academy, ~~the education achievement system,~~ or  
6 an intermediate district operating an extended school year program approved by the  
7 superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a  
8 pupil membership count day, shall be counted.

9 **(K)** ~~(L)~~ To be counted in membership, a pupil shall meet the minimum age requirement  
10 to be eligible to attend school under section 1147 of the revised school code, MCL  
11 380.1147, or shall be enrolled under subsection (3) of that section, and shall be less than  
12 20 years of age on September 1 of the school year except as follows:

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

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

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

22 (B) Had dropped out of school.

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

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

30 **(L)** ~~(M)~~ An individual who has achieved a high school diploma shall not be counted in  
31 membership. An individual who has achieved a high school equivalency certificate shall not  
32 be counted in membership unless the individual is a student with a disability as defined in



1 R 340.1702 of the Michigan administrative code. An individual participating in a job  
2 training program funded under former section 107a or a jobs program funded under former  
3 section 107b, administered by the department of talent and economic development, or  
4 participating in any successor of either of those 2 programs, shall not be counted in  
5 membership.

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

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

25 (ii) If the public school academy ~~or the education achievement system~~ provides  
26 instruction for less than 1/2 of the class hours required under section 101, the district  
27 or intermediate district providing the remainder of the hours of instruction shall receive  
28 as its prorated share of the full-time equated membership for each of those pupils an  
29 amount equal to 1 times the product of the hours of instruction the district or  
30 intermediate district provides divided by the number of hours required under section 101  
31 for full-time equivalency, and the remainder of the full-time membership for each of those  
32 pupils shall be allocated to the public school academy ~~or the education achievement system~~.

1           **(N)** ~~(e)~~ An individual less than 16 years of age as of September 1 of the current  
2 school year who is being educated in an alternative education program shall not be counted  
3 in membership if there are also adult education participants being educated in the same  
4 program or classroom.

5           **(O)** ~~(e)~~ The department shall give a uniform interpretation of full-time and part-time  
6 memberships.

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

13           **(Q)** ~~(e)~~ Full-time equated memberships for pupils in kindergarten shall be determined  
14 by dividing the number of instructional hours scheduled and provided per year per  
15 kindergarten pupil by the same number used for determining full-time equated memberships  
16 for pupils in grades 1 to 12. However, to the extent allowable under federal law, for a  
17 district or public school academy that provides evidence satisfactory to the department  
18 that it used federal title I money in the 2 immediately preceding school fiscal years to  
19 fund full-time kindergarten, full-time equated memberships for pupils in kindergarten shall  
20 be determined by dividing the number of class hours scheduled and provided per year per  
21 kindergarten pupil by a number equal to 1/2 the number used for determining full-time  
22 equated memberships for pupils in grades 1 to 12. The change in the counting of full-time  
23 equated memberships for pupils in kindergarten that took effect for 2012-2013 is not a  
24 mandate.

25           **(R)** ~~(s)~~ For a district, **OR** a public school academy, ~~or the education achievement~~  
26 ~~system~~ that has pupils enrolled in a grade level that was not offered by the district, **OR**  
27 the public school academy, ~~or the education achievement system~~ in the immediately preceding  
28 school year, the number of pupils enrolled in that grade level to be counted in membership  
29 is the average of the number of those pupils enrolled and in regular daily attendance on  
30 the pupil membership count day and the supplemental count day of the current school year,  
31 as determined by the department. Membership shall be calculated by adding the number of  
32 pupils registered for attendance in that grade level on the pupil membership count day plus

1 pupils received by transfer and minus pupils lost as defined by rules promulgated by the  
2 superintendent, and as corrected by subsequent department audit, plus the final audited  
3 count from the supplemental count day for the current school year, and dividing that sum by  
4 2.

5 **(S)** ~~(S)~~ A pupil enrolled in a cooperative education program may be counted in  
6 membership in the pupil's district of residence with the written approval of all parties to  
7 the cooperative agreement.

8 **(T)** ~~(T)~~ If, as a result of a disciplinary action, a district determines through the  
9 district's alternative or disciplinary education program that the best instructional  
10 placement for a pupil is in the pupil's home or otherwise apart from the general school  
11 population, if that placement is authorized in writing by the district superintendent and  
12 district alternative or disciplinary education supervisor, and if the district provides  
13 appropriate instruction as described in this subdivision to the pupil at the pupil's home  
14 or otherwise apart from the general school population, the district may count the pupil in  
15 membership on a pro rata basis, with the proration based on the number of hours of  
16 instruction the district actually provides to the pupil divided by the number of hours  
17 required under section 101 for full-time equivalency. For the purposes of this subdivision,  
18 a district shall be considered to be providing appropriate instruction if all of the  
19 following are met:

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

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

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

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

28 **(U)** ~~(U)~~ If a pupil was enrolled in a public school academy on the pupil membership  
29 count day, if the public school academy's contract with its authorizing body is revoked or  
30 the public school academy otherwise ceases to operate, and if the pupil enrolls in a  
31 district ~~or the education achievement system~~ within 45 days after the pupil membership  
32 count day, the department shall adjust the district's ~~or the education achievement system's~~

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

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

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

21 (i) The average of the district's membership for the 3-fiscal-year period ending with  
22 that fiscal year, calculated by adding the district's actual membership for each of those 3  
23 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those  
24 3 membership figures by 3.

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

27 **(X)** ~~(y)~~ Full-time equated memberships for special education pupils who are not  
28 enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the  
29 Michigan administrative code shall be determined by dividing the number of class hours  
30 scheduled and provided per year by 450. Full-time equated memberships for special education  
31 pupils who are not enrolled in kindergarten but are receiving early childhood special  
32 education services under R 340.1755 or R 340.1862 of the Michigan administrative code shall

1 be determined by dividing the number of hours of service scheduled and provided per year  
2 per-pupil by 180.

3 **(Y)** ~~(z)~~ A pupil of a district that begins its school year after Labor Day who is  
4 enrolled in an intermediate district program that begins before Labor Day shall not be  
5 considered to be less than a full-time pupil solely due to instructional time scheduled but  
6 not attended by the pupil before Labor Day.

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

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

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

21 **(CC)** ~~(dd)~~ For a pupil enrolled in a dropout recovery program that meets the  
22 requirements of section 23a, the pupil shall be counted as 1/12 of a full-time equated  
23 membership for each month that the district operating the program reports that the pupil  
24 was enrolled in the program and was in full attendance. However, if the special membership  
25 counting provisions under this subdivision and the operation of the other membership  
26 counting provisions under this subsection result in a pupil being counted as more than 1.0  
27 FTE in a fiscal year, the payment made for the pupil under sections 22a and 22b shall not  
28 be based on more than 1.0 FTE for that pupil, ~~and any portion of an FTE for that pupil that~~  
29 ~~exceeds 1.0 shall instead be paid under section 25g.~~ The district operating the program  
30 shall report to the center the number of pupils who were enrolled in the program and were  
31 in full attendance for a month not later than 30 days after the end of the month. A  
32 district shall not report a pupil as being in full attendance for a month unless both of

1 the following are met:

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

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

10 **(DD)** ~~(ee)~~ A pupil participating in a virtual course under section 21f shall be  
11 counted in membership in the district enrolling the pupil.

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

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

26 **(GG)** ~~(hh)~~ A pupil enrolled in a community district shall be counted in membership in  
27 the community district. ~~For a community district in its first fiscal year of operations~~  
28 ~~only, until the department is able to calculate the community district's membership, the~~  
29 ~~department shall consider the community district's membership to be the same as the~~  
30 ~~membership for the immediately preceding fiscal year for a district with the same~~  
31 ~~boundaries as the community district that had membership for that fiscal year.~~

32 (5) "Public school academy" means that term as defined in section 5 of the revised

1 school code, MCL 380.5.

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

5 (a) A nonpublic part-time pupil enrolled in grades K to 12 in accordance with section  
6 166b.

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

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

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

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

16 (f) A pupil who has made an official written complaint or whose parent or legal  
17 guardian has made an official written complaint to law enforcement officials and to school  
18 officials of the pupil's district of residence that the pupil has been the victim of a  
19 criminal sexual assault or other serious assault, if the official complaint either  
20 indicates that the assault occurred at school or that the assault was committed by 1 or  
21 more other pupils enrolled in the school the pupil would otherwise attend in the district  
22 of residence or by an employee of the district of residence. A person who intentionally  
23 makes a false report of a crime to law enforcement officials for the purposes of this  
24 subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL  
25 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

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

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

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

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

7 (i) The pupil has been suspended or expelled from his or her district of residence  
8 for any reason, including, but not limited to, a suspension or expulsion under section  
9 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

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

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

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

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

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

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

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

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

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

29 (o) A pupil who enrolls in a district other than the pupil's district of residence as  
30 a result of the pupil's school not making adequate yearly progress under the no child left  
31 behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-  
32 95.



1           However, except for pupils enrolled in the youth challenge program at the site at  
2 which the youth challenge program operated for 2015-2016, if a district educates pupils who  
3 reside in another district and if the primary instructional site for those pupils is  
4 established by the educating district after 2009-2010 and is located within the boundaries  
5 of that other district, the educating district must have the approval of that other  
6 district to count those pupils in membership.

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

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

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

15           (i) Fourth Wednesday in July.

16           (ii) First Wednesday in October.

17           (iii) Second Wednesday in February.

18           (iv) Fourth Wednesday in April.

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

1 before the pupil membership count day or supplemental count day of a particular year but  
2 was expelled or suspended on the pupil membership count day or supplemental count day shall  
3 only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the  
4 district, intermediate district, **OR** public school academy, ~~or education achievement system~~  
5 within 45 days after the pupil membership count day or supplemental count day of that  
6 particular year. Pupils not counted as 1.0 full-time equated membership due to an absence  
7 from a class shall be counted as a prorated membership for the classes the pupil attended.  
8 For purposes of this subsection, "class" means a period of time in 1 day when pupils and a  
9 certificated teacher or legally qualified substitute teacher are together and instruction  
10 is taking place.

11 (9) "Rule" means a rule promulgated pursuant to the administrative procedures act of  
12 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

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

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

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

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

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

25 (16) "Tuition pupil" means a pupil of school age attending school in a district other  
26 than the pupil's district of residence for whom tuition may be charged to the district of  
27 residence. Tuition pupil does not include a pupil who is a special education pupil, a pupil  
28 described in subsection (6) (c) to (o), or a pupil whose parent or guardian voluntarily  
29 enrolls the pupil in a district that is not the pupil's district of residence. A pupil's  
30 district of residence shall not require a high school tuition pupil, as provided under  
31 section 111, to attend another school district after the pupil has been assigned to a  
32 school district.

1 (17) "State school aid fund" means the state school aid fund established in section  
2 11 of article IX of the state constitution of 1963.

3 (18) "Taxable value" means the taxable value of property as determined under section  
4 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

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

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

14 Sec. 8b. (1) The department shall assign a district code to each public school  
15 academy that is authorized under the revised school code and is eligible to receive funding  
16 under this article within 30 days after a contract is submitted to the department by the  
17 authorizing body of a public school academy.

18 (2) If the department does not assign a district code to a public school academy  
19 within the 30-day period described in subsection (1), the district code the department  
20 shall use to make payments under this article to the newly authorized public school academy  
21 shall be a number that is equivalent to the sum of the last district code assigned to a  
22 public school academy located in the same county as the newly authorized public school  
23 academy plus 1. However, if there is not an existing public school academy located in the  
24 same county as the newly authorized public school academy, then the district code the  
25 department shall use to make payments under this article to the newly authorized public  
26 school academy shall be a 5-digit number that has the county code in which the public  
27 school academy is located as its first 2 digits, 9 as its third digit, 0 as its fourth  
28 digit, and 1 as its fifth digit. If the number of public school academies in a county grows  
29 to exceed 100, the third digit in this 5-digit number shall then be 7 for the public school  
30 academies in excess of 100.

31 (3) For each school of excellence that is a cyber school and is authorized under part  
32 6e of the revised school code, MCL 380.551 to 380.561, by a school district, intermediate

1 school district, community college other than a federal tribally controlled community  
2 college, or other authorizing body that is not empowered to authorize a school of  
3 excellence to operate statewide and is eligible to receive funding under this article, the  
4 department shall assign a district code that includes as the first 2 digits the county code  
5 in which the authorizing body is located. **FOR EACH SCHOOL OF EXCELLENCE THAT IS A CYBER  
6 SCHOOL THAT DOES NOT PROVIDE INSTRUCTION AT A SPECIFIC LOCATION, AND IS AUTHORIZED BY A  
7 NON-STATEWIDE ENTITY, THE INTERMEDIATE SCHOOL DISTRICT OF ASSIGNMENT SHALL BE THE ENTITY  
8 THAT WOULD NORMALLY PROVIDE PROGRAMS AND SERVICES TO THE RESIDENT SCHOOL DISTRICT WHERE THE  
9 ADMINISTRATIVE OFFICE OF THE SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL IS LOCATED. THE  
10 INTERMEDIATE SCHOOL DISTRICT REQUIRED TO PROVIDE PROGRAMS AND SERVICES REMAINS THE SAME FOR  
11 AS LONG AS THE SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL IS IN OPERATION.**

12 Sec. 11. (1) ~~For the fiscal year ending September 30, 2016, there is appropriated for~~  
13 ~~the public schools of this state and certain other state purposes relating to education the~~  
14 ~~sum of \$11,905,439,300.00 from the state school aid fund and the sum of \$55,100,000.00 from~~  
15 ~~the general fund.~~ For the fiscal year ending September 30, ~~2017~~**2018**, there is appropriated  
16 for the public schools of this state and certain other state purposes relating to education  
17 the sum of ~~\$12,052,309,300.00~~ **\$12,288,145,200.00** from the state school aid fund, the sum of  
18 ~~\$218,900,000.00~~ **\$215,000,000.00** from the general fund, an amount not to exceed  
19 \$72,000,000.00 from the community district education trust fund created under section 12 of  
20 the Michigan trust fund act, 2000 PA 489, MCL 12.262, and an amount not to exceed \$100.00  
21 from the water emergency reserve fund. In addition, all other available federal funds are  
22 appropriated ~~each fiscal year for the fiscal years~~ **YEAR** ending ~~September 30, 2016 and~~  
23 September 30, ~~2017~~ **2018**.

24 (2) The appropriations under this section shall be allocated as provided in this  
25 article. Money appropriated under this section from the general fund shall be expended to  
26 fund the purposes of this article before the expenditure of money appropriated under this  
27 section from the state school aid fund.

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

31 Sec. 11a. (1) The school aid stabilization fund is created as a separate account  
32 within the state school aid fund established by section 11 of article IX of the state

1 constitution of 1963.

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

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

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

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

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

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

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

19 (6) If the maximum amount appropriated under section 11 from the state school aid  
20 fund for a fiscal year exceeds the amount available for expenditure from the state school  
21 aid fund for that fiscal year, there is appropriated from the school aid stabilization fund  
22 to the state school aid fund an amount equal to the projected shortfall as determined by  
23 the department of treasury, but not to exceed available money in the school aid  
24 stabilization fund. If the money in the school aid stabilization fund is insufficient to  
25 fully fund an amount equal to the projected shortfall, the state budget director shall  
26 notify the legislature as required under section 296(2) and state payments in an amount  
27 equal to the remainder of the projected shortfall shall be prorated in the manner provided  
28 under section 296(3).

29 (7) For ~~2016-2017~~ **2017-2018**, in addition to the appropriations in section 11, there  
30 is appropriated from the school aid stabilization fund to the state school aid fund the  
31 amount necessary to fully fund the allocations under this article.

32 Sec. 11j. From the appropriation in section 11, ~~there is allocated an amount not to~~

1 ~~exceed \$10,500,000.00 for 2015-2016~~ and there is allocated an amount not to exceed  
2 ~~\$126,500,000.00~~ **\$125,500,000.00** for ~~2016-2017~~ **2017-2018** for payments to the school loan  
3 bond redemption fund in the department of treasury on behalf of districts and intermediate  
4 districts. Notwithstanding section 296 or any other provision of this act, funds allocated  
5 under this section are not subject to proration and shall be paid in full.

6 Sec. 11k. For ~~2016-2017~~ **2017-2018**, there is appropriated from the general fund to the  
7 school loan revolving fund an amount equal to the amount of school bond loans assigned to  
8 the Michigan finance authority, not to exceed the total amount of school bond loans held in  
9 reserve as long-term assets. As used in this section, "school loan revolving fund" means  
10 that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL  
11 141.1066c.

12 Sec. 11m. From the appropriation in section 11, ~~there is allocated for 2015-2016 an~~  
13 ~~amount not to exceed \$1,000,000.00~~ and there is allocated for ~~2016-2017~~ **2017-2018** an amount  
14 not to exceed ~~\$3,000,000.00~~ **\$6,500,000.00** for fiscal year cash-flow borrowing costs solely  
15 related to the state school aid fund established by section 11 of article IX of the state  
16 constitution of 1963.

17 Sec. 11s. (1) From the general fund appropriation in section 11, there is allocated  
18 ~~\$10,142,500.00~~ **\$8,730,000.00** for ~~2016-2017~~ **2017-2018** for the purpose of providing services  
19 and programs to children who reside within the boundaries of a district with the majority  
20 of its territory located within the boundaries of a city for which an executive  
21 proclamation of emergency is issued in the current or immediately preceding ~~2~~ **2** fiscal ~~year~~  
22 **YEARS** under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. From the  
23 funding appropriated in section 11, there is allocated \$100.00 from the water emergency  
24 reserve fund for the purposes of this section. **NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER**  
25 **THIS SECTION MAY BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

26 (2) From the allocation in subsection (1), there is allocated to a district with the  
27 majority of its territory located within the boundaries of a city in which an executive  
28 proclamation of emergency is issued in the current or immediately preceding fiscal year and  
29 that has at least ~~5,000~~ **4,000** pupils in membership for the current fiscal year, an amount  
30 not to exceed ~~\$1,292,500.00~~ **\$2,625,000.00** for the purpose of employing school nurses and  
31 school social workers. The district shall provide a report to the department in a form,  
32 manner, and frequency approved by the department. The department shall provide a copy of

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

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

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

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

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

9 (3) From the allocation in subsection (1), there is allocated to an intermediate  
10 district that has a constituent district described in subsection (2) an amount not to  
11 exceed ~~\$1,195,000.00~~ **\$2,500,000.00** to augment staff for the purpose of providing additional  
12 early childhood services and for nutritional services to children described in subsection  
13 (1), regardless of location of school of attendance. The early childhood services to be  
14 provided under this subsection are ~~state early intervention services as described in~~  
15 ~~subsection (4) and~~ early literacy services **AND STATE EARLY INTERVENTION SERVICES THAT ARE**  
16 **SIMILAR TO THE SERVICES DESCRIBED IN THE EARLY ON MICHIGAN STATE PLAN, INCLUDING ENSURING**  
17 **THAT ALL CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF AGE AS OF**  
18 **SEPTEMBER 1, 2016 ARE ASSESSED AND EVALUATED AT LEAST TWICE ANNUALLY.** In addition, funds  
19 allocated under this subsection may also be expended to provide informational resources to  
20 parents, educators, and the community, and to coordinate services with other local  
21 agencies. The intermediate district shall provide a report to the department in a form,  
22 manner, and frequency approved by the department. The department shall provide a copy of  
23 that report to the governor, the house and senate school aid subcommittees, the house and  
24 senate fiscal agencies, and the state budget director within 5 days after receipt. The  
25 report shall provide at least the following information:

26 (a) How many personnel were hired using the funds appropriated in this subsection.

27 (b) A description of the services provided to children by those personnel.

28 (c) What types of additional nutritional services were provided.

29 (d) How many children received each type of service identified in subdivisions (b)  
30 and (c).

31 (e) What types of informational resources and coordination efforts were provided.

32 (f) Any other information the department considers necessary to ensure that the

1 children described in subsection (1) received appropriate levels and types of services.

2 ~~(4) From the allocation in subsection (1), there is allocated an amount not to exceed~~  
3 ~~\$6,155,000.00 to intermediate districts described in subsection (3) to provide state early~~  
4 ~~intervention services for children described in subsection (1) who are less than 4 years of~~  
5 ~~age as of September 1, 2016. The intermediate district shall use these funds to provide~~  
6 ~~state early intervention services that are similar to the services described in the early~~  
7 ~~on Michigan state plan, including ensuring that all children described in subsection (1)~~  
8 ~~who are less than 4 years of age as of September 1, 2016 are assessed and evaluated at~~  
9 ~~least twice annually.~~

10 **(4)** ~~(5)~~ From the allocation in subsection (1), there is allocated an amount not to  
11 exceed ~~\$1,500,000.00~~ **\$3,000,000.00** to intermediate districts described in subsection (3) to  
12 enroll children described in subsection (1) in school-day great start readiness programs,  
13 regardless of household income eligibility requirements contained in section 39. The  
14 department shall administer this funding consistent with all other provisions of the great  
15 start readiness programs contained in section 32d and section 39.

16 **(5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**  
17 **\$605,000.00 FOR NUTRITIONAL SERVICES TO CHILDREN DESCRIBED IN SUBSECTION (1).**

18 (6) In addition to other funding allocated and appropriated in this section, there is  
19 appropriated an amount not to exceed \$15,000,000.00 for ~~2016-2017~~ **2017-2018** for state  
20 restricted contingency funds. These contingency funds are not available for expenditure  
21 until they have been transferred to a section within this article under section 393(2) of  
22 the management and budget act, 1984 PA 431, MCL 18.1393.

23 Sec. 15. (1) If a district or intermediate district fails to receive its proper  
24 apportionment, the department, upon satisfactory proof that the district or intermediate  
25 district was entitled justly, shall apportion the deficiency in the next apportionment.  
26 Subject to subsections (2) and (3), if a district or intermediate district has received  
27 more than its proper apportionment, the department, upon satisfactory proof, shall deduct  
28 the excess in the next apportionment. Notwithstanding any other provision in this article,  
29 state aid overpayments to a district, other than overpayments in payments for special  
30 education or special education transportation, may be recovered from any payment made under  
31 this article other than a special education or special education transportation payment,  
32 from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA



1 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under  
2 section 1211 of the revised school code, MCL 380.1211. State aid overpayments made in  
3 special education or special education transportation payments may be recovered from  
4 subsequent special education or special education transportation payments, from the  
5 proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL  
6 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of  
7 the revised school code, MCL 380.1211.

8 (2) If the result of an audit conducted by or for the department affects the current  
9 fiscal year membership, affected payments shall be adjusted in the current fiscal year. A  
10 deduction due to an adjustment made as a result of an audit conducted by or for the  
11 department, or as a result of information obtained by the department from the district, an  
12 intermediate district, the department of treasury, or the office of auditor general, shall  
13 be deducted from the district's apportionments when the adjustment is finalized. At the  
14 request of the district and upon the district presenting evidence satisfactory to the  
15 department of the hardship, the department may grant up to an additional 4 years for the  
16 adjustment and may advance payments to the district otherwise authorized under this article  
17 if the district would otherwise experience a significant hardship in satisfying its  
18 financial obligations.

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

32 (4) The department may conduct audits, or may direct audits by designee of the

1 department, for the current fiscal year and the immediately preceding 3 fiscal years of all  
2 records related to a program for which a district or intermediate district has received  
3 funds under this article.

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

7 (6) In addition to funds appropriated in section 11 for all programs and services,  
8 there is appropriated for ~~2016-2017~~ **2017-2018** for obligations in excess of applicable  
9 appropriations an amount equal to the collection of overpayments, but not to exceed amounts  
10 available from overpayments.

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

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

29 (a) The annual operating budget and subsequent budget revisions.

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

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

2 (A) Salaries and wages.

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

5 (C) Retirement benefit costs.

6 (D) All other personnel costs.

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

8 (A) Instruction.

9 (B) Support services.

10 (C) Business and administration.

11 (D) Operations and maintenance.

12 (c) Links to all of the following:

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

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

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

19 (iv) The bids required under section 5 of the public employees health benefits act,  
20 2007 PA 106, MCL 124.75.

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

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

25 (vii) Either the district's accounts payable check register for the most recent  
26 school fiscal year or a statement of the total amount of expenses incurred by board members  
27 or employees of the district that were reimbursed by the district for the most recent  
28 school fiscal year.

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

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

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

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

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

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

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

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

19 (a) The department shall require that each district and intermediate district have an  
20 audit of the district's or intermediate district's financial and pupil accounting records  
21 conducted at least annually, and at such other times as determined by the department, at  
22 the expense of the district or intermediate district, as applicable. The audits must be  
23 performed by a certified public accountant or by the intermediate district superintendent,  
24 as may be required by the department, or in the case of a district of the first class by a  
25 certified public accountant, the intermediate superintendent, or the auditor general of the  
26 city. A district or intermediate district shall retain these records for the current fiscal  
27 year and from at least the 3 immediately preceding fiscal years.

28 (b) If a district operates in a single building with fewer than 700 full-time equated  
29 pupils, if the district has stable membership, and if the error rate of the immediately  
30 preceding 2 pupil accounting field audits of the district is less than 2%, the district may  
31 have a pupil accounting field audit conducted biennially but must continue to have desk  
32 audits for each pupil count. The auditor must document compliance with the audit cycle in

1 the pupil auditing manual. As used in this subdivision, "stable membership" means that the  
2 district's membership for the current fiscal year varies from the district's membership for  
3 the immediately preceding fiscal year by less than 5%.

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

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

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

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

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

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

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

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

27 (5) By November 1 each fiscal year, each district and intermediate district shall  
28 submit to the center, in a manner prescribed by the center, annual comprehensive financial  
29 data consistent with the district's or intermediate district's audited financial statements  
30 and consistent with accounting manuals and charts of accounts approved and published by the  
31 department. For an intermediate district, the report shall also contain the website address  
32 where the department can access the report required under section 620 of the revised school

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

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

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

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

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

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

32 (11) If a district or intermediate district does not comply with subsection (2), the

1 department may withhold up to 10% of the total state school aid due to the district or  
2 intermediate district under this article, beginning with the next payment due to the  
3 district or intermediate district, until the district or intermediate district complies  
4 with subsection (2). If the district or intermediate district does not comply with  
5 subsection (2) by the end of the fiscal year, the district or intermediate district  
6 forfeits the amount withheld.

7 (12) Not later than November 1, ~~2016~~ **OF EACH YEAR**, if a district or intermediate  
8 district offers virtual learning under section 21f, the district or intermediate district  
9 shall submit to the department a report that details the per-pupil costs of operating the  
10 virtual learning by vendor type. The report shall include at least all of the following  
11 information concerning the operation of virtual learning for the **IMMEDIATELY PRECEDING**  
12 school fiscal year ~~ending June 30, 2016~~:

13 (a) The name of the district operating the virtual learning and of each district that  
14 enrolled students in the virtual learning.

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

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

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

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

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

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

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

31 (13) Not later than March 31, ~~2017~~ **OF EACH YEAR**, the department shall submit to the  
32 house and senate appropriations subcommittees on state school aid, the state budget

1 director, and the house and senate fiscal agencies a report summarizing the per-pupil costs  
2 by vendor type of virtual courses available under section 21f.

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

4 (a) Virtual courses provided by the Michigan Virtual University.

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

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

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

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

12 Sec. 18c. Any contract, mortgage, loan, or other instrument of indebtedness entered  
13 into by a public school academy, ~~the achievement authority, or an achievement school~~  
14 receiving funds under this ~~act~~ **ARTICLE** and a third party does not constitute an obligation,  
15 either general, special, or moral, of this state or of an authorizing body. The full faith  
16 and credit or the taxing power of this state or any agency of this state, or the full faith  
17 and credit of an authorizing body, shall not be pledged for the payment of any contract,  
18 mortgage, loan, or other instrument of indebtedness entered into by a public school  
19 academy, ~~the achievement authority, or an achievement school~~.

20 Sec. 20. (1) For ~~2016-2017~~ **2017-2018**, both of the following apply:

21 (a) The basic foundation allowance is ~~\$8,229.00~~ **\$8,279.00**.

22 (b) The minimum foundation allowance is ~~\$7,511.00~~ **\$7,611.00**.

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

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

29 (a) Except as otherwise provided in this subdivision, for a district that had a  
30 foundation allowance for the immediately preceding state fiscal year that was at least  
31 equal to the minimum foundation allowance for the immediately preceding state fiscal year,  
32 but less than the basic foundation allowance for the immediately preceding state fiscal



1 year, the district shall receive a foundation allowance in an amount equal to the sum of  
2 the district's foundation allowance for the immediately preceding state fiscal year plus  
3 the difference between twice the dollar amount of the adjustment from the immediately  
4 preceding state fiscal year to the current state fiscal year made in the basic foundation  
5 allowance and [(the difference between the basic foundation allowance for the current state  
6 fiscal year and basic foundation allowance for the immediately preceding state fiscal year  
7 minus ~~\$20.00~~ **\$17.00**) times (the difference between the district's foundation allowance for  
8 the immediately preceding state fiscal year and the minimum foundation allowance for the  
9 immediately preceding state fiscal year) divided by the difference between the basic  
10 foundation allowance for the current state fiscal year and the minimum foundation allowance  
11 for the immediately preceding state fiscal year.] However, the foundation allowance for a  
12 district that had less than the basic foundation allowance for the immediately preceding  
13 state fiscal year shall not exceed the basic foundation allowance for the current state  
14 fiscal year.

15 (b) Except as otherwise provided in this subsection, for a district that in the  
16 immediately preceding state fiscal year had a foundation allowance in an amount equal to  
17 the amount of the basic foundation allowance for the immediately preceding state fiscal  
18 year, the district shall receive a foundation allowance for ~~2016-2017~~ **2017-2018** in an  
19 amount equal to the basic foundation allowance ~~for 2016-2017~~.

20 (c) For a district that had a foundation allowance for the immediately preceding  
21 state fiscal year that was greater than the basic foundation allowance for the immediately  
22 preceding state fiscal year, the district's foundation allowance is an amount equal to the  
23 sum of the district's foundation allowance for the immediately preceding state fiscal year  
24 plus the lesser of the increase in the basic foundation allowance for the current state  
25 fiscal year, as compared to the immediately preceding state fiscal year, or the product of  
26 the district's foundation allowance for the immediately preceding state fiscal year times  
27 the percentage increase in the United States consumer price index in the calendar year  
28 ending in the immediately preceding fiscal year as reported by the May revenue estimating  
29 conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL  
30 18.1367b.

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

1           **(E) FOR A DISTRICT THAT RECEIVED A FOUNDATION ALLOWANCE SUPPLEMENTAL PAYMENT**  
2 **CALCULATED UNDER SECTION 20M AND PAID UNDER SECTION 22B FOR 2016-2017, THE DISTRICT'S 2016-**  
3 **2017 FOUNDATION ALLOWANCE SHALL BE CONSIDERED TO HAVE BEEN AN AMOUNT EQUAL TO THE SUM OF**  
4 **THE DISTRICT'S ACTUAL 2016-2017 FOUNDATION ALLOWANCE AS OTHERWISE CALCULATED UNDER THIS**  
5 **SECTION PLUS THE LESSER OF THE PER-PUPIL AMOUNT OF THE DISTRICT'S SUPPLEMENTAL PAYMENT FOR**  
6 **2016-2017 AS CALCULATED UNDER SECTION 20M OR THE PRODUCT OF THE DISTRICT'S FOUNDATION**  
7 **ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR TIMES THE PERCENTAGE INCREASE IN**  
8 **THE UNITED STATES CONSUMER PRICE INDEX IN THE CALENDAR YEAR ENDING IN THE IMMEDIATELY**  
9 **PRECEDING FISCAL YEAR AS REPORTED BY THE MAY REVENUE ESTIMATING CONFERENCE CONDUCTED UNDER**  
10 **SECTION 367B OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1367B.**

11           (4) Except as otherwise provided in this subsection, beginning in 2014-2015, the  
12 state portion of a district's foundation allowance is an amount equal to the district's  
13 foundation allowance or the basic foundation allowance for the current state fiscal year,  
14 whichever is less, minus the local portion of the district's foundation allowance. For a  
15 district described in subsection (3) (c), beginning in 2014-2015, the state portion of the  
16 district's foundation allowance is an amount equal to \$6,962.00 plus the difference between  
17 the district's foundation allowance for the current state fiscal year and the district's  
18 foundation allowance for 1998-99, minus the local portion of the district's foundation  
19 allowance. For a district that has a millage reduction required under section 31 of article  
20 IX of the state constitution of 1963, the state portion of the district's foundation  
21 allowance shall be calculated as if that reduction did not occur. For a receiving district,  
22 if school operating taxes continue to be levied on behalf of a dissolved district that has  
23 been attached in whole or in part to the receiving district to satisfy debt obligations of  
24 the dissolved district under section 12 of the revised school code, MCL 380.12, the taxable  
25 value per membership pupil of property in the receiving district used for the purposes of  
26 this subsection does not include the taxable value of property within the geographic area  
27 of the dissolved district. For a community district, if school operating taxes continue to  
28 be levied by a qualifying school district under section 12b of the revised school code, MCL  
29 380.12b, with the same geographic area as the community district, the taxable value per  
30 membership pupil of property in the community district to be used for the purposes of this  
31 subsection does not include the taxable value of property within the geographic area of the  
32 community district.

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

12 (6) Except as otherwise provided in this subsection, for pupils in membership, other  
13 than special education pupils, in a public school academy, the allocation calculated under  
14 this section is an amount per membership pupil other than special education pupils in the  
15 public school academy equal to the foundation allowance of the district in which the public  
16 school academy is located or the state maximum public school academy allocation, whichever  
17 is less. For pupils in membership, other than special education pupils, in a public school  
18 academy that is a cyber school and is authorized by a school district, the allocation  
19 calculated under this section is an amount per membership pupil other than special  
20 education pupils in the public school academy equal to the foundation allowance of the  
21 district that authorized the public school academy or the state maximum public school  
22 academy allocation, whichever is less. However, a public school academy that had an  
23 allocation under this subsection before 2009-2010 that was equal to the sum of the local  
24 school operating revenue per membership pupil other than special education pupils for the  
25 district in which the public school academy is located and the state portion of that  
26 district's foundation allowance shall not have that allocation reduced as a result of the  
27 2010 amendment to this subsection. Notwithstanding section 101, for a public school academy  
28 that begins operations after the pupil membership count day, the amount per membership  
29 pupil calculated under this subsection shall be adjusted by multiplying that amount per  
30 membership pupil by the number of hours of pupil instruction provided by the public school  
31 academy after it begins operations, as determined by the department, divided by the minimum  
32 number of hours of pupil instruction required under section 101(3). The result of this

1 calculation shall not exceed the amount per membership pupil otherwise calculated under  
2 this subsection. **BEGINNING IN 2017-2018, FOR PUPILS IN MEMBERSHIP IN A PUBLIC SCHOOL  
3 ACADEMY THAT WAS ISSUED A CONTRACT UNDER SECTION 552 OF THE REVISED SCHOOL CODE, MCL  
4 380.552, TO OPERATE AS A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL THAT IS IN AT LEAST  
5 ITS SECOND YEAR OF OPERATION, THE ALLOCATION CALCULATED UNDER THIS SECTION IS AN AMOUNT  
6 EQUAL TO 80% OF THE AMOUNT AS WOULD OTHERWISE BE CALCULATED UNDER THIS SUBSECTION FOR A  
7 PUBLIC SCHOOL ACADEMY.**

8 ~~(7) Except as otherwise provided in this subsection, for pupils attending an  
9 achievement school and in membership in the education achievement system, other than  
10 special education pupils, the allocation calculated under this section is an amount per  
11 membership pupil other than special education pupils equal to the foundation allowance of  
12 the district in which the achievement school is located, not to exceed the basic foundation  
13 allowance. Notwithstanding section 101, for an achievement school that begins operation  
14 after the pupil membership count day, the amount per membership pupil calculated under this  
15 subsection shall be adjusted by multiplying that amount per membership pupil by the number  
16 of hours of pupil instruction provided by the achievement school after it begins  
17 operations, as determined by the department, divided by the minimum number of hours of  
18 pupil instruction required under section 101(3). The result of this calculation shall not  
19 exceed the amount per membership pupil otherwise calculated under this subsection. For the  
20 purposes of this subsection, if a public school is transferred from a district to the state  
21 school reform/redesign district or the achievement authority under section 1280e of the  
22 revised school code, MCL 380.1280e, that public school is considered to be an achievement  
23 school within the education achievement system and not a school that is part of a district,  
24 and a pupil attending that public school is considered to be in membership in the education  
25 achievement system and not in membership in the district that operated the school before  
26 the transfer.~~

27 **(7) (8)** Except as otherwise provided in this subsection, for pupils in membership,  
28 other than special education pupils, in a community district, the allocation calculated  
29 under this section is an amount per membership pupil other than special education pupils in  
30 the community district equal to the foundation allowance of the qualifying school district,  
31 as described in section 12b of the revised school code, MCL 380.12b, that is located within  
32 the same geographic area as the community district.

1           **(8)** ~~(9)~~ Subject to subsection (4), for a district that is formed or reconfigured  
2 after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting  
3 district's foundation allowance under this section beginning after the effective date of  
4 the consolidation or annexation shall be the lesser of the sum of the average of the  
5 foundation allowances of each of the original or affected districts, calculated as provided  
6 in this section, weighted as to the percentage of pupils in total membership in the  
7 resulting district who reside in the geographic area of each of the original or affected  
8 districts plus \$100.00 or the highest foundation allowance among the original or affected  
9 districts. This subsection does not apply to a receiving district unless there is a  
10 subsequent consolidation or annexation that affects the district. The calculation under  
11 this subsection shall take into account a district's per-pupil allocation under section  
12 20m.

13           **(9)** ~~(10)~~ Each fraction used in making calculations under this section shall be  
14 rounded to the fourth decimal place and the dollar amount of an increase in the basic  
15 foundation allowance shall be rounded to the nearest whole dollar.

16           **(10)** ~~(11)~~ State payments related to payment of the foundation allowance for a special  
17 education pupil are not calculated under this section but are instead calculated under  
18 section 51a.

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

23           (a) The pupil membership factor shall be computed by dividing the estimated  
24 membership in the school year ending in the current state fiscal year, excluding  
25 intermediate district membership, by the estimated membership for the school year ending in  
26 the subsequent state fiscal year, excluding intermediate district membership. If a  
27 consensus membership factor is not determined at the revenue estimating conference, the  
28 principals of the revenue estimating conference shall report their estimates to the house  
29 and senate subcommittees responsible for school aid appropriations not later than 7 days  
30 after the conclusion of the revenue conference.

31           (b) The revenue adjustment factor shall be computed by dividing the sum of the  
32 estimated total state school aid fund revenue for the subsequent state fiscal year plus the

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

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

18 **(12)** ~~(13)~~ Payments to districts, **OR** public school academies, ~~or the education~~  
19 ~~achievement system~~ shall not be made under this section. Rather, the calculations under  
20 this section shall be used to determine the amount of state payments under section 22b.

21 **(13)** ~~(14)~~ If an amendment to section 2 of article VIII of the state constitution of  
22 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this  
23 state, each foundation allowance or per-pupil payment calculation under this section may be  
24 reduced.

25 **(14)** ~~(15)~~ As used in this section:

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

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

31 (c) "Combined state and local revenue per membership pupil" means the district's  
32 combined state and local revenue divided by the district's membership excluding special

1 education pupils.

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

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

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

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

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

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

27 (j) "Maximum public school academy allocation", except as otherwise provided in this  
28 subdivision, means the maximum per-pupil allocation as calculated by adding the highest  
29 per-pupil allocation among all public school academies for the immediately preceding state  
30 fiscal year plus the difference between twice the amount of the difference between the  
31 basic foundation allowance for the current state fiscal year and the basic foundation  
32 allowance for the immediately preceding state fiscal year and [(the amount of the

1 difference between the basic foundation allowance for the current state fiscal year and the  
2 basic foundation allowance for the immediately preceding state fiscal year minus ~~\$20.00~~  
3 **\$17.00**) times (the difference between the highest per-pupil allocation among all public  
4 school academies for the immediately preceding state fiscal year and the minimum foundation  
5 allowance for the immediately preceding state fiscal year) divided by the difference  
6 between the basic foundation allowance for the current state fiscal year and the minimum  
7 foundation allowance for the immediately preceding state fiscal year.] For the purposes of  
8 this subdivision, for ~~2016-2017~~ **2017-2018**, the maximum public school academy allocation is  
9 ~~\$7,511.00~~ **\$7,611.00**.

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

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

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

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

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

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

28 (q) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the  
29 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local  
30 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
31 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor  
32 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.



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

5 Sec. 20d. In making the final determination required under former section 20a of a  
6 district's combined state and local revenue per membership pupil in 1993-94 and in making  
7 calculations under section 20 for ~~2016-2017~~ **2017-2018**, the department and the department of  
8 treasury shall comply with all of the following:

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

20 (b) If a district had an adjustment made to its 1993-94 total state school aid that  
21 excluded payments made under former section 146 and under section 147 on behalf of the  
22 district's employees who provided direct services for intermediate district center programs  
23 operated by the district under article 5, if nonresident pupils attending the center  
24 programs were included in the district's membership for purposes of calculating the  
25 combined state and local revenue per membership pupil for 1993-94, and if there is a signed  
26 agreement by all constituent districts of the intermediate district that an adjustment  
27 under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of  
28 all districts that had pupils attending the intermediate district center program operated  
29 by the district that had the adjustment shall be calculated as if their combined state and  
30 local revenue per membership pupil for 1993-94 included resident pupils attending the  
31 center program and excluded nonresident pupils attending the center program.

32 Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount

1 not to exceed \$18,000,000.00 for ~~2016-2017~~ **2017-2018** for payments to eligible districts  
2 under this section.

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

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

9 (b) The district's equity payment per membership pupil under section 22c for 2013-  
10 2014.

11 (c) The quotient of the district's allocation under section 147a for 2012-2013  
12 divided by the district's membership pupils for 2012-2013 minus the quotient of the  
13 district's allocation under section 147a for 2013-2014 divided by the district's membership  
14 pupils for 2013-2014.

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

18 (4) The funding under this subsection is from the allocation under subsection (1). A  
19 district is eligible for funding under this subsection ~~for 2016-2017~~ if the sum of the  
20 following is less than \$25.00:

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

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

25 (c) The decrease in the district's pupil performance per-pupil funding under section  
26 22j from 2014-2015 to 2015-2016.

27 (d) The quotient of the district's allocation under section 31a for 2015-2016 divided  
28 by the district's membership pupils for 2015-2016 minus the quotient of the district's  
29 allocation under section 31a for 2014-2015 divided by the district's membership pupils for  
30 2014-2015.

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

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

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

5 (c) The decrease in the district's pupil performance per-pupil funding under section  
6 22j from 2014-2015 to 2015-2016.

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

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

14 Sec. 20m. (1) Foundation allowance supplemental payments for ~~2016-2017~~ **2017-2018** to  
15 districts that in the 2015-2016 fiscal year had a foundation allowance greater than  
16 \$8,169.00 shall be calculated under this section.

17 (2) The per-pupil allocation to each district under this section shall be the  
18 difference between the dollar amount of the adjustment from the ~~immediately preceding~~ **2015-**  
19 **2016** state fiscal year to the current state fiscal year in the basic foundation allowance  
20 minus the dollar amount of the adjustment from the ~~immediately preceding~~ **2015-2016** fiscal  
21 year to the current state fiscal year in a qualifying district's foundation allowance.

22 (3) If a district's local revenue per pupil does not exceed the sum of its foundation  
23 allowance under section 20 plus the per-pupil allocation under subsection (2), the total  
24 payment to the district calculated under this section shall be the product of the per-pupil  
25 allocation under subsection (2) multiplied by the district's membership excluding special  
26 education pupils. If a district's local revenue per pupil exceeds the foundation allowance  
27 under section 20 but does not exceed the sum of the foundation allowance under section 20  
28 plus the per-pupil allocation under subsection (2), the total payment to the district  
29 calculated under this section shall be the product of the difference between the sum of the  
30 foundation allowance under section 20 plus the per-pupil allocation under subsection (2)  
31 minus the local revenue per pupil multiplied by the district's membership excluding special  
32 education pupils. If a district's local revenue per pupil exceeds the sum of the foundation

1 allowance under section 20 plus the per-pupil allocation under subsection (2), there is no  
2 payment calculated under this section for the district.

3 (4) Payments to districts shall not be made under this section. Rather, the  
4 calculations under this section shall be made and used to determine the amount of state  
5 payments under section 22b.

6 Sec. 21. (1) From the appropriation in section 11, there is allocated an amount not  
7 to exceed \$5,000,000.00 for ~~2016-2017~~ **2017-2018** to make supplemental payments to eligible  
8 districts that are identified under section 1280c of the revised school code, MCL  
9 380.1280c, as being among the lowest achieving 5% of all public schools in this state.

10 (2) A district is eligible to receive the supplemental payments calculated under this  
11 section for 3 consecutive fiscal years if all of the following conditions are met:

12 (a) The state school reform/redesign officer has appointed a chief executive officer  
13 to take control of 1 or more public schools in the district, as provided for in section  
14 **391(3), 507(6), 528(6), 561(6), OR** 1280c(7) of the revised school code, **BEING SECTIONS MCL**  
15 **380.391, MCL 380.507, MCL 380.528, MCL 380.561, AND** MCL 380.1280c, and there is at least 1  
16 high school operated by the district.

17 (b) As determined by the school reform office, an intervention agreement meeting at  
18 least the following criteria has been executed by the state school reform/redesign officer  
19 and the district. The intervention agreement shall include, but is not limited to:

20 (i) The rights and responsibilities of the chief executive officer. However, the  
21 intervention agreement shall not mitigate the authority of the chief executive officer  
22 prescribed in applicable statute including financial and employment authority.

23 (ii) The allocation of supplemental payments under this section.

24 (iii) The compensation for the chief executive officer.

25 (iv) The role of the district's board and officers during the intervention term.

26 (v) Termination and renewal rights of the school reform office.

27 (vi) Liability provisions for the chief executive officer.

28 (vii) A dispute resolution process.

29 (viii) The length of the term of the agreement.

30 (ix) Other provisions as determined by the school reform office for successful  
31 implementation of the chief executive officer intervention.

32 (c) The district has not entered into and is not currently operating under a local

1 government option under the local financial stability and choice act, 2012 PA 436, MCL  
2 141.1541 to 141.1575, or a successor act.

3 (3) The state school reform/redesign officer, at least annually, shall appear in  
4 person before the house and senate appropriations subcommittees responsible for school aid  
5 to provide an update on the yearly progress of schools under the control of a chief  
6 executive officer. In addition, the state school reform/redesign officer shall provide a  
7 quarterly report concerning the chief executive officer's use of funds to increase pupil  
8 achievement.

9 (4) The supplemental payment provided to a district under this section shall be  
10 calculated by multiplying the district's foundation allowance by 20% of the high school's  
11 membership for the prior fiscal year. The same dollar amount shall continue to be available  
12 to the district for a maximum of 3 years, subject to the conditions specified in subsection  
13 (2).

14 (5) From the allocation in subsection (1), in addition to the supplemental payments  
15 calculated under subsection (4), there is allocated an amount sufficient to pay for the  
16 appointment of chief executive officers by the state school reform/redesign officer, as  
17 provided for in section 1280c(7) of the revised school code, MCL 380.1280c.

18 (6) For the purposes of this section, a high school is a school that operates  
19 exclusively all of grades 9 to 12.

20 **SEC. 21H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED \$3,000,000.00**  
21 **FOR 2017-2018 FOR THE PURPOSE OF ASSISTING ELIGIBLE DISTRICTS ASSIGNED BY THE STATE**  
22 **SUPERINTENDENT TO PARTICIPATE IN A PARTNERSHIP TO IMPROVE STUDENT ACHIEVEMENT. THE PURPOSE**  
23 **OF THE PARTNERSHIP IS TO IDENTIFY DISTRICT NEEDS, DEVELOP INTERVENTION PLANS, AND PARTNER**  
24 **WITH PUBLIC, PRIVATE, AND NON-PROFIT ORGANIZATIONS TO COORDINATE RESOURCES AND IMPROVE**  
25 **STUDENT ACHIEVEMENT. ASSIGNMENT TO A PARTNERSHIP SHALL BE AT THE SOLE DISCRETION OF THE**  
26 **STATE SUPERINTENDENT.**

27 (2) DISTRICTS ASSIGNED TO A PARTNERSHIP BY THE STATE SUPERINTENDENT ARE ELIGIBLE FOR  
28 FUNDING UNDER THIS SECTION IF THOSE DISTRICTS CONTAIN AT LEAST ONE SCHOOL RECEIVING AN F  
29 GRADE, OR COMPARABLE PERFORMANCE RATING, IN THE MOST RECENT STATE ACCOUNTABILITY SYSTEM AND  
30 THAT SCHOOL IS NOT UNDER THE OVERSIGHT OF THE SCHOOL REFORM OFFICE. IN ADDITION, ELIGIBLE  
31 DISTRICTS SHALL MEET ALL OF THE FOLLOWING CRITERIA:

32 (A) HAVE COMPLETED A COMPREHENSIVE NEEDS EVALUATION IN COLLABORATION WITH AN

1 INTERMEDIATE SCHOOL DISTRICT, COMMUNITY MEMBERS, EDUCATION ORGANIZATIONS AND HIGHER  
2 EDUCATION ORGANIZATIONS, AS APPLICABLE AND APPROVED BY THE STATE SUPERINTENDENT, WITHIN 90  
3 DAYS OF ASSIGNMENT TO PARTICIPATE IN THE PARTNERSHIP. THE COMPREHENSIVE NEEDS EVALUATION  
4 SHALL INCLUDE AT LEAST THE FOLLOWING:

5 (I) A REVIEW OF THE DISTRICT'S IMPLEMENTATION AND UTILIZATION OF ITS MULTI-TIERED  
6 SYSTEM OF SUPPORTS TO ENSURE IT IS BEING USED TO APPROPRIATELY INFORM INSTRUCTION.

7 (II) A REVIEW OF THE DISTRICT AND BUILDING LEADERSHIP AND EDUCATOR CAPACITY TO  
8 SUBSTANTIALLY IMPROVE STUDENT OUTCOMES.

9 (III) A REVIEW OF CLASSROOM, INSTRUCTIONAL, AND OPERATIONAL PRACTICES AND CURRICULUM  
10 TO ENSURE ALIGNMENT WITH RESEARCH-BASED INSTRUCTIONAL PRACTICES AND STATE CURRICULUM  
11 STANDARDS.

12 (B) HAVE AN INTERVENTION PLAN THAT ADDRESSES THE NEEDS IDENTIFIED IN THE  
13 COMPREHENSIVE NEEDS EVALUATION DEVELOPED UNDER SUBDIVISION (A) THAT HAS BEEN APPROVED BY  
14 THE STATE SUPERINTENDENT. AT A MINIMUM, THE PLAN SHALL INCLUDE:

15 (I) SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE DISTRICT AND EACH OF ITS PARTNERS TO  
16 IMPROVE STUDENT ACHIEVEMENT.

17 (II) SPECIFIC MEASURABLE BENCHMARKS THAT WILL BE MET WITHIN 18 MONTHS TO IMPROVE  
18 STUDENT ACHIEVEMENT AND IDENTIFICATION OF EXPECTED STUDENT ACHIEVEMENT OUTCOMES NOT LATER  
19 THAN 3 YEARS AFTER ASSIGNMENT TO THE PARTNERSHIP.

20 (3) UPON APPROVAL OF THE INTERVENTION PLAN DEVELOPED UNDER SUBSECTION (2), THE  
21 DEPARTMENT SHALL ASSIGN A TEAM OF PERSONS WITH EXPERTISE IN COMPREHENSIVE SCHOOL AND  
22 DISTRICT REFORM TO PARTNER WITH THE DISTRICT, THE INTERMEDIATE DISTRICT, COMMUNITY  
23 ORGANIZATIONS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS IDENTIFIED IN THE  
24 INTERVENTION PLAN TO REVIEW THE DISTRICT'S USE OF EXISTING FINANCIAL RESOURCES TO ENSURE  
25 THOSE RESOURCES ARE BEING USED AS EFFICIENTLY AND EFFECTIVELY AS POSSIBLE TO IMPROVE  
26 STUDENT ACADEMIC ACHIEVEMENT.

27 (4) FUNDS ALLOCATED UNDER THIS SECTION MAY BE USED TO PAY FOR DISTRICT EXPENDITURES  
28 APPROVED BY THE STATE SUPERINTENDENT TO IMPROVE STUDENT ACHIEVEMENT. FUNDS MAY BE USED FOR,  
29 BUT ARE NOT LIMITED TO, PROFESSIONAL DEVELOPMENT FOR TEACHERS OR DISTRICT OR SCHOOL  
30 LEADERSHIP, INCREASED INSTRUCTIONAL TIME, TEACHER MENTORS, OR OTHER EXPENDITURES THAT  
31 DIRECTLY IMPACT STUDENT ACHIEVEMENT AND CANNOT BE PAID FOR FROM EXISTING DISTRICT FINANCIAL  
32 RESOURCES. FUNDS MAY BE PROVIDED TO AN INDIVIDUAL DISTRICT FOR UP TO 3 YEARS.

1 NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE ENTITIES UNDER THIS SECTION SHALL BE PAID  
2 ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

3 (5) THE DEPARTMENT SHALL ANNUALLY REPORT ON THE ACTIVITIES FUNDED UNDER THIS SECTION  
4 AND HOW THOSE ACTIVITIES IMPACTED STUDENT ACHIEVEMENT IN THE ELIGIBLE DISTRICTS.

5 Sec. 22a. (1) From the appropriation in section 11, there is allocated ~~an amount not~~  
6 ~~to exceed \$5,260,000,000.00 for 2015-2016~~ and an amount not to exceed ~~\$5,205,000,000.00~~  
7 **\$5,107,000,000.00** for ~~2016-2017~~ **2017-2018** for payments to districts and qualifying public  
8 school academies to guarantee each district and qualifying public school academy an amount  
9 equal to its 1994-95 total state and local per pupil revenue for school operating purposes  
10 under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of  
11 article IX of the state constitution of 1963, this guarantee does not apply to a district  
12 in a year in which the district levies a millage rate for school district operating  
13 purposes less than it levied in 1994. However, subsection (2) applies to calculating the  
14 payments under this section. Funds allocated under this section that are not expended in  
15 the state fiscal year for which they were allocated, as determined by the department, may  
16 be used to supplement the allocations under sections 22b and 51c in order to fully fund  
17 those calculated allocations for the same fiscal year.

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

22 (a) Except as otherwise provided in this subsection, the state portion of a  
23 district's 1994-95 foundation allowance is an amount equal to the district's 1994-95  
24 foundation allowance or \$6,500.00, whichever is less, minus the difference between the sum  
25 of the product of the taxable value per membership pupil of all property in the district  
26 that is nonexempt property times the district's certified mills and, for a district with  
27 certified mills exceeding 12, the product of the taxable value per membership pupil of  
28 property in the district that is commercial personal property times the certified mills  
29 minus 12 mills and the quotient of the ad valorem property tax revenue of the district  
30 captured under tax increment financing acts divided by the district's membership. For a  
31 district that has a millage reduction required under section 31 of article IX of the state  
32 constitution of 1963, the state portion of the district's foundation allowance shall be

1 calculated as if that reduction did not occur. For a receiving district, if school  
2 operating taxes are to be levied on behalf of a dissolved district that has been attached  
3 in whole or in part to the receiving district to satisfy debt obligations of the dissolved  
4 district under section 12 of the revised school code, MCL 380.12, taxable value per  
5 membership pupil of all property in the receiving district that is nonexempt property and  
6 taxable value per membership pupil of property in the receiving district that is commercial  
7 personal property do not include property within the geographic area of the dissolved  
8 district; ad valorem property tax revenue of the receiving district captured under tax  
9 increment financing acts does not include ad valorem property tax revenue captured within  
10 the geographic boundaries of the dissolved district under tax increment financing acts; and  
11 certified mills do not include the certified mills of the dissolved district. **FOR A**  
12 **COMMUNITY DISTRICT, PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION SHALL BY REDUCED BY**  
13 **AN AMOUNT EQUAL TO THE AMOUNT OF THE ABSENCE OF LOCAL SCHOOL OPERATING TAX REVENUE IN THE**  
14 **COMMUNITY DISTRICT IN THE FUNDING OF THE STATE PORTION OF FOUNDATION ALLOWANCES PURSUANT TO**  
15 **SECTION 20 (4) .**

16 (b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00,  
17 the state payment under this subsection shall be the sum of the amount calculated under  
18 subdivision (a) plus the amount calculated under this subdivision. The amount calculated  
19 under this subdivision shall be equal to the difference between the district's 1994-95  
20 foundation allowance minus \$6,500.00 and the current year hold harmless school operating  
21 taxes per pupil. If the result of the calculation under subdivision (a) is negative, the  
22 negative amount shall be an offset against any state payment calculated under this  
23 subdivision. If the result of a calculation under this subdivision is negative, there shall  
24 not be a state payment or a deduction under this subdivision. The taxable values per  
25 membership pupil used in the calculations under this subdivision are as adjusted by ad  
26 valorem property tax revenue captured under tax increment financing acts divided by the  
27 district's membership. For a receiving district, if school operating taxes are to be levied  
28 on behalf of a dissolved district that has been attached in whole or in part to the  
29 receiving district to satisfy debt obligations of the dissolved district under section 12  
30 of the revised school code, MCL 380.12, ad valorem property tax revenue captured under tax  
31 increment financing acts do not include ad valorem property tax revenue captured within the  
32 geographic boundaries of the dissolved district under tax increment financing acts.



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

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

9 (5) Except as otherwise provided in this subsection, for a district that is formed or  
10 reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation,  
11 the resulting district's 1994-95 foundation allowance under this section beginning after  
12 the effective date of the consolidation or annexation shall be the average of the 1994-95  
13 foundation allowances of each of the original or affected districts, calculated as provided  
14 in this section, weighted as to the percentage of pupils in total membership in the  
15 resulting district in the state fiscal year in which the consolidation takes place who  
16 reside in the geographic area of each of the original districts. If an affected district's  
17 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the  
18 amount of that district's 1994-95 foundation allowance shall be considered for the purpose  
19 of calculations under this subsection to be equal to the amount of the 1994-95 basic  
20 foundation allowance. This subsection does not apply to a receiving district unless there  
21 is a subsequent consolidation or annexation that affects the district.

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

23 **(6) PAYMENTS TO DISTRICTS OR PUBLIC SCHOOL ACADEMIES SHALL NOT BE MADE UNDER THIS**  
24 **SECTION FOR PUPILS ENROLLED PURSUANT TO SECTION 166B AND COUNTED IN MEMBERSHIP UNDER**  
25 **SECTION 6. RATHER, THE PAYMENTS FOR SUCH PUPILS SHALL BE MADE UNDER SECTION 23F.**

26 (7) As used in this section:

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

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

32 (c) "Current state fiscal year" means the state fiscal year for which a particular

1 calculation is made.

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

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

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

26 (g) "Homestead", "qualified agricultural property", "qualified forest property",  
27 "supportive housing property", "industrial personal property", and "commercial personal  
28 property" mean those terms as defined in section 1211 of the revised school code, MCL  
29 380.1211.

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

32 (i) "Nonexempt property" means property that is not a principal residence, qualified

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

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

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

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

11 (m) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the  
12 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local  
13 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
14 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor  
15 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

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

18 (i) For the number of mills by which the exemption from the levy of school operating  
19 taxes on a homestead, qualified agricultural property, qualified forest property,  
20 supportive housing property, industrial personal property, commercial personal property,  
21 and property occupied by a public school academy may be reduced as provided in section 1211  
22 of the revised school code, MCL 380.1211, the taxable value of homestead, qualified  
23 agricultural property, qualified forest property, supportive housing property, industrial  
24 personal property, commercial personal property, and property occupied by a public school  
25 academy for the calendar year ending in the current state fiscal year. For a receiving  
26 district, if school operating taxes are to be levied on behalf of a dissolved district that  
27 has been attached in whole or in part to the receiving district to satisfy debt obligations  
28 of the dissolved district under section 12 of the revised school code, MCL 380.12, mills do  
29 not include mills within the geographic area of the dissolved district.

30 (ii) For the number of mills of school operating taxes that may be levied on all  
31 property as provided in section 1211(2) of the revised school code, MCL 380.1211, the  
32 taxable value of all property for the calendar year ending in the current state fiscal

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

6 Sec. 22b. (1) For discretionary nonmandated payments to districts under this section,  
7 there is allocated from the appropriation in section 11 ~~an amount not to exceed~~  
8 ~~\$3,692,000,000.00 for 2015-2016,~~ and there is allocated for ~~2016-2017~~ **2017-2018** an amount  
9 not to exceed ~~\$3,828,000,000.00~~ **\$3,878,000,000.00** from the state school aid fund and  
10 general fund appropriations in section 11 and an amount not to exceed \$72,000,000.00 from  
11 the community district education trust fund appropriation in section 11. Except for money  
12 allocated from the community district trust fund, money allocated under this section that  
13 is not expended in the state fiscal year for which it was allocated, as determined by the  
14 department, may be used to supplement the allocations under sections 22a and 51c in order  
15 to fully fund those calculated allocations for the same fiscal year.

16 (2) Subject to subsection (3) and section 296, the allocation to a district under  
17 this section shall be an amount equal to the sum of the amounts calculated under sections  
18 20, 20m, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district  
19 under sections 22a and 51c. **PAYMENTS TO DISTRICTS OR PUBLIC SCHOOL ACADEMIES SHALL NOT BE**  
20 **MADE UNDER THIS SECTION FOR PUPILS ENROLLED PURSUANT TO SECTION 166B AND COUNTED IN**  
21 **MEMBERSHIP UNDER SECTION 6. RATHER, THE PAYMENTS FOR SUCH PUPILS SHALL BE MADE UNDER**  
22 **SECTION 23F. FOR A COMMUNITY DISTRICT, THE ALLOCATION AS OTHERWISE CALCULATED UNDER THIS**  
23 **SUBSECTION SHALL BE INCREASED BY AN AMOUNT EQUAL TO THE AMOUNT OF THE ABSENCE OF LOCAL**  
24 **SCHOOL OPERATING TAX REVENUE IN THE COMMUNITY DISTRICT IN THE FUNDING OF THE STATE PORTION**  
25 **OF FOUNDATION PURSUANT TO SECTION 20(4), AND THIS INCREASE SHALL BE PAID FROM THE COMMUNITY**  
26 **DISTRICT EDUCATION TRUST FUND.**

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

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

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

32 (c) Furnish data and other information required by state and federal law to the

1 center and the department in the form and manner specified by the center or the department,  
2 as applicable.

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

4 (e) Comply with section 21f.

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

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

13 (6) From the allocation in subsection (1), the department shall pay up to  
14 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by  
15 1 or more districts or intermediate districts against this state. If the allocation under  
16 this section is insufficient to fully fund all payments required under this section, the  
17 payments under this subsection shall be made in full before any proration of remaining  
18 payments under this section.

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

30 (8) If the local claims review board or a court of competent jurisdiction makes a  
31 final determination that this state is in violation of section 29 of article IX of the  
32 state constitution of 1963 regarding state payments to districts, the state budget director

1 shall use work project funds under subsection (7) or allocate from the discretionary funds  
2 for nonmandated payments under this section the amount as may be necessary to satisfy the  
3 amount owed to districts before making any payments to districts under subsection (2).

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

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

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

28 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed  
29 \$5,000,000.00 is allocated for ~~2016-2017~~ **2017-2018** for supplemental payments to rural  
30 districts under this section.

31 (2) From the allocation under subsection (1), there is allocated for ~~2016-2017~~ **2017-**  
32 **2018** an amount not to exceed \$957,300.00 for payments under this subsection to districts

1 that meet all of the following:

2 (a) Operates grades K to 12.

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

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

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

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

8 (3) The amount of the additional funding to each eligible district under subsection  
9 (2) shall be determined under a spending plan developed as provided in this subsection and  
10 approved by the superintendent of public instruction. The spending plan shall be developed  
11 cooperatively by the intermediate superintendents of each intermediate district in which an  
12 eligible district is located. The intermediate superintendents shall review the financial  
13 situation of each eligible district, determine the minimum essential financial needs of  
14 each eligible district, and develop and agree on a spending plan that distributes the  
15 available funding under subsection (2) to the eligible districts based on those financial  
16 needs. The intermediate superintendents shall submit the spending plan to the  
17 superintendent of public instruction for approval. Upon approval by the superintendent of  
18 public instruction, the amounts specified for each eligible district under the spending  
19 plan are allocated under subsection (2) and shall be paid to the eligible districts in the  
20 same manner as payments under section 22b.

21 (4) Subject to subsection (6), from the allocation in subsection (1), there is  
22 allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed \$4,042,700.00 for payments under  
23 this subsection to districts that have 7.3 or fewer pupils per square mile as determined by  
24 the department.

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

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

29 **SEC. 22M. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED FOR 2017-2018**  
30 **AN AMOUNT NOT TO EXCEED \$2,200,000.00 FOR THE PURPOSE OF SUPPORTING THE INTEGRATION OF**  
31 **LOCAL DATA SYSTEMS BASED ON COMMON STANDARDS AND APPLICATIONS THAT ARE IN COMPLIANCE WITH**  
32 **SECTION 19(7) INTO THE MICHIGAN DATA HUB NETWORK.**

1 (2) ELIGIBLE ENTITIES TO RECEIVE THIS FUNDING ARE FISCAL AGENTS FOR NO MORE THAN 5  
2 CONSORTIA OF INTERMEDIATE DISTRICTS THAT PREVIOUSLY RECEIVED FUNDING FROM THE TECHNOLOGY  
3 READINESS INFRASTRUCTURE GRANT UNDER FORMER SECTION 22I FOR THE PURPOSE OF ESTABLISHING  
4 REGIONAL DATA HUBS THAT ARE PART OF THE MICHIGAN DATA HUB NETWORK.

5 (3) THE CENTER SHALL WORK WITH AN ADVISORY COMMITTEE COMPRISED OF REPRESENTATIVES  
6 FROM INTERMEDIATE SCHOOL DISTRICTS WITHIN EACH OF THE DATA HUB REGIONS TO COORDINATE THE  
7 ACTIVITIES OF THE MICHIGAN DATA HUB NETWORK. PARTICIPATION OF THE DATA HUB REGIONS AND  
8 THEIR DISTRICTS IS VOLUNTARY. THE AMOUNT OF FUNDS DISTRIBUTED TO EACH REGIONAL DATA HUB  
9 WITHIN THE NETWORK SHALL BE DETERMINED BY THE CENTER, IN COLLABORATION WITH THE NETWORK,  
10 AND BASED UPON DOCUMENTED NEED PROVIDED TO THE CENTER IN A FORM AND MANNER DETERMINED BY  
11 THE CENTER. NOT WITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SUBSECTION SHALL BE MADE ON A  
12 SCHEDULE DETERMINED BY THE CENTER.

13 (4) REGIONAL DATA HUBS THAT RECEIVE FUNDING UNDER THIS SECTION SHALL HAVE A  
14 GOVERNANCE MODEL THAT ENSURES LOCAL CONTROL OF DATA, DATA SECURITY, AND STUDENT PRIVACY  
15 ISSUES. THE INTEGRATION OF DATA WITHIN EACH OF THE REGIONAL DATA HUBS SHALL PROVIDE FOR THE  
16 ACTIONABLE USE OF DATA BY DISTRICTS AND INTERMEDIATE DISTRICTS THROUGH COMMON REPORTS AND  
17 DASHBOARDS AND FOR EFFICIENTLY PROVIDING INFORMATION TO MEET STATE AND FEDERAL REPORTING  
18 PURPOSES.

19 SEC. 22N. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT  
20 TO EXCEED \$22,000,000.00 FOR 2017-2018 FOR ADDITIONAL PAYMENTS TO DISTRICTS FOR THE HIGHER  
21 INSTRUCTIONAL COSTS OF EDUCATING HIGH SCHOOL PUPILS.

22 (2) A DISTRICT IS ELIGIBLE FOR A PAYMENT UNDER THIS SECTION IF IT EDUCATES PUPILS IN  
23 ONE OR MORE OF GRADES 9 TO 12.

24 (3) PAYMENTS TO EACH ELIGIBLE DISTRICT SHALL BE EQUAL TO \$50.00 MULTIPLIED BY THE  
25 DISTRICT'S TOTAL PUPIL MEMBERSHIP IN GRADES 9 TO 12 AS CALCULATED UNDER SECTION 6 FOR THE  
26 CURRENT FISCAL YEAR. IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND  
27 PAYMENTS UNDER THIS SUBSECTION, THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON  
28 AN EQUAL PER-PUPIL BASIS.

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



1 (a) Enrolls only eligible pupils.

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

8 (c) Develops a written learning plan.

9 (d) Monitors the pupil's progress against the written learning plan.

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

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

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

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

17 (i) If the district partners with an education management organization for the  
18 program, the education management organization has a dropout recovery program partnership  
19 relationship with at least 1 other district.

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

23 (3) As used in this section:

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

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

30 (c) "Eligible pupil" means a pupil who has been expelled from school under the  
31 mandatory expulsion provisions in section 1311 or 1311a of the revised school code, MCL  
32 380.1311 and 380.1311a, a pupil who has been suspended or expelled from school under a

1 local policy, a pupil who is referred by a court, a pupil who is pregnant or is a parent, a  
2 pupil who was previously a dropout, or a pupil who is determined by the district to be at  
3 risk of dropping out.

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

10 (e) "Teacher of record" means a teacher who holds a valid Michigan teaching  
11 certificate; who, if applicable, is endorsed in the subject area and grade of the course;  
12 and is responsible for providing instruction, determining instructional methods for each  
13 pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention  
14 strategies, reporting outcomes, and evaluating the effects of instruction and support  
15 strategies.

16 (f) "Written learning plan" means a written plan developed in conjunction with the  
17 advocate that includes the plan start and end dates, courses to be taken, credit to be  
18 earned for each course, teacher of record for each course, and advocate name and contact  
19 information.

20 **SEC. 23F. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2017-2018**  
21 **AN AMOUNT NOT TO EXCEED \$60,000,000.00 FOR STATE FOUNDATION ALLOWANCE PAYMENTS TO DISTRICTS**  
22 **AS CALCULATED UNDER SECTION 20 FOR NONPUBLIC PART-TIME PUPILS ENROLLED IN GRADES K TO 12 IN**  
23 **ACCORDANCE WITH SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION 6.**

24 **(2) IF NECESSARY, AND BEFORE ANY PRORATION REQUIRED UNDER SECTION 296, THE DEPARTMENT**  
25 **SHALL PRORATE PAYMENTS UNDER THIS SECTION BY REDUCING THE AMOUNT OF THE PER-PUPIL PAYMENT**  
26 **UNDER THIS SECTION BY A DOLLAR AMOUNT CALCULATED BY DETERMINING THE AMOUNT BY WHICH THE**  
27 **AMOUNT NECESSARY TO FULLY FUND THIS SECTION EXCEEDS THE MAXIMUM AMOUNT ALLOCATED UNDER THIS**  
28 **SECTION AND THEN DIVIDING THAT AMOUNT BY THE TOTAL NUMBER OF PUPILS ENROLLED IN ACCORDANCE**  
29 **WITH SECTION 166B AND COUNTED IN MEMBERSHIP IN UNDER SECTION 6.**

30 Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2016-2017~~  
31 **2017-2018** an amount not to exceed \$8,000,000.00 for payments to the educating district or  
32 intermediate district for educating pupils assigned by a court or the department of health

1 and human services to reside in or to attend a juvenile detention facility or child caring  
2 institution licensed by the department of health and human services and approved by the  
3 department to provide an on-grounds education program. The amount of the payment under this  
4 section to a district or intermediate district shall be calculated as prescribed under  
5 subsection (2).

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

10 (a) "Added cost" means 100% of the added cost each fiscal year for educating all  
11 pupils assigned by a court or the department of health and human services to reside in or  
12 to attend a juvenile detention facility or child caring institution licensed by the  
13 department of health and human services or the department of licensing and regulatory  
14 affairs and approved by the department to provide an on-grounds education program. Added  
15 cost shall be computed by deducting all other revenue received under this article for  
16 pupils described in this section from total costs, as approved by the department, in whole  
17 or in part, for educating those pupils in the on-grounds education program or in a program  
18 approved by the department that is located on property adjacent to a juvenile detention  
19 facility or child caring institution. Costs reimbursed by federal funds are not included.

20 (b) "Department's approved per-pupil allocation" for a district or intermediate  
21 district shall be determined by dividing the total amount allocated under this section for  
22 a fiscal year by the full-time equated membership total for all pupils approved by the  
23 department to be funded under this section for that fiscal year for the district or  
24 intermediate district.

25 (3) A district or intermediate district educating pupils described in this section at  
26 a residential child caring institution may operate, and receive funding under this section  
27 for, a department-approved on-grounds educational program for those pupils that is longer  
28 than 181 days, but not longer than 233 days, if the child caring institution was licensed  
29 as a child caring institution and offered in 1991-92 an on-grounds educational program that  
30 was longer than 181 days but not longer than 233 days and that was operated by a district  
31 or intermediate district.

32 (4) Special education pupils funded under section 53a shall not be funded under this

1 section.

2 Sec. 24a. From the appropriation in section 11, ~~there is allocated an amount not to~~  
3 ~~exceed \$1,301,000.00 for 2015-2016 and~~ there is allocated an amount not to exceed  
4 ~~\$1,328,100.00~~ **\$1,339,000.00** for ~~2016-2017~~ **2017-2018** for payments to intermediate districts  
5 for pupils who are placed in juvenile justice service facilities operated by the department  
6 of health and human services. Each intermediate district shall receive an amount equal to  
7 the state share of those costs that are clearly and directly attributable to the  
8 educational programs for pupils placed in facilities described in this section that are  
9 located within the intermediate district's boundaries. The intermediate districts receiving  
10 payments under this section shall cooperate with the department of health and human  
11 services to ensure that all funding allocated under this section is utilized by the  
12 intermediate district and department of health and human services for educational programs  
13 for pupils described in this section. Pupils described in this section are not eligible to  
14 be funded under section 24. However, a program responsibility or other fiscal  
15 responsibility associated with these pupils shall not be transferred from the department of  
16 health and human services to a district or intermediate district unless the district or  
17 intermediate district consents to the transfer.

18 Sec. 24c. From the appropriation in section 11, there is allocated an amount not to  
19 exceed ~~\$1,632,400.00~~ **\$1,528,400.00** for ~~2016-2017~~ **2017-2018** for payments to districts for  
20 pupils who are enrolled in a nationally administered community-based education and youth  
21 mentoring program, known as the youth challenge program, that is administered by the  
22 department of military and veterans affairs. Both of the following apply to a district  
23 receiving payments under this section:

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

27 (b) The district may retain for its administrative expenses an amount not to exceed  
28 3% of the amount of the payment the district receives under this section.

29 Sec. 26a. From the funds appropriated in section 11, ~~there is allocated an amount not~~  
30 ~~to exceed \$20,000,000.00 for 2015-2016 and~~ there is allocated an amount not to exceed  
31 ~~\$20,000,000.00~~ **\$18,000,000.00** for ~~2016-2017~~ **2017-2018** to reimburse districts and  
32 intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA

1 376, MCL 125.2692, for taxes levied in ~~2015 and 2016 as applicable~~ **2017**. The allocations  
2 shall be made not later than 60 days after the department of treasury certifies to the  
3 department and to the state budget director that the department of treasury has received  
4 all necessary information to properly determine the amounts due to each eligible recipient.

5 Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2016-2017~~  
6 **2017-2018** an amount not to exceed \$4,405,100.00 for payments to districts, intermediate  
7 districts, and community college districts for the portion of the payment in lieu of taxes  
8 obligation that is attributable to districts, intermediate districts, and community college  
9 districts pursuant to section 2154 of the natural resources and environmental protection  
10 act, 1994 PA 451, MCL 324.2154.

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

14 Sec. 26c. (1) From the appropriation in section 11, there is allocated ~~an amount not~~  
15 ~~to exceed \$278,000.00 for 2015-2016 and there is allocated~~ an amount not to exceed  
16 ~~\$1,000,000.00~~ **\$1,500,000.00** for ~~2016-2017~~ **2017-2018** to the promise zone fund created in  
17 subsection (3).

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

22 (3) The promise zone fund is created as a separate account within the state school  
23 aid fund to be used solely for the purposes of the Michigan promise zone authority act,  
24 2008 PA 549, MCL 390.1661 to 390.1679. All of the following apply to the promise zone fund:

25 (a) The state treasurer shall direct the investment of the promise zone fund. The  
26 state treasurer shall credit to the promise zone fund interest and earnings from fund  
27 investments.

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

30 (4) Subject to subsection (2), the state treasurer may make payments from the promise  
31 zone fund to eligible districts and intermediate districts pursuant to the Michigan promise  
32 zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used for the purposes of a

1 promise zone authority created under that act.

2 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE ENTITIES UNDER THIS SUBSECTION  
3 SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

4 SEC. 29. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT  
5 TO EXCEED \$7,000,000.00 FOR 2017-2018 FOR ADDITIONAL PAYMENTS TO ELIGIBLE DISTRICTS FOR  
6 DECLINING ENROLLMENT ASSISTANCE.

7 (2) A DISTRICT IS ELIGIBLE FOR A PAYMENT UNDER THIS SECTION IF ALL OF THE FOLLOWING  
8 APPLY:

9 (A) THE DISTRICT'S PUPIL MEMBERSHIP FOR THE CURRENT FISCAL YEAR IS BOTH LESS THAN THE  
10 DISTRICT'S PUPIL MEMBERSHIP FOR THE IMMEDIATELY PRECEDING FISCAL YEAR AND HAS DECLINED FROM  
11 THE 2015-2016 FISCAL YEAR PUPIL MEMBERSHIP BY GREATER THAN 5%.

12 (B) THE DISTRICT'S AVERAGE PUPIL MEMBERSHIP, AS DEFINED IN THIS SECTION, IS GREATER  
13 THAN THE DISTRICT'S PUPIL MEMBERSHIP FOR THE CURRENT FISCAL YEAR AS CALCULATED UNDER  
14 SECTION 6.

15 (C) THE DISTRICT IS NOT ELIGIBLE TO RECEIVE FUNDING UNDER SECTION 6(4)(W) OR 22D(2).

16 (3) PAYMENTS TO EACH ELIGIBLE DISTRICT SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE  
17 DISTRICT'S AVERAGE PUPIL MEMBERSHIP AND THE DISTRICT'S PUPIL MEMBERSHIP AS CALCULATED UNDER  
18 SECTION 6 FOR THE CURRENT FISCAL YEAR MULTIPLIED BY AN AMOUNT PER PUPIL EQUAL TO 33.3% OF  
19 THE SUM OF THE DISTRICT'S FOUNDATION ALLOWANCE CALCULATED UNDER SECTION 20 PLUS THE AMOUNT  
20 OF THE DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20M, NOT TO EXCEED THE BASIC  
21 FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT STATE FISCAL YEAR. PAYMENTS ARE  
22 INTENDED TO BE FOR THE FIRST OF TWO YEARS. IF THE TOTAL AMOUNT OF THE PAYMENTS CALCULATED  
23 UNDER THIS SUBSECTION EXCEEDS THE ALLOCATION FOR THIS SECTION, THE PAYMENT TO EACH DISTRICT  
24 SHALL BE PRORATED ON AN EQUAL PERCENTAGE BASIS.

25 (4) FOR THE PURPOSES OF THIS SECTION, "AVERAGE PUPIL MEMBERSHIP" MEANS THE AVERAGE OF  
26 THE DISTRICT'S MEMBERSHIP FOR THE 2-FISCAL-YEAR PERIOD ENDING WITH THE CURRENT FISCAL YEAR,  
27 CALCULATED BY ADDING THE DISTRICT'S ACTUAL MEMBERSHIP FOR EACH OF THOSE 2 FISCAL YEARS, AS  
28 OTHERWISE CALCULATED UNDER SECTION 6, AND DIVIDING THE SUM OF THOSE 2 MEMBERSHIP FIGURES BY  
29 2.

30 Sec. 31a.(1) From the state school aid fund money appropriated in section 11, there  
31 is allocated for ~~2016-2017~~ 2017-2018 an amount not to exceed ~~\$389,695,500.00~~  
32 \$539,695,500.00 for payments to eligible districts, AND eligible public school academies.

1 ~~and the education achievement system~~ for the purposes of ensuring that pupils are  
2 proficient in ~~reading~~ **ENGLISH LANGUAGE ARTS** by the end of grade 3, **THAT PUPILS ARE**  
3 **PROFICIENT IN MATHEMATICS BY THE END OF GRADE 8, THAT PUPILS ARE ATTENDING SCHOOL**  
4 **REGULARLY,** ~~and~~ that high school graduates are career and college ready and for the purposes  
5 under subsections ~~(7) and (8).~~ **(8) AND (9).**

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

12 **(2)** ~~(3)~~ For a district or public school academy ~~that operates grades K to 3 or the~~  
13 ~~education achievement system,~~ to be eligible to receive funding under this section, other  
14 than funding under subsection ~~(7)~~ **(8)** or ~~(8)~~, **(9)**, the district or public school academy,  
15 ~~or the education achievement system,~~ must implement, for at least grades ~~K to 3~~ **K TO 8 OR**  
16 **ALL OF THE GRADES A DISTRICT OR PUBLIC SCHOOL ACADEMY OPERATES IF THE DISTRICT OR PUBLIC**  
17 **SCHOOL ACADEMY OPERATES LESS THAN GRADES K TO 8,** a multi-tiered system of supports that is  
18 an evidence-based model that uses data-driven problem solving to integrate academic and  
19 behavioral instruction and that uses intervention delivered to all pupils in varying  
20 intensities based on pupil needs. This multi-tiered system of supports must provide at  
21 least all of the following essential elements:

22 (a) Implements effective instruction for all learners.

23 (b) Intervenes early.

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

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

28 (ii) Targeted group interventions.

29 (iii) Intense individual interventions.

30 (d) Monitors pupil progress to inform instruction.

31 (e) Uses data to make instructional decisions.

32 (f) Uses assessments including universal screening, diagnostics, and progress

1 monitoring.

2 (g) Engages families and the community.

3 (h) Implements evidence-based, scientifically validated, instruction and  
4 intervention.

5 (i) Implements instruction and intervention practices with fidelity.

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

7 **(3) ~~(4)~~** Except as otherwise provided in this subsection, an eligible district or  
8 eligible public school academy ~~or the education achievement system~~ shall receive under this  
9 section for each membership pupil in the district or public school academy ~~or the education~~  
10 ~~achievement system who met the income eligibility criteria for free breakfast, lunch, or~~  
11 ~~milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to~~  
12 ~~1769, and as reported to the department in the form and manner prescribed by the department~~  
13 **WHO ARE DETERMINED TO BE ECONOMICALLY DISADVANTAGED AND REPORTED TO THE CENTER** not later  
14 than the fifth Wednesday after the pupil membership count day of the immediately preceding  
15 fiscal year ~~and adjusted not later than December 31 of the immediately preceding fiscal~~  
16 ~~year,~~ an amount per pupil equal to 11.5% of the ~~sum of the district's~~ **STATEWIDE WEIGHTED**  
17 **AVERAGE** foundation allowance ~~or the public school academy's or the education achievement~~  
18 ~~system's per pupil amount calculated under section 20 plus the amount of the district's~~  
19 ~~per-pupil allocation under section 20m, not to exceed the basic foundation allowance under~~  
20 ~~section 20 for the current state fiscal year, or of the public school academy's or the~~  
21 ~~education achievement system's per membership pupil amount calculated under section 20 for~~  
22 ~~the current state fiscal year.~~ However, a public school academy that began operations as a  
23 public school academy, ~~an achievement school that began operations as an achievement~~  
24 ~~school, or a community district that first enrolls pupils,~~ after the pupil membership count  
25 day of the immediately preceding school year shall receive under this section for each  
26 membership pupil in the public school academy, ~~in the education achievement system, or in~~  
27 ~~the community district who met the income eligibility criteria for free breakfast, lunch,~~  
28 ~~or milk, as determined under the Richard B. Russell national school lunch act and as~~  
29 ~~reported to the department~~ **WHO ARE DETERMINED TO BE ECONOMICALLY DISADVANTAGED AND REPORTED**  
30 **TO THE CENTER** not later than the fifth Wednesday after the pupil membership count day of  
31 the current fiscal year ~~and adjusted not later than December 31 of the current fiscal year,~~  
32 an amount per pupil equal to 11.5% of the ~~public school academy's, the education~~



1 ~~achievement system's, or the community district's per membership pupil amount calculated~~  
2 ~~under section 20 for the current state fiscal year~~ **STATEWIDE WEIGHTED AVERAGE FOUNDATION**  
3 **ALLOWANCE.**

4 (4) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A DISTRICT OR PUBLIC SCHOOL ACADEMY  
5 RECEIVING FUNDS UNDER THIS SECTION SHALL USE THOSE FUNDS TO ENSURE THE FOLLOWING:

6 (A) THAT THE CHRONIC ABSENTEEISM RATE FOR ECONOMICALLY DISADVANTAGED PUPILS AND  
7 ENGLISH LANGUAGE LEARNERS IS NOT MORE THAN THE CHRONIC ABSENTEEISM RATE FOR NON-  
8 ECONOMICALLY DISADVANTAGED PUPILS IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY, AS DEFINED AND  
9 CALCULATED BY THE CENTER.

10 (B) THAT THE PROPORTION OF ECONOMICALLY DISADVANTAGED PUPILS AND ENGLISH LANGUAGE  
11 LEARNERS IN THE BOTTOM 30% DOES NOT EXCEED THE PROPORTION OF NON-ECONOMICALLY DISADVANTAGED  
12 PUPILS IN THE BOTTOM 30% OF A DISTRICT'S PERFORMANCE ON THE ENGLISH LANGUAGE ARTS STATE  
13 ASSESSMENT FOR THIRD GRADE, AS CALCULATED AND REPORTED BY THE DEPARTMENT IN THE TOP 30-  
14 BOTTOM 30 ANALYSIS REPORT.

15 (C) THAT THE PROPORTION OF ECONOMICALLY DISADVANTAGED PUPILS AND ENGLISH LANGUAGE  
16 LEARNERS IN THE BOTTOM 30% DOES NOT EXCEED THE PROPORTION OF NON-ECONOMICALLY DISADVANTAGED  
17 PUPILS IN THE BOTTOM 30% OF A DISTRICT'S PERFORMANCE ON THE MATHEMATICS STATE ASSESSMENT  
18 FOR EIGHTH GRADE, AS CALCULATED AND REPORTED BY THE DEPARTMENT IN THE TOP 30-BOTTOM 30  
19 ANALYSIS REPORT.

20 (D) THAT AT LEAST 65% OF PUPILS IN GRADES 9 TO 12 HAVE ENROLLED IN CTE PROGRAMMING,  
21 ADVANCED PLACEMENT OR INTERNATIONAL BACCALAUREATE COURSES, OR EQUIVALENT DUAL-ENROLLMENT  
22 COURSES WITH AN ACCREDITED POSTSECONDARY INSTITUTION AND THAT AT LEAST 80% OF THOSE PUPILS  
23 HAVE SUCCESSFULLY COMPLETED THE COURSES.

24 (5) Except as otherwise provided in this section, a district or public school  
25 academy, ~~or the education achievement system,~~ receiving funding under this section shall  
26 use that money only to provide instructional programs and direct noninstructional services,  
27 including, but not limited to, medical, mental health, or counseling services, for at-risk  
28 pupils; for school health clinics; and for the purposes of subsection (6), (7), (8), or  
29 ~~(11)~~. (9). In addition, a district that is a school district of the first class or a  
30 district or public school academy in which at least 50% of the pupils in membership ~~met the~~  
31 ~~income eligibility criteria for free breakfast, lunch, or milk~~ **WERE DETERMINED TO BE**  
32 **ECONOMICALLY DISADVANTAGED** in the immediately preceding state fiscal year, as determined

1 and reported as described in ~~subsection (4), or the education achievement system if it~~  
2 ~~meets this requirement~~, **SUBSECTION (3)** may use not more than 20% of the funds it receives  
3 under this section for school security. A district, ~~the~~ **OR** public school academy, ~~or the~~  
4 ~~education achievement system~~ shall not use any of that money for administrative costs. The  
5 instruction or direct noninstructional services provided under this section may be  
6 conducted before or after regular school hours or by adding extra school days to the school  
7 year.

8 **(6) A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT RECEIVES FUNDS UNDER THIS SECTION MAY**  
9 **USE UP TO 5% OF THOSE FUNDS TO PROVIDE RESEARCH-BASED PROFESSIONAL DEVELOPMENT TO DISTRICT**  
10 **AND SCHOOL LEADERSHIP AND TEACHERS THAT IS ALIGNED TO PROFESSIONAL LEARNING STANDARDS; IS**  
11 **INTEGRATED INTO DISTRICT, BUILDING AND CLASSROOM PRACTICES; AND IS SOLELY RELATED TO THE**  
12 **FOLLOWING:**

13 **(A) IMPLEMENTING THE MULTI-TIERED SYSTEM OF SUPPORTS REQUIRED IN SUBSECTION (2) WITH**  
14 **FIDELITY AND UTILIZING THE DATA TO INFORM CURRICULUM AND INSTRUCTION.**

15 **(B) IMPROVING THE DISTRICT'S PERFORMANCE ON THE METRICS DESCRIBED IN SUBSECTION (4).**

16 **(7)** ~~(6)~~ A district or public school academy that receives funds under this section  
17 and that operates a school breakfast program under section 1272a of the revised school  
18 code, MCL 380.1272a, ~~or the education achievement system if it operates a school breakfast~~  
19 ~~program~~, shall use from the funds received under this section an amount, not to exceed  
20 \$10.00 per pupil for whom the district or public school academy ~~or the education~~  
21 ~~achievement system~~ receives funds under this section, necessary to pay for costs associated  
22 with the operation of the school breakfast program.

23 **(8)** ~~(7)~~ From the funds allocated under subsection (1), there is allocated for ~~2016-~~  
24 ~~2017~~ **2017-2018** an amount not to exceed \$5,557,300.00 to support child and adolescent health  
25 centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in  
26 a form and manner approved jointly by the department and the department of health and human  
27 services. Each grant recipient shall remain in compliance with the terms of the grant award  
28 or shall forfeit the grant award for the duration of the 5-year period after the  
29 noncompliance. To continue to receive funding for a child and adolescent health center  
30 under this section a grant recipient shall ensure that the child and adolescent health  
31 center has an advisory committee and that at least one-third of the members of the advisory  
32 committee are parents or legal guardians of school-aged children. A child and adolescent

1 health center program shall recognize the role of a child's parents or legal guardian in  
2 the physical and emotional well-being of the child. Funding under this subsection shall be  
3 used to support child and adolescent health center services provided to children up to age  
4 21. If any funds allocated under this subsection are not used for the purposes of this  
5 subsection for the fiscal year in which they are allocated, those unused funds shall be  
6 used that fiscal year to avoid or minimize any proration that would otherwise be required  
7 under subsection (12) for that fiscal year.

8 (9) ~~(8)~~ From the funds allocated under subsection (1), there is allocated for ~~2016-~~  
9 ~~2017~~ **2017-2018** an amount not to exceed \$5,150,000.00 for the state portion of the hearing  
10 and vision screenings as described in section 9301 of the public health code, 1978 PA 368,  
11 MCL 333.9301. A local public health department shall pay at least 50% of the total cost of  
12 the screenings. The frequency of the screenings shall be as required under R 325.13091 to R  
13 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be  
14 awarded in a form and manner approved jointly by the department and the department of  
15 health and human services. Notwithstanding section 17b, payments to eligible entities under  
16 this subsection shall be paid on a schedule determined by the department.

17 (10) ~~(9)~~ **THE DEPARTMENT SHALL CALCULATE AND PUBLISH THE TOP 30-BOTTOM 30 ANALYSIS**  
18 **REPORT ANNUALLY IN ORDER TO DETERMINE EACH DISTRICT'S PERFORMANCE IN THE METRICS DESCRIBED**  
19 **IN SUBDIVISIONS (4) (B) AND (4) (C). IN ADDITION, THE DEPARTMENT SHALL PUBLISH EACH**  
20 **DISTRICT'S PERFORMANCE FOR EACH OF THE METRICS DESCRIBED IN SUBSECTION (4) NO LATER THAN**  
21 **DECEMBER 30 OF EACH YEAR OR ONE MONTH AFTER FULLY AUDITED STATE ASSESSMENT DATA IS RECEIVED**  
22 **BY THE DEPARTMENT.**

23 (11) Each district or public school academy receiving funds under this section ~~and~~  
24 ~~the education achievement system~~ shall submit to the department by July 15 of each fiscal  
25 year a report, ~~not to exceed 10 pages, on the usage by the district or public school~~  
26 ~~academy or the education achievement system of funds under this section,~~ **IN A FORM AND**  
27 **MANNER DETERMINED BY THE DEPARTMENT** which ~~report~~ shall include a brief description of each  
28 program conducted or services performed by the district or public school academy ~~or the~~  
29 ~~education achievement system~~ using funds under this section, the amount of funds under this  
30 section allocated to each of those programs or services, the total number of at-risk pupils  
31 served by each of those programs or services, and the data necessary for the department and  
32 the department of health and human services to verify matching funds for the temporary

1 assistance for needy families program. **FROM THIS REPORT, THE DEPARTMENT SHALL PUBLISH A**  
2 **SUMMARY OF PROGRAMS CONDUCTED OR SERVICES PERFORMED IN DISTRICTS AND PUBLIC SCHOOL**  
3 **ACADEMIES THAT DEMONSTRATE SIGNIFICANT IMPROVEMENTS ON THE METRICS DESCRIBED IN SUBSECTION**  
4 **(4), AS DETERMINED BY THE DEPARTMENT.** If a district or public school academy ~~or the~~  
5 ~~education achievement system~~ does not comply with this subsection, the department shall  
6 withhold an amount equal to the August payment due under this section until the district or  
7 public school academy ~~or the education achievement system~~ complies with this subsection. If  
8 the district or public school academy ~~or the education achievement system~~ does not comply  
9 with this subsection by the end of the state fiscal year, the withheld funds shall be  
10 forfeited to the school aid fund.

11 (12) ~~(10)~~ In order to receive funds under this section, a district or public school  
12 academy ~~or the education achievement system~~ shall allow access for the department or the  
13 department's designee to audit all records related to the program for which it receives  
14 those funds. The district or public school academy ~~or the education achievement system~~  
15 shall reimburse the state for all disallowances found in the audit.

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

20 (13) ~~(12)~~ If necessary, and before any proration required under section 296, the  
21 department shall prorate payments under this section by reducing the amount of the per  
22 pupil payment under this section by a dollar amount calculated by determining the amount by  
23 which the amount necessary to fully fund the requirements of this section exceeds the  
24 maximum amount allocated under this section and then dividing that amount by the total  
25 statewide number of pupils ~~who met the income eligibility criteria for free breakfast,~~  
26 ~~lunch, or milk~~ **WHO ARE DETERMINED TO BE ECONOMICALLY DISADVANTAGED** in the immediately  
27 preceding fiscal year, as described in subsection ~~(4)~~ (3).

28 (14) ~~(13)~~ If a district is formed by consolidation after June 1, 1995, and if 1 or  
29 more of the original districts were not eligible before the consolidation for an additional  
30 allowance under this section, the amount of the additional allowance under this section for  
31 the consolidated district shall be based on the number of pupils described in subsection  
32 ~~(1)~~ enrolled in the consolidated district who reside in the territory of an original

1 ~~district that was eligible before the consolidation for an additional allowance under this~~  
2 ~~section. In addition, if~~ **IF** a district is dissolved pursuant to section 12 of the revised  
3 school code, MCL 380.12, the intermediate district to which the dissolved school district  
4 was constituent shall determine the estimated number of pupils that ~~meet the income~~  
5 ~~eligibility criteria for free breakfast, lunch, or milk,~~ **ARE ECONOMICALLY DISADVANTAGED** as  
6 described under subsection ~~(4)~~ **(3)**, **AND THAT ARE** enrolled in each of the other districts  
7 within the intermediate district and provide that estimate to the department for the  
8 purposes of distributing funds under this section within 60 days after the school district  
9 is declared dissolved.

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

12 ~~(a) Is a victim of child abuse or neglect.~~

13 ~~(b) Is a pregnant teenager or teenage parent.~~

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

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

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

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

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

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

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

28 ~~(iii) The pupil is homeless.~~

29 ~~(iv) The pupil is a migrant.~~

30 ~~(v) The pupil is an English language learner.~~

31 ~~(vi) The pupil is an immigrant who has immigrated within the immediately preceding 3~~  
32 ~~years.~~

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

3 ~~-(15) Beginning in 2018-2019, if a district, public school academy, or the education~~  
4 ~~achievement system does not demonstrate to the satisfaction of the department that at least~~  
5 ~~50% of at risk pupils are proficient in English language arts by the end of grade 3 as~~  
6 ~~measured by the state assessment for the immediately preceding school year and demonstrate~~  
7 ~~to the satisfaction of the department improvement over each of the 3 immediately preceding~~  
8 ~~school years in the percentage of at risk pupils that are career and college ready as~~  
9 ~~determined by proficiency on the English language arts, mathematics, and science content~~  
10 ~~area assessments on the grade 11 summative assessment under section 1279g(2) (a) of the~~  
11 ~~revised school code, MCL 380.1279g, the district, public school academy, or education~~  
12 ~~achievement system shall ensure all of the following:~~

13 ~~(a) The district, public school academy, or the education achievement system shall~~  
14 ~~determine the proportion of total at-risk pupils that represents the number of pupils in~~  
15 ~~grade 3 that are not proficient in English language arts by the end of grade 3, and the~~  
16 ~~district, public school academy, or the education achievement system shall expend that same~~  
17 ~~proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and~~  
18 ~~other methods of improving grade 3 English language arts proficiency.~~

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

28 ~~(16) As used in subsection (15), "total at risk pupils" means the sum of the number~~  
29 ~~of pupils in grade 3 that are not proficient in English language arts by the end of third~~  
30 ~~grade as measured on the state assessment and the number of pupils in grade 11 that are not~~  
31 ~~career and college ready as measured by the student's score on the English language arts,~~  
32 ~~mathematics, and science content area assessments on the grade 11 summative assessment~~

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

2 (15) BEGINNING IN 2020-2021, IF A DISTRICT OR PUBLIC SCHOOL ACADEMY HAS NOT ACHIEVED  
3 ALL OF THE METRICS IN SUBSECTION (4) OR MADE SATISFACTORY PROGRESS AS DETERMINED BY THE  
4 STATE SUPERINTENDENT, THE STATE SUPERINTENDENT SHALL ASSIGN A TEAM OF PERSONS WITH  
5 EXPERTISE IN COMPREHENSIVE SCHOOL AND DISTRICT REFORM TO PARTNER WITH THE DISTRICT, THE  
6 INTERMEDIATE DISTRICT, COMMUNITY ORGANIZATIONS, LOCAL EMPLOYERS, EDUCATION ORGANIZATIONS  
7 AND POSTSECONDARY INSTITUTIONS AS DETERMINED BY THE STATE SUPERINTENDENT TO CONDUCT AN  
8 EVALUATION THAT SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

9 (A) REVIEW THE DISTRICT'S IMPLEMENTATION AND UTILIZATION OF ITS MULTI-TIERED SYSTEM  
10 OF SUPPORTS AND ENSURE IT IS BEING USED TO APPROPRIATELY INFORM INSTRUCTION OF AT-RISK  
11 PUPILS AND MAKE RECOMMENDATIONS FOR CHANGES.

12 (B) CONDUCT AN ACADEMIC PERFORMANCE AUDIT THAT INCLUDES RECOMMENDATIONS FOR CHANGES  
13 IF NECESSARY FOR AT LEAST THE FOLLOWING:

14 (I) A REVIEW OF THE DISTRICT AND BUILDING LEADERSHIP AND EDUCATOR CAPACITY TO  
15 SUBSTANTIALLY IMPROVE STUDENT OUTCOMES.

16 (II) A REVIEW OF CLASSROOM, INSTRUCTIONAL, AND OPERATIONAL PRACTICES AND CURRICULUM  
17 TO ENSURE ALIGNMENT WITH RESEARCH-BASED INSTRUCTIONAL PRACTICES AND STATE CURRICULUM  
18 STANDARDS.

19 (C) A REVIEW OF THE DISTRICT'S USE OF FINANCIAL RESOURCES WITH RECOMMENDATIONS TO  
20 MORE EFFECTIVELY USE THOSE RESOURCES TO IMPROVE ACADEMIC ACHIEVEMENT FOR AT-RISK PUPILS.

21 (D) EVALUATION COSTS SHALL BE PAID FOR FROM THE FUNDS RECEIVED UNDER THIS SECTION  
22 ONLY AFTER AN AGREEMENT SPECIFYING THE ROLES AND RESPONSIBILITIES OF THE PARTNERS AND  
23 ESTABLISHING 18-MONTH BENCHMARKS HAS BEEN SIGNED BY THE PARTNERS AND APPROVED BY THE STATE  
24 SUPERINTENDENT.

25 (16) ~~(17)~~ A district or public school academy that receives funds under this section  
26 ~~or the education achievement system~~ may use funds received under this section to provide an  
27 anti-bullying or crisis intervention program.

28 (17) ~~(18)~~ The department shall collaborate with the department of health and human  
29 services to prioritize assigning Pathways to Potential Success coaches to elementary  
30 schools that have a high percentage of pupils in grades K to 3 who are not ~~reading at grade~~  
31 ~~level~~ PROFICIENT IN ENGLISH LANGUAGE ARTS, BASED UPON STATE ASSESSMENTS FOR PUPILS IN THOSE  
32 GRADES.

1 (18) AS USED IN THIS SECTION:

2 (A) "AT-RISK PUPIL" MEANS A PUPIL THAT IS ECONOMICALLY DISADVANTAGED OR AN ENGLISH  
3 LANGUAGE LEARNER FOR WHOM THE DISTRICT HAS DOCUMENTATION THAT THE PUPIL MEETS ANY OF THE  
4 FOLLOWING CRITERIA:

5 (I) A PUPIL THAT DID NOT ACHIEVE PROFICIENCY ON THE ENGLISH LANGUAGE ARTS STATE  
6 ASSESSMENT FOR GRADE 3 OR IS AT-RISK OF NOT ACHIEVING PROFICIENCY, AS DETERMINED BY THE  
7 DISTRICT OR PUBLIC SCHOOL ACADEMY USING DATA PROVIDED AS PART OF THE MULTI-TIERED SYSTEM OF  
8 SUPPORTS DESCRIBED IN SUBSECTION (2).

9 (II) A PUPIL THAT DID NOT ACHIEVE PROFICIENCY ON THE MATHEMATICS STATE ASSESSMENT FOR  
10 GRADE 8 OR IS AT-RISK OF NOT ACHIEVING PROFICIENCY, AS DETERMINED BY THE DISTRICT OR PUBLIC  
11 SCHOOL ACADEMY USING DATA PROVIDED AS PART OF THE MULTI-TIERED SYSTEM OF SUPPORTS DESCRIBED  
12 IN SUBSECTION (2).

13 (III) A PUPIL THAT ENGAGES IN CHRONIC ABSENTEEISM AS DEFINED AND REPORTED TO THE  
14 CENTER.

15 (B) "CTE" MEANS CAREER AND TECHNICAL EDUCATION.

16 (C) "ECONOMICALLY DISADVANTAGED" MEANS PUPILS WHO HAVE BEEN DETERMINED ELIGIBLE FOR  
17 FREE OR REDUCED-PRICE MEALS AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL  
18 LUNCH ACT, 42 USC 1751 TO 1769, OR ARE IN HOUSEHOLDS RECEIVING SUPPLEMENTAL NUTRITION  
19 ASSISTANCE PROGRAM OR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES ASSISTANCE, OR ARE HOMELESS,  
20 MIGRANT, OR ARE IN FOSTER CARE, AS REPORTED TO THE CENTER.

21 (D) "ENGLISH LANGUAGE LEARNER" MEANS LIMITED ENGLISH PROFICIENT PUPILS WHO SPEAK A  
22 LANGUAGE OTHER THAN ENGLISH AS THEIR PRIMARY LANGUAGE AND HAVE DIFFICULTY SPEAKING,  
23 READING, WRITING, OR UNDERSTANDING ENGLISH AS REPORTED TO THE CENTER.

24 (E) "STATEWIDE WEIGHTED AVERAGE FOUNDATION ALLOWANCE" MEANS THE SUM OF EACH  
25 DISTRICT'S FOUNDATION ALLOWANCE MULTIPLIED BY THE NUMBER OF PUPILS IN MEMBERSHIP IN THAT  
26 DISTRICT, DIVIDED BY THE TOTAL NUMBER OF PUPILS IN MEMBERSHIP. FOR THE PURPOSES OF THIS  
27 CALCULATION, A DISTRICT'S FOUNDATION ALLOWANCE SHALL NOT EXCEED THE BASIC FOUNDATION  
28 ALLOWANCE UNDER SECTION 20 FOR THE CURRENT STATE FISCAL YEAR.

29 Sec. 31b. (1) From the appropriations in section 11, there is allocated an amount not  
30 to exceed ~~\$1,500,000.00~~ \$3,000,000.00 for ~~2016-2017~~ 2017-2018 for grants to at-risk  
31 districts for implementing a ~~year-round~~ **BALANCED CALENDAR** instructional program for at  
32 least 1 of its schools.



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

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

4 (i) Is eligible in ~~2016-2017~~ **2017-2018** for the community eligibility option for free  
5 and reduced price lunch under 42 USC 1759a.

6 (ii) At least 50% of the pupils in membership in the district met the income  
7 eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state  
8 fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC  
9 1751 to 1769i.

10 (b) The board of the district has adopted a resolution stating that the district will  
11 implement for the first time ~~a year-round~~ **AN** instructional **BALANCED** calendar **PROGRAM** that  
12 will begin in ~~2017-2018~~ **2018-2019** for at least 1 school operated by the district and  
13 committing to providing the year-round instructional calendar in each of those schools for  
14 at least 3 school years.

15 (3) A district seeking a grant under this section shall apply to the department in  
16 the form and manner prescribed by the department not later than December 1, ~~2016-2017~~. The  
17 department shall select districts for grants and make notification not later than February  
18 1, ~~2017~~ **2018**.

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

21 (a) Giving priority to districts that, ~~as of June 30, 2016~~ **IN THE IMMEDIATELY**  
22 **PRECEDING FISCAL YEAR**, had lower general fund balances as a percentage of revenues.

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

25 (c) Ensuring that grant funding includes both rural and urban districts.

26 (5) The amount of a grant under this section to any 1 district shall not exceed  
27 \$750,000.00.

28 (6) A grant payment under this section to a district shall be used for necessary  
29 modifications to instructional facilities and other nonrecurring costs of preparing for the  
30 operation of a year-round instructional program as approved by the department.

31 (7) A district receiving a grant under this section is not required to provide more  
32 than the minimum number of days and hours of pupil instruction prescribed under section

1 101, but shall spread at least those minimum amounts of pupil instruction over the entire  
2 year in each of its schools in which a year-round instructional calendar is implemented.  
3 The district shall commit to providing the year-round instructional calendar in each of  
4 those schools for at least 3 school years.

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

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

10 Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not  
11 to exceed \$22,495,100.00 for ~~2016-2017~~ **2017-2018** for the purpose of making payments to  
12 districts and other eligible entities under this section.

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

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

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

27 (5) From the federal funds appropriated in section 11, there is allocated for ~~2016-~~  
28 ~~2017~~ **2017-2018** all available federal funding, estimated at ~~\$510,000,000.00~~ **\$520,000,000.00**  
29 for the national school lunch program and all available federal funding, estimated at  
30 \$3,200,000.00 for the emergency food assistance program.

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

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

4 Sec. 31f. (1) From the appropriations in section 11, ~~there is allocated an amount not~~  
5 ~~to exceed \$2,500,000.00 for 2015-2016~~ there is allocated an amount not to exceed  
6 ~~\$2,500,000.00~~ **\$4,500,000.00** for ~~2016-2017~~ **2017-2018** for the purpose of making payments to  
7 districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

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

25 Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to  
26 eligible intermediate districts and consortia of intermediate districts for great start  
27 readiness programs an amount not to exceed \$243,600,000.00 for ~~2016-2017~~ **2017-2018**. Funds  
28 allocated under this section for great start readiness programs shall be used to provide  
29 part-day, school-day, or GSRP/head start blended comprehensive free compensatory classroom  
30 programs designed to improve the readiness and subsequent achievement of educationally  
31 disadvantaged children who meet the participant eligibility and prioritization guidelines  
32 as defined by the department. For a child to be eligible to participate in a program under

1 this section, the child shall be at least 4, but less than 5, years of age as of September  
2 1 of the school year in which the program is offered and shall meet those eligibility and  
3 prioritization guidelines.

4 (2) Funds allocated under subsection (1) shall be allocated to intermediate districts  
5 or consortia of intermediate districts based on the formula in section 39. An intermediate  
6 district or consortium of intermediate districts receiving funding under this section shall  
7 act as the fiduciary for the great start readiness programs. In order to be eligible to  
8 receive funds allocated under this subsection from an intermediate district or consortium  
9 of intermediate districts, a district, a consortium of districts, or a public or private  
10 for-profit or nonprofit legal entity or agency shall comply with this section and section  
11 39.

12 (3) In addition to the allocation under subsection (1), from the general fund money  
13 appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 for  
14 ~~2016-2017~~ **2017-2018** for a competitive grant to continue a longitudinal evaluation of  
15 children who have participated in great start readiness programs.

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

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

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

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

27 (d) Physical and dental health and developmental screening services for all program  
28 participants.

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

31 (f) Active and continuous involvement of the parents or guardians of the program  
32 participants.

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

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

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

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

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

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

17 (b) Except as otherwise provided in this subdivision, ensure that ~~ALL at least 90% of~~  
18 ~~the~~ children participating in an eligible great start readiness program for whom the  
19 intermediate district is receiving funds under this section are children who live with  
20 families with a household income that is equal to or less than 250% of the federal poverty  
21 level. ~~If the intermediate district determines that all eligible children are being served~~  
22 ~~and that there are no children on the waiting list under section 39(1)(d) who live with~~  
23 ~~families with a household income that is equal to or less than 250% of the federal poverty~~  
24 ~~level, the intermediate district may then enroll children who live with families with a~~  
25 ~~household income that is equal to or less than 300% of the federal poverty level.~~ The  
26 enrollment process shall consider income and risk factors, such that children determined  
27 with higher need are enrolled before children with lesser need. For purposes of this  
28 subdivision, all age-eligible children served in foster care or who are experiencing  
29 homelessness or who have individualized education plans recommending placement in an  
30 inclusive preschool setting shall be considered to live with families with household income  
31 equal to or less than 250% of the federal poverty level regardless of actual family income  
32 and shall be prioritized for enrollment within the lowest quintile.

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

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

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

25 (d) Include a program budget that contains only those costs that are not reimbursed  
26 or reimbursable by federal funding, that are clearly and directly attributable to the great  
27 start readiness program, and that would not be incurred if the program were not being  
28 offered. Eligible costs include transportation costs. The program budget shall indicate the  
29 extent to which these funds will supplement other federal, state, local, or private funds.  
30 Funds received under this section shall not be used to supplant any federal funds received  
31 by the applicant to serve children eligible for a federally funded preschool program that  
32 has the capacity to serve those children.

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

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

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

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

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

21 (11) Each grant recipient shall enroll children identified under subsection (5) (b)  
22 according to how far the child's household income is below 250% of the federal poverty  
23 level by ranking each applicant child's household income from lowest to highest and  
24 dividing the applicant children into quintiles based on how far the child's household  
25 income is below 250% of the federal poverty level, and then enrolling children in the  
26 quintile with the lowest household income before enrolling children in the quintile with  
27 the next lowest household income ~~until slots are completely filled. If the grant recipient~~  
28 ~~determines that all eligible children are being served and that there are no children on~~  
29 ~~the waiting list under section 39(1)(d) who live with families with a household income that~~  
30 ~~is equal to or less than 250% of the federal poverty level, the grant recipient may then~~  
31 ~~enroll children who live with families with a household income that is equal to or less~~  
32 ~~than 300% of the federal poverty level.~~ The enrollment process shall consider income and

1 risk factors, such that children determined with higher need are enrolled before children  
2 with lesser need. For purposes of this subdivision, all age-eligible children served in  
3 foster care or who are experiencing homelessness or who have individualized education plans  
4 recommending placement in an inclusive preschool setting shall be considered to live with  
5 families with household income equal to or less than 250% of the federal poverty level  
6 regardless of actual family income and shall be prioritized for enrollment within the  
7 lowest quintile.

8 (12) An intermediate district or consortium of intermediate districts receiving a  
9 grant under this section shall allow parents of eligible children who are residents of the  
10 intermediate district or within the consortium to choose a program operated by or  
11 contracted with another intermediate district or consortium of intermediate districts and  
12 shall enter into a written agreement regarding payment, in a manner prescribed by the  
13 department.

14 (13) An intermediate district or consortium of intermediate districts receiving a  
15 grant under this section shall conduct a local process to contract with interested and  
16 eligible public and private for-profit and nonprofit community-based providers that meet  
17 all requirements of subsection (4) for at least 30% of its total ~~slot~~ allocation. For the  
18 purposes of this 30% allocation, an intermediate district or consortium of intermediate  
19 districts may count children served by a head start grantee or delegate in a blended head  
20 start and great start readiness school-day program. Children served in a program funded  
21 only through head start shall not be counted toward this 30% allocation. The intermediate  
22 district or consortium shall report to the department, in a manner prescribed by the  
23 department, a detailed list of community-based providers by provider type, including  
24 private for-profit, private nonprofit, community college or university, head start grantee  
25 or delegate, and district or intermediate district, and the number and proportion of its  
26 total ~~slot~~ allocation allocated to each provider as subrecipient. If the intermediate  
27 district or consortium is not able to contract for at least 30% of its total ~~slot~~  
28 allocation, the grant recipient shall notify the department and, if the department verifies  
29 that the intermediate district or consortium attempted to contract for at least 30% of its  
30 total ~~slot~~ allocation and was not able to do so, then the intermediate district or  
31 consortium may retain and use all of its ~~allocated slots~~ **ALLOCATION** as provided under this  
32 section. To be able to use this exemption, the intermediate district or consortium shall



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

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

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

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

19 (14) If an intermediate district or consortium of intermediate districts receiving a  
20 grant under this section fails to submit satisfactory evidence to demonstrate its effort to  
21 contract for at least 30% of its total ~~slot~~ allocation, as required under subsection (1),  
22 the department shall reduce the ~~slots allocated~~ **ALLOCATION** to the intermediate district or  
23 consortium by a percentage equal to the difference between the percentage of an  
24 intermediate district's or consortium's total ~~slot~~ allocation awarded to community-based  
25 providers and 30% of its total ~~slot~~ allocation.

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

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

1 (b) Provide, or ensure that an organization with which the department contracts  
2 provides, a community-based provider with a validated great start to quality rating within  
3 90 days of the provider's having submitted a request and self-assessment.

4 (c) Ensure that all intermediate district, district, community college or university,  
5 head start grantee or delegate, private for-profit, and private nonprofit providers are  
6 subject to a single great start to quality rating system. The rating system shall ensure  
7 that regulators process all prospective providers at the same pace on a first-come, first-  
8 served basis and shall not allow 1 type of provider to receive a great start to quality  
9 rating ahead of any other type of provider.

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

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

27 (17) As used in this section:

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

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

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

5 (18) An intermediate district or consortium of intermediate districts receiving funds  
6 under this section shall establish **AND CHARGE TUITION ACCORDING TO** a sliding scale of  
7 tuition rates based upon household income for children participating in an eligible great  
8 start readiness program who live with families with a household income that is more than  
9 250% of the federal poverty level to be used by all of its providers, as approved by the  
10 department. ~~A grant recipient shall charge tuition according to that sliding scale of~~  
11 ~~tuition rates on a uniform basis for any child who does not meet the income eligibility~~  
12 ~~requirements under this section.~~

13 (19) From the amount appropriated in subsection (1), there is allocated an amount not  
14 to exceed \$10,000,000.00 for reimbursement of transportation costs for children attending  
15 great start readiness programs funded under this section. To receive reimbursement under  
16 this subsection, not later than November 1, ~~2016~~ **2017**, a program funded under this section  
17 that provides transportation shall submit to the intermediate district that is the fiscal  
18 agent for the program a projected transportation budget. The amount of the reimbursement  
19 for transportation under this subsection shall be no more than the projected transportation  
20 budget or \$150.00 multiplied by the number of ~~slots~~ **CHILDREN** funded for the program under  
21 this section. If the amount allocated under this subsection is insufficient to fully  
22 reimburse the transportation costs for all programs that provide transportation and submit  
23 the required information, the reimbursement shall be prorated in an equal amount per ~~slot~~  
24 **CHILD** funded. Payments shall be made to the intermediate district that is the fiscal agent  
25 for each program, and the intermediate district shall then reimburse the program provider  
26 for transportation costs as prescribed under this subsection.

27 Sec. 32p. (1) From the ~~school aid fund~~ appropriation in section 11, there is  
28 allocated an amount not to exceed \$13,400,000.00 to intermediate districts for ~~2016-2017~~  
29 **2017-2018** for the purpose of providing early childhood funding to intermediate school  
30 districts to support the activities under subsection (2) and subsection (4), and to provide  
31 early childhood programs for children from birth through age 8. The funding provided to  
32 each intermediate district under this section shall be determined by the distribution

1 formula established by the department's office of great start to provide equitable funding  
2 statewide. In order to receive funding under this section, each intermediate district shall  
3 provide an application to the office of great start not later than September 15 of the  
4 immediately preceding fiscal year indicating the activities planned to be provided.

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

10 (a) Children born healthy.

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

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

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

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

20 (a) Physical health.

21 (b) Social-emotional health.

22 (c) Family supports and basic needs.

23 (d) Parent education.

24 (e) Early education, including the child's ~~vocabulary~~ development **OF SKILLS LINKED TO**  
25 **SUCCESS IN FOUNDATIONAL LITERACY**, and care.

26 (4) From the funds allocated in subsection (1), at least \$2,500,000.00 shall be used  
27 for the purpose of providing home visits to at-risk children and their families. The home  
28 visits shall be conducted as part of a locally coordinated, family-centered, evidence-  
29 based, data-driven home visit strategic plan that is approved by the department. The goals  
30 of the home visits funded under this subsection shall be to improve school readiness using  
31 evidence-based methods, including ~~vocabulary development~~ **A FOCUS ON DEVELOPMENTALLY**

32 **APPROPRIATE OUTCOMES FOR EARLY LITERACY**, to reduce the number of pupils retained in grade

1 level, and to reduce the number of pupils requiring special education services. The  
2 department shall coordinate the goals of the home visit strategic plans approved under this  
3 subsection with other state agency home visit programs in a way that strengthens Michigan's  
4 home visiting infrastructure and maximizes federal funds available for the purposes of at-  
5 risk family home visits. The coordination among departments and agencies is intended to  
6 avoid duplication of state services and spending, and should emphasize efficient service  
7 delivery of home visiting programs.

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

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

25 Sec. 35. (1) The funds allocated under section 35a shall be used for programs to  
26 ensure children are reading at grade level by the end of grade 3. The superintendent shall  
27 designate staff or contracted employees funded under section 35a as critical shortage.  
28 Programs funded under section 35a are intended to ensure that this state will be in the top  
29 10 most improved states in grade 4 reading proficiency by the 2019 National Assessment of  
30 Educational Progress (NAEP) and will be in the top 10 states overall in grade 4 reading  
31 proficiency by 2025.

32 (2) From the general fund appropriation in section 11, there is allocated to the

1 department an amount not to exceed \$1,000,000.00 for ~~2016-2017~~ **2017-2018** for implementation  
2 costs associated with programs funded under section 35a.

3 Sec. 35a. (1) ~~From the appropriations in section 11, there is allocated for 2015-2016~~  
4 ~~for the purposes of this section an amount not to exceed \$19,000,000.00 from the state~~  
5 ~~school aid fund appropriation and an amount not to exceed \$1,500,000.00 from the general~~  
6 ~~fund appropriation.~~ From the appropriations in section 11, there is allocated for ~~2016-2017~~  
7 **2017-2018** for the purposes of this section an amount not to exceed ~~\$22,900,000.00 from the~~  
8 ~~state school aid fund and an amount not to exceed \$1,000,000.00 from the general fund~~  
9 **\$25,900,000.00.**

10 (2) From the allocations under subsection (1), there is allocated an amount not to  
11 exceed \$950,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** for  
12 professional development purposes under this subsection. ~~The 2016-2017 allocation~~  
13 ~~represents the second of 2 years of funding for the purposes of this subsection.~~ All of the  
14 following apply to funding under this subsection:

15 (a) The department shall award grants to districts to support professional  
16 development for educators in a department-approved research-based training program related  
17 to current state literacy standards for pupils in grades K to 3. The professional  
18 development shall also include training in the use of screening and diagnostic tools,  
19 progress monitoring, and intervention methods used to address barriers to learning and  
20 delays in learning that are diagnosed through the use of these tools. The department shall  
21 determine the amount of the grant awards.

22 (b) In addition to other methods of professional development delivery, the department  
23 shall collaborate with the Michigan Virtual University to provide this training online to  
24 all educators of pupils in grades K to 3.

25 ~~(c) The funds allocated under this subsection for 2015-2016 are a work project~~  
26 ~~appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-2017.~~  
27 ~~The purpose of the work project is to continue to implement the professional development~~  
28 ~~training described in this subsection. The estimated completion date of the work project is~~  
29 ~~September 30, 2017.~~

30 ~~(d) The funds allocated under this subsection for 2016-2017 are a work project~~  
31 ~~appropriation, and any unexpended funds for 2016-2017 are carried forward into 2017-2018.~~  
32 ~~The purpose of the work project is to continue to implement the professional development~~

1 ~~training described in this subsection. The estimated completion date of the work project is~~  
2 ~~September 30, 2018.~~

3 (3) From the allocations under subsection (1), there is allocated an amount not to  
4 exceed \$1,450,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** for grants  
5 under this subsection. ~~The 2016-2017 allocation represents the second of 2 years of~~  
6 ~~funding.~~ All of the following apply to grants under this subsection:

7 (a) The department shall award grants to districts to administer department-approved  
8 screening and diagnostic tools to monitor the development of early literacy and early  
9 reading skills of pupils in grades K to 3 and to support research-based professional  
10 development for educators in administering screening and diagnostic tools and in data  
11 interpretation of the results obtained through the use of those tools for the purpose of  
12 implementing a multi-tiered system of support to improve reading proficiency among pupils  
13 in grades K to 3. The department shall award grants to eligible districts in an amount  
14 determined by the department.

15 (b) A department-approved screening and diagnostic tool administered by a district  
16 using funding under this section must include all of the following components: phonemic  
17 awareness, phonics, fluency, and comprehension. Further, all of the following sub-skills  
18 must be assessed within each of these components:

19 (i) Phonemic awareness - segmentation, blending, and sound manipulation (deletion and  
20 substitution).

21 (ii) Phonics - decoding (reading) and encoding (spelling).

22 (iii) Fluency - reading rate, accuracy, and expression.

23 (iv) Comprehension - making meaning of text.

24 (c) In addition to other methods of professional development delivery, the department  
25 shall collaborate with the Michigan Virtual University to provide this training online to  
26 all educators of pupils in grades K to 3.

27 ~~(d) The funds allocated under this subsection for 2015-2016 are a work project~~  
28 ~~appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-2017.~~  
29 ~~The purpose of the work project is to continue to implement the professional development~~  
30 ~~training described in this subsection. The estimated completion date of the work project is~~  
31 ~~September 30, 2017.~~

32 ~~(e) The funds allocated under this subsection for 2016-2017 are a work project~~

1 ~~appropriation, and any unexpended funds for 2016-2017 are carried forward into 2017-2018.~~  
2 ~~The purpose of the work project is to continue to implement the professional development~~  
3 ~~training described in this subsection. The estimated completion date of the work project is~~  
4 ~~September 30, 2018.~~

5 (4) From the allocations under subsection (1), there is allocated an amount not to  
6 exceed ~~\$3,000,000.00~~ each fiscal year for 2015-2016 and **\$6,000,000.00** for 2016-2017 **2017-**  
7 **2018** for the purpose of providing early literacy coaches at intermediate districts to  
8 assist teachers in developing and implementing instructional strategies for pupils in  
9 grades K to 3 so that pupils are reading at grade level by the end of grade 3. All of the  
10 following apply to funding under this subsection:

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

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

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

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

22 (b) From the allocation under this subsection, the department shall award grants to  
23 intermediate districts for the support of early literacy coaches. An intermediate district  
24 must provide matching funds for at least 50% of the cost of the literacy coach. The  
25 department shall provide this funding in the following manner:

26 (i) Each intermediate district shall be awarded grant funding to support the cost of  
27 1 early literacy coach in an equal amount per early literacy coach, not to exceed  
28 ~~\$37,500.00~~ **\$75,000.00**.

29 (ii) After distribution of the grant funding under subparagraph (i), the department  
30 shall distribute the remainder of grant funding for additional early literacy coaches in an  
31 amount not to exceed ~~\$37,500.00~~ **\$75,000.00** per early literacy coach. The number of funded  
32 early literacy coaches for each intermediate district shall be based on the percentage of



1 the total statewide number of pupils in grades K to 3 who meet the income eligibility  
2 standards for the federal free and reduced-price lunch programs who are enrolled in  
3 districts in the intermediate district. For each additional early literacy coach funded  
4 under this subparagraph, the department shall not make an award to an intermediate district  
5 under this subparagraph in an amount that is less than the amount necessary to pay 1/2 of  
6 the total cost of that additional early literacy coach.

7 ~~(c) The funds allocated under this subsection for 2015-2016 are a work project~~  
8 ~~appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-2017.~~  
9 ~~The purpose of the work project is to continue to provide early literacy coaches as~~  
10 ~~described in this subsection. The estimated completion date of the work project is~~  
11 ~~September 30, 2017.~~

12 ~~(d) The funds allocated under this subsection for 2016-2017 are a work project~~  
13 ~~appropriation, and any unexpended funds for 2016-2017 are carried forward into 2017-2018.~~  
14 ~~The purpose of the work project is to continue to implement the professional development~~  
15 ~~training described in this subsection. The estimated completion date of the work project is~~  
16 ~~September 30, 2018.~~

17 (5) From the allocations under subsection (1), there is allocated an amount not to  
18 exceed ~~\$13,600,000.00 for 2015-2016~~ and an amount not to exceed \$17,500,000.00 for ~~2016-~~  
19 ~~2017~~ **2017-2018** to districts that provide additional instructional time to those pupils in  
20 grades K to 3 who have been identified by using department-approved screening and  
21 diagnostic tools as needing additional supports and interventions in order to be reading at  
22 grade level by the end of grade 3. Additional instructional time may be provided before,  
23 during, and after regular school hours or as part of a year-round balanced school calendar.  
24 All of the following apply to funding under this subsection:

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

27 (i) Implemented a multi-tiered system of support instructional delivery model that is  
28 an evidence-based model that uses data-driven problem solving to integrate academic and  
29 behavioral instruction and that uses intervention delivered to all pupils in varying  
30 intensities based on pupil needs. The multi-tiered system of supports must provide at least  
31 all of the following essential elements:

32 (A) Implements effective instruction for all learners.

1 (B) Intervenes early.

2 (C) Provides a multi-tiered model of instruction and intervention that provides the  
3 following: a core curriculum and classroom interventions available to all pupils that meet  
4 the needs of most pupils; targeted group interventions; and intense individual  
5 interventions.

6 (D) Monitors pupil progress to inform instruction.

7 (E) Uses data to make instructional decisions.

8 (F) Uses assessments including universal screening, diagnostics, and progress  
9 monitoring.

10 (G) Engages families and the community.

11 (H) Implements evidence-based, scientifically validated, instruction and  
12 intervention.

13 (I) Implements instruction and intervention practices with fidelity.

14 (J) Uses a collaborative problem-solving model.

15 (ii) Used department-approved research-based diagnostic tools to identify individual  
16 pupils in need of additional instructional time.

17 (iii) Used a reading instruction method that focuses on the 5 fundamental building  
18 blocks of reading: phonics, phonemic awareness, fluency, vocabulary, and comprehension and  
19 content knowledge.

20 (iv) Provided teachers of pupils in grades K to 3 with research-based professional  
21 development in diagnostic data interpretation.

22 (b) Funding allocated under this subsection shall be distributed to eligible  
23 districts by multiplying the number of full-time-equivalent pupils in grade 1 in the  
24 district by \$165.00.

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

28 ~~(6) From the general fund money allocated in subsection (1), the department shall~~  
29 ~~allocate the amount of \$1,000,000.00 each fiscal year for 2015-2016 and for 2016-2017 to~~  
30 ~~the Michigan Education Corps. All of the following apply to funding under this subsection:~~

31 ~~(a) By August 1 of the applicable fiscal year, the Michigan Education Corps shall~~  
32 ~~provide a report concerning its use of the funding to the senate and house appropriations~~

1 ~~subcommittees on state school aid, the senate and house fiscal agencies, and the senate and~~  
2 ~~house caucus policy offices on outcomes and performance measures of the Michigan Education~~  
3 ~~Corps, including, but not limited to, the degree to which the Michigan Education Corps's~~  
4 ~~replication of the Michigan Reading Corps program is demonstrating sufficient efficacy and~~  
5 ~~impact. The report must include data pertaining to at least all of the following:~~

6 ~~(i) The current impact of the Michigan Reading Corps on this state in terms of~~  
7 ~~numbers of children and programs receiving support. This portion of the report shall~~  
8 ~~specify the number of children tutored, including dosage and completion, and the~~  
9 ~~demographics of those children.~~

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

14 ~~(iii) Whether the literacy improvement of children participating in the Michigan~~  
15 ~~Reading Corps is consistent with expectations. This portion of the report shall detail at~~  
16 ~~least all of the following:~~

17 ~~(A) Growth rate by grade level, in comparison to targeted growth rate.~~

18 ~~(B) Average linear growth rates.~~

19 ~~(C) Exit rates.~~

20 ~~(D) Percentage of children who exit who also meet or exceed spring benchmarks.~~

21 ~~(iv) The impact of the Michigan Reading Corps on organizations and stakeholders,~~  
22 ~~including, but not limited to, school administrators, internal coaches, and AmeriCorps~~  
23 ~~members.~~

24 ~~(b) If the department determines that the Michigan Education Corps has misused the~~  
25 ~~funds allocated under this subsection, the Michigan Education Corps shall reimburse this~~  
26 ~~state for the amount of state funding misused.~~

27 ~~(7) From the general fund money allocated under subsection (1), there is allocated to~~  
28 ~~the department an amount not to exceed \$500,000.00 for 2015-2016 for the adoption of a~~  
29 ~~certification test to ensure that all newly certificated elementary teachers have the~~  
30 ~~skills to deliver evidence-based literacy instruction.~~

31 Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an  
32 application, in a form and manner prescribed by the department, by a date specified by the

1 department in the immediately preceding state fiscal year. The application shall include a  
2 ~~comprehensive needs assessment using aggregated data from the applicant's entire service~~  
3 ~~area and a community collaboration plan that is endorsed by the local great start~~  
4 ~~collaborative and is part of the community's great start strategic plan that includes, but~~  
5 ~~is not limited to, great start readiness program and head start providers, and shall~~  
6 ~~identify all of the following:~~

7 (a) The estimated total number of children in the community who meet the criteria of  
8 section 32d ~~and how that calculation was made~~ **AS PROVIDED TO THE APPLICANT BY THE**  
9 **DEPARTMENT UTILIZING THE MOST RECENT AMERICAN COMMUNITY SURVEY POPULATION DATA AVAILABLE**  
10 **FOR 2017-2018 CALCULATIONS. BEGINNING IN 2018-2019, THE AMERICAN COMMUNITY SURVEY**  
11 **POPULATION DATA SHALL BE UPDATED AT LEAST ONCE EVERY THREE YEARS.**

12 (b) The estimated number of children in the community who meet the criteria of  
13 section 32d and are being served ~~by other early childhood development programs operating in~~  
14 ~~the community, and how that calculation was made~~ **EXCLUSIVELY BY HEAD START PROGRAMS**  
15 **OPERATING IN THE COMMUNITY.**

16 (c) The number of ~~slots~~ **CHILDREN** the applicant ~~will be able to fill with children~~ **HAS**  
17 **THE CAPACITY TO SERVE** who meet the criteria of section 32d including a verification of  
18 physical facility and staff resources capacity.

19 ~~(d) The estimated number of slots that will remain unfilled and children who meet the~~  
20 ~~criteria of section 32d who will remain unserved after the applicant and community early~~  
21 ~~childhood programs have met their funded enrollments. The applicant shall maintain a~~  
22 ~~waiting list of identified unserved eligible children who would be served when openings are~~  
23 ~~available.~~

24 (2) After notification of funding allocations, an applicant receiving funds under  
25 section 32d shall also submit an implementation plan for approval, in a form and manner  
26 prescribed by the department, by a date specified by the department, that details how the  
27 applicant complies with the program components established by the department pursuant to  
28 section 32d.

29 ~~(3) The number of prekindergarten children construed to be in need of special~~  
30 ~~readiness assistance under section 32d shall be calculated for each applicant in the~~  
31 ~~following manner: 1/2 of the percentage of the applicant's pupils in grades 1 to 5 in all~~  
32 ~~districts served by the applicant who are eligible for free lunch, as determined using the~~

1 ~~district's pupil membership count as of the pupil membership count day in the school year~~  
2 ~~prior to the fiscal year for which the calculation is made, under the Richard B. Russell~~  
3 ~~national school lunch act, 42 USC 1751 to 1769i, shall be multiplied by the average~~  
4 ~~kindergarten enrollment of the districts served by the applicant on the pupil membership~~  
5 ~~count day of the 2 immediately preceding fiscal years. Each child construed to be in need~~  
6 ~~constitutes 1 slot.~~

7 ~~(3) (4) The initial allocation for each fiscal year to each eligible applicant under~~  
8 ~~section 32d shall be determined by multiplying the number of slots determined by the~~  
9 ~~formula under subsection (3) or the number of slots the applicant indicates it will be able~~  
10 ~~to fill under subsection (1)(c), whichever is less, by \$3,625.00 and shall be distributed~~  
11 ~~among applicants in decreasing order of concentration of eligible children as determined by~~  
12 ~~the formula under subsection (3). If the number of slots an applicant indicates it will be~~  
13 ~~able to fill under subsection (1)(c) includes children able to be served in a school day~~  
14 ~~program, then the number of slots for a school-day program shall be doubled for the~~  
15 ~~purposes of making this calculation. A district may contract with a head start agency to~~  
16 ~~serve children enrolled in head start with a school-day program by blending head start~~  
17 ~~funds with a part-day great start readiness program allocation. All head start and great~~  
18 ~~start readiness program policies and regulations apply to the blended program~~ **THE LESSER OF**  
19 **THE FOLLOWING:**

20 **(A) THE SUM OF THE NUMBER OF CHILDREN SERVED IN A SCHOOL-DAY PROGRAM IN THE PRECEDING**  
21 **YEAR MULTIPLIED BY \$7,250.00 PER CHILD AND THE NUMBER OF CHILDREN SERVED IN A GSRP/HEAD**  
22 **START BLENDED PROGRAM OR A PART-DAY PROGRAM IN THE PRECEDING YEAR MULTIPLIED BY \$3,625.00**  
23 **PER CHILD.**

24 **(B) THE SUM OF THE NUMBER OF CHILDREN THE APPLICANT HAS THE CAPACITY TO SERVE IN**  
25 **2017-18 IN A SCHOOL-DAY PROGRAM MULTIPLIED BY \$7,250.00 PER CHILD AND THE NUMBER OF**  
26 **CHILDREN SERVED IN A GSRP/HEAD START BLENDED PROGRAM OR A PART-DAY PROGRAM THE APPLICANT**  
27 **HAS THE CAPACITY TO SERVE IN 2017-18 YEAR MULTIPLIED BY \$3,625.00 PER CHILD.**

28 **(C) FOR THE PURPOSES OF THIS SUBSECTION, "SCHOOL-DAY PROGRAM", "GSRP/HEAD START**  
29 **BLENDED PROGRAM" AND "PART-DAY PROGRAM" MEAN THE SAME AS THOSE TERMS ARE DEFINED IN SECTION**  
30 **32D(17).**

31 ~~(5) If funds allocated for eligible applicants under section 32d remain after the~~  
32 ~~initial allocation under subsection (4), the allocation under this subsection shall be~~

1 distributed to each eligible applicant under section 32d in decreasing order of  
2 concentration of eligible children as determined by the formula under subsection (3). The  
3 allocation shall be determined by multiplying the number of slots in each district within  
4 the applicant's service area filled in the immediately preceding fiscal year or the number  
5 of slots the applicant indicates it will be able to fill under subsection (1)(c), whichever  
6 is less, minus the number of slots for which the applicant received funding in subsection  
7 (4) by \$3,625.00.

8 **(4) A PERCENTAGE OF CHILDREN SERVED BY EACH INTERMEDIATE DISTRICT OR CONSORTIA OF**  
9 **INTERMEDIATE DISTRICTS SHALL BE DETERMINED BY DIVIDING THE NUMBER OF CHILDREN SERVED IN THE**  
10 **IMMEDIATELY PRECEDING YEAR BY THE TOTAL NUMBER OF CHILDREN WITHIN THE INTERMEDIATE DISTRICT**  
11 **OR CONSORTIA OF INTERMEDIATE DISTRICTS WHO MEET THE CRITERIA OF SECTION 32D AS DETERMINED**  
12 **BY THE DEPARTMENT UTILIZING THE MOST RECENT AMERICAN COMMUNITY SURVEY POPULATION DATA FOR**  
13 **THE 2017-2018 PROGRAM YEAR. THE RESULTING PERCENTAGE OF ELIGIBLE CHILDREN SERVED SHALL BE**  
14 **COMPARED TO A STATEWIDE PERCENTAGE BENCHMARK, TO DETERMINE IF THE INTERMEDIATE DISTRICT IS**  
15 **ELIGIBLE FOR ADDITIONAL FUNDS. FOR 2017-2018, THE STATEWIDE PERCENTAGE BENCHMARK IS 60**  
16 **PERCENT.**

17 **(5) (6)** If funds allocated for eligible applicants under section 32d remain after the  
18 **INITIAL** allocations under subsections (4) and (5) remaining funds shall be distributed to  
19 each eligible applicant under section 32d in decreasing order of concentration of eligible  
20 children as determined by the formula under subsection (3). If the number of slots the  
21 applicant indicates it will be able to fill under subsection (1)(c) exceeds the number of  
22 slots for which funds have been received under subsections (4) and (5), the allocation  
23 under this subsection shall be determined by multiplying the number of slots the applicant  
24 indicates it will be able to fill under subsection (1)(c) less the number of slots for  
25 which funds have been received under subsections (4) and (5) by \$3,625.00 until the funds  
26 allocated for eligible applicants in section 32d are distributed. **SUBSECTION (3), THE**  
27 **ALLOCATION UNDER THIS SUBSECTION SHALL DISTRIBUTE REMAINING FUNDS TO EACH INTERMEDIATE**  
28 **DISTRICT OR CONSORTIA OF INTERMEDIATE DISTRICTS SERVING LESS THAN STATE PERCENTAGE**  
29 **BENCHMARK AS DETERMINED IN SUBSECTION (4). REMAINING FUNDS SHALL BE DISTRIBUTED TO EACH**  
30 **ELIGIBLE APPLICANT BASED UPON EACH APPLICANT'S PROPORTIONATE SHARE OF THE REMAINING**  
31 **UNSERVED CHILDREN NECESSARY TO MEET THE STATEWIDE PERCENTAGE BENCHMARK IN INTERMEDIATE**  
32 **DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS SERVING LESS THAN THE STATE PERCENTAGE**

1 BENCHMARK. WHEN ALL APPLICANTS HAVE BEEN GIVEN THE OPPORTUNITY TO REACH THE STATEWIDE  
2 PERCENTAGE BENCHMARK, THE STATEWIDE PERCENTAGE BENCHMARK MAY BE RESET, AS DETERMINED BY THE  
3 DEPARTMENT, UNTIL GREATER EQUITY OF OPPORTUNITY TO SERVE ELIGIBLE CHILDREN ACROSS ALL  
4 INTERMEDIATE SCHOOL DISTRICTS HAS BEEN ACHIEVED.

5 (6) ~~(7)~~ If, taking into account the total amount to be allocated to the applicant as  
6 calculated under this section, an applicant determines that it is able to include  
7 additional eligible children in the great start readiness program without additional funds  
8 under section 32d, the applicant may include additional eligible children but shall not  
9 receive additional funding under section 32d for those children.

10 (7) THE DEPARTMENT SHALL REVIEW THE PROGRAM COMPONENTS UNDER SECTION 32D AND UNDER  
11 THIS SECTION AT LEAST BIENNIALLY. THE DEPARTMENT SHALL ALSO CONVENE A COMMITTEE OF INTERNAL  
12 AND EXTERNAL STAKEHOLDERS NOT LESS THAN ONCE EVERY 5 YEARS TO ENSURE THAT THE FUNDING  
13 STRUCTURE UNDER THIS SECTION REFLECTS CURRENT SYSTEM NEEDS UNDER SECTION 32D.

14 Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated  
15 for ~~2016-2017~~ 2017-2018 to districts, intermediate districts, and other eligible entities  
16 all available federal funding, estimated at ~~\$821,939,900.00~~ \$731,600,000.00 for the federal  
17 programs under the no child left behind act of 2001, Public Law 107-110, or the every  
18 student succeeds act, Public Law 114-95. These funds are allocated as follows:

19 (a) An amount estimated at ~~\$2,000,000.00~~ \$1,200,000.00 to provide students with drug-  
20 and violence-prevention programs and to implement strategies to improve school safety,  
21 funded from DED-OESE, drug-free schools and communities funds.

22 (b) An amount estimated at ~~\$111,111,900.00~~ \$100,000,000.00 for the purpose of  
23 preparing, training, and recruiting high-quality teachers and class size reduction, funded  
24 from DED-OESE, improving teacher quality funds.

25 (c) An amount estimated at ~~\$12,200,000.00~~ \$11,000,000.00 for programs to teach  
26 English to limited English proficient (LEP) children, funded from DED-OESE, language  
27 acquisition state grant funds.

28 ~~(d) An amount estimated at \$250,000.00 for the Michigan charter school subgrant~~  
29 ~~program, funded from DED-OESE, charter school funds.~~

30 (D) ~~(e)~~ An amount estimated at ~~\$3,000,000.00~~ \$2,800,000.00 for rural and low income  
31 schools, funded from DED-OESE, rural and low income school funds.

32 (E) ~~(f)~~ An amount estimated at ~~\$565,000,000.00~~ \$535,000,000.00 to provide

1 supplemental programs to enable educationally disadvantaged children to meet challenging  
2 academic standards, funded from DED-OESE, title I, disadvantaged children funds.

3 (F) ~~(g)~~ An amount estimated at ~~\$9,878,000.00~~ **\$9,200,000.00** for the purpose of  
4 identifying and serving migrant children, funded from DED-OESE, title I, migrant education  
5 funds.

6 (G) ~~(h)~~ An amount estimated at \$39,000,000.00 for the purpose of providing high-  
7 quality extended learning opportunities, after school and during the summer, for children  
8 in low-performing schools, funded from DED-OESE, twenty-first century community learning  
9 center funds.

10 (H) ~~(i)~~ An amount estimated at ~~\$24,600,000.00~~ **\$18,000,000.00** to help support local  
11 school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

12 (I) ~~(j)~~ An amount estimated at ~~\$55,900,000.00~~ **\$15,400,000.00** to improve the academic  
13 achievement of students, funded from DED-OESE, title IV, student support and academic  
14 enrichment grants.

15 (2) From the federal funds appropriated in section 11, there is allocated for ~~2016-~~  
16 ~~2017~~ **2017-2018** to districts, intermediate districts, and other eligible entities all  
17 available federal funding, estimated at ~~\$30,800,000.00~~ **\$30,000,000.00** for the following  
18 programs that are funded by federal grants:

19 (a) An amount estimated at ~~\$200,000.00~~ **\$100,000.00** for acquired immunodeficiency  
20 syndrome education grants, funded from HHS - Centers for Disease Control and Prevention,  
21 AIDS funding.

22 (b) An amount estimated at ~~\$2,600,000.00~~ **\$1,900,000.00** to provide services to  
23 homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

24 (c) An amount estimated at \$4,000,000.00 to provide mental health, substance abuse,  
25 or violence prevention services to students, funded from HHS-SAMHSA.

26 (d) An amount estimated at \$24,000,000.00 for providing career and technical  
27 education services to pupils, funded from DED-OVAE, basic grants to states.

28 (3) All federal funds allocated under this section shall be distributed in accordance  
29 with federal law and with flexibility provisions outlined in Public Law 107-116, and in the  
30 education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section  
31 17b, payments of federal funds to districts, intermediate districts, and other eligible  
32 entities under this section shall be paid on a schedule determined by the department.



1 (4) For the purposes of applying for federal grants appropriated under this article,  
2 the department shall allow an intermediate district to submit a consortium application on  
3 behalf of 2 or more districts with the agreement of those districts as appropriate  
4 according to federal rules and guidelines.

5 (5) For the purposes of funding federal title I grants under this article, in  
6 addition to any other federal grants for which a strict discipline academy is eligible, the  
7 department shall allocate to strict discipline academies out of title I, part A funds equal  
8 to what a strict discipline academy would have received if included and calculated under  
9 title I, part D, or what it would receive under the formula allocation under title I, part  
10 A, whichever is greater.

11 (6) As used in this section:

12 (a) "DED" means the United States Department of Education.

13 (b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

14 (c) "DED-OVAE" means the DED Office of Vocational and Adult Education.

15 (d) "HHS" means the United States Department of Health and Human Services.

16 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental Health Services  
17 Administration.

18 Sec. 41. From the appropriation in section 11, there is allocated an amount not to  
19 exceed \$1,200,000.00 for ~~2016-2017~~ **2017-2018** to applicant districts and intermediate  
20 districts offering programs of instruction for pupils of limited English-speaking ability  
21 under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a  
22 per-pupil basis and shall be based on the number of pupils of limited English-speaking  
23 ability in membership on the pupil membership count day. Funds allocated under this section  
24 shall be used solely for instruction in speaking, reading, writing, or comprehension of  
25 English. A pupil shall not be counted under this section or instructed in a program under  
26 this section for more than 3 years.

27 Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not  
28 to exceed ~~\$945,246,100.00 for 2015-2016 and an amount not to exceed \$973,046,100.00~~  
29 **\$963,146,100.00** for ~~2016-2017~~ **2017-2018** from state sources and all available federal  
30 funding under sections 611 to 619 of part B of the individuals with disabilities education  
31 act, 20 USC 1411 to 1419, estimated at \$370,000,000.00 ~~each fiscal year for 2015-2016 and~~  
32 for ~~2016-2017~~ **2017-2018**, plus any carryover federal funds from previous year

1 appropriations. The allocations under this subsection are for the purpose of reimbursing  
2 districts and intermediate districts for special education programs, services, and special  
3 education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to  
4 380.1766; net tuition payments made by intermediate districts to the Michigan schools for  
5 the deaf and blind; and special education programs and services for pupils who are eligible  
6 for special education programs and services according to statute or rule. For meeting the  
7 costs of special education programs and services not reimbursed under this article, a  
8 district or intermediate district may use money in general funds or special education  
9 funds, not otherwise restricted, or contributions from districts to intermediate districts,  
10 tuition payments, gifts and contributions from individuals or other entities, or federal  
11 funds that may be available for this purpose, as determined by the intermediate district  
12 plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766.  
13 Notwithstanding section 17b, payments of federal funds to districts, intermediate  
14 districts, and other eligible entities under this section shall be paid on a schedule  
15 determined by the department.

16 (2) From the funds allocated under subsection (1), there is allocated the amount  
17 necessary, estimated at ~~\$263,500,000.00 for 2015-2016 and estimated at \$271,600,000.00~~  
18 **\$266,000,000.00** for ~~2016-2017~~ **2017-2018**, for payments toward reimbursing districts and  
19 intermediate districts for 28.6138% of total approved costs of special education, excluding  
20 costs reimbursed under section 53a, and 70.4165% of total approved costs of special  
21 education transportation. Allocations under this subsection shall be made as follows:

22 (a) The initial amount allocated to a district under this subsection toward  
23 fulfilling the specified percentages shall be calculated by multiplying the district's  
24 special education pupil membership, excluding pupils described in subsection (11), times  
25 the foundation allowance under section 20 of the pupil's district of residence plus the  
26 amount of the district's per-pupil allocation under section 20m, not to exceed the basic  
27 foundation allowance under section 20 for the current fiscal year, or, for a special  
28 education pupil in membership in a district that is a public school academy, times an  
29 amount equal to the amount per membership pupil calculated under section 20(6) ~~or, for a~~  
30 ~~pupil described in this subsection who is counted in membership in the education~~  
31 ~~achievement system, times an amount equal to the amount per membership pupil under section~~  
32 ~~20(7)~~. For an intermediate district, the amount allocated under this subdivision toward

1 fulfilling the specified percentages shall be an amount per special education membership  
2 pupil, excluding pupils described in subsection (11), and shall be calculated in the same  
3 manner as for a district, using the foundation allowance under section 20 of the pupil's  
4 district of residence, not to exceed the basic foundation allowance under section 20 for  
5 the current fiscal year, and that district's per-pupil allocation under section 20m.

6 (b) After the allocations under subdivision (a), districts and intermediate districts  
7 for which the payments calculated under subdivision (a) do not fulfill the specified  
8 percentages shall be paid the amount necessary to achieve the specified percentages for the  
9 district or intermediate district.

10 (3) From the funds allocated under subsection (1), there is allocated ~~for 2015-2016~~  
11 ~~an amount not to exceed \$1,000,000.00 and there is allocated for 2016-2017~~ **2017-2018** an  
12 amount not to exceed ~~\$1,100,000.00~~ **\$1,000,000.00** to make payments to districts and  
13 intermediate districts under this subsection. If the amount allocated to a district or  
14 intermediate district for a fiscal year under subsection (2) (b) is less than the sum of the  
15 amounts allocated to the district or intermediate district for 1996-97 under sections 52  
16 and 58, there is allocated to the district or intermediate district for the fiscal year an  
17 amount equal to that difference, adjusted by applying the same proration factor that was  
18 used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's  
19 or intermediate district's necessary costs of special education used in calculations for  
20 the fiscal year. This adjustment is to reflect reductions in special education program  
21 operations or services between 1996-97 and subsequent fiscal years. Adjustments for  
22 reductions in special education program operations or services shall be made in a manner  
23 determined by the department and shall include adjustments for program or service shifts.

24 (4) If the department determines that the sum of the amounts allocated for a fiscal  
25 year to a district or intermediate district under subsection (2) (a) and (b) is not  
26 sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall  
27 be paid to the district or intermediate district during the fiscal year beginning on the  
28 October 1 following the determination and payments under subsection (3) shall be adjusted  
29 as necessary. If the department determines that the sum of the amounts allocated for a  
30 fiscal year to a district or intermediate district under subsection (2) (a) and (b) exceeds  
31 the sum of the amount necessary to fulfill the specified percentages in subsection (2),  
32 then the department shall deduct the amount of the excess from the district's or

1 intermediate district's payments under this article for the fiscal year beginning on the  
2 October 1 following the determination and payments under subsection (3) shall be adjusted  
3 as necessary. However, if the amount allocated under subsection (2) (a) in itself exceeds  
4 the amount necessary to fulfill the specified percentages in subsection (2), there shall be  
5 no deduction under this subsection.

6 (5) State funds shall be allocated on a total approved cost basis. Federal funds  
7 shall be allocated under applicable federal requirements, except that an amount not to  
8 exceed \$3,500,000.00 may be allocated by the department ~~each fiscal year for 2015-2016 and~~  
9 ~~for 2016-2017~~ **2017-2018** to districts, intermediate districts, or other eligible entities on  
10 a competitive grant basis for programs, equipment, and services that the department  
11 determines to be designed to benefit or improve special education on a statewide scale.

12 (6) From the amount allocated in subsection (1), there is allocated an amount not to  
13 exceed \$2,200,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** to  
14 reimburse 100% of the net increase in necessary costs incurred by a district or  
15 intermediate district in implementing the revisions in the administrative rules for special  
16 education that became effective on July 1, 1987. As used in this subsection, "net increase  
17 in necessary costs" means the necessary additional costs incurred solely because of new or  
18 revised requirements in the administrative rules minus cost savings permitted in  
19 implementing the revised rules. Net increase in necessary costs shall be determined in a  
20 manner specified by the department.

21 (7) For purposes of sections 51a to 58, all of the following apply:

22 (a) "Total approved costs of special education" shall be determined in a manner  
23 specified by the department and may include indirect costs, but shall not exceed 115% of  
24 approved direct costs for section 52 and section 53a programs. The total approved costs  
25 include salary and other compensation for all approved special education personnel for the  
26 program, including payments for social security and Medicare and public school employee  
27 retirement system contributions. The total approved costs do not include salaries or other  
28 compensation paid to administrative personnel who are not special education personnel as  
29 defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal  
30 funds, other than those federal funds included in the allocation made under this article,  
31 are not included. Special education approved personnel not utilized full time in the  
32 evaluation of students or in the delivery of special education programs, ancillary, and

1 other related services shall be reimbursed under this section only for that portion of time  
2 actually spent providing these programs and services, with the exception of special  
3 education programs and services provided to youth placed in child caring institutions or  
4 juvenile detention programs approved by the department to provide an on-grounds education  
5 program.

6 (b) Beginning with the 2004-2005 fiscal year, a district or intermediate district  
7 that employed special education support services staff to provide special education support  
8 services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-  
9 2004 receives the same type of support services from another district or intermediate  
10 district shall report the cost of those support services for special education  
11 reimbursement purposes under this article. This subdivision does not prohibit the transfer  
12 of special education classroom teachers and special education classroom aides if the pupils  
13 counted in membership associated with those special education classroom teachers and  
14 special education classroom aides are transferred and counted in membership in the other  
15 district or intermediate district in conjunction with the transfer of those teachers and  
16 aides.

17 (c) If the department determines before bookclosing for a fiscal year that the  
18 amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and  
19 sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections  
20 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district or intermediate  
21 district whose reimbursement for that fiscal year would otherwise be affected by  
22 subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for  
23 that district or intermediate district and reimbursement for that district or intermediate  
24 district shall be calculated in the same manner as it was for 2003-2004. If the amount of  
25 the excess allocations under subsections (2), (3), (6), and (11) and sections 53a, 54, and  
26 56 is not sufficient to fully fund the calculation of reimbursement to those districts and  
27 intermediate districts under this subdivision, then the calculations and resulting  
28 reimbursement under this subdivision shall be prorated on an equal percentage basis.  
29 Beginning in 2015-2016, the amount of reimbursement under this subdivision for a fiscal  
30 year shall not exceed \$2,000,000.00 for any district or intermediate district.

31 (d) Reimbursement for ancillary and other related services, as defined by R 340.1701c  
32 of the Michigan Administrative Code, shall not be provided when those services are covered

1 by and available through private group health insurance carriers or federal reimbursed  
2 program sources unless the department and district or intermediate district agree otherwise  
3 and that agreement is approved by the state budget director. Expenses, other than the  
4 incidental expense of filing, shall not be borne by the parent. In addition, the filing of  
5 claims shall not delay the education of a pupil. A district or intermediate district shall  
6 be responsible for payment of a deductible amount and for an advance payment required until  
7 the time a claim is paid.

8 (e) Beginning with calculations for 2004-2005, if an intermediate district purchases  
9 a special education pupil transportation service from a constituent district that was  
10 previously purchased from a private entity; if the purchase from the constituent district  
11 is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the  
12 intermediate district to the constituent does not result in any net change in the revenue  
13 the constituent district receives from payments under sections 22b and 51c, then upon  
14 application by the intermediate district, the department shall direct the intermediate  
15 district to continue to report the cost associated with the specific identified special  
16 education pupil transportation service and shall adjust the costs reported by the  
17 constituent district to remove the cost associated with that specific service.

18 (8) A pupil who is enrolled in a full-time special education program conducted or  
19 administered by an intermediate district or a pupil who is enrolled in the Michigan schools  
20 for the deaf and blind shall not be included in the membership count of a district, but  
21 shall be counted in membership in the intermediate district of residence.

22 (9) Special education personnel transferred from 1 district to another to implement  
23 the revised school code shall be entitled to the rights, benefits, and tenure to which the  
24 person would otherwise be entitled had that person been employed by the receiving district  
25 originally.

26 (10) If a district or intermediate district uses money received under this section  
27 for a purpose other than the purpose or purposes for which the money is allocated, the  
28 department may require the district or intermediate district to refund the amount of money  
29 received. Money that is refunded shall be deposited in the state treasury to the credit of  
30 the state school aid fund.

31 (11) From the funds allocated in subsection (1), there is allocated the amount  
32 necessary, estimated at ~~\$3,800,000.00 for 2015-2016 and estimated at \$3,700,000.00~~

1 **\$3,600,000.00** for ~~2016-2017~~ **2017-2018**, to pay the foundation allowances for pupils  
2 described in this subsection. The allocation to a district under this subsection shall be  
3 calculated by multiplying the number of pupils described in this subsection who are counted  
4 in membership in the district times the sum of the foundation allowance under section 20 of  
5 the pupil's district of residence plus the amount of the district's per-pupil allocation  
6 under section 20m, not to exceed the basic foundation allowance under section 20 for the  
7 current fiscal year, or, for a pupil described in this subsection who is counted in  
8 membership in a district that is a public school academy, times an amount equal to the  
9 amount per membership pupil under section 20(6) ~~or, for a pupil described in this~~  
10 ~~subsection who is counted in membership in the education achievement system, times an~~  
11 ~~amount equal to the amount per membership pupil under section 20(7)~~. The allocation to an  
12 intermediate district under this subsection shall be calculated in the same manner as for a  
13 district, using the foundation allowance under section 20 of the pupil's district of  
14 residence, not to exceed the basic foundation allowance under section 20 for the current  
15 fiscal year, and that district's per-pupil allocation under section 20m. This subsection  
16 applies to all of the following pupils:

17 (a) Pupils described in section 53a.

18 (b) Pupils counted in membership in an intermediate district who are not special  
19 education pupils and are served by the intermediate district in a juvenile detention or  
20 child caring facility.

21 (c) Pupils with an emotional impairment counted in membership by an intermediate  
22 district and provided educational services by the department of health and human services.

23 (12) If it is determined that funds allocated under subsection (2) or (11) or under  
24 section 51c will not be expended, funds up to the amount necessary and available may be  
25 used to supplement the allocations under subsection (2) or (11) or under section 51c in  
26 order to fully fund those allocations. After payments under subsections (2) and (11) and  
27 section 51c, the remaining expenditures from the allocation in subsection (1) shall be made  
28 in the following order:

29 (a) 100% of the reimbursement required under section 53a.

30 (b) 100% of the reimbursement required under subsection (6).

31 (c) 100% of the payment required under section 54.

32 (d) 100% of the payment required under subsection (3).

1 (e) 100% of the payments under section 56.

2 (13) The allocations under subsections (2), (3), and (11) shall be allocations to  
3 intermediate districts only and shall not be allocations to districts, but instead shall be  
4 calculations used only to determine the state payments under section 22b.

5 (14) If a public school academy enrolls pursuant to this section a pupil who resides  
6 outside of the intermediate district in which the public school academy is located and who  
7 is eligible for special education programs and services according to statute or rule, or  
8 who is a child with disabilities, as defined under the individuals with disabilities  
9 education act, Public Law 108-446, the provision of special education programs and services  
10 and the payment of the added costs of special education programs and services for the pupil  
11 are the responsibility of the district and intermediate district in which the pupil resides  
12 unless the enrolling district or intermediate district has a written agreement with the  
13 district or intermediate district in which the pupil resides or the public school academy  
14 for the purpose of providing the pupil with a free appropriate public education and the  
15 written agreement includes at least an agreement on the responsibility for the payment of  
16 the added costs of special education programs and services for the pupil.

17 (15) Beginning in 2016-2017, a district, public school academy, or intermediate  
18 district that fails to comply with subsection (14) or with the requirements of federal  
19 regulations regarding the treatment of public school academies and public school academy  
20 pupils for the purposes of special education, 34 CFR 300.209, forfeits from its total state  
21 aid an amount equal to 10% of its total state aid.

22 (16) For the purposes of this section, the department or the center shall only  
23 require a district or intermediate district to report information that is not already  
24 available from the financial information database maintained by the center.

25 Sec. 51c. As required by the court in the consolidated cases known as Durant v State  
26 of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under  
27 section 51a(1), there is allocated ~~each fiscal year for 2015-2016 and for 2016-2017~~ the  
28 amount necessary, estimated at ~~\$624,800,000.00 for 2015-2016 and estimated at~~  
29 ~~\$644,500,000.00~~ **\$640,400,000.00** for ~~2016-2017~~ **2017-2018**, for payments to reimburse  
30 districts for 28.6138% of total approved costs of special education excluding costs  
31 reimbursed under section 53a, and 70.4165% of total approved costs of special education  
32 transportation. Funds allocated under this section that are not expended in the state



1 fiscal year for which they were allocated, as determined by the department, may be used to  
2 supplement the allocations under sections 22a and 22b in order to fully fund those  
3 calculated allocations for the same fiscal year.

4 Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated  
5 for ~~2016-2017~~ **2017-2018**, all available federal funding, estimated at ~~\$71,000,000.00~~  
6 **\$61,000,000.00**, for special education programs and services that are funded by federal  
7 grants. All federal funds allocated under this section shall be distributed in accordance  
8 with federal law. Notwithstanding section 17b, payments of federal funds to districts,  
9 intermediate districts, and other eligible entities under this section shall be paid on a  
10 schedule determined by the department.

11 (2) From the federal funds allocated under subsection (1), the following amounts are  
12 allocated for ~~2016-2017~~ **2017-2018**:

13 (a) An amount estimated at \$14,000,000.00 for handicapped infants and toddlers,  
14 funded from DED-OSERS, handicapped infants and toddlers funds.

15 (b) An amount estimated at \$12,000,000.00 for preschool grants (Public Law 94-142),  
16 funded from DED-OSERS, handicapped preschool incentive funds.

17 (c) An amount estimated at ~~\$45,000,000.00~~ **\$35,000,000.00** for special education  
18 programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.

19 (3) As used in this section, "DED-OSERS" means the United States Department of  
20 Education Office of Special Education and Rehabilitative Services.

21 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2)  
22 shall be 100% of the total approved costs of operating special education programs and  
23 services approved by the department and included in the intermediate district plan adopted  
24 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the  
25 district's foundation allowance calculated under section 20 and minus the district's per-  
26 pupil allocation under section 20m. For intermediate districts, reimbursement for pupils  
27 described in subsection (2) shall be calculated in the same manner as for a district, using  
28 the foundation allowance under section 20 of the pupil's district of residence, not to  
29 exceed the basic foundation allowance under section 20 for the current fiscal year, and  
30 that district's per-pupil allocation under section 20m.

31 (2) Reimbursement under subsection (1) is for the following special education pupils:

32 (a) Pupils assigned to a district or intermediate district through the community

1 placement program of the courts or a state agency, if the pupil was a resident of another  
2 intermediate district at the time the pupil came under the jurisdiction of the court or a  
3 state agency.

4 (b) Pupils who are residents of institutions operated by the department of health and  
5 human services.

6 (c) Pupils who are former residents of department of community health institutions  
7 for the developmentally disabled who are placed in community settings other than the  
8 pupil's home.

9 (d) Pupils enrolled in a department-approved on-grounds educational program longer  
10 than 180 days, but not longer than 233 days, at a residential child care institution, if  
11 the child care institution offered in 1991-92 an on-grounds educational program longer than  
12 180 days but not longer than 233 days.

13 (e) Pupils placed in a district by a parent for the purpose of seeking a suitable  
14 home, if the parent does not reside in the same intermediate district as the district in  
15 which the pupil is placed.

16 (3) Only those costs that are clearly and directly attributable to educational  
17 programs for pupils described in subsection (2), and that would not have been incurred if  
18 the pupils were not being educated in a district or intermediate district, are reimbursable  
19 under this section.

20 (4) The costs of transportation shall be funded under this section and shall not be  
21 reimbursed under section 58.

22 (5) Not more than \$10,500,000.00 of the allocation for ~~2016-2017~~ **2017-2018** in section  
23 51a(1) shall be allocated under this section.

24 Sec. 54. Each intermediate district shall receive an amount per-pupil for each pupil  
25 in attendance at the Michigan schools for the deaf and blind. The amount shall be  
26 proportionate to the total instructional cost at each school. Not more than \$1,688,000.00  
27 of the allocation for ~~2016-2017~~ **2017-2018** in section 51a(1) shall be allocated under this  
28 section.

29 Sec. 54b. (1) From the ~~general fund~~ appropriation in section 11, there is allocated  
30 an amount not to exceed ~~\$1,125,000.00~~ **\$1,600,000.00** for ~~2016-2017~~ **2017-2018** to ~~begin~~  
31 **CONTINUE THE** implementation of the recommendations of the special education reform task  
32 force published in January 2016.

1 (2) ~~From the allocation in subsection (1), there is allocated for 2016-2017 an amount~~  
2 ~~not to exceed \$625,000.00~~ **FUNDS SHALL BE USED** for the purpose of piloting statewide  
3 implementation of the Michigan Integrated Behavior and Learning Support Initiative  
4 (MiBLSI), a nationally recognized program that includes positive behavioral intervention  
5 and supports and provides a statewide structure to support local initiatives for an  
6 integrated behavior and reading program. With the assistance of the intermediate districts  
7 involved in MiBLSI, the department shall identify ~~at least 3~~ **A SUFFICIENT NUMBER OF**  
8 intermediate districts to participate in the pilot to ensure that MiBLSI can be implemented  
9 statewide with fidelity and sustainability. In addition, the department shall identify an  
10 intermediate district to act as a fiscal agent for these funds.

11 (3) ~~From the allocation in subsection (1), there is allocated for 2016-2017 an amount~~  
12 ~~not to exceed \$500,000.00~~ **IN ADDITION TO THE PURPOSE UNDER SUBSECTION (2), FUNDS SHALL BE**  
13 **USED** for the purpose of providing training to intermediate districts and districts related  
14 to the safe implementation of emergency restraints and seclusion. The department shall  
15 develop and implement a training program that is based on the state board's adopted  
16 standards and on any other legislation enacted by the legislature regarding the emergency  
17 use of seclusion and restraint.

18 Sec. 56. (1) For the purposes of this section:

19 (a) "Membership" means for a particular fiscal year the total membership for the  
20 immediately preceding fiscal year of the intermediate district and the districts  
21 constituent to the intermediate district.

22 (b) "Millage levied" means the millage levied for special education pursuant to part  
23 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service  
24 obligations.

25 (c) "Taxable value" means the total taxable value of the districts constituent to an  
26 intermediate district, except that if a district has elected not to come under part 30 of  
27 the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the  
28 district shall not be included in the membership and taxable value of the intermediate  
29 district.

30 (2) From the allocation under section 51a(1), there is allocated an amount not to  
31 exceed \$37,758,100.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** to  
32 reimburse intermediate districts levying millages for special education pursuant to part 30

1 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of  
2 the reimbursement shall be limited as if the funds were generated by these millages and  
3 governed by the intermediate district plan adopted pursuant to article 3 of the revised  
4 school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this  
5 section, an intermediate district distributing any portion of special education millage  
6 funds to its constituent districts shall submit for departmental approval and implement a  
7 distribution plan.

8 ~~(3) Reimbursement for those millages levied in 2014-2015 shall be made in 2015-2016~~  
9 ~~at an amount per 2014-2015 membership pupil computed by subtracting from \$175,300.00 the~~  
10 ~~2014-2015 taxable value behind each membership pupil and multiplying the resulting~~  
11 ~~difference by the 2014-2015 millage levied.~~

12 **(3) (4)** Reimbursement for those millages levied in ~~2015-2016~~ **2016-2017** shall be made  
13 in ~~2016-2017~~ **2017-2018** at an amount per ~~2015-2016~~ **2016-2017** membership pupil computed by  
14 subtracting from ~~\$179,600.00~~ **\$182,800.00** the ~~2015-2016~~ **2016-2017** taxable value behind each  
15 membership pupil and multiplying the resulting difference by the ~~2015-2016~~ **2016-2017**  
16 millage levied **AND THEN SUBTRACTING FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY**  
17 **STABILIZATION SHARE REVENUE FOR SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL FOR**  
18 **REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL COMMUNITY STABILIZATION**  
19 **AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO 123.1362.**

20 **(4) (5)** The amount paid to a single intermediate district under this section shall  
21 not exceed 62.9% of the total amount allocated under subsection (2).

22 **(5) (6)** The amount paid to a single intermediate district under this section shall  
23 not be less than 75% of the amount allocated to the intermediate district under this  
24 section for the immediately preceding fiscal year.

25 Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not  
26 to exceed \$36,611,300.00 for ~~2016-2017~~ **2017-2018** to reimburse on an added cost basis  
27 districts, except for a district that served as the fiscal agent for a vocational education  
28 consortium in the 1993-94 school year and that has a foundation allowance as calculated  
29 under section 20 greater than the minimum foundation allowance under that section, and  
30 secondary area vocational-technical education centers for secondary-level career and  
31 technical education programs according to rules approved by the superintendent.

32 Applications for participation in the programs shall be submitted in the form prescribed by

1 the department. The department shall determine the added cost for each career and technical  
2 education program area. The allocation of added cost funds shall be prioritized based on  
3 the capital and program expenditures needed to operate the career and technical education  
4 programs provided; the number of pupils enrolled; the advancement of pupils through the  
5 instructional program; the existence of an articulation agreement with at least 1  
6 postsecondary institution that provides pupils with opportunities to earn postsecondary  
7 credit during the pupil's participation in the career and technical education program and  
8 transfers those credits to the postsecondary institution upon completion of the career and  
9 technical education program; and the program rank in student placement, job openings, and  
10 wages, and shall not exceed 75% of the added cost of any program. Notwithstanding any rule  
11 or department determination to the contrary, when determining a district's allocation or  
12 the formula for making allocations under this section, the department shall include the  
13 participation of pupils in grade 9 in all of those determinations and in all portions of  
14 the formula. With the approval of the department, the board of a district maintaining a  
15 secondary career and technical education program may offer the program for the period from  
16 the close of the school year until September 1. The program shall use existing facilities  
17 and shall be operated as prescribed by rules promulgated by the superintendent.

18 (2) Except for a district that served as the fiscal agent for a vocational education  
19 consortium in the 1993-94 school year, districts and intermediate districts shall be  
20 reimbursed for local career and technical education administration, shared time career and  
21 technical education administration, and career education planning district career and  
22 technical education administration. The definition of what constitutes administration and  
23 reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than  
24 \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

25 (3) A career and technical education program funded under this section may provide an  
26 opportunity for participants who are eligible to be funded under section 107 to enroll in  
27 the career and technical education program funded under this section if the participation  
28 does not occur during regular school hours.

29 ~~(4) In addition to the money allocated under subsection (1), from the general fund~~  
30 ~~money appropriated in section 11, there is allocated for 2016-2017 an amount not to exceed~~  
31 ~~\$79,000.00 to an eligible Michigan approved 501(c)(3) organization for the purposes of~~  
32 ~~teaching or training restaurant management and culinary arts for career and professional~~

1 ~~development. The department shall oversee funds distributed to an eligible grantee under~~  
2 ~~this section. As used in this subsection, "eligible Michigan approved 501(c)(3)~~  
3 ~~organization" means an organization that is exempt from taxation under section 501(c)(3) of~~  
4 ~~the internal revenue code of 1986, 26 USC 501, that provides the ProStart curriculum and~~  
5 ~~training to state approved career and technical education programs with classification of~~  
6 ~~instructional programs (CIP) codes in the 12.05xx category, and that administers national~~  
7 ~~certification for the purpose of restaurant management and culinary arts for career and~~  
8 ~~professional development.~~

9       Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount not  
10 to exceed ~~\$1,000,000.00 for 2015-2016~~ and there is allocated an amount not to exceed  
11 \$9,000,000.00 for ~~2016-2017~~ **2017-2018** for CTE early/middle college and CTE dual enrollment  
12 programs **AND FOR PLANNING GRANTS FOR THE DEVELOPMENT OR EXPANSION OF CTE EARLY/MIDDLE**  
13 **COLLEGE PROGRAMS** authorized under this section. The purpose of these programs is to  
14 increase the number of Michigan residents with high-quality degrees or credentials, and to  
15 increase the number of students who are college and career ready upon high school  
16 graduation.

17       (2) From the funds allocated under subsection (1), an amount as determined under this  
18 subsection shall be allocated to each intermediate district serving as a fiscal agent for  
19 state-approved CTE early/middle college and CTE dual enrollment programs in each of the  
20 prosperity regions and subregions identified by the department. An intermediate district  
21 shall not use more than 5% of the funds allocated under this subsection for administrative  
22 costs for serving as the fiscal agent.

23       (3) To be an eligible fiscal agent, an intermediate district must agree to do all of  
24 the following in a form and manner determined by the department:

25       (a) Distribute funds to eligible CTE early/middle college and CTE dual enrollment  
26 programs in a prosperity region or subregion as described in this section.

27       (b) Collaborate with the talent district career council that is located in the  
28 prosperity region or subregion to develop a regional strategic plan under subsection (4)  
29 that aligns CTE programs and services into an efficient and effective delivery system for  
30 high school students.

31       (c) Implement a regional process to rank career clusters in the prosperity region or  
32 subregion as described under subsection (4). Regional processes shall be approved by the

1 department before the ranking of career clusters.

2 (d) Report CTE early/middle college and CTE dual enrollment program and student data  
3 and information as prescribed by the department.

4 (4) A regional strategic plan must be approved by the talent district career council  
5 before submission to the department. A regional strategic plan shall include, but not be  
6 limited to, the following:

7 (a) An identification of regional employer need based on a ranking of all career  
8 clusters in the prosperity region or subregion ranked by 10-year job openings projections  
9 and median wage for each standard occupational code in each career cluster as obtained from  
10 the United States Bureau of Labor Statistics. Standard occupational codes within high-  
11 ranking clusters also may be further ranked by median wage. The rankings shall be reviewed  
12 by the talent district career council located in the prosperity region or subregion and  
13 modified if necessary to accurately reflect employer demand for talent in the prosperity  
14 region or subregion. A talent district career council shall document that it has conducted  
15 this review and certify that it is accurate. These career cluster rankings shall be  
16 determined and updated once every 4 years.

17 (b) An identification of educational entities in the prosperity region or subregion  
18 that will provide eligible CTE early/middle college and CTE dual enrollment programs  
19 including districts, intermediate districts, postsecondary institutions, and noncredit  
20 occupational training programs leading to an industry-recognized credential.

21 (c) A strategy to inform parents and students of CTE early/middle college and CTE  
22 dual enrollment programs in the prosperity region or subregion.

23 (d) Any other requirements as defined by the department.

24 (5) An eligible CTE program is a program that meets all of the following:

25 (a) Has been identified in the highest 5 career cluster rankings in any of the 10  
26 regional strategic plans jointly approved by the Michigan talent investment agency in the  
27 department of talent and economic development and the department.

28 (b) Has a coherent sequence of courses that will allow a student to earn a high  
29 school diploma and achieve at least 1 of the following in a specific career cluster:

30 (i) An associate degree.

31 (ii) An industry-recognized technical certification approved by the Michigan talent  
32 investment agency in the department of talent and economic development.

1 (iii) Up to 60 transferable college credits.

2 (iv) Participation in a registered apprenticeship.

3 (c) Is aligned with the Michigan merit curriculum.

4 (d) Has an articulation agreement with at least 1 postsecondary institution that  
5 provides students with opportunities to receive postsecondary credits during the student's  
6 participation in the CTE early/middle college or CTE dual enrollment program and transfers  
7 those credits to the postsecondary institution upon completion of the CTE early/middle  
8 college or CTE dual enrollment program.

9 (e) Provides instruction that is supervised, directed, or coordinated by an  
10 appropriately certificated CTE teacher or, for concurrent enrollment courses, a  
11 postsecondary faculty member.

12 (f) Provides for highly integrated student support services that include at least the  
13 following:

14 (i) Teachers as academic advisors.

15 (ii) Supervised course selection.

16 (iii) Monitoring of student progress and completion.

17 (iv) Career planning services provided by a local one-stop service center as  
18 described in the Michigan works one-stop service center system act, 2006 PA 491, MCL  
19 408.111 to 408.135, or by a high school counselor or advisor.

20 (g) Has courses that are taught on a college campus, are college courses offered at  
21 the high school and taught by college faculty, or are courses taught in combination with  
22 online instruction.

23 (6) Funds to eligible CTE early/middle college and CTE dual enrollment programs shall  
24 be distributed as follows:

25 (a) The department shall calculate statewide average CTE costs per pupil for each CIP  
26 code program by ~~dividing total prior year~~ **CALCULATING** statewide **AVERAGE** costs for each CIP  
27 code program ~~by prior year pupils~~ **FOR THE MOST RECENT THREE FISCAL YEARS** ~~for each CIP code~~  
28 ~~program.~~

29 (b) Distribution to each eligible CTE early/middle college or CTE dual enrollment  
30 program shall be the product of 50% of CTE costs per pupil times the current year pupil  
31 enrollment of each eligible CTE early/middle college or CTE dual enrollment program.

32 (7) In order to receive funds under this section, a CTE early/middle college or CTE



1 dual enrollment program shall furnish to the intermediate district that is the fiscal agent  
2 identified in subsection (1), in a form and manner determined by the department, all  
3 information needed to administer this program and meet federal reporting requirements;  
4 shall allow the department or the department's designee to review all records related to  
5 the program for which it receives funds; and shall reimburse the state for all  
6 disallowances found in the review, as determined by the department.

7 (8) There is allocated from the funds under subsection (1) an amount not to exceed  
8 \$500,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** for grants to  
9 intermediate districts or consortia of intermediate districts for the purpose of planning  
10 for new or expanded early middle college programs. Applications for grants shall be  
11 submitted in a form and manner determined by the department. The amount of a grant under  
12 this subsection shall not exceed \$50,000.00. To be eligible for a grant under this  
13 subsection, an intermediate district or consortia of intermediate districts must provide  
14 matching funds equal to the grant received under this subsection. Notwithstanding section  
15 17b, payments under this subsection may be made as determined by the department.

16 (9) Funds distributed under this section may be used to fund program expenditures  
17 that would otherwise be paid from foundation allowances. A program receiving funding under  
18 section 61a may receive funding under this section for allowable costs that exceed the  
19 reimbursement the program received under section 61a. The combined payments received by a  
20 program under section 61a and this section shall not exceed the total allowable costs of  
21 the program. A program provider shall not use more than 5% of the funds allocated under  
22 this section to the program for administrative costs.

23 (10) If the allocation under subsection (1) is insufficient to fully fund payments as  
24 otherwise calculated under this section, the department shall prorate payments under this  
25 section on an equal percentage basis.

26 (11) If pupils enrolled in a career cluster in an eligible CTE early/middle college  
27 or CTE dual enrollment program qualify to be reimbursed under this section, those pupils  
28 continue to qualify for reimbursement until graduation, even if the career cluster is no  
29 longer identified as being in the highest 5 career cluster rankings.

30 ~~(12) It is the intent of the legislature to provide funds in 2017-2018 to reimburse~~  
31 ~~districts with early/middle college programs for the added costs of providing both a high~~  
32 ~~school diploma and an associate's degree, industry-recognized certification, up to 60~~

1 ~~transferable college credits, or participation in a registered apprenticeship in less than~~  
2 ~~5 years.~~

3 (12) ~~(13)~~ As used in this section:

4 (a) "Allowable costs" means those costs directly attributable to the program as  
5 jointly determined by the Michigan talent investment agency and the department.

6 (b) "CIP" means classification of instructional programs.

7 (c) "CTE" means career and technical education programs.

8 (d) "CTE dual enrollment program" means a 4-year high school program of postsecondary  
9 courses offered by eligible postsecondary educational institutions that leads to an  
10 industry-recognized certification or degree.

11 (e) "Early/middle college program" means a 5-year high school program.

12 (f) "Eligible postsecondary educational institution" means that term as defined in  
13 section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903.

14 (g) "Talent district career council" means an advisory council to the local workforce  
15 development boards located in a prosperity region consisting of educational, employer,  
16 labor, and parent representatives.

17 Sec. 61c. (1) From the ~~general fund~~ appropriation in section 11, there is allocated  
18 for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$3,000,000.00~~ **\$20,000,000.00** to ~~career~~  
19 ~~education planning~~ districts **AND INTERMEDIATE DISTRICTS OR CONSORTIA OF DISTRICTS AND**  
20 **INTERMEDIATE DISTRICTS** for the CTE ~~skilled trades initiative~~ **EQUIPMENT AND INNOVATION**  
21 **COMPETITIVE GRANT INITIATIVE FUNDED** under this section.

22 (2) To be eligible to receive ~~funding~~ **A COMPETITIVE GRANT** under this section, each  
23 ~~CEPD APPLICANT~~ shall apply in a form and manner determined by the department. ~~Funding to~~  
24 ~~each CEPD shall be equal to the quotient of the allocation under subsection (1) and the sum~~  
25 ~~of the number of career education planning districts applying for funding under this~~  
26 ~~section.~~ **GRANT AWARDS SHALL BE AT LEAST \$250,000.00 BUT SHALL NOT EXCEED \$1,000,000.00 AND**  
27 **SHALL BE USED FOR THE PURCHASE OF EQUIPMENT AND RELATED CAPACITY BUILDING ACTIVITIES. GRANT**  
28 **RECIPIENTS MAY NOT USE MORE THAN 5% OF A GRANT AWARD FOR ADMINISTRATIVE COSTS. GRANT**  
29 **APPLICATIONS SHALL INCLUDE THE FOLLOWING INFORMATION:**

30 (A) **A DESCRIPTION OF HOW THE PROPOSED CAPITAL INFRASTRUCTURE INITIATIVE WILL PROVIDE**  
31 **INCREASED CAREER OPPORTUNITIES FOR STUDENTS AND ADULT LEARNERS IN HIGH-WAGE, HIGH-SKILL,**  
32 **AND HIGH-DEMAND OCCUPATIONS.**

1 (B) DEMONSTRATED EVIDENCE OF EMPLOYER DEMAND FOR THE INITIATIVE AND RELATED CTE  
2 TRAINING INCLUDING DOCUMENTATION OF INDUSTRY INVOLVEMENT IN THE INITIATIVE THAT WILL ALLOW  
3 FOR WORK-BASED LEARNING OPPORTUNITIES, APPRENTICESHPS AND/OR TEACHER EXTERNSHIPS.

4 (C) A BUDGET FOR THE INITIATIVE, INCLUDING DEMONSTRATED COMMITMENT OF LOCAL/REGIONAL  
5 PARTNERS TO SUSTAIN THE INITIATIVE BEYOND THE INITIAL GRANT FUNDING.

6 (D) A DESCRIPTION OF HOW THE PROPOSED INITIATIVE ALIGNS WITH OTHER CTE AND COMMUNITY  
7 COLLEGE PROGRAMS AND HOW THE EQUIPMENT WILL BE UTILIZED BY INITIATIVE PARTNERS.

8 (E) OTHER INFORMATION AS REQUESTED BY THE DEPARTMENT AND THE DEPARTMENT OF TALENT AND  
9 ECONOMIC DEVELOPMENT.

10 ~~(3) The funding allocated to each CEPD shall be used to update equipment in current  
11 CTE programs that are supporting and driving economic development in their individual  
12 communities, or for new and emerging certified CTE programs to allow CEPD administrators to  
13 provide programming in communities that will enhance economic development. The funding for  
14 equipment should be used to support and enhance community areas that have sustained job  
15 growth, and act as a commitment to build a more qualified and skilled workforce.~~

16 ~~(4) The allocation of funds at the local level shall be determined by CEPD  
17 administrators using data from the state, region, and local sources to make well-informed  
18 decisions on program equipment improvements. Grants awarded by CEPD administrators for  
19 capital infrastructure shall be used to ensure that CTE programs can deliver educational  
20 programs in high wage, high skill, and high demand occupations. Each CEPD shall continue to  
21 ensure that program advisory boards make recommendations on needed improvements for  
22 equipment that support job growth and job skill development and retention for both the  
23 present and the future.~~

24 (3) GRANT APPLICATIONS SHALL BE EVALUATED BY THE DEPARTMENT IN COLLABORATION WITH THE  
25 DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT. MEMBERS OF THE GOVERNOR'S TALENT INVESTMENT  
26 BOARD MAY SERVE IN AN ADVISORY CAPACITY AS DETERMINED BY THE DEPARTMENT OF TALENT AND  
27 ECONOMIC DEVELOPMENT.

28 (4) ~~(5)~~ Not later than ~~September~~ **DECEMBER** 15 of each fiscal year, each ~~CEPD~~ **GRANT**  
29 **RECIPIENT** receiving funding under this section shall annually report to the department, **THE**  
30 **DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT**, the senate and house appropriations  
31 subcommittees on state school aid, ~~and~~ the senate and house fiscal agencies, and  
32 ~~legislature~~ **THE STATE BUDGET DIRECTOR** on equipment purchased under this section **IN THE**

1 **PRIOR SCHOOL YEAR.** In addition, the **THE** report shall identify growth data on program  
2 involvement, retention, and development of student **AND ADULT LEARNER** skills.

3 ~~(6) In addition to the funds allocated under subsection (1), from the funds~~  
4 ~~appropriated under section 11, there is allocated for 2016-2017 an amount not to exceed~~  
5 ~~\$200,000.00 to a district with fewer than 1,200 pupils in membership to support a~~  
6 ~~mechatronics program that operated in 2015-2016 for updating mechatronics program~~  
7 ~~equipment. To be eligible to receive a grant under this subsection, a program shall be a~~  
8 ~~flexible learning program that offered in 2015-2016 both classroom and hands on training in~~  
9 ~~mechatronics in at least 2 sites.~~

10 **(5)** ~~(7)~~ As used in this section, ~~"CEPD" means a career education planning district~~  
11 ~~described in this section~~ **"CTE" MEANS CAREER AND TECHNOLOGY EDUCATION PROGRAMS.**

12 Sec. 62. (1) For the purposes of this section:

13 (a) "Membership" means for a particular fiscal year the total membership for the  
14 immediately preceding fiscal year of the intermediate district and the districts  
15 constituent to the intermediate district or the total membership for the immediately  
16 preceding fiscal year of the area vocational-technical program.

17 (b) "Millage levied" means the millage levied for area vocational-technical education  
18 pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690,  
19 including a levy for debt service obligations incurred as the result of borrowing for  
20 capital outlay projects and in meeting capital projects fund requirements of area  
21 vocational-technical education.

22 (c) "Taxable value" means the total taxable value of the districts constituent to an  
23 intermediate district or area vocational-technical education program, except that if a  
24 district has elected not to come under sections 681 to 690 of the revised school code, MCL  
25 380.681 to 380.690, the membership and taxable value of that district shall not be included  
26 in the membership and taxable value of the intermediate district. However, the membership  
27 and taxable value of a district that has elected not to come under sections 681 to 690 of  
28 the revised school code, MCL 380.681 to 380.690, shall be included in the membership and  
29 taxable value of the intermediate district if the district meets both of the following:

30 (i) The district operates the area vocational-technical education program pursuant to  
31 a contract with the intermediate district.

32 (ii) The district contributes an annual amount to the operation of the program that

1 is commensurate with the revenue that would have been raised for operation of the program  
2 if millage were levied in the district for the program under sections 681 to 690 of the  
3 revised school code, MCL 380.681 to 380.690.

4 (2) From the appropriation in section 11, there is allocated an amount not to exceed  
5 \$9,190,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** to reimburse  
6 intermediate districts and area vocational-technical education programs established under  
7 section 690(3) of the revised school code, MCL 380.690, levying millages for area  
8 vocational-technical education pursuant to sections 681 to 690 of the revised school code,  
9 MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be  
10 limited as if the funds were generated by those millages.

11 ~~(3) Reimbursement for the millages levied in 2014-2015 shall be made in 2015-2016 at  
12 an amount per 2014-2015 membership pupil computed by subtracting from \$192,200.00 the 2014-  
13 2015 taxable value behind each membership pupil and multiplying the resulting difference by  
14 the 2014-2015 millage levied.~~

15 **(3)** ~~(4)~~ Reimbursement for the millages levied in ~~2015-2016~~ **2016-2017** shall be made in  
16 ~~2016-2017~~ **2017-2018** at an amount per ~~2015-2016~~ **2016-2017** membership pupil computed by  
17 subtracting from ~~\$196,300.00~~ **\$198,100.00** the ~~2015-2016~~ **2016-2017** taxable value behind each  
18 membership pupil and multiplying the resulting difference by the ~~2015-2016~~ **2016-2017**  
19 millage levied **AND THEN SUBTRACTING FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY**  
20 **STABILIZATION SHARE REVENUE FOR AREA VOCATIONAL-TECHNICAL EDUCATION BEHIND EACH MEMBERSHIP**  
21 **PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL COMMUNITY**  
22 **STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO 123.1362.**

23 **(4)** ~~(5)~~ The amount paid to a single intermediate district under this section shall  
24 not exceed 38.4% of the total amount allocated under subsection (2).

25 **(5)** ~~(6)~~ The amount paid to a single intermediate district under this section shall  
26 not be less than 75% of the amount allocated to the intermediate district under this  
27 section for the immediately preceding fiscal year.

28 Sec. 64b. (1) From the appropriation in section 11, there is allocated an amount not  
29 to exceed \$1,750,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** for  
30 supplemental payments to districts that support the attendance of district pupils in grades  
31 9 to 12 under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
32 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to

1 388.1913, consistent with section 21b, or that support the attendance of district pupils in  
2 a concurrent enrollment program if the district meets the requirements under subsection  
3 (3). Programs funded under this section are intended to increase the number of pupils who  
4 are college- and career-ready upon high school graduation.

5 (2) To be eligible for payments under this section for supporting the attendance of  
6 district pupils under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
7 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to  
8 388.1913, a district shall do all of the following:

9 (a) Provide information to all high school pupils on postsecondary enrollment  
10 options, including enrollment eligibility, the institutions and types of courses that are  
11 eligible for participation, the decision-making process for granting academic credit, and  
12 an explanation of eligible charges that will be paid by the district.

13 (b) Enter into a written agreement with a postsecondary institution before the  
14 enrollment of district pupils.

15 (c) Agree to pay all eligible charges pursuant to section 21b.

16 (d) Award high school credit for the postsecondary course if the pupil successfully  
17 completes the course.

18 (3) To be eligible for payments under this section for pupils enrolled in a  
19 concurrent enrollment program, a district shall do all of the following:

20 (a) Provide information to all high school pupils on postsecondary enrollment  
21 options, including enrollment eligibility, the institutions and types of courses that are  
22 eligible for participation, the decision-making process for granting academic credit, and  
23 an explanation of eligible charges that will be paid by the district.

24 (b) Enter into a written agreement with a postsecondary institution establishing the  
25 concurrent enrollment program before the enrollment of district pupils in a postsecondary  
26 course through the postsecondary institution.

27 (c) Ensure that the course is taught by either a high school teacher or postsecondary  
28 faculty pursuant to standards established by the postsecondary institution with which the  
29 district has entered into a written agreement to operate the concurrent enrollment program.

30 (d) Ensure that the written agreement provides that the postsecondary institution  
31 agrees not to charge the pupil for any cost of the program.

32 (e) Ensure that the course is taught in the local district or intermediate district.

1 (f) Ensure that the pupil is awarded both high school and college credit at a  
2 community college or state public university in this state upon successful completion of  
3 the course as outlined in the agreement with the postsecondary institution.

4 (4) Funds shall be awarded to eligible districts under this section in the following  
5 manner:

6 (a) A payment of \$10.00 per credit, for up to 3 credits, for a credit-bearing course  
7 in which a pupil enrolls during the ~~2015-2016 or 2016-2017~~ **CURRENT** school year, ~~as~~  
8 ~~applicable,~~ as described under either subsection (2) or (3).

9 (b) An additional payment of \$30.00 per-pupil per course identified in subdivision  
10 (a), if the pupil successfully completes, and is awarded both high school and postsecondary  
11 credit for, the course during the ~~2015-2016 or 2016-2017~~ **CURRENT** school year, ~~as~~  
12 ~~applicable.~~

13 (5) A district requesting payment under this section shall submit an application to  
14 the department in the form and manner prescribed by the department. Notwithstanding section  
15 17b, payments under this section shall be made on a schedule determined by the department.

16 Sec. 67. (1) From the general fund amount appropriated in section 11, there is  
17 allocated an amount not to exceed ~~\$3,050,000.00~~ **\$3,000,000.00** for ~~2016-2017~~ **2017-2018** for  
18 ~~college and career preparation activities~~ **ACCESS PROGRAMS**. The programs funded under this  
19 section are intended to inform students of college and career options and to provide ~~a wide~~  
20 ~~array of tools and~~ resources intended to increase the number of pupils who are adequately  
21 prepared with the information needed to make informed decisions on college and career. The  
22 funds appropriated under this section are intended to be used to increase the number of  
23 Michigan residents with high-quality degrees or credentials. Funds appropriated under this  
24 section shall not be used to supplant funding for counselors already funded by districts.

25 (2) ~~From the amount allocated in subsection (1), an amount not to exceed~~  
26 ~~\$3,000,000.00 shall be used for the college access program.~~ The talent investment agency of  
27 the department of talent and economic development shall administer these funds in  
28 collaboration with the Michigan college access network. These funds may be used for any of  
29 the following purposes:

30 (a) Michigan college access network operations, programming, and services to local  
31 college access networks.

32 (b) Local college access networks, which are community-based college access/success

1 partnerships committed to increasing the college participation and completion rates within  
2 geographically defined communities through a coordinated strategy.

3 (c) The Michigan college advising program, a program intended to place trained,  
4 recently graduated college advisors in high schools that serve significant numbers of low-  
5 income and first-generation college-going pupils. State funds used for this purpose may not  
6 exceed 33% of the total funds available under this subsection.

7 (d) Subgrants of up to \$5,000.00 to districts with comprehensive high schools that  
8 establish a college access team and implement specific strategies to create a college-going  
9 culture in a high school in a form and manner approved by the Michigan college access  
10 network and the Michigan talent investment agency.

11 (e) The Michigan college access portal, an online one-stop portal to help pupils and  
12 families plan and apply for college.

13 (f) Public awareness and outreach campaigns to encourage low-income and first-  
14 generation college-going pupils to take necessary steps toward college and to assist pupils  
15 and families in completing a timely and accurate free application for federal student aid.

16 (g) Subgrants to postsecondary institutions to recruit, hire, and train college  
17 student mentors and college advisors to assist high school pupils in navigating the  
18 postsecondary planning and enrollment process.

19 ~~(3) From the amount allocated in subsection (1), an amount not to exceed \$50,000.00~~  
20 ~~shall be used for an outreach program to provide information to pupils, parents, and~~  
21 ~~educators on dual enrollment and other opportunities available to high school pupils to~~  
22 ~~earn postsecondary credits, industry-recognized technical certifications, and participation~~  
23 ~~in registered apprenticeships at no cost.~~

24 **(3)** ~~(4)~~ For the purposes of this section, "college" means any postsecondary  
25 educational opportunity that leads to a career, including, but not limited to, a  
26 postsecondary degree, industry-recognized technical certification, or registered  
27 apprenticeship.

28 Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount  
29 not to exceed ~~\$3,320,600.00~~ **\$3,330,300.00** for ~~2016-2017~~ **2017-2018** for the purposes of this  
30 section.

31 (2) From the allocation in subsection (1), there is allocated for each fiscal year  
32 the amount necessary for payments to state supported colleges or universities and



1 intermediate districts providing school bus driver safety instruction pursuant to section  
2 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an  
3 amount determined by the department not to exceed the actual cost of instruction and driver  
4 compensation for each public or nonpublic school bus driver attending a course of  
5 instruction. For the purpose of computing compensation, the hourly rate allowed each school  
6 bus driver shall not exceed the hourly rate received for driving a school bus.  
7 Reimbursement compensating the driver during the course of instruction shall be made by the  
8 department to the college or university or intermediate district providing the course of  
9 instruction.

10 (3) From the allocation in subsection (1), there is allocated for ~~2016-2017~~ **2017-2018**  
11 the amount necessary to pay the reasonable costs of nonspecial education auxiliary services  
12 transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323.  
13 Districts funded under this subsection shall not receive funding under any other section of  
14 this article for nonspecial education auxiliary services transportation.

15 (4) From the funds allocated in subsection (1), there is allocated an amount not to  
16 exceed ~~\$1,695,600.00~~ **\$1,705,300.00** for ~~2016-2017~~ **2017-2018** for reimbursement to districts  
17 and intermediate districts for costs associated with the inspection of school buses and  
18 pupil transportation vehicles by the department of state police as required under section  
19 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil  
20 transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare  
21 a statement of costs attributable to each district for which bus inspections are provided  
22 and submit it to the department and to an intermediate district serving as fiduciary in a  
23 time and manner determined jointly by the department and the department of state police.  
24 Upon review and approval of the statement of cost, the department shall forward to the  
25 designated intermediate district serving as fiduciary the amount of the reimbursement on  
26 behalf of each district and intermediate district for costs detailed on the statement  
27 within 45 days after receipt of the statement. The designated intermediate district shall  
28 make payment in the amount specified on the statement to the department of state police  
29 within 45 days after receipt of the statement. The total reimbursement of costs under this  
30 subsection shall not exceed the amount allocated under this subsection. Notwithstanding  
31 section 17b, payments to eligible entities under this subsection shall be paid on a  
32 schedule prescribed by the department.

1 SEC. 78. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT  
2 TO EXCEED \$4,500,000.00 FOR 2017-2018 TO REIMBURSE PUBLIC SCHOOLS AND REGISTERED NONPUBLIC  
3 SCHOOLS UP TO \$950.00 PER SCHOOL BUILDING FOR COSTS OF SCHOOL WATER TESTING, FIXTURE  
4 REPLACEMENT, FILTER PURCHASES, PLUMBING ASSESSMENTS, OR TECHNICAL ASSISTANCE INCURRED FROM  
5 OCTOBER 1, 2017 TO SEPTEMBER 30, 2018. AS USED IN THIS SUBSECTION, "SCHOOL BUILDING" MEANS  
6 A "SCHOOL" OR "UNIQUE EDUCATION PROVIDER" AS DEFINED WITHIN THE EDUCATIONAL ENTITY MASTER,  
7 WHERE INSTRUCTION IS PROVIDED TO STUDENTS.

8 (2) PUBLIC SCHOOL DISTRICTS, PUBLIC SCHOOL ACADEMIES, AND NONPUBLIC SCHOOLS WILL BE  
9 REQUIRED TO SUBMIT PROOF OF PUBLIC NOTIFICATION OF THE NUMBER OF FIXTURES PROVIDING WATER  
10 FOR DRINKING OR FOOD PREPARATION, TESTING RESULTS, NUMBER OF FIXTURES REPLACED, AND OTHER  
11 CORRECTIVE ACTION PLANS PRIOR TO REIMBURSEMENT.

12 (3) PUBLIC SCHOOL DISTRICTS, PUBLIC SCHOOL ACADEMIES, AND NONPUBLIC SCHOOLS WILL BE  
13 REQUIRED TO SUBMIT REIMBURSEMENT REQUESTS THROUGH THE EXISTING ELECTRONIC MICHIGAN  
14 DEPARTMENT OF EDUCATION GRANT MONITORING SYSTEM, AS SPECIFIED.

15 (4) THE DEPARTMENT, DEPARTMENT OF ENVIRONMENTAL QUALITY, AND DEPARTMENT OF LICENSING  
16 AND REGULATORY AFFAIRS WILL PROVIDE SUPPORT TO THE SCHOOLS, INCLUDING TECHNICAL ASSISTANCE,  
17 ANALYSIS OF RESULTS, SITE VISITS, AND OUTREACH MATERIALS. ADMINISTRATIVE COSTS NOT TO  
18 EXCEED 5% OF THE FUNDING WILL BE SUPPORTED FROM THE APPROPRIATION.

19 (5) THE DEPARTMENT AND THE DEPARTMENT OF ENVIRONMENTAL QUALITY WILL PREPARE A REPORT  
20 SUMMARIZING THE NUMBER OF FIXTURES REPORTED PER SCHOOL, TESTS COMPLETED, TESTS WITH  
21 ELEVATED LEVELS OF LEAD, FIXTURES REPLACED, AND SCHOOLS COMPLETING A PLUMBING ASSESSMENT.  
22 THE REPORT WILL BE SUBMITTED TO THE LEGISLATURE BY DECEMBER 31, 2018.

23 Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2016-2017~~  
24 **2017-2018** to the intermediate districts the sum necessary, but not to exceed \$67,108,000.00  
25 to provide state aid to intermediate districts under this section.

26 (2) ~~From the allocation in subsection (1), there~~ **THERE** is allocated for ~~2016-2017~~  
27 **2017-2018** ~~an amount not to exceed \$67,108,000.00 for allocations~~ to each intermediate  
28 district ~~in~~ an amount equal to 100% of the amount allocated to the intermediate district  
29 under this subsection for ~~2015-2016~~ **2016-2017**. Funding provided under this section shall be  
30 used to comply with requirements of this article and the revised school code that are  
31 applicable to intermediate districts, and for which funding is not provided elsewhere in  
32 this article, and to provide technical assistance to districts as authorized by the

1 intermediate school board.

2 (3) Intermediate districts receiving funds under subsection (2) shall collaborate  
3 with the department to develop expanded professional development opportunities for teachers  
4 to update and expand their knowledge and skills needed to support the Michigan merit  
5 curriculum.

6 (4) From the allocation in subsection (1), there is allocated to an intermediate  
7 district, formed by the consolidation or annexation of 2 or more intermediate districts or  
8 the attachment of a total intermediate district to another intermediate school district or  
9 the annexation of all of the constituent K-12 districts of a previously existing  
10 intermediate school district which has disorganized, an additional allotment of \$3,500.00  
11 each fiscal year for each intermediate district included in the new intermediate district  
12 for 3 years following consolidation, annexation, or attachment.

13 (5) In order to receive funding under subsection (2), an intermediate district shall  
14 do all of the following:

15 (a) Demonstrate to the satisfaction of the department that the intermediate district  
16 employs at least 1 person who is trained in pupil accounting and auditing procedures,  
17 rules, and regulations.

18 (b) Demonstrate to the satisfaction of the department that the intermediate district  
19 employs at least 1 person who is trained in rules, regulations, and district reporting  
20 procedures for the individual-level student data that serves as the basis for the  
21 calculation of the district and high school graduation and dropout rates.

22 (c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a  
23 and 380.1278b.

24 (d) Furnish data and other information required by state and federal law to the  
25 center and the department in the form and manner specified by the center or the department,  
26 as applicable.

27 (e) Comply with section 1230g of the revised school code, MCL 380.1230g.

28 (f) Comply with section 761 of the revised school code, MCL 380.761.

29 Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to  
30 the department for ~~2016-2017~~ **2017-2018** an amount not to exceed \$250,000.00 for efforts to  
31 increase the number of pupils who participate and succeed in advanced placement and  
32 international baccalaureate programs.

1 (2) From the funds allocated under this section, the department shall award funds to  
2 cover all or part of the costs of advanced placement test fees or international  
3 baccalaureate test fees and international baccalaureate registration fees for low-income  
4 pupils who take an advanced placement or an international baccalaureate test. Payments  
5 shall not exceed \$20.00 per test completed or \$150.00 per international baccalaureate  
6 registration fees per pupil registered.

7 (3) The department shall only award funds under this section if the department  
8 determines that all of the following criteria are met:

9 (a) Each pupil for whom payment is made meets eligibility requirements of the federal  
10 advanced placement test fee program under section 1701 of the no child left behind act of  
11 2001, Public Law 107-110, or under a corresponding provision of the every student succeeds  
12 act, Public Law 114-95.

13 (b) The tests are administered by the college board, the international baccalaureate  
14 organization, or another test provider approved by the department.

15 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of each  
16 test for which payment is made.

17 (4) The department shall establish procedures for awarding funds under this section.

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

20 Sec. 94a. (1) There is created within the state budget office in the department of  
21 technology, management, and budget the center for educational performance and information.  
22 The center shall do all of the following:

23 (a) Coordinate the collection of all data required by state and federal law from  
24 districts, intermediate districts, and postsecondary institutions.

25 (b) Create, maintain, and enhance this state's P-20 longitudinal data system and  
26 ensure that it meets the requirements of subsection (4).

27 (c) Collect data in the most efficient manner possible in order to reduce the  
28 administrative burden on reporting entities, including, but not limited to, electronic  
29 transcript services.

30 (d) Create, maintain, and enhance this state's web-based educational portal to  
31 provide information to school leaders, teachers, researchers, and the public in compliance  
32 with all federal and state privacy laws. Data shall include, but are not limited to, all of

1 the following:

2 (i) Data sets that link teachers to student information, allowing districts to assess  
3 individual teacher impact on student performance and consider student growth factors in  
4 teacher and principal evaluation systems.

5 (ii) Data access or, if practical, data sets, provided for regional data ~~warehouses~~  
6 **HUBS** that, in combination with local data, can improve teaching and learning in the  
7 classroom.

8 (iii) Research-ready data sets for researchers to perform research that advances this  
9 state's educational performance.

10 (e) Provide data in a useful manner to allow state and local policymakers to make  
11 informed policy decisions.

12 (f) Provide public reports to the citizens of this state to allow them to assess  
13 allocation of resources and the return on their investment in the education system of this  
14 state.

15 (g) Other functions as assigned by the state budget director.

16 (2) Each state department, officer, or agency that collects information from  
17 districts, intermediate districts, or postsecondary institutions as required under state or  
18 federal law shall make arrangements with the center to ensure that the state department,  
19 officer, or agency is in compliance with subsection (1). This subsection does not apply to  
20 information collected by the department of treasury under the uniform budgeting and  
21 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001  
22 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act,  
23 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL  
24 380.1351a.

25 (3) The center may enter into any interlocal agreements necessary to fulfill its  
26 functions.

27 (4) The center shall ensure that the P-20 longitudinal data system required under  
28 subsection (1)(b) meets all of the following:

29 (a) Includes data at the individual student level from preschool through  
30 postsecondary education and into the workforce.

31 (b) Supports interoperability by using standard data structures, data formats, and  
32 data definitions to ensure linkage and connectivity in a manner that facilitates the

1 exchange of data among agencies and institutions within the state and between states.

2 (c) Enables the matching of individual teacher and student records so that an  
3 individual student may be matched with those teachers providing instruction to that  
4 student.

5 (d) Enables the matching of individual teachers with information about their  
6 certification and the institutions that prepared and recommended those teachers for state  
7 certification.

8 (e) Enables data to be easily generated for continuous improvement and decision-  
9 making, including timely reporting to parents, teachers, and school leaders on student  
10 achievement.

11 (f) Ensures the reasonable quality, validity, and reliability of data contained in  
12 the system.

13 (g) Provides this state with the ability to meet federal and state reporting  
14 requirements.

15 (h) For data elements related to preschool through grade 12 and postsecondary, meets  
16 all of the following:

17 (i) Contains a unique statewide student identifier that does not permit a student to  
18 be individually identified by users of the system, except as allowed by federal and state  
19 law.

20 (ii) Contains student-level enrollment, demographic, and program participation  
21 information.

22 (iii) Contains student-level information about the points at which students exit,  
23 transfer in, transfer out, drop out, or complete education programs.

24 (iv) Has the capacity to communicate with higher education data systems.

25 (i) For data elements related to preschool through grade 12 only, meets all of the  
26 following:

27 (i) Contains yearly test records of individual students for assessments approved by  
28 DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary  
29 education act of 1965, 20 USC 6311, including information on individual students not  
30 tested, by grade and subject.

31 (ii) Contains student-level transcript information, including information on courses  
32 completed and grades earned.

1 (iii) Contains student-level college readiness test scores.

2 (j) For data elements related to postsecondary education only:

3 (i) Contains data that provide information regarding the extent to which individual  
4 students transition successfully from secondary school to postsecondary education,  
5 including, but not limited to, all of the following:

6 (A) Enrollment in remedial coursework.

7 (B) Completion of 1 year's worth of college credit applicable to a degree within 2  
8 years of enrollment.

9 (ii) Contains data that provide other information determined necessary to address  
10 alignment and adequate preparation for success in postsecondary education.

11 (5) From the general fund appropriation in section 11, there is allocated an amount  
12 not to exceed ~~\$12,173,200.00~~ **\$16,216,000.00** for ~~2016-2017~~ **2017-2018** to the department of  
13 technology, management, and budget to support the operations of the center. In addition,  
14 from the federal funds appropriated in section 11 there is allocated for ~~2016-2017~~ **2017-**  
15 **2018** the amount necessary, estimated at \$193,500.00, to support the operations of the  
16 center and to establish a P-20 longitudinal data system necessary for state and federal  
17 reporting purposes. The center shall cooperate with the department to ensure that this  
18 state is in compliance with federal law and is maximizing opportunities for increased  
19 federal funding to improve education in this state.

20 (6) From the funds allocated in subsection (5), the center may use an amount  
21 determined by the center for competitive grants for ~~2016-2017~~ **2017-2018** to support  
22 collaborative efforts on the P-20 longitudinal data system. All of the following apply to  
23 grants awarded under this subsection:

24 (a) The center shall award competitive grants to eligible intermediate districts or a  
25 consortium of intermediate districts based on criteria established by the center.

26 (b) Activities funded under the grant shall support the P-20 longitudinal data system  
27 portal and may include portal hosting, hardware and software acquisition, maintenance,  
28 enhancements, user support and related materials, and professional learning tools and  
29 activities aimed at improving the utility of the P-20 longitudinal data system.

30 (c) An applicant that received a grant under this subsection for the immediately  
31 preceding fiscal year shall receive priority for funding under this section. However, after  
32 3 fiscal years of continuous funding, an applicant is required to compete openly with new

1 applicants.

2 (7) Funds allocated under this section that are not expended in the fiscal year in  
3 which they were allocated may be carried forward to a subsequent fiscal year and are  
4 appropriated for the purposes for which the funds were originally allocated.

5 (8) The center may bill departments as necessary in order to fulfill reporting  
6 requirements of state and federal law. The center may also enter into agreements to supply  
7 custom data, analysis, and reporting to other principal executive departments, state  
8 agencies, local units of government, and other individuals and organizations. The center  
9 may receive and expend funds in addition to those authorized in subsection (5) to cover the  
10 costs associated with salaries, benefits, supplies, materials, and equipment necessary to  
11 provide such data, analysis, and reporting services.

12 (9) As used in this section:

13 (a) "DED-OESE" means the United States Department of Education Office of Elementary  
14 and Secondary Education.

15 (b) "State education agency" means the department.

16 Sec. 95a. (1) The educator evaluation reserve fund is created as a separate account  
17 within the state school aid fund.

18 ~~(2) The state treasurer may receive money or other assets from any source for deposit  
19 into the educator evaluation reserve fund. The state treasurer shall direct the investment  
20 of the educator evaluation reserve fund. The state treasurer shall credit to the educator  
21 evaluation reserve fund interest and earnings from the educator evaluation reserve fund.~~

22 ~~(3) Money in the educator evaluation reserve fund at the close of the fiscal year  
23 shall remain in the educator evaluation reserve fund and shall not lapse to the state  
24 school aid fund or to the general fund. The department of treasury shall be the  
25 administrator of the educator evaluation reserve fund for auditing purposes.~~

26 (2) ~~(4)~~ From the appropriations in section 11, there is allocated to the educator  
27 evaluation reserve fund for ~~2014-2015~~ **2017-2018** an amount not to exceed ~~\$12,100,000.00 from~~  
28 ~~the state school aid fund and an amount not to exceed \$2,700,000.00 from the general fund.~~  
29 ~~Subject to subsections (5) and (6), the department shall expend the money in the educator~~  
30 ~~evaluation reserve fund \$7,000,000.00 for implementing~~ **PAYMENTS TO DISTRICTS AND**  
31 **INTERMEDIATE DISTRICTS TO SUPPORT THE IMPLEMENTATION OF LOCAL** evaluation systems for public  
32 school teachers and school administrators **CONSISTENT WITH SECTIONS 1249 AND 1249B OF THE**



1 REVISED SCHOOL CODE, MCL 380.1249 AND 380.1249B.

2 ~~(5) Funds in the educator evaluation reserve fund shall not be expended unless the~~  
3 ~~state budget office has approved the department's spending plan.~~

4 (3) LOCAL DISTRICT ACTIVITIES FUNDED BY THE EDUCATOR EVALUATION RESERVE FUND MAY  
5 INCLUDE THE FOLLOWING:

6 (A) TRAINING FOR EVALUATORS AND OBSERVERS TO ENSURE EFFECTIVE IMPLEMENTATION OF  
7 LOCALLY-ADOPTED EDUCATOR EVALUATION TOOLS.

8 (B) PROFESSIONAL LEARNING FOR TEACHERS, PRINCIPALS, AND OTHER SCHOOL AND DISTRICT  
9 LEADERS USING GUIDANCE PROVIDED BY THE DEPARTMENT TO SUPPORT THE EFFECTIVE IMPLEMENTATION  
10 OF LOCALLY-ADOPTED EDUCATOR EVALUATION TOOLS. THE PROFESSIONAL LEARNING SHALL INCLUDE THE  
11 FOLLOWING COMPONENTS:

12 (i) MEASURING AND USING STUDENT GROWTH AND ACHIEVEMENT DATA WITHIN A LOCAL EVALUATION  
13 SYSTEM.

14 (ii) USING EVALUATION TOOLS TO COLLECT HIGH-QUALITY OBSERVATION DATA.

15 (iii) PROVIDING HIGH-QUALITY FEEDBACK BASED ON OBSERVATION AND STUDENT GROWTH AND  
16 ACHIEVEMENT DATA.

17 (iv) PERSONALIZING PROFESSIONAL LEARNING PLANS FOR INDIVIDUAL EDUCATORS.

18 (C) THE PURCHASE OF LICENSES, TECHNOLOGY, AND OTHER MATERIALS NECESSARY TO FULLY  
19 IMPLEMENT A LOCALLY-ADOPTED EVALUATION TOOL THAT IS ON THE DEPARTMENT-APPROVED LIST.

20 Sec. 98. (1) From the general fund money appropriated in section 11, there is  
21 allocated an amount not to exceed \$7,387,500.00 for ~~2016-2017~~ 2017-2018 for the purposes  
22 described in this section. The Michigan Virtual University shall provide a report to the  
23 legislature not later than November 1, ~~2016~~ 2017 that includes its mission, its plans, and  
24 proposed benchmarks it must meet, which shall include a plan to achieve a 50% increase in  
25 documented improvement in each requirement of the Michigan Virtual Learning Research  
26 Institute and Michigan Virtual School, and all other organizational priorities identified  
27 in this section, in order to receive full funding for ~~2017-2018~~ 2018-2019. Not later than  
28 March 1, ~~2017~~ 2018, the Michigan Virtual University shall provide an update to the house  
29 and senate appropriations subcommittees on school aid to show the progress being made to  
30 meet the benchmarks identified.

31 (2) The Michigan Virtual University shall operate the Michigan Virtual Learning  
32 Research Institute. The Michigan Virtual Learning Research Institute shall do all of the

1 following:

2 (a) Support and accelerate innovation in education through the following activities:

3 (i) Test, evaluate, and recommend as appropriate new technology-based instructional  
4 tools and resources.

5 (ii) Research, design, and recommend virtual education delivery models for use by  
6 pupils and teachers that include age-appropriate multimedia instructional content.

7 (iii) Research, develop, and recommend annually to the department criteria by which  
8 cyber schools and virtual course providers should be monitored and evaluated to ensure a  
9 quality education for their pupils.

10 (iv) Based on pupil completion and performance data reported to the department or the  
11 center for educational performance and information from cyber schools and other virtual  
12 course providers operating in this state, analyze the effectiveness of virtual learning  
13 delivery models in preparing pupils to be college- and career-ready and publish a report  
14 that highlights enrollment totals, completion rates, and the overall impact on pupils. The  
15 report shall be submitted to the house and senate appropriations subcommittees on state  
16 school aid, the state budget director, the house and senate fiscal agencies, the  
17 department, districts, and intermediate districts not later than March 31, ~~2017~~ 2018.

18 (v) ~~Before August 31, 2017, provide~~ **PROVIDE** an extensive professional development  
19 program to at least 30,000 educational personnel, including teachers, school  
20 administrators, and school board members, that focuses on the effective integration of  
21 virtual learning into curricula and instruction. The Michigan Virtual Learning Research  
22 Institute is encouraged to work with the MiSTEM advisory council created under section 99s  
23 to coordinate professional development of teachers in applicable fields. In addition, the  
24 Michigan Virtual Learning Research Institute and external stakeholders are encouraged to  
25 coordinate with the department for professional development in this state. Not later than  
26 December 1, ~~2017~~ 2018, the Michigan Virtual Learning Research Institute shall submit a  
27 report to the house and senate appropriations subcommittees on state school aid, the state  
28 budget director, the house and senate fiscal agencies, and the department on the number and  
29 percentage of teachers, school administrators, and school board members who have received  
30 professional development services from the Michigan Virtual University. The report shall  
31 also identify barriers and other opportunities to encourage the adoption of virtual  
32 learning in the public education system.

1 (vi) Identify and share best practices for planning, implementing, and evaluating  
2 virtual and blended education delivery models with intermediate districts, districts, and  
3 public school academies to accelerate the adoption of innovative education delivery models  
4 statewide.

5 (b) Provide leadership for this state's system of virtual learning education by doing  
6 the following activities:

7 (i) Develop and report policy recommendations to the governor and the legislature  
8 that accelerate the expansion of effective virtual learning in this state's schools.

9 (ii) Provide a clearinghouse for research reports, academic studies, evaluations, and  
10 other information related to virtual learning.

11 (iii) Promote and distribute the most current instructional design standards and  
12 guidelines for virtual teaching.

13 (iv) In collaboration with the department and interested colleges and universities in  
14 this state, support implementation and improvements related to effective virtual learning  
15 instruction.

16 (v) Pursue public/private partnerships that include districts to study and implement  
17 competency-based technology-rich virtual learning models.

18 (vi) Create a statewide network of school-based mentors serving as liaisons between  
19 pupils, virtual instructors, parents, and school staff, as provided by the department or  
20 the center, and provide mentors with research-based training and technical assistance  
21 designed to help more pupils be successful virtual learners.

22 (vii) Convene focus groups and conduct annual surveys of teachers, administrators,  
23 pupils, parents, and others to identify barriers and opportunities related to virtual  
24 learning.

25 (viii) Produce an annual consumer awareness report for schools and parents about  
26 effective virtual education providers and education delivery models, performance data, cost  
27 structures, and research trends.

28 (ix) Research and establish an internet-based platform that educators can use to  
29 create student-centric learning tools and resources and facilitate a user network that  
30 assists educators in using the platform. As part of this initiative, the Michigan Virtual  
31 University shall work collaboratively with districts and intermediate districts to  
32 establish a plan to make available virtual resources that align to Michigan's K-12

1 curriculum standards for use by students, educators, and parents.

2 (x) Create and maintain a public statewide catalog of virtual learning courses being  
3 offered by all public schools and community colleges in this state. The Michigan Virtual  
4 Learning Research Institute shall identify and develop a list of nationally recognized best  
5 practices for virtual learning and use this list to support reviews of virtual course  
6 vendors, courses, and instructional practices. The Michigan Virtual Learning Research  
7 Institute shall also provide a mechanism for intermediate districts to use the identified  
8 best practices to review content offered by constituent districts. The Michigan Virtual  
9 Learning Research Institute shall review the virtual course offerings of the Michigan  
10 Virtual University, and make the results from these reviews available to the public as part  
11 of the statewide catalog. The Michigan Virtual Learning Research Institute shall ensure  
12 that the statewide catalog is made available to the public on the Michigan Virtual  
13 University website and shall allow the ability to link it to each district's website as  
14 provided for in section 21f. The statewide catalog shall also contain all of the following:

15 (A) The number of enrollments in each virtual course in the immediately preceding  
16 school year.

17 (B) The number of enrollments that earned 60% or more of the total course points for  
18 each virtual course in the immediately preceding school year.

19 (C) The completion rate for each virtual course.

20 (xi) Develop prototype and pilot registration, payment services, and transcript  
21 functionality to the statewide catalog and train key stakeholders on how to use new  
22 features.

23 (xii) Collaborate with key stakeholders to examine district level accountability and  
24 teacher effectiveness issues related to virtual learning under section 21f and make  
25 findings and recommendations publicly available.

26 (xiii) Provide a report on the activities of the Michigan Virtual Learning Research  
27 Institute.

28 (3) To further enhance its expertise and leadership in virtual learning, the Michigan  
29 Virtual University shall continue to operate the Michigan Virtual School as a statewide  
30 laboratory and quality model of instruction by implementing virtual and blended learning  
31 solutions for Michigan schools in accordance with the following parameters:

32 (a) The Michigan Virtual School must maintain its accreditation status from

1 recognized national and international accrediting entities.

2 (b) The Michigan Virtual University shall use no more than \$1,000,000.00 of the  
3 amount allocated under this section to subsidize the cost paid by districts for virtual  
4 courses.

5 (c) In providing educators responsible for the teaching of virtual courses as  
6 provided for in this section, the Michigan Virtual School shall follow the requirements to  
7 request and assess, and the department of state police shall provide, a criminal history  
8 check and criminal records check under sections 1230 and 1230a of the revised school code,  
9 MCL 380.1230 and 380.1230a, in the same manner as if the Michigan Virtual School were a  
10 school district under those sections.

11 **(4) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE MICHIGAN VIRTUAL UNIVERSITY**  
12 **SHALL ALLOCATE UP TO \$500,000.00 TO SUPPORT THE EXPANSION OF NEW ONLINE AND BLENDED**  
13 **EDUCATOR PROFESSIONAL DEVELOPMENT PROGRAMS WORKING COLLABORATIVELY WITH THE MICHIGAN**  
14 **ASSOCIATION OF INTERMEDIATE SCHOOL ADMINISTRATORS.**

15 (5) ~~(4)~~ If the course offerings are included in the statewide catalog of virtual  
16 courses under subsection (2)(b)(ix), the Michigan Virtual School operated by the Michigan  
17 Virtual University may offer virtual course offerings, including, but not limited to, all  
18 of the following:

19 (a) Information technology courses.

20 (b) College level equivalent courses, as defined in section 1471 of the revised  
21 school code, MCL 380.1471.

22 (c) Courses and dual enrollment opportunities.

23 (d) Programs and services for at-risk pupils.

24 (e) High school equivalency test preparation courses for adjudicated youth.

25 (f) Special interest courses.

26 (g) Professional development programs for teachers, school administrators, other  
27 school employees, and school board members.

28 (6) ~~(5)~~ If a home-schooled or nonpublic school student is a resident of a district  
29 that subscribes to services provided by the Michigan Virtual School, the student may use  
30 the services provided by the Michigan Virtual School to the district without charge to the  
31 student beyond what is charged to a district pupil using the same services.

32 (7) ~~(6)~~ Not later than December 1 of each fiscal year, the Michigan Virtual

1 University shall provide a report to the house and senate appropriations subcommittees on  
2 state school aid, the state budget director, the house and senate fiscal agencies, and the  
3 department that includes at least all of the following information related to the Michigan  
4 Virtual School for the preceding state fiscal year:

5 (a) A list of the districts served by the Michigan Virtual School.

6 (b) A list of virtual course titles available to districts.

7 (c) The total number of virtual course enrollments and information on registrations  
8 and completions by course.

9 (d) The overall course completion rate percentage.

10 **(8)** ~~(7)~~ In addition to the information listed in subsection ~~(6)~~ **(7)**, the report under  
11 subsection ~~(6)~~ **(7)** shall also include a plan to serve at least 600 schools with courses  
12 from the Michigan Virtual School or with content available through the internet-based  
13 platform identified in subsection (2) (b) (ix).

14 **(9)** ~~(8)~~ The governor may appoint an advisory group for the Michigan Virtual Learning  
15 Research Institute established under subsection (2). The members of the advisory group  
16 shall serve at the pleasure of the governor and shall serve without compensation. The  
17 purpose of the advisory group is to make recommendations to the governor, the legislature,  
18 and the president and board of the Michigan Virtual University that will accelerate  
19 innovation in this state's education system in a manner that will prepare elementary and  
20 secondary students to be career and college ready and that will promote the goal of  
21 increasing the percentage of citizens of this state with high-quality degrees and  
22 credentials to at least 60% by 2025.

23 **(10)** ~~(9)~~ Not later than November 1, ~~2016~~ **2017**, the Michigan Virtual University shall  
24 submit to the house and senate appropriations subcommittees on state school aid, the state  
25 budget director, and the house and senate fiscal agencies a detailed budget for the ~~2016-~~  
26 ~~2017~~ **2017-2018** fiscal year that includes a breakdown on its projected costs to deliver  
27 virtual educational services to districts and a summary of the anticipated fees to be paid  
28 by districts for those services. Not later than March 1 each year, the Michigan Virtual  
29 University shall submit to the house and senate appropriations subcommittees on state  
30 school aid, the state budget director, and the house and senate fiscal agencies a breakdown  
31 on its actual costs to deliver virtual educational services to districts and a summary of  
32 the actual fees paid by districts for those services based on audited financial statements

1 for the immediately preceding fiscal year.

2 **(11)** ~~(10)~~ As used in this section:

3 (a) "Blended learning" means a hybrid instructional delivery model where pupils are  
4 provided content, instruction, and assessment, in part at a supervised educational facility  
5 away from home where the pupil and a teacher with a valid Michigan teaching certificate are  
6 in the same physical location and in part through internet-connected learning environments  
7 with some degree of pupil control over time, location, and pace of instruction.

8 (b) "Cyber school" means a full-time instructional program of virtual courses for  
9 pupils that may or may not require attendance at a physical school location.

10 (c) "Virtual course" means a course of study that is capable of generating a credit  
11 or a grade and that is provided in an interactive learning environment in which the  
12 majority of the curriculum is delivered using the internet and in which pupils are  
13 separated from their instructor or teacher of record by time or location, or both.

14 Sec. 99h. (1) From the appropriation in section 11, there is allocated an amount not  
15 to exceed \$2,500,000.00 for ~~2016-2017~~ **2017-2018** for competitive grants to districts that  
16 provide pupils in grades K to 12 with expanded opportunities to improve mathematics,  
17 science, and technology skills by participating in events hosted by a science and  
18 technology development program known as FIRST (for inspiration and recognition of science  
19 and technology) Robotics, including JR FIRST Lego League, FIRST Lego League, FIRST tech  
20 challenge, and FIRST Robotics competition. Programs funded under this section are intended  
21 to increase the number of pupils demonstrating proficiency in science and mathematics on  
22 the state assessments and to increase the number of pupils who are college- and career-  
23 ready upon high school graduation. Notwithstanding section 17b, grant payments to districts  
24 under this section shall be paid on a schedule determined by the department. The department  
25 shall set maximum grant awards for each different level of competition in a manner that  
26 both maximizes the number of teams that will be able to receive funds and expands the  
27 geographical distribution of teams.

28 (2) A district applying for a grant under this section shall submit an application in  
29 a form and manner determined by the department. To be eligible for a grant, a district  
30 shall demonstrate in its application that the district has established a partnership for  
31 the purposes of the FIRST Robotics program with at least 1 sponsor, business entity, higher  
32 education institution, or technical school, shall submit a spending plan, and shall pay at

1 least 25% of the cost of the FIRST Robotics program.

2 (3) The department shall distribute the grant funding under this section for the  
3 following purposes:

4 (a) Grants to districts to pay for stipends not to exceed \$1,500.00 for 1 coach per  
5 team.

6 (b) Grants to districts for event registrations, materials, travel costs, and other  
7 expenses associated with the preparation for and attendance at FIRST Robotics events and  
8 competitions. Each grant recipient shall provide a local match from other private or local  
9 funds for the funds received under this subdivision equal to at least 50% of the costs of  
10 participating in an event.

11 (c) Grants to districts for awards to teams that advance to the state and world  
12 championship competitions. The department shall determine an equal amount per team for  
13 those teams that advance to the state championship and a second equal award amount to those  
14 teams that advance to the world championship.

15 ~~(4) The funds allocated under this section are a work project appropriation, and any~~  
16 ~~unexpended funds for 2016-2017 are carried forward into 2017-2018. The purpose of the work~~  
17 ~~project is to continue to implement the projects described under subsection (1). The~~  
18 ~~estimated completion date of the work project is September 30, 2019.~~

19 **SEC. 99K. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT**  
20 **TO EXCEED \$500,000.00 FOR 2017-2018 FOR COMPETITIVE GRANTS TO DISTRICTS THAT PROVIDE PUPILS**  
21 **IN GRADES 6 TO 12 WITH EXPANDED OPPORTUNITIES TO IMPROVE COMPUTER SCIENCE SKILLS BY**  
22 **PARTICIPATING IN CYBERSECURITY COMPETITIVE EVENTS HOSTED BY MERIT NETWORK, INCORPORATED,**  
23 **KNOWN AS MICHIGAN HIGH SCHOOL CYBER CHALLENGE, OR HOSTED BY THE AIR FORCE ASSOCIATION,**  
24 **KNOWN AS CYBERPATRIOT. PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INCREASE THE**  
25 **NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE STATE**  
26 **ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON**  
27 **HIGH SCHOOL GRADUATION. NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS TO DISTRICTS UNDER THIS**  
28 **SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT. THE DEPARTMENT SHALL SET**  
29 **MAXIMUM GRANT AWARDS FOR EACH COMPETITION IN A MANNER THAT BOTH MAXIMIZES THE NUMBER OF**  
30 **TEAMS THAT WILL BE ABLE TO RECEIVE FUNDS AND THE GEOGRAPHICAL DISTRIBUTION OF TEAMS.**

31 (2) A DISTRICT APPLYING FOR A GRANT UNDER THIS SECTION SHALL SUBMIT AN APPLICATION IN  
32 A FORM AND MANNER DETERMINED BY THE DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A DISTRICT



1 SHALL DEMONSTRATE IN ITS APPLICATION THAT THE DISTRICT HAS ESTABLISHED A PARTNERSHIP WITH  
2 AT LEAST 1 SPONSOR, BUSINESS ENTITY, HIGHER EDUCATION INSTITUTION, OR TECHNICAL SCHOOL,  
3 SHALL SUBMIT A SPENDING PLAN, AND SHALL PAY AT LEAST 25% OF THE COST OF THE SELECTED  
4 CYBERSECURITY PROGRAM.

5 (3) THE DEPARTMENT SHALL DISTRIBUTE THE GRANT FUNDING UNDER THIS SECTION FOR THE  
6 FOLLOWING PURPOSES:

7 (A) GRANTS TO DISTRICTS TO PAY FOR STIPENDS NOT TO EXCEED \$1,500.00 FOR 1 COACH OR  
8 MENTOR PER TEAM.

9 (B) GRANTS TO DISTRICTS FOR EVENT REGISTRATIONS, MATERIALS, TRAVEL COSTS, AND OTHER  
10 EXPENSES ASSOCIATED WITH THE PREPARATION FOR AND ATTENDANCE AT EVENTS AND COMPETITIONS.  
11 EACH GRANT RECIPIENT SHALL PROVIDE A LOCAL MATCH FROM OTHER PRIVATE OR LOCAL FUNDS FOR THE  
12 FUNDS RECEIVED UNDER THIS SUBDIVISION EQUAL TO AT LEAST 50% OF THE COSTS OF PARTICIPATING  
13 IN AN EVENT.

14 (C) GRANTS TO DISTRICTS FOR AWARDS TO TEAMS THAT ADVANCE TO STATE AND WORLD  
15 CHAMPIONSHIP COMPETITIONS. THE DEPARTMENT SHALL DETERMINE AN EQUAL AMOUNT PER TEAM FOR  
16 THOSE TEAMS THAT ADVANCE TO THE STATE CHAMPIONSHIP AND A SECOND EQUAL AWARD AMOUNT TO THOSE  
17 TEAMS THAT ADVANCE TO THE WORLD CHAMPIONSHIP FOR THE SELECTED CYBERSECURITY PROGRAM.

18 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION, AND ANY  
19 UNEXPENDED FUNDS FOR 2017-2018 ARE CARRIED FORWARD INTO 2018-2019. THE PURPOSE OF THE WORK  
20 PROJECT IS TO CONTINUE TO IMPLEMENT THE PROJECTS DESCRIBED UNDER SUBSECTION (1). THE  
21 ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2020.

22 Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for  
23 ~~2016-2017~~ 2017-2018 an amount not to exceed ~~\$3,000,000.00~~ \$5,500,000.00 from the state  
24 school aid fund appropriation and an amount not to exceed ~~\$1,300,000.00~~ \$300,000.00 from  
25 the general fund appropriation for Michigan science, technology, engineering, and  
26 mathematics (MiSTEM) programs. In addition, from the federal funds appropriated in section  
27 11, there is allocated for ~~2016-2017~~ 2017-2018 an amount estimated at ~~\$5,249,300.00~~  
28 \$4,700,000.00 from DED-OESE, title II, mathematics and science partnership grants. Programs  
29 funded under this section are intended to increase the number of pupils demonstrating  
30 proficiency in science and mathematics on the state assessments and to increase the number  
31 of pupils who are college- and career-ready upon high school graduation. **NOTWITHSTANDING**  
32 **SECTION 17B, PAYMENTS TO ELIGIBLE ENTITIES UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE**

1 **DETERMINED BY THE DEPARTMENT.**

2 (2) From the general fund allocation in subsection (1), there is allocated an amount  
3 not to exceed \$50,000.00 to the department for administrative, training, and travel costs  
4 related to the MiSTEM advisory council. All of the following apply to the MiSTEM advisory  
5 council funded under this subsection:

6 (a) The MiSTEM advisory council is created. The MiSTEM advisory council shall provide  
7 to the governor, legislature, department of talent and economic development, and department  
8 recommendations designed to improve and promote innovation in STEM education and to prepare  
9 students for careers in science, technology, engineering, and mathematics.

10 (b) The MiSTEM advisory council created under subdivision (a) shall consist of the  
11 following members:

12 (i) The governor shall appoint 11 voting members who are representative of business  
13 sectors that are important to Michigan's economy and rely on a STEM-educated workforce,  
14 nonprofit organizations and associations that promote STEM education, K-12 and  
15 postsecondary education entities involved in STEM-related career education, or other  
16 sectors as considered appropriate by the governor. Each of these members shall serve at the  
17 pleasure of the governor and for a term determined by the governor.

18 (ii) The senate majority leader shall appoint 2 members of the senate to serve as  
19 nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority party  
20 member and 1 minority party member.

21 (iii) The speaker of the house of representatives shall appoint 2 members of the  
22 house of representatives to serve as nonvoting, ex-officio members of the MiSTEM advisory  
23 council, including 1 majority party member and 1 minority party member.

24 (c) Each member of the MiSTEM advisory council shall serve without compensation.

25 (d) The MiSTEM advisory council shall ~~recommend~~ **ANNUALLY REVIEW AND MAKE**  
26 **RECOMMENDATIONS** to the governor, the legislature, and the department ~~a~~ **FOR CHANGES TO THE**  
27 statewide strategy **ADOPTED BY THE COUNCIL** for delivering STEM education-related  
28 opportunities to pupils ~~and objective criteria for determining preferred STEM programs.~~ The  
29 MiSTEM advisory council shall use funds received under this subsection to ~~purchase training~~  
30 ~~for~~ **ENSURE THAT** its members or their designees ~~from~~ **ARE TRAINED IN** the Change the Equation  
31 STEMworks rating system program for the purpose of rating STEM programs.

32 (e) ~~Not later than October 15 of each fiscal year, the MiSTEM advisory council shall~~

1 ~~provide STEM quality ratings for programs recommended for funding under subsection (3).~~ The  
2 MiSTEM advisory council shall make specific funding recommendations for the funds allocated  
3 under subsection (3) by December 15 of each fiscal year. The amount of each grant  
4 recommended shall not exceed \$250,000.00.

5 (f) If the MiSTEM advisory council is unable to make specific funding recommendations  
6 by December 15 of a fiscal year, the department shall distribute the funds allocated under  
7 subsection (3) on a competitive grant basis that ~~at least follows the quality guidelines~~  
8 ~~and priority areas~~ **STATEWIDE STRATEGY PLAN AND RATING SYSTEM** recommended by the MiSTEM  
9 advisory council. Each grant shall not exceed \$250,000.00 and must provide STEM education-  
10 related opportunities for pupils.

11 (g) The MiSTEM advisory council shall work with ~~directors of mathematics and science~~  
12 ~~centers~~ **THE EXECUTIVE DIRECTOR OF THE MISTEM CENTERS NETWORK** funded under subsection (4) to  
13 ~~connect educators with businesses, workforce developers, economic developers, community~~  
14 ~~colleges, and universities~~ **IMPLEMENT THE STATEWIDE STEM STRATEGY ADOPTED BY THE MISTEM**  
15 **ADVISORY COUNCIL.**

16 (3) From the ~~general fund money allocated~~ **STATE SCHOOL AID FUND ALLOCATION** under  
17 subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed  
18 ~~\$1,000,000.00~~ **\$3,000,000.00** for the purpose of funding programs under this section for  
19 ~~2016-2017~~ **2017-2018**, as recommended by the MiSTEM advisory council.

20 (4) From the state school aid fund allocation under subsection (1), there is  
21 allocated ~~for 2016-2017~~ an amount not to exceed ~~\$2,750,000.00~~ **\$2,500,000.00 AND FROM THE**  
22 **GENERAL FUND ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**  
23 **\$250,000.00 FOR 2017-2018** to support the activities and programs of ~~mathematics and science~~  
24 ~~centers~~ **THE MISTEM CENTERS NETWORK**. In addition, from the federal funds allocated under  
25 subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an amount estimated at  
26 ~~\$5,249,300.00~~ **\$4,700,000.00** from DED-OESE, title II, mathematics and science partnership  
27 grants, for the purposes of this subsection. All of the following apply to the programs and  
28 funding under this subsection:

29 ~~(a) Within a service area designated locally, approved by the department, and~~  
30 ~~consistent with the comprehensive master plan for mathematics and science centers developed~~  
31 ~~by the department and approved by the state board, an established mathematics and science~~  
32 ~~center shall provide 2 or more of the following 6 basic services, as described in the~~

1 ~~master plan, to constituent districts and communities: leadership, pupil services,~~  
2 ~~curriculum support, community involvement, professional development, and resource~~  
3 ~~clearinghouse services.~~

4 ~~(b) The department shall not award a state grant under this subsection to more than 1~~  
5 ~~mathematics and science center located in a designated region as prescribed in the 2007~~  
6 ~~master plan unless each of the grants serves a distinct target population or provides a~~  
7 ~~service that does not duplicate another program in the designated region.~~

8 ~~(c) As part of the technical assistance process, the department shall provide minimum~~  
9 ~~standard guidelines that may be used by the mathematics and science center for providing~~  
10 ~~fair access for qualified pupils and professional staff as prescribed in this subsection.~~

11 ~~(d) Allocations under this subsection to support the activities and programs of~~  
12 ~~mathematics and science centers shall be continuing support grants to all 33 established~~  
13 ~~mathematics and science centers. For 2016-2017, each established mathematics and science~~  
14 ~~center shall receive state funding in an amount equal to 100% of the amount it was~~  
15 ~~allocated under former section 99 for 2014-2015. If a center declines state funding or a~~  
16 ~~center closes, the remaining money available under this subsection shall be distributed to~~  
17 ~~the remaining centers, as determined by the department.~~

18 ~~(e) From the funds allocated under this subsection, the department shall distribute~~  
19 ~~for 2016-2017 an amount not to exceed \$750,000.00 in a form and manner determined by the~~  
20 ~~department to those centers able to provide curriculum and professional development support~~  
21 ~~to assist districts in implementing the Michigan merit curriculum components for~~  
22 ~~mathematics and science. Funding under this subdivision is in addition to funding allocated~~  
23 ~~under subdivision (d).~~

24 **(A) FROM THE GENERAL FUND ALLOCATED UNDER THIS SUBSECTION, THERE IS ALLOCATED AN**  
25 **AMOUNT NOT TO EXCEED \$250,000.00 TO THE DEPARTMENT TO SUPPORT THE FUNCTIONS OF THE**  
26 **EXECUTIVE DIRECTOR OF THE MISTEM CENTERS NETWORK. THE STATE SUPERINTENDENT SHALL HIRE AN**  
27 **EXECUTIVE DIRECTOR WITH THE ADVICE OF THE MISTEM ADVISORY COUNCIL. THE DEPARTMENT SHALL**  
28 **ASSIST THE EXECUTIVE DIRECTOR IN PERFORMING HIS OR HER DUTIES AS NECESSARY. THE EXECUTIVE**  
29 **DIRECTOR SHALL DO ALL OF THE FOLLOWING:**

30 **(1) COORDINATE THE DEVELOPMENT OF A NEW MASTER PLAN FOR THE REGIONAL MISTEM CENTERS**  
31 **THAT IS CONSISTENT WITH THE STATEWIDE STEM STRATEGY DEVELOPED BY THE MISTEM ADVISORY**  
32 **COUNCIL AND ENSURES SERVICES TO ALL DISTRICTS.**

1 (II) SERVE AS A LIAISON TO THE DEPARTMENT, THE COUNCIL AND THE REGIONAL MISTEM  
2 CENTERS IN A MANNER THAT CREATES A ROBUST STATEWIDE STEM CULTURE, THAT EMPOWERS STEM  
3 TEACHERS, THAT INTEGRATES BUSINESS AND EDUCATION INTO THE STEM NETWORK, AND THAT ENSURES  
4 HIGH QUALITY STEM EXPERIENCES FOR PUPILS.

5 (III) COORDINATE A CAMPAIGN TO BUILD STEM AWARENESS AND COMMUNICATE STEM NEEDS AND  
6 OPPORTUNITIES TO STUDENTS, PARENTS, EDUCATORS AND THE BUSINESS COMMUNITY.

7 (IV) DISTRIBUTE AND MONITOR MISTEM CENTERS NETWORK GRANTS TO THE REGIONAL MISTEM  
8 CENTERS.

9 (V) REPORT TO THE GOVERNOR, THE LEGISLATURE AND THE MISTEM ADVISORY COUNCIL ANNUALLY  
10 ON THE ACTIVITIES AND PERFORMANCE OF THE REGIONAL MISTEM CENTERS.

11 (B) FROM THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THERE IS ALLOCATED AN AMOUNT NOT  
12 TO EXCEED \$500,000.00 TO THE DEPARTMENT TO PAY FOR COSTS TO TRANSITION FROM THE EXISTING 33  
13 MATHEMATICS AND SCIENCE CENTERS TO A NETWORK OF 10 REGIONAL MISTEM CENTERS THAT ARE ALIGNED  
14 WITH THE PROSPERITY REGIONS. THE TRANSITION SHALL BE COMPLETED NO LATER THAN MARCH 31,  
15 2018. A TRANSITION PLAN SHALL CONTAIN AT LEAST THE FOLLOWING:

16 (I) IDENTIFICATION OF A FISCAL AGENT AND LOCATION FOR EACH OF THE REGIONAL MISTEM  
17 CENTERS. A FISCAL AGENT MAY BE AN INTERMEDIATE DISTRICT, A COMMUNITY COLLEGE, OR A  
18 UNIVERSITY. A FISCAL AGENT MAY NOT RECEIVE MORE THAN 10 PERCENT OF A CENTER GRANT TO SERVE  
19 AS THE FISCAL AGENT.

20 (II) IDENTIFICATION OF AT LEAST 1 FULL-TIME EMPLOYEE POSITION AT EACH OF THE  
21 REGIONAL MISTEM CENTERS TO SERVE AS THE DIRECTOR OF THE CENTER.

22 (C) FROM THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THERE IS ALLOCATED AN AMOUNT NOT  
23 TO EXCEED \$2,000,000.00 TO THE MISTEM CENTERS NETWORK FOR GRANTS OF UP TO \$200,000.00 EACH  
24 TO A TOTAL OF 10 REGIONAL MISTEM CENTERS. REGIONAL MISTEM CENTERS SHALL DO ALL OF THE  
25 FOLLOWING:

26 (I) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT IS LOCATED IN THE  
27 PROSPERITY REGION TO DEVELOP A REGIONAL STRATEGIC PLAN FOR STEM EDUCATION THAT CREATES A  
28 ROBUST REGIONAL STEM CULTURE, THAT EMPOWERS STEM TEACHERS, THAT INTEGRATES BUSINESS AND  
29 EDUCATION INTO THE STEM NETWORK, AND THAT ENSURES HIGH QUALITY STEM EXPERIENCES FOR PUPILS.  
30 AT A MINIMUM, REGIONAL STEM STRATEGIC PLANS SHOULD:

31 (A) IDENTIFY REGIONAL EMPLOYER NEED FOR STEM USING THE METHODOLOGY DESCRIBED IN  
32 SECTION 61B(4)(A).

1 (B) IDENTIFY PROCESSES FOR REGIONAL EMPLOYERS AND EDUCATORS TO CREATE GUIDED PATHWAYS  
2 FOR STEM CAREERS THAT INCLUDE INTERN/EXTERNSHIPS, APPRENTICESHIPS AND OTHER EXPERIENTIAL  
3 ENGAGEMENTS FOR PUPILS.

4 (C) IDENTIFY EDUCATOR PROFESSIONAL DEVELOPMENT OPPORTUNITIES, INCLUDING  
5 INTERN/EXTERNSHIPS AND APPRENTICESHIPS, THAT INTEGRATE MICHIGAN SCIENCE STANDARDS INTO HIGH  
6 QUALITY STEM EXPERIENCES THAT ENGAGE PUPILS.

7 (II) FACILITATE REGIONAL STEM EVENTS SUCH AS EDUCATOR/EMPLOYER NETWORKING AND STEM  
8 CAREER FAIRS TO RAISE STEM AWARENESS.

9 (III) CONTRIBUTE TO THE MISTEM WEBSITE AND ENGAGE IN OTHER STATEWIDE FUNCTIONS TO  
10 FURTHER THE MISSION OF STEM IN MICHIGAN.

11 (D) ~~(f)~~ In order to receive state or federal funds under this subsection, a grant  
12 recipient shall allow access for the department or the department's designee to audit all  
13 records related to the program for which it receives those funds. The grant recipient shall  
14 reimburse the state for all disallowances found in the audit.

15 ~~(g) Not later than September 30, 2017, the department shall work with the MiSTEM  
16 advisory council to revise the comprehensive master plan described in subdivision (a) to  
17 ensure that the comprehensive master plan is in compliance with the statewide strategy  
18 developed by the council under subsection (2) (d). The comprehensive master plan shall  
19 include a review of the feasibility of consolidating and reducing the number of mathematics  
20 and science centers.~~

21 ~~(h) The department shall give preference in awarding the federal grants allocated  
22 under this subsection to eligible existing mathematics and science centers.~~

23 (E) ~~(i)~~ In order to receive state funds under this subsection, a grant recipient  
24 REGIONAL MISTEM CENTER shall provide at least a 10% local match from local public or  
25 private resources for the funds received under this subsection.

26 (F) ~~(j)~~ Not later than **JULY 1, 2019 AND** July 1 of each year **THEREAFTER**, a ~~mathematics~~  
27 ~~and science~~ **REGIONAL MISTEM** center that receives funds under this subsection shall report  
28 to the ~~department~~ **EXECUTIVE DIRECTOR OF THE MISTEM CENTERS NETWORK** in a form and manner  
29 prescribed by the ~~department on the following performance measures:~~ **EXECUTIVE DIRECTOR ON**  
30 **PERFORMANCE MEASURES DEVELOPED BY THE REGIONAL MISTEM CENTERS AND APPROVED BY THE EXECUTIVE**  
31 **DIRECTOR. THE PERFORMANCE MEASURES SHALL ENSURE THAT THE ACTIVITIES OF THE MISTEM CENTERS**  
32 **NETWORK ARE IMPROVING STUDENT ACADEMIC OUTCOMES.**

1 ~~(i) Statistical change in pre- and post-assessment scores for students who enrolled~~  
2 ~~in mathematics and science activities provided to districts by the mathematics and science~~  
3 ~~center.~~

4 ~~(ii) Statistical change in pre- and post-assessment scores for teachers who enrolled~~  
5 ~~in professional development activities provided by the mathematics and science center.~~

6 (G) ~~(\*)~~ As used in this subsection:

7 (i) "DED" means the United States Department of Education.

8 (ii) "DED-OESE" means the DED Office of Elementary and Secondary Education.

9 (III) "STEM" MEANS SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS.

10 (IV) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL TO THE LOCAL  
11 WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL,  
12 EMPLOYER, LABOR, AND PARENT REPRESENTATIVES.

13 ~~(5) From the allocations under subsection (1), there is allocated an amount not to~~  
14 ~~exceed \$250,000.00 for 2016-2017 for competitive grants to districts that provide pupils in~~  
15 ~~grades K to 12 with expanded opportunities in science education and skills by participating~~  
16 ~~in events and competitions hosted by Science Olympiad. All of the following apply to the~~  
17 ~~grant funding under this subsection:~~

18 ~~(a) A district applying for a grant under this subsection shall submit an application~~  
19 ~~in the form and manner determined by the department not later than November 15, 2016. The~~  
20 ~~department shall select districts for grants and make notification not later than December~~  
21 ~~15, 2016. To be eligible for a grant, a district shall pay at least 25% of the cost of~~  
22 ~~participating in the Science Olympiad program.~~

23 ~~(b) The department shall distribute the grant funding allocated under this subsection~~  
24 ~~for the following purposes:~~

25 ~~(i) Grants to districts of up to \$800.00 per new elementary team.~~

26 ~~(ii) Grants to districts of up to \$400.00 per established elementary team.~~

27 ~~(iii) Grants to districts of up to \$1,600.00 per new secondary team.~~

28 ~~(iv) Grants to districts of up to \$800.00 per established secondary team.~~

29 ~~(6) From the general fund allocation under subsection (1), there is allocated an~~  
30 ~~amount not to exceed \$250,000.00 for 2016-2017 for a grant to the Van Andel Education~~  
31 ~~Institute for the purposes of advancing and promoting science education and increasing the~~  
32 ~~number of students who choose to pursue careers in science or science-related fields. Funds~~

1 ~~allocated under this subsection shall be used to provide professional development for~~  
2 ~~science teachers in using student driven, inquiry based instruction.~~

3       Sec. 104. (1) In order to receive state aid under this article, a district shall  
4 comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code,  
5 MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL  
6 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money  
7 appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to  
8 exceed ~~\$33,894,400.00~~ **\$33,709,400.00** for payments on behalf of districts for costs  
9 associated with complying with those provisions of law. In addition, from the federal funds  
10 appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount estimated  
11 at \$6,250,000.00, funded from DED-OESE, title VI, state assessment funds, and from DED-  
12 OSERS, section 504 of part B of the individuals with disabilities education act, Public Law  
13 94-142, plus any carryover federal funds from previous year appropriations, for the  
14 purposes of complying with the federal no child left behind act of 2001, Public Law 107-  
15 110, or the every student succeeds act, Public Law 114-95.

16       (2) The results of each test administered as part of the Michigan student test of  
17 educational progress (M-STEP), including tests administered to high school students, shall  
18 include an item analysis that lists all items that are counted for individual pupil scores  
19 and the percentage of pupils choosing each possible response. The department shall work  
20 with the center to identify the number of students enrolled at the time assessments are  
21 given by each district. In calculating the percentage of pupils assessed for a district's  
22 scorecard, the department shall use only the number of pupils enrolled in the district at  
23 the time the district administers the assessments and shall exclude pupils who enroll in  
24 the district after the district administers the assessments.

25       (3) All federal funds allocated under this section shall be distributed in accordance  
26 with federal law and with flexibility provisions outlined in Public Law 107-116, and in the  
27 education flexibility partnership act of 1999, Public Law 106-25.

28       ~~(4) From the allocation in subsection (1), there is allocated an amount not to exceed~~  
29 ~~\$185,000.00 for the implementation of a kindergarten readiness assessment pilot project in~~  
30 ~~2016-2017. The funding would be allocated to an intermediate district located in a~~  
31 ~~prosperity region with 2 or more subregions to participate in the Maryland Ohio pilot and~~  
32 ~~cover the cost of a contract with a university for implementation of version 1.75 of the~~



1 kindergarten readiness assessment tool. The kindergarten readiness assessment pilot shall  
2 assess an estimated 4,000 children, and the designated intermediate district shall work  
3 with other intermediate districts to implement the pilot project, engage with the office of  
4 great start and the department, and provide a report to the legislature on the efficacy and  
5 usefulness of a kindergarten readiness assessment. Allowable costs under this pilot program  
6 include those incurred in August and September 2016.

7 (4) ~~(5)~~ The department shall continue to make the kindergarten entry assessment  
8 developed by the department and field tested in 2015-2016 available to districts in ~~2016-~~  
9 ~~2017-2017-2018~~.

10 (5) ~~(6)~~ The department may recommend, but may not require, districts to allow pupils  
11 to use an external keyboard with tablet devices for online M-STEP testing, including, but  
12 not limited to, open-ended test items such as constructed response or equation builder  
13 items.

14 (6) ~~(7)~~ Notwithstanding section 17b, payments on behalf of districts, intermediate  
15 districts, and other eligible entities under this section shall be paid on a schedule  
16 determined by the department.

17 (7) ~~(8)~~ From the allocation in subsection (1), there is allocated an amount not to  
18 exceed \$3,200,000.00 for the development or selection of **THE DEPARTMENT, IN COLLABORATION**  
19 **WITH THE CENTER, SHALL DEVELOP OR SELECT** an online reporting tool to provide student-level  
20 assessment data in a secure environment to educators, parents, and pupils immediately after  
21 assessments are scored **AND SHALL ENSURE THAT ASSESSMENT DATA IS MADE ACCESSIBLE ALONGSIDE**  
22 **OTHER EDUCATION OUTCOME DATA FOR USE IN PROFESSIONAL DEVELOPMENT ACTIVITIES FOR**  
23 **INTERMEDIATE SCHOOL DISTRICTS, DISTRICTS, AND PUBLIC SCHOOL ACADEMIES THROUGH THE MISCHOOL**  
24 **DATA PORTAL**. The department and the center shall ensure that any data collected by the  
25 online reporting tool do not provide individually identifiable student data to the federal  
26 government.

27 ~~(9)~~ From the allocation in subsection (1), there is allocated an amount not to exceed  
28 \$5,600,000.00 for the purpose of implementing a summative assessment system pursuant to  
29 ~~section 104c~~.

30 (8) ~~(10)~~ As used in this section:

31 (a) "DED" means the United States Department of Education.

32 (b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

1 (c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative  
2 Services.

3 Sec. 104c. (1) In order to receive state aid under this article, a district shall  
4 administer the state assessments described in this section.

5 (2) For the purposes of this section, the department shall develop for use in the  
6 spring of 2015-2016 the Michigan student test of educational progress (M-STEP) assessments  
7 in English language arts and mathematics. These assessments shall be aligned to state  
8 standards.

9 (3) For the purposes of this section, the department shall implement a summative  
10 assessment system that is proven to be valid and reliable for administration to pupils as  
11 provided under this subsection. The summative assessment system shall meet all of the  
12 following requirements:

13 (a) The summative assessment system shall measure student proficiency on the current  
14 state standards, shall measure student growth for consecutive grade levels in which  
15 students are assessed in the same subject area in both grade levels, and shall be capable  
16 of measuring individual student performance.

17 (b) The summative assessments for English language arts and mathematics shall be  
18 administered to all public school pupils in grades 3 to 11, including those pupils as  
19 required by the federal individuals with disabilities education act, Public Law 108-446,  
20 and by title I of the federal ~~elementary and secondary education act~~ **EVERY STUDENT SUCCEEDS**  
21 **ACT (ESSA)**.

22 (c) The summative assessments for science shall be administered to all public school  
23 pupils in at least grades 4 and 7, including those pupils as required by the federal  
24 individuals with disabilities education act, Public Law 108-446, and by title I of the  
25 federal elementary and secondary education act.

26 (d) The summative assessments for social studies shall be administered to all public  
27 school pupils in at least grades 5 and 8, including those pupils as required by the federal  
28 individuals with disabilities education act, Public Law 108-446, and by title I of the  
29 federal ~~elementary and secondary education act~~ **EVERY STUDENT SUCCEEDS ACT (ESSA)**.

30 (e) The content of the summative assessments shall be aligned to state standards.

31 (f) The pool of questions for the summative assessments shall be subject to a  
32 transparent review process for quality, bias, and sensitive issues involving educator

1 review and comment. The department shall post samples from tests or retired tests featuring  
2 questions from this pool for review by the public.

3 (g) The summative assessment system shall ensure that students, parents, and teachers  
4 are provided with reports that convey individual student proficiency and growth on the  
5 assessment and that convey individual student domain-level performance in each subject  
6 area, including representative questions, and individual student performance in meeting  
7 state standards.

8 (h) The summative assessment system shall be capable of providing, and the department  
9 shall ensure that students, parents, teachers, administrators, and community members are  
10 provided with, reports that convey aggregate student proficiency and growth data by  
11 teacher, grade, school, and district.

12 (i) The summative assessment system shall ensure the capability of reporting the  
13 available data to support educator evaluations.

14 (j) The summative assessment system shall ensure that the reports provided to  
15 districts containing individual student data are available within 60 days after completion  
16 of the assessments.

17 (k) The summative assessment system shall ensure that access to individually  
18 identifiable student data meets all of the following:

19 (i) Is in compliance with 20 USC 1232g, commonly referred to as the family  
20 educational rights and privacy act of 1974.

21 (ii) Except as may be provided for in an agreement with a vendor to provide  
22 assessment services, as necessary to support educator evaluations pursuant to subdivision  
23 (i), or for research or program evaluation purposes, is available only to the student; to  
24 the student's parent or legal guardian; and to a school administrator or teacher, to the  
25 extent that he or she has a legitimate educational interest.

26 (l) The summative assessment system shall ensure that the assessments are pilot  
27 tested before statewide implementation.

28 (m) The summative assessment system shall ensure that assessments are designed so  
29 that the maximum total combined length of time that schools are required to set aside for a  
30 pupil to answer all test questions on all assessments that are part of the system for the  
31 pupil's grade level does not exceed that maximum total combined length of time for the  
32 previous statewide assessment system or 9 hours, whichever is less. This subdivision does

1 not limit the amount of time a district may allow a pupil to complete a test.

2 **(N) IN AN EFFORT TO ADD AND ADMINISTER STATEWIDE BENCHMARK ASSESSMENTS IN ENGLISH**  
3 **LANGUAGE ARTS AND MATHEMATICS TO THE CURRENT ASSESSMENT SYSTEM, THE DEPARTMENT SHALL BEGIN**  
4 **THE DEVELOPMENT AND PILOT OR FIELD-TESTING OF TEST CONTENT FOR THE STATEWIDE USE OF**  
5 **BENCHMARK ASSESSMENTS UP TO THREE TIMES PER YEAR (FALL, WINTER, SPRING) FOR GRADES 3 TO 8**  
6 **BEGINNING IN THE 2018-19 SCHOOL YEAR. THESE BENCHMARK ASSESSMENTS SHALL BE FULLY ALIGNED TO**  
7 **MICHIGAN'S STATE CONTENT STANDARDS FOR ENGLISH LANGUAGE ARTS AND MATHEMATICS AND MAY BE**  
8 **COMPUTER ADAPTIVE IN NATURE.**

9 (O) ~~(n)~~ The total cost of executing the summative assessment system statewide each  
10 year, including, but not limited to, the cost of contracts for administration, scoring, and  
11 reporting, shall not exceed an amount equal to 2 times the cost of executing the previous  
12 statewide assessment after adjustment for inflation.

13 (4) Beginning in the 2015-2016 school year, the department shall field test  
14 assessments in the fall and spring of each school year to measure English language arts and  
15 mathematics in each of grades K to 2 for full implementation when the assessments have been  
16 successfully field tested. This full implementation shall occur not later than the 2018-  
17 2019 school year. These assessments are necessary to determine a pupil's proficiency level  
18 before grade 3.

19 (5) This section does not prohibit districts from adopting interim assessments.

20 (6) As used in this section, "English language arts" means that term as defined in  
21 section 104b.

22 Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not  
23 to exceed \$25,000,000.00 for ~~2016-2017~~ **2017-2018** for adult education programs authorized  
24 under this section. Except as otherwise provided under subsections (14) and (15), funds  
25 allocated under this section are restricted for adult education programs as authorized  
26 under this section only. A recipient of funds under this section shall not use those funds  
27 for any other purpose.

28 (2) To be eligible for funding under this section, an eligible adult education  
29 provider shall employ certificated teachers and qualified administrative staff and shall  
30 offer continuing education opportunities for teachers to allow them to maintain  
31 certification.

32 (3) To be eligible to be a participant funded under this section, an individual shall

1 be enrolled in an adult basic education program, an adult secondary education program, an  
2 adult English as a second language program, a high school equivalency test preparation  
3 program, or a high school completion program, that meets the requirements of this section,  
4 and for which instruction is provided, and shall meet either of the following:

5 (a) Has attained 20 years of age.

6 (b) Has attained 18 years of age and the individual's graduating class has graduated.

7 (4) By April 1 of each fiscal year, the intermediate districts within a prosperity  
8 region or subregion shall determine which intermediate district will serve as the  
9 prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify  
10 the department in a form and manner determined by the department. The department shall  
11 approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From  
12 the funds allocated under subsection (1), an amount as determined under this subsection  
13 shall be allocated to each intermediate district serving as a fiscal agent for adult  
14 education programs in each of the prosperity regions or subregions identified by the  
15 department. An intermediate district shall not use more than 5% of the funds allocated  
16 under this subsection for administration costs for serving as the fiscal agent. Beginning  
17 in 2014-2015, 67% of the allocation provided to each intermediate district serving as a  
18 fiscal agent shall be based on the proportion of total funding formerly received by the  
19 adult education providers in that prosperity region or subregion in 2013-2014, and 33%  
20 shall be allocated based on the factors in subdivisions (a), (b), and (c). For 2017-2018,  
21 33% of the allocation provided to each intermediate district serving as a fiscal agent  
22 shall be based upon the proportion of total funding formerly received by the adult  
23 education providers in that prosperity region in 2013-2014 and 67% of the allocation shall  
24 be based upon the factors in subdivisions (a), (b), and (c). Beginning in 2018-2019, 100%  
25 of the allocation provided to each intermediate district serving as a fiscal agent shall be  
26 based on the factors in subdivisions (a), (b), and (c). The funding factors for this  
27 section are as follows:

28 (a) Sixty percent of this portion of the funding shall be distributed based upon the  
29 proportion of the state population of individuals between the ages of 18 and 24 that are  
30 not high school graduates that resides in each of the prosperity regions or subregions, as  
31 reported by the most recent 5-year estimates from the American community survey (ACS) from  
32 the United States Census Bureau.

1 (b) Thirty-five percent of this portion of the funding shall be distributed based  
2 upon the proportion of the state population of individuals age 25 or older who are not high  
3 school graduates that resides in each of the prosperity regions or subregions, as reported  
4 by the most recent 5-year estimates from the American community survey (ACS) from the  
5 United States Census Bureau.

6 (c) Five percent of this portion of the funding shall be distributed based upon the  
7 proportion of the state population of individuals age 18 or older who lack basic English  
8 language proficiency that resides in each of the prosperity regions or subregions, as  
9 reported by the most recent 5-year estimates from the American community survey (ACS) from  
10 the United States Census Bureau.

11 (5) To be an eligible fiscal agent, an intermediate district must agree to do the  
12 following in a form and manner determined by the department:

13 (a) Distribute funds to adult education programs in a prosperity region or subregion  
14 as described in this section.

15 (b) Collaborate with the talent district career council, which is an advisory council  
16 of the workforce development boards located in the prosperity region or subregion, or its  
17 successor, to develop a regional strategy that aligns adult education programs and services  
18 into an efficient and effective delivery system for adult education learners, with special  
19 consideration for providing contextualized learning and career pathways and addressing  
20 barriers to education and employment.

21 (c) Collaborate with the talent district career council, which is an advisory council  
22 of the workforce development boards located in the prosperity region or subregion, or its  
23 successor, to create a local process and criteria that will identify eligible adult  
24 education providers to receive funds allocated under this section based on location, demand  
25 for services, past performance, quality indicators as identified by the department, and  
26 cost to provide instructional services. The fiscal agent shall determine all local  
27 processes, criteria, and provider determinations. However, the local processes, criteria,  
28 and provider services must be approved by the department before funds may be distributed to  
29 the fiscal agent.

30 (d) Provide oversight to its adult education providers throughout the program year to  
31 ensure compliance with the requirements of this section.

32 (e) Report adult education program and participant data and information as prescribed

1 by the department.

2 (6) An adult basic education program, an adult secondary education program, or an  
3 adult English as a second language program operated on a year-round or school year basis  
4 may be funded under this section, subject to all of the following:

5 (a) The program enrolls adults who are determined by a department-approved  
6 assessment, in a form and manner prescribed by the department, to be below twelfth grade  
7 level in reading or mathematics, or both, or to lack basic English proficiency.

8 (b) The program tests individuals for eligibility under subdivision (a) before  
9 enrollment and upon completion of the program in compliance with the state-approved  
10 assessment policy.

11 (c) A participant in an adult basic education program is eligible for reimbursement  
12 until 1 of the following occurs:

13 (i) The participant's reading and mathematics proficiency are assessed at or above  
14 the ninth grade level.

15 (ii) The participant fails to show progress on 2 successive assessments after having  
16 completed at least 450 hours of instruction.

17 (d) A participant in an adult secondary education program is eligible for  
18 reimbursement until 1 of the following occurs:

19 (i) The participant's reading and mathematics proficiency are assessed above the  
20 twelfth grade level.

21 (ii) The participant fails to show progress on 2 successive assessments after having  
22 at least 450 hours of instruction.

23 (e) A funding recipient enrolling a participant in an English as a second language  
24 program is eligible for funding according to subsection (9) until the participant meets 1  
25 of the following:

26 (i) The participant is assessed as having attained basic English proficiency as  
27 determined by a department-approved assessment.

28 (ii) The participant fails to show progress on 2 successive department-approved  
29 assessments after having completed at least 450 hours of instruction. The department shall  
30 provide information to a funding recipient regarding appropriate assessment instruments for  
31 this program.

32 (7) A high school equivalency test preparation program operated on a year-round or

1 school year basis may be funded under this section, subject to all of the following:

2 (a) The program enrolls adults who do not have a high school diploma or a high school  
3 equivalency certificate.

4 (b) The program shall administer a pre-test approved by the department before  
5 enrolling an individual to determine the individual's literacy levels, shall administer a  
6 high school equivalency practice test to determine the individual's potential for success  
7 on the high school equivalency test, and shall administer a post-test upon completion of  
8 the program in compliance with the state-approved assessment policy.

9 (c) A funding recipient shall receive funding according to subsection (9) for a  
10 participant, and a participant may be enrolled in the program until 1 of the following  
11 occurs:

12 (i) The participant achieves a high school equivalency certificate.

13 (ii) The participant fails to show progress on 2 successive department-approved  
14 assessments used to determine readiness to take a high school equivalency test after having  
15 completed at least 450 hours of instruction.

16 (8) A high school completion program operated on a year-round or school year basis  
17 may be funded under this section, subject to all of the following:

18 (a) The program enrolls adults who do not have a high school diploma.

19 (b) The program tests participants described in subdivision (a) before enrollment and  
20 upon completion of the program in compliance with the state-approved assessment policy.

21 (c) A funding recipient shall receive funding according to subsection (9) for a  
22 participant in a course offered under this subsection until 1 of the following occurs:

23 (i) The participant passes the course and earns a high school diploma.

24 (ii) The participant fails to earn credit in 2 successive semesters or terms in which  
25 the participant is enrolled after having completed at least 900 hours of instruction.

26 (9) A funding recipient shall receive payments under this section in accordance with  
27 all of the following:

28 (a) Statewide allocation criteria, including 3-year average enrollments, census data,  
29 and local needs.

30 (b) Participant completion of the adult basic education objectives by achieving an  
31 educational gain as determined by the national reporting system levels; for achieving basic  
32 English proficiency, as determined by the department; for achieving a high school



1    equivalency certificate or passage of 1 or more individual high school equivalency tests;  
2    for attainment of a high school diploma or passage of a course required for a participant  
3    to attain a high school diploma; for enrollment in a postsecondary institution, or for  
4    entry into or retention of employment, as applicable.

5           (c) Participant completion of core indicators as identified in the innovation and  
6    opportunity act.

7           (d) Allowable expenditures.

8           (10) A person who is not eligible to be a participant funded under this section may  
9    receive adult education services upon the payment of tuition. In addition, a person who is  
10   not eligible to be served in a program under this section due to the program limitations  
11   specified in subsection (6), (7), or (8) may continue to receive adult education services  
12   in that program upon the payment of tuition. The tuition level shall be determined by the  
13   local or intermediate district conducting the program.

14           (11) An individual who is an inmate in a state correctional facility shall not be  
15   counted as a participant under this section.

16           (12) A funding recipient shall not commingle money received under this section or  
17   from another source for adult education purposes with any other funds and shall establish a  
18   separate ledger account for funds received under this section. This subsection does not  
19   prohibit a district from using general funds of the district to support an adult education  
20   or community education program.

21           (13) A funding recipient receiving funds under this section may establish a sliding  
22   scale of tuition rates based upon a participant's family income. A funding recipient may  
23   charge a participant tuition to receive adult education services under this section from  
24   that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per  
25   participant shall not exceed the actual operating cost per participant minus any funds  
26   received under this section per participant. A funding recipient may not charge a  
27   participant tuition under this section if the participant's income is at or below 200% of  
28   the federal poverty guidelines published by the United States Department of Health and  
29   Human Services.

30           (14) In order to receive funds under this section, a funding recipient shall furnish  
31   to the department, in a form and manner determined by the department, all information  
32   needed to administer this program and meet federal reporting requirements; shall allow the

1 department or the department's designee to review all records related to the program for  
2 which it receives funds; and shall reimburse the state for all disallowances found in the  
3 review, as determined by the department. In addition, a funding recipient shall agree to  
4 pay to a career and technical education program under section 61a the amount of funding  
5 received under this section in the proportion of career and technical education coursework  
6 used to satisfy adult basic education programming, as billed to the funding recipient by  
7 programs operating under section 61a.

8 (15) From the amount appropriated in subsection (1), an amount not to exceed  
9 \$500,000.00 shall be allocated for ~~2016-2017~~ **2017-2018** to not more than 1 pilot program  
10 that is located in a prosperity region with 2 or more subregions and that connects adult  
11 education participants directly with employers by linking adult education, career and  
12 technical skills, and workforce development. To be eligible for funding under this  
13 subsection, a pilot program shall provide a collaboration linking adult education programs  
14 within the county, the area career/technical center, and local employers, and shall meet  
15 the additional criteria in subsections (16) and (17). Funding under this subsection for  
16 ~~2016-2017~~ **2017-2018** is for the ~~second~~ **THIRD** of 3 years of funding.

17 (16) A pilot program funded under subsection (15) shall require adult education staff  
18 to work with Michigan works! agency to identify a cohort of participants who are most  
19 prepared to successfully enter the workforce. Participants identified under this subsection  
20 shall be dually enrolled in adult education programming and at least 1 technical course at  
21 the area career/technical center.

22 (17) A pilot program funded under subsection (15) shall have on staff an adult  
23 education navigator who will serve as a caseworker for each participant identified under  
24 subsection (16). The navigator shall work with adult education staff and potential  
25 employers to design an educational program best suited to the personal and employment needs  
26 of the participant, and shall work with human service agencies or other entities to address  
27 any barrier in the way of participant access.

28 (18) Not later than December 1, ~~2017~~ **2018**, the pilot program funded under subsection  
29 (15) shall provide to the senate and house appropriations subcommittees on school aid ~~and~~,  
30 to the senate and house fiscal agencies, **AND TO THE STATE BUDGET DIRECTOR** a report  
31 detailing number of participants, graduation rates, and a measure of transitioning to  
32 employment.

1 ~~(19) The department shall develop an application process for a pilot program to be~~  
2 ~~funded under subsection (15) and shall award funding not later than October 1, 2016.~~  
3 ~~Funding allocated under subsection (15) may be paid on a schedule other than that specified~~  
4 ~~under section 17b.~~

5 **(19)** ~~(20)~~ The department shall approve at least 3 high school equivalency tests and  
6 determine whether a high school equivalency certificate meets the requisite standards for  
7 high school equivalency in this state.

8 **(20)** ~~(21)~~ As used in this section:

9 (a) "Career pathway" means a combination of rigorous and high-quality education,  
10 training, and other services that comply with all of the following:

11 (i) Aligns with the skill needs of industries in the economy of this state or in the  
12 regional economy involved.

13 (ii) Prepares an individual to be successful in any of a full range of secondary or  
14 postsecondary education options, including apprenticeships registered under the act of  
15 August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

16 (iii) Includes counseling to support an individual in achieving the individual's  
17 education and career goals.

18 (iv) Includes, as appropriate, education offered concurrently with and in the same  
19 context as workforce preparation activities and training for a specific occupation or  
20 occupational cluster.

21 (v) Organizes education, training, and other services to meet the particular needs of  
22 an individual in a manner that accelerates the educational and career advancement of the  
23 individual to the extent practicable.

24 (vi) Enables an individual to attain a secondary school diploma or its recognized  
25 equivalent, and at least 1 recognized postsecondary credential.

26 (vii) Helps an individual enter or advance within a specific occupation or  
27 occupational cluster.

28 (b) "Department" means the department of talent and economic development.

29 (c) "Eligible adult education provider" means a district, intermediate district, a  
30 consortium of districts, a consortium of intermediate districts, or a consortium of  
31 districts and intermediate districts that is identified as part of the local process  
32 described in subsection (5)(c) and approved by the department.

1           Sec. 147. (1) The allocation for ~~2016-2017~~ **2017-2018** for the public school employees'  
2 retirement system pursuant to the public school employees retirement act of 1979, 1980 PA  
3 300, MCL 38.1301 to 38.1408, shall be made using the individual projected benefit entry age  
4 normal cost method of valuation and risk assumptions adopted by the public school employees  
5 retirement board and the department of technology, management, and budget.

6           (2) The annual level percentage of payroll contribution rates for the ~~2016-2017~~ **2017-**  
7 **2018** fiscal year, as determined by the retirement system, are estimated as follows:

8           (a) For public school employees who first worked for a public school reporting unit  
9 before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level  
10 percentage of payroll contribution rate is estimated at ~~36.64%~~ **36.88%**, with ~~24.94%~~ **25.56%**  
11 paid directly by the employer.

12           (b) For public school employees who first worked for a public school reporting unit  
13 on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual  
14 level percentage of payroll contribution rate is estimated at ~~36.01%~~ **35.60%**, with ~~24.31%~~  
15 **24.28%** paid directly by the employer.

16           (c) For public school employees who first worked for a public school reporting unit  
17 on or after July 1, 2010 and who participate in the personal healthcare fund, the annual  
18 level percentage of payroll contribution rate is estimated at ~~35.79%~~ **35.35%**, with ~~24.09%~~  
19 **24.03%** paid directly by the employer.

20           (d) For public school employees who first worked for a public school reporting unit  
21 on or after September 4, 2012, who elect defined contribution, and who participate in the  
22 personal healthcare fund, the annual level percentage of payroll contribution rate is  
23 estimated at ~~32.66%~~ **32.28%**, with 20.96% paid directly by the employer.

24           (e) For public school employees who first worked for a public school reporting unit  
25 before July 1, 2010, who elect defined contribution, and who are enrolled in the health  
26 premium subsidy, the annual level percentage of payroll contribution rate is estimated at  
27 ~~32.88%~~ **32.53%**, with ~~21.18%~~ **21.21%** paid directly by the employer.

28           (f) For public school employees who first worked for a public school reporting unit  
29 before July 1, 2010, who elect defined contribution, and who participate in the personal  
30 healthcare fund, the annual level percentage of payroll contribution rate is estimated at  
31 ~~32.66%~~ **32.28%**, with 20.96% paid directly by the employer.

32           (g) For public school employees who first worked for a public school reporting unit

1 before July 1, 2010 and who participate in the personal healthcare fund, the annual level  
2 percentage of payroll contribution rate is estimated at ~~36.42%~~ **36.63%**, with ~~24.72%~~ **25.31%**  
3 paid directly by the employer.

4 (3) In addition to the employer payments described in subsection (2), the employer  
5 shall pay the applicable contributions to the Tier 2 plan, as determined by the public  
6 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

7 (4) The contribution rates in subsection (2) reflect an amortization period of ~~22~~ **21**  
8 years for ~~2016-2017~~ **2017-2018**. The public school employees' retirement system board shall  
9 notify each district and intermediate district by February 28 of each fiscal year of the  
10 estimated contribution rate for the next fiscal year.

11 Sec. 147a. **(1)** From the appropriation in section 11, there is allocated for ~~2016-2017~~  
12 **2017-2018** an amount not to exceed \$100,000,000.00 for payments to participating districts.  
13 A district that receives money under this section shall use that money solely for the  
14 purpose of offsetting a portion of the retirement contributions owed by the district for  
15 the fiscal year in which it is received. The amount allocated to each participating  
16 district under this ~~section~~ **SUBSECTION** shall be based on each participating district's  
17 percentage of the total statewide payroll for all participating districts for the  
18 immediately preceding fiscal year. As used in this ~~section~~ **SUBSECTION**, "participating  
19 district" means a district that is a reporting unit of the Michigan public school  
20 employees' retirement system under the public school employees retirement act of 1979, 1980  
21 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public school  
22 employees' retirement system for the applicable fiscal year.

23 **(2) IN ADDITION TO THE ALLOCATION IN SUBSECTION (1), FOR 2017-2018 THERE IS ALLOCATED**  
24 **FROM THE SCHOOL AID FUND MONEY APPROPRIATED UNDER SECTION 11 AN AMOUNT NOT TO EXCEED**  
25 **\$48,940,000.00 FOR PAYMENTS TO PARTICIPATING DISTRICTS AND INTERMEDIATE DISTRICTS, AND FROM**  
26 **THE GENERAL FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO**  
27 **EXCEED \$29,000.00 FOR PAYMENTS TO PARTICIPATING LIBRARIES. THE AMOUNT ALLOCATED TO EACH**  
28 **PARTICIPATING ENTITY UNDER THIS SUBSECTION SHALL BE BASED ON EACH PARTICIPATING DISTRICT'S**  
29 **PERCENTAGE OF THE TOTAL STATEWIDE PAYROLL FOR THAT TYPE OF PARTICIPATING ENTITY FOR THE**  
30 **IMMEDIATELY PRECEDING FISCAL YEAR. A PARTICIPATING ENTITY THAT RECEIVES MONEY UNDER THIS**  
31 **SUBSECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING THE NORMAL COST**  
32 **CONTRIBUTION RATE. AS USED IN THIS SUBSECTION, "PARTICIPATING ENTITY" MEANS A DISTRICT,**

1 INTERMEDIATE DISTRICT, OR DISTRICT LIBRARY THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC  
2 SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF  
3 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN  
4 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE FISCAL YEAR.

5 Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2016-2017~~  
6 **2017-2018** an amount not to exceed ~~\$982,200,000.00~~ **\$960,130,000.00** from the state school aid  
7 fund for payments to districts and intermediate districts that are participating entities  
8 of the Michigan public school employees' retirement system. In addition, from the general  
9 fund money appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount  
10 not to exceed ~~\$600,000.00~~ **\$654,000.00** for payments to district libraries that are  
11 participating entities of the Michigan public school employees' retirement system.

12 (2) For ~~2016-2017~~ **2017-2018**, the amounts allocated under subsection (1) are estimated  
13 to provide an average MPSERS rate cap per pupil amount of ~~\$660.00~~ **\$640.00** and are estimated  
14 to provide a rate cap per pupil for districts ranging between ~~\$5.00~~ **\$4.00** and ~~\$3,100.00~~  
15 **\$3,020.00**.

16 (3) Payments made under this section shall be equal to the difference between the  
17 unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41  
18 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as  
19 calculated without taking into account the maximum employer rate of 20.96% included in  
20 section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,  
21 and the maximum employer rate of 20.96% included in section 41 of the public school  
22 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

23 (4) The amount allocated to each participating entity under this section shall be  
24 based on each participating entity's proportion of the total covered payroll for the  
25 immediately preceding fiscal year for the same type of participating entities. A  
26 participating entity that receives funds under this section shall use the funds solely for  
27 the purpose of retirement contributions as specified in subsection (5).

28 (5) Each participating entity receiving funds under this section shall forward an  
29 amount equal to the amount allocated under subsection (4) to the retirement system in a  
30 form, manner, and time frame determined by the retirement system.

31 (6) Funds allocated under this section should be considered when comparing a  
32 district's growth in total state aid funding from 1 fiscal year to the next.

1 (7) Not later than December 20, ~~2016~~ **2017**, the department shall publish and post on  
2 its website an estimated MPSERS rate cap per pupil for each district.

3 (8) As used in this section:

4 (a) "MPSERS rate cap per pupil" means an amount equal to the quotient of the  
5 district's payment under this section divided by the district's pupils in membership.

6 (b) "Participating entity" means a district, intermediate district, or district  
7 library that is a reporting unit of the Michigan public school employees' retirement system  
8 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
9 38.1437, and that reports employees to the Michigan public school employees' retirement  
10 system for the applicable fiscal year.

11 (c) "Retirement board" means the board that administers the retirement system under  
12 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

13 (d) "Retirement system" means the Michigan public school employees' retirement system  
14 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
15 38.1437.

16 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v  
17 State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state  
18 school aid fund money appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-**  
19 **2018** an amount not to exceed \$38,000,500.00 to be used solely for the purpose of paying  
20 necessary costs related to the state-mandated collection, maintenance, and reporting of  
21 data to this state.

22 (2) From the allocation in subsection (1), the department shall make payments to  
23 districts and intermediate districts in an equal amount per-pupil based on the total number  
24 of pupils in membership in each district and intermediate district. The department shall  
25 not make any adjustment to these payments after the final installment payment under section  
26 17b is made.

27 Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who  
28 is enrolled in any of grades kindergarten to 12 in a nonpublic school or who is being home-  
29 schooled from also enrolling the minor in a district, public school academy, or  
30 intermediate district in any curricular offering that is provided by the district, public  
31 school academy, or intermediate district at a public school site and is available to pupils  
32 in the minor's grade level or age group, subject to compliance with the same requirements

1 that apply to a full-time pupil's participation in the offering. However, state school aid  
2 shall be provided under this act for a minor enrolled as described in this subsection only  
3 for curricular offerings that are offered to full-time pupils in the minor's grade level or  
4 age group during regularly scheduled school hours.

5 (2) This act does not prohibit a parent or legal guardian of a minor who is enrolled  
6 in any of grades kindergarten to 12 in a nonpublic school or who resides within the  
7 district and is being home-schooled from also enrolling the minor in the district in a  
8 curricular offering being provided by the district at the nonpublic school site. However,  
9 state school aid shall be provided under this act for a minor enrolled as described in this  
10 subsection only if all of the following apply:

11 (a) Either of the following:

12 (i) The nonpublic school site is located, or the nonpublic students are educated,  
13 within the geographic boundaries of the district.

14 (ii) If the nonpublic school has submitted a written request to the district in which  
15 the nonpublic school is located for the district to provide certain instruction under this  
16 subsection for a school year and the district does not agree to provide some or all of that  
17 instruction by May 1 immediately preceding that school year or, if the request is submitted  
18 after March 1 immediately preceding that school year, within 60 days after the nonpublic  
19 school submits the request, the instruction is instead provided by an eligible other  
20 district. This subparagraph does not require a nonpublic school to submit more than 1  
21 request to the district in which the nonpublic school is located for that district to  
22 provide instruction under this subsection, and does not require a nonpublic school to  
23 submit an additional request to the district in which the nonpublic school is located for  
24 that district to provide additional instruction under this subsection beyond the  
25 instruction requested in the original request, before having the instruction provided by an  
26 eligible other district. A public school academy that is located in the district in which  
27 the nonpublic school is located or in an eligible other district also may provide  
28 instruction under this subparagraph under the same conditions as an eligible other  
29 district. As used in this subparagraph, "eligible other district" means a district that is  
30 located in the same intermediate district as the district in which the nonpublic school is  
31 located or is located in an intermediate district that is contiguous to that intermediate  
32 district.



1 (b) The nonpublic school is registered with the department as a nonpublic school and  
2 meets all state reporting requirements for nonpublic schools.

3 (c) The instruction is scheduled to occur during the regular school day.

4 (d) The instruction is provided directly by a certified teacher at the district or  
5 public school academy or at an intermediate district.

6 (e) The curricular offering is also available to full-time pupils in the minor's  
7 grade level or age group in the district or public school academy during the regular school  
8 day at a public school site.

9 (f) The curricular offering is restricted to nonessential elective courses for pupils  
10 in grades kindergarten to 12.

11 (3) A minor enrolled as described in this section is a part-time pupil for purposes  
12 of state school aid under this act.

13 (4) A district that receives a written request to provide instruction under  
14 subsection (2) shall reply to the request in writing by May 1 immediately preceding the  
15 applicable school year or, if the request is made after March 1 immediately preceding that  
16 school year, within 60 days after the nonpublic school submits the request. The written  
17 reply shall specify whether the district agrees to provide or does not agree to provide the  
18 instruction for each portion of instruction included in the request.

19 ~~(5) The department shall establish a workgroup consisting of staff from the~~  
20 ~~department, staff from the center, pupil accounting staff from districts and intermediate~~  
21 ~~districts, other applicable staff from districts and intermediate districts,~~  
22 ~~representatives from nonpublic schools, and representatives from home schools to examine~~  
23 ~~the issue of providing a uniform definition of nonessential elective courses, and also to~~  
24 ~~provide a uniform definition of a part-time pupil for the purposes of this section.~~

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**ARTICLE II**

**STATE AID TO COMMUNITY COLLEGES**

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, ~~2017,~~ **2018**, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$395,925,600.00.~~ **\$398,167,600.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$395,925,600.00.~~ **\$398,167,600.00.**

1 (b) The sources of the adjusted gross appropriation described in subdivision (a) are  
2 as follows:

3 (i) Total federal revenues, \$0.00.

4 (ii) Total local revenues, \$0.00.

5 (iii) Total private revenues, \$0.00.

6 (iv) Total other state restricted revenues, ~~\$260,414,800.00~~ **\$395,142,600.00**.

7 (v) State general fund/general purpose money, ~~\$135,510,800.00~~ **\$3,025,000.00**.

8 (2) Subject to subsection (3), the amount appropriated for community college  
9 operations is \$315,892,000.00, allocated as follows:

10 (a) The appropriation for Alpena Community College is \$5,544,700.00. ~~-\$5,464,400.00~~  
11 ~~for operations and \$80,300.00 for performance funding.~~

12 (b) The appropriation for Bay de Noc Community College is \$5,560,900.00.

13 ~~-\$5,490,200.00 for operations and \$70,700.00 for performance funding.~~

14 (c) The appropriation for Delta College is \$14,907,700.00. ~~-\$14,704,000.00 for~~  
15 ~~operations and \$203,700.00 for performance funding.~~

16 (d) The appropriation for Glen Oaks Community College is \$2,586,900.00.

17 ~~-\$2,551,100.00 for operations and \$35,800.00 for performance funding.~~

18 (e) The appropriation for Gogebic Community College is \$4,577,800.00. ~~-\$4,509,900.00~~  
19 ~~for operations and \$67,900.00 for performance funding.~~

20 (f) The appropriation for Grand Rapids Community College is \$18,450,500.00.

21 ~~-\$18,187,300.00 for operations and \$263,200.00 for performance funding.~~

22 (g) The appropriation for Henry Ford College is \$22,176,000.00. ~~-\$21,893,300.00 for~~  
23 ~~operations and \$282,700.00 for performance funding.~~

24 (h) The appropriation for Jackson College is \$12,397,600.00. ~~-\$12,245,300.00 for~~  
25 ~~operations and \$152,300.00 for performance funding.~~

26 (i) The appropriation for Kalamazoo Valley Community College is \$12,873,900.00.

27 ~~-\$12,689,400.00 for operations and \$184,500.00 for performance funding.~~

28 (j) The appropriation for Kellogg Community College is \$10,087,500.00.

29 ~~-\$9,950,100.00 for operations and \$137,400.00 for performance funding.~~

30 (k) The appropriation for Kirtland Community College is \$3,270,000.00.

31 ~~-\$3,221,500.00 for operations and \$48,500.00 for performance funding.~~

32 (l) The appropriation for Lake Michigan College is \$5,492,800.00.

1 ~~,\$5,417,700.00 for operations and \$75,100.00 for performance funding.~~

2 (m) The appropriation for Lansing Community College is \$31,677,300.00.

3 ~~,\$31,288,200.00 for operations and \$389,100.00 for performance funding.~~

4 (n) The appropriation for Macomb Community College is \$33,681,800.00.

5 ~~,\$33,239,500.00 for operations and \$442,300.00 for performance funding.~~

6 (o) The appropriation for Mid Michigan Community College is \$4,834,100.00.

7 ~~,\$4,757,700.00 for operations and \$76,400.00 for performance funding.~~

8 (p) The appropriation for Monroe County Community College is \$4,636,700.00.

9 ~~,\$4,565,600.00 for operations and \$71,100.00 for performance funding.~~

10 (q) The appropriation for Montcalm Community College is \$3,343,100.00.

11 ~~,\$3,280,600.00 for operations and \$62,500.00 for performance funding.~~

12 (r) The appropriation for C.S. Mott Community College is \$16,115,500.00.

13 ~~,\$15,901,700.00 for operations and \$213,800.00 for performance funding.~~

14 (s) The appropriation for Muskegon Community College is \$9,150,600.00.

15 ~~,\$9,020,700.00 for operations and \$129,900.00 for performance funding.~~

16 (t) The appropriation for North Central Michigan College is \$3,290,400.00.

17 ~~,\$3,224,800.00 for operations and \$65,600.00 for performance funding.~~

18 (u) The appropriation for Northwestern Michigan College is \$9,318,000.00.

19 ~~,\$9,200,500.00 for operations and \$117,500.00 for performance funding.~~

20 (v) The appropriation for Oakland Community College is \$21,770,900.00.

21 ~~,\$21,429,400.00 for operations and \$341,500.00 for performance funding.~~

22 (w) The appropriation for Schoolcraft College is \$12,909,300.00. ~~,\$12,706,400.00 for~~

23 ~~operations and \$202,900.00 for performance funding.~~

24 (x) The appropriation for Southwestern Michigan College is \$6,732,500.00.

25 ~~,\$6,657,600.00 for operations and \$74,900.00 for performance funding.~~

26 (y) The appropriation for St. Clair County Community College is \$7,259,300.00.

27 ~~,\$7,158,000.00 for operations and \$101,300.00 for performance funding.~~

28 (z) The appropriation for Washtenaw Community College is \$13,534,000.00.

29 ~~,\$13,301,100.00 for operations and \$232,900.00 for performance funding.~~

30 (aa) The appropriation for Wayne County Community College is \$17,234,200.00.

31 ~~,\$16,989,800.00 for operations and \$244,400.00 for performance funding.~~

32 (bb) The appropriation for West Shore Community College is \$2,478,000.00.

1 ~~-\$2,446,200.00 for operations and \$31,800.00 for performance funding.~~

2 (3) The amount appropriated in subsection (2) for community college operations is  
3 **\$315,892,000.00**, appropriated from ~~the following:~~ **THE STATE SCHOOL AID FUND.**

4 ~~(a) State school aid fund, \$185,481,200.00.~~

5 ~~(b) State general fund/general purpose money, \$130,410,800.00.~~

6 (4) **(A)** From the appropriations described in subsection (1), subject to section 207a,  
7 the amount appropriated for fiscal year ~~2016-2017~~ **2017-2018** to offset certain fiscal year  
8 ~~2016-2017~~ **2017-2018** retirement contributions is \$1,733,600.00, appropriated from the state  
9 school aid fund.

10 **(B) FOR FISCAL YEAR 2017-2018 ONLY, FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION**  
11 **(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,612,000.00 FOR PAYMENTS TO PARTICIPATING**  
12 **COMMUNITY COLLEGES, APPROPRIATED FROM THE STATE SCHOOL AID FUND. A COMMUNITY COLLEGE THAT**  
13 **RECEIVES MONEY UNDER THIS SUBSECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF**  
14 **OFFSETTING THE NORMAL COST CONTRIBUTION RATE.**

15 (5) From the appropriations described in subsection (1), subject to section 207b, the  
16 amount appropriated for payments to community colleges that are participating entities of  
17 the retirement system is ~~\$73,200,000.00,~~ **\$70,805,000.00**, appropriated from the state school  
18 aid fund.

19 (6) From the appropriations described in subsection (1), subject to section 207c, the  
20 amount appropriated for renaissance zone tax reimbursements is ~~\$5,100,000.00,~~  
21 **\$3,100,000.00**, appropriated from ~~general fund/general purpose money~~ **THE STATE SCHOOL AID**  
22 **FUND.**

23 **(7) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), SUBJECT TO 1986 PA 102, MCL**  
24 **390.1281 TO 390.1288, THE AMOUNT APPROPRIATED FOR A PILOT OF INDEPENDENT PART-TIME STUDENT**  
25 **GRANTS IS \$2,000,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY. IF THE**  
26 **NUMBER OF ELIGIBLE APPLICANTS EXCEEDS THE MONEY AVAILABLE, PRIORITY SHALL BE GIVEN TO**  
27 **PERSONS WITH THE GREATEST FINANCIAL NEED AS DETERMINED BY EACH EDUCATIONAL INSTITUTION.**  
28 **BEGINNING IN FISCAL YEAR 2018-2019, A COMMUNITY COLLEGE SHALL REPORT, IN A FORM AND MANNER**  
29 **DIRECTED BY AND SATISFACTORY TO THE DEPARTMENT OF TREASURY, BY OCTOBER 15 OF EACH YEAR, ALL**  
30 **OF THE FOLLOWING:**

31 **(A) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR WHO RECEIVED**  
32 **AN INDEPENDENT PART-TIME STUDENT GRANT AT THE COMMUNITY COLLEGE.**

1 (B) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR WHO RECEIVED  
2 AN INDEPENDENT PART-TIME STUDENT GRANT AT THE COMMUNITY COLLEGE AND SUCCESSFULLY COMPLETED  
3 A CERTIFICATE OR DEGREE PROGRAM.

4 (8) BEGINNING IN FISCAL YEAR 2018-2019, IF A COMMUNITY COLLEGE FAILS TO REPORT THE  
5 INFORMATION REQUIRED IN SUBSECTION (7), THE DEPARTMENT OF TREASURY SHALL NOT AWARD  
6 INDEPENDENT PART-TIME STUDENT GRANTS TO OTHERWISE ELIGIBLE STUDENTS ENROLLED AT THE  
7 COMMUNITY COLLEGE. THE DEPARTMENT OF TREASURY SHALL REPORT THE INFORMATION REQUIRED IN  
8 SUBSECTION (7) TO MEMBERS OF THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY  
9 COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BEFORE  
10 NOVEMBER 1 OF EACH YEAR.

11 (9) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE IS APPROPRIATED  
12 \$1,025,000.00 FROM GENERAL FUND/GENERAL PURPOSE MONEY, FOR FISCAL YEAR 2017-2018 ONLY, TO  
13 THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, FOR THE PURPOSE OF ENHANCING THE MICHIGAN  
14 TRANSFER NETWORK WEBSITE TO IMPROVE THE TRANSFER OF COLLEGE CREDIT AMONG MICHIGAN'S  
15 POSTSECONDARY INSTITUTIONS. THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION SHALL PROVIDE  
16 INFORMATION ON REQUEST TO THE HOUSE AND SENATE SUBCOMMITTEES ON COMMUNITY COLLEGES, THE  
17 HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON THE USE OF THESE FUNDS  
18 UNTIL THE PROJECT IS COMPLETED.

19 Sec. 206. (1) The funds appropriated in section 201 are appropriated for community  
20 colleges with fiscal years ending June 30, ~~2017~~ 2018 and shall be paid out of the state  
21 treasury and distributed by the state treasurer to the respective community colleges in 11  
22 monthly installments on the sixteenth of each month, or the next succeeding business day,  
23 beginning with October 16, ~~2016~~ 2017. Each community college shall accrue its July and  
24 August ~~2017~~ 2018 payments to its institutional fiscal year ending June 30, ~~2017~~ 2018.

25 (2) ~~However, if~~ IF the state budget director determines that a community college  
26 failed to submit all verified Michigan community colleges activities classification  
27 structure data for school year 2015-2016 to the center by November 1, 2016, or failed to  
28 submit its longitudinal data system data set for school year 2015-2016 to the center under  
29 ~~section 219,~~ ANY OF THE FOLLOWING INFORMATION IN THE FORM AND MANNER SPECIFIED BY THE  
30 CENTER, the state treasurer shall withhold the monthly installments from that community  
31 college until those data are submitted. ~~The state budget director shall notify the chairs~~  
32 ~~of the house and senate appropriations subcommittees on community colleges at least 10 days~~

1 ~~before withholding funds from any community college.~~

2 (A) ALL VERIFIED MICHIGAN COMMUNITY COLLEGES ACTIVITIES CLASSIFICATION STRUCTURE DATA  
3 FOR THE PRECEDING ACADEMIC YEAR TO THE CENTER BY NOVEMBER 1 OF EACH YEAR AS SPECIFIED IN  
4 SECTION 217.

5 (B) THE COLLEGE CREDIT OPPORTUNITY DATASET AS SPECIFIED IN SECTION 209.

6 (C) THE LONGITUDINAL DATA SET FOR THE PRECEDING ACADEMIC YEAR TO THE CENTER AS  
7 SPECIFIED IN SECTION 219.

8 (D) THE ANNUAL INDEPENDENT AUDIT AS SPECIFIED IN SECTION 222.

9 (E) TUITION AND MANDATORY FEES INFORMATION FOR THE CURRENT ACADEMIC YEAR AS SPECIFIED  
10 IN SECTION 225.

11 (F) THE NUMBER AND TYPE OF ASSOCIATE DEGREES AND OTHER CERTIFICATES AWARDED DURING  
12 THE PREVIOUS ACADEMIC YEAR AS SPECIFIED IN SECTION 226.

13 Sec. 207a. All of the following apply to the allocation of the fiscal year ~~2016-2017~~  
14 **2017-2018** appropriations described in section 201(4):

15 (a) A community college that receives money under section 201(4) shall use that money  
16 solely for the purpose of offsetting a portion of the retirement contributions owed by the  
17 college for that fiscal year.

18 (b) The amount allocated to each participating community college under section 201(4)  
19 shall be based on each college's percentage of the total covered payroll for all community  
20 colleges that are participating colleges in the immediately preceding fiscal year.

21 Sec. 207b. All of the following apply to the allocation of the fiscal year ~~2016-2017~~  
22 **2017-2018** appropriations described in section 201(5) for payments to community colleges  
23 that are participating entities of the retirement system:

24 (a) The amount of a payment under section 201(5) shall be the difference between the  
25 unfunded actuarial accrued liability contribution rate as calculated under section 41 of  
26 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, **AS CALCULATED**  
27 **WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 20.96% INCLUDED IN SECTION 41 OF**  
28 **THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341,** and the  
29 maximum employer rate of 20.96% under section 41 of the public school employees retirement  
30 act of 1979, 1980 PA 300, MCL 38.1341.

31 (b) The amount allocated to each community college under section 201(5) shall be  
32 based on each community college's percentage of the total covered payroll for all community

1 colleges that are participating colleges in the immediately preceding fiscal year. A  
2 community college that receives funds under this subdivision shall use the funds solely for  
3 the purpose of retirement contributions under section 201(5).

4 (c) Each participating college that receives funds under section 201(5) shall forward  
5 an amount equal to the amount allocated under subdivision (b) to the retirement system in a  
6 form and manner determined by the retirement system.

7 Sec. 207c. All of the following apply to the allocation of the appropriations  
8 described in section 201(6) to community colleges described in section 12(3) of the  
9 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

10 (a) The amount allocated to each community college under section 201(6) for fiscal  
11 year ~~2016-2017~~ **2017-2018** shall be based on that community college's proportion of total  
12 revenue lost by community colleges as a result of the exemption of property taxes levied in  
13 ~~2016 2017~~ under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

14 (b) The appropriations described in section 201(6) shall be made to each eligible  
15 community college within 60 days after the department of treasury certifies to the state  
16 budget director that it has received all necessary information to properly determine the  
17 amounts payable to each eligible community college under section 12 of the Michigan  
18 renaissance zone act, 1996 PA 376, MCL 125.2692.

19 Sec. 209. (1) Within 30 days after the board of a community college adopts its annual  
20 operating budget for the following fiscal year, or after the board adopts a subsequent  
21 revision to that budget, the community college shall make all of the following available  
22 through a link on its website homepage:

23 (a) The annual operating budget and subsequent budget revisions.

24 (b) A link to the most recent "Activities Classification Structure Data Book and  
25 Companion".

26 (c) General fund revenue and expenditure projections for **THE CURRENT** fiscal year  
27 ~~2016-2017~~ and **THE NEXT** fiscal year ~~2017-2018~~.

28 (d) A listing of all debt service obligations, detailed by project, anticipated  
29 ~~fiscal year 2016-2017~~ payment of each project, and total outstanding debt **FOR THE CURRENT**  
30 **FISCAL YEAR**.

31 ~~(e) The estimated cost to the community college resulting from the patient protection~~  
32 ~~and affordable care act, Public Law 111-148, as amended by the health care and education~~



1 ~~reconciliation act of 2010, Public Law 111-152.~~

2 (E) ~~(F)~~ Links to all of the following for the community college:

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

4 (ii) Each health care benefits plan, including, but not limited to, medical, dental,  
5 vision, disability, long-term care, or any other type of benefits that would constitute  
6 health care services, offered to any bargaining unit or employee of the community college.

7 (iii) Audits and financial reports for the most recent fiscal year for which they are  
8 available.

9 ~~(iv) A copy of the board of trustees resolution regarding compliance with best  
10 practices for the local strategic value component described in section 230(2).~~

11 (2) For statewide consistency and public visibility, community colleges must use the  
12 icon badge provided by the department of technology, management, and budget consistent with  
13 the icon badge developed by the department of education for K-12 school districts. It must  
14 appear on the front of each community college's homepage. The size of the icon may be  
15 reduced to 150 x 150 pixels.

16 ~~(3) The state budget director shall determine whether a community college has  
17 complied with this section. The state budget director may withhold a community college's  
18 monthly installments described in section 206 until the community college complies with  
19 this section. The state budget director shall notify the chairs of the house and senate  
20 appropriations subcommittee on community colleges at least 10 days before withholding funds  
21 from any community college.~~

22 (3) ~~(4)~~ Each community college shall report the following information to the senate  
23 and house appropriations subcommittees on community colleges, the senate and house fiscal  
24 agencies, and the state budget office by November 15 of each fiscal year and post that  
25 information on its website as required under subsection (1):

26 (a) Budgeted **CURRENT** fiscal year ~~2016-2017~~ general fund revenue from tuition and  
27 fees.

28 (b) Budgeted **CURRENT** fiscal year ~~2016-2017~~ general fund revenue from state  
29 appropriations.

30 (c) Budgeted **CURRENT** fiscal year ~~2016-2017~~ general fund revenue from property taxes.

31 (d) Budgeted **CURRENT** fiscal year ~~2016-2017~~ total general fund revenue.

32 (e) Budgeted **CURRENT** fiscal year ~~2016-2017~~ total general fund expenditures.

1           (4) ~~(5)~~ By November 15 of each year, a community college shall report the following  
2 information to the center and post the information on its website under the budget  
3 transparency icon badge:

4           (a) Opportunities for earning college credit through the following programs:

5           (i) State approved career and technical education or a tech prep articulated program  
6 of study.

7           (ii) Direct college credit or concurrent enrollment.

8           (iii) Dual enrollment.

9           (iv) An early college/middle college program.

10          (b) For each program described in subdivision (a) that the community college offers,  
11 all of the following information:

12          (i) The number of high school students participating in the program.

13          (ii) The number of school districts that participate in the program with the  
14 community college.

15          (iii) Whether a college professor, qualified local school district employee, or other  
16 individual teaches the course or courses in the program.

17          (iv) The total cost to the community college to operate the program.

18          (v) The cost per credit hour for the course or courses in the program.

19          (vi) The location where the course or courses in the program are held.

20          (vii) Instructional resources offered to the program instructors.

21          (viii) Resources offered to the student in the program.

22          (ix) Transportation services provided to students in the program.

23          Sec. 210b. By March 1, ~~2017~~ **2018**, the Michigan Community College Association and the  
24 Michigan Association of State Universities shall submit a report to the senate and house  
25 appropriations subcommittees on community colleges, the senate and house fiscal agencies,  
26 and the state budget director ~~that includes all of the following:~~

27          ~~(a) A progress report on the implementation of the Michigan transfer agreement~~  
28 ~~developed by the study committee created under former section 210a, **ON THE ACTIVITIES AND**~~  
29 ~~**PROGRAMS OF THE TRANSFER STEERING COMMITTEE SINCE THE MARCH 1, 2017 REPORT REQUIRED UNDER**~~  
30 ~~**THIS SECTION**, including an update on progress made on outstanding concerns identified in~~  
31 ~~the March 1, 2016 implementation update. **ALL OF THE FOLLOWING:**~~

32          ~~(b) A report on improvements to articulation and credit transfer policies among and~~

1 ~~between all sectors of postsecondary education in this state. The report shall identify~~  
2 ~~areas of progress since the March 1, 2016 report, required by former section 210e,~~  
3 ~~including all of the following:~~

4 (A) ~~(i) Identifying effective policies and practices developed by other states.~~ **THE**  
5 **ALIGNMENT OF LEARNING OUTCOMES IN GATEWAY MATHEMATICS COURSES IN THE QUANTITATIVE**  
6 **REASONING, COLLEGE ALGEBRA AND STATISTICS PATHWAYS AND THE TRANSFERABILITY OF MATHEMATICS**  
7 **GATEWAY COURSES BETWEEN AND AMONG COMMUNITY COLLEGES AND UNIVERSITIES.**

8 (B) ~~(ii) Developing specific pathways, where advisable, that meet program~~  
9 ~~requirements for both associate's and bachelor's degree programs.~~ **THE DEVELOPMENT OF**  
10 **PROGRAM SPECIFIC, STATEWIDE TRANSFER PATHWAYS THAT MEET PROGRAM REQUIREMENTS FOR BOTH**  
11 **ASSOCIATE'S AND BACHELOR'S DEGREE PROGRAMS.**

12 (C) ~~(iii) Creating~~ **THE DEVELOPMENT OF** an enhanced online communication tool to share  
13 information about postsecondary options in Michigan, **COURSE EQUIVALENCIES, particularly AND**  
14 ~~clearly articulating~~ transfer pathways **THAT ARE CLEARLY ARTICULATED.**

15 (D) ~~(iv) Establishing~~ **THE ESTABLISHMENT OF** clear timelines for ~~finalizing~~ **DEVELOPING**  
16 **AND IMPLEMENTING** transfer pathways.

17 (E) **A PROGRESS REPORT ON THE IMPLEMENTATION OF THE MICHIGAN TRANSFER AGREEMENT.**

18 Sec. 210e. By February 1, ~~2017~~ **2018**, the Michigan Community College Association, the  
19 Michigan Association of State Universities, and the Michigan Independent Colleges and  
20 Universities, on behalf of their member colleges and universities, shall submit to the  
21 senate and house appropriations subcommittees on higher education, the senate and house  
22 appropriations subcommittees on community colleges, the senate and house fiscal agencies,  
23 and the state budget director a comprehensive report detailing the number of academic  
24 program partnerships between public community colleges, public universities, and private  
25 colleges and universities, including, but not limited to, the following information:

26 (a) The names of the baccalaureate degree programs of study offered by public and  
27 private universities on community college campuses.

28 (b) The names of the articulation agreements for baccalaureate degree programs of  
29 study between public community colleges, public universities, and private colleges and  
30 universities.

31 (c) The number of students enrolled and number of degrees awarded through  
32 articulation agreements, and the number of courses offered, number of students enrolled,

1 and number of degrees awarded through on-campus programs named in subdivision (a) from July  
2 1, ~~2015~~ **2016** through June 30, ~~2016~~ **2017**.

3 Sec. 217. (1) The center shall do all of the following:

4 (a) Establish, maintain, and coordinate the state community college database commonly  
5 known as the "activities classification structure" or "ACS" database.

6 (b) Collect data concerning community colleges and community college programs in this  
7 state, including data required by law.

8 (c) Establish procedures to ensure the validity and reliability of the data and the  
9 collection process.

10 (d) Develop model data collection policies, including, but not limited to, policies  
11 that ensure the privacy of any individual student data. Privacy policies shall ensure that  
12 student social security numbers are not released to the public for any purpose.

13 (e) Provide data in a useful manner to allow state policymakers and community college  
14 officials to make informed policy decisions.

15 ~~(f) Assist community colleges in complying with audits under this section or federal~~  
16 ~~law.~~

17 (2) There is created within the center the activities classification structure  
18 advisory committee. The committee shall provide advice to the director of the center  
19 regarding the management of the state community college database, including, but not  
20 limited to:

21 (a) Determining what data are necessary to collect and maintain to enable state and  
22 community college officials to make informed policy decisions.

23 (b) Defining the roles of all stakeholders in the data collection system.

24 (c) Recommending timelines for the implementation and ongoing collection of data.

25 (d) Establishing and maintaining data definitions, data transmission protocols, and  
26 system specifications and procedures for the efficient and accurate transmission and  
27 collection of data.

28 (e) Establishing and maintaining a process for ensuring the accuracy of the data.

29 (f) Establishing and maintaining policies related to data collection, including, but  
30 not limited to, privacy policies related to individual student data.

31 (g) Ensuring that the data are made available to state policymakers and citizens of  
32 this state in the most useful format possible.

1 (h) Addressing other matters as determined by the director of the center or as  
2 required by law.

3 (3) The activities classification structure advisory committee created in subsection  
4 (2) shall consist of the following members:

5 (a) One representative from the house fiscal agency, appointed by the director of the  
6 house fiscal agency.

7 (b) One representative from the senate fiscal agency, appointed by the director of  
8 the senate fiscal agency.

9 (c) One representative from the workforce development agency, appointed by the  
10 director of the workforce development agency.

11 (d) One representative from the center appointed by the director of the center.

12 (e) One representative from the state budget office, appointed by the state budget  
13 director.

14 (f) One representative from the governor's policy office, appointed by that office.

15 (g) Four representatives of the Michigan Community College Association, appointed by  
16 the president of the association. From the groupings of community colleges given in table  
17 17 of the activities classification structure database described in subsection (1), the  
18 association shall appoint 1 representative each from group 1, group 2, and group 3, and 1  
19 representative from either group 3 or 4.

20 Sec. 222. Each community college shall have an annual audit of all income and  
21 expenditures performed by an independent auditor and shall furnish the independent  
22 auditor's management letter and an annual audited accounting of all general and current  
23 funds income and expenditures including audits of college foundations to the **CENTER BEFORE**  
24 **NOVEMBER 15 OF EACH YEAR. THE CENTER SHALL MAKE THIS INFORMATION AVAILABLE TO** members of  
25 the senate and house appropriations subcommittees on community colleges, the senate and  
26 house fiscal agencies, the auditor general, the workforce development agency, ~~the center,~~  
27 and the state budget director ~~before November 15 of each year.~~ If a community college fails  
28 to furnish the audit materials, the monthly state aid installments shall be withheld from  
29 that college until the information is submitted. All reporting shall conform to the  
30 requirements set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public  
31 Community Colleges". A community college shall make the information the community college  
32 is required to provide under this section available to the public on its website.

1           Sec. 223. (1) By February 15 of each year, the department of civil rights shall  
2 annually submit to the state budget director, the house and senate appropriations  
3 subcommittees on community colleges, and the house and senate fiscal agencies a report on  
4 North American Indian tuition waivers for the preceding ~~fiscal year~~ **ACADEMIC YEAR** that  
5 includes, but is not limited to, all of the following information:

6           (a) The number of waiver applications received and the number of waiver applications  
7 approved.

8           (b) For each community college submitting information under subsection (2), all of  
9 the following:

10           (i) The number of North American Indian students enrolled each term for the previous  
11 ~~fiscal year~~ **ACADEMIC YEAR**.

12           (ii) The number of North American Indian waivers granted each term, **INCLUDING**  
13 **CONTINUING EDUCATION STUDENTS**, and the monetary value of the waivers for the previous  
14 ~~fiscal year~~ **ACADEMIC YEAR**.

15           (iii) The number of students attending under a North American Indian tuition waiver  
16 who withdrew from the college **EACH TERM** during the previous ~~fiscal year~~ **ACADEMIC YEAR**. **A**  
17 **WITHDRAWAL IS DEFINED AS ANY STUDENT WHO HAS BEEN AWARDED THE WAIVER WHO WITHDRAWS FROM THE**  
18 **INSTITUTION AT ANY POINT DURING THE TERM, REGARDLESS OF ENROLLMENT IN SUBSEQUENT TERMS**.

19           (iv) The number of students attending under a North American Indian tuition waiver  
20 who successfully complete a degree or certificate program, separated by degree or  
21 certificate level, and the graduation rate for students attending under a North American  
22 Indian tuition waiver who complete a degree **OR CERTIFICATE** within 150% of the normal time  
23 to complete, separated by the level of the degree **OR CERTIFICATE**.

24           (2) A community college that receives funds under section 201 shall provide to the  
25 department of civil rights any information necessary for preparing the report described in  
26 subsection (1), using guidelines and procedures developed by the department of civil  
27 rights.

28           (3) The department of civil rights may consolidate the report required under this  
29 section with the report required under section 268, but a consolidated report must  
30 separately identify data for universities and data for community colleges.

31           Sec. 224. ~~A community college~~ **USING THE DATA PROVIDED BY THE COMMUNITY COLLEGES AS**  
32 **REQUIRED UNDER SECTION 219 OF THIS ACT, THE CENTER** shall use the P-20 longitudinal data

1 system to inform interested Michigan high schools and the public of the aggregate academic  
2 status of its students for the previous academic year, ~~in a manner prescribed by.~~ **THE**  
3 **CENTER SHALL WORK WITH** the Michigan Community College Association and in cooperation with  
4 the Michigan Association of Secondary School Principals. ~~Community colleges shall cooperate~~  
5 ~~with the center to maintain a systematic approach for accomplishing this work.~~

6 Sec. 225. Each community college shall report to the ~~house and senate fiscal~~  
7 ~~agencies, the state budget director, and the~~ center by August 31, 2016, **OF EACH YEAR,** the  
8 tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-  
9 district student as established by the college governing board for the ~~2016-2017~~ **CURRENT**  
10 academic year. This report should also include the annual cost of attendance based on a  
11 full-time course load of 30 credits. Each community college shall also report any revisions  
12 to the reported ~~2016-2017~~ **CURRENT** academic year tuition and mandatory fees adopted by the  
13 college governing board to ~~the house and senate fiscal agencies, the state budget director,~~  
14 ~~and~~ the center within 15 days of being adopted. **THE CENTER SHALL MAKE THIS INFORMATION AND**  
15 **ANY REVISIONS AVAILABLE TO THE HOUSE AND SENATE FISCAL AGENCIES AND THE STATE BUDGET**  
16 **DIRECTOR.**

17 Sec. 226. Each community college shall report to the center the numbers and type of  
18 associate degrees and other certificates awarded **BY THE COMMUNITY COLLEGE** during the  
19 previous fiscal year. The report shall be made not later than November 15 of each year.  
20 Community colleges shall work with the center to develop a systematic approach for meeting  
21 this requirement **USING THE P-20 LONGITUDINAL DATA SYSTEM.**

22 Sec. 229a. Included in the fiscal year ~~2016-2017~~ **2017-2018** appropriations for the  
23 department of technology, management, and budget are appropriations totaling \$30,879,600.00  
24 to provide funding for the state share of costs for previously constructed capital projects  
25 for community colleges. Those appropriations for state building authority rent represent  
26 additional state general fund support for community colleges, and the following is an  
27 estimate of the amount of that support to each community college:

- 28 (a) Alpena Community College, ~~\$632,500.00.~~ **\$630,000.00.**  
29 (b) Bay de Noc Community College, ~~\$685,100.00.~~ **\$682,400.00.**  
30 (c) Delta College, ~~\$3,360,600.00.~~ **\$3,347,300.00.**  
31 (d) Glen Oaks Community College, ~~\$124,500.00.~~ **\$124,000.00.**  
32 (e) Gogebic Community College, ~~\$56,700.00.~~ **\$56,400.00.**

- 1 (f) Grand Rapids Community College, ~~\$2,083,500.00~~ **\$2,075,300.00**.
- 2 (g) Henry Ford College, ~~\$1,040,300.00~~ **\$1,036,200.00**.
- 3 (h) Jackson College, ~~\$2,273,800.00~~ **\$2,264,800.00**.
- 4 (i) Kalamazoo Valley Community College, ~~\$2,030,900.00~~ **\$1,957,400.00**.
- 5 (j) Kellogg Community College, ~~\$526,200.00~~ **\$524,100.00**.
- 6 (k) Kirtland Community College, ~~\$367,300.00~~ **\$365,900.00**.
- 7 (l) Lake Michigan College, ~~\$344,100.00~~ **\$342,700.00**.
- 8 (m) Lansing Community College, ~~\$1,154,600.00~~ **\$1,150,000.00**.
- 9 (n) Macomb Community College, ~~\$1,715,700.00~~ **\$1,662,100.00**.
- 10 (o) Mid Michigan Community College, ~~\$1,634,300.00~~ **\$1,627,800.00**.
- 11 (p) Monroe County Community College, ~~\$1,278,100.00~~ **\$1,273,000.00**.
- 12 (q) Montcalm Community College, ~~\$982,600.00~~ **\$978,700.00**.
- 13 (r) C.S. Mott Community College, ~~\$1,497,600.00~~ **\$1,817,300.00**.
- 14 (s) Muskegon Community College, ~~\$623,500.00~~ **\$570,500.00**.
- 15 (t) North Central Michigan College, ~~\$417,900.00~~ **\$416,300.00**.
- 16 (u) Northwestern Michigan College, ~~\$1,320,600.00~~ **\$1,315,400.00**.
- 17 (v) Oakland Community College, ~~\$470,500.00~~ **\$468,700.00**.
- 18 (w) Schoolcraft College, ~~\$1,564,400.00~~ **\$1,558,300.00**.
- 19 (x) Southwestern Michigan College, ~~\$574,800.00~~ **\$531,700.00**.
- 20 (y) St. Clair County Community College, ~~\$360,200.00~~ **\$358,800.00**.
- 21 (z) Washtenaw Community College, ~~\$1,696,000.00~~ **\$1,689,300.00**.
- 22 (aa) Wayne County Community College, ~~\$1,479,400.00~~ **\$1,473,600.00**.
- 23 (bb) West Shore Community College, ~~\$583,900.00~~ **\$581,600.00**.



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**ARTICLE III**

**STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID**

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, ~~2017~~, **2018**, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,582,640,400.00.~~ **\$1,637,224,400.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,582,640,400.00.~~ **\$1,637,224,400.00.**

1 (b) The sources of the adjusted gross appropriation described in subdivision (a) are  
2 as follows:

3 (i) Total federal revenues, ~~\$101,526,400.00~~ **\$111,526,400.00**.

4 (ii) Total local revenues, \$0.00.

5 (iii) Total private revenues, \$0.00.

6 (iv) Total other state restricted revenues, ~~\$237,209,500.00~~ **\$235,743,500.00**.

7 (v) State general fund/general purpose money, ~~\$1,243,904,500.00~~ **\$1,289,954,500.00**.

8 (2) Amounts appropriated for public universities are as follows:

9 (a) The appropriation for Central Michigan University is ~~\$83,925,500.00~~,  
10 ~~\$91,127,100.00~~ **\$86,086,600.00**, **\$83,925,500.00** for operations and ~~\$2,798,400.00~~  
11 **\$2,161,100.00** for performance funding.

12 (b) The appropriation for Eastern Michigan University is ~~\$73,593,800.00~~,  
13 ~~\$71,782,500.00~~ **\$75,564,000.00**, **\$73,593,800.00** for operations and ~~\$1,811,300.00~~  
14 **\$1,970,200.00** for performance funding.

15 (c) The appropriation for Ferris State University is ~~\$52,259,900.00~~, ~~\$50,369,800.00~~  
16 **\$53,929,400.00**, **\$52,259,900.00** for operations and ~~\$1,890,100.00~~ **\$1,669,500.00** for  
17 performance funding.

18 (d) The appropriation for Grand Valley State University is ~~\$68,227,900.00~~,  
19 ~~\$65,275,700.00~~ **\$70,568,100.00**, **\$68,227,900.00** for operations and ~~\$2,952,200.00~~  
20 **\$2,340,200.00** for performance funding.

21 (e) The appropriation for Lake Superior State University is ~~\$13,567,400.00~~,  
22 ~~\$13,207,400.00~~ **\$13,827,000.00**, **\$13,567,400.00** for operations and ~~\$360,000.00~~ **\$259,600.00**  
23 for performance funding.

24 (f) The appropriation for Michigan State University is ~~\$337,777,800.00~~,  
25 ~~\$268,770,700.00~~ **\$346,049,100.00**, **\$275,862,100.00** for operations, ~~\$7,091,400.00~~  
26 **\$6,721,300.00** for performance funding, ~~\$33,243,100.00~~ **\$34,074,200.00** for MSU AgBioResearch,  
27 and ~~\$28,672,600.00~~ **\$29,391,500.00** for MSU Extension.

28 (g) The appropriation for Michigan Technological University is ~~\$48,097,500.00~~,  
29 ~~\$46,754,700.00~~ **\$49,290,900.00**, **\$48,097,500.00** for operations and ~~\$1,342,800.00~~  
30 **\$1,193,400.00** for performance funding.

31 (h) The appropriation for Northern Michigan University is ~~\$46,279,200.00~~,  
32 ~~\$45,107,700.00~~ **\$47,351,900.00**, **\$46,279,200.00** for operations and ~~\$1,171,500.00~~

1 **\$1,072,700.00** for performance funding.

2 (i) The appropriation for Oakland University is ~~\$49,920,700.00, \$48,371,900.00~~  
3 **\$51,564,700.00, \$49,920,700.00** for operations and ~~\$1,548,800.00~~ **\$1,644,000.00** for  
4 performance funding.

5 (j) The appropriation for Saginaw Valley State University is ~~\$29,114,000.00,~~  
6 ~~\$28,181,200.00~~ **\$29,929,100.00, \$29,114,000.00** for operations and ~~\$932,800.00~~ **\$815,100.00**  
7 for performance funding.

8 (k) The appropriation for University of Michigan - Ann Arbor is ~~\$308,639,000.00,~~  
9 ~~\$299,975,000.00~~ **\$316,076,500.00, \$308,639,000.00** for operations and ~~\$8,664,000.00~~  
10 **\$7,437,500.00** for performance funding.

11 (l) The appropriation for University of Michigan - Dearborn is ~~\$24,803,300.00,~~  
12 ~~\$24,033,100.00~~ **\$25,576,600.00, \$24,803,300.00** for operations and ~~\$770,200.00~~ **\$773,300.00**  
13 for performance funding.

14 (m) The appropriation for University of Michigan - Flint is ~~\$22,549,300.00,~~  
15 ~~\$21,815,400.00~~ **\$23,189,900.00, \$22,549,300.00** for operations and ~~\$733,900.00~~ **\$640,600.00**  
16 for performance funding.

17 (n) The appropriation for Wayne State University is ~~\$196,064,500.00, \$191,451,300.00~~  
18 **\$199,946,100.00, \$196,064,500.00** for operations and ~~\$4,613,200.00~~ **\$3,881,600.00** for  
19 performance funding.

20 (o) The appropriation for Western Michigan University is ~~\$107,440,900.00,~~  
21 ~~\$104,334,100.00~~ **\$109,860,800.00, \$107,440,900.00** for operations and ~~\$3,106,800.00~~  
22 **\$2,419,900.00** for performance funding.

23 (3) The amount appropriated in subsection (2) for public universities is appropriated  
24 from the following:

25 (a) State school aid fund, \$231,219,500.00.

26 (b) State general fund/general purpose money, ~~\$1,231,041,200.00.~~ **\$1,267,591,200.00.**

27 (4) The amount appropriated for Michigan public school employees' retirement system  
28 reimbursement is ~~\$5,890,000.00,~~ **\$4,005,000.00**, appropriated from the state school aid fund.

29 (5) The amount appropriated for state and regional programs is \$315,000.00,  
30 appropriated from general fund/general purpose money and allocated as follows:

31 (a) Higher education database modernization and conversion, \$200,000.00.

32 (b) Midwestern Higher Education Compact, \$115,000.00.

1 (6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa  
2 Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and  
3 allocated as follows:

4 (a) Select student support services, \$1,956,100.00.

5 (b) Michigan college/university partnership program, \$586,800.00.

6 (c) Morris Hood, Jr. educator development program, \$148,600.00.

7 (7) Subject to subsection (8), the amount appropriated for grants and financial aid  
8 is ~~\$110,983,200.00~~, **\$127,283,200.00**, allocated as follows:

9 (a) State competitive scholarships, ~~\$18,361,700.00~~, **\$26,361,700.00**.

10 (b) Tuition grants, ~~\$35,021,500.00~~, **\$38,021,500.00**.

11 (c) Tuition incentive program, ~~\$53,000,000.00~~, **\$58,300,000.00**.

12 (d) Children of veterans and officer's survivor tuition grant programs,  
13 \$1,400,000.00.

14 (e) Project GEAR-UP, \$3,200,000.00.

15 (8) The money appropriated in subsection (7) for grants and financial aid is  
16 appropriated from the following:

17 (a) Federal revenues under the United States Department of Education, Office of  
18 Elementary and Secondary Education, GEAR-UP program, \$3,200,000.00.

19 (b) Federal revenues under the social security act, temporary assistance for needy  
20 families, ~~\$98,326,400.00~~, **\$108,326,400.00**.

21 (c) Contributions to children of veterans tuition grant program, \$100,000.00.

22 (d) State general fund/general purpose money, ~~\$9,356,800.00~~, **\$15,656,800.00**.

23 ~~(9) For fiscal year 2016-2017 only, \$500,000.00 is appropriated for the Michigan  
24 State University Diagnostic Center for Population and Animal Health, appropriated from  
25 state general fund/general purpose money.~~

26 **(9) FOR FISCAL YEAR 2017-2018 ONLY, IN ADDITION TO THE ALLOCATION UNDER SUBSECTION**  
27 **(4), FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT**  
28 **TO EXCEED \$419,000.00 FOR PAYMENTS TO PARTICIPATING PUBLIC UNIVERSITIES, APPROPRIATED FROM**  
29 **THE STATE SCHOOL AID FUND. A UNIVERSITY THAT RECEIVES MONEY UNDER THIS SUBSECTION SHALL USE**  
30 **THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING THE NORMAL COST CONTRIBUTION RATE. AS USED**  
31 **IN THIS SUBSECTION, "PARTICIPATING PUBLIC UNIVERSITIES" MEANS PUBLIC UNIVERSITIES THAT ARE**  
32 **A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE**

1 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437, AND  
2 THAT PAY CONTRIBUTIONS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE  
3 STATE FISCAL YEAR.

4 (10) FOR FISCAL YEAR 2017-2018 ONLY, \$2,500,000.00 IS APPROPRIATED FOR THE MICHIGAN  
5 STATE UNIVERSITY ANIMAL AGRICULTURE INITIATIVE, APPROPRIATED FROM GENERAL FUND/GENERAL  
6 PURPOSE MONEY.

7 (11) FOR FISCAL YEAR 2017-2018 ONLY, \$1,200,000.00 IS APPROPRIATED FOR THE MICHIGAN  
8 STATE UNIVERSITY AGRICULTURE WORKFORCE INITIATIVE, APPROPRIATED FROM GENERAL FUND/GENERAL  
9 PURPOSE MONEY.

10 Sec. 236b. In addition to the funds appropriated in section 236, there is  
11 appropriated for grants and financial aid in fiscal year ~~2016-2017~~ **2017-2018** an amount not  
12 to exceed \$6,000,000.00 for federal contingency funds. These funds are not available for  
13 expenditure until they have been transferred under section 393(2) of the management and  
14 budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

15 Sec. 236c. In addition to the funds appropriated for fiscal year ~~2016-2017~~ **2017-2018**  
16 in section 236, appropriations to the department of technology, management, and budget in  
17 the act providing general appropriations for fiscal year ~~2016-2017~~ **2017-2018** for state  
18 building authority rent, totaling an estimated \$144,995,300.00, provide funding for the  
19 state share of costs for previously constructed capital projects for state universities.  
20 These appropriations for state building authority rent represent additional state general  
21 fund support provided to public universities, and the following is an estimate of the  
22 amount of that support to each university:

23 (a) Central Michigan University, ~~\$11,819,500.00.~~ **\$12,570,900.00.**

24 (b) Eastern Michigan University, ~~\$4,868,000.00.~~ **\$5,177,500.00.**

25 (c) Ferris State University, ~~\$6,260,300.00.~~ **\$6,658,300.00.**

26 (d) Grand Valley State University, ~~\$6,635,900.00.~~ **\$7,057,800.00.**

27 (e) Lake Superior State University, ~~\$1,722,800.00.~~ **\$1,832,400.00.**

28 (f) Michigan State University, ~~\$18,827,000.00.~~ **\$15,500,500.00.**

29 (g) Michigan Technological University, ~~\$6,793,200.00.~~ **\$7,225,100.00.**

30 (h) Northern Michigan University, ~~\$9,447,600.00.~~ **\$7,786,500.00.**

31 (i) Oakland University, ~~\$12,685,900.00.~~ **\$13,492,400.00.**

32 (j) Saginaw Valley State University, ~~\$10,331,000.00.~~ **\$10,918,500.00.**

1 (k) University of Michigan - Ann Arbor, ~~\$11,875,600.00.~~ **\$10,586,200.00.**

2 (l) University of Michigan - Dearborn, ~~\$9,008,800.00.~~ **\$9,581,500.00.**

3 (m) University of Michigan - Flint, ~~\$4,357,600.00.~~ **\$4,315,600.00.**

4 (n) Wayne State University, ~~\$15,399,400.00.~~ **\$16,378,300.00.**

5 (o) Western Michigan University, ~~\$14,962,700.00.~~ **\$15,913,800.00.**

6 Sec. 237b. As used in this article, ~~the term "workforce development agency" means~~  
7 ~~the workforce development agency within the department of talent and economic development~~  
8 ~~talent investment agency.~~

9 **(A) "CENTER" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION CREATED IN**  
10 **SECTION 94A.**

11 **(B) "WORKFORCE DEVELOPMENT AGENCY" MEANS THE WORKFORCE DEVELOPMENT AGENCY WITHIN THE**  
12 **DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT--TALENT INVESTMENT AGENCY.**

13 Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in section 236  
14 to public universities shall be paid out of the state treasury and distributed by the state  
15 treasurer to the respective institutions in 11 equal monthly installments on the sixteenth  
16 of each month, or the next succeeding business day, beginning with October 16, ~~2016~~ **2017**.  
17 Except for Wayne State University, each institution shall accrue its July and August ~~2017~~  
18 **2018** payments to its institutional fiscal year ending June 30, ~~2017~~ **2018**.

19 (2) All public universities shall submit higher education institutional data  
20 inventory (HEIDI) data and associated financial and program information requested by and in  
21 a manner prescribed by the state budget director. For public universities with fiscal years  
22 ending June 30, ~~2016~~ **2017**, these data shall be submitted to the state budget director by  
23 October 15, ~~2016~~ **2017**. Public universities with a fiscal year ending September 30, ~~2016~~  
24 **2017**, shall submit preliminary HEIDI data by November 15, ~~2016~~ **2017** and final data by  
25 December 15, ~~2016~~ **2017**. If a public university fails to submit HEIDI data and associated  
26 financial aid program information in accordance with this reporting schedule, the state  
27 treasurer may withhold the monthly installments under subsection (1) to the public  
28 university until those data are submitted.

29 Sec. 242. Funds received by the state from the federal government or private sources  
30 for the use of a college or university are appropriated for the purposes for which they are  
31 provided. ~~The acceptance and use of federal or private funds do not place an obligation on~~  
32 ~~the legislature to continue the purposes for which the funds are made available.~~

1           Sec. 244. ~~A BY OCTOBER 15 OF EACH YEAR, A~~ public university receiving funds in  
2 section 236 shall ~~cooperate with all measures taken by the state to develop, operate, and~~  
3 ~~maintain~~ **PROVIDE ITS LONGITUDINAL DATA SYSTEM DATA SET FOR THE PRECEDING ACADEMIC YEAR TO**  
4 **THE CENTER FOR INCLUSION IN** the statewide P-20 longitudinal data system described in  
5 section 94a. If the state budget director finds that a university has not complied with  
6 this section, the state budget director is authorized to withhold the monthly installments  
7 provided to that university under section 241 until he or she finds the university has  
8 complied with this section.

9           Sec. 245. (1) A public university shall maintain a public transparency website  
10 available through a link on its website homepage. The public university shall update this  
11 website within 30 days after the university's governing board adopts its annual operating  
12 budget for the next academic year, or after the governing board adopts a subsequent  
13 revision to that budget.

14           (2) The website required under subsection (1) shall include all of the following  
15 concerning the public university:

16           (a) The annual operating budget and subsequent budget revisions.

17           (b) A summary of current expenditures for the most recent fiscal year for which they  
18 are available, expressed as pie charts in the following 2 categories:

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

20           (A) Earnings and wages.

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

23           (C) Retirement benefit costs.

24           (D) All other personnel costs.

25           (ii) A chart of all current expenditures the public university reported as part of  
26 its higher education institutional data inventory data under section 241(2), broken into  
27 the same subcategories in which it reported those data.

28           (c) Links to all of the following for the public university:

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

30           (ii) Each health care benefits plan, including, but not limited to, medical, dental,  
31 vision, disability, long-term care, or any other type of benefits that would constitute  
32 health care services, offered to any bargaining unit or employee of the public university.

1 (iii) Audits and financial reports for the most recent fiscal year for which they are  
2 available.

3 (iv) Campus security policies and crime statistics pursuant to the student right-to-  
4 know and campus security act, Public Law 101-542, 104 Stat. 2381. Information shall include  
5 all material prepared pursuant to the public information reporting requirements under the  
6 crime awareness and campus security act of 1990, title II of the student right-to-know and  
7 campus security act, Public Law 101-542, 104 Stat. 2381.

8 (d) A list of all positions funded partially or wholly through institutional general  
9 fund revenue that includes the position title and annual salary or wage amount for each  
10 position.

11 (e) General fund revenue and expenditure projections for the current fiscal year and  
12 the next fiscal year.

13 (f) A listing of all debt service obligations, detailed by project, anticipated  
14 fiscal year payment for each project, and total outstanding debt for the current fiscal  
15 year.

16 (g) The institution's policy regarding the transferability of core college courses  
17 between community colleges and the university.

18 (h) A listing of all community colleges that have entered into reverse transfer  
19 agreements with the university.

20 (3) On the website required under subsection (1), a public university shall provide a  
21 dashboard or report card demonstrating the university's performance in several "best  
22 practice" measures. The dashboard or report card shall include at least all of the  
23 following for the 3 most recent academic years for which the data are available:

24 (a) Enrollment.

25 (b) Student retention rate.

26 (c) Six-year graduation rates.

27 (d) Number of Pell grant recipients and graduating Pell grant recipients.

28 (e) Geographic origination of students, categorized as in-state, out-of-state, and  
29 international.

30 (f) Faculty to student ratios and total university employee to student ratios.

31 (g) Teaching load by faculty classification.

32 (h) Graduation outcome rates, including employment and continuing education.



1 (4) For statewide consistency and public visibility, public universities must use the  
2 icon badge provided by the department of technology, management, and budget consistent with  
3 the icon badge developed by the department of education for K-12 school districts. It must  
4 appear on the front of each public university's homepage. The size of the icon may be  
5 reduced to 150 x 150 pixels. The font size and style for this reporting must be consistent  
6 with other documents on each university's website.

7 ~~(5) The state budget director shall determine whether a public university has~~  
8 ~~complied with this section. The state budget director may withhold a public university's~~  
9 ~~monthly installments described in section 241 until the public university complies with~~  
10 ~~this section.~~

11 (5) ~~(6)~~ By November 15 of each year, a public university shall report the following  
12 information to the center ~~for educational performance and information~~ and post the  
13 information on its website under the budget transparency icon badge:

14 (a) Opportunities for earning college credit through the following programs:

15 (i) State approved career and technical education or a tech prep articulated program  
16 of study.

17 (ii) Direct college credit or concurrent enrollment.

18 (iii) Dual enrollment.

19 (iv) An early college/middle college program.

20 (b) For each program described in subdivision (a) that the public university offers,  
21 all of the following information:

22 (i) The number of high school students participating in the program.

23 (ii) The number of school districts that participate in the program with the public  
24 university.

25 (iii) Whether a university professor, qualified local school district employee, or  
26 other individual teaches the course or courses in the program.

27 (iv) The total cost to the public university to operate the program.

28 (v) The cost per credit hour for the course or courses in the program.

29 (vi) The location where the course or courses in the program are held.

30 (vii) Instructional resources offered to the program instructors.

31 (viii) Resources offered to the student in the program.

32 (ix) Transportation services provided to students in the program.

1           SEC. 249. (1) THE FUNDS APPROPRIATED IN SECTION 236 FOR THE CHILDREN OF VETERANS AND  
2 OFFICER'S SURVIVOR TUITION GRANT PROGRAMS SHALL BE SUPPORTED WITH REVENUE FROM THE  
3 RESTRICTED ACCOUNT CREATED IN SECTION 5 OF THE CHILDREN OF VETERANS TUITION GRANT ACT, 2005  
4 PA 248, MCL 390.1345. AS PROVIDED IN SECTION 5 OF THE CHILDREN OF VETERANS TUITION GRANT  
5 ACT, 2005 PA 248, MCL 390.1345, UNEXPENDED FUNDS REMAINING IN THE RESTRICTED ACCOUNT AT THE  
6 END OF THE FISCAL YEAR SHALL NOT LAPSE TO THE GENERAL FUND.

7           (2) THE GENERAL FUND/GENERAL PURPOSE FUNDS APPROPRIATED IN SECTION 236 FOR THE  
8 CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT PROGRAMS SHALL BE DEPOSITED INTO  
9 THE RESTRICTED ACCOUNT DESCRIBED IN SUBSECTION (1), AS REQUIRED IN SECTION 5 OF THE  
10 CHILDREN OF VETERANS TUITION GRANT ACT, 2005 PA 248, MCL 390.1345.

11           (3) FUNDS DEPOSITED INTO THE RESTRICTED ACCOUNT UNDER SUBSECTION (2) FOR THE CHILDREN  
12 OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT PROGRAMS ARE APPROPRIATED AND AVAILABLE  
13 FOR ALLOCATION AS REQUIRED IN THE CHILDREN OF VETERANS TUITION GRANT ACT, 2005 PA 248, MCL  
14 390.1341 TO 390.1346.

15           SEC. 250. TO BE CONSIDERED ELIGIBLE FOR ANY SCHOLARSHIP OR GRANT FINANCIAL AID  
16 PROGRAM ADMINISTERED BY TREASURY THE STUDENT MUST FILE THE FREE APPLICATION FOR FEDERAL  
17 STUDENT AID (FAFSA) ANNUALLY.

18           Sec. 251. (1) Payments of the amounts included in section 236 for the state  
19 competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971  
20 to 390.981.

21           (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of treasury  
22 shall determine an actual maximum state competitive scholarship award per student, which  
23 shall be not less than ~~\$575.00~~, **\$1,000.00**, that ensures that the aggregate payments for the  
24 state competitive scholarship program do not exceed the appropriation contained in section  
25 236 for the state competitive scholarship program. If the department determines that  
26 insufficient funds are available to establish a maximum award amount equal to at least  
27 ~~\$575.00~~, **\$1,000.00**, the department shall immediately report to the house and senate  
28 appropriations subcommittees on higher education, the house and senate fiscal agencies, and  
29 the state budget director regarding the estimated amount of additional funds necessary to  
30 establish a ~~\$575.00~~ **\$1,000.00** maximum award amount.

31           (3) The department of treasury shall implement a proportional competitive scholarship  
32 maximum award level for recipients enrolled less than full-time in a given semester or

1 term.

2 (4) If a student who receives an award under this section has his or her tuition and  
3 fees paid under the Michigan educational trust program, pursuant to the Michigan education  
4 trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds  
5 awarded under this section may be used for educational expenses other than tuition and  
6 fees.

7 (5) If the department of treasury increases the maximum award per eligible student  
8 from that provided in the previous fiscal year, it shall not have the effect of reducing  
9 the number of eligible students receiving awards in relation to the total number of  
10 eligible applicants. Any increase in the maximum grant shall be proportional for all  
11 eligible students receiving awards.

12 (6) Veterans Administration benefits shall not be considered in determining  
13 eligibility for the award of scholarships under 1964 PA 208, MCL 390.971 to 390.981.

14 Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant  
15 program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

16 (2) Tuition grant awards shall be made to all eligible Michigan residents enrolled  
17 in undergraduate degree programs who are qualified and who apply before July 1, 2017 ~~of~~  
18 ~~each year for the next academic year.~~ **FOR THE 2017-2018 ACADEMIC YEAR. BEGINNING WITH THE**  
19 **2018-2019 ACADEMIC YEAR, TUITION GRANT AWARDS SHALL BE MADE TO ALL ELIGIBLE MICHIGAN**  
20 **RESIDENTS ENROLLED IN UNDERGRADUATE DEGREE PROGRAMS WHO ARE QUALIFIED AND WHO APPLY BEFORE**  
21 **JUNE 1 OF EACH YEAR FOR THE NEXT ACADEMIC YEAR.**

22 (3) **A TUITION GRANT MAY BE RENEWED FOR NOT MORE THAN 10 SEMESTERS OR ITS EQUIVALENT**  
23 **IN TRIMESTERS OR QUARTERS OF UNDERGRADUATE EDUCATION, OR IF AN ELIGIBLE APPLICANT HAS NOT**  
24 **COMPLETED USING THE GRANT WITHIN 10 YEARS AFTER HIS OR HER ELIGIBILITY IS DETERMINED,**  
25 **WHICHEVER OCCURS FIRST. THE DEPARTMENT SHALL DETERMINE AN EQUIVALENT TO 10 SEMESTERS OR ITS**  
26 **EQUIVALENT IN TRIMESTERS OR QUARTERS OF UNDERGRADUATE EDUCATION FOR LESS THAN FULL-TIME BUT**  
27 **MORE THAN HALF-TIME STUDENTS.**

28 (4) ~~(3)~~ Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections  
29 (7) and (8), the department of treasury shall determine an actual maximum tuition grant  
30 award per student, which shall be no less than ~~\$1,512.00~~, **\$2,000.00**, that ensures that the  
31 aggregate payments for the tuition grant program do not exceed the appropriation contained  
32 in section 236 for the state tuition grant program. If the department determines that

1 insufficient funds are available to establish a maximum award amount equal to at least  
2 ~~\$1,512.00~~, **\$2,000.00**, the department shall immediately report to the house and senate  
3 appropriations subcommittees on higher education, the house and senate fiscal agencies, and  
4 the state budget director regarding the estimated amount of additional funds necessary to  
5 establish a ~~\$1,512.00~~ **\$2,000.00** maximum award amount. If the department determines that  
6 sufficient funds are available to establish a maximum award amount equal to at least  
7 ~~\$1,512.00~~, **\$2,000.00**, the department shall immediately report to the house and senate  
8 appropriations subcommittees on higher education, the house and senate fiscal agencies, and  
9 the state budget director regarding the maximum award amount established and the projected  
10 amount of any projected year-end appropriation balance based on that maximum award amount.  
11 By February 18 of each fiscal year, the department shall analyze the status of award  
12 commitments, shall make any necessary adjustments, and shall confirm that those award  
13 commitments will not exceed the appropriation contained in section 236 for the tuition  
14 grant program. The determination and actions shall be reported to the state budget director  
15 and the house and senate fiscal agencies no later than the final day of February of each  
16 year. If award adjustments are necessary, the students shall be notified of the adjustment  
17 by March 4 of each year.

18 ~~(4) Any unexpended and unencumbered funds remaining on September 30, 2017 from the~~  
19 ~~amounts appropriated in section 236 for the tuition grant program for fiscal year 2016-2017~~  
20 ~~shall not lapse on September 30, 2017, but shall continue to be available for expenditure~~  
21 ~~for tuition grants provided in the 2017-2018 fiscal year under a work project account. The~~  
22 ~~use of these unexpended fiscal year 2016-2017 funds shall terminate at the end of the 2017-~~  
23 ~~2018 fiscal year.~~

24 (5) The department of treasury shall continue a proportional tuition grant maximum  
25 award level for recipients enrolled less than full-time in a given semester or term.

26 (6) If the department of treasury increases the maximum award per eligible student  
27 from that provided in the previous fiscal year, it shall not have the effect of reducing  
28 the number of eligible students receiving awards in relation to the total number of  
29 eligible applicants. Any increase in the maximum grant shall be proportional for all  
30 eligible students receiving awards for that fiscal year.

31 (7) Except as provided in subsection (4), the department of treasury shall not award  
32 more than \$3,200,000.00 in tuition grants to eligible students enrolled in the same

1 independent nonprofit college or university in this state. Any decrease in the maximum  
2 grant shall be proportional for all eligible students enrolled in that college or  
3 university, as determined by the department.

4 (8) The department of treasury shall not award tuition grants to otherwise eligible  
5 students enrolled in an independent college or university that does not report, in a form  
6 and manner directed by and satisfactory to the department of treasury, by September 30 of  
7 each year, all of the following:

8 (a) The number of students in the most recently completed academic year who in any  
9 academic year received a state tuition grant at the reporting institution and successfully  
10 completed a program or graduated.

11 (b) The number of students in the most recently completed academic year who in any  
12 academic year received a state tuition grant at the reporting institution and took a  
13 remedial education class.

14 (c) The number of students in the most recently completed academic year who in any  
15 academic year received a Pell grant at the reporting institution and successfully completed  
16 a program or graduated.

17 (9) By February 1, ~~2017~~ **2018**, each independent college and university participating  
18 in the tuition grant program shall report to the senate and house appropriations  
19 subcommittees on higher education, the senate and house fiscal agencies, and the state  
20 budget director on its efforts to develop and implement sexual assault response training  
21 for the institution's title IX coordinator, campus law enforcement personnel, campus public  
22 safety personnel, and any other campus personnel charged with responding to on-campus  
23 incidents, including information on sexual assault response training materials and the  
24 status of implementing sexual assault response training for institutional personnel.

25 Sec. 254. The sums appropriated in section 236 for the state competitive scholarship,  
26 tuition incentive, and tuition grant programs shall be paid out of the state treasury and  
27 shall be distributed to the respective institutions under a quarterly payment system as  
28 follows:

29 (a) For the state competitive scholarship and tuition grant programs, 50% shall be  
30 paid at the beginning of the state's first fiscal quarter, 30% during the state's second  
31 fiscal quarter, 10% during the state's third fiscal quarter, and 10% during the state's  
32 fourth fiscal quarter.

1 (b) For the tuition incentive program, ~~55%~~ **65%** shall be paid at the beginning of the  
2 state's first fiscal quarter, ~~40%~~ **AND 35%** during the state's second fiscal quarter, ~~and 5%~~  
3 ~~during the state's third fiscal quarter.~~

4 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program  
5 shall be distributed as provided in this section and pursuant to the administrative  
6 procedures for the tuition incentive program of the department of treasury.

7 (2) As used in this section:

8 (a) "Phase I" means the first part of the tuition incentive ~~assistance~~ program  
9 defined as the academic period of 80 semester or 120 term credits, or less, leading to an  
10 associate degree or certificate. **STUDENTS MUST BE ENROLLED IN A CERTIFICATE OR ASSOCIATE**  
11 **DEGREE PROGRAM AND TAKING CLASSES WITHIN THE PROGRAM OF STUDY FOR A CERTIFICATE OR**  
12 **ASSOCIATE DEGREE. TUITION WILL NOT BE COVERED FOR COURSES OUTSIDE OF A CERTIFICATE OR**  
13 **ASSOCIATE DEGREE PROGRAM.**

14 (b) "Phase II" means the second part of the tuition incentive ~~assistance~~ program  
15 which provides assistance in the third and fourth year of 4-year degree programs.

16 (c) "Department" means the department of treasury.

17 (d) "High school equivalency certificate" means that term as defined in section 4.

18 (3) An individual shall meet the following basic criteria and financial thresholds to  
19 be eligible for tuition incentive program benefits:

20 (a) To be eligible for phase I, an individual shall meet all of the following  
21 criteria:

22 (i) Apply for certification to the department any time after he or she begins the  
23 sixth grade but before August 31 of the school year in which he or she graduates from high  
24 school or before achieving a high school equivalency certificate.

25 (ii) Be less than 20 years of age at the time he or she graduates from high school  
26 with a diploma or certificate of completion or achieves a high school equivalency  
27 certificate **OR, FOR STUDENTS ATTENDING A 5 YEAR MIDDLE COLLEGE APPROVED BY THE MICHIGAN**  
28 **DEPARTMENT OF EDUCATION, BE LESS THAN 21 YEARS OF AGE WHEN HE OR SHE GRADUATES FROM HIGH**  
29 **SCHOOL.**

30 (iii) Be a United States citizen and a resident of Michigan according to  
31 institutional criteria.

32 (iv) Be at least a half-time student, earning less than 80 semester or 120 term

1 credits at a participating educational institution within 4 years of high school graduation  
2 or achievement of a high school equivalency certificate. **ALL PROGRAM ELIGIBILITY EXPIRES 6**  
3 **YEARS FROM HIGH SCHOOL GRADUATION OR ACHIEVEMENT OF A HIGH SCHOOL EQUIVALENCY CERTIFICATE.**

4 ~~(v) Request information on filing a FAFSA.~~

5 (V) ~~(vi)~~ Meet the satisfactory academic progress policy of the educational  
6 institution he or she attends.

7 (b) To be eligible for phase II, an individual shall meet either of the following  
8 criteria in addition to the criteria in subdivision (a):

9 (i) Complete at least 56 transferable semester or 84 transferable term credits.

10 (ii) Obtain an associate degree or certificate at a participating institution.

11 (c) To be eligible for phase I or phase II, an individual must not be incarcerated  
12 and must be financially eligible as determined by the department. An individual is  
13 financially eligible for the tuition incentive program if he or she was eligible for  
14 Medicaid from the state of Michigan for 24 months within the 36 consecutive months before  
15 application. The department shall accept certification of Medicaid eligibility only from  
16 the department of health and human services for the purposes of verifying if a person is  
17 Medicaid eligible for 24 months within the 36 consecutive months before application.  
18 Certification of eligibility may begin in the sixth grade. As used in this subdivision,  
19 "incarcerated" does not include detention of a juvenile in a state-operated or privately  
20 operated juvenile detention facility.

21 (4) Beginning in fiscal year 2017-2018, the department shall not award more than  
22 \$8,500,000.00 annually in tuition incentive program funds to eligible students enrolled in  
23 the same college or university in this state.

24 (5) For phase I, the department shall provide payment on behalf of a person eligible  
25 under subsection (3). The department **SHALL ONLY ACCEPT STANDARD PER-CREDIT HOUR TUITION**  
26 **BILLINGS AND** shall reject billings that are excessive or outside the guidelines for the  
27 type of educational institution.

28 (6) For phase I, all of the following apply:

29 (a) Payments for associate degree or certificate programs shall not be made for more  
30 than 80 semester or 120 term credits for any individual student at any participating  
31 institution.

32 (b) For persons enrolled at a Michigan community college, the department shall pay

1 the current in-district tuition and mandatory fees. For persons residing in an area that is  
2 not included in any community college district, the out-of-district tuition rate may be  
3 authorized.

4 (c) **FOR FISCAL YEAR 2017-2018, ~~For~~ FOR** persons enrolled at a Michigan public  
5 university, the department shall pay lower division resident tuition and mandatory fees for  
6 the current year. **BEGINNING IN FISCAL YEAR 2018-2019, FOR PERSONS ENROLLED AT A MICHIGAN**  
7 **PUBLIC UNIVERSITY, THE DEPARTMENT SHALL PAY MANDATORY FEES FOR THE CURRENT YEAR AND A PER-**  
8 **CREDIT PAYMENT THAT DOES NOT EXCEED 2 TIMES THE AVERAGE COMMUNITY COLLEGE IN-DISTRICT PER-**  
9 **CREDIT TUITION RATE AS REPORTED ON AUGUST 1 FOR THE IMMEDIATELY PRECEDING ACADEMIC YEAR.**

10 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting college  
11 or university, or a Michigan federal tribally controlled community college, or Focus: HOPE,  
12 the department shall pay mandatory fees for the current year and a per-credit payment that  
13 does not exceed the average community college in-district per-credit tuition rate as  
14 reported on August 1, for the immediately preceding academic year.

15 (7) A person participating in phase II may be eligible for additional funds not to  
16 exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the  
17 following conditions:

18 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year  
19 college or university.

20 (b) The tuition reimbursement is for coursework completed within 30 months of  
21 completion of the phase I requirements.

22 (8) The department shall work closely with participating institutions to develop an  
23 application and eligibility determination process that will provide the highest level of  
24 participation and ensure that all requirements of the program are met.

25 (9) Applications for the tuition incentive program may be approved at any time after  
26 the student begins the sixth grade. If a determination of financial eligibility is made,  
27 that determination is valid as long as the student meets all other program requirements and  
28 conditions.

29 (10) Each institution shall ensure that all known available restricted grants for  
30 tuition and fees are used prior to billing the tuition incentive program for any portion of  
31 a student's tuition and fees.

32 (11) The department shall ensure that the tuition incentive program is well



1 publicized and that eligible Medicaid clients are provided information on the program. The  
2 department shall provide the necessary funding and staff to fully operate the program.

3 (12) THE DEPARTMENT OF TREASURY SHALL COLLABORATE WITH THE CENTER TO USE THE P-20  
4 LONGITUDINAL DATA SYSTEM TO REPORT THE FOLLOWING INFORMATION FOR EACH QUALIFIED  
5 POSTSECONDARY INSTITUTION:

6 (A) THE NUMBER OF PHASE I STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR WHO  
7 IN ANY ACADEMIC YEAR RECEIVED A TUITION INCENTIVE PROGRAM AWARD AND WHO SUCCESSFULLY  
8 COMPLETED A DEGREE OR CERTIFICATE PROGRAM. COHORT GRADUATION RATES FOR PHASE I STUDENTS  
9 SHALL BE CALCULATED USING THE ESTABLISHED SUCCESS RATE METHODOLOGY DEVELOPED BY THE CENTER  
10 IN COLLABORATION WITH THE POSTSECONDARY INSTITUTIONS.

11 (B) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR WHO IN ANY  
12 ACADEMIC YEAR RECEIVED A PELL GRANT AT THE REPORTING INSTITUTION AND WHO SUCCESSFULLY  
13 COMPLETED A DEGREE OR CERTIFICATE PROGRAM. COHORT GRADUATION RATES FOR STUDENTS THAT  
14 RECEIVED PELL GRANTS SHALL BE CALCULATED USING THE ESTABLISHED SUCCESS RATE METHODOLOGY  
15 DEVELOPED BY THE CENTER IN COLLABORATION WITH THE POSTSECONDARY INSTITUTIONS.

16 (13) IF A QUALIFIED POSTSECONDARY INSTITUTION DOES NOT REPORT THE DATA NECESSARY TO  
17 COMPLY WITH SUBSECTION (12) TO THE P-20 LONGITUDINAL DATA SYSTEM, THE INSTITUTION SHALL  
18 REPORT, IN A FORM AND MANNER SATISFACTORY TO THE DEPARTMENT OF TREASURY AND THE CENTER, ALL  
19 OF THE INFORMATION NEEDED TO COMPLY WITH SUBSECTION (12) BY DECEMBER 1, 2017.

20 (14) BEGINNING IN FISCAL YEAR 2018-2019, IF A QUALIFIED POSTSECONDARY INSTITUTION  
21 DOES NOT REPORT THE DATA NECESSARY TO COMPLETE THE REPORTING IN SUBSECTION (12) TO THE P-20  
22 LONGITUDINAL DATA SYSTEM BY OCTOBER 15 FOR THE PRIOR ACADEMIC YEAR, THE DEPARTMENT OF  
23 TREASURY SHALL NOT AWARD PHASE I TUITION INCENTIVE PROGRAM FUNDING TO OTHERWISE ELIGIBLE  
24 STUDENTS ENROLLED IN THAT INSTITUTION UNTIL THE DATA IS SUBMITTED.

25 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2016-2017~~  
26 **2017-2018** for MSU AgBioResearch is \$2,982,900.00 and included in the appropriation in  
27 section 236 for MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN is  
28 intended to address critical regulatory, food safety, economic, and environmental problems  
29 faced by this state's plant-based agriculture, forestry, and processing industries.  
30 "GREEN" is an acronym for Generating Research and Extension to Meet Environmental and  
31 Economic Needs.

32 (2) The department of agriculture and rural development and Michigan State

1 University, in consultation with agricultural commodity groups and other interested  
2 parties, shall develop Project GREEN and its program priorities.

3 Sec. 263a. (1) Not later than September 30 of each year, Michigan State University  
4 shall submit a report on MSU AgBioResearch and MSU Extension to the house and senate  
5 appropriations subcommittees on agriculture and on higher education, the house and senate  
6 standing committees on agriculture, the house and senate fiscal agencies, and the state  
7 budget director for the preceding academic fiscal year.

8 (2) The report required under subsection (1) shall include all of the following:

9 (a) Total funds expended by MSU AgBioResearch and by MSU Extension identified by  
10 state, local, private, federal, and university fund sources.

11 (b) The metric goals that were used to evaluate the impacts of programs operated by  
12 MSU Extension and MSU AgBioResearch. The following metric goals will be used to evaluate  
13 the impacts of those programs:

14 (i) Increasing the number of agriculture and food-related firms collaborating with  
15 and using services of research and extension faculty and staff by 3% per year.

16 (ii) Increasing the number of individuals utilizing MSU Extension's educational  
17 services by 5% per year.

18 (iii) Increasing external funds generated in support of research and extension,  
19 beyond state appropriations, by 10% over the amounts generated in the past 3 state fiscal  
20 years.

21 (iv) Increasing the sector's total economic impact to at least ~~\$100,000,000,000.00~~  
22 **\$125,000,000,000.00 BY 2020.**

23 (v) Increasing Michigan's agricultural exports to at least ~~\$3,500,000,000.00~~  
24 **\$4,250,000,000.00 BY 2020.**

25 ~~(vi) Increasing jobs in the food and agriculture sector by 10%.~~

26 **(VI)** ~~(vii)~~ Improving access by Michigan consumers to healthy foods by 20%.

27 (c) A review of major programs within both MSU AgBioResearch and MSU Extension with  
28 specific reference to accomplishments, impacts, and the metrics described in subdivision  
29 (b), including a specific accounting of Project GREEN expenditures and the impact of those  
30 expenditures.

31 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2016-2017~~  
32 **2017-2018** for Michigan State University is \$80,000.00 for the Michigan Future Farmers of

1 America Association. This \$80,000.00 allocation shall not supplant any existing support  
2 that Michigan State University provides to the Michigan Future Farmers of America  
3 Association.

4 Sec. 265. (1) Payments under section 265a for performance funding shall only be made  
5 to a public university that certifies to the state budget director by August 31, ~~2016~~ **2017**  
6 that its board did not adopt an increase in tuition and fee rates for resident  
7 undergraduate students after September 1, ~~2015~~ **2016** for the ~~2015-2016~~ **2016-2017** academic  
8 year and that its board will not adopt an increase in tuition and fee rates for resident  
9 undergraduate students for the ~~2016-2017~~ **2017-2018** academic year that is greater than ~~4.2%~~  
10 **3.8% OR \$475.00, WHICHEVER IS GREATER.** As used in this subsection:

11 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all  
12 resident undergraduate students at least once during their enrollment at a public  
13 university, as described in the higher education institutional data inventory (HEIDI) user  
14 manual. A university increasing a fee that applies to a specific subset of students or  
15 courses shall provide sufficient information to prove that the increase applied to that  
16 subset will not cause the increase in the average amount of board-authorized total tuition  
17 and fees paid by resident undergraduate students in the ~~2016-2017~~ **2017-2018** academic year  
18 to exceed the limit established in this subsection.

19 (b) "Tuition and fee rate" means the average of full-time rates paid by a majority of  
20 students in each undergraduate class, based on an unweighted average of the rates  
21 authorized by the university board and actually charged to students, deducting any  
22 uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of full-  
23 time equated resident undergraduate enrollment during the academic year, as described in  
24 the higher education institutional data inventory (HEIDI) user manual.

25 ~~(c) For purposes of subdivision (a), for a public university that compels resident~~  
26 ~~undergraduate students to be covered by health insurance as a condition to enroll at the~~  
27 ~~university, "fee" includes the annual amount a student is charged for coverage by the~~  
28 ~~university affiliated group health insurance policy if he or she does not provide proof~~  
29 ~~that he or she is otherwise covered by health insurance. This subdivision does not apply to~~  
30 ~~limited subsets of resident undergraduate students to be covered by health insurance for~~  
31 ~~specific reasons other than general enrollment at the university.~~

32 (2) The state budget director shall implement uniform reporting requirements to

1 ensure that a public university receiving a payment under section 265a for performance  
2 funding has satisfied the tuition restraint requirements of this section. The state budget  
3 director shall have the sole authority to determine if a public university has met the  
4 requirements of this section. Information reported by a public university to the state  
5 budget director under this subsection shall also be reported to the house and senate  
6 appropriations subcommittees on higher education and the house and senate fiscal agencies.

7 ~~(3) Universities that exceed the tuition and fee rate cap described in subsection (1)~~  
8 ~~shall not receive a planning or construction authorization for a state funded capital~~  
9 ~~outlay project in fiscal year 2017-2018 or fiscal year 2018-2019.~~

10 ~~(4) Notwithstanding any other provision of this act, the legislature may at any time~~  
11 ~~adjust appropriations for a university that adopts an increase in tuition and fee rates for~~  
12 ~~resident undergraduate students that exceeds the rate cap established in subsection (1).~~

13 Sec.265a. (1) Appropriations to public universities in section 236 for fiscal year  
14 ~~2016-2017~~ **2017-2018** for performance funding shall be paid only to a public university that  
15 complies with section 265 and certifies to the state budget director, the house and senate  
16 appropriations subcommittees on higher education, and the house and senate fiscal agencies  
17 by August 31, ~~2016~~ **2017** that it complies with all of the following requirements:

18 (a) The university participates in reverse transfer agreements described in section  
19 286 with at least 3 Michigan community colleges.

20 (b) The university does not and will not consider whether dual enrollment credits  
21 earned by an incoming student were utilized towards his or her high school graduation  
22 requirements when making a determination as to whether those credits may be used by the  
23 student toward completion of a university degree or certificate program.

24 (c) The university actively participates in and submits timely updates to the  
25 Michigan Transfer Network created as part of the Michigan Association of Collegiate  
26 Registrars and Admissions Officers transfer agreement.

27 (2) Any performance funding amounts under section 236 that are not paid to a public  
28 university because it did not comply with 1 or more requirements under subsection (1) are  
29 unappropriated and reappropriated for performance funding to those public universities that  
30 meet the requirements under subsection (1), distributed in proportion to their performance  
31 funding appropriation amounts under section 236.

32 (3) The state budget director shall report to the house and senate appropriations

1 subcommittees on higher education and the house and senate fiscal agencies by September 30,  
2 ~~2016, 2017~~, regarding any performance funding amounts that are not paid to a public  
3 university because it did not comply with 1 or more requirements under subsection (1) and  
4 any reappropriation of funds under subsection (2).

5 (4) Performance funding amounts described in section 236 are distributed based on the  
6 following formula:

7 (a) Proportional to each university's share of total operations funding appropriated  
8 in fiscal year 2010-2011, 50%.

9 (b) Based on weighted undergraduate completions in critical skills areas, 11.1%.

10 (c) Based on research and development expenditures, for universities classified in  
11 Carnegie classifications as ~~doctoral/research universities~~ **DOCTORAL UNIVERSITIES: MODERATE**  
12 **RESEARCH ACTIVITY**, ~~research universities (high research activity)~~ **DOCTORAL UNIVERSITIES:**  
13 **HIGHER RESEARCH ACTIVITY**, or ~~research universities (very high research activity)~~ **DOCTORAL**  
14 **UNIVERSITIES: HIGHEST RESEARCH ACTIVITY** only, 5.6%.

15 (d) Based on 6-year graduation rate, total degree completions, and institutional  
16 support as a percentage of core expenditures, and the percentage of students receiving Pell  
17 grants, scored against national Carnegie classification peers and weighted by total  
18 undergraduate fiscal year equated students, 33.3%.

19 (5) For purposes of determining the score of a university under subsection (4) (d),  
20 each university is assigned 1 of the following scores:

21 (a) A university classified as in the top 20%, a score of 3.

22 (b) A university classified as above national median, a score of 2.

23 (c) A university classified as improving, a score of 2. ~~It is the intent of the~~  
24 ~~legislature that, beginning in the 2017-2018 state fiscal year, a university classified as~~  
25 ~~improving is assigned a score of 1.~~

26 (d) A university that is not included in subdivision (a), (b), or (c), a score of 0.

27 (6) As used in this section, "Carnegie classification" means the basic classification  
28 of the university according to the most recent version ~~prior to February 1, 2016~~ of the  
29 Carnegie classification of institutions of higher education, published by the Carnegie  
30 Foundation for the Advancement of Teaching.

31 Sec. 267. All public universities shall submit the amount of tuition and fees  
32 actually charged to a full-time resident undergraduate student for academic year ~~2016-2017~~

1 **2017-2018** as part of their higher education institutional data inventory (HEIDI) data by  
2 August 31 of each year. A public university shall report any revisions for any semester of  
3 the reported academic year ~~2016-2017~~ **2017-2018** tuition and fee charges to HEIDI within 15  
4 days of being adopted.

5 Sec. 268. ~~(1) For the fiscal year ending September 30, 2017, it is the intent of the~~  
6 ~~legislature that funds be allocated for unfunded North American Indian tuition waiver costs~~  
7 ~~incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the~~  
8 ~~general fund.~~

9 **(1)** ~~(2)~~ By February 15 of each year, the department of civil rights shall annually  
10 submit to the state budget director, the house and senate appropriations subcommittees on  
11 higher education, and the house and senate fiscal agencies a report on North American  
12 Indian tuition waivers for the preceding ~~fiscal year~~ **ACADEMIC YEAR** that includes, but is  
13 not limited to, all of the following information:

14 (a) The number of waiver applications received and the number of waiver applications  
15 approved.

16 (b) For each university submitting information under subsection (3), all of the  
17 following:

18 (i) The number of graduate and undergraduate North American Indian students enrolled  
19 each term for the previous ~~fiscal year~~ **ACADEMIC YEAR**.

20 (ii) The number of North American Indian waivers granted each term, **INCLUDING**  
21 **CONTINUING EDUCATION STUDENTS**, and the monetary value of the waivers for the previous  
22 ~~fiscal year~~ **ACADEMIC YEAR**.

23 (iii) The number of graduate and undergraduate students attending under a North  
24 American Indian tuition waiver who withdrew from the university **EACH TERM** during the  
25 previous ~~fiscal year~~ **ACADEMIC YEAR**. **A WITHDRAWAL IS DEFINED AS ANY STUDENT WHO HAS BEEN**  
26 **AWARDED THE WAIVER WHO WITHDRAWS FROM THE INSTITUTION AT ANY POINT DURING THE TERM,**  
27 **REGARDLESS OF ENROLLMENT IN SUBSEQUENT TERMS.**

28 (iv) The number of graduate and undergraduate students attending under a North  
29 American Indian tuition waiver who successfully complete a degree or certificate program,  
30 separated by degree or certificate level, and the graduation rate for graduate and  
31 undergraduate students attending under a North American Indian tuition waiver who complete  
32 a degree **OR CERTIFICATE** within 150% of the normal time to complete, separated by the level

1 of the degree **OR CERTIFICATE**.

2 (2) ~~(3)~~ A public university that receives funds under section 236 shall provide to  
3 the department of civil rights any information necessary for preparing the report detailed  
4 in subsection (2), using guidelines and procedures developed by the department of civil  
5 rights.

6 (3) ~~(4)~~ The department of civil rights may consolidate the report required under this  
7 section with the report required under section 223, but a consolidated report must  
8 separately identify data for universities and data for community colleges.

9 Sec. 269. For fiscal year ~~2016-2017~~ **2017-2018**, from the amount appropriated in  
10 section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to  
11 Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians  
12 under 1976 PA 174, MCL 390.1251 to 390.1253.

13 Sec. 270. For fiscal year ~~2016-2017~~ **2017-2018**, from the amount appropriated in  
14 section 236 to Lake Superior State University for operations, \$100,000.00 shall be paid to  
15 Bay Mills Community College for the costs of waiving tuition for North American Indians  
16 under 1976 PA 174, MCL 390.1251 to 390.1253.

17 Sec. 274c. By February 1, ~~2017~~ **2018**, each university receiving funds under section  
18 236 shall report to the senate and house appropriations subcommittees on higher education,  
19 the senate and house fiscal agencies, and the state budget director on its efforts to  
20 develop and implement sexual assault response training for the university's title IX  
21 coordinator, campus law enforcement personnel, campus public safety personnel, and any  
22 other campus personnel charged with responding to on-campus incidents, including  
23 information on sexual assault response training materials and the status of implementing  
24 sexual assault response training for campus personnel.

25 Sec. 275. (1) ~~It is the intent of the legislature that each~~ **EACH** public university  
26 that receives an appropriation in section 236 **IS ENCOURAGED TO** do all of the following:

27 (a) Meet the provisions of section 5003 of the post-911 veterans educational  
28 assistance act of 2008, 38 USC 3301 to 3325, including voluntary participation in the  
29 Yellow Ribbon GI Education Enhancement Program established in that act in 38 USC 3317. ~~By~~  
30 ~~October 1 of each year, each public university shall report to the house and senate~~  
31 ~~appropriations subcommittees on higher education, the house and senate fiscal agencies, and~~  
32 ~~the Michigan Association of State Universities on whether or not it has chosen to~~

1 ~~participate in the Yellow Ribbon GI Education Enhancement Program. If at any time during~~  
2 ~~the fiscal year a university participating in the Yellow Ribbon Program chooses to leave~~  
3 ~~the Yellow Ribbon Program, it shall notify the house and senate appropriations~~  
4 ~~subcommittees on higher education, the house and senate fiscal agencies, and the Michigan~~  
5 ~~Association of State Universities.~~

6 (b) Establish an on-campus veterans' liaison to provide information and assistance to  
7 all student veterans.

8 (c) Provide flexible enrollment application deadlines for all veterans.

9 (d) Include in its admission application process a specific question as to whether an  
10 applicant for admission is a veteran, an active member of the military, a member of the  
11 National Guard or military reserves, or the spouse or dependent of a veteran, active member  
12 of the military, or member of the National Guard or military reserves, in order to more  
13 quickly identify potential educational assistance available to that applicant.

14 (e) Consider all veterans residents of this state for determining their tuition rates  
15 and fees.

16 (f) Waive enrollment fees for all veterans.

17 (2) By October 1 of each year, each public university shall report to the house and  
18 senate appropriations subcommittees on higher education, the house and senate fiscal  
19 agencies, and the department of military and veterans affairs regarding services provided  
20 specifically to veterans and active military duty personnel, including, but not limited to,  
21 the services described in subsection (1).

22 (3) As used in this section, "veteran" means an honorably discharged veteran entitled  
23 to educational assistance under the provisions of section 5003 of the post-911 veterans  
24 educational assistance act of 2008, 38 USC 3301 to 3325.

25 Sec. 276. (1) Included in the appropriation for fiscal year ~~2016-2017~~ **2017-2018** for  
26 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
27 Chavez - Rosa Parks future faculty program that is intended to increase the pool of  
28 academically or economically disadvantaged candidates pursuing faculty teaching careers in  
29 postsecondary education. Preference may not be given to applicants on the basis of race,  
30 color, ethnicity, gender, or national origin. Institutions should encourage applications  
31 from applicants who would otherwise not adequately be represented in the graduate student  
32 and faculty populations. Each public university shall apply the percentage change



1 applicable to every public university in the calculation of appropriations in section 236  
2 to the amount of funds allocated to the future faculty program.

3 (2) The program shall be administered by each public university in a manner  
4 prescribed by the workforce development agency. The workforce development agency shall use  
5 a good faith effort standard to evaluate whether a fellowship is in default.

6 Sec. 277. (1) Included in the appropriation for fiscal year ~~2016-2017~~ **2017-2018** for  
7 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
8 Chavez - Rosa Parks college day program that is intended to introduce academically or  
9 economically disadvantaged schoolchildren to the potential of a college education.  
10 Preference may not be given to participants on the basis of race, color, ethnicity, gender,  
11 or national origin. Public universities should encourage participation from those who would  
12 otherwise not adequately be represented in the student population.

13 (2) Individual program plans of each public university shall include a budget of  
14 equal contributions from this program, the participating public university, the  
15 participating school district, and the participating independent degree-granting college.  
16 College day funds shall not be expended to cover indirect costs. Not more than 20% of the  
17 university match shall be attributable to indirect costs. Each public university shall  
18 apply the percentage change applicable to every public university in the calculation of  
19 appropriations in section 236 to the amount of funds allocated to the college day program.

20 (3) The program described in this section shall be administered by each public  
21 university in a manner prescribed by the workforce development agency.

22 Sec. 278. (1) Included in section 236 for fiscal year ~~2016-2017~~ **2017-2018** is funding  
23 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services  
24 program for developing academically or economically disadvantaged student retention  
25 programs for 4-year public and independent educational institutions in this state.  
26 Preference may not be given to participants on the basis of race, color, ethnicity, gender,  
27 or national origin. Institutions should encourage participation from those who would  
28 otherwise not adequately be represented in the student population.

29 (2) An award made under this program to any 1 institution shall not be greater than  
30 \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or  
31 university basis.

32 (3) The program described in this section shall be administered by the workforce

1 development agency.

2           Sec. 279. (1) Included in section 236 for fiscal year ~~2016-2017~~ **2017-2018** is funding  
3 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership  
4 program between 4-year public and independent colleges and universities and public  
5 community colleges, which is intended to increase the number of academically or  
6 economically disadvantaged students who transfer from community colleges into baccalaureate  
7 programs. Preference may not be given to participants on the basis of race, color,  
8 ethnicity, gender, or national origin. Institutions should encourage participation from  
9 those who would otherwise not adequately be represented in the transfer student population.

10           (2) The grants shall be made under the program described in this section to Michigan  
11 public and independent colleges and universities. An award to any 1 institution shall not  
12 be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30%  
13 college or university basis.

14           (3) The program described in this section shall be administered by the workforce  
15 development agency.

16           Sec. 280. (1) Included in the appropriation for fiscal year ~~2016-2017~~ **2017-2018** for  
17 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
18 Chavez - Rosa Parks visiting professors program which is intended to increase the number of  
19 instructors in the classroom to provide role models for academically or economically  
20 disadvantaged students. Preference may not be given to participants on the basis of race,  
21 color, ethnicity, gender, or national origin. Public universities should encourage  
22 participation from those who would otherwise not adequately be represented in the student  
23 population.

24           (2) The program described in this section shall be administered by the workforce  
25 development agency.

26           Sec. 281. (1) Included in the appropriation for fiscal year ~~2016-2017~~ **2017-2018** in  
27 section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
28 initiative for the Morris Hood, Jr. educator development program which is intended to  
29 increase the number of academically or economically disadvantaged students who enroll in  
30 and complete K-12 teacher education programs at the baccalaureate level. Preference may not  
31 be given to participants on the basis of race, color, ethnicity, gender, or national  
32 origin. Institutions should encourage participation from those who would otherwise not

1 adequately be represented in the teacher education student population.

2 (2) The program described in this section shall be administered by each state-  
3 approved teacher education institution in a manner prescribed by the workforce development  
4 agency.

5 (3) Approved teacher education institutions may and are encouraged to use student  
6 support services funding in coordination with the Morris Hood, Jr. funding to achieve the  
7 goals of the program described in this section.

8 Sec. 282. Each institution receiving funds for fiscal year ~~2016-2017~~ **2017-2018** under  
9 ~~section~~ **SECTIONS** 278, 279, or 281 shall ~~notify~~ **PROVIDE TO** the workforce development agency  
10 by April 15, ~~2017 as to whether it will expend by the end of its fiscal year the funds~~  
11 ~~received under section 278, 279, or 281.~~ **2018 THE UNOBLIGATED AND UNEXPENDED FUNDS AS OF**  
12 **MARCH 31, 2018 AND A PLAN TO EXPEND THE REMAINING FUNDS BY THE END OF THE FISCAL YEAR.**

13 Notwithstanding the award limitations in sections 278 and 279, the amount of funding  
14 reported as not being expended will be reallocated to the institutions that intend to  
15 expend all funding received under section 278, 279, or 281.

16 Sec. 283. (1) ~~From the amount appropriated in section 236, the public universities~~  
17 ~~shall systematically~~ **USING THE DATA PROVIDED TO THE CENTER AS REQUIRED BY SECTION 244 OF**  
18 **THIS ACT, THE CENTER SHALL USE THE P-20 LONGITUDINAL DATA SYSTEM TO** inform **INTERESTED**  
19 Michigan high schools **AND THE PUBLIC** regarding the **AGGREGATE** academic status of **ITS**  
20 students. ~~from each high school in a manner prescribed by~~ **THE CENTER SHALL WORK WITH THE**  
21 **UNIVERSITIES,** the Michigan Association of State Universities **AND** in cooperation with the  
22 Michigan Association of Secondary School Principals. ~~Public universities shall also work~~  
23 ~~with the center for educational performance and information to maintain a systematic~~  
24 ~~approach for accomplishing this task.~~

25 (2) Michigan high schools shall systematically inform the public universities about  
26 the use of information received under this section in a manner prescribed by the Michigan  
27 Association of Secondary School Principals in cooperation with the Michigan Association of  
28 State Universities.

29 Sec. 284. ~~From the amount appropriated in section 236, the public universities~~ **USING**  
30 **THE DATA PROVIDED TO THE CENTER AS REQUIRED BY SECTION 244 OF THIS ACT, THE CENTER** shall  
31 **USE THE P-20 LONGITUDINAL DATA SYSTEM TO** inform Michigan community colleges regarding the  
32 academic status of community college transfer students. ~~in a manner prescribed by the~~ **THE**

1 **CENTER SHALL WORK WITH THE UNIVERSITIES AND THE** Michigan Association of State Universities  
2 in cooperation with the Michigan Community College Association. ~~Public universities shall~~  
3 ~~also work with the center for educational performance and information to maintain a~~  
4 ~~systematic approach for accomplishing this task.~~

5 Sec. 286a. By February 1, ~~2017~~ **2018**, the Michigan Community College Association, the  
6 Michigan Association of State Universities, and the Michigan Independent Colleges and  
7 Universities, on behalf of their member colleges and universities, shall submit to the  
8 senate and house appropriations subcommittees on higher education, the senate and house  
9 appropriations subcommittees on community colleges, the senate and house fiscal agencies,  
10 and the state budget director a comprehensive report detailing the number of academic  
11 program partnerships between public community colleges, public universities, and private  
12 colleges and universities, including, but not limited to, the following information:

13 (a) The names of the baccalaureate degree programs of study offered by public and  
14 private universities on community college campuses.

15 (b) The names of the articulation agreements for baccalaureate degree programs of  
16 study between public community colleges, public universities, and private colleges and  
17 universities.

18 (c) The number of students enrolled and number of degrees awarded through  
19 articulation agreements, and the number of courses offered, number of students enrolled,  
20 and number of degrees awarded through on-campus programs named in subdivision (a) from July  
21 1, ~~2015~~ **2016** through June 30, ~~2016~~ **2017**.

22 Sec. 289. (1) The auditor general ~~shall~~ **MAY** periodically audit higher education  
23 institutional data inventory (HEIDI) data submitted by all public universities under  
24 section 241 and may perform audits of selected public universities if determined necessary.  
25 The audits shall be based upon the definitions, requirements, and uniform reporting  
26 categories established by the state budget director in consultation with the HEIDI advisory  
27 committee. The auditor general shall submit a report of findings to the house and senate  
28 appropriations committees and the state budget director no later than July 1 of each year  
29 an audit takes place.

30 (2) Student credit hours reports shall not include the following:

31 (a) Student credit hours generated through instructional activity by faculty or staff  
32 in classrooms located outside Michigan, with the exception of instructional activity

1 related to study-abroad programs or field programs.

2 (b) Student credit hours generated through distance learning instruction for students  
3 not eligible for the public university's in-state main campus resident tuition rate.  
4 However, in instances where a student is enrolled in distance education and non-distance  
5 education credit hours in a given term and the student's non-distance education enrollment  
6 is at a campus or site located within Michigan, student credit hours per the student's  
7 eligibility for in-state or out-of-state tuition rates may be reported.

8 (c) Student credit hours generated through credit by examination.

9 (d) Student credit hours generated through inmate prison programs regardless of  
10 teaching location.

11 (e) Student credit hours generated in new degree programs created on or after January  
12 1, 1975 and before January 1, 2013, that were not specifically authorized for funding by  
13 the legislature, except spin-off programs converted from existing core programs, and  
14 student credit hours generated in any new degree programs created after January 1, 2013,  
15 that are specifically excluded from reporting by the legislature under this section.

16 (3) "Distance learning instruction" as used in subsection (2) means instruction that  
17 occurs solely in other than a traditional classroom setting where the student and  
18 instructor are in the same physical location and for which a student receives course  
19 credits and is charged tuition and fees. Examples of distance learning instruction are  
20 instruction delivered solely through the internet, cable television, teleconference, or  
21 mail.

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**ARTICLE IV**

**SUMMARY OF APPROPRIATIONS AND ANTICIPATED APPROPRIATIONS**

**SEC. 298. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS LISTED IN THIS SECTION FOR THE PUBLIC SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES OF THIS STATE, AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE A SUMMARY OF APPROPRIATIONS CONTAINED IN THIS ACT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2018 AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019, FROM THE FUNDS INDICATED IN THIS ACT:**

(2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

2	GROSS APPROPRIATION .....	\$ 16,337,480,800	\$ 16,334,125,700
3	TOTAL INTERDEPARTMENTAL GRANTS AND		
4	INTRADEPARTMENTAL TRANSFERS.....	0	0
5	ADJUSTED GROSS APPROPRIATION .....	\$ 16,337,480,800	\$ 16,334,125,700
6	TOTAL FEDERAL REVENUES .....	1,838,469,900	1,828,469,900
7	TOTAL LOCAL REVENUES .....	0	0
8	TOTAL PRIVATE REVENUES .....	0	0
9	TOTAL OTHER STATE RESTRICTED REVENUES .....	12,991,031,400	13,072,401,300
10	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,507,979,500	\$ 1,433,254,500

SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)

APPROPRIATION SUMMARY

13	GROSS APPROPRIATION .....	\$ 14,302,088,800	\$ 14,302,230,700
14	TOTAL INTERDEPARTMENTAL GRANTS AND		
15	INTRADEPARTMENTAL TRANSFERS.....	0	0
16	ADJUSTED GROSS APPROPRIATION .....	\$ 14,302,088,800	\$ 14,302,230,700
17	TOTAL FEDERAL REVENUES .....	1,726,943,500	1,726,943,500
18	TOTAL LOCAL REVENUES .....	0	0
19	TOTAL PRIVATE REVENUES .....	0	0
20	TOTAL OTHER STATE RESTRICTED REVENUES .....	12,360,145,300	12,430,287,200
21	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 215,000,000	\$ 145,000,000

(2) BASIC OPERATIONS

23	PROPOSAL A OBLIGATION PAYMENT .....	\$ 5,107,000,000	\$ 5,030,000,000
24	DISCRETIONARY PAYMENT .....	3,950,000,000	3,947,000,000
25	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
26	REFORM COSTS .....	1,109,753,000	1,221,625,000
27	ISD GENERAL OPERATIONS .....	67,108,000	67,108,000
28	SHARED TIME PUPILS .....	60,000,000	60,000,000
29	HOLD HARMLESS PROVISION .....	18,000,000	18,000,000
30	ISOLATED DISTRICT FUNDING .....	<u>5,000,000</u>	<u>5,000,000</u>
31	GROSS APPROPRIATION.....	\$ 10,316,861,000	\$ 10,348,733,000

APPROPRIATED FROM:

	FOR FISCAL YEAR ENDING SEPT. 30, 2018	FOR FISCAL YEAR ENDING SEPT. 30, 2019
1 STATE RESTRICTED REVENUES .....	10,134,814,500	10,232,186,500
2 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 182,046,500	\$ 116,546,500
3 (3) SPECIAL EDUCATION		
4 SPECIAL EDUCATION HEADLEE OBLIGATION .....	\$ 640,400,000	\$ 652,900,000
5 SPECIAL EDUCATION FOUNDATIONS .....	266,000,000	270,500,000
6 SPECIAL EDUCATION MILLAGE EQUALIZATION .....	37,758,100	37,758,100
7 SPECIAL EDUCATION COURT PLACED FTES .....	10,500,000	10,500,000
8 SPECIAL EDUCATION NON-SEC. 52 PAYMENT .....	3,600,000	3,600,000
9 SPECIAL EDUCATION RULE CHANGE .....	2,200,000	2,200,000
10 MICHIGAN SCHOOLS FOR THE DEAF AND BLIND .....	1,688,000	1,688,000
11 SPECIAL EDUCATION HOLD HARMLESS PAYMENT .....	1,000,000	1,000,000
12 SPECIAL EDUCATION FEDERAL PROGRAMS.....	<u>431,000,000</u>	<u>431,000,000</u>
13 GROSS APPROPRIATION .....	\$ 1,394,146,100	\$ 1,411,146,100
14 APPROPRIATED FROM:		
15 FEDERAL REVENUES .....	431,000,000	431,000,000
16 STATE RESTRICTED REVENUES .....	963,146,100	980,146,100
17 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
18 (4) SUPPORT SERVICES		
19 AT-RISK PROGRAMS .....	\$ 528,988,200	\$ 528,988,200
20 EARLY LITERACY PROGRAMS .....	26,900,000	26,900,000
21 ADULT EDUCATION .....	25,000,000	25,000,000
22 HIGH SCHOOL PER PUPIL PAYMENTS .....	22,000,000	22,000,000
23 DRINKING WATER DECLARATION OF EMERGENCY .....	8,730,100	0
24 COURT-PLACED CHILDREN .....	8,000,000	8,000,000
25 MATH/SCIENCE CENTERS .....	7,450,000	7,450,000
26 MICHIGAN VIRTUAL UNIVERSITY .....	7,387,500	7,387,500
27 DECLINING ENROLLMENT SUPPORTS .....	7,000,000	0
28 ADOLESCENT TEEN HEALTH CENTERS .....	5,557,300	5,557,300
29 VISION AND HEARING SCREENINGS .....	5,150,000	5,150,000
30 STATE SCHOOL REFORM OFFICE .....	5,000,000	5,000,000
31 STATEWIDE SCHOOL DRINKING WATER TESTING .....	4,500,000	0
32 PARTNERSHIP MODEL DISTRICTS .....	3,000,000	3,000,000



	FOR FISCAL YEAR ENDING SEPT. 30, 2018	FOR FISCAL YEAR ENDING SEPT. 30, 2019
1 BALANCED CALENDAR GRANTS .....	3,000,000	0
2 SCHOOL BUS INSPECTION PROGRAMS .....	1,705,300	1,705,300
3 BUS DRIVER SAFETY PROGRAMS .....	1,625,000	1,625,000
4 INTEGRATED BEHAVIOR AND LEARNING SUPPORT INITIATIVES ..	1,600,000	1,600,000
5 CHALLENGE PROGRAM .....	1,528,400	1,528,400
6 JUVENILE DETENTION FACILITY PROGRAMS .....	1,339,000	1,339,000
7 BILINGUAL EDUCATION .....	1,200,000	1,200,000
8 FEDERAL PROGRAMS .....	<u>761,600,000</u>	<u>761,600,000</u>
9 GROSS APPROPRIATION .....	\$ 1,438,260,800	\$ 1,415,030,700
10       APPROPRIATED FROM:		
11 FEDERAL REVENUES .....	766,300,000	766,300,000
12 STATE RESTRICTED REVENUES .....	659,073,300	640,343,200
13 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 12,887,500	\$ 8,387,500
14       (5) SCHOOL MEAL PROGRAMS		
15 SCHOOL LUNCH .....	\$ 545,695,100	\$ 545,695,100
16 SCHOOL BREAKFAST .....	<u>4,500,000</u>	<u>4,500,000</u>
17 GROSS APPROPRIATION .....	\$ 550,195,100	\$ 550,195,100
18       APPROPRIATED FROM:		
19 FEDERAL REVENUES .....	523,200,000	523,200,000
20 STATE RESTRICTED REVENUES .....	26,995,100	26,995,100
21 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
22       (6) EARLY CHILDHOOD EDUCATION		
23 GREAT START READINESS PROGRAM .....	\$ 243,900,000	\$ 243,900,000
24 GREAT START EARLY CHILDHOOD BLOCK GRANTS .....	<u>13,400,000</u>	<u>13,400,000</u>
25 GROSS APPROPRIATION .....	\$ 257,300,000	\$ 257,300,000
26       APPROPRIATED FROM:		
27 STATE RESTRICTED REVENUES .....	257,000,000	257,000,000
28 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 300,000	\$ 300,000
29       (7) STUDENT ASSESSMENT AND ACCOUNTABILITY		
30 STUDENT ASSESSMENTS .....	39,959,400	39,959,400
31 DATA COLLECTION AND REPORTING COSTS .....	38,000,500	38,000,500
32 CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION ....	16,409,500	16,409,500

	FOR FISCAL YEAR ENDING SEPT. 30, 2018	FOR FISCAL YEAR ENDING SEPT. 30, 2019	
1	EDUCATOR EVALUATIONS .....	7,000,000	0
2	STATE TECHNOLOGY DATA HUBS .....	<u>2,200,000</u>	<u>2,200,000</u>
3	GROSS APPROPRIATION .....	\$ 103,569,400	\$ 96,569,400
4	APPROPRIATED FROM:		
5	FEDERAL REVENUES .....	6,443,500	6,443,500
6	STATE RESTRICTED REVENUES .....	80,909,900	73,909,900
7	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 16,216,000	\$ 16,216,000
8	(8) DEBT SERVICE AND OTHER REQUIREMENTS		
9	SCHOOL BOND LOAN REDEMPTION FUND .....	\$ 125,500,000	\$ 125,500,000
10	RENAISSANCE ZONE REIMBURSEMENT .....	\$ 18,000,000	\$ 18,000,000
11	SCHOOL AID FUND BORROWING COSTS .....	\$ 6,500,000	\$ 7,500,000
12	PAYMENT IN LIEU OF TAXES REIMBURSEMENT .....	\$ 4,405,100	\$ 4,405,100
13	PROMISE ZONE PAYMENTS .....	<u>\$ 1,500,000</u>	<u>\$ 2,500,000</u>
14	GROSS APPROPRIATION .....	\$ 155,905,100	\$ 157,905,100
15	APPROPRIATED FROM:		
16	STATE RESTRICTED REVENUES .....	155,905,100	157,905,100
17	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
18	(9) COLLEGE AND CAREER READINESS		
19	VOCATIONAL EDUCATION .....	\$ 36,611,300	\$ 36,611,300
20	CTE EQUIPMENT UPGRADES .....	20,000,000	0
21	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT .....	9,190,000	9,190,000
22	CTE AND EARLY MIDDLE COLLEGE PROGRAMS .....	9,000,000	9,000,000
23	MISTEM COUNCIL GRANTS AND ADMINISTRATION .....	3,050,000	3,050,000
24	MICHIGAN COLLEGE ACCESS NETWORK .....	3,000,000	3,000,000
25	FIRST ROBOTICS .....	2,500,000	2,500,000
26	DUAL ENROLLMENT INCENTIVE PAYMENTS .....	1,750,000	1,750,000
27	CYBER SECURITY COMPETITION GRANTS .....	500,000	0
28	ADVANCED PLACEMENT (AP) INCENTIVE PROGRAM .....	<u>250,000</u>	<u>250,000</u>
29	GROSS APPROPRIATION .....	\$ 85,851,300	\$ 65,351,300
30	APPROPRIATED FROM:		
31	STATE RESTRICTED REVENUES .....	82,301,300	61,801,300
32	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 3,550,000	\$ 3,550,000

SEC. 298B. (1) SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)

APPROPRIATION SUMMARY

GROSS APPROPRIATION .....	\$ 398,167,600	\$ 405,440,600
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADPARTMENTAL TRANSFERS .....	0	0
ADJUSTED GROSS APPROPRIATION .....	\$ 398,167,600	\$ 405,440,600
TOTAL FEDERAL REVENUES .....	0	0
TOTAL LOCAL REVENUES .....	0	0
TOTAL PRIVATE REVENUES .....	0	0
TOTAL OTHER STATE RESTRICTED REVENUES .....	395,142,600	403,440,600
STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 3,025,000	\$ 2,000,000

(2) OPERATIONS

(A) ALPENA COMMUNITY COLLEGE

OPERATIONS .....	\$ 5,544,700	\$ 5,544,700
PERFORMANCE FUNDING .....	0	0
GROSS APPROPRIATION .....	\$ 5,544,700	\$ 5,544,700

(B) BAY DE NOC COMMUNITY COLLEGE

OPERATIONS .....	\$ 5,560,900	\$ 5,560,900
PERFORMANCE FUNDING .....	0	0
GROSS APPROPRIATION .....	\$ 5,560,900	\$ 5,560,900

(C) DELTA COLLEGE

OPERATIONS .....	\$ 14,907,700	\$ 14,907,700
PERFORMANCE FUNDING .....	0	0
GROSS APPROPRIATION .....	\$ 14,907,700	\$ 14,907,700

(D) GLEN OAKS COMMUNITY COLLEGE

OPERATIONS .....	\$ 2,586,900	\$ 2,586,900
PERFORMANCE FUNDING .....	0	0
GROSS APPROPRIATION .....	\$ 2,586,900	\$ 2,586,900

(E) GOGEBIC COMMUNITY COLLEGE

OPERATIONS .....	\$ 4,577,800	\$ 4,577,800
PERFORMANCE FUNDING .....	0	0
GROSS APPROPRIATION .....	\$ 4,577,800	\$ 4,577,800

		FOR FISCAL YEAR ENDING SEPT. 30, 2018	FOR FISCAL YEAR ENDING SEPT. 30, 2019
1	(F) GRAND RAPIDS COMMUNITY COLLEGE		
2	OPERATIONS .....	\$ 18,450,500	\$ 18,450,500
3	PERFORMANCE FUNDING .....	0	0
4	GROSS APPROPRIATION .....	\$ 18,450,500	\$ 18,450,500
5	(G) HENRY FORD COLLEGE		
6	OPERATIONS .....	\$ 22,176,000	\$ 22,176,000
7	PERFORMANCE FUNDING .....	0	0
8	GROSS APPROPRIATION .....	\$ 22,176,000	\$ 22,176,000
9	(H) JACKSON COLLEGE		
10	OPERATIONS .....	\$ 12,397,600	\$ 12,397,600
11	PERFORMANCE FUNDING .....	0	0
12	GROSS APPROPRIATION .....	\$ 12,397,600	\$ 12,397,600
13	(I) KALAMAZOO VALLEY COMMUNITY COLLEGE		
14	OPERATIONS .....	\$ 12,873,900	\$ 12,873,900
15	PERFORMANCE FUNDING .....	0	0
16	GROSS APPROPRIATION .....	\$ 12,873,900	\$ 12,873,900
17	(J) KELLOGG COMMUNITY COLLEGE		
18	OPERATIONS .....	\$ 10,087,500	\$ 10,087,500
19	PERFORMANCE FUNDING .....	0	0
20	GROSS APPROPRIATION .....	\$ 10,087,500	\$ 10,087,500
21	(K) KIRTLAND COMMUNITY COLLEGE		
22	OPERATIONS .....	\$ 3,270,000	\$ 3,270,000
23	PERFORMANCE FUNDING .....	0	0
24	GROSS APPROPRIATION .....	\$ 3,270,000	\$ 3,270,000
25	(L) LAKE MICHIGAN COLLEGE		
26	OPERATIONS .....	\$ 5,492,800	\$ 5,492,800
27	PERFORMANCE FUNDING .....	0	0
28	GROSS APPROPRIATION .....	\$ 5,492,800	\$ 5,492,800
29	(M) LANSING COMMUNITY COLLEGE		
30	OPERATIONS .....	\$ 31,677,300	\$ 31,677,300
31	PERFORMANCE FUNDING .....	0	0
32	GROSS APPROPRIATION .....	\$ 31,677,300	\$ 31,677,300

		FOR FISCAL YEAR ENDING SEPT. 30, 2018	FOR FISCAL YEAR ENDING SEPT. 30, 2019
1	(N) MACOMB COMMUNITY COLLEGE		
2	OPERATIONS .....	\$ 33,681,800	\$ 33,681,800
3	PERFORMANCE FUNDING .....	0	0
4	GROSS APPROPRIATION .....	\$ 33,681,800	\$ 33,681,800
5	(O) MID MICHIGAN COMMUNITY COLLEGE		
6	OPERATIONS .....	\$ 4,834,100	\$ 4,834,100
7	PERFORMANCE FUNDING .....	0	0
8	GROSS APPROPRIATION .....	\$ 4,834,100	\$ 4,834,100
9	(P) MONROE COUNTY COMMUNITY COLLEGE		
10	OPERATIONS .....	\$ 4,636,700	\$ 4,636,700
11	PERFORMANCE FUNDING .....	0	0
12	GROSS APPROPRIATION .....	\$ 4,636,700	\$ 4,636,700
13	(Q) MONTCALM COMMUNITY COLLEGE		
14	OPERATIONS .....	\$ 3,343,100	\$ 3,343,100
15	PERFORMANCE FUNDING .....	0	0
16	GROSS APPROPRIATION .....	\$ 3,343,100	\$ 3,343,100
17	(R) C. S. MOTT COMMUNITY COLLEGE		
18	OPERATIONS .....	\$ 16,115,500	\$ 16,115,500
19	PERFORMANCE FUNDING .....	0	0
20	GROSS APPROPRIATION .....	\$ 16,115,500	\$ 16,115,500
21	(S) MUSKEGON COMMUNITY COLLEGE		
22	OPERATIONS .....	\$ 9,150,600	\$ 9,150,600
23	PERFORMANCE FUNDING .....	0	0
24	GROSS APPROPRIATION .....	\$ 9,150,600	\$ 9,150,600
25	(T) NORTH CENTRAL MICHIGAN COLLEGE		
26	OPERATIONS .....	\$ 3,290,400	\$ 3,290,400
27	PERFORMANCE FUNDING .....	0	0
28	GROSS APPROPRIATION .....	\$ 3,290,400	\$ 3,290,400
29	(U) NORTHWESTERN MICHIGAN COLLEGE		
30	OPERATIONS .....	\$ 9,318,000	\$ 9,318,000
31	PERFORMANCE FUNDING .....	0	0
32	GROSS APPROPRIATION .....	\$ 9,318,000	\$ 9,318,000

		FOR FISCAL YEAR ENDING SEPT. 30, 2018	FOR FISCAL YEAR ENDING SEPT. 30, 2019
1	(V) OAKLAND COMMUNITY COLLEGE		
2	OPERATIONS .....	\$ 21,770,900	\$ 21,770,900
3	PERFORMANCE FUNDING .....	0	0
4	GROSS APPROPRIATION .....	\$ 21,770,900	\$ 21,770,900
5	(W) SCHOOLCRAFT COLLEGE		
6	OPERATIONS .....	\$ 12,909,300	\$ 12,909,300
7	PERFORMANCE FUNDING .....	0	0
8	GROSS APPROPRIATION .....	\$ 12,909,300	\$ 12,909,300
9	(X) SOUTHWESTERN MICHIGAN COLLEGE		
10	OPERATIONS .....	\$ 6,732,500	\$ 6,732,500
11	PERFORMANCE FUNDING .....	0	0
12	GROSS APPROPRIATION .....	\$ 6,732,500	\$ 6,732,500
13	(Y) ST. CLAIR COUNTY COMMUNITY COLLEGE		
14	OPERATIONS .....	\$ 7,259,300	\$ 7,259,300
15	PERFORMANCE FUNDING .....	0	0
16	GROSS APPROPRIATION .....	\$ 7,259,300	\$ 7,259,300
17	(Z) WASHTENAW COMMUNITY COLLEGE		
18	OPERATIONS .....	\$ 13,534,000	\$ 13,534,000
19	PERFORMANCE FUNDING .....	0	0
20	GROSS APPROPRIATION .....	\$ 13,534,000	\$ 13,534,000
21	(AA) WAYNE COUNTY COMMUNITY COLLEGE		
22	OPERATIONS .....	\$ 17,234,200	\$ 17,234,200
23	PERFORMANCE FUNDING .....	0	0
24	GROSS APPROPRIATION .....	\$ 17,234,200	\$ 17,234,200
25	(BB) WEST SHORE COMMUNITY COLLEGE		
26	OPERATIONS .....	\$ 2,478,000	\$ 2,478,000
27	PERFORMANCE FUNDING .....	0	0
28	GROSS APPROPRIATION .....	\$ 2,478,000	\$ 2,478,000
29	(CC) OPERATIONS FUNDING SOURCES		
30	GROSS APPROPRIATION .....	\$ 315,892,000	\$ 315,892,000
31	APPROPRIATED FROM:		
32	STATE SCHOOL AID FUND .....	315,892,000	315,892,000

		FOR FISCAL YEAR ENDING SEPT. 30, 2018	FOR FISCAL YEAR ENDING SEPT. 30, 2019
1	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
2	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT		
3	SYSTEM (MPSERS)		
4	MPSERS COST OFFSET .....	\$ 1,733,600	\$ 1,733,600
5	MPSERS UAL CAP REIMBURSEMENT .....	70,805,000	75,490,000
6	GROSS APPROPRIATION .....	\$ 72,538,600	\$ 77,223,600
7	APPROPRIATED FROM:		
8	STATE SCHOOL AID FUND .....	72,538,600	77,223,600
9	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
10	(4) RENAISSANCE ZONE REIMBURSEMENTS		
11	RENAISSANCE ZONE REIMBURSEMENTS .....	\$ 3,100,000	\$ 3,100,000
12	GROSS APPROPRIATION .....	\$ 3,100,000	\$ 3,100,000
13	APPROPRIATED FROM:		
14	STATE SCHOOL AID FUND .....	\$ 3,100,000	\$ 3,100,000
15	(5) GRANTS AND FINANCIAL AID		
16	INDEPENDENT PART-TIME STUDENT GRANTS .....	\$ 2,000,000	\$ 2,000,000
17	GROSS APPROPRIATION .....	\$ 2,000,000	\$ 2,000,000
18	APPROPRIATED FROM:		
19	STATE SCHOOL AID FUND .....	0	0
20	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 2,000,000	\$ 2,000,000
21	(6) ONE-TIME APPROPRIATIONS		
22	MICHIGAN TRANSFER NETWORK .....	\$ 1,025,000	\$ 0
23	MPSERS NORMAL COST OFFSET .....	3,612,000	7,225,000
24	GROSS APPROPRIATION .....	\$ 4,637,000	\$ 7,225,000
25	APPROPRIATED FROM:		
26	STATE SCHOOL AID FUND .....	3,612,000	7,225,000
27	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,025,000	\$ 0
28	SEC. 298C. (1) SUMMARY OF APPROPRIATIONS FOR UNIVERSITIES AND STUDENT FINANCIAL AID		
29	(ARTICLE III)		
30	APPROPRIATION SUMMARY		
31	GROSS APPROPRIATION .....	\$ 1,637,224,400	\$ 1,626,454,400
32	TOTAL INTERDEPARTMENTAL GRANTS AND		

	FOR FISCAL YEAR ENDING SEPT. 30, 2018	FOR FISCAL YEAR ENDING SEPT. 30, 2019	
1	INTRADEPARTMENTAL TRANSFERS.....	0	0
2	ADJUSTED GROSS APPROPRIATION .....	\$ 1,637,224,400	\$ 1,626,454,400
3	TOTAL FEDERAL REVENUES .....	111,526,400	101,526,400
4	TOTAL LOCAL REVENUES .....	0	0
5	TOTAL PRIVATE REVENUES .....	0	0
6	TOTAL OTHER STATE RESTRICTED REVENUES .....	235,743,500	238,673,500
7	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,289,954,500	\$ 1,286,254,500
8	(2) UNIVERSITY OPERATIONS		
9	(A) CENTRAL MICHIGAN UNIVERSITY		
10	OPERATIONS .....	\$ 83,925,500	\$ 86,086,600
11	PERFORMANCE FUNDING .....	2,161,100	0
12	GROSS APPROPRIATION .....	\$ 86,086,600	\$ 86,086,600
13	(B) EASTERN MICHIGAN UNIVERSITY		
14	OPERATIONS .....	\$ 73,593,800	\$ 75,564,000
15	PERFORMANCE FUNDING .....	1,970,200	0
16	GROSS APPROPRIATION .....	\$ 75,564,000	\$ 75,564,000
17	(C) FERRIS STATE UNIVERSITY		
18	OPERATIONS .....	\$ 52,259,900	\$ 53,929,400
19	PERFORMANCE FUNDING .....	1,669,500	0
20	GROSS APPROPRIATION .....	\$ 53,929,400	\$ 53,929,400
21	(D) GRAND VALLEY STATE UNIVERSITY		
22	OPERATIONS .....	\$ 68,227,900	\$ 70,568,100
23	PERFORMANCE FUNDING .....	2,340,200	0
24	GROSS APPROPRIATION .....	\$ 70,568,100	\$ 70,568,100
25	(E) LAKE SUPERIOR STATE UNIVERSITY		
26	OPERATIONS .....	\$ 13,567,400	\$ 13,827,000
27	PERFORMANCE FUNDING .....	259,600	0
28	GROSS APPROPRIATION .....	\$ 13,827,000	\$ 13,827,000
29	(F) MICHIGAN STATE UNIVERSITY		
30	OPERATIONS .....	\$ 275,862,100	\$ 282,583,400
31	PERFORMANCE FUNDING .....	6,721,300	0
32	MSU AGBIORESEARCH .....	34,074,200	34,074,200



		FOR FISCAL YEAR ENDING SEPT. 30, 2018	FOR FISCAL YEAR ENDING SEPT. 30, 2019
1	MSU EXTENSION .....	29,391,500	29,391,500
2	GROSS APPROPRIATION .....	\$ 346,049,100	\$ 346,049,100
3	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY		
4	OPERATIONS .....	\$ 48,097,500	\$ 49,290,900
5	PERFORMANCE FUNDING .....	1,193,400	0
6	GROSS APPROPRIATION .....	\$ 49,290,900	\$ 49,290,900
7	(H) NORTHERN MICHIGAN UNIVERSITY		
8	OPERATIONS .....	\$ 46,279,200	\$ 47,351,900
9	PERFORMANCE FUNDING .....	1,072,700	0
10	GROSS APPROPRIATION .....	\$ 47,351,900	\$ 47,351,900
11	(I) OAKLAND UNIVERSITY		
12	OPERATIONS .....	\$ 49,920,700	\$ 51,564,700
13	PERFORMANCE FUNDING .....	1,644,000	0
14	GROSS APPROPRIATION .....	\$ 51,564,700	\$ 51,564,700
15	(J) SAGINAW VALLEY STATE UNIVERSITY		
16	OPERATIONS .....	\$ 29,114,000	\$ 29,929,100
17	PERFORMANCE FUNDING .....	815,100	0
18	GROSS APPROPRIATION .....	\$ 29,929,100	\$ 29,929,100
19	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR		
20	OPERATIONS .....	\$ 308,639,000	\$ 316,076,500
21	PERFORMANCE FUNDING .....	7,437,500	0
22	GROSS APPROPRIATION .....	\$ 316,076,500	\$ 316,076,500
23	(L) UNIVERSITY OF MICHIGAN - DEARBORN		
24	OPERATIONS .....	\$ 24,803,300	\$ 25,576,600
25	PERFORMANCE FUNDING .....	773,300	0
26	GROSS APPROPRIATION .....	\$ 25,576,600	\$ 25,576,600
27	(M) UNIVERSITY OF MICHIGAN - FLINT		
28	OPERATIONS .....	\$ 22,549,300	\$ 23,189,900
29	PERFORMANCE FUNDING .....	640,600	0
30	GROSS APPROPRIATION .....	\$ 23,189,900	\$ 23,189,900
31	(N) WAYNE STATE UNIVERSITY		
32	OPERATIONS .....	\$ 196,064,500	\$ 199,946,100

		FOR FISCAL YEAR ENDING SEPT. 30, 2018	FOR FISCAL YEAR ENDING SEPT. 30, 2019
1	PERFORMANCE FUNDING .....	3,881,600	0
2	GROSS APPROPRIATION .....	\$ 199,946,100	\$ 199,946,100
3	(O) WESTERN MICHIGAN UNIVERSITY		
4	OPERATIONS .....	\$ 107,440,900	\$ 109,860,800
5	PERFORMANCE FUNDING .....	2,419,900	0
6	GROSS APPROPRIATION .....	\$ 109,860,800	\$ 109,860,800
7	(P) OPERATIONS FUNDING SOURCES		
8	GROSS APPROPRIATION .....	\$ 1,498,810,700	\$ 1,498,810,700
9	APPROPRIATED FROM:		
10	STATE SCHOOL AID FUND .....	231,219,500	231,219,500
11	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,267,591,200	\$ 1,267,591,200
12	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT		
13	SYSTEM (MPSERS)		
14	MPSERS UAL CAP REIMBURSEMENT .....	\$ 4,005,000	\$ 6,516,000
15	GROSS APPROPRIATION .....	\$ 4,005,000	\$ 6,516,000
16	APPROPRIATED FROM:		
17	STATE SCHOOL AID FUND .....	4,005,000	6,516,000
18	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
19	(4) STATE AND REGIONAL PROGRAMS		
20	HIGHER EDUCATION DATABASE MODERNIZATION AND		
21	CONVERSION .....	\$ 200,000	\$ 200,000
22	MIDWESTERN HIGHER EDUCATION COMPACT .....	115,000	115,000
23	GROSS APPROPRIATION .....	\$ 315,000	\$ 315,000
24	APPROPRIATED FROM:		
25	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 315,000	\$ 315,000
26	(5) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA		
27	PARKS PROGRAM		
28	SELECT STUDENT SUPPORT SERVICES .....	\$ 1,956,100	\$ 1,956,100
29	MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM .....	586,800	586,800
30	MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM .....	148,600	148,600
31	GROSS APPROPRIATION .....	\$ 2,691,500	\$ 2,691,500
32	APPROPRIATED FROM:		

		FOR FISCAL YEAR ENDING SEPT. 30, 2018		FOR FISCAL YEAR ENDING SEPT. 30, 2019
1	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	2,691,500	\$ 2,691,500
2	(6) GRANTS AND FINANCIAL AID			
3	STATE COMPETITIVE SCHOLARSHIPS .....	\$	26,361,700	\$ 26,361,700
4	TUITION GRANTS .....		38,021,500	38,021,500
5	TUITION INCENTIVE PROGRAM .....		58,300,000	48,300,000
6	CHILDREN OF VETERANS AND OFFICER'S SURVIVOR			
7	TUITION GRANT PROGRAMS .....		1,400,000	1,400,000
8	PROJECT GEAR-UP .....		3,200,000	3,200,000
9	GROSS APPROPRIATION .....	\$	127,283,200	\$ 117,283,200
10	APPROPRIATED FROM:			
11	UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF			
12	ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM..		3,200,000	3,200,000
13	SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY			
14	FAMILIES.....		108,326,400	98,326,400
15	CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT			
16	PROGRAM.....		100,000	100,000
17	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	15,656,800	\$ 15,656,800

1           Enacting section 1. (1) In accordance with section 30 of article I of the state  
2 constitution of 1963, total state spending on school aid under article I as amended by this  
3 amendatory act from state sources for fiscal year 2017-2018 is estimated at  
4 \$12,575,145,300.00 and state appropriations for school aid to be paid to local units of  
5 government for fiscal year 2017-2018 are estimated at \$12,411,741,800.00.

6           (2) In accordance with section 30 of article IX of the state constitution of 1963,  
7 total state spending from state sources for community colleges for fiscal year 2017-2018  
8 under article II as amended by this amendatory act is estimated at \$398,167,600.00 and the  
9 amount of that state spending from state sources to be paid to local units of government  
10 for fiscal year 2017-2018 is estimated at \$398,167,600.00.

11           (3) In accordance with section 30 of article IX of the state constitution of 1963,  
12 total state spending from state sources for higher education for fiscal year 2017-2018  
13 under article III as amended by this amendatory act is estimated at \$1,525,698,000.00 and  
14 the amount of that state spending from state sources to be paid to local units of  
15 government for fiscal year 2017-2018 is estimated at \$0.

16           Enacting section 2. Sections 11o, 11r, 20g, 21g, 22g, 25f, 25g, 31c, 31h, 31j, 32q,  
17 55, 63, 65, 99t, 102d, 104d, 152b, 201a, 208, 212, 227, 228, 236a, 261, 271a, 274, and 275a  
18 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611o, 388.1611r, 388.1620g,  
19 388.1621g, 388.1622g, 388.1625f, 388.1625g, 388.1631c, 388.1631h, 388.1631j, 388.1632q,  
20 388.1655, 388.1663, 388.1665, 388.1699t, 388.1702d, 388.1704d, 388.1752b, 388.1801a,  
21 388.1808, 388.1812, 388.1827, 388.1828, 388.1836a, 388.1861, 388.1871a, 388.1874, and  
22 388.1875a are repealed effective October 1, 2017.