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**FISCAL YEARS 2016 AND 2017**  
**EXECUTIVE BUDGET RECOMMENDATION**  
**EDUCATION BUDGET**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 18a, 20, 20d, 20f, 20g, 21f,  
22a, 22b, 22d, 22f, 22g, 22i, 23a, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d,  
32p, 39, 39a, 41, 43, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a, 98, 99,  
99h, 102, 104, 104c, 107, 147, 147a, 147c, 152a, 163, 201, 206, 207a, 207b, 207c, 209, 210,  
213, 217, 222, 225, 226, 229, 229a, 230, 236, 236b, 236c, 241, 242, 245, 246, 252, 254, 255,  
256, 258, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 275, 276, 277, 278, 279, 280, 281,  
282, 283, 284, and 286 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j, 388.1611k,  
388.1611m, 388.1611r, 388.1615, 388.1618, 388.1618a, 388.1620, 388.1620d, 388.1620f,  
388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622g, 388.1622i,  
388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b,  
388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a,

1 388.1641, 388.1643, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656,  
2 388.1661a, 388.1662, 388.1664b, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698,  
3 388.1699, 388.1699h, 388.1702, 388.1704, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c,  
4 388.1752a, 388.1763, 388.1801, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810,  
5 388.1813, 388.1817, 388.1822, 388.1825, 388.1826, 388.1829, 388.1829a, 388.1830, 388.1836,  
6 388.1836b, 388.1836c, 388.1841, 388.1842, 388.1845, 388.1846, 388.1852, 388.1854, 388.1855,  
7 388.1856, 388.1858, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868,  
8 388.1869, 388.1870, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881,  
9 388.1882, 388.1883, 388.1884, and 388.1886), sections 6, 8b, 11, 11a, 11j, 11k, 11m, 15, 20,  
10 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22g, 22i, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a,  
11 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98,  
12 99, 99h, 104, 107, 147, 147a, 147c, 152a, 163, 201, 206, 209, 217, 225, 229, 229a, 230, 236,  
13 236b, 236c, 241, 245, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 275, 276,  
14 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 11r, 43, 64b, 95a, 104c,  
15 207a, 207b, and 207c as added by 2014 PA 196, section 18 as amended by 2014 PA 476, section  
16 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, sections 102, 210, and  
17 258 as amended by 2013 PA 60, sections 213, 222, 226, 242, 254, 255, and 286 as amended by  
18 2012 PA 201, and by adding sections 31c, 35, 35a, 35b, 35c, 35d, 35e, 35f, 35g, 61b, 67,  
19 103a, 103b, 103c, 215, and 260; and to repeal acts and parts of acts.

20  
21 **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

22 **ARTICLE I**

23  
24 Sec. 6. (1) "Center program" means a program operated by a district or by an  
25 intermediate district for special education pupils from several districts in programs for  
26 pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with  
27 moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing  
28 impairment, pupils with visual impairment, and pupils with physical impairment or other  
29 health impairment. Programs for pupils with emotional impairment housed in buildings that do  
30 not serve regular education pupils also qualify. Unless otherwise approved by the department,  
31 a center program either shall serve all constituent districts within an intermediate district  
32 or shall serve several districts with less than 50% of the pupils residing in the operating

1 district. In addition, special education center program pupils placed part-time in noncenter  
2 programs to comply with the least restrictive environment provisions of section 612 of part B  
3 of the individuals with disabilities education act, 20 USC 1412, may be considered center  
4 program pupils for pupil accounting purposes for the time scheduled in either a center  
5 program or a noncenter program.

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

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

12 (4) "Membership", except as otherwise provided in this article, means for a district,  
13 a public school academy, the education achievement system, or an intermediate district the  
14 sum of the product of .90 times the number of full-time equated pupils in grades K to 12  
15 actually enrolled and in regular daily attendance on the pupil membership count day for the  
16 current school year, plus the product of .10 times the final audited count from the  
17 supplemental count day for the current school year. A district's, public school academy's, or  
18 intermediate district's membership shall be adjusted as provided under section 25e for pupils  
19 who enroll in the district, public school academy, or intermediate district after the pupil  
20 membership count day. All pupil counts used in this subsection are as determined by the  
21 department and calculated by adding the number of pupils registered for attendance plus  
22 pupils received by transfer and minus pupils lost as defined by rules promulgated by the  
23 superintendent, and as corrected by a subsequent department audit. For the purposes of this  
24 section and section 6a, for a school of excellence that is a cyber school, as defined in  
25 section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a  
26 of the revised school code, MCL 380.553a, a pupil's participation, **AS DEFINED IN THE PUPIL**  
27 **ACCOUNTING MANUAL**, in the cyber school's educational program is considered regular daily  
28 attendance; for the education achievement system, a pupil's participation, **AS DEFINED IN THE**  
29 **PUPIL ACCOUNTING MANUAL**, in an online educational program of the education achievement system  
30 or of an achievement school is considered regular daily attendance; and for a district a  
31 pupil's participation in an online course as defined in section 21f is considered regular  
32 daily attendance. The amount of the foundation allowance for a pupil in membership is

1 determined under section 20. In making the calculation of membership, all of the following,  
2 as applicable, apply to determining the membership of a district, a public school academy,  
3 the education achievement system, or an intermediate district:

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

8 (b) If a pupil is educated in a district other than the pupil's district of residence,  
9 if the pupil is not being educated as part of a cooperative education program, if the pupil's  
10 district of residence does not give the educating district its approval to count the pupil in  
11 membership in the educating district, and if the pupil is not covered by an exception  
12 specified in subsection (6) to the requirement that the educating district must have the  
13 approval of the pupil's district of residence to count the pupil in membership, the pupil  
14 shall not be counted in membership in any district.

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

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

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

23 (f) A pupil enrolled in a career and technical education program supported by a  
24 millage levied over an area larger than a single district or in an area vocational-technical  
25 education program established pursuant to section 690 of the revised school code, MCL  
26 380.690, shall be counted only in the pupil's district of residence.

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

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

31 (i) For a new district or public school academy beginning its operation after December  
32 31, 1994, or for the education achievement system or an achievement school, membership for

1 the first 2 full or partial fiscal years of operation shall be determined as follows:

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

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

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

21 (k) In a district, a public school academy, the education achievement system, or an  
22 intermediate district operating an extended school year program approved by the  
23 superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a  
24 pupil membership count day, shall be counted.

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

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

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

3 (A) Is enrolled in a public school academy or an alternative education high school  
4 diploma program, that is primarily focused on educating homeless pupils.

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

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

7 **(D) IS CONSIDERED TO BE HOMELESS UNDER THE STEWART B. MCKINNEY HOMELESS ASSISTANCE**  
8 **ACT, 42 USC 11302.**

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

15 (m) An individual who has obtained a high school diploma shall not be counted in  
16 membership. An individual who has obtained a general educational development (G.E.D.)  
17 certificate shall not be counted in membership unless the individual is a pupil with a  
18 disability as defined in R 340.1702 of the Michigan administrative code. An individual  
19 participating in a job training program funded under former section 107a or a jobs program  
20 funded under former section 107b, administered by the Michigan strategic fund, or  
21 participating in any successor of either of those 2 programs, shall not be counted in  
22 membership.

23 (n) If a pupil counted in membership in a public school academy or the education  
24 achievement system is also educated by a district or intermediate district as part of a  
25 cooperative education program, the pupil shall be counted in membership only in the public  
26 school academy or the education achievement system unless a written agreement signed by all  
27 parties designates the party or parties in which the pupil shall be counted in membership,  
28 and the instructional time scheduled for the pupil in the district or intermediate district  
29 shall be included in the full-time equated membership determination under subdivision (q).  
30 However, for pupils receiving instruction in both a public school academy or the education  
31 achievement system and in a district or intermediate district but not as a part of a  
32 cooperative education program, the following apply:

1 (i) If the public school academy or the education achievement system provides  
2 instruction for at least 1/2 of the class hours specified in subdivision (q), the public  
3 school academy or the education achievement system shall receive as its prorated share of the  
4 full-time equated membership for each of those pupils an amount equal to 1 times the product  
5 of the hours of instruction the public school academy or the education achievement system  
6 provides divided by the number of hours specified in subdivision (q) for full-time  
7 equivalency, and the remainder of the full-time membership for each of those pupils shall be  
8 allocated to the district or intermediate district providing the remainder of the hours of  
9 instruction.

10 (ii) If the public school academy or the education achievement system provides  
11 instruction for less than 1/2 of the class hours specified in subdivision (q), the district  
12 or intermediate district providing the remainder of the hours of instruction shall receive as  
13 its prorated share of the full-time equated membership for each of those pupils an amount  
14 equal to 1 times the product of the hours of instruction the district or intermediate  
15 district provides divided by the number of hours specified in subdivision (q) for full-time  
16 equivalency, and the remainder of the full-time membership for each of those pupils shall be  
17 allocated to the public school academy or the education achievement system.

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

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

24 (q) The number of class hours used to calculate full-time equated memberships shall be  
25 consistent with section 101(3). In determining full-time equated memberships for pupils who  
26 are enrolled in a postsecondary institution, a pupil shall not be considered to be less than  
27 a full-time equated pupil solely because of the effect of his or her postsecondary  
28 enrollment, including necessary travel time, on the number of class hours provided by the  
29 district to the pupil.

30 (r) ~~Beginning in 2012-2013, full-time~~ **FULL-TIME** equated memberships for pupils in  
31 kindergarten shall be determined by dividing the number of instructional hours scheduled and  
32 provided per year per kindergarten pupil by the same number used for determining full-time

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

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

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

24 (u) If, as a result of a disciplinary action, a district determines through the  
25 district's alternative or disciplinary education program that the best instructional  
26 placement for a pupil is in the pupil's home or otherwise apart from the general school  
27 population, if that placement is authorized in writing by the district superintendent and  
28 district alternative or disciplinary education supervisor, and if the district provides  
29 appropriate instruction as described in this subdivision to the pupil at the pupil's home or  
30 otherwise apart from the general school population, the district may count the pupil in  
31 membership on a pro rata basis, with the proration based on the number of hours of  
32 instruction the district actually provides to the pupil divided by the number of hours



1 specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision,  
2 a district shall be considered to be providing appropriate instruction if all of the  
3 following are met:

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

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

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

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

12 (v) If a pupil was enrolled in a public school academy on the pupil membership count  
13 day, if the public school academy's contract with its authorizing body is revoked or the  
14 public school academy otherwise ceases to operate, and if the pupil enrolls in a district or  
15 the education achievement system within 45 days after the pupil membership count day, the  
16 department shall adjust the district's or the education achievement system's pupil count for  
17 the pupil membership count day to include the pupil in the count.

18 (w) For a public school academy that has been in operation for at least 2 years and  
19 that suspended operations for at least 1 semester and is resuming operations, membership is  
20 the 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 first pupil membership count day or  
22 supplemental count day, whichever is first, occurring after operations resume, plus the  
23 product of .10 times the final audited count from the most recent pupil membership count day  
24 or supplemental count day that occurred before suspending operations, as determined by the  
25 superintendent.

26 (x) If a district's membership for a particular fiscal year, as otherwise calculated  
27 under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer  
28 pupils per square mile, as determined by the department, and if the district does not receive  
29 funding under section 22d(2), the district's membership shall be considered to be the  
30 membership figure calculated under this subdivision. If a district educates and counts in its  
31 membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate  
32 grades 9 to 12 and if 1 or both of the affected districts request the department to use the

1 determination allowed under this sentence, the department shall include the square mileage of  
2 both districts in determining the number of pupils per square mile for each of the districts  
3 for the purposes of this subdivision. The membership figure calculated under this subdivision  
4 is the greater of the following:

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

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

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

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

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

26 (bb) A district, a public school academy, or the education achievement system that  
27 educates a pupil who attends a United States Olympic education center may count the pupil in  
28 membership regardless of whether or not the pupil is a resident of this state.

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

32 (dd) For a pupil enrolled in a dropout recovery program that meets the requirements of

1 section 23a, the pupil shall be counted as 1/12 of a full-time equated membership for each  
2 month that the district operating the program reports that the pupil was enrolled in the  
3 program and was in full attendance. However, if the special membership counting provisions  
4 under this subdivision and the operation of the other membership counting provisions under  
5 this subsection result in a pupil being counted as more than 1.0 FTE in a fiscal year, the  
6 payment made for the pupil under sections 22a and 22b shall not be based on more than 1.0 FTE  
7 for that pupil, and any portion of an FTE for that pupil that exceeds 1.0 shall instead be  
8 paid under section 25f. The district operating the program shall report to the center the  
9 number of pupils who were enrolled in the program and were in full attendance for a month not  
10 later than the tenth day of the next month. A district shall not report a pupil as being in  
11 full attendance for a month unless both of the following are met:

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

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

20 **(EE) A PUPIL ENROLLED IN AN ONLINE COURSE UNDER SECTION 21F SHALL BE COUNTED IN**  
21 **MEMBERSHIP IN THE PUPIL'S RESIDENT DISTRICT, REFERRED TO IN SECTION 21F AS THE PRIMARY**  
22 **DISTRICT FOR THE ONLINE COURSE ENROLLMENT.**

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

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

28 (a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section  
29 166b.

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

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

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

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

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

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

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

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

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

30 (i) The pupil has been suspended or expelled from his or her district of residence for  
31 any reason, including, but not limited to, a suspension or expulsion under section 1310,  
32 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

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

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

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

4 (i) A pupil enrolled in the Michigan virtual school, for the pupil's enrollment in the  
5 Michigan virtual school.

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

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

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

16 (m) A pupil enrolled in a district other than the pupil's district of residence who  
17 attends a United States Olympic education center.

18 (n) 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.

20 (o) A pupil who enrolls in a district other than the pupil's district of residence as  
21 a result of the pupil's school not making adequate yearly progress under the no child left  
22 behind act of 2001, Public Law 107-110.

23 ~~(p) An online learning pupil enrolled in a district other than the pupil's district of~~  
24 ~~residence as an eligible pupil under section 21f.~~

25 However, if a district educates pupils who reside in another district and if the  
26 primary instructional site for those pupils is established by the educating district after  
27 2009-2010 and is located within the boundaries of that other district, the educating district  
28 must have the approval of that other district to count those pupils in membership.

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

30 (a) Except as provided in subdivision (b), the first Wednesday in October each school  
31 year or, for a district or building in which school is not in session on that Wednesday due  
32 to conditions not within the control of school authorities, with the approval of the

1 superintendent, the immediately following day on which school is in session in the district  
2 or building.

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

5 (i) Fourth Wednesday in July.

6 (ii) First Wednesday in October.

7 (iii) Second Wednesday in February.

8 (iv) Fourth Wednesday in April.

9 (8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means  
10 pupils in grades K to 12 in attendance and receiving instruction in all classes for which  
11 they are enrolled on the pupil membership count day or the supplemental count day, as  
12 applicable. Except as otherwise provided in this subsection, a pupil who is absent from any  
13 of the classes in which the pupil is enrolled on the pupil membership count day or  
14 supplemental count day and who does not attend each of those classes during the 10  
15 consecutive school days immediately following the pupil membership count day or supplemental  
16 count day, except for a pupil who has been excused by the district, shall not be counted as  
17 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil  
18 membership count day or supplemental count day and who fails to attend each of the classes in  
19 which the pupil is enrolled within 30 calendar days after the pupil membership count day or  
20 supplemental count day shall not be counted as 1.0 full-time equated membership. In addition,  
21 a pupil who was enrolled and in attendance in a district, an intermediate district, a public  
22 school academy, or the education achievement system before the pupil membership count day or  
23 supplemental count day of a particular year but was expelled or suspended on the pupil  
24 membership count day or supplemental count day shall only be counted as 1.0 full-time equated  
25 membership if the pupil resumed attendance in the district, intermediate district, public  
26 school academy, or education achievement system within 45 days after the pupil membership  
27 count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-  
28 time equated membership due to an absence from a class shall be counted as a prorated  
29 membership for the classes the pupil attended. For purposes of this subsection, "class" means  
30 a period of time in 1 day when pupils and a certificated teacher or legally qualified  
31 substitute teacher are together and instruction is taking place.

32 (9) "Rule" means a rule promulgated pursuant to the administrative procedures act of

1 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

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

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

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

9 (14) "Superintendent", unless the context clearly refers to a district or intermediate  
10 district superintendent, means the superintendent of public instruction described in section  
11 3 of article VIII of the state constitution of 1963.

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

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

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

24 (18) "Taxable value" means the taxable value of property as determined under section  
25 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

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

32 (20) "Total state aid" or "total state school aid" means the total combined amount of

1 all funds due to a district, intermediate district, or other entity under all of the  
2 provisions of this article.

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

7 (2) If the department does not assign a district code to a public school academy  
8 within the 30-day period described in subsection (1), the district code the department shall  
9 use to make payments under this article to the newly authorized public school academy shall  
10 be a number that is equivalent to the sum of the last district code assigned to a public  
11 school academy located in the same county as the newly authorized public school academy plus  
12 1. However, if there is not an existing public school academy located in the same county as  
13 the newly authorized public school academy, then the district code the department shall use  
14 to make payments under this article to the newly authorized public school academy shall be a  
15 5-digit number that has the county code in which the public school academy is located as its  
16 first 2 digits, 9 as its third digit, 0 as its fourth digit, and 1 as its fifth digit. If the  
17 number of public school academies in a county grows to exceed 100, the third digit in this 5-  
18 digit number shall then be 7 for the public school academies in excess of 100.

19 **(3) FOR EACH SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL AUTHORIZED BY A SCHOOL**  
20 **DISTRICT, INTERMEDIATE SCHOOL DISTRICT, COMMUNITY COLLEGE OR OTHER NON-STATEWIDE AUTHORIZING**  
21 **ENTITY UNDER THE REVISED SCHOOL CODE AND IS ELIGIBLE TO RECEIVE FUNDING UNDER THIS ARTICLE,**  
22 **THE DEPARTMENT SHALL ASSIGN A DISTRICT CODE THAT INCLUDES THE COUNTY CODE IN WHICH THE**  
23 **AUTHORIZING BODY IS LOCATED AS THE FIRST TWO DIGITS.**

24 Sec. 11. (1) For the fiscal year ending September 30, ~~2014,~~ **2016** there is appropriated  
25 for the public schools of this state and certain other state purposes relating to education  
26 the sum of ~~\$11,200,232,300.00~~ **\$12,137,294,700.00** from the state school aid fund, ~~the sum of~~  
27 ~~\$156,000,000.00 from the MPSERS retirement obligation reform reserve fund created under~~  
28 ~~section 147b,~~ and the sum of ~~\$149,900,000.00~~ **\$45,900,000.00** from the general fund. ~~For the~~  
29 ~~fiscal year ending September 30, 2015, there is appropriated for the public schools of this~~  
30 ~~state and certain other state purposes relating to education the sum of \$11,929,262,900.00~~  
31 ~~from the state school aid fund, the sum of \$18,000,000.00 from the MPSERS retirement~~  
32 ~~obligation reform reserve fund created under section 147b, and the sum of \$114,900,000.00~~



1 ~~from the general fund.~~ In addition, all other available federal funds are appropriated each  
2 ~~fiscal year~~ for the fiscal year ending September 30, ~~2014 and for the fiscal year ending~~  
3 ~~September 30, 2015~~ **2016**.

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

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

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

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

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

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

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

21 (3) Money available in the school aid stabilization fund may not be expended without a  
22 specific appropriation from the school aid stabilization fund. Money in the school aid  
23 stabilization fund shall be expended only for purposes for which state school aid fund money  
24 may be expended.

25 (4) The state treasurer shall direct the investment of the school aid stabilization  
26 fund. The state treasurer shall credit to the school aid stabilization fund interest and  
27 earnings from fund investments.

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

31 (6) If the maximum amount appropriated under section 11 from the state school aid fund  
32 for a fiscal year exceeds the amount available for expenditure from the state school aid fund

1 for that fiscal year, there is appropriated from the school aid stabilization fund to the  
2 state school aid fund an amount equal to the projected shortfall as determined by the  
3 department of treasury, but not to exceed available money in the school aid stabilization  
4 fund. If the money in the school aid stabilization fund is insufficient to fully fund an  
5 amount equal to the projected shortfall, the state budget director shall notify the  
6 legislature as required under section 296(2) and state payments in an amount equal to the  
7 remainder of the projected shortfall shall be prorated in the manner provided under section  
8 296(3).

9 (7) For ~~2014-2015~~ **2015-2016**, in addition to the appropriations in section 11, there is  
10 appropriated from the school aid stabilization fund to the state school aid fund the amount  
11 necessary to fully fund the allocations under this article.

12 Sec. 11j. From the appropriation in section 11, there is allocated an amount not to  
13 exceed ~~\$126,000,000.00~~ **\$143,000,000.00** for ~~2014-2015~~ **2015-2016** for payments to the school  
14 loan bond redemption fund in the department of treasury on behalf of districts and  
15 intermediate districts. Notwithstanding section 296 or any other provision of this act, funds  
16 allocated under this section are not subject to proration and shall be paid in full.

17 Sec. 11k. For ~~2014-2015~~ **2015-2016**, there is appropriated from the general fund to the  
18 school loan revolving fund an amount equal to the amount of school bond loans assigned to the  
19 Michigan finance authority, not to exceed the total amount of school bond loans held in  
20 reserve as long-term assets. As used in this section, "school loan revolving fund" means that  
21 fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

22 Sec. 11m. From the appropriation in section 11, there is allocated for ~~2014-2015~~ **2015-**  
23 **2016** an amount not to exceed \$4,000,000.00 for fiscal year cash-flow borrowing costs solely  
24 related to the state school aid fund established by section 11 of article IX of the state  
25 constitution of 1963.

26 Sec. 11r. (1) From the appropriation in section 11, there is allocated an amount not  
27 to exceed ~~\$4,000,000.00~~ **\$75,000,000.00** to be deposited into the distressed districts  
28 ~~emergency grant~~ **REHABILITATION** fund created under this section for the purpose of funding  
29 grants under this section. **FUNDS ARE INTENDED TO SUPPORT THE REHABILITATION OF SCHOOL**  
30 **DISTRICTS EXPERIENCING SEVERE ACADEMIC AND FINANCIAL STRESS IN ORDER TO MITIGATE THE IMPACT**  
31 **ON STUDENT LEARNING.**

32 (2) The distressed districts ~~emergency grant~~ **REHABILITATION** fund is created as a

1 separate account within the state school aid fund. The state treasurer may receive money or  
2 other assets from any source for deposit into the distressed districts ~~emergency grant~~  
3 **REHABILITATION** fund. The state treasurer shall direct the investment of the distressed  
4 districts ~~emergency grant~~ **REHABILITATION** fund and shall credit to the distressed districts  
5 ~~emergency grant~~ **REHABILITATION** fund interest and earnings from the fund.

6 ~~(3) Subject to subsection (4), a district is eligible to receive a grant from the~~  
7 ~~distressed districts emergency grant fund if either of the following applies:~~

8 ~~(a) The district has adopted a resolution authorizing the voluntary dissolution of the~~  
9 ~~district approved by the state treasurer under section 12 of the revised school code, MCL~~  
10 ~~380.12, but the dissolution has not yet taken effect under that section.~~

11 ~~(b) The district is a receiving district under section 12 of the revised school code,~~  
12 ~~MCL 380.12, and the district enrolls pupils who were previously enrolled in a district that~~  
13 ~~was dissolved under section 12 of the revised school code, MCL 380.12, in the immediately~~  
14 ~~preceding school year.~~

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

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

26 **(3)** ~~(6)~~ Before disbursing funds under this section, the state treasurer shall notify  
27 the house and senate appropriations subcommittees on school aid and the house and senate  
28 fiscal agencies. The notification shall include, but not be limited to, the district  
29 receiving funds under this section, the amount of the funds awarded under this section, an  
30 explanation of the district conditions that necessitate funding under this section, and the  
31 intended use of funds disbursed under this section.

32 **(4)** ~~(7)~~ Money in the distressed districts ~~emergency grant~~ **REHABILITATION** fund at the

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

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

19 (2) If the result of an audit conducted by or for the department affects the current  
20 fiscal year membership, affected payments shall be adjusted in the current fiscal year. A  
21 deduction due to an adjustment made as a result of an audit conducted by or for the  
22 department, or as a result of information obtained by the department from the district, an  
23 intermediate district, the department of treasury, or the office of auditor general, shall be  
24 deducted from the district's apportionments when the adjustment is finalized. At the request  
25 of the district and upon the district presenting evidence satisfactory to the department of  
26 the hardship, the department may grant up to an additional 4 years for the adjustment and may  
27 advance payments to the district otherwise authorized under this article if the district  
28 would otherwise experience a significant hardship in satisfying its financial obligations.

29 (3) If, based on an audit by the department or the department's designee or because of  
30 new or updated information received by the department, the department determines that the  
31 amount paid to a district or intermediate district under this article for the current fiscal  
32 year or a prior fiscal year was incorrect, the department shall make the appropriate

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

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

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

17 (6) In addition to funds appropriated in section 11 for all programs and services,  
18 there is appropriated for ~~2014-2015~~ **2015-2016** for obligations in excess of applicable  
19 appropriations an amount equal to the collection of overpayments, but not to exceed amounts  
20 available from overpayments.

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

32 (2) **A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AN ANNUAL BUDGET IN A MANNER THAT**

1 **COMPLIES WITH THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A.**

2 Within 15 days after a board adopts its annual operating budget for the following school  
3 fiscal year, or after a board adopts a subsequent revision to that budget, the district shall  
4 make all of the following available through a link on its website home page, or may make the  
5 information available through a link on its intermediate district's website home page, in a  
6 form and manner prescribed by the department:

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

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

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

12 (A) Salaries and wages.

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

15 (C) Retirement benefit costs.

16 (D) All other personnel costs.

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

18 (A) Instruction.

19 (B) Support services.

20 (C) Business and administration.

21 (D) Operations and maintenance.

22 (c) Links to all of the following:

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

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

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

29 (iv) The bids required under section 5 of the public employee health benefits act,  
30 2007 PA 106, MCL 124.75.

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

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

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

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

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

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

13 (g) Any deficit elimination plan or enhanced deficit elimination plan the district was  
14 required to submit under this article.

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

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

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

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

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

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

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

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

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

20 (e) All of the following shall be done not later than November 15, ~~2014~~ **2015** for  
21 reporting ~~2013-2014~~ **2014-2015** data during ~~2014-2015~~ **2015-2016**, and not later than ~~October 15~~  
22 **NOVEMBER 1** for reporting the prior fiscal year data for all subsequent fiscal years:

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

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

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

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



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

6 (5) By November 15, ~~2014~~ **2015** for ~~2014-2015~~ **2015-2016** and by ~~October 15~~ **NOVEMBER 1** for  
7 all subsequent fiscal years, each district and intermediate district shall submit to the  
8 center, in a manner prescribed by the center, annual comprehensive financial data consistent  
9 with accounting manuals and charts of accounts approved and published by the department. For  
10 an intermediate district, the report shall also contain the website address where the  
11 department can access the report required under section 620 of the revised school code, MCL  
12 380.620. The department shall ensure that the prescribed Michigan public school accounting  
13 manual chart of accounts includes standard conventions to distinguish expenditures by  
14 allowable fund function and object. The functions shall include at minimum categories for  
15 instruction, pupil support, instructional staff support, general administration, school  
16 administration, business administration, transportation, facilities operation and  
17 maintenance, facilities acquisition, and debt service; and shall include object  
18 classifications of salary, benefits, including categories for active employee health  
19 expenditures, purchased services, supplies, capital outlay, and other. Districts shall report  
20 the required level of detail consistent with the manual as part of the comprehensive annual  
21 financial report.

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

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

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

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

1 unless the public school academy sells the property at fair market value.

2 (10) If a district or intermediate district does not comply with subsections (4), (5),  
3 (6), and (7), the department shall withhold all state school aid due to the district or  
4 intermediate district under this article, beginning with the next payment due to the district  
5 or intermediate district, until the district or intermediate district complies with  
6 subsections (4), (5), (6), and (7). ~~However, the department shall not withhold the payment~~  
7 ~~due on October 20 due to the operation of this subsection.~~ If the district or intermediate  
8 district does not comply with subsections (4), (5), (6), and (7) by the end of the fiscal  
9 year, the district or intermediate district forfeits the amount withheld.

10 **(11) IF A DISTRICT OR INTERMEDIATE DISTRICT DOES NOT COMPLY WITH SUBSECTION (2), THE**  
11 **DEPARTMENT MAY WITHHOLD UP TO 10% OF THE STATE SCHOOL AID OTHERWISE PAYABLE TO THE DISTRICT**  
12 **OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE, BEGINNING WITH THE NEXT PAYMENT DUE TO THE**  
13 **DISTRICT OR INTERMEDIATE DISTRICT, UNTIL THE DISTRICT OR INTERMEDIATE DISTRICT COMPLIES WITH**  
14 **SUBSECTION (2). IF THE DISTRICT OR INTERMEDIATE DISTRICT DOES NOT COMPLY WITH SUBSECTION (2)**  
15 **BY THE END OF THE FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT FORFEITS THE AMOUNT**  
16 **WITHHELD.**

17 **(12)** ~~(11)~~ Not later than November 1, ~~2014~~ **2015**, if a district or intermediate district  
18 offers online learning under section 21f, the district or intermediate district shall submit  
19 to the department a report that details the per-pupil costs of operating the online learning  
20 by vendor type. The report shall include at least all of the following information concerning  
21 the operation of online learning for the school fiscal year ending June 30, ~~2014~~ **2015**:

22 (a) The name of the district operating the online learning and of each district that  
23 enrolled students in the online learning.

24 (b) The total number of students enrolled in the online learning and the total number  
25 of membership pupils enrolled in the online learning.

26 (c) For each pupil who is enrolled in a district other than the district offering  
27 online learning, the name of that district.

28 (d) The district in which the pupil was enrolled before enrolling in the district  
29 offering online learning.

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

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

32 (g) The total cost to enroll a student in the program. This cost shall be reported on

1 a per-pupil, per-course, per-semester or trimester basis by vendor type. The total shall  
2 include costs broken down by cost for content development, content licensing, training,  
3 online instruction and instructional support, personnel, hardware and software, payment to  
4 each online learning provider, and other costs associated with operating online learning.

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

7 **(13)** ~~(12)~~ Not later than March 31, ~~2015~~ **2016**, the department shall submit to the house  
8 and senate appropriations subcommittees on state school aid, the state budget director, and  
9 the house and senate fiscal agencies a report summarizing the per pupil costs by vendor type  
10 of online courses available under section 21f.

11 **(14)** ~~(13)~~ As used in subsections ~~(11)~~ and (12) **AND (13)**, "vendor type" means the  
12 following:

13 (a) Online courses provided by the Michigan virtual university.

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

16 (c) Online courses provided by third party vendors not affiliated with a Michigan  
17 public school.

18 (d) Online courses created and offered by a district or intermediate district.

19 Sec. 18a. Grant funds awarded and allotted to a district, intermediate district, or  
20 other entity, unless otherwise specified in this ~~act~~ **ARTICLE**, shall be expended by the grant  
21 recipient before the end of the ~~school~~ fiscal year immediately following the fiscal year in  
22 which the funds are received. If a grant recipient does not expend the funds received under  
23 this ~~act~~ **ARTICLE** before the end of the fiscal year in which the funds are received, the grant  
24 recipient shall submit a report to the department not later than November 1 after the fiscal  
25 year in which the funds are received indicating whether it expects to expend those funds  
26 during the fiscal year in which the report is submitted. A recipient of a grant shall return  
27 any unexpended grant funds to the department in the manner prescribed by the department not  
28 later than September 30 after the fiscal year in which the funds are received.

29 Sec. 20. (1) For ~~2014-2015~~ **2015-2016**, both of the following apply:

30 (a) The basic foundation allowance is ~~\$8,099.00~~ **\$8,174.00**.

31 (b) The minimum foundation allowance is ~~\$7,126.00~~ **\$7,326.00**.

32 (2) The amount of each district's foundation allowance shall be calculated as provided

1 in this section, using a basic foundation allowance in the amount specified in subsection  
2 (1).

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

6 (a) Except as otherwise provided in this subdivision, for a district that had a  
7 foundation allowance for the immediately preceding state fiscal year that was equal to the  
8 minimum foundation allowance for the immediately preceding state fiscal year, but less than  
9 the basic foundation allowance for the immediately preceding state fiscal year, the district  
10 shall receive a foundation allowance in an amount equal to the sum of the district's  
11 foundation allowance for the immediately preceding state fiscal year plus the difference  
12 between twice the dollar amount of the adjustment from the immediately preceding state fiscal  
13 year to the current state fiscal year made in the basic foundation allowance and [(the  
14 difference between the basic foundation allowance for the current state fiscal year and basic  
15 foundation allowance for the immediately preceding state fiscal year minus \$10.00) times (the  
16 difference between the district's foundation allowance for the immediately preceding state  
17 fiscal year and the minimum foundation allowance for the immediately preceding state fiscal  
18 year) divided by the difference between the basic foundation allowance for the current state  
19 fiscal year and the minimum foundation allowance for the immediately preceding state fiscal  
20 year]. However, the foundation allowance for a district that had less than the basic  
21 foundation allowance for the immediately preceding state fiscal year shall not exceed the  
22 basic foundation allowance for the current state fiscal year. For the purposes of this  
23 subdivision, for ~~2014-2015~~ **2015-2016**, the minimum foundation allowance for the immediately  
24 preceding state fiscal year shall be considered to be ~~\$7,076.00~~ **\$7,251.00**. For ~~2014-2015~~  
25 **2015-2016**, for a district that had a foundation allowance for the immediately preceding state  
26 fiscal year that was at least equal to the minimum foundation allowance for the immediately  
27 preceding state fiscal year but less than the basic foundation allowance for the immediately  
28 preceding state fiscal year, the district shall receive a foundation allowance in an amount  
29 equal to the district's foundation allowance for ~~2013-2014~~ **2014-2015** plus ~~\$50.00~~ **\$75.00**.

30 (b) Except as otherwise provided in this subsection, for a district that in the  
31 immediately preceding state fiscal year had a foundation allowance in an amount equal to the  
32 amount of the basic foundation allowance for the immediately preceding state fiscal year, the

1 district shall receive a foundation allowance for ~~2014-2015~~ **2015-2016** in an amount equal to  
2 the basic foundation allowance for ~~2014-2015~~ **2015-2016**.

3 (c) For a district that had a foundation allowance for the immediately preceding state  
4 fiscal year that was greater than the basic foundation allowance for the immediately  
5 preceding state fiscal year, the district's foundation allowance is an amount equal to the  
6 sum of the district's foundation allowance for the immediately preceding state fiscal year  
7 plus the lesser of the increase in the basic foundation allowance for the current state  
8 fiscal year, as compared to the immediately preceding state fiscal year, or the product of  
9 the district's foundation allowance for the immediately preceding state fiscal year times the  
10 percentage increase in the United States consumer price index in the calendar year ending in  
11 the immediately preceding fiscal year as reported by the May revenue estimating conference  
12 conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

15 (e) For a district that received a payment under section 22c as that section was in  
16 effect for ~~2013-2014~~ **2014-2015**, the district's ~~2013-2014~~ **2014-2015** foundation allowance shall  
17 be considered to have been an amount equal to the sum of the district's actual ~~2013-2014~~  
18 **2014-2015** foundation allowance as otherwise calculated under this section plus the per pupil  
19 amount of the district's equity payment for ~~2013-2014~~ **2014-2015** under section 22c as that  
20 section was in effect for ~~2013-2014~~ **2014-2015**.

21 (4) Except as otherwise provided in this subsection, the state portion of a district's  
22 foundation allowance is an amount equal to the district's foundation allowance or the basic  
23 foundation allowance for the current state fiscal year, whichever is less, minus the local  
24 portion of the district's foundation allowance divided by the district's membership excluding  
25 special education pupils. For a district described in subsection (3)(c), the state portion of  
26 the district's foundation allowance is an amount equal to \$6,962.00 plus the difference  
27 between the district's foundation allowance for the current state fiscal year and the  
28 district's foundation allowance for 1998-99, minus the local portion of the district's  
29 foundation allowance divided by the district's membership excluding special education pupils.  
30 For a district that has a millage reduction required under section 31 of article IX of the  
31 state constitution of 1963, the state portion of the district's foundation allowance shall be  
32 calculated as if that reduction did not occur. For a receiving district, if school operating

1 taxes continue to be levied on behalf of a dissolved district that has been attached in whole  
2 or in part to the receiving district to satisfy debt obligations of the dissolved district  
3 under section 12 of the revised school code, MCL 380.12, the taxable value per membership  
4 pupil of property in the receiving district used for the purposes of this subsection does not  
5 include the taxable value of property within the geographic area of the dissolved district.

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

16 (6) Except as otherwise provided in this subsection, for pupils in membership, other  
17 than special education pupils, in a public school academy, the allocation calculated under  
18 this section is an amount per membership pupil other than special education pupils in the  
19 public school academy equal to the foundation allowance of the district in which the public  
20 school academy is located or the state maximum public school academy allocation, whichever is  
21 less. **FOR PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL EDUCATION PUPILS, IN A PUBLIC SCHOOL**  
22 **ACADEMY THAT IS A CYBER SCHOOL AUTHORIZED BY A SCHOOL DISTRICT, THE ALLOCATION CALCULATED**  
23 **UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS IN**  
24 **THE PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL EQUAL TO THE FOUNDATION ALLOWANCE OF THE**  
25 **DISTRICT THAT AUTHORIZED THE PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL OR THE STATE**  
26 **MAXIMUM PUBLIC SCHOOL ACADEMY ALLOCATION, WHICHEVER IS LESS.** However, a public school academy  
27 that had an allocation under this subsection before 2009-2010 that was equal to the sum of  
28 the local school operating revenue per membership pupil other than special education pupils  
29 for the district in which the public school academy is located and the state portion of that  
30 district's foundation allowance shall not have that allocation reduced as a result of the  
31 2010 amendment to this subsection. Notwithstanding section 101, for a public school academy  
32 that begins operations after the pupil membership count day, the amount per membership pupil

1 calculated under this subsection shall be adjusted by multiplying that amount per membership  
2 pupil by the number of hours of pupil instruction provided by the public school academy after  
3 it begins operations, as determined by the department, divided by the minimum number of hours  
4 of pupil instruction required under section 101(3). The result of this calculation shall not  
5 exceed the amount per membership pupil otherwise calculated under this subsection.

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

24 (8) Subject to subsection (4), for a district that is formed or reconfigured after  
25 June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting  
26 district's foundation allowance under this section beginning after the effective date of the  
27 consolidation or annexation shall be the lesser of the sum of the average of the foundation  
28 allowances of each of the original or affected districts, calculated as provided in this  
29 section, weighted as to the percentage of pupils in total membership in the resulting  
30 district who reside in the geographic area of each of the original or affected districts plus  
31 \$100.00 or the highest foundation allowance among the original or affected districts. This  
32 subsection does not apply to a receiving district unless there is a subsequent consolidation

1 or annexation that affects the district.

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

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

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

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

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



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

6 (12) Payments to districts, public school academies, or the education achievement  
7 system shall not be made under this section. Rather, the calculations under this section  
8 shall be used to determine the amount of state payments under section 22b.

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

12 (14) As used in this section:

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

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

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

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

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

26 (f) "Immediately preceding state fiscal year" means the state fiscal year immediately  
27 preceding the current state fiscal year.

28 (g) "Local portion of the district's foundation allowance" means an amount that is  
29 equal to the difference between (the sum of the product of the taxable value per membership  
30 pupil of all property in the district that is nonexempt property times the district's  
31 certified mills and, for a district with certified mills exceeding 12, the product of the  
32 taxable value per membership pupil of property in the district that is commercial personal

1 property times the certified mills minus 12 mills) and (the quotient of the product of the  
2 captured assessed valuation under tax increment financing acts times the district's certified  
3 mills divided by the district's membership excluding special education pupils).

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

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

13 (j) "Maximum public school academy allocation", except as otherwise provided in this  
14 subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-  
15 pupil allocation among all public school academies for the immediately preceding state fiscal  
16 year plus the difference between twice the amount of the difference between the basic  
17 foundation allowance for the current state fiscal year and the basic foundation for the  
18 immediately preceding state fiscal year and [(the amount of the difference between the basic  
19 foundation allowance for the current state fiscal year and the basic foundation for the  
20 immediately preceding state fiscal year minus \$10.00) times (the difference between the  
21 highest per-pupil allocation among all public school academies for the immediately preceding  
22 state fiscal year and the minimum foundation allowance for the immediately preceding state  
23 fiscal year) divided by the difference between the basic foundation allowance for the current  
24 state fiscal year and the minimum foundation allowance for the immediately preceding state  
25 fiscal year]. For the purposes of this subdivision, for ~~2014-2015, the minimum foundation~~  
26 ~~allowance for the immediately preceding state fiscal year shall be considered to be~~  
27 ~~\$7,076.00. For 2014-2015~~ **2015-2016**, the maximum public school academy allocation is ~~\$7,218.00~~  
28 **\$7,326.00.**

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

31 (l) "Nonexempt property" means property that is not a principal residence, qualified  
32 agricultural property, qualified forest property, supportive housing property, industrial

1 personal property, or commercial personal property.

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

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

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

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

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

23 Sec. 20d. In making the final determination required under former section 20a of a  
24 district's combined state and local revenue per membership pupil in 1993-94 and in making  
25 calculations under section 20 for ~~2014-2015~~ **2015-2016**, the department and the department of  
26 treasury shall comply with all of the following:

27 (a) For a district that had combined state and local revenue per membership pupil in  
28 the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for a state  
29 board designated area vocational education center in the 1993-94 school year, total state  
30 school aid received by or paid on behalf of the district pursuant to this act in 1993-94  
31 shall exclude payments made under former section 146 and under section 147 on behalf of the  
32 district's employees who provided direct services to the area vocational education center.

1 Not later than June 30, 1996, the department shall make an adjustment under this subdivision  
2 to the district's combined state and local revenue per membership pupil in the 1994-95 state  
3 fiscal year and the department of treasury shall make a final certification of the number of  
4 mills that may be levied by the district under section 1211 of the revised school code, MCL  
5 380.1211, as a result of the adjustment under this subdivision.

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

18 Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount  
19 not to exceed \$6,000,000.00 for ~~2014-2015~~ **2015-2016** for payments to eligible districts under  
20 this section. A district is eligible for funding under this section if the district received  
21 a payment under this section as it was in effect for 2013-2014. A district was eligible for  
22 funding in 2013-2014 if the sum of the following was less than \$5.00:

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

25 (b) The district's equity payment per membership pupil under section 22c for 2013-  
26 2014.

27 (c) The quotient of the district's allocation under section 147a for 2012-2013 divided  
28 by the district's membership pupils for 2012-2013 minus the quotient of the district's  
29 allocation under section 147a for 2013-2014 divided by the district's membership pupils for  
30 2013-2014.

31 (2) The amount allocated to each eligible district under this section is an amount per  
32 membership pupil equal to the amount per membership pupil the district received in 2013-2014.

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

4 Sec. 20g. (1) From the money appropriated under section 11, there is allocated an  
5 amount not to exceed \$2,200,000.00 for ~~2014-2015~~ **2015-2016** for grants to eligible districts  
6 that first received payments under this section in 2013-2014 for transition costs related to  
7 the enrollment of pupils who were previously enrolled in a district that was dissolved under  
8 section 12 of the revised school code, MCL 380.12, allocated as provided under subsection  
9 (3). Payments under this section shall continue for a total of 4 fiscal years following the  
10 dissolution of a district, after which the payments shall cease.

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

13 (3) The amount allocated to each eligible district under this section is an amount  
14 equal to the product of the number of membership pupils enrolled in the eligible district who  
15 were previously enrolled in the dissolved school district in the school year immediately  
16 preceding the dissolution, or who reside in the geographic area of the dissolved school  
17 district and are entering kindergarten, times 10.0% of the lesser of the foundation allowance  
18 of the eligible district as calculated under section 20 or the basic foundation allowance  
19 under section 20(1).

20 (4) As used in this section, "dissolved school district" means a school district that  
21 has been declared dissolved under section 12 of the revised school code, 1976 PA 451, MCL  
22 380.12.

23 Sec. 21f. (1) A pupil enrolled in a district in any of grades 6 to 12 is eligible to  
24 enroll in an online course as provided for in this section.

25 (2) With the consent of the pupil's parent or legal guardian, a district shall enroll  
26 an eligible pupil in up to 2 online courses as requested by the pupil during an academic  
27 term, semester, or trimester. Unless the pupil is newly enrolled in the **PRIMARY** district, the  
28 request for online course enrollment must be made in the academic term, semester, trimester,  
29 or summer preceding the enrollment. A district may not establish additional requirements that  
30 would prohibit a pupil from taking an online course. If a pupil has demonstrated previous  
31 success with online courses and the school leadership and the pupil's parent or legal  
32 guardian determine that it is in the best interest of the pupil, a pupil may be enrolled in

1 more than 2 online courses in a specific academic term, semester, or trimester. Consent of  
2 the pupil's parent or legal guardian is not required if the pupil is at least age 18 or is an  
3 emancipated minor.

4 (3) An eligible pupil may enroll in an online course published in the pupil's  
5 ~~educating~~ **PRIMARY** district's catalog of online courses described in subsection (7) (a) or the  
6 statewide catalog of online courses maintained by the Michigan virtual university pursuant to  
7 section 98.

8 (4) A **PROVIDING** district **OR COMMUNITY COLLEGE** shall determine whether or not it has  
9 capacity to accept applications for enrollment from nonresident applicants in online courses  
10 and may use that limit as the reason for refusal to enroll an applicant. If the number of  
11 nonresident applicants eligible for acceptance in an online course does not exceed the  
12 capacity of the **PROVIDING** district **OR COMMUNITY COLLEGE** to provide the online course, the  
13 **PROVIDING** district **OR COMMUNITY COLLEGE** shall accept for enrollment all of the nonresident  
14 applicants eligible for acceptance. If the number of nonresident applicants exceeds the  
15 **PROVIDING** district's **OR COMMUNITY COLLEGE'S** capacity to provide the online course, the  
16 **PROVIDING** district **OR COMMUNITY COLLEGE** shall use a random draw system, subject to the need  
17 to abide by state and federal antidiscrimination laws and court orders.

18 (5) A **PRIMARY** district may deny a pupil enrollment in an online course if any of the  
19 following apply, as determined by the district:

20 (a) The pupil has previously gained the credits provided from the completion of the  
21 online course.

22 (b) The online course is not capable of generating academic credit.

23 (c) The online course is inconsistent with the remaining graduation requirements or  
24 career interests of the pupil.

25 (d) The pupil does not possess the prerequisite knowledge and skills to be successful  
26 in the online course or has demonstrated failure in previous online coursework in the same  
27 subject.

28 (e) The online course is of insufficient quality or rigor. A district that denies a  
29 pupil enrollment for this reason shall make a reasonable effort to assist the pupil to find  
30 an alternative course in the same or a similar subject that is of acceptable rigor and  
31 quality.

32 (f) The cost of the online course exceeds the amount identified in subsection ~~(e)~~

1 (10), unless the pupil's parent or legal guardian agrees to pay the cost that exceeds this  
2 amount.

3 (g) The online course enrollment request does not occur within the same timelines  
4 established by the **PRIMARY** district for enrollment and schedule changes for regular courses.

5 (6) If a pupil is denied enrollment in an online course by a **PRIMARY** district, the  
6 pupil may appeal the denial by submitting a letter to the superintendent of the intermediate  
7 district in which the pupil's ~~educating~~ **PRIMARY** district is located. The letter of appeal  
8 shall include the reason provided by the **PRIMARY** district for not enrolling the pupil and the  
9 reason why the pupil is claiming that the enrollment should be approved. The intermediate  
10 district superintendent or designee shall respond to the appeal within 5 days after it is  
11 received. If the intermediate district superintendent or designee determines that the denial  
12 of enrollment does not meet 1 or more of the reasons specified in subsection (5), the **PRIMARY**  
13 district shall allow the pupil to enroll in the online course.

14 (7) To ~~offer or~~ provide an online course under this section, a **THE PROVIDING** district  
15 or intermediate district shall do all of the following:

16 (a) Provide the Michigan virtual university with the course syllabus in a form and  
17 method prescribed by the Michigan virtual university for inclusion in a statewide online  
18 course catalog. The district or intermediate district shall also provide on its publicly  
19 accessible website a link to the course syllabi for all of the online courses offered by the  
20 district or intermediate district and a link to the statewide catalog of online courses  
21 maintained by the Michigan virtual university.

22 **(B) ASSIGN TO EACH PUPIL A TEACHER OF RECORD AND PROVIDE THE PRIMARY DISTRICT WITH THE**  
23 **PERSONAL IDENTIFICATION CODE FOR THE TEACHER OF RECORD.**

24 **(C) ~~(b)~~** Offer the online course on an open entry and exit method, or aligned to a  
25 semester, trimester, or accelerated academic term format.

26 **(D) ~~(c)~~** Not later than October 1, ~~2014~~ **2015**, provide the Michigan virtual university  
27 with the number of enrollments in each online course the district or intermediate district  
28 ~~offered~~ **PROVIDED** to pupils pursuant to this section in the immediately preceding school year,  
29 and the number of enrollments in which the pupil earned 60% or more of the total course  
30 points for each online course.

31 **(8) TO PROVIDE AN ONLINE COURSE UNDER THIS SECTION, A COMMUNITY COLLEGE SHALL DO ALL**  
32 **OF THE FOLLOWING:**

1 (A) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE COURSE SYLLABUS IN A FORM AND  
2 METHOD PRESCRIBED BY THE MICHIGAN VIRTUAL UNIVERSITY FOR INCLUSION IN A STATEWIDE ONLINE  
3 COURSE CATALOG.

4 (B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD, OR ALIGNED TO A  
5 SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM FORMAT.

6 (C) OFFER ONLINE COURSES UNDER THIS SECTION THAT CAN GENERATE POSTSECONDARY CREDIT.

7 (D) BEGINNING WITH OCTOBER 1, 2016, AND EACH YEAR THEREAFTER, PROVIDE THE MICHIGAN  
8 VIRTUAL UNIVERSITY WITH THE NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE COMMUNITY COLLEGE  
9 PROVIDED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY PRECEDING SCHOOL YEAR, AND THE  
10 NUMBER OF ENROLLMENTS IN WHICH THE PUPIL EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR  
11 EACH ONLINE COURSE.

12 (E) ONLINE COURSES MADE AVAILABLE UNDER THIS SECTION BY A COMMUNITY COLLEGE REQUIRE AN  
13 INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE COMMUNITY COLLEGE.

14 (9) THE PRIMARY DISTRICT MUST ASSIGN TO EACH PUPIL A MENTOR TO MONITOR THE PUPIL'S  
15 PROGRESS DURING THE ONLINE COURSE AND SUPPLY THE PROVIDING DISTRICT WITH THE MENTOR'S CONTACT  
16 INFORMATION.

17 (10) ~~(8)~~ For a pupil enrolled in 1 or more online courses published in the pupil's  
18 ~~educating~~ PRIMARY district's catalog of online courses under subsection (7) or in the  
19 statewide catalog of online courses maintained by the Michigan virtual university, the  
20 PRIMARY district shall use foundation allowance or per pupil funds calculated under section  
21 20 to pay for the expenses associated with the online course or courses. ~~The district shall~~  
22 ~~pay 80% of the cost of the online course upon enrollment and 20% upon completion as~~  
23 ~~determined by the district.~~ A district is not required to pay toward the cost of an online  
24 course an amount that exceeds ~~8.33%~~ 6.66% of the minimum foundation allowance for the current  
25 fiscal year as calculated under section 20.

26 (11) ~~(9)~~ An online learning pupil shall have the same rights and access to technology  
27 in his or her primary district's school facilities as all other pupils enrolled in the  
28 pupil's primary district.

29 (12) ~~(10)~~ If a pupil successfully completes an online course, as determined by the  
30 pupil's primary district, the pupil's primary district shall grant appropriate academic  
31 credit for completion of the course and shall count that credit toward completion of  
32 graduation and subject area requirements. A pupil's school record and transcript shall



1 identify the online course title as it appears in the online course syllabus.

2 **(13)** ~~(11)~~ The enrollment of a pupil in 1 or more online courses shall not result in a  
3 pupil being counted as more than 1.0 full-time equivalent pupils under this article.

4 **(14)** ~~(12)~~ The portion of the full-time equated pupil membership for which a pupil is  
5 enrolled in 1 or more online courses under this section shall not be transferred under the  
6 pupil transfer process under section 25e.

7 **(15)** ~~(13)~~ As used in this section:

8 **(A) "MENTOR" MEANS A PROFESSIONAL EMPLOYEE OF THE PRIMARY DISTRICT WHO MONITORS THE**  
9 **PUPIL'S PROGRESS, ENSURES THE PUPIL HAS ACCESS TO NEEDED TECHNOLOGY, IS AVAILABLE FOR**  
10 **ASSISTANCE, AND ENSURES ACCESS TO THE TEACHER OF RECORD. THE ON-SITE MENTOR MAY ALSO SERVE AS**  
11 **THE TEACHER OF RECORD IF THEY MEET THE DEFINED REQUIREMENTS.**

12 **(B)** ~~(a)~~ "Online course" means a course of study that is capable of generating a credit  
13 or a grade, that is provided in an interactive internet-connected learning environment, in  
14 which pupils are separated from their teachers by time or location, or both, and in which a  
15 teacher who holds a valid Michigan teaching certificate **FOR COURSES PROVIDED BY A DISTRICT OR**  
16 **INTERMEDIATE DISTRICT** is responsible for **PROVIDING INSTRUCTION**, determining appropriate  
17 instructional methods for each pupil, diagnosing learning needs, assessing pupil learning,  
18 prescribing intervention strategies, reporting outcomes, and evaluating the effects of  
19 instruction and support strategies.

20 **(C)** ~~(b)~~ "Online course syllabus" means a document that includes all of the following:

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

22 (ii) The online course content outline.

23 (iii) The online course required assessments.

24 (iv) The online course prerequisites.

25 (v) Expectations for actual instructor contact time with the online learning pupil and  
26 other pupil-to-instructor communications.

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

28 (vii) The online course learning outcomes and objectives.

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

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

31 (x) The course titles assigned by the district or intermediate district and the course  
32 titles and course codes from the national center for education statistics (NCES) school codes

1 for the exchange of data (SCED).

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

4 (xii) The results of the online course quality review using the guidelines and model  
5 review process published by the Michigan virtual university.

6 (D) ~~(e)~~ "Online learning pupil" means a pupil enrolled in 1 or more online courses.

7 (E) ~~(d)~~ "Primary district" means the district that enrolls the pupil and reports the  
8 pupil as a full-time equated pupil for pupil membership purposes.

9 (F) "PROVIDING DISTRICT" MEANS THE DISTRICT, INTERMEDIATE DISTRICT, OR COMMUNITY  
10 COLLEGE THAT THE PRIMARY DISTRICT PAYS TO PROVIDE THE ONLINE COURSE.

11 (G) "TEACHER OF RECORD" MEANS A MICHIGAN CERTIFIED TEACHER WHO, WHERE APPLICABLE, IS  
12 ENDORSED IN CONTENT AREA AND GRADE. THE TEACHER OF RECORD IS RESPONSIBLE FOR PROVIDING  
13 INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS,  
14 ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND  
15 EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.

16 Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not  
17 to exceed ~~\$5,393,000,000.00~~ \$5,277,000,000.00 for ~~2014-2015~~ 2015-2016 for payments to  
18 districts and qualifying public school academies to guarantee each district and qualifying  
19 public school academy an amount equal to its 1994-95 total state and local per pupil revenue  
20 for school operating purposes under section 11 of article IX of the state constitution of  
21 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee  
22 does not apply to a district in a year in which the district levies a millage rate for school  
23 district operating purposes less than it levied in 1994. However, subsection (2) applies to  
24 calculating the payments under this section. Funds allocated under this section that are not  
25 expended in the state fiscal year for which they were allocated, as determined by the  
26 department, may be used to supplement the allocations under sections 22b and 51c in order to  
27 fully fund those calculated allocations for the same fiscal year.

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

32 (a) Except as otherwise provided in this subsection, the state portion of a district's

1 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation  
2 allowance or \$6,500.00, whichever is less, minus the difference between the sum of the  
3 product of the taxable value per membership pupil of all property in the district that is  
4 nonexempt property times the district's certified mills and, for a district with certified  
5 mills exceeding 12, the product of the taxable value per membership pupil of property in the  
6 district that is commercial personal property times the certified mills minus 12 mills and  
7 the quotient of the ad valorem property tax revenue of the district captured under tax  
8 increment financing acts divided by the district's membership. For a district that has a  
9 millage reduction required under section 31 of article IX of the state constitution of 1963,  
10 the state portion of the district's foundation allowance shall be calculated as if that  
11 reduction did not occur. For a receiving district, if school operating taxes are to be levied  
12 on behalf of a dissolved district that has been attached in whole or in part to the receiving  
13 district to satisfy debt obligations of the dissolved district under section 12 of the  
14 revised school code, MCL 380.12, taxable value per membership pupil of all property in the  
15 receiving district that is nonexempt property and taxable value per membership pupil of  
16 property in the receiving district that is commercial personal property do not include  
17 property within the geographic area of the dissolved district; ad valorem property tax  
18 revenue of the receiving district captured under tax increment financing acts does not  
19 include ad valorem property tax revenue captured within the geographic boundaries of the  
20 dissolved district under tax increment financing acts; and certified mills do not include the  
21 certified mills of the dissolved district.

22 (b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00, the  
23 state payment under this subsection shall be the sum of the amount calculated under  
24 subdivision (a) plus the amount calculated under this subdivision. The amount calculated  
25 under this subdivision shall be equal to the difference between the district's 1994-95  
26 foundation allowance minus \$6,500.00 and the current year hold harmless school operating  
27 taxes per pupil. If the result of the calculation under subdivision (a) is negative, the  
28 negative amount shall be an offset against any state payment calculated under this  
29 subdivision. If the result of a calculation under this subdivision is negative, there shall  
30 not be a state payment or a deduction under this subdivision. The taxable values per  
31 membership pupil used in the calculations under this subdivision are as adjusted by ad  
32 valorem property tax revenue captured under tax increment financing acts divided by the

1 district's membership. For a receiving district, if school operating taxes are to be levied  
2 on behalf of a dissolved district that has been attached in whole or in part to the receiving  
3 district to satisfy debt obligations of the dissolved district under section 12 of the  
4 revised school code, MCL 380.12, ad valorem property tax revenue captured under tax increment  
5 financing acts do not include ad valorem property tax revenue captured within the geographic  
6 boundaries of the dissolved district under tax increment financing acts.

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

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

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

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

29 (7) As used in this section:

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

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

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

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

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

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

28 (g) "Homestead", "qualified agricultural property", "qualified forest property",  
29 "supportive housing property", "industrial personal property", and "commercial personal  
30 property" mean those terms as defined in section 1211 of the revised school code, MCL  
31 380.1211.

32 (h) "Membership" means the definition of that term under section 6 as in effect for

1 the particular fiscal year for which a particular calculation is made.

2 (i) "Nonexempt property" means property that is not a principal residence, qualified  
3 agricultural property, qualified forest property, supportive housing property, industrial  
4 personal property, or commercial personal property.

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

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

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

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

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

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

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

6 Sec. 22b. (1) From the appropriation in section 11, there is allocated an amount not  
7 to exceed ~~\$3,492,000,000.00~~ **\$3,662,000,000.00** for ~~2014-2015~~ **2015-2016** for discretionary  
8 nonmandated payments to districts under this section. Funds allocated under this section that  
9 are not expended in the state fiscal year for which they were allocated, as determined by the  
10 department, may be used to supplement the allocations under sections 22a and 51c in order to  
11 fully fund those calculated allocations for the same fiscal year.

12 (2) Subject to subsection (3) and section 296, the allocation to a district under this  
13 section shall be an amount equal to the sum of the amounts calculated under sections 20,  
14 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district under sections  
15 22a and 51c.

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

- 18 (a) Comply with section 1280b of the revised school code, MCL 380.1280b.
- 19 (b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and  
20 380.1278b.
- 21 (c) Furnish data and other information required by state and federal law to the center  
22 and the department in the form and manner specified by the center or the department, as  
23 applicable.
- 24 (d) Comply with section 1230g of the revised school code, MCL 380.1230g.
- 25 (e) Comply with section 21f.

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

30 (5) From the allocation in subsection (1), the department shall pay up to  
31 \$1,000,000.00 in litigation costs incurred by this state related to commercial or industrial  
32 property tax appeals, including, but not limited to, appeals of classification, that impact

1 revenues dedicated to the state school aid fund.

2 (6) From the allocation in subsection (1), the department shall pay up to  
3 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1  
4 or more districts or intermediate districts against this state. If the allocation under this  
5 section is insufficient to fully fund all payments required under this section, the payments  
6 under this subsection shall be made in full before any proration of remaining payments under  
7 this section.

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

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

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

31 (10) If payments resulting from a final determination by the local claims review board  
32 or a court of competent jurisdiction that there has been a violation of section 29 of article



1 IX of the state constitution of 1963 exceed the amount allocated for discretionary  
2 nonmandated payments under this section, the legislature shall provide for adequate funding  
3 for this state's constitutional obligations at its next legislative session.

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

17 (12) Payments under this section are subject to section 25f.

18 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed  
19 \$2,584,600.00 is allocated for ~~2014-2015~~ **2015-2016** for supplemental payments to rural  
20 districts under this section.

21 (2) From the allocation under subsection (1), there is allocated for ~~2014-2015~~ **2015-**  
22 **2016** an amount not to exceed \$957,300.00 for payments under this subsection to districts that  
23 meet all of the following:

24 (a) Operates grades K to 12.

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

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

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

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

30 (3) The amount of the additional funding to each eligible district under subsection  
31 (2) shall be determined under a spending plan developed as provided in this subsection and  
32 approved by the superintendent of public instruction. The spending plan shall be developed

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

11 (4) Subject to subsection (6), from the allocation in subsection (1), there is  
12 allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed \$1,627,300.00 for payments under  
13 this subsection to districts that meet all of the following:

14 (a) The district has 5.0 or fewer pupils per square mile as determined by the  
15 department.

16 (b) The district has a total square mileage greater than 200.0 or is 1 of 2 districts  
17 that have consolidated transportation services and have a combined total square mileage  
18 greater than 200.0.

19 (5) The funds allocated under subsection (4) shall be allocated on an equal per pupil  
20 basis.

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

23 Sec. 22f. (1) From the appropriation in section 11, there is allocated for ~~2014-2015~~  
24 **2015-2016** an amount not to exceed ~~\$75,000,000.00~~ **\$30,000,000.00** to provide incentive payments  
25 to districts that meet best practices under this section. **FUNDS ALLOCATED UNDER THIS SECTION**  
26 **ARE INTENDED TO INCREASE THE FISCAL HEALTH OF DISTRICTS STATEWIDE, TO DECREASE THE NUMBER OF**  
27 **DISTRICTS WITH ONGOING DEFICITS, TO INCREASE THE NUMBER OF PUPILS READING AT GRADE LEVEL BY**  
28 **THE END OF GRADE 3, AND TO INCREASE THE NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY**  
29 **UPON HIGH SCHOOL GRADUATION.** Payments received under this section may be used for any purpose  
30 for which payments under sections 22a and 22b may be used.

31 (2) The amount of the incentive payment under this section is an amount equal to  
32 ~~\$50.00~~ **\$20.00** per pupil. A district shall receive an incentive payment under this section if

1 the district satisfies at least 7 of the following requirements not later than June 1, 2015:

2 **THE REQUIREMENTS OF BOTH FINANCIAL BEST PRACTICES AND ACADEMIC BEST PRACTICES DESCRIBED BELOW**  
3 **NOT LATER THAN JUNE 1, 2016:**

4 ~~(a) If a district provides medical, pharmacy, dental, vision, disability, long-term~~  
5 ~~care, or any other type of benefit that would constitute a health care services benefit, to~~  
6 ~~employees and their dependents, the district is the policyholder for each of its insurance~~  
7 ~~policies that covers 1 or more of these benefits. A district that does not directly employ~~  
8 ~~its staff or a district with a voluntary employee beneficiary association that pays no more~~  
9 ~~than the maximum per employee contribution amount and that contributes no more than the~~  
10 ~~maximum employer contribution percentage of total annual costs for the medical benefit plans~~  
11 ~~as described in sections 3 and 4 of the publicly funded health insurance contribution act,~~  
12 ~~2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied this requirement.~~

13 ~~(b) The district has obtained competitive bids on the provision of pupil~~  
14 ~~transportation, food service, custodial, or 1 or more other noninstructional services for~~  
15 ~~2014-2015. In comparing competitive bids to the current costs of providing 1 or more of these~~  
16 ~~services, a district shall exclude the unfunded accrued liability costs for retirement and~~  
17 ~~other benefits from the district's current costs.~~

18 ~~(c) The district accepts applications for enrollment by nonresident applicants under~~  
19 ~~section 105 or 105c. A public school academy is considered to have met this requirement.~~

20 ~~(d) The district offers online courses or blended learning opportunities to all~~  
21 ~~eligible pupils. In order to satisfy this requirement, a district must make all eligible~~  
22 ~~pupils and their parents or guardians aware of these opportunities and must publish an online~~  
23 ~~course syllabus as described in section 21f for each online course that the district offers.~~  
24 ~~For the purposes of this subdivision:~~

25 ~~(i) "Blended learning" means a hybrid instructional delivery model where pupils are~~  
26 ~~provided content, instruction, and assessment in part at a supervised educational facility~~  
27 ~~away from home where the pupil and a teacher with a valid Michigan teaching certificate are~~  
28 ~~in the same physical location and in part through internet connected learning environments~~  
29 ~~with some degree of pupil control over time, location, and pace of instruction.~~

30 ~~(ii) "Online course" means a course of study that is capable of generating a credit or~~  
31 ~~a grade, that is provided in an interactive internet-connected learning environment, in which~~  
32 ~~pupils are separated from their teachers by time or location, or both, and in which a teacher~~

1 ~~with a valid Michigan teaching certificate is responsible for determining appropriate~~  
2 ~~instructional methods for each pupil, diagnosing learning needs, assessing pupil learning,~~  
3 ~~prescribing intervention strategies, reporting outcomes, and evaluating the effects of~~  
4 ~~instruction and support strategies.~~

5 **(A) A DISTRICT IS CONSIDERED TO MEET THE REQUIREMENTS OF FINANCIAL BEST PRACTICES BY**  
6 **COMPLETING AT LEAST 2 OF THE FOLLOWING:**

7 **(I)** ~~(e)~~ The district provides to parents and community members a dashboard or report  
8 card demonstrating the district's efforts to manage its finances responsibly. The dashboard  
9 or report card shall include revenue and expenditure projections for the district for fiscal  
10 year ~~2014-2015~~ **2015-2016** and fiscal year ~~2015-2016~~ **2016-2017**, a listing of all debt service  
11 obligations, detailed by project, including anticipated fiscal year ~~2014-2015~~ **2015-2016**  
12 payment for each project, a listing of total outstanding debt, and at least all of the  
13 following for the 3 most recent school years for which the data are available:

14 **(A)** ~~(i)~~ Graduation and dropout rates.

15 **(B)** ~~(ii)~~ Average class size in grades kindergarten to 3.

16 **(C)** ~~(iii)~~ College readiness as measured by Michigan merit examination test scores.

17 **(D)** ~~(iv)~~ Elementary and middle school ~~MEAP~~ **MICHIGAN STUDENT TEST OF EDUCATIONAL**  
18 **PROGRESS (M-STEP)** scores.

19 **(E)** ~~(v)~~ Teacher, principal, and superintendent salary information including at least  
20 minimum, average, and maximum pay levels.

21 **(F)** ~~(vi)~~ General fund balance.

22 **(G)** ~~(vii)~~ The total number of days of instruction provided.

23 ~~(f) The district complies with a method of compensation for teachers and school~~  
24 ~~administrators that includes job performance and accomplishments as a significant factor in~~  
25 ~~determining compensation, as required under section 1250 of the revised school code, MCL~~  
26 ~~380.1250.~~

27 ~~(g) The district's collective bargaining agreements, including, but not limited to,~~  
28 ~~appendices, addenda, letters of agreement, or any other documents reflecting agreements with~~  
29 ~~collective bargaining representatives, do not contain any provisions pertaining to, relating~~  
30 ~~to, or that are otherwise contrary to the prohibited subjects of bargaining enumerated in~~  
31 ~~section 15(3) of 1947 PA 336, MCL 423.215.~~

32 ~~(h) The district implements a comprehensive guidance and counseling program.~~

1 ~~(i) The district offers pupils in grades K to 8 the opportunity to complete coursework~~  
2 ~~or other learning experiences that are substantially equivalent to 1 credit in a language~~  
3 ~~other than English.~~

4 (II) IF THE DISTRICT HAS AN ENDING GENERAL FUND BALANCE FOR THE PRIOR FISCAL YEAR LESS  
5 THAN OR EQUAL TO 5 PERCENT OF OPERATING EXPENDITURES AS DETERMINED BY THE DEPARTMENT, THE  
6 LOCAL SCHOOL BOARD MEMBERS RECEIVE DEPARTMENT-APPROVED TRAINING THAT SHALL INCLUDE BUT IS NOT  
7 LIMITED TO:

- 8 (A) THE RESPONSIBILITIES OF THE SCHOOL BOARD AND THE DISTRICT SUPERINTENDENT.
- 9 (B) THE REQUIREMENTS OF THE OPEN MEETINGS ACT.
- 10 (C) CONFLICTS OF INTEREST.
- 11 (D) SCHOOL FINANCE AND SCHOOL BUDGETING.
- 12 (E) CONTRACTS AND NEGOTIATIONS.
- 13 (F) THE PROCESS OF DATA-DRIVEN DECISION MAKING AND POLICY DEVELOPMENT.

14 (III) THE DISTRICT MAINTAINED AN ENDING FUND BALANCE GREATER THAN 5 PERCENT OF  
15 OPERATING EXPENDITURES FOR THE PRIOR FISCAL YEAR AS DETERMINED BY THE DEPARTMENT.

16 (B) A DISTRICT IS CONSIDERED TO MEET THE REQUIREMENTS OF ACADEMIC BEST PRACTICES BY  
17 COMPLETING AT LEAST 2 OF THE FOLLOWING:

18 (I) THE DISTRICT ADMINISTERS A DEPARTMENT-APPROVED KINDERGARTEN ENTRY ASSESSMENT THAT  
19 ASSESSES ENGLISH LANGUAGE ARTS AND MATHEMATICS SKILLS OF ALL FIRST-TIME KINDERGARTEN PUPILS  
20 WITHIN THE DISTRICT. THE ASSESSMENT SHALL BE ADMINISTERED BY THE DISTRICT IN A METHOD AND  
21 TIMEFRAME DETERMINED BY THE DEPARTMENT.

22 (II) THE DISTRICT ADMINISTERS DEPARTMENT-APPROVED DIAGNOSTIC TOOLS TO MONITOR THE  
23 DEVELOPMENT OF EARLY LITERACY AND EARLY READING SKILLS OF PUPILS IN KINDERGARTEN THROUGH  
24 GRADE 3, AND SUPPORTS RESEARCH-BASED PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN DATA  
25 INTERPRETATION FOR THE PURPOSE OF IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO IMPROVE  
26 THIRD GRADE READING PROFICIENCY. THE DIAGNOSTIC TOOLS AND PROFESSIONAL DEVELOPMENT SHALL BE  
27 USED BY THE DISTRICT TO IDENTIFY STUDENTS WHO NEED ADDITIONAL SUPPORT AND TO OFFER RESEARCH-  
28 BASED INTERVENTIONS.

29 (III) THE DISTRICT ASSESSES THE EFFECTIVENESS OF CURRENT COLLEGE AND CAREER ADVISING  
30 PROGRAMS WITHIN THE DISTRICT BY REVIEWING STUDENT-TO-COUNSELOR RATIOS, THE TIME DEDICATED TO  
31 COLLEGE AND CAREER READINESS COUNSELING AS OPPOSED TO OTHER NON-COUNSELING TASKS, AND THE  
32 AMOUNT OF PROFESSIONAL DEVELOPMENT OFFERED TO COLLEGE AND CAREER READINESS ADVISORS. BASED ON

1 **THIS SELF-ASSESSMENT THE DISTRICT DEVELOPS A PLAN TO ADDRESS DEFICIENCIES ACCORDING TO**  
2 **STANDARDS RECOMMENDED BY THE MICHIGAN COLLEGE ACCESS NETWORK.**

3 (3) If the department determines that a district has intentionally submitted false  
4 information in order to qualify for an incentive payment under this section, the district  
5 forfeits an amount equal to the amount it received under this section from its total state  
6 school aid for ~~2015-2016~~**2016-2017**.

7 (4) If the department determines that funds allocated under this section will remain  
8 unexpended after the initial allocation of ~~\$50.00~~ **\$20.00** per pupil to eligible districts  
9 under subsection (2), the remaining unexpended amount is allocated on an equal per pupil  
10 basis to districts that meet the requirements of subsection (2) and that have a foundation  
11 allowance, as calculated under section 20, in an amount that is less than the basic  
12 foundation allowance under that section.

13 Sec.22g. (1) From the funds appropriated in section 11, there is allocated for ~~2014-~~  
14 ~~2015~~ **2015-2016** only an amount not to exceed \$2,000,000.00 for competitive assistance grants  
15 to districts and intermediate districts.

16 (2) Funds received under this section may be used for reimbursement of transition  
17 costs associated with the consolidation of operations or services between 2 or more  
18 districts, intermediate districts, or other local units of government, the consolidation or  
19 sharing of technology and data operations or services between 50 or more districts or 5 or  
20 more intermediate districts, or the consolidation of districts or intermediate districts.  
21 Grant funding shall be available for consolidations that occur on or after June 1, ~~2014~~ **2015**.  
22 The department shall develop an application process and method of grant distribution. The  
23 department shall give priority to applicants that propose including at least 1 of the  
24 following statewide activities:

25 (a) A comprehensive, research-based academic early warning indicator and dropout  
26 prevention solution.

27 (b) A data-driven system for identifying early reading challenges and establishing  
28 individual reading development plans for every student by the end of grade 3.

29 Sec. 22i. (1) From the funds appropriated in section 11, there is allocated for ~~2013-~~  
30 ~~2014~~ **2015-2016** an amount not to exceed ~~\$45,000,000.00~~ and there is allocated for ~~2014-2015~~ an  
31 ~~amount not to exceed \$41,500,000.00~~ **\$25,000,000.00** for the technology **READINESS**  
32 infrastructure grant program for districts or intermediate districts on behalf of their

1 constituent districts. Funds received under this ~~subsection~~ **SECTION** shall be used for the  
2 **STATEWIDE** development or improvement of ~~a district's~~ **DISTRICTS'** technology **HARD**  
3 infrastructure, the shared services consolidation of technology and data, **DATA SYSTEMS THAT**  
4 **USE EVIDENCED-BASED LITERACY DIAGNOSTIC TOOLS TO INFORM TEACHERS OF PUPILS IN KINDERGARTEN**  
5 **THROUGH GRADE 3**, and **FOR THE COORDINATION AND STRATEGIC PURCHASING OF** hardware ~~in preparation~~  
6 **AND SOFTWARE NECESSARY** for the ~~planned implementation in 2014-2015 of online~~ **THE DELIVERY OF**  
7 assessments **THROUGH ONLINE MODES**.

8 (2) The department shall develop a competitive application process and method of grant  
9 distribution to eligible districts and intermediate districts that demonstrate need for  
10 grants under subsection (1). The department may consult with the department of technology,  
11 management, and budget during the grant process and grant distribution. Grants to districts  
12 shall not exceed \$2,000,000.00 per district. A grant to an intermediate district on behalf of  
13 its constituent districts shall not exceed \$2,000,000.00 per constituent district. To receive  
14 a grant under subsection (1), an intermediate district shall demonstrate that a grant awarded  
15 to the intermediate district on behalf of its constituent districts would provide savings  
16 compared to providing grants to individual districts.

17 ~~(3) From the general fund money appropriated in section 11, there is allocated an~~  
18 ~~amount not to exceed \$5,000,000.00 for 2013-2014 to be awarded through a competitive bid~~  
19 ~~process to a single provider of whole-school technology as described in this subsection. The~~  
20 ~~department shall issue a single request for proposal with application rules written and~~  
21 ~~administered by the department, and with a focus on economic and geographic diversity. To be~~  
22 ~~eligible to receive the grant under this section, a provider shall meet all of the following:~~

23 ~~(a) Agrees to submit evaluation criteria in a form and manner determined by the~~  
24 ~~department.~~

25 ~~(b) Provides at least all of the following:~~

26 ~~(i) One to one mobile devices.~~

27 ~~(ii) Laptop or desktop computers for each classroom.~~

28 ~~(iii) On and off campus filtering.~~

29 ~~(iv) Wireless networks and peripherals.~~

30 ~~(v) Wireless audio equipment.~~

31 ~~(vi) Operating software.~~

32 ~~(vii) Instructional software.~~

1 ~~(viii) Repairs and replacements.~~

2 ~~(ix) Professional development.~~

3 ~~(x) Ongoing support.~~

4 **(3)** ~~(4)~~ The funds allocated under subsection (1) are a work project appropriation. Any  
5 unexpended funds for ~~2013-2014~~ **2015-2016** are carried forward into ~~2014-2015~~ and any  
6 ~~unexpended funds for 2014-2015 are carried forward into 2015-2016~~ **2016-2017**. The purpose of  
7 the work project is to continue to implement the projects described under this section. The  
8 estimated completion date of the work project is September 30, ~~2016~~ **2017**.

9 **(4) AS USED IN THIS SECTION:**

10 **(A) "HARD INFRASTRUCTURE" MEANS TECHNOLOGY HARDWARE NECESSARY TO MOVE TO AN ONLINE**  
11 **LEARNING AND TESTING ENVIRONMENT, INCLUDING, BUT NOT LIMITED TO, FIBER, SERVERS, WIRELESS**  
12 **COMPUTING NETWORKS, AND NECESSARY PERIPHERALS.**

13 **(B) "SHARED SERVICES CONSOLIDATION OF TECHNOLOGY AND DATA" MEANS PROJECTS THAT SUPPORT**  
14 **THE MOVE TO A COLLABORATIVE MULTIPLE ORGANIZATIONAL APPROACH TO MANAGING HARDWARE, SOFTWARE,**  
15 **PERIPHERALS AND DATA INTEGRATION AND DISPLAY OF APPROPRIATE INFORMATION FOR PARENTS,**  
16 **TEACHERS, ADMINISTRATORS, AND THE STATE.**

17 Sec. 23a. (1) A dropout recovery program operated by a district qualifies for the  
18 special membership counting provisions of section ~~6(4)(ff)~~ **(6) (4) (DD)** and the hours and day  
19 of pupil instruction exemption under section 101(12) if the dropout recovery program meets  
20 all of the following:

21 (a) Enrolls only eligible pupils.

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

28 (c) Develops a written learning plan.

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

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

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



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

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

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

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

11 (3) As used in this section:

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

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

18 (c) "Eligible pupil" means a pupil who has been expelled from school under the  
19 mandatory expulsion provisions in section 1311 or 1311a of the revised school code, MCL  
20 380.1311 and 380.1311a, a pupil who has been suspended or expelled from school under a local  
21 policy, a pupil who is referred by a court, a pupil who is pregnant or is a parent, a pupil  
22 who was previously a dropout, or a pupil who is determined by the district to be at risk of  
23 dropping out.

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

29 (e) "Written learning plan" means a written plan developed in conjunction with the  
30 advocate that includes the plan start and end dates, courses to be taken, credit to be earned  
31 for each course, teacher of record for each course, and advocate name and contact  
32 information.

1           Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2014-2015~~  
2 **2015-2016** an amount not to exceed \$8,000,000.00 for payments to the educating district or  
3 intermediate district for educating pupils assigned by a court or the department of human  
4 services to reside in or to attend a juvenile detention facility or child caring institution  
5 licensed by the department of human services and approved by the department to provide an on-  
6 grounds education program. The amount of the payment under this section to a district or  
7 intermediate district shall be calculated as prescribed under subsection (2).

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

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

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

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

1 intermediate district.

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

4 Sec. 24a. From the appropriation in section 11, there is allocated an amount not to  
5 exceed ~~\$2,195,500.00~~ **\$2,189,800.00** for ~~2014-2015~~ **2015-2016** for payments to intermediate  
6 districts for pupils who are placed in juvenile justice service facilities operated by the  
7 department of human services. Each intermediate district shall receive an amount equal to the  
8 state share of those costs that are clearly and directly attributable to the educational  
9 programs for pupils placed in facilities described in this section that are located within  
10 the intermediate district's boundaries. The intermediate districts receiving payments under  
11 this section shall cooperate with the department of human services to ensure that all funding  
12 allocated under this section is utilized by the intermediate district and department of human  
13 services for educational programs for pupils described in this section. Pupils described in  
14 this section are not eligible to be funded under section 24. However, a program  
15 responsibility or other fiscal responsibility associated with these pupils shall not be  
16 transferred from the department of human services to a district or intermediate district  
17 unless the district or intermediate district consents to the transfer.

18 Sec. 24c. From the appropriation in section 11, there is allocated an amount not to  
19 exceed ~~\$1,500,000.00~~ **\$1,497,400.00** for ~~2014-2015~~ **2015-2016** 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 3%  
28 of the amount of the payment the district receives under this section.

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

31 (2) If a pupil counted in membership for the pupil membership count day transfers from  
32 a district or intermediate district to enroll in another district or intermediate district

1 after the pupil membership count day and before the supplemental count day and, due to the  
2 pupil's enrollment and attendance status as of the pupil membership count day, the pupil was  
3 not counted in membership in the educating district or intermediate district, the educating  
4 district or intermediate district may report the enrollment and attendance information to the  
5 center through the pupil transfer process within 30 days after the transfer or within 30 days  
6 after the pupil membership count certification date, whichever is later. Pupil transfers may  
7 be submitted no earlier than the first day after the certification deadline for the pupil  
8 membership count day and before the supplemental count day. Upon receipt of the transfer  
9 information under this subsection indicating that a pupil has enrolled and is in attendance  
10 in an educating district or intermediate district as described in this subsection, the pupil  
11 transfer process shall do the following:

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

13 (b) Notify both the pupil auditing staff of the intermediate district in which the  
14 educating district is located and the pupil auditing staff of the intermediate district in  
15 which the district that previously enrolled the pupil is located. The pupil auditing staff  
16 shall investigate a representative sample based on required audit sample sizes in the pupil  
17 auditing manual and may deny the pupil membership transfer.

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

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

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

1 shall be adjusted by the pupil's full-time equated status as affected by the membership  
2 definition under section 6(4).

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

16 (4) The changes in calculation of state school aid required under subsection (3) shall  
17 take effect as of the date that the pupil becomes enrolled and in attendance in the educating  
18 district or intermediate district, and the department shall base all subsequent payments  
19 under this article for the fiscal year to the affected districts or intermediate districts on  
20 this recalculation of state school aid.

21 (5) If a pupil enrolls in an educating district or intermediate district as described  
22 in subsection (2), the district or intermediate district in which the pupil is counted in  
23 membership or another educating district or intermediate district that received an adjustment  
24 in its membership calculation under subsection (3), if any, and the educating district or  
25 intermediate district shall provide to the center and the department all information they  
26 require to comply with this section.

27 ~~(6) Not later than December 1, 2014, the center in conjunction with the department~~  
28 ~~shall report to the legislature data related to the implementation of this section,~~  
29 ~~including, but not limited to, the number of transfer transactions and the net change in~~  
30 ~~pupil memberships in 2013-2014 by district and intermediate district.~~

31 **(6)** ~~(7)~~ The portion of the full-time equated pupil membership for which a pupil is  
32 enrolled in 1 or more online courses under section 21f shall not be counted or transferred

1 under the pupil transfer process under this section.

2 (7) ~~(8)~~ As used in this section:

3 (a) "Educating district or intermediate district" means the district or intermediate  
4 district in which a pupil enrolls after the pupil membership count day or after an adjustment  
5 was made in another district's or intermediate district's membership calculation under this  
6 section due to the pupil's enrollment and attendance.

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

9 Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there  
10 is allocated an amount not to exceed ~~\$2,000,000.00~~ **\$1,000,000.00** for ~~2014-2015~~ **2015-2016** for  
11 payments to strict discipline academies established under sections 1311b to 1311m of the  
12 revised school code, MCL 380.1311b to 380.1311m, as provided under this section and for the  
13 purposes described in subsection (5).

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

17 (3) Not later than June 30, ~~2015~~ **2016**, a strict discipline academy shall report to the  
18 center and to the department, in a manner prescribed by the center and the department, the  
19 following information for ~~2014-2015~~ **2015-2016**:

20 (a) The number of pupils enrolled and in attendance at the strict discipline academy.

21 (b) The number of days each pupil enrolled was in attendance at the strict discipline  
22 academy, not to exceed 180.

23 (4) The amount of the payment to a strict discipline academy under this section shall  
24 be an amount equal to the difference between the product of 1/180 of the per-pupil payment as  
25 calculated under section 20 for the strict discipline academy multiplied by the number of  
26 days of pupil attendance reported under subsection (3) (b) minus the product of the per-pupil  
27 payment as calculated under section 20 for the strict discipline academy multiplied by the  
28 pupils in membership at the strict discipline academy as calculated under section 6 and as  
29 adjusted by section 25e.

30 (5) If the operation of the special membership counting provisions under section  
31 6(4) (dd) and the other membership counting provisions under section 6(4) result in a pupil  
32 being counted as more than 1.0 FTE in a fiscal year, then the payment made for the pupil

1 under sections 22a and 22b shall not be based on more than 1.0 FTE for that pupil, and that  
2 portion of the FTE that exceeds 1.0 shall be paid under this section in an amount equal to  
3 that portion multiplied by the educating district's foundation allowance or per-pupil payment  
4 calculated under section 20.

5 (6) If the funds allocated under this section are insufficient to fully fund the  
6 adjustments under subsections (4) and (5), payments under this section shall be prorated on  
7 an equal per-pupil basis.

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

10 Sec. 26a. From the funds appropriated in section 11, there is allocated an amount not  
11 to exceed \$26,300,000.00 for ~~2014-2015~~ **2015-2016** to reimburse districts and intermediate  
12 districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL  
13 125.2692, for taxes levied in ~~2014~~ **2015**. The allocations shall be made not later than 60 days  
14 after the department of treasury certifies to the department and to the state budget director  
15 that the department of treasury has received all necessary information to properly determine  
16 the amounts due to each eligible recipient.

17 Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2014-2015~~  
18 **2015-2016** an amount not to exceed ~~\$4,210,000.00~~ **\$4,276,800.00** for payments to districts,  
19 intermediate districts, and community college districts for the portion of the payment in  
20 lieu of taxes obligation that is attributable to districts, intermediate districts, and  
21 community college districts pursuant to section 2154 of the natural resources and  
22 environmental protection act, 1994 PA 451, MCL 324.2154.

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

26 Sec. 26c. (1) From the appropriation in section 11, there is allocated an amount not  
27 to exceed ~~\$293,100.00~~ **\$610,000.00** for ~~2014-2015~~ **2015-2016** to the promise zone fund created in  
28 subsection (3).

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

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

4 (a) The state treasurer shall direct the investment of the promise zone fund. The  
5 state treasurer shall credit to the promise zone fund interest and earnings from fund  
6 investments.

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

9 (4) Subject to subsection (2), the state treasurer may make payments from the promise  
10 zone fund to eligible districts and intermediate districts pursuant to the Michigan promise  
11 zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used for the purposes of a  
12 promise zone authority created under that act.

13 Sec.31a. (1) From the state school aid fund money appropriated in section 11, there  
14 is allocated for ~~2014-2015~~ **2015-2016** an amount not to exceed ~~\$317,695,500.00~~ **\$417,695,500.00**  
15 for payments to eligible districts, eligible public school academies, and the education  
16 achievement system for the purposes of ensuring that pupils are proficient in reading by the  
17 end of grade 3 and that high school graduates are career and college ready and for the  
18 purposes under subsections (6) and (7).

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

25 (3) Except as otherwise provided in this subsection, an eligible district or eligible  
26 public school academy or the education achievement system shall receive under this section  
27 for each membership pupil in the district or public school academy or the education  
28 achievement system who met the income eligibility criteria for free breakfast, lunch, or  
29 milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to  
30 1769, and as reported to the department in the form and manner prescribed by the department  
31 not later than the fifth Wednesday after the pupil membership count day of the immediately  
32 preceding fiscal year and adjusted not later than December 31 of the immediately preceding



1 fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation  
2 allowance or the public school academy's or the education achievement system's per pupil  
3 amount calculated under section 20, not to exceed the basic foundation allowance under  
4 section 20 for the current state fiscal year, or of the public school academy's or the  
5 education achievement system's per membership pupil amount calculated under section 20 for  
6 the current state fiscal year. However, a public school academy that began operations as a  
7 public school academy, or an achievement school that began operations as an achievement  
8 school, after the pupil membership count day of the immediately preceding school year shall  
9 receive under this section for each membership pupil in the public school academy or in the  
10 education achievement system who met the income eligibility criteria for free breakfast,  
11 lunch, or milk, as determined under the Richard B. Russell national school lunch act and as  
12 reported to the department not later than the fifth Wednesday after the pupil membership  
13 count day of the current fiscal year and adjusted not later than December 31 of the current  
14 fiscal year, an amount per pupil equal to 11.5% of the public school academy's or the  
15 education achievement system's per membership pupil amount calculated under section 20 for  
16 the current state fiscal year.

17 (4) Except as otherwise provided in this section, a district or public school academy,  
18 or the education achievement system, receiving funding under this section shall use that  
19 money only to provide instructional programs and direct noninstructional services, including,  
20 but not limited to, medical, mental health, or counseling services, for at-risk pupils; for  
21 school health clinics; and for the purposes of subsection (5), (6), (7), or (10). In  
22 addition, a district that is a school district of the first class or a district or public  
23 school academy in which at least 50% of the pupils in membership met the income eligibility  
24 criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year,  
25 as determined and reported as described in subsection (3), or the education achievement  
26 system if it meets this requirement, may use not more than 20% of the funds it receives under  
27 this section for school security. A district, the public school academy, or the education  
28 achievement system shall not use any of that money for administrative costs. The instruction  
29 or direct noninstructional services provided under this section may be conducted before or  
30 after regular school hours or by adding extra school days to the school year.

31 (5) A district or public school academy that receives funds under this section and  
32 that operates a school breakfast program under section 1272a of the revised school code, MCL

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

6 (6) From the funds allocated under subsection (1), there is allocated for ~~2014-2015~~  
7 **2015-2016** an amount not to exceed \$3,557,300.00 to support child and adolescent health  
8 centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a  
9 form and manner approved jointly by the department and the department of community health.  
10 Each grant recipient shall remain in compliance with the terms of the grant award or shall  
11 forfeit the grant award for the duration of the 5-year period after the noncompliance. To  
12 continue to receive funding for a child and adolescent health center under this section a  
13 grant recipient shall ensure that the child and adolescent health center has an advisory  
14 committee and that at least one-third of the members of the advisory committee are parents or  
15 legal guardians of school-aged children. A child and adolescent health center program shall  
16 recognize the role of a child's parents or legal guardian in the physical and emotional well-  
17 being of the child. Funding under this subsection shall be used to support child and  
18 adolescent health center services provided to children up to age 21. If any funds allocated  
19 under this subsection are not used for the purposes of this subsection for the fiscal year in  
20 which they are allocated, those unused funds shall be used that fiscal year to avoid or  
21 minimize any proration that would otherwise be required under subsection (14) for that fiscal  
22 year.

23 (7) From the funds allocated under subsection (1), there is allocated for ~~2014-2015~~  
24 **2015-2016** an amount not to exceed \$5,150,000.00 for the state portion of the hearing and  
25 vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL  
26 333.9301. A local public health department shall pay at least 50% of the total cost of the  
27 screenings. The frequency of the screenings shall be as required under R 325.13091 to R  
28 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be  
29 awarded in a form and manner approved jointly by the department and the department of  
30 community health. Notwithstanding section 17b, payments to eligible entities under this  
31 subsection shall be paid on a schedule determined by the department.

32 (8) Each district or public school academy receiving funds under this section and the

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

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

21 (10) Subject to subsections (5), (6), and (7), a district may use up to 100% of the  
22 funds it receives under this section to implement schoolwide reform in schools with 40% or  
23 more of their pupils identified as at-risk pupils by providing supplemental instructional or  
24 noninstructional services consistent with the school improvement plan.

25 (11) If necessary, and before any proration required under section 296, the department  
26 shall prorate payments under this section by reducing the amount of the per pupil payment  
27 under this section by a dollar amount calculated by determining the amount by which the  
28 amount necessary to fully fund the requirements of this section exceeds the maximum amount  
29 allocated under this section and then dividing that amount by the total statewide number of  
30 pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the  
31 immediately preceding fiscal year, as described in subsection (3).

32 (12) If a district is formed by consolidation after June 1, 1995, and if 1 or more of

1 the original districts was not eligible before the consolidation for an additional allowance  
2 under this section, the amount of the additional allowance under this section for the  
3 consolidated district shall be based on the number of pupils described in subsection (1)  
4 enrolled in the consolidated district who reside in the territory of an original district  
5 that was eligible before the consolidation for an additional allowance under this section. In  
6 addition, if a district is dissolved pursuant to section 12 of the revised school code, MCL  
7 380.12, the intermediate district to which the dissolved school district was constituent  
8 shall determine the estimated number of pupils that meet the income eligibility criteria for  
9 free breakfast, lunch, or milk, as described under subsection (3), enrolled in each of the  
10 other districts within the intermediate district and provide that estimate to the department  
11 for the purposes of distributing funds under this section within 60 days after the school  
12 district is declared dissolved.

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

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

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

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

18 (A) ~~(d)~~ For pupils for whom the **GRADE 11 STATE SUMMATIVE ASSESSMENT** results of the  
19 Michigan merit examination have been received, ~~is a pupil who does not meet the other~~  
20 ~~criteria under this subsection but~~ **AND** who did not achieve proficiency on the ~~reading,~~  
21 ~~writing,~~ **ENGLISH LANGUAGE ARTS**, mathematics, science, or social studies ~~components of the~~  
22 ~~most recent Michigan merit examination for which results for the pupil have been received~~  
23 **CONTENT AREA ASSESSMENTS.**

24 (B) ~~(e)~~ For pupils in grades K-3, is a pupil who is at risk of not meeting the  
25 district's core academic curricular objectives in English language arts or mathematics.

26 (C) ~~(f)~~ The pupil is enrolled in a priority or priority-successor school, as defined  
27 in the elementary and secondary education act of 2001 flexibility waiver approved by the  
28 United States department of education.

29 (D) ~~(g)~~ The pupil did not achieve a score of at least proficient on 2 or more state-  
30 administered assessments for English language arts, mathematics, science, or social studies.

31 (E) ~~(h)~~ For high school pupils in grades not assessed by the state, the pupil did not  
32 receive a satisfactory score on 2 or more end-of-course examinations that are aligned with

1 state standards in English language arts, mathematics, science, or social studies. For middle  
2 school pupils in grades not assessed by the state, the pupil did not receive a satisfactory  
3 score on 2 or more end-of-semester or end-of-trimester examinations that are aligned with  
4 state standards in science or social studies. For pupils in the elementary grades in grades  
5 and subjects not assessed by the state, the pupil did not receive a satisfactory score or did  
6 not have a satisfactory outcome on 2 or more interim assessments in English language arts,  
7 mathematics, science, or social studies.

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

10 (i) The pupil is eligible for free breakfast, lunch, or milk.

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

13 (iii) The pupil is homeless.

14 (iv) The pupil is a migrant.

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

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

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

20 (14) ~~Beginning in 2014-2015, if~~ **IF** a district, public school academy, or the education  
21 achievement system does not demonstrate to the satisfaction of the department that at least  
22 50% of at-risk pupils are reading at grade level by the end of grade 3 as measured by the  
23 state assessment and demonstrate to the satisfaction of the department improvement over 3  
24 consecutive years in the percentage of at-risk pupils that are career- and college-ready as  
25 ~~measured by the pupil's score on each of the individual subject areas on the college entrance~~  
26 ~~examination portion of the Michigan merit examination~~ **DETERMINED BY PROFICIENCY ON THE**  
27 **ENGLISH LANGUAGE ARTS, MATHEMATICS AND SCIENCE GRADE 11 STATE SUMMATIVE ASSESSMENTS** under  
28 section 1279g(2) (a) of the revised school code, MCL 380.1279g, the district, public school  
29 academy, or education achievement system shall ensure all of the following:

30 (a) The district, public school academy, or the education achievement system shall  
31 determine the proportion of total at-risk pupils that represents the number of pupils in  
32 grade 3 that are not reading at grade level by the end of grade 3, and the district, public

1 school academy, or the education achievement system shall expend that same proportion  
2 multiplied by 1/2 of its total at-risk funds under this section on tutoring and other methods  
3 of improving grade 3 reading levels.

4 (b) The district, public school academy, or the education achievement system shall  
5 determine the proportion of total at-risk pupils that represent the number of pupils in grade  
6 11 that are not career- and college-ready as measured by the student's score on ~~each of the~~  
7 ~~individual subject areas on the college entrance examination portion of the Michigan merit~~  
8 ~~examination~~ **THE ENGLISH LANGUAGE ARTS, MATHEMATICS AND SCIENCE GRADE 11 STATE SUMMATIVE**  
9 **ASSESSMENTS** under section 1279g(2) (a) of the revised school code, MCL 380.1279g, and the  
10 district, public school academy, or the education achievement system shall expend that same  
11 proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and  
12 other activities to improve scores on the college entrance examination portion of the  
13 Michigan merit examination.

14 (15) As used in subsection (14), "total at risk pupils" means the sum of the number of  
15 pupils in grade 3 that are not reading at grade level by the end of third grade **AS MEASURED**  
16 **BY THE STATE ASSESSMENT** and the number of pupils in grade 11 that are not career- and  
17 college-ready as measured by the student's score on ~~each of the individual subject areas on~~  
18 ~~the college entrance examination portion of the Michigan merit examination~~ **THE ENGLISH**  
19 **LANGUAGE ARTS, MATHEMATICS AND SCIENCE GRADE 11 STATE SUMMATIVE ASSESSMENTS** under section  
20 1279g(2) (a) of the revised school code, MCL 380.1279g.

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

24 (17) **THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF HUMAN SERVICES TO**  
25 **PRIORITIZE ASSIGNING PATHWAYS TO POTENTIAL SUCCESS COACHES TO ELEMENTARY SCHOOLS THAT HAVE A**  
26 **HIGH PERCENTAGE OF PUPILS IN KINDERGARTEN THROUGH GRADE 3 NOT READING AT GRADE LEVEL.**

27 **SEC. 31C. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT**  
28 **NOT TO EXCEED \$1,000,000.00 FOR 2015-2016 FOR PROGRAMS INTENDED TO IMPROVE PUBLIC SAFETY,**  
29 **REDUCE THE NUMBER OF YOUTH INVOLVED IN GANG-RELATED ACTIVITY, AND TO INCREASE HIGH SCHOOL**  
30 **GRADUATION RATES.**

31 (2) **THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS THAT FORM PARTNERSHIPS WITH**  
32 **NONPROFIT ORGANIZATIONS, LAW ENFORCEMENT, AND OTHER COMMUNITY RESOURCES TO PROVIDE PROGRAMS**

1 THAT DIVERT YOUNG ADULTS FROM GANG-RELATED CRIMINAL ACTIVITY.

2 (3) GRANTS AWARDED UNDER THIS SECTION MAY INCLUDE, BUT ARE NOT LIMITED TO, THE  
3 FOLLOWING ACTIVITIES:

4 (A) EMPLOYMENT TRAINING AND PLACEMENT PROGRAMS.

5 (B) COUNSELING SERVICES.

6 (C) ASSISTANCE TO PROGRAM PARTICIPANTS IN ACCESSING COMMUNITY RESOURCES FOR CONTINUING  
7 EDUCATION, COURT ADVOCACY AND HEALTH CARE.

8 (D) OUTREACH PROGRAMS TO EDUCATE PARTICIPANTS AND THEIR FAMILIES.

9 (4) EACH GRANT RECIPIENT UNDER THIS SECTION SHALL PARTNER WITH A UNIVERSITY TO COLLECT  
10 DATA NECESSARY TO EVALUATE THE EFFECTIVENESS OF PROGRAMS IN REDUCING VIOLENT CRIME AND GANG-  
11 RELATED ACTIVITY IN THE COMMUNITY.

12 Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not  
13 to exceed \$22,495,100.00 for ~~2014-2015~~ 2015-2016 for the purpose of making payments to  
14 districts and other eligible entities under this section.

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

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

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

29 (5) From the federal funds appropriated in section 11, there is allocated for ~~2014-~~  
30 ~~2015~~ 2015-2016 all available federal funding, estimated at \$510,000,000.00 for the national  
31 school lunch program and all available federal funding, estimated at \$3,200,000.00 for the  
32 emergency food assistance program.

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

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

6 Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not  
7 to exceed \$5,625,000.00 for ~~2014-2015~~ **2015-2016** for the purpose of making payments to  
8 districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

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

26 Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to  
27 eligible intermediate districts and consortia of intermediate districts for great start  
28 readiness programs an amount not to exceed ~~\$214,275,000.00~~ **\$239,275,000.00** for ~~2014-2015~~  
29 **2015-2016**. ~~In addition, from the funds appropriated in section 11, there is allocated to the~~  
30 ~~great start readiness reserve fund created under subsection (19) an amount not to exceed~~  
31 ~~\$25,000,000.00 for 2014-2015.~~ Funds allocated under this section for great start readiness  
32 programs shall be used to provide part-day, school-day, or GSRP/head start blended



1 comprehensive free compensatory classroom programs designed to improve the readiness and  
2 subsequent achievement of educationally disadvantaged children who meet the participant  
3 eligibility and prioritization guidelines as defined by the department. For a child to be  
4 eligible to participate in a program under this section, the child shall be at least 4, but  
5 less than 5, years of age as of the date specified for determining a child's eligibility to  
6 attend school under section 1147 of the revised school code, MCL 380.1147.

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

14 (3) In addition to the allocation under subsection (1), from the general fund money  
15 appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 for  
16 ~~2014-2015~~ **2015-2016** for a competitive grant to continue a longitudinal evaluation of children  
17 who have participated in great start readiness programs.

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

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

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

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

29 (d) Physical and dental health and developmental screening services for all program  
30 participants.

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

1 (f) Active and continuous involvement of the parents or guardians of the program  
2 participants.

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

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

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

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

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

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

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

1 level regardless of actual family income.

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

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

14 (ii) Paraprofessionals possessing proper training in early childhood development,  
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 after  
18 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 plan  
21 for each paraprofessional to come into compliance with the standards in this subparagraph. A  
22 paraprofessional's compliance plan must be completed within 2 years of the date of  
23 employment. Progress toward completion of the compliance plan shall consist of at least 2  
24 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 or  
26 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 by  
31 the applicant to serve children eligible for a federally funded preschool program that has  
32 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 2 children  
3 served by the program for purposes of determining the number of children to be served and for  
4 determining the amount of the grant award. A grant award shall not be increased solely on the  
5 basis of providing a school-day program.

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

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

14 (9) Funds received under this section may be retained for administrative services as  
15 follows:

16 (a) For the portion of the total grant amount for which services are provided directly  
17 by an intermediate district or consortium of intermediate districts, the intermediate  
18 district or consortium of intermediate districts may retain an amount equal to not more than  
19 7% of that portion of the grant amount.

20 (b) For the portion of the total grant amount for which services are contracted, the  
21 intermediate district or consortium of intermediate districts receiving the grant may retain  
22 an amount equal to not more than 2% of that portion of the grant amount and the subrecipients  
23 engaged by the intermediate district to provide program services may retain for  
24 administrative services an amount equal to not more than 5% of that portion of the grant  
25 amount.

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

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

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

14 (12) An intermediate district or consortium of intermediate districts receiving a  
15 grant under this section shall allow parents of eligible children who are residents of the  
16 intermediate district or within the consortium to choose a program operated by or contracted  
17 with another intermediate district or consortium of intermediate districts and shall pay to  
18 the educating intermediate district or consortium the per-child amount attributable to each  
19 child enrolled pursuant to this sentence, as determined under section 39.

20 (13) An intermediate district or consortium of intermediate districts receiving a  
21 grant under this section shall conduct a local process to contract with interested and  
22 eligible public and private for-profit and nonprofit community-based providers that meet all  
23 requirements of subsection (4) for at least 30% of its total slot allocation. The  
24 intermediate district or consortium shall report to the department, in a manner prescribed by  
25 the department, a detailed list of community-based providers by provider type, including  
26 private for-profit, private nonprofit, community college or university, head start grantee or  
27 delegate, and district or intermediate district, and the number and proportion of its total  
28 slot allocation allocated to each provider as subrecipient. If the intermediate district or  
29 consortium is not able to contract for at least 30% of its total slot allocation, the grant  
30 recipient shall notify the department and, if the department verifies that the intermediate  
31 district or consortium attempted to contract for at least 30% of its total slot allocation  
32 and was not able to do so, then the intermediate district or consortium may retain and use

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

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

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

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

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

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

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

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

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

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

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

29 (17) As used in this section:

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

32 (b) "Part-day program" means a program that operates at least 4 days per week, 30

1 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer  
2 hours of teacher-child contact time per day than a school-day program.

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

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

14 ~~(19) The great start readiness reserve fund is created as a separate account within~~  
15 ~~the state school aid fund established by section 11 of article IX of the state constitution~~  
16 ~~of 1963. Money available in the great start readiness reserve fund may not be expended for~~  
17 ~~2014-2015 unless transferred by the legislature not later than December 15, 2014 to the~~  
18 ~~allocation under subsection (1) for great start readiness programs. Money in the great start~~  
19 ~~readiness reserve fund shall be expended only for purposes for which state school aid fund~~  
20 ~~money may be expended. The state treasurer shall direct the investment of the great start~~  
21 ~~readiness reserve fund. The state treasurer shall credit to the great start readiness reserve~~  
22 ~~fund interest and earnings from fund investments. Money in the great start readiness reserve~~  
23 ~~fund at the close of a fiscal year shall remain in the great start readiness reserve fund and~~  
24 ~~shall not lapse to the unreserved school aid fund balance or the general fund.~~

25 (19) ~~(20)~~ From the amount appropriated in subsection (1), there is allocated an amount  
26 not to exceed \$10,000,000.00 for reimbursement of transportation costs for children attending  
27 great start readiness programs funded under this section. To receive reimbursement under this  
28 subsection, not later than November 1, ~~2014~~ 2015, a program funded under this section that  
29 provides transportation shall submit to the intermediate district that is the fiscal agent  
30 for the program a projected transportation budget. The amount of the reimbursement for  
31 transportation under this subsection shall be the lesser of the projected transportation  
32 budget or \$150.00 multiplied by the number of slots funded for the program under this



1 section. If the amount allocated under this subsection is insufficient to fully reimburse the  
2 transportation costs for all programs that provide transportation and submit the required  
3 information, the reimbursement shall be prorated in an equal amount per slot funded. Payments  
4 shall be made to the intermediate district that is the fiscal agent for each program, and the  
5 intermediate district shall then reimburse the program provider for transportation costs as  
6 prescribed under this subsection.

7 Sec. 32p. (1) From the school aid fund appropriation in section 11, there is allocated  
8 an amount not to exceed ~~\$10,900,000.00~~ **\$15,900,000.00** to intermediate districts for ~~2014-2015~~  
9 **2015-2016** for the purpose of providing early childhood funding to intermediate school  
10 districts ~~in block grants, supporting~~ **TO SUPPORT** the activities under subsection (2) **AND**  
11 **SUBSECTION (4)**, and ~~providing~~ **TO PROVIDE** early childhood programs for children from birth  
12 through age 8. The funding provided to each intermediate district under this section shall be  
13 determined by the distribution formula established by the department's office of great start  
14 to provide equitable funding statewide. In order to receive funding under this section, each  
15 intermediate district shall provide an application to the office of great start not later  
16 than September 15 of the immediately preceding fiscal year indicating the activities planned  
17 to be provided.

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

23 (a) Children born healthy.

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

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

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

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

- 1 (a) Physical health.
- 2 (b) Social-emotional health.
- 3 (c) Family supports and basic needs.
- 4 (d) Parent education and child advocacy.
- 5 (e) Early education and care.

6 **(4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED A MINIMUM OF**  
7 **\$5,000,000.00 FOR THE PURPOSE OF PROVIDING HOME VISITS TO AT-RISK CHILDREN AND THEIR**  
8 **FAMILIES. THE HOME VISITS SHALL BE CONDUCTED AS PART OF A LOCALLY-COORDINATED, FAMILY-**  
9 **CENTERED, EVIDENCE-BASED, DATA-DRIVEN HOME VISIT STRATEGIC PLAN THAT IS APPROVED BY THE**  
10 **DEPARTMENT. THE GOALS OF THE HOME VISITS FUNDED UNDER THIS SUBSECTION SHALL BE TO IMPROVE**  
11 **SCHOOL READINESS, REDUCE THE NUMBER OF PUPILS RETAINED IN GRADE LEVEL, AND REDUCE THE NUMBER**  
12 **OF PUPILS REQUIRING SPECIAL EDUCATION SERVICES. THE DEPARTMENT SHALL COORDINATE THE GOALS OF**  
13 **THE HOME VISIT STRATEGIC PLANS APPROVED UNDER THIS SUBSECTION WITH OTHER STATE AGENCY HOME**  
14 **VISIT PROGRAMS IN A WAY THAT STRENGTHENS MICHIGAN'S HOME VISITING INFRASTRUCTURE AND**  
15 **MAXIMIZES FEDERAL FUNDS AVAILABLE FOR THE PURPOSES OF AT-RISK FAMILY HOME VISITS.**

16 **(5) ~~(4)~~** Not later than December 1 of each year, each intermediate district shall  
17 provide a report to the department detailing the activities actually provided during the  
18 immediately preceding school year and the families and children actually served. The  
19 department shall compile and summarize these reports and submit its summary to the house and  
20 senate appropriations subcommittees on school aid and to the house and senate fiscal agencies  
21 not later than February 15 of each year.

22 **(6) ~~(5)~~** An intermediate district or consortium of intermediate districts that receives  
23 funding under this section may carry over any unexpended funds received under this section  
24 into the next fiscal year and may expend those unused funds through June 30 of the next  
25 fiscal year. A recipient of a grant shall return any unexpended grant funds to the department  
26 in the manner prescribed by the department not later than September 30 of the next fiscal  
27 year after the fiscal year in which the funds are received.

28 **SEC. 35. (1) THE INCREASED FUNDS ALLOCATED IN SECTIONS 35A TO 35G SHALL BE USED FOR**  
29 **PROGRAMS TO ENSURE CHILDREN ARE READING ON GRADE LEVEL BY THE END OF GRADE 3. PROGRAMS FUNDED**  
30 **UNDER THESE SECTIONS WILL BE USED SO THAT MICHIGAN WILL BE IN THE TOP 10 MOST IMPROVED STATES**  
31 **IN FOURTH GRADE READING PROFICIENCY BY THE 2019 NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS**  
32 **(NAEP) AND WILL BE IN THE TOP 10 STATES OVERALL BY 2025.**

1 (2) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT  
2 NOT TO EXCEED \$1,000,000.00 FOR IMPLEMENTATION COSTS ASSOCIATED WITH PROGRAMS IN SECTIONS 35A  
3 TO 35G.

4 SEC. 35A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT  
5 TO EXCEED \$1,000,000.00 FOR THE PURPOSE OF PILOTING PARENT EDUCATION PROGRAMS FOR PARENTS OF  
6 CHILDREN LESS THAN 4 YEARS OF AGE SO THAT CHILDREN ARE DEVELOPMENTALLY READY TO SUCCEED IN  
7 SCHOOL AT THE TIME OF SCHOOL ENTRY.

8 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION PROCESS AND METHOD OF GRANT  
9 DISTRIBUTION CONSISTENT WITH THE PROVISIONS OF THIS SECTION. A GRANT AWARD TO A PILOT PROGRAM  
10 SHALL BE THE NUMBER OF RESIDENT CHILDREN LESS THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED  
11 FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED  
12 SCHOOL CODE, MCL 380.1147, IN THE DISTRICT OR CONSORTIUM OF DISTRICTS OPERATING THE PROGRAM  
13 MULTIPLIED BY \$120.00 PER CHILD OR \$130,000.00, WHICHEVER IS LESS, THE DEPARTMENT SHALL  
14 ENSURE THAT TO THE EXTENT POSSIBLE, GRANTS ARE AWARDED IN EACH PROSPERITY REGION.

15 (3) A COMPETITIVE GRANT APPLICATION SHALL BE SUBMITTED BY AN INTERMEDIATE DISTRICT ON  
16 BEHALF OF A DISTRICT OR CONSORTIUM OF DISTRICTS WITHIN THE INTERMEDIATE DISTRICT. THE  
17 APPLICATION SHALL BE SUBMITTED IN A FORM AND MANNER APPROVED BY THE DEPARTMENT AND SHALL  
18 CONTAIN AT LEAST THE FOLLOWING COMPONENTS:

19 (A) A DESCRIPTION OF THE PROGRAM DESIGN INCLUDING THE NAMES OF THE DISTRICT OR  
20 CONSORTIUM OF DISTRICTS THAT WILL OPERATE THE PROGRAM, THE PHYSICAL LOCATION OF THE PROGRAM  
21 AND THE ANTICIPATED NUMBER OF FAMILIES THAT WILL BE SERVED.

22 (B) AN ASSURANCE THAT THE PROGRAM WILL BE SUPERVISED BY A TEACHER THAT HAS A VALID  
23 TEACHING CERTIFICATE WITH AN EARLY CHILDHOOD (ZA OR ZS) ENDORSEMENT OR A VALID TEACHING  
24 CERTIFICATE IN CAREER EDUCATION WITH BOTH A KH AND VH ENDORSEMENT OR A BACHELOR'S DEGREE IN  
25 CHILD DEVELOPMENT OR EARLY CHILD DEVELOPMENT OR A DEGREE RELATED TO ADULT LEARNING.

26 (C) AN ESTIMATE OF THE NUMBER OF FAMILIES IN THE DISTRICT OR DISTRICTS THAT WILL  
27 OPERATE THE PILOT PROGRAM THAT HAVE AT LEAST ONE CHILD LESS THAN 4 YEARS OF AGE AS OF THE  
28 DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION 1147 OF  
29 THE REVISED SCHOOL CODE, MCL 380.1147.

30 (D) A DESCRIPTION OF THE PUBLIC AWARENESS AND OUTREACH EFFORTS THAT WILL BE MADE.

31 (E) AN ASSURANCE THAT THE INTERMEDIATE DISTRICT AND THE DISTRICT OR CONSORTIUM OF  
32 DISTRICTS OPERATING THE PROGRAM WILL PROVIDE INFORMATION IN A FORM AND MANNER AS APPROVED BY

1 THE DEPARTMENT TO ALLOW FOR AN EVALUATION OF THE PILOT PROJECTS.

2 (F) A DESCRIPTION OF THE SLIDING FEE SCALE THAT WILL BE ESTABLISHED FOR TUITION, WITH  
3 FEES REDUCED OR WAIVED FOR THOSE UNABLE TO PAY.

4 (G) A BUDGET FOR THE PROGRAM. A PROGRAM MAY USE NOT MORE THAN 5 PERCENT OF A GRANT TO  
5 ADMINISTER THE PROGRAM.

6 (4) AN ELIGIBLE PROGRAM SHALL PROVIDE AT LEAST TWO HOURS PER WEEK THROUGHOUT THE  
7 SCHOOL YEAR FOR PARENTS AND THEIR ELIGIBLE CHILDREN TO PARTICIPATE IN PARENT EDUCATION  
8 PROGRAMS AND MEET AT LEAST THE FOLLOWING MINIMUM REQUIREMENTS:

9 (A) REQUIRE THAT PARENTS BE PHYSICALLY PRESENT IN CLASSES WITH THEIR CHILDREN OR BE IN  
10 CONCURRENT CLASSES.

11 (B) USE RESEARCH-BASED INFORMATION TO EDUCATE PARENTS ABOUT THE PHYSICAL, COGNITIVE,  
12 SOCIAL AND EMOTIONAL DEVELOPMENT OF CHILDREN.

13 (C) PROVIDE STRUCTURED LEARNING ACTIVITIES REQUIRING INTERACTION BETWEEN CHILDREN AND  
14 THEIR PARENTS.

15 (D) PROVIDE STRUCTURED LEARNING ACTIVITIES FOR CHILDREN THAT PROMOTE POSITIVE  
16 INTERACTION WITH THEIR PEERS.

17 (5) FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM UNDER THIS SECTION, THE  
18 CHILD SHALL BE LESS THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S  
19 ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

20 (6) FROM THE FUNDS IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED  
21 \$100,000.00 FOR THE PURPOSE OF PERFORMING AN EVALUATION OF THE PILOT PROGRAMS IN A MANNER  
22 APPROVED BY THE DEPARTMENT. THE EVALUATION REPORT SHALL INCLUDE AT LEAST THE FOLLOWING:

23 (A) A DESCRIPTION OF THE COMPONENTS OF THE PILOT PROGRAMS THAT WERE EFFECTIVE IN  
24 HELPING PARENTS PREPARE THEIR CHILDREN FOR SUCCESS IN SCHOOL.

25 (B) A DESCRIPTION OF ANY BARRIERS THAT PARENTS AND THEIR CHILDREN ENCOUNTERED THAT  
26 PRECLUDED THEM FROM PARTICIPATING IN THE PILOT PROGRAMS.

27 (C) AN ASSESSMENT OF WHETHER THESE PILOT PROGRAMS SHOULD BE EXPANDED TO OTHER  
28 LOCATIONS IN THE STATE.

29 SEC. 35B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT  
30 TO EXCEED \$950,000.00 FOR 2015-2016 FOR THE PURPOSES OF THIS SECTION. THIS ALLOCATION  
31 REPRESENTS THE FIRST OF TWO YEARS OF FUNDING FOR THE PURPOSES OF THIS SECTION.

32 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT

1 FOR EDUCATORS IN A DEPARTMENT-APPROVED RESEARCH-BASED TRAINING PROGRAM RELATED TO CURRENT  
2 STATE LITERACY STANDARDS FOR PUPILS IN KINDERGARTEN THROUGH GRADE 3. THE DEPARTMENT SHALL  
3 DETERMINE THE AMOUNT OF THE GRANT AWARDS.

4 (2) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT DELIVERY, THE DEPARTMENT  
5 SHALL COLLABORATE WITH THE MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL  
6 EDUCATORS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3.

7 (3) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION, AND ANY  
8 UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK  
9 PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING DESCRIBED IN THIS  
10 SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2017.

11 SEC. 35C. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN  
12 AMOUNT NOT TO EXCEED \$500,000.00 TO THE DEPARTMENT FOR THE ADOPTION OF A CERTIFICATION TEST  
13 TO ENSURE ALL NEWLY-CERTIFIED ELEMENTARY TEACHERS HAVE THE SKILLS TO DELIVER EVIDENCE-BASED  
14 LITERACY INSTRUCTION.

15 SEC. 35D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT  
16 TO EXCEED \$1,450,000.00 FOR 2015-2016 FOR THE PURPOSES OF THIS SECTION. THIS ALLOCATION  
17 REPRESENTS THE FIRST OF TWO YEARS OF FUNDING.

18 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO ADMINISTER DEPARTMENT-APPROVED  
19 DIAGNOSTIC TOOLS TO MONITOR THE DEVELOPMENT OF EARLY LITERACY AND EARLY READING SKILLS OF  
20 PUPILS IN KINDERGARTEN THROUGH GRADE 3 AND TO SUPPORT RESEARCH-BASED PROFESSIONAL DEVELOPMENT  
21 FOR EDUCATORS IN DATA INTERPRETATION FOR THE PURPOSE OF IMPLEMENTING A MULTI-TIERED SYSTEM OF  
22 SUPPORT TO IMPROVE THIRD GRADE READING PROFICIENCY. THE DEPARTMENT SHALL AWARD GRANTS TO  
23 ELIGIBLE DISTRICTS IN AN AMOUNT DETERMINED BY THE DEPARTMENT.

24 (3) 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 ALL  
26 EDUCATORS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3.

27 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION, AND ANY  
28 UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK  
29 PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING DESCRIBED IN THIS  
30 SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2017.

31 SEC. 35E. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT  
32 TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF PROVIDING EARLY LITERACY COACHES TO ASSIST

1 TEACHERS IN DEVELOPING AND IMPLEMENTING INSTRUCTIONAL STRATEGIES FOR PUPILS IN KINDERGARTEN  
2 THROUGH GRADE 3 SO THAT PUPILS ARE READING AT GRADE LEVEL BY THE END OF GRADE 3.

3 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION PROCESS AND METHOD OF GRANT  
4 DISTRIBUTION CONSISTENT WITH THE PROVISIONS OF THIS SECTION. THE GRANT PROCESS SHALL ENSURE  
5 THAT INTERMEDIATE DISTRICTS WITH THE HIGHEST PERCENTAGE OF FOURTH GRADE STUDENTS IN THE  
6 CONSTITUENT DISTRICTS OF THE INTERMEDIATE DISTRICT THAT ARE NOT PROFICIENT ON THE FOURTH  
7 GRADE STATE READING ASSESSMENT RECEIVE EXTRA CONSIDERATION IN THE AWARDING OF GRANTS.

8 (3) A CONSORTIUM OF INTERMEDIATE DISTRICTS IN A PROSPERITY REGION SHALL SUBMIT A  
9 COMPETITIVE GRANT APPLICATION IN A FORM AND MANNER APPROVED BY THE DEPARTMENT IN ORDER TO  
10 RECEIVE FUNDING UNDER THIS SECTION. ELIGIBLE APPLICATIONS SHALL PROVIDE ASSURANCES THAT  
11 LITERACY COACHES FUNDED UNDER THIS SECTION ARE KNOWLEDGEABLE ABOUT THE FOLLOWING, AT A  
12 MINIMUM:

13 (A) CURRENT STATE LITERACY STANDARDS FOR PUPILS IN KINDERGARTEN THROUGH GRADE 3.

14 (B) IMPLEMENTING AN INSTRUCTIONAL DELIVERY MODEL BASED ON FREQUENT USE OF FORMATIVE  
15 AND DIAGNOSTIC TOOLS KNOWN AS A MULTI-TIERED SYSTEM OF SUPPORT TO DETERMINE INDIVIDUAL  
16 PROGRESS FOR PUPILS IN KINDERGARTEN THROUGH GRADE 3 SO THAT PUPILS ARE READING AT GRADE LEVEL  
17 BY THE END OF GRADE 3.

18 (C) THE USE OF DATA FROM DIAGNOSTIC TOOLS TO DETERMINE THE NECESSARY ADDITIONAL  
19 SUPPORTS AND INTERVENTIONS NEEDED BY INDIVIDUAL PUPILS IN KINDERGARTEN THROUGH GRADE 3 IN  
20 ORDER TO BE READING AT GRADE LEVEL.

21 SEC. 35F (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO  
22 EXCEED \$10,000,000.00 FOR 2015-2016 TO DISTRICTS THAT PROVIDE ADDITIONAL INSTRUCTIONAL TIME  
23 TO THOSE PUPILS IN KINDERGARTEN THROUGH GRADE 3 THAT HAVE BEEN IDENTIFIED BY USING  
24 DEPARTMENT-APPROVED DIAGNOSTIC TOOLS AS NEEDING ADDITIONAL SUPPORTS AND INTERVENTIONS IN  
25 ORDER TO BE READING AT GRADE LEVEL BY THE END OF THIRD GRADE. ADDITIONAL INSTRUCTIONAL TIME  
26 MAY BE PROVIDED BEFORE, DURING AND AFTER REGULAR SCHOOL HOURS OR AS PART OF A YEAR-ROUND  
27 BALANCED SCHOOL CALENDAR.

28 (2) IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, A DISTRICT SHALL  
29 DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT THE DISTRICT HAS DONE ALL OF THE  
30 FOLLOWING:

31 (A) IMPLEMENTED A MULTI-TIERED SYSTEM OF SUPPORT INSTRUCTIONAL DELIVERY MODEL.

32 (B) USED DEPARTMENT-APPROVED RESEARCH-BASED DIAGNOSTIC TOOLS TO IDENTIFY INDIVIDUAL

1 PUPILS IN NEED OF ADDITIONAL INSTRUCTIONAL TIME.

2 (C) PROVIDED TEACHERS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3 WITH RESEARCH-BASED  
3 PROFESSIONAL DEVELOPMENT IN DIAGNOSTIC DATA INTERPRETATION.

4 (3) FUNDING ALLOCATED UNDER THIS SECTION SHALL BE DISTRIBUTED TO ELIGIBLE DISTRICTS BY  
5 MULTIPLYING THE FULL-TIME-EQUIVALENT PUPILS IN FIRST GRADE BY \$95.00.

6 (4) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT TO FULLY FUND THE  
7 PAYMENTS UNDER THIS SECTION, PAYMENTS UNDER THIS SECTION SHALL BE PRORATED ON AN EQUAL PER-  
8 PUPIL BASIS OF FIRST GRADE PUPILS.

9 SEC. 35G. (1) FROM THE GENERAL FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN  
10 AMOUNT NOT TO EXCEED \$500,000.00 FOR 2015-2016 TO THE DEPARTMENT TO ESTABLISH A BEST  
11 PRACTICES CLEARINGHOUSE. THE DEPARTMENT SHALL COLLABORATE WITH THE CENTER, UNIVERSITIES,  
12 INTERMEDIATE DISTRICTS AND DISTRICTS TO DETERMINE THE BEST METHOD OF ESTABLISHING A  
13 CLEARINGHOUSE THAT SHALL IDENTIFY, DEVELOP AND DISSEMINATE BEST PRACTICES FROM RESEARCH-BASED  
14 MODELS OF EDUCATION REFORM THAT DISTRICTS CAN USE TO IMPROVE READING PROFICIENCY FOR PUPILS  
15 IN KINDERGARTEN THROUGH GRADE 3.

16 (2) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION, AND ANY  
17 UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK  
18 PROJECT IS TO CONTINUE TO IMPLEMENT THE CLEARINGHOUSE DESCRIBED UNDER SUBSECTION (1). THE  
19 ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2017.

20 Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an  
21 application, in a form and manner prescribed by the department, by a date specified by the  
22 department in the immediately preceding state fiscal year. The application shall include a  
23 comprehensive needs assessment using aggregated data from the applicant's entire service area  
24 and a community collaboration plan that is endorsed by the local great start collaborative  
25 and is part of the community's great start strategic plan that includes, but is not limited  
26 to, great start readiness program and head start providers, and shall identify all of the  
27 following:

28 (a) The estimated total number of children in the community who meet the criteria of  
29 section 32d and how that calculation was made.

30 (b) The estimated number of children in the community who meet the criteria of section  
31 32d and are being served by other early childhood development programs operating in the  
32 community, and how that calculation was made.

1 (c) The number of children the applicant will be able to serve who meet the criteria  
2 of section 32d including a verification of physical facility and staff resources capacity.

3 (d) The estimated number of children who meet the criteria of section 32d who will  
4 remain unserved after the applicant and community early childhood programs have met their  
5 funded enrollments. The applicant shall maintain a waiting list of identified unserved  
6 eligible children who would be served when openings are available.

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

12 (3) The number of prekindergarten children construed to be in need of special  
13 readiness assistance under section 32d shall be calculated for each applicant in the  
14 following manner: 1/2 of the percentage of the applicant's pupils in grades 1 to 5 in all  
15 districts served by the applicant who are eligible for free lunch, as determined using the  
16 district's pupil membership count as of the pupil membership count day in the school year  
17 prior to the fiscal year for which the calculation is made, under the Richard B. Russell  
18 national school lunch act, 42 USC 1751 to 1769i, shall be multiplied by the average  
19 kindergarten enrollment of the districts served by the applicant on the pupil membership  
20 count day of the 2 immediately preceding fiscal years.

21 (4) The initial allocation for each fiscal year to each eligible applicant under  
22 section 32d shall be determined by multiplying the number of children determined by the  
23 formula under subsection (3) or the number of children the applicant indicates it will be  
24 able to serve under subsection (1)(c), whichever is less, by \$3,625.00 and shall be  
25 distributed among applicants in decreasing order of concentration of eligible children as  
26 determined by the formula under subsection (3). If the number of children an applicant  
27 indicates it will be able to serve under subsection (1)(c) includes children able to be  
28 served in a school-day program, then the number able to be served in a school-day program  
29 shall be doubled for the purposes of making this calculation of the lesser of the number of  
30 children determined by the formula under subsection (3) and the number of children the  
31 applicant indicates it will be able to serve under subsection (1)(c) and determining the  
32 amount of the initial allocation to the applicant under section 32d. A district may contract



1 with a head start agency to serve children enrolled in head start with a school-day program  
2 by blending head start funds with a part-day great start readiness program allocation. All  
3 head start and great start readiness program policies and regulations apply to the blended  
4 program.

5 (5) If funds allocated for eligible applicants ~~or to the great start readiness reserve~~  
6 ~~fund~~ under section 32d remain after the initial allocation under subsection (4), the  
7 allocation under this subsection shall be distributed to each eligible applicant under  
8 section 32d in decreasing order of concentration of eligible children as determined by the  
9 formula under subsection (3). The allocation shall be determined by multiplying the number of  
10 children each district within the applicant's service area served in the immediately  
11 preceding fiscal year or the number of children the applicant indicates it will be able to  
12 serve under subsection (1)(c), whichever is less, minus the number of children for which the  
13 applicant received funding in subsection (4) by \$3,625.00.

14 (6) If funds allocated for eligible applicants ~~or to the great start readiness reserve~~  
15 ~~fund~~ under section 32d remain after the allocations under subsections (4) and (5), remaining  
16 funds shall be distributed to each eligible applicant under section 32d in decreasing order  
17 of concentration of eligible children as determined by the formula under subsection (3). If  
18 the number of children the applicant indicates it will be able to serve under subsection  
19 (1)(c) exceeds the number of children for which funds have been received under subsections  
20 (4) and (5), the allocation under this subsection shall be determined by multiplying the  
21 number of children the applicant indicates it will be able to serve under subsection (1)(c)  
22 less the number of children for which funds have been received under subsections (4) and (5)  
23 by \$3,625.00 until the funds allocated for eligible applicants in section 32d are  
24 distributed.

25 (7) An applicant that offers supplementary child care funded by funds other than those  
26 received under section 32d and therefore offers full-day programs as part of its early  
27 childhood development program shall receive priority in the allocation of funds under section  
28 32d over other eligible applicants. As used in this subsection, "full-day program" means a  
29 program that provides supplementary child care that totals at least 10 hours of programming  
30 per day.

31 (8) If, taking into account the total amount to be allocated to the applicant as  
32 calculated under this section, an applicant determines that it is able to include additional

1 eligible children in the great start readiness program without additional funds under section  
2 32d, the applicant may include additional eligible children but shall not receive additional  
3 funding under section 32d for those children.

4 Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated  
5 for ~~2014-2015~~ **2015-2016** to districts, intermediate districts, and other eligible entities all  
6 available federal funding, estimated at ~~\$807,969,900.00~~ **\$779,076,400.00** for the federal  
7 programs under the no child left behind act of 2001, Public Law 107-110. These funds are  
8 allocated as follows:

9 (a) An amount estimated at ~~\$8,000,000.00~~ **\$5,000,000.00** to provide students with drug-  
10 and violence-prevention programs and to implement strategies to improve school safety, funded  
11 from DED-OESE, drug-free schools and communities funds.

12 (b) An amount estimated at \$111,111,900.00 for the purpose of preparing, training, and  
13 recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving  
14 teacher quality funds.

15 (c) An amount estimated at \$12,200,000.00 for programs to teach English to limited  
16 English proficient (LEP) children, funded from DED-OESE, language acquisition state grant  
17 funds.

18 (d) An amount estimated at \$10,286,500.00 for the Michigan charter school subgrant  
19 program, funded from DED-OESE, charter school funds.

20 (e) An amount estimated at ~~\$2,393,500.00~~ **\$3,000,000.00** for rural and low income  
21 schools, funded from DED-OESE, rural and low income school funds.

22 (f) An amount estimated at ~~\$591,500,000.00~~ **\$565,000,000.00** to provide supplemental  
23 programs to enable educationally disadvantaged children to meet challenging academic  
24 standards, funded from DED-OESE, title I, disadvantaged children funds.

25 (g) An amount estimated at \$8,878,000.00 for the purpose of identifying and serving  
26 migrant children, funded from DED-OESE, title I, migrant education funds.

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

31 (i) An amount estimated at \$24,600,000.00 to help support local school improvement  
32 efforts, funded from DED-OESE, title I, local school improvement grants.

1 (2) From the federal funds appropriated in section 11, there is allocated for ~~2014-~~  
2 ~~2015~~ **2015-2016** to districts, intermediate districts, and other eligible entities all  
3 available federal funding, estimated at ~~\$31,300,000.00~~ **\$30,800,000.00** for the following  
4 programs that are funded by federal grants:

5 (a) An amount estimated at \$200,000.00 for acquired immunodeficiency syndrome  
6 education grants, funded from HHS - center for disease control, AIDS funding.

7 (b) An amount estimated at \$2,600,000.00 to provide services to homeless children and  
8 youth, funded from DED-OVAE, homeless children and youth funds.

9 **(C) AN AMOUNT ESTIMATED AT \$4,000,000.00 TO PROVIDE MENTAL HEALTH, SUBSTANCE ABUSE OR**  
10 **VIOLENCE PREVENTION SERVICES TO STUDENTS, FUNDED FROM HHS-SAMHSA.**

11 **(D)** ~~(e)~~ An amount estimated at ~~\$28,500,000.00~~ **\$24,000,000.00** for providing career and  
12 technical education services to pupils, funded from DED-OVAE, basic grants to states.

13 (3) All federal funds allocated under this section shall be distributed in accordance  
14 with federal law and with flexibility provisions outlined in Public Law 107-116, and in the  
15 education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section  
16 17b, payments of federal funds to districts, intermediate districts, and other eligible  
17 entities under this section shall be paid on a schedule determined by the department.

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

22 (5) As used in this section:

23 (a) "DED" means the United States department of education.

24 (b) "DED-OESE" means the DED office of elementary and secondary education.

25 (c) "DED-OVAE" means the DED office of vocational and adult education.

26 (d) "HHS" means the United States department of health and human services.

27 ~~(e) "HHS-ACF" means the HHS administration for children and families.~~

28 **(E) "HHS-SAMHSA" MEANS THE HHS SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES**  
29 **ADMINISTRATION.**

30 Sec. 41. From the appropriation in section 11, there is allocated an amount not to  
31 exceed \$1,200,000.00 ~~each fiscal year for 2013-2014 and for 2014-2015~~ **2015-2016** to applicant  
32 districts and intermediate districts offering programs of instruction for pupils of limited

1 English-speaking ability under section 1153 of the revised school code, MCL 380.1153.  
2 Reimbursement shall be on a per-pupil basis and shall be based on the number of pupils of  
3 limited English-speaking ability in membership on the pupil membership count day. Funds  
4 allocated under this section shall be used solely for instruction in speaking, reading,  
5 writing, or comprehension of English. A pupil shall not be counted under this section or  
6 instructed in a program under this section for more than 3 years.

7       Sec. 43. From the general fund money appropriated in section 11, there is allocated to  
8 the department for ~~2014-2015~~ **2015-2016** an amount not to exceed \$1,800,000.00 for updating  
9 teacher certification tests. The department shall use these funds to update the set of  
10 teacher certification tests, including content-specific and subject-relevant tests, to  
11 reflect current education standards by not later than September 30, 2016. **THIS IS THE SECOND**  
12 **YEAR OF TWO YEARS OF FUNDING.**

13       Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not  
14 to exceed ~~\$938,946,100.00~~ **\$934,546,100.00** for ~~2014-2015~~ **2015-2016** from state sources and all  
15 available federal funding under sections 611 to 619 of part B of the individuals with  
16 disabilities education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00 for ~~2014-2015~~  
17 **2015-2016**, plus any carryover federal funds from previous year appropriations. The  
18 allocations under this subsection are for the purpose of reimbursing districts and  
19 intermediate districts for special education programs, services, and special education  
20 personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766;  
21 net tuition payments made by intermediate districts to the Michigan schools for the deaf and  
22 blind; and special education programs and services for pupils who are eligible for special  
23 education programs and services according to statute or rule. For meeting the costs of  
24 special education programs and services not reimbursed under this article, a district or  
25 intermediate district may use money in general funds or special education funds, not  
26 otherwise restricted, or contributions from districts to intermediate districts, tuition  
27 payments, gifts and contributions from individuals or other entities, or federal funds that  
28 may be available for this purpose, as determined by the intermediate district plan prepared  
29 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. Notwithstanding  
30 section 17b, payments of federal funds to districts, intermediate districts, and other  
31 eligible entities under this section shall be paid on a schedule determined by the  
32 department.

1 (2) From the funds allocated under subsection (1), there is allocated the amount  
2 necessary, estimated at ~~\$252,000,000.00~~ **\$257,200,000.00** for ~~2014-2015~~ **2015-2016**, for payments  
3 toward reimbursing districts and intermediate districts for 28.6138% of total approved costs  
4 of special education, excluding costs reimbursed under section 53a, and 70.4165% of total  
5 approved costs of special education transportation. Allocations under this subsection shall  
6 be made as follows:

7 (a) The initial amount allocated to a district under this subsection toward fulfilling  
8 the specified percentages shall be calculated by multiplying the district's special education  
9 pupil membership, excluding pupils described in subsection (11), times the foundation  
10 allowance under section 20 of the pupil's district of residence, not to exceed the basic  
11 foundation allowance under section 20 for the current fiscal year, or, for a special  
12 education pupil in membership in a district that is a public school academy, times an amount  
13 equal to the amount per membership pupil calculated under section 20(6) or, for a pupil  
14 described in this subsection who is counted in membership in the education achievement  
15 system, times an amount equal to the amount per membership pupil under section 20(7). For an  
16 intermediate district, the amount allocated under this subdivision toward fulfilling the  
17 specified percentages shall be an amount per special education membership pupil, excluding  
18 pupils described in subsection (11), and shall be calculated in the same manner as for a  
19 district, using the foundation allowance under section 20 of the pupil's district of  
20 residence, not to exceed the basic foundation allowance under section 20 for the current  
21 fiscal year.

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

26 (3) From the funds allocated under subsection (1), there is allocated for ~~2014-2015~~  
27 **2015-2016** an amount not to exceed \$1,000,000.00 to make payments to districts and  
28 intermediate districts under this subsection. If the amount allocated to a district or  
29 intermediate district for a fiscal year under subsection (2) (b) is less than the sum of the  
30 amounts allocated to the district or intermediate district for 1996-97 under sections 52 and  
31 58, there is allocated to the district or intermediate district for the fiscal year an amount  
32 equal to that difference, adjusted by applying the same proration factor that was used in the

1 distribution of funds under section 52 in 1996-97 as adjusted to the district's or  
2 intermediate district's necessary costs of special education used in calculations for the  
3 fiscal year. This adjustment is to reflect reductions in special education program operations  
4 or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in  
5 special education program operations or services shall be made in a manner determined by the  
6 department and shall include adjustments for program or service shifts.

7 (4) If the department determines that the sum of the amounts allocated for a fiscal  
8 year to a district or intermediate district under subsection (2) (a) and (b) is not sufficient  
9 to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to  
10 the district or intermediate district during the fiscal year beginning on the October 1  
11 following the determination and payments under subsection (3) shall be adjusted as necessary.  
12 If the department determines that the sum of the amounts allocated for a fiscal year to a  
13 district or intermediate district under subsection (2) (a) and (b) exceeds the sum of the  
14 amount necessary to fulfill the specified percentages in subsection (2), then the department  
15 shall deduct the amount of the excess from the district's or intermediate district's payments  
16 under this article for the fiscal year beginning on the October 1 following the determination  
17 and payments under subsection (3) shall be adjusted as necessary. However, if the amount  
18 allocated under subsection (2) (a) in itself exceeds the amount necessary to fulfill the  
19 specified percentages in subsection (2), there shall be no deduction under this subsection.

20 (5) State funds shall be allocated on a total approved cost basis. Federal funds shall  
21 be allocated under applicable federal requirements, except that an amount not to exceed  
22 \$3,500,000.00 may be allocated by the department for ~~2014-2015~~ **2015-2016** to districts,  
23 intermediate districts, or other eligible entities on a competitive grant basis for programs,  
24 equipment, and services that the department determines to be designed to benefit or improve  
25 special education on a statewide scale.

26 (6) From the amount allocated in subsection (1), there is allocated an amount not to  
27 exceed \$2,200,000.00 for ~~2014-2015~~ **2015-2016** to reimburse 100% of the net increase in  
28 necessary costs incurred by a district or intermediate district in implementing the revisions  
29 in the administrative rules for special education that became effective on July 1, 1987. As  
30 used in this subsection, "net increase in necessary costs" means the necessary additional  
31 costs incurred solely because of new or revised requirements in the administrative rules  
32 minus cost savings permitted in implementing the revised rules. Net increase in necessary

1 costs shall be determined in a manner specified by the department.

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

3 (a) "Total approved costs of special education" shall be determined in a manner  
4 specified by the department and may include indirect costs, but shall not exceed 115% of  
5 approved direct costs for section 52 and section 53a programs. The total approved costs  
6 include salary and other compensation for all approved special education personnel for the  
7 program, including payments for social security and medicare and public school employee  
8 retirement system contributions. The total approved costs do not include salaries or other  
9 compensation paid to administrative personnel who are not special education personnel as  
10 defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal  
11 funds, other than those federal funds included in the allocation made under this article, are  
12 not included. Special education approved personnel not utilized full time in the evaluation  
13 of students or in the delivery of special education programs, ancillary, and other related  
14 services shall be reimbursed under this section only for that portion of time actually spent  
15 providing these programs and services, with the exception of special education programs and  
16 services provided to youth placed in child caring institutions or juvenile detention programs  
17 approved by the department to provide an on-grounds education program.

18 (b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that  
19 employed special education support services staff to provide special education support  
20 services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-  
21 2004 receives the same type of support services from another district or intermediate  
22 district shall report the cost of those support services for special education reimbursement  
23 purposes under this article. This subdivision does not prohibit the transfer of special  
24 education classroom teachers and special education classroom aides if the pupils counted in  
25 membership associated with those special education classroom teachers and special education  
26 classroom aides are transferred and counted in membership in the other district or  
27 intermediate district in conjunction with the transfer of those teachers and aides.

28 ~~(c) If the department determines before bookclosing for a fiscal year that the amounts~~  
29 ~~allocated for that fiscal year under subsections (2), (3), (6), and (11) and sections 53a,~~  
30 ~~54, and 56 will exceed expenditures for that fiscal year under subsections (2), (3), (6), and~~  
31 ~~(11) and sections 53a, 54, and 56, then for a district or intermediate district whose~~  
32 ~~reimbursement for that fiscal year would otherwise be affected by subdivision (b),~~

1 ~~subdivision (b) does not apply to the calculation of the reimbursement for that district or~~  
2 ~~intermediate district and reimbursement for that district or intermediate district shall be~~  
3 ~~calculated in the same manner as it was for 2003-2004. If the amount of the excess~~  
4 ~~allocations under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 is not~~  
5 ~~sufficient to fully fund the calculation of reimbursement to those districts and intermediate~~  
6 ~~districts under this subdivision, then the calculations and resulting reimbursement under~~  
7 ~~this subdivision shall be prorated on an equal percentage basis. This reimbursement shall not~~  
8 ~~be made after 2014-2015.~~

9 (C) ~~(d)~~ Reimbursement for ancillary and other related services, as defined by R  
10 340.1701c of the Michigan administrative code, shall not be provided when those services are  
11 covered by and available through private group health insurance carriers or federal  
12 reimbursed program sources unless the department and district or intermediate district agree  
13 otherwise and that agreement is approved by the state budget director. Expenses, other than  
14 the incidental expense of filing, shall not be borne by the parent. In addition, the filing  
15 of claims shall not delay the education of a pupil. A district or intermediate district shall  
16 be responsible for payment of a deductible amount and for an advance payment required until  
17 the time a claim is paid.

18 (D) ~~(e)~~ Beginning with calculations for 2004-2005, if an intermediate district  
19 purchases a special education pupil transportation service from a constituent district that  
20 was previously purchased from a private entity; if the purchase from the constituent district  
21 is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the  
22 intermediate district to the constituent does not result in any net change in the revenue the  
23 constituent district receives from payments under sections 22b and 51c, then upon application  
24 by the intermediate district, the department shall direct the intermediate district to  
25 continue to report the cost associated with the specific identified special education pupil  
26 transportation service and shall adjust the costs reported by the constituent district to  
27 remove the cost associated with that specific service.

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

32 (9) Special education personnel transferred from 1 district to another to implement



1 the revised school code shall be entitled to the rights, benefits, and tenure to which the  
2 person would otherwise be entitled had that person been employed by the receiving district  
3 originally.

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

9 (11) From the funds allocated in subsection (1), there is allocated the amount  
10 necessary, estimated at ~~\$3,300,000.00~~ **\$3,200,000.00** for ~~2014-2015~~ **2015-2016**, to pay the  
11 foundation allowances for pupils described in this subsection. The allocation to a district  
12 under this subsection shall be calculated by multiplying the number of pupils described in  
13 this subsection who are counted in membership in the district times the foundation allowance  
14 under section 20 of the pupil's district of residence, not to exceed the basic foundation  
15 allowance under section 20 for the current fiscal year, or, for a pupil described in this  
16 subsection who is counted in membership in a district that is a public school academy, times  
17 an amount equal to the amount per membership pupil under section 20(6) or, for a pupil  
18 described in this subsection who is counted in membership in the education achievement  
19 system, times an amount equal to the amount per membership pupil under section 20(7). The  
20 allocation to an intermediate district under this subsection shall be calculated in the same  
21 manner as for a district, using the foundation allowance under section 20 of the pupil's  
22 district of residence, not to exceed the basic foundation allowance under section 20 for the  
23 current fiscal year. This subsection applies to all of the following pupils:

24 (a) Pupils described in section 53a.

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

28 (c) Pupils with an emotional impairment counted in membership by an intermediate  
29 district and provided educational services by the department of community health.

30 (12) If it is determined that funds allocated under subsection (2) or (11) or under  
31 section 51c will not be expended, funds up to the amount necessary and available may be used  
32 to supplement the allocations under subsection (2) or (11) or under section 51c in order to

1 fully fund those allocations. After payments under subsections (2) and (11) and section 51c,  
2 the remaining expenditures from the allocation in subsection (1) shall be made in the  
3 following order:

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

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

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

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

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

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

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

24 Sec. 51c. As required by the court in the consolidated cases known as Durant v State  
25 of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under  
26 section 51a(1), there is allocated for ~~2014-2015~~ **2015-2016** the amount necessary, estimated at  
27 ~~\$630,500,000.00~~ **\$621,000,000.00**, for payments to reimburse districts for 28.6138% of total  
28 approved costs of special education excluding costs reimbursed under section 53a, and  
29 70.4165% of total approved costs of special education transportation. Funds allocated under  
30 this section that are not expended in the state fiscal year for which they were allocated, as  
31 determined by the department, may be used to supplement the allocations under sections 22a  
32 and 22b in order to fully fund those calculated allocations for the same fiscal year.

1           Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated  
2 for ~~2014-2015~~ **2015-2016**, all available federal funding, estimated at ~~\$74,000,000.00~~  
3 **\$71,000,000.00**, for special education programs and services that are funded by federal  
4 grants. All federal funds allocated under this section shall be distributed in accordance  
5 with federal law. Notwithstanding section 17b, payments of federal funds to districts,  
6 intermediate districts, and other eligible entities under this section shall be paid on a  
7 schedule determined by the department.

8           (2) From the federal funds allocated under subsection (1), the following amounts are  
9 allocated for ~~2014-2015~~ **2015-2016**:

10           (a) An amount estimated at ~~\$15,000,000.00~~ **\$14,000,000.00** for handicapped infants and  
11 toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

12           (b) An amount estimated at ~~\$14,000,000.00~~ **\$12,000,000.00** for preschool grants (Public  
13 Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

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

16           (3) As used in this section, "DED-OSERS" means the United States department of  
17 education office of special education and rehabilitative services.

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

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

28           (a) Pupils assigned to a district or intermediate district through the community  
29 placement program of the courts or a state agency, if the pupil was a resident of another  
30 intermediate district at the time the pupil came under the jurisdiction of the court or a  
31 state agency.

32           (b) Pupils who are residents of institutions operated by the department of community

1 health.

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

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

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

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

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

18 (5) Not more than \$10,500,000.00 of the allocation for ~~2014-2015~~ **2015-2016** in section  
19 51a(1) shall be allocated under this section.

20 Sec. 54. Each intermediate district shall receive an amount per pupil for each pupil  
21 in attendance at the Michigan schools for the deaf and blind. The amount shall be  
22 proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 of  
23 the allocation for ~~2014-2015~~ **2015-2016** in section 51a(1) shall be allocated under this  
24 section.

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

26 (a) "Membership" means for a particular fiscal year the total membership for the  
27 immediately preceding fiscal year of the intermediate district and the districts constituent  
28 to the intermediate district.

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

32 (c) "Taxable value" means the total taxable value of the districts constituent to an

1 intermediate district, except that if a district has elected not to come under part 30 of the  
2 revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district  
3 shall not be included in the membership and taxable value of the intermediate district.

4 (2) From the allocation under section 51a(1), there is allocated an amount not to  
5 exceed \$37,758,100.00 for ~~2014-2015~~ **2015-2016** to reimburse intermediate districts levying  
6 millages for special education pursuant to part 30 of the revised school code, MCL 380.1711  
7 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if  
8 the funds were generated by these millages and governed by the intermediate district plan  
9 adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a  
10 condition of receiving funds under this section, an intermediate district distributing any  
11 portion of special education millage funds to its constituent districts shall submit for  
12 departmental approval and implement a distribution plan.

13 (3) Reimbursement for those millages levied in ~~2013-2014~~ **2014-2015** shall be made in  
14 ~~2014-2015~~ **2015-2016** at an amount per ~~2013-2014~~ **2014-2015** membership pupil computed by  
15 subtracting from ~~\$172,200.00~~ **\$174,400.00** the ~~2013-2014~~ **2014-2015** taxable value behind each  
16 membership pupil and multiplying the resulting difference by the ~~2013-2014~~ **2014-2015** millage  
17 levied.

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

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

23 Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not  
24 to exceed \$26,611,300.00 for ~~2014-2015~~ **2015-2016** to reimburse on an added cost basis  
25 districts, except for a district that served as the fiscal agent for a vocational education  
26 consortium in the 1993-94 school year, and secondary area vocational-technical education  
27 centers for secondary-level career and technical education programs according to rules  
28 approved by the superintendent. Applications for participation in the programs shall be  
29 submitted in the form prescribed by the department. The department shall determine the added  
30 cost for each career and technical education program area. The allocation of added cost funds  
31 shall be based on the ~~type~~ **COST** of **THE** career and technical education programs provided, the  
32 number of pupils enrolled, **THE ADVANCEMENT OF PUPILS THROUGH THE INSTRUCTIONAL PROGRAM, AND**

1 **PROGRAM RANK IN STUDENT PLACEMENT, JOB OPENINGS AND WAGES** and the length of the training  
2 period provided, and shall not exceed 75% of the added cost of any program. With the approval  
3 of the department, the board of a district maintaining a secondary career and technical  
4 education program may offer the program for the period from the close of the school year  
5 until September 1. The program shall use existing facilities and shall be operated as  
6 prescribed by rules promulgated by the superintendent.

7 (2) Except for a district that served as the fiscal agent for a vocational education  
8 consortium in the 1993-94 school year, districts and intermediate districts shall be  
9 reimbursed for local career and technical education administration, shared time career and  
10 technical education administration, and career education planning district career and  
11 technical education administration. The definition of what constitutes administration and  
12 reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than  
13 \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

14 ~~(3) In addition to the funds allocated in subsection (1), from the appropriation in~~  
15 ~~section 11, there is allocated an amount not to exceed \$1,000,000.00 for 2014-2015 to~~  
16 ~~districts or intermediate districts for area career and technical education centers for the~~  
17 ~~purpose of integrating the Michigan merit curriculum content standards under sections 1278a~~  
18 ~~and 1278b of the revised school code, MCL 380.1278a and 380.1278b, into state approved career~~  
19 ~~and technical education instructional programs for the purpose of awarding academic credit.~~  
20 ~~The department shall determine the allocation to each career and technical education center~~  
21 ~~in a manner that provides for maximum integration of Michigan merit curriculum content~~  
22 ~~standards statewide.~~

23 **SEC. 61B (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO**  
24 **EXCEED \$17,800,000.00 FOR 2015-2016 FOR CTE EARLY/MIDDLE COLLEGE PROGRAMS AUTHORIZED UNDER**  
25 **THIS SECTION. THE PURPOSE OF THESE PROGRAMS IS TO INCREASE THE NUMBER OF MICHIGAN RESIDENTS**  
26 **WITH HIGH QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE THE NUMBER OF STUDENTS WHO ARE**  
27 **COLLEGE AND CAREER READY UPON HIGH SCHOOL GRADUATION.**

28 (2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT AS DETERMINED UNDER THIS  
29 SUBSECTION SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT FOR  
30 STATE-APPROVED CTE EARLY/MIDDLE COLLEGE PROGRAMS IN EACH OF THE 10 PROSPERITY REGIONS  
31 IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE DISTRICT SHALL NOT USE MORE THAN 5% OF THE  
32 FUNDS ALLOCATED UNDER THIS SUBSECTION FOR ADMINISTRATIVE COSTS FOR SERVING AS THE FISCAL

1 AGENT.

2 (3) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT MUST AGREE TO DO THE  
3 FOLLOWING IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT:

4 (A) DISTRIBUTE FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS IN A PROSPERITY  
5 REGION AS DESCRIBED IN THIS SECTION.

6 (B) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT IS LOCATED IN THE  
7 PROSPERITY REGION TO DEVELOP A REGIONAL STRATEGIC PLAN THAT ALIGNS CTE PROGRAMS AND SERVICES  
8 INTO AN EFFICIENT AND EFFECTIVE DELIVERY SYSTEM FOR HIGH SCHOOL STUDENTS.

9 (C) IMPLEMENT A REGIONAL PROCESS TO RANK CAREER CLUSTERS IN THE PROSPERITY REGION AS  
10 DESCRIBED UNDER SUBSECTION (4). REGIONAL PROCESSES SHALL BE APPROVED BY THE DEPARTMENT PRIOR  
11 TO THE RANKING OF CLUSTERS.

12 (D) REPORT CTE EARLY/MIDDLE COLLEGE PROGRAM AND STUDENT DATA AND INFORMATION AS  
13 PRESCRIBED BY THE DEPARTMENT.

14 (4) A REGIONAL STRATEGIC PLAN SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING:

15 (A) AN IDENTIFICATION OF REGIONAL EMPLOYER NEED BASED ON A RANKING OF ALL CAREER  
16 CLUSTERS IN THE PROSPERITY REGION RANKED BY 10-YEAR JOB OPENINGS PROJECTIONS AND MEDIAN WAGE  
17 FOR EACH STANDARD OCCUPATIONAL CODE IN EACH CAREER CLUSTER AS OBTAINED FROM THE UNITED STATES  
18 BUREAU OF LABOR STATISTICS. STANDARD OCCUPATION CODES WITHIN HIGH-RANKING CLUSTERS MAY BE  
19 FURTHER RANKED BY MEDIAN WAGE AS WELL. THE RANKINGS SHALL BE REVIEWED BY THE TALENT DISTRICT  
20 CAREER COUNCIL LOCATED IN THE PROSPERITY REGION AND MODIFIED IF NECESSARY TO ACCURATELY  
21 REFLECT EMPLOYER DEMAND FOR TALENT IN THE PROSPERITY REGION.

22 (B) AN IDENTIFICATION OF EDUCATIONAL ENTITIES IN THE PROSPERITY REGION THAT WILL  
23 PROVIDE ELIGIBLE CTE EARLY/MIDDLE PROGRAMS INCLUDING DISTRICT, INTERMEDIATE DISTRICTS,  
24 POSTSECONDARY INSTITUTIONS AND NONCREDIT OCCUPATIONAL TRAINING PROGRAMS LEADING TO AN  
25 INDUSTRY-RECOGNIZED CREDENTIAL.

26 (C) A STRATEGY TO INFORM PARENTS AND STUDENTS OF CTE EARLY/MIDDLE COLLEGE PROGRAMS IN  
27 THE PROSPERITY REGION.

28 (D) ANY OTHER REQUIREMENTS AS DEFINED BY THE DEPARTMENT.

29 (E) A REGIONAL STRATEGIC PLAN MUST BE APPROVED BY THE TALENT DISTRICT CAREER COUNCIL  
30 PRIOR TO SUBMISSION TO THE DEPARTMENT.

31 (5) AN ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM IS A FIVE-YEAR HIGH SCHOOL PROGRAM  
32 THAT CONTAINS THE FOLLOWING COMPONENTS:

1 (A) HAS BEEN IDENTIFIED IN THE HIGHEST FIVE CAREER CLUSTER RANKINGS IN ANY OF THE TEN  
2 REGIONAL STRATEGIC PLANS JOINTLY APPROVED BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE  
3 DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT.

4 (B) HAS A COHERENT SEQUENCE OF COURSES THAT WILL ALLOW A STUDENT TO EARN A HIGH SCHOOL  
5 DIPLOMA AND ACHIEVE AT LEAST ONE OF THE FOLLOWING IN A SPECIFIC CAREER CLUSTER:

6 (I) AN ASSOCIATE'S DEGREE.

7 (II) AN INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION APPROVED BY THE MICHIGAN TALENT  
8 INVESTMENT AGENCY IN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.

9 (III) UP TO 60 TRANSFERABLE COLLEGE CREDITS.

10 (IV) PARTICIPATION IN A REGISTERED APPRENTICESHIP.

11 (C) IS ALIGNED WITH THE MICHIGAN MERIT CURRICULUM.

12 (D) HAS AN ARTICULATION AGREEMENT WITH AT LEAST ONE POSTSECONDARY INSTITUTION THAT  
13 PROVIDES STUDENTS WITH OPPORTUNITIES TO RECEIVE POSTSECONDARY CREDITS DURING THE STUDENT'S  
14 PARTICIPATION IN THE CTE EARLY/MIDDLE COLLEGE PROGRAM AND TRANSFERS THOSE CREDITS TO THE  
15 POSTSECONDARY INSTITUTION UPON COMPLETION OF THE CTE EARLY/MIDDLE COLLEGE PROGRAM.

16 (E) PROVIDES INSTRUCTION THAT IS SUPERVISED, DIRECTED, OR COORDINATED BY AN  
17 APPROPRIATELY CERTIFICATED CTE TEACHER OR ADJUNCT PROFESSOR FOR CONCURRENT ENROLLMENT  
18 COURSES.

19 (F) PROVIDES FOR HIGHLY INTEGRATED STUDENT SUPPORT SERVICES THAT INCLUDE AT LEAST THE  
20 FOLLOWING:

21 (I) TEACHERS AS ACADEMIC ADVISORS.

22 (II) SUPERVISED COURSE SELECTION.

23 (III) MONITORING OF STUDENT PROGRESS AND COMPLETION.

24 (IV) CAREER PLANNING SERVICES PROVIDED BY A LOCAL ONE-STOP SERVICE CENTER AS DESCRIBED  
25 IN THE MICHIGAN WORKS ONE-STOP SERVICE CENTER SYSTEM ACT, 2006 PA 491, OR BY A HIGH SCHOOL  
26 COUNSELOR OR ADVISOR.

27 (G) COURSES MAY BE TAUGHT ON COLLEGE CAMPUSES, OR BY ADJUNCT PROFESSORS FOR COLLEGE  
28 COURSES OFFERED AT THE HIGH SCHOOL, OR IN COMBINATION WITH ONLINE INSTRUCTION.

29 (6) FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS SHALL BE DISTRIBUTED AS  
30 FOLLOWS:

31 (A) THE DEPARTMENT SHALL CALCULATE STATEWIDE AVERAGE CTE COSTS PER FTE FOR EACH CAREER  
32 CLUSTER BY DIVIDING TOTAL PRIOR YEAR STATEWIDE COSTS FOR EACH CAREER CLUSTER BY THE PRIOR



1 YEAR FTE ENROLLMENT FOR EACH CAREER CLUSTER.

2 (B) DISTRIBUTION TO EACH PROSPERITY REGION SHALL BE THE PRODUCT OF 50% OF CTE COSTS  
3 PER FTE TIMES THE CURRENT YEAR FTE ENROLLMENT OF EACH CAREER CLUSTER IN AN ELIGIBLE CTE  
4 EARLY/MIDDLE COLLEGE PROGRAM.

5 (7) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A CTE EARLY/MIDDLE COLLEGE PROGRAM  
6 SHALL FURNISH TO THE INTERMEDIATE DISTRICT THAT IS THE FISCAL AGENT IDENTIFIED IN SUBSECTION  
7 (1), IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, ALL INFORMATION NEEDED TO ADMINISTER  
8 THIS PROGRAM AND MEET FEDERAL REPORTING REQUIREMENTS; SHALL ALLOW THE DEPARTMENT OR THE  
9 DEPARTMENT'S DESIGNEE TO REVIEW ALL RECORDS RELATED TO THE PROGRAM FOR WHICH IT RECEIVES  
10 FUNDS; AND SHALL REIMBURSE THE STATE FOR ALL DISALLOWANCES FOUND IN THE REVIEW, AS DETERMINED  
11 BY THE DEPARTMENT.

12 (8) FUNDS DISTRIBUTED UNDER THIS SECTION MAY BE USED TO FUND PROGRAM EXPENDITURES THAT  
13 WOULD OTHERWISE BE PAID FOR FROM FOUNDATION ALLOWANCES. A PROGRAM PROVIDER SHALL NOT USE MORE  
14 THAN 5% OF THE FUNDS ALLOCATED UNDER THIS SECTION TO THE PROGRAM FOR ADMINISTRATIVE COSTS.

15 (9) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND PAYMENTS AS  
16 OTHERWISE CALCULATED UNDER THIS SECTION, THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS  
17 SECTION ON AN EQUAL PERCENTAGE BASIS.

18 (10) AS USED IN THIS SECTION:

19 (A) "ALLOWABLE COSTS" MEANS THOSE COSTS DIRECTLY ATTRIBUTABLE TO THE PROGRAM AS  
20 JOINTLY DETERMINED BY THE MICHIGAN TALENT INVESTMENT AGENCY AND THE DEPARTMENT.

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

22 (C) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL TO THE LOCAL WORKFORCE  
23 DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR  
24 AND PARENT REPRESENTATIVES.

25 Sec. 62. (1) For the purposes of this section:

26 (a) "Membership" means for a particular fiscal year the total membership for the  
27 immediately preceding fiscal year of the intermediate district and the districts constituent  
28 to the intermediate district or the total membership for the immediately preceding fiscal  
29 year of the area vocational-technical program.

30 (b) "Millage levied" means the millage levied for area vocational-technical education  
31 pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including  
32 a levy for debt service obligations incurred as the result of borrowing for capital outlay

1 projects and in meeting capital projects fund requirements of area vocational-technical  
2 education.

3 (c) "Taxable value" means the total taxable value of the districts constituent to an  
4 intermediate district or area vocational-technical education program, except that if a  
5 district has elected not to come under sections 681 to 690 of the revised school code, MCL  
6 380.681 to 380.690, the membership and taxable value of that district shall not be included  
7 in the membership and taxable value of the intermediate district. However, the membership and  
8 taxable value of a district that has elected not to come under sections 681 to 690 of the  
9 revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable  
10 value of the intermediate district if the district meets both of the following:

11 (i) The district operates the area vocational-technical education program pursuant to  
12 a contract with the intermediate district.

13 (ii) The district contributes an annual amount to the operation of the program that is  
14 commensurate with the revenue that would have been raised for operation of the program if  
15 millage were levied in the district for the program under sections 681 to 690 of the revised  
16 school code, MCL 380.681 to 380.690.

17 (2) From the appropriation in section 11, there is allocated an amount not to exceed  
18 \$9,190,000.00 for ~~2014-2015~~ **2015-2016** to reimburse intermediate districts and area  
19 vocational-technical education programs established under section 690(3) of the revised  
20 school code, MCL 380.690, levying millages for area vocational-technical education pursuant  
21 to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use,  
22 and expenditure of the reimbursement shall be limited as if the funds were generated by those  
23 millages.

24 (3) Reimbursement for the millages levied in ~~2013-2014~~ **2014-2015** shall be made in  
25 ~~2014-2015~~ **2015-2016** at an amount per ~~2013-2014~~ **2014-2015** membership pupil computed by  
26 subtracting from ~~\$188,100.00~~ **\$189,400.00** the ~~2013-2014~~ **2014-2015** taxable value behind each  
27 membership pupil and multiplying the resulting difference by the ~~2013-2014~~ **2014-2015** millage  
28 levied.

29 (4) The amount paid to a single intermediate district under this section shall not  
30 exceed 38.4% of the total amount allocated under subsection (2).

31 (5) The amount paid to a single intermediate district under this section shall not be  
32 less than 75% of the amount allocated to the intermediate district under this section for the

1 immediately preceding fiscal year.

2           Sec. 64b. (1) From the appropriation in section 11, there is allocated an amount not  
3 to exceed \$1,750,000.00 for ~~2014-2015~~ **2015-2016** for supplemental payments to districts that  
4 support the attendance of district pupils in grades 9 to 12 under the postsecondary  
5 enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and  
6 technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, consistent with section  
7 21b, or that support the attendance of district pupils in a concurrent enrollment program if  
8 the district meets the requirements under subsection (3). **PROGRAMS FUNDED UNDER THIS SECTION**  
9 **ARE INTENDED TO INCREASE THE NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH**  
10 **SCHOOL GRADUATION.**

11           (2) To be eligible for payments under this section for supporting the attendance of  
12 district pupils under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to  
13 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to  
14 388.1913, a district shall do all of the following:

15           (a) Provide information to all high school pupils on postsecondary enrollment options,  
16 including enrollment eligibility, the institutions and types of courses that are eligible for  
17 participation, the decision-making process for granting academic credit, and an explanation  
18 of eligible charges that will be paid by the district.

19           (b) Enter into a written agreement with a postsecondary institution before the  
20 enrollment of district pupils.

21           (c) Agree to pay all eligible charges pursuant to section 21b.

22           (d) Award high school credit for the postsecondary course if the pupil successfully  
23 completes the course.

24           (3) To be eligible for payments under this section for pupils enrolled in a concurrent  
25 enrollment program, a district shall do all of the following:

26           (a) Provide information to all high school pupils on postsecondary enrollment options,  
27 including enrollment eligibility, the institutions and types of courses that are eligible for  
28 participation, the decision-making process for granting academic credit, and an explanation  
29 of eligible charges that will be paid by the district.

30           (b) Enter into a written agreement with a postsecondary institution establishing the  
31 concurrent enrollment program before the enrollment of district pupils in a postsecondary  
32 course through the postsecondary institution.

1 (c) Ensure that the course is taught by either a high school teacher or postsecondary  
2 faculty pursuant to standards established by the postsecondary institution with which the  
3 district has entered into a written agreement to operate the concurrent enrollment program.

4 (d) Ensure that the written agreement provides that the postsecondary institution  
5 agrees not to charge the pupil for any cost of the program.

6 (e) Ensure that the course is taught in the local district or intermediate district.

7 (f) Ensure that the pupil is awarded both high school and college credit upon  
8 successful completion of the course as outlined in the agreement with the postsecondary  
9 institution.

10 (4) Funds shall be awarded to eligible districts under this section in the following  
11 manner:

12 (a) A payment of \$10.00 per credit, for up to 3 credits, for a credit-bearing course  
13 in which a pupil enrolls during the ~~2014-2015~~ 2015-2016 school year as described under either  
14 subsection (2) or (3).

15 (b) An additional payment of \$30.00 per pupil per course identified in subdivision  
16 (a), if the pupil successfully completes, and is awarded both high school and postsecondary  
17 credit for, the course during the ~~2014-2015~~ 2015-2016 school year.

18 (5) A district requesting payment under this section shall submit an application to  
19 the department in the form and manner prescribed by the department. Notwithstanding section  
20 17b, payments under this section shall be made on a schedule determined by the department.

21 **SEC. 67. (1) FROM THE GENERAL FUND AMOUNT APPROPRIATED IN SECTION 11, THERE IS**  
22 **ALLOCATED AN AMOUNT NOT TO EXCEED \$3,600,000.00 FOR COLLEGE AND CAREER PREPARATION**  
23 **ACTIVITIES. THE PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INFORM STUDENTS OF COLLEGE**  
24 **AND CAREER OPTIONS, AND PROVIDE A WIDE ARRAY OF TOOLS AND RESOURCES INTENDED TO INCREASE THE**  
25 **NUMBER OF STUDENTS WHO ARE ADEQUATELY PREPARED WITH THE INFORMATION NEEDED TO MAKE INFORMED**  
26 **DECISIONS ON COLLEGE AND CAREER. THE FUNDS APPROPRIATED UNDER THIS SECTION WILL BE USED TO**  
27 **INCREASE THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH QUALITY DEGREES OR CREDENTIALS.**

28 **(2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT TO EXCEED \$3,000,000.00**  
29 **SHALL BE USED FOR THE COLLEGE ACCESS PROGRAM. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT**  
30 **OF TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN COLLABORATION WITH THE**  
31 **MICHIGAN COLLEGE ACCESS NETWORK. FUNDS MAY BE USED FOR THE FOLLOWING PURPOSES:**

32 **(A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING, AND SERVICES TO LOCAL**

1 COLLEGE ACCESS NETWORKS.

2 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED COLLEGE ACCESS/SUCCESS  
3 PARTNERSHIPS COMMITTED TO INCREASING THE COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN  
4 GEOGRAPHICALLY DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

5 (C) THE MICHIGAN COLLEGE ADVISING PROGRAM, A PROGRAM INTENDED TO PLACE TRAINED,  
6 RECENTLY-GRADUATED COLLEGE ADVISERS IN HIGH SCHOOLS THAT SERVE SIGNIFICANT NUMBERS OF LOW-  
7 INCOME AND FIRST GENERATION COLLEGE-GOING STUDENTS. STATE FUNDS USED FOR THIS PURPOSE MAY NOT  
8 EXCEED 33 PERCENT OF THE TOTAL FUNDS USED FOR THIS PURPOSE.

9 (D) SUBGRANTS OF UP TO \$5,000.00 TO DISTRICTS WITH COMPREHENSIVE HIGH SCHOOLS THAT  
10 ESTABLISH A COLLEGE ACCESS TEAM AND IMPLEMENT SPECIFIC STRATEGIES TO CREATE A COLLEGE-GOING  
11 CULTURE IN A HIGH SCHOOL IN A FORM AND MANNER APPROVED BY THE MICHIGAN COLLEGE ACCESS NETWORK  
12 AND THE MICHIGAN TALENT INVESTMENT AGENCY.

13 (E) THE MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE 1-STOP PORTAL TO HELP STUDENTS AND  
14 FAMILIES PLAN AND APPLY FOR COLLEGE.

15 (F) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-INCOME AND FIRST-  
16 GENERATION STUDENTS TO TAKE NECESSARY STEPS TOWARD COLLEGE AND TO ASSIST STUDENTS AND  
17 FAMILIES IN COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL STUDENT AID.

18 (G) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE, AND TRAIN COLLEGE  
19 STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST HIGH SCHOOL STUDENTS IN NAVIGATING THE  
20 POSTSECONDARY PLANNING AND ENROLLMENT PROCESS.

21 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT TO EXCEED \$600,000.00  
22 TO BE USED FOR THE PURPOSES OF THIS SUBSECTION. THE TALENT INVESTMENT AGENCY OF THE  
23 DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN COLLABORATION  
24 WITH THE MICHIGAN COLLEGE ACCESS NETWORK AND THE MICHIGAN VIRTUAL UNIVERSITY.

25 (A) A PILOT OUTREACH PROGRAM TO PROVIDE INFORMATION TO STUDENTS, PARENTS AND EDUCATORS  
26 ON DUAL ENROLLMENT AND OTHER OPPORTUNITIES AVAILABLE TO HIGH SCHOOL STUDENTS TO EARN  
27 POSTSECONDARY CREDITS, INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATIONS, AND PARTICIPATION IN  
28 REGISTERED APPRENTICESHIPS AT NO COST.

29 (B) AN ONLINE CAREER PLANNING TOOL THAT MEETS THE FOLLOWING:

30 (I) HELPS STUDENTS CREATE EDUCATIONAL DEVELOPMENT PLANS PRIOR TO STARTING HIGH SCHOOL.

31 (II) PROVIDES INFORMATION TO STUDENTS ALLOWING THEM TO MAKE MORE INFORMED CHOICES  
32 ABOUT CAREER AND EDUCATION OPTIONS.

1 (III) IS AVAILABLE TO STUDENTS AT NO COST.

2 (4) FOR THE PURPOSES OF THIS SECTION, "COLLEGE" MEANS ANY POSTSECONDARY EDUCATIONAL  
3 OPPORTUNITY THAT LEADS TO A CAREER, INCLUDING BUT NOT LIMITED TO A POSTSECONDARY DEGREE,  
4 INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION OR REGISTERED APPRENTICESHIP.

5 Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount  
6 not to exceed ~~\$3,316,500.00~~ **\$3,315,700.00** for ~~2014-2015~~ **2015-2016** for the purposes of this  
7 section.

8 (2) From the allocation in subsection (1), there is allocated ~~for each fiscal year~~ the  
9 amount necessary for payments to state supported colleges or universities and intermediate  
10 districts providing school bus driver safety instruction pursuant to section 51 of the pupil  
11 transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined  
12 by the department not to exceed the actual cost of instruction and driver compensation for  
13 each public or nonpublic school bus driver attending a course of instruction. For the purpose  
14 of computing compensation, the hourly rate allowed each school bus driver shall not exceed  
15 the hourly rate received for driving a school bus. Reimbursement compensating the driver  
16 during the course of instruction shall be made by the department to the college or university  
17 or intermediate district providing the course of instruction.

18 (3) From the allocation in subsection (1), there is allocated for ~~2014-2015~~ **2015-2016**  
19 the amount necessary to pay the reasonable costs of nonspecial education auxiliary services  
20 transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323.  
21 Districts funded under this subsection shall not receive funding under any other section of  
22 this article for nonspecial education auxiliary services transportation.

23 (4) From the funds allocated in subsection (1), there is allocated an amount not to  
24 exceed ~~\$1,691,500.00~~ **\$1,690,700.00** for ~~2014-2015~~ **2015-2016** for reimbursement to districts and  
25 intermediate districts for costs associated with the inspection of school buses and pupil  
26 transportation vehicles by the department of state police as required under section 715a of  
27 the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil  
28 transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a  
29 statement of costs attributable to each district for which bus inspections are provided and  
30 submit it to the department and to an intermediate district serving as fiduciary in a time  
31 and manner determined jointly by the department and the department of state police. Upon  
32 review and approval of the statement of cost, the department shall forward to the designated

1 intermediate district serving as fiduciary the amount of the reimbursement on behalf of each  
2 district and intermediate district for costs detailed on the statement within 45 days after  
3 receipt of the statement. The designated intermediate district shall make payment in the  
4 amount specified on the statement to the department of state police within 45 days after  
5 receipt of the statement. The total reimbursement of costs under this subsection shall not  
6 exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to  
7 eligible entities under this subsection shall be paid on a schedule prescribed by the  
8 department.

9       Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in  
10 section 11, there is allocated for ~~2014-2015~~ **2015-2016** to the intermediate districts the sum  
11 necessary, but not to exceed ~~\$67,115,000.00~~ **\$67,108,000.00** to provide state aid to  
12 intermediate districts under this section.

13       (2) From the allocation in subsection (1), there is allocated for ~~2014-2015~~ **2015-2016**  
14 an amount not to exceed \$65,108,000.00 for allocations to each intermediate district in an  
15 amount equal to ~~104.8%~~ of the amount allocated to the intermediate district under this  
16 subsection for ~~2013-2014~~ **2014-2015**. Funding provided under this section shall be used to  
17 comply with requirements of this article and the revised school code that are applicable to  
18 intermediate districts, and for which funding is not provided elsewhere in this article, and  
19 to provide technical assistance to districts as authorized by the intermediate school board.

20       (3) Intermediate districts receiving funds under subsection (2) shall collaborate with  
21 the department to develop expanded professional development opportunities for teachers to  
22 update and expand their knowledge and skills needed to support the Michigan merit curriculum.

23       (4) From the allocation in subsection (1), there is allocated to an intermediate  
24 district, formed by the consolidation or annexation of 2 or more intermediate districts or  
25 the attachment of a total intermediate district to another intermediate school district or  
26 the annexation of all of the constituent K-12 districts of a previously existing intermediate  
27 school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year  
28 for each intermediate district included in the new intermediate district for 3 years  
29 following consolidation, annexation, or attachment. ~~From the allocation in subsection (1),~~  
30 ~~there is allocated \$7,000.00 for purposes of this subsection for 2012-2013, for 2013-2014,~~  
31 ~~and for 2014-2015, after which the payment under this subsection will cease.~~

32       (5) In order to receive funding under subsection (2), an intermediate district shall

1 do all of the following:

2 (a) Demonstrate to the satisfaction of the department that the intermediate district  
3 employs at least 1 person who is trained in pupil accounting and auditing procedures, rules,  
4 and regulations.

5 (b) Demonstrate to the satisfaction of the department that the intermediate district  
6 employs at least 1 person who is trained in rules, regulations, and district reporting  
7 procedures for the individual-level student data that serves as the basis for the calculation  
8 of the district and high school graduation and dropout rates.

9 (c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and  
10 380.1278b.

11 (d) Furnish data and other information required by state and federal law to the center  
12 and the department in the form and manner specified by the center or the department, as  
13 applicable.

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

15 (f) Comply with section 761 of the revised school code, MCL 380.761.

16 (6) From the allocation in subsection (1), there is allocated an amount not to exceed  
17 \$2,000,000.00 for ~~2014-2015~~ **2015-2016** for an incentive payment to each intermediate district  
18 that meets best practices as determined by the department under this subsection. The amount  
19 of the incentive payment is an amount equal to 3.1% of the amount allocated to the  
20 intermediate district under subsection (2). An intermediate district is eligible for an  
21 incentive payment under this subsection if the intermediate district satisfies ~~at least 5~~ **ALL**  
22 of the following requirements not later than June 1, ~~2015~~ **2016**:

23 (a) The intermediate district enters into an agreement with the department to comply  
24 with all of the following:

25 (i) If the intermediate district developed a service consolidation plan in ~~2013-2014~~  
26 **2014-2015**, implement the service consolidation plan in ~~2014-2015~~ **2015-2016** and report to the  
27 department not later than February 1, ~~2015~~ **2016** on the intermediate district's progress in  
28 implementing the service consolidation plan.

29 (ii) If the intermediate district ~~did~~ **HAS** not ~~develop~~ **DEVELOPED** a service  
30 consolidation plan in ~~in 2012-2013 or 2013-2014~~, develop a service consolidation plan in ~~2014-~~  
31 ~~2015~~ **2015-2016** to reduce operating costs that is in compliance with guidelines that were  
32 developed by the department for former section 11d as that section was in effect for 2010-



1 2011.

2 (iii) Make the intermediate district's service consolidation plan publicly available  
3 on the intermediate district's website.

4 ~~(b) The intermediate district has obtained competitive bids on the provision of 1 or  
5 more noninstructional services for the intermediate district or its constituent districts  
6 with a value of at least \$50,000.00. The unfunded accrued liability costs for retirement and  
7 other benefits shall be excluded from the intermediate district's current costs for the  
8 purpose of comparing competitive bids to the current costs of providing services.~~

9 (B) ~~(c)~~ The intermediate district develops a technology plan in accordance with  
10 department policy on behalf of all constituent districts within the intermediate district  
11 that integrates technology into the classroom and prepares teachers to use digital  
12 technologies as part of the instructional program of each of its constituent districts. An  
13 intermediate district that **HAS** developed a technology plan ~~in 2012-2013 or 2013-2014~~ shall  
14 continue to implement that technology plan in ~~2014-2015~~ **2015-2016**.

15 (C) ~~(d)~~ The intermediate district provides to parents and community members a  
16 dashboard or report card demonstrating the intermediate district's efforts to manage its  
17 finances responsibly. The dashboard or report card shall include revenue and expenditure  
18 projections for the intermediate district for ~~2014-2015 and 2015-2016~~ **AND 2016-2017**, a  
19 listing of all debt service obligations, detailed by project, including anticipated ~~2014-2015~~  
20 **2015-2016** payment for each project, a listing of total outstanding debt, and at least all of  
21 the following for the 3 most recent school years for which the data are available:

22 (i) A list of services offered by the intermediate district that are shared by other  
23 local or intermediate districts and a list of the districts or intermediate districts that  
24 participate.

25 (ii) The total cost savings to local or other intermediate districts that share  
26 services with the intermediate district.

27 (iii) The number and percentage of teachers in the intermediate district service area  
28 that are trained to integrate technology into the classroom.

29 (iv) The total funds received from levying special education and vocational education  
30 millages, and the number of special education and vocational education pupils served with  
31 those dollars.

32 (v) The number and percentage of individualized education programs developed for

1 special education pupils that contain academic goals.

2 (D) ~~(e)~~—The intermediate district works in a consortium with 1 or more other  
3 intermediate districts and the center to develop local information management system  
4 requirements and bid specifications that result in a recommended model information system  
5 that supports interoperability to ensure linkage and connectivity in a manner that  
6 facilitates the efficient exchange of data among districts, intermediate districts, and the  
7 center. At a minimum, these specifications shall include pupil management systems for both  
8 general and special education, learning management tools, and business services.

9 ~~(f) If an intermediate district provides medical, pharmacy, dental, vision,  
10 disability, long term care, or any other type of benefit that would constitute a health care  
11 services benefit, to employees and their dependents, the intermediate district is the  
12 policyholder for each of its insurance policies that covers 1 or more of these benefits. An  
13 intermediate district that does not directly employ its staff or an intermediate district  
14 with a voluntary employee beneficiary association that pays no more than the maximum per  
15 employee contribution amount and that contributes no more than the maximum employer  
16 contribution percentage of total annual costs for the medical benefit plans as described in  
17 sections 3 and 4 of the publicly funded health insurance contribution act, 2011 PA 152, MCL  
18 15.563 and 15.564, is considered to have satisfied this requirement.~~

19 Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to  
20 the department for ~~2014-2015~~ **2015-2016** an amount not to exceed \$250,000.00 for efforts to  
21 increase the number of pupils who participate and succeed in advanced placement and  
22 international baccalaureate programs.

23 (2) From the funds allocated under this section, the department shall award funds to  
24 cover all or part of the costs of advanced placement test fees or international baccalaureate  
25 test fees for low-income pupils who take an advanced placement or an international  
26 baccalaureate test. Payments shall not exceed \$20.00 per test completed.

27 (3) The department shall only award funds under this section if the department  
28 determines that all of the following criteria are met:

29 (a) Each pupil for whom payment is made meets eligibility requirements of the federal  
30 advanced placement test fee program under section 1701 of the no child left behind act of  
31 2001, Public Law 107-110.

32 (b) The tests are administered by the college board, the international baccalaureate

1 organization, or another test provider approved by the department.

2 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of each  
3 test for which payment is made.

4 (4) The department shall establish procedures for awarding funds under this section.

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

7 Sec. 94a. (1) There is created within the state budget office in the department of  
8 technology, management, and budget the center for educational performance and information.  
9 The center shall do all of the following:

10 (a) Coordinate the collection of all data required by state and federal law from  
11 districts, intermediate districts, and postsecondary institutions.

12 (b) Create, maintain, and enhance this state's P-20 longitudinal data system and  
13 ensure that it meets the requirements of subsection (4).

14 (c) Collect data in the most efficient manner possible in order to reduce the  
15 administrative burden on reporting entities, including, but not limited to, electronic  
16 transcript services.

17 (d) Create, maintain, and enhance this state's web-based educational portal to provide  
18 information to school leaders, teachers, researchers, and the public in compliance with all  
19 federal and state privacy laws. Data shall include, but are not limited to, all of the  
20 following:

21 (i) Data sets that link teachers to student information, allowing districts to assess  
22 individual teacher impact on student performance and consider student growth factors in  
23 teacher and principal evaluation systems.

24 (ii) Data access or, if practical, data sets, provided for regional data warehouses  
25 that, in combination with local data, can improve teaching and learning in the classroom.

26 (iii) Research-ready data sets for researchers to perform research that advances this  
27 state's educational performance.

28 (e) Provide data in a useful manner to allow state and local policymakers to make  
29 informed policy decisions.

30 (f) Provide public reports to the citizens of this state to allow them to assess  
31 allocation of resources and the return on their investment in the education system of this  
32 state.

1 (g) Other functions as assigned by the state budget director.

2 (2) Each state department, officer, or agency that collects information from  
3 districts, intermediate districts, or postsecondary institutions as required under state or  
4 federal law shall make arrangements with the center to ensure that the state department,  
5 officer, or agency is in compliance with subsection (1). This subsection does not apply to  
6 information collected by the department of treasury under the uniform budgeting and  
7 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001  
8 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005  
9 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

10 (3) The center may enter into any interlocal agreements necessary to fulfill its  
11 functions.

12 (4) The center shall ensure that the P-20 longitudinal data system required under  
13 subsection (1)(b) meets all of the following:

14 (a) Includes data at the individual student level from preschool through postsecondary  
15 education and into the workforce.

16 (b) Supports interoperability by using standard data structures, data formats, and  
17 data definitions to ensure linkage and connectivity in a manner that facilitates the exchange  
18 of data among agencies and institutions within the state and between states.

19 (c) Enables the matching of individual teacher and student records so that an  
20 individual student may be matched with those teachers providing instruction to that student.

21 (d) Enables the matching of individual teachers with information about their  
22 certification and the institutions that prepared and recommended those teachers for state  
23 certification.

24 (e) Enables data to be easily generated for continuous improvement and decision-  
25 making, including timely reporting to parents, teachers, and school leaders on student  
26 achievement.

27 (f) Ensures the reasonable quality, validity, and reliability of data contained in the  
28 system.

29 (g) Provides this state with the ability to meet federal and state reporting  
30 requirements.

31 (h) For data elements related to preschool through grade 12 and postsecondary, meets  
32 all of the following:

1 (i) Contains a unique statewide student identifier that does not permit a student to  
2 be individually identified by users of the system, except as allowed by federal and state  
3 law.

4 (ii) Contains student-level enrollment, demographic, and program participation  
5 information.

6 (iii) Contains student-level information about the points at which students exit,  
7 transfer in, transfer out, drop out, or complete education programs.

8 (iv) Has the capacity to communicate with higher education data systems.

9 (i) For data elements related to preschool through grade 12 only, meets all of the  
10 following:

11 (i) Contains yearly test records of individual students for assessments approved by  
12 DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary  
13 education act of 1965, 20 USC 6311, including information on individual students not tested,  
14 by grade and subject.

15 (ii) Contains student-level transcript information, including information on courses  
16 completed and grades earned.

17 (iii) Contains student-level college readiness test scores.

18 (j) For data elements related to postsecondary education only:

19 (i) Contains data that provide information regarding the extent to which individual  
20 students transition successfully from secondary school to postsecondary education, including,  
21 but not limited to, all of the following:

22 (A) Enrollment in remedial coursework.

23 (B) Completion of 1 year's worth of college credit applicable to a degree within 2  
24 years of enrollment.

25 (ii) Contains data that provide other information determined necessary to address  
26 alignment and adequate preparation for success in postsecondary education.

27 (5) From the general fund appropriation in section 11, there is allocated an amount  
28 not to exceed ~~\$12,022,800.00~~ **\$11,967,000.00** for ~~2014-2015~~ **2015-2016** to the department of  
29 technology, management, and budget to support the operations of the center. In addition, from  
30 the federal funds appropriated in section 11 there is allocated for ~~2014-2015~~ **2015-2016** the  
31 amount necessary, estimated at \$193,500.00, to support the operations of the center and to  
32 establish a P-20 longitudinal data system ~~as provided under this section in compliance with~~

1 ~~the assurance provided to the United States department of education in order to receive state~~  
2 ~~fiscal stabilization funds~~ **NECESSARY FOR STATE AND FEDERAL REPORTING.** The center shall  
3 cooperate with the department to ensure that this state is in compliance with federal law and  
4 is maximizing opportunities for increased federal funding to improve education in this state.

5 (6) From the funds allocated in subsection (5), there is allocated for ~~2014-2015~~ **2015-**  
6 **2016** an amount ~~not to exceed \$850,000.00~~ **DETERMINED BY THE CENTER** for competitive grants to  
7 support collaborative efforts on the P-20 longitudinal data system. All of the following  
8 apply to grants awarded under this subsection:

9 (a) The center shall award competitive grants to eligible intermediate districts or a  
10 consortium of intermediate districts based on criteria established by the center.

11 (b) Activities funded under the grant shall support the P-20 longitudinal data system  
12 portal and may include portal hosting, hardware and software acquisition, maintenance,  
13 enhancements, user support and related materials, and professional learning tools and  
14 activities aimed at improving the utility of the P-20 longitudinal data system.

15 (c) An applicant that received a grant under this subsection for the immediately  
16 preceding fiscal year shall receive priority for funding under this section. However, after 3  
17 fiscal years of continuous funding, an applicant is required to compete openly with new  
18 applicants.

19 (7) Funds allocated under this section that are not expended in the fiscal year in  
20 which they were allocated may be carried forward to a subsequent fiscal year and are  
21 appropriated for the purposes for which the funds were originally allocated.

22 (8) The center may bill departments as necessary in order to fulfill reporting  
23 requirements of state and federal law. The center may also enter into agreements to supply  
24 custom data, analysis, and reporting to other principal executive departments, state  
25 agencies, local units of government, and other individuals and organizations. The center may  
26 receive and expend funds in addition to those authorized in subsection (5) to cover the costs  
27 associated with salaries, benefits, supplies, materials, and equipment necessary to provide  
28 such data, analysis, and reporting services.

29 (9) As used in this section:

30 (a) "DED-OESE" means the United States department of education office of elementary  
31 and secondary education.

32 (b) "State education agency" means the department.

1           Sec. 95a. (1) The educator evaluation reserve fund is created as a separate account  
2 within the state school aid fund.

3           (2) The state treasurer may receive money or other assets from any source for deposit  
4 into the educator evaluation reserve fund. The state treasurer shall direct the investment of  
5 the educator evaluation reserve fund. The state treasurer shall credit to the educator  
6 evaluation reserve fund interest and earnings from the educator evaluation reserve fund.

7           (3) Money in the educator evaluation reserve fund at the close of the fiscal year  
8 shall remain in the educator evaluation reserve fund and shall not lapse to the state school  
9 aid fund or to the general fund. The department of treasury shall be the administrator of the  
10 educator evaluation reserve fund for auditing purposes.

11           (4) From the appropriations in section 11, there is allocated to the educator  
12 evaluation reserve fund for 2014-2015 an amount not to exceed \$12,100,000.00 from the state  
13 school aid fund and an amount not to exceed \$2,700,000.00 from the general fund. Subject to  
14 subsections (5) and (6), the department shall expend the money in the educator evaluation  
15 reserve fund for implementing evaluation systems for public school teachers and school  
16 administrators.

17           ~~(5) Funds in the educator evaluation reserve fund shall not be expended unless House  
18 Bill Nos. 5223 and 5224 of the 97th Legislature are enacted into law.~~

19           **(5)** ~~(6)~~ Funds in the educator evaluation reserve fund shall not be expended unless the  
20 state budget office has approved the department's spending plan.

21           Sec. 98. (1) From the general fund money appropriated in section 11, there is  
22 allocated an amount not to exceed ~~\$7,387,500.00~~ **\$7,987,500.00** for ~~2014-2015~~ **2015-2016** for the  
23 purposes described in this section.

24           (2) The Michigan virtual university shall operate the Michigan virtual learning  
25 research institute. The Michigan virtual learning research institute shall do all of the  
26 following:

27           (a) Support and accelerate innovation in education through the following activities:

28           (i) Test, evaluate, and recommend as appropriate new technology-based instructional  
29 tools and resources.

30           (ii) Research, design, and recommend digital education delivery models for use by  
31 pupils and teachers that include age-appropriate multimedia instructional content.

32           (iii) Research, develop, and recommend annually to the department criteria by which

1 cyber schools and online course providers should be monitored and evaluated to ensure a  
2 quality education for their pupils.

3 (iv) Based on pupil completion and performance data reported to the department or the  
4 center for educational performance and information from cyber schools and other online course  
5 providers operating in this state, analyze the effectiveness of online learning delivery  
6 models in preparing pupils to be college- and career-ready and publish a report that  
7 highlights enrollment totals, completion rates, and the overall impact on pupils. The report  
8 shall be submitted to the house and senate appropriations subcommittees on state school aid,  
9 the state budget director, the house and senate fiscal agencies, and the department not later  
10 than ~~December 1, 2015~~ **MARCH 31, 2016**.

11 (v) Before August 31, ~~2015~~ **2016**, provide an extensive professional development program  
12 to at least 500 educational personnel, including teachers, school administrators, and school  
13 board members, that focuses on the effective integration of digital learning into curricula  
14 and instruction. Not later than December 1, ~~2015~~ **2016**, the Michigan virtual learning research  
15 institute shall submit a report to the house and senate appropriations subcommittees on state  
16 school aid, the state budget director, the house and senate fiscal agencies, and the  
17 department on the number and percentage of teachers, school administrators, and school board  
18 members who have received professional development services from the Michigan virtual  
19 university. The report shall also identify barriers and other opportunities to encourage the  
20 adoption of digital learning in the public education system.

21 (vi) Identify and share best practices for planning, implementing, and evaluating  
22 online and blended education delivery models with intermediate districts, districts, and  
23 public school academies to accelerate the adoption of innovative education delivery models  
24 statewide.

25 (b) Provide leadership for this state's system of digital learning education by doing  
26 the following activities:

27 (i) Develop and report policy recommendations to the governor and the legislature that  
28 accelerate the expansion of effective online learning in this state's schools.

29 (ii) Provide a clearinghouse for research reports, academic studies, evaluations, and  
30 other information related to online learning.

31 (iii) Promote and distribute the most current instructional design standards and  
32 guidelines for online teaching.



1 (iv) In collaboration with the department and interested colleges and universities in  
2 this state, support implementation and improvements related to effective digital learning  
3 instruction.

4 ~~(v) Pursue public/private partnerships that include districts to study and implement~~  
5 ~~competency based technology rich online learning models.~~

6 **(V) CREATE A STATEWIDE NETWORK OF SCHOOL-BASED MENTORS SERVING AS LIAISONS BETWEEN**  
7 **STUDENTS, ONLINE INSTRUCTORS, PARENTS AND SCHOOL STAFF AND PROVIDE MENTORS WITH RESEARCH-**  
8 **BASED TRAINING AND TECHNICAL ASSISTANCE DESIGNED TO HELP MORE STUDENTS BE SUCCESSFUL ONLINE**  
9 **LEARNERS.**

10 (vi) Convene focus groups and conduct annual surveys of teachers, administrators,  
11 pupils, parents, and others to identify barriers and opportunities related to online  
12 learning.

13 (vii) Produce an annual consumer awareness report for schools and parents about  
14 effective online education providers and education delivery models, performance data, cost  
15 structures, and research trends.

16 (viii) Research and establish an internet-based platform that educators can use to  
17 create student-centric learning tools and resources and facilitate a user network that  
18 assists educators in using the platform. As part of this initiative, the Michigan virtual  
19 university shall work collaboratively with districts and intermediate districts to establish  
20 a plan to make available online resources that align to Michigan's K-12 curriculum standards  
21 for use by students, educators, and parents.

22 (ix) Create and maintain a public statewide catalog of online learning courses being  
23 offered by all public schools **AND COMMUNITY COLLEGES** in this state. The Michigan virtual  
24 learning research institute shall identify and develop a list of nationally recognized best  
25 practices for online learning and use this list to support reviews of online course vendors,  
26 courses, and instructional practices. The Michigan virtual learning research institute shall  
27 also provide a mechanism for intermediate districts to use the identified best practices to  
28 review content offered by constituent districts. The Michigan virtual learning research  
29 institute shall review the online course offerings of the Michigan virtual university, and  
30 make the results from these reviews available to the public as part of the statewide catalog.  
31 The Michigan virtual learning research institute shall ensure that the statewide catalog is  
32 made available to the public on the Michigan virtual university website and shall allow the

1 ability to link it to each district's website as provided for in section 21f. ~~Beginning in~~  
2 ~~2014-2015, the~~ **THE** statewide catalog shall also contain all of the following:

3 (A) The number of enrollments in each online course in the immediately preceding  
4 school year.

5 (B) The number of enrollments that earned 60% or more of the total course points for  
6 each online course in the immediately preceding school year.

7 (C) The completion rate for each online course.

8 ~~(x) Collaborate with key stakeholders to examine the need and process for~~  
9 ~~incorporating~~ **PROTOTYPE AND PILOT** registration, payment services, and transcript  
10 functionality to the statewide catalog **AND TRAIN KEY STAKEHOLDERS ON HOW TO USE THE NEW**  
11 **FEATURES.**

12 ~~(xi) Collaborate with key stakeholders to examine district level accountability and~~  
13 ~~teacher effectiveness issues related to online learning under section 21f and make findings~~  
14 ~~and recommendations publicly available.~~

15 (3) **TO FURTHER ENHANCE ITS EXPERTISE AND LEADERSHIP IN DIGITAL LEARNING, THE MICHIGAN**  
16 **VIRTUAL UNIVERSITY SHALL CONTINUE TO OPERATE THE MICHIGAN VIRTUAL SCHOOL AS A STATEWIDE**  
17 **LABORATORY AND QUALITY MODEL OF INSTRUCTION BY IMPLEMENTING ONLINE AND BLENDED LEARNING**  
18 **SOLUTIONS FOR MICHIGAN SCHOOLS IN ACCORDANCE WITH THE FOLLOWING PARAMETERS:**

19 (A) ~~In order for the Michigan virtual university to receive any funds allocated under~~  
20 ~~this section, the~~ **THE** Michigan virtual school must maintain its accreditation status from  
21 recognized national and international accrediting entities.

22 (B) **THE MICHIGAN VIRTUAL UNIVERSITY SHALL USE NO MORE THAN \$1,000,000.00 OF THE AMOUNT**  
23 **ALLOCATED UNDER THIS SECTION TO SUBSIDIZE THE COST PAID BY DISTRICTS FOR ONLINE COURSES.**

24 (C) **IN THE COURSE OF PROVIDING EDUCATORS RESPONSIBLE FOR THE TEACHING OF ONLINE**  
25 **COURSES AS PROVIDED FOR IN THIS SECTION, THE MICHIGAN VIRTUAL SCHOOL SHALL FOLLOW THE**  
26 **REQUIREMENTS TO REQUEST AND ASSESS, AND THE DEPARTMENT OF STATE POLICE SHALL PROVIDE, A**  
27 **CRIMINAL HISTORY CHECK AND CRIMINAL RECORDS CHECK IN THE SAME MANNER AS IF THE MICHIGAN**  
28 **VIRTUAL SCHOOL WAS A PUBLIC SCHOOL AS PROVIDED FOR IN PART 16 OF THE REVISED SCHOOL CODE, MCL**  
29 **380.1201-1349.**

30 (4) If the course offerings are included in the statewide catalog of online courses  
31 under subsection (2) (b) (ix), the Michigan virtual school operated by the Michigan virtual  
32 university may offer online course offerings, including, but not limited to, all of the

1 following:

2 (a) Information technology courses.

3 (b) College level equivalent courses, as defined in section 1471 of the revised school  
4 code, MCL 380.1471.

5 (c) Courses and dual enrollment opportunities.

6 (d) Programs and services for at-risk pupils.

7 (e) General education development test preparation courses for adjudicated youth.

8 (f) Special interest courses.

9 (g) Professional development programs for teachers, school administrators, other  
10 school employees, and school board members.

11 (5) If a home-schooled or nonpublic school student is a resident of a district that  
12 subscribes to services provided by the Michigan virtual school, the student may use the  
13 services provided by the Michigan virtual school to the district without charge to the  
14 student beyond what is charged to a district pupil using the same services.

15 (6) Not later than December 1 of each fiscal year, the Michigan virtual university  
16 shall provide a report to the house and senate appropriations subcommittees on state school  
17 aid, the state budget director, the house and senate fiscal agencies, and the department that  
18 includes at least all of the following information related to the Michigan virtual school for  
19 the preceding state fiscal year:

20 (a) A list of the districts served by the Michigan virtual school.

21 (b) A list of online course titles available to districts.

22 (c) The total number of online course enrollments and information on registrations and  
23 completions by course.

24 (d) The overall course completion rate percentage.

25 (7) The governor may appoint an advisory group for the Michigan virtual learning  
26 research institute established under subsection (2). The members of the advisory group shall  
27 serve at the pleasure of the governor and shall serve without compensation. The purpose of  
28 the advisory group is to make recommendations to the governor, the legislature, and the  
29 president and board of the Michigan virtual university that will accelerate innovation in  
30 this state's education system in a manner that will prepare elementary and secondary students  
31 to be career and college ready and that will promote the goal of increasing the percentage of  
32 citizens of this state with high-quality degrees and credentials to at least 60% by 2025.

1 (8) Not later than November 1, ~~2014~~ **2015**, the Michigan virtual university shall submit  
2 to the house and senate appropriations subcommittees on state school aid, the state budget  
3 director, and the house and senate fiscal agencies a detailed budget for the ~~2014-2015~~ **2015-**  
4 **2016** fiscal year that includes a breakdown on its projected costs to deliver online  
5 educational services to districts and a summary of the anticipated fees to be paid by  
6 districts for those services. ~~Beginning in 2013-2014, not~~ **NOT** later than ~~February~~ **MARCH** 1,  
7 the Michigan virtual university shall submit to the house and senate appropriations  
8 subcommittees on state school aid, the state budget director, and the house and senate fiscal  
9 agencies a breakdown on its actual costs to deliver online educational services to districts  
10 and a summary of the actual fees paid by districts for those services based on audited  
11 financial statements for the immediately preceding fiscal year.

12 (9) As used in this section:

13 (a) "Blended learning" means a hybrid instructional delivery model where pupils are  
14 provided content, instruction, and assessment, in part at a supervised educational facility  
15 away from home where the pupil and a teacher with a valid Michigan teaching certificate are  
16 in the same physical location and in part through internet-connected learning environments  
17 with some degree of pupil control over time, location, and pace of instruction.

18 (b) "Cyber school" means a full-time instructional program of online courses for  
19 pupils that may or may not require attendance at a physical school location.

20 (c) "Digital learning" means instruction delivered via a web-based educational  
21 delivery system that uses various information technologies to provide a structured learning  
22 environment, including online and blended learning instructional methods.

23 (d) "Online course" means a course of study that is capable of generating a credit or  
24 a grade, that is provided in an interactive internet-connected learning environment, in which  
25 pupils are separated from their teachers by time or location, or both, and in which a teacher  
26 who holds a valid Michigan teaching certificate is responsible for **PROVIDING INSTRUCTION**,  
27 determining appropriate instructional methods for each pupil, diagnosing learning needs,  
28 assessing pupil learning, prescribing intervention strategies, reporting outcomes, and  
29 evaluating the effects of instruction and support strategies.

30 Sec. 99. (1) From the funds appropriated in section 11, there is allocated for ~~2014-~~  
31 ~~2015~~ **2015-2016** an amount not to exceed \$2,750,000.00 from the state school aid fund and an  
32 amount not to exceed \$475,000.00 from the general fund to support the activities and programs

1 of mathematics and science centers and for other purposes as described in this section. In  
2 addition, from the federal funds appropriated in section 11, there is allocated for ~~2014-2015~~  
3 **2015-2016** an amount estimated at \$5,249,300.00 from DED-OESE, title II, mathematics and  
4 science partnership grants.

5 (2) Within a service area designated locally, approved by the department, and  
6 consistent with the comprehensive master plan for mathematics and science centers developed  
7 by the department and approved by the state board, an established mathematics and science  
8 center shall provide 2 or more of the following 6 basic services, as described in the master  
9 plan, to constituent districts and communities: leadership, pupil services, curriculum  
10 support, community involvement, professional development, and resource clearinghouse  
11 services.

12 (3) The department shall not award a state grant under this section to more than 1  
13 mathematics and science center located in a designated region as prescribed in the 2007  
14 master plan unless each of the grants serves a distinct target population or provides a  
15 service that does not duplicate another program in the designated region.

16 (4) As part of the technical assistance process, the department shall provide minimum  
17 standard guidelines that may be used by the mathematics and science center for providing fair  
18 access for qualified pupils and professional staff as prescribed in this section.

19 (5) Allocations under this section to support the activities and programs of  
20 mathematics and science centers shall be continuing support grants to all 33 established  
21 mathematics and science centers. Each established mathematics and science center that was  
22 funded in the immediately preceding fiscal year shall receive state funding in an amount  
23 equal to 100% of the amount it was allocated under this subsection for the immediately  
24 preceding fiscal year. If a center declines state funding or a center closes, the remaining  
25 money available under this section shall be distributed to the remaining centers, as  
26 determined by the department.

27 (6) From the funds allocated in subsection (1), there is allocated for ~~2014-2015~~ **2015-**  
28 **2016** an amount not to exceed \$750,000.00 in a form and manner determined by the department to  
29 those centers able to provide curriculum and professional development support to assist  
30 districts in implementing the Michigan merit curriculum components for mathematics and  
31 science. Funding under this subsection is in addition to funding allocated under subsection  
32 (5).

1 (7) From the general fund money allocated in subsection (1), there is allocated for  
2 ~~2014-2015~~ **2015-2016** an amount not to exceed \$100,000.00 to the Michigan STEM partnership, to  
3 be used to administer the grant process under this subsection. From the general fund money  
4 allocated in subsection (1), there is allocated for ~~2014-2015~~ **2015-2016** an amount not to  
5 exceed \$375,000.00 to the Michigan STEM partnership to be used for a competitive grant  
6 process to award competitive grants to organizations conducting student-focused, project-  
7 based programs and competitions, either in the classroom or extracurricular, in science,  
8 technology, engineering, and mathematics subjects such as, but not limited to, robotics,  
9 coding, and design-build-test projects, from pre-kindergarten through college level. Funding  
10 under this subsection is in addition to funding allocated under subsection (5) and shall be  
11 used for connecting mathematics and science centers for science, technology, engineering, and  
12 mathematics purposes and to support the goals of the Michigan STEM partnership. A program  
13 receiving funds under section 99h may not receive funds under this subsection.

14 (8) In order to receive state or federal funds under this section, a grant recipient  
15 shall allow access for the department or the department's designee to audit all records  
16 related to the program for which it receives such funds. The grant recipient shall reimburse  
17 the state for all disallowances found in the audit.

18 (9) Not later than September 30, 2018, the department shall reevaluate and update the  
19 comprehensive master plan described in subsection (1).

20 (10) The department shall give preference in awarding the federal grants allocated in  
21 subsection (1) to eligible existing mathematics and science centers.

22 (11) In order to receive state funds under this section, a grant recipient shall  
23 provide at least a 10% local match from local public or private resources for the funds  
24 received under this section.

25 (12) Not later than July 1 of each year, a mathematics and science center that  
26 receives funds under this section shall report to the department in a form and manner  
27 prescribed by the department on the following performance measures:

28 (a) Statistical change in pre- and post-assessment scores for students who enrolled in  
29 mathematics and science activities provided to districts by the mathematics and science  
30 center.

31 (b) Statistical change in pre- and post-assessment scores for teachers who enrolled in  
32 professional development activities provided by the mathematics and science center.

1 (13) As used in this section:

2 (a) "DED" means the United States department of education.

3 (b) "DED-OESE" means the DED office of elementary and secondary education.

4 Sec. 99h. (1) From the appropriation in section 11, there is allocated an amount not  
5 to exceed \$2,000,000.00 for ~~2014-2015~~ **2015-2016** for competitive grants to districts that  
6 provide pupils in grades 7 to 12 with expanded opportunities to improve mathematics, science,  
7 and technology skills by participating in events hosted by a science and technology  
8 development program known as FIRST (for inspiration and recognition of science and  
9 technology) robotics.

10 (2) A district applying for a FIRST tech challenge or FIRST robotics competition  
11 program grant shall submit an application in a form and manner determined by the department.  
12 To be eligible for a grant, a district shall demonstrate in its application that the district  
13 has established a partnership for the purposes of the FIRST program with at least 1 sponsor,  
14 business entity, higher education institution, or technical school, shall submit a spending  
15 plan, and shall pay at least 25% of the cost of the FIRST robotics program.

16 (3) The department shall distribute the grant funding under this section for the  
17 following purposes:

18 (a) Grants to districts to pay for stipends of \$1,500.00 for 1 coach per team,  
19 distributed as follows:

20 (i) Not more than 500 stipends for coaches of high school teams, including existing  
21 teams.

22 (ii) Not more than 100 stipends for coaches of middle school or junior high teams,  
23 including existing teams.

24 (iii) If the requests for stipends exceed the numbers of stipends allowed under  
25 subparagraphs (i) and (ii), and if there is funding remaining unspent under subdivisions (b)  
26 and (c), the department shall use that remaining unspent funding for grants to districts to  
27 pay for additional stipends in a manner that expands the geographical distribution of teams.

28 (b) Grants to districts for event registrations, materials, travel costs, and other  
29 expenses associated with the preparation for and attendance at FIRST tech challenge and FIRST  
30 robotics competitions. Each grant recipient shall provide a local match from other private or  
31 local funds for the funds received under this subdivision equal to at least 50% of the costs  
32 of participating in an event. The department shall set maximum grant amounts under this

1 subdivision in a manner that maximizes the number of teams that will be able to receive  
2 funding.

3 (c) Grants to districts for awards to teams that advance to the state and world  
4 championship competitions. The department shall determine an equal amount per team for those  
5 teams that advance to the state championship and a second equal award amount to those teams  
6 that advance to the world championship.

7 (4) The funds allocated under this section are a work project appropriation, and any  
8 unexpended funds for ~~2014-2015~~ **2015-2016** are carried forward into ~~2015-2016~~ **2016-2017**. The  
9 purpose of the work project is to continue to implement the projects described under  
10 subsection (1). The estimated completion date of the work project is September 30, ~~2017~~ **2018**.

11 Sec. 102. (1) A district or intermediate district receiving money under this article  
12 shall not adopt or operate under a deficit budget, and a district or intermediate district  
13 shall not incur an operating deficit in a fund during a school fiscal year. ~~A-IF A~~ district  
14 or intermediate district ~~that~~ has an existing deficit fund balance, ~~that~~ incurs a deficit  
15 fund balance in the most recently completed school fiscal year, or ~~that~~ adopts a current year  
16 budget that projects a deficit fund balance, **THE DISTRICT OR INTERMEDIATE DISTRICT** shall ~~not~~  
17 ~~be allotted or paid a further sum~~ **IMMEDIATELY NOTIFY THE SUPERINTENDENT AND STATE TREASURER**  
18 **AND WITHIN 30 DAYS OF THAT NOTIFICATION SUBMIT TO THE SUPERINTENDENT AND THE STATE TREASURER**  
19 **A PREPLAN FINANCIAL REPORT IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY.**  
20 **THE DEPARTMENT MAY WITHHOLD SOME OR ALL OF THE MONEY PAYABLE TO THE DISTRICT OR INTERMEDIATE**  
21 **DISTRICT** under this article **AS THE SUPERINTENDENT DETERMINES NECESSARY TO INCENTIVIZE THE**  
22 **DISTRICT OR INTERMEDIATE DISTRICT TO ELIMINATE THE DEFICIT** until the district or intermediate  
23 district submits to the department for approval a budget for the current school fiscal year  
24 and a **DEFICIT ELIMINATION** plan ~~to eliminate the district's or intermediate district's deficit~~  
25 ~~not later than the end of the second school fiscal year after the deficit was incurred or the~~  
26 ~~budget projecting a deficit was adopted. Withheld state aid payments~~ **IN THE FORM AND MANNER**  
27 **PRESCRIBED BY THE DEPARTMENT OR THE DEFICIT ELIMINATION PLAN IS APPROVED BY THE DEPARTMENT.**  
28 **THE DEPARTMENT MAY REQUIRE A DEFICIT ELIMINATION PLAN TO INCLUDE AN ACADEMIC PLAN FOR THE**  
29 **DISTRICT OR INTERMEDIATE DISTRICT. MONEY WITHHELD UNDER THIS SECTION** shall be released after  
30 the department approves the deficit elimination plan ~~and ensures that the budget for the~~  
31 ~~current school fiscal year is balanced.~~ After the department approves a district's or  
32 intermediate district's deficit elimination plan, the district or intermediate district shall



1 post the deficit elimination plan on the district's or intermediate district's website.

2 (2) Not later than March 1 of each year, the department shall prepare a report of  
3 deficits incurred or projected by districts and intermediate districts in the immediately  
4 preceding fiscal year and the progress made in reducing those deficits and submit the report  
5 to the standing committees of the legislature responsible for K-12 education legislation, the  
6 appropriations subcommittees of the legislature responsible for K-12 education  
7 appropriations, the house and senate fiscal agencies, the state treasurer, and the state  
8 budget director. The department also shall submit quarterly interim reports concerning the  
9 progress made by districts and intermediate districts in reducing those deficits **TO THE**  
10 **STANDING COMMITTEES OF THE LEGISLATURE RESPONSIBLE FOR K-12 EDUCATION LEGISLATION, THE**  
11 **APPROPRIATIONS SUBCOMMITTEES OF THE LEGISLATURE RESPONSIBLE FOR K-12 EDUCATION**  
12 **APPROPRIATIONS, THE HOUSE AND SENATE FISCAL AGENCIES, THE STATE TREASURER, AND THE STATE**  
13 **BUDGET DIRECTOR.** On a quarterly basis, the superintendent of public instruction shall  
14 publicly present those reports to the appropriations subcommittees of the legislature  
15 responsible for K-12 education appropriations.

16 ~~(3) The amount of the permissible deficit for each school fiscal year shall not exceed~~  
17 ~~the amount of state aid reduced by an executive order during that school fiscal year.~~

18 (3) ~~(4)~~ A district or intermediate district that has an existing deficit fund balance,  
19 that incurs a deficit fund balance in the most recently completed school fiscal year, or that  
20 adopts a current year budget that projects a deficit fund balance shall submit to the  
21 department **AND THE STATE TREASURER** a monthly monitoring report on revenue and expenditures in  
22 a form and manner prescribed by the department and shall post these reports on its website.

23 (4) ~~(5)~~ If a district or intermediate district is ~~not able to comply with the~~  
24 ~~provisions of this section, the district or intermediate district shall submit to the~~  
25 ~~department a plan to eliminate its deficit. Upon approval of the plan submitted,~~ **REQUIRED TO**  
26 **SUBMIT A DEFICIT ELIMINATION PLAN UNDER THIS SECTION, AND THE DEFICIT ELIMINATION PLAN IS**  
27 **APPROVED BY THE DEPARTMENT,** the superintendent of public instruction may continue allotment  
28 and payment of funds under this article, ~~extend~~. **WHEN APPROVING A DEFICIT ELIMINATION PLAN,**  
29 **THE SUPERINTENDENT MAY ESTABLISH** the period of time in which a district or intermediate  
30 district has to eliminate its deficit, and set special conditions that the district or  
31 intermediate district must meet ~~during the period of the extension~~ **WHILE THE DEFICIT**  
32 **ELIMINATION PLAN IS IN EFFECT.** After the department approves a district's or intermediate

1 district's deficit elimination plan under this subsection, the district or intermediate  
2 district shall post the deficit elimination plan on the district's or intermediate district's  
3 website. THE REQUIREMENTS OF THIS SECTION RELATING TO A DEFICIT ELIMINATION PLAN DO NOT APPLY  
4 TO A DISTRICT OR INTERMEDIATE DISTRICT IF THE DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED  
5 TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SUBSECTION (5).

6 (5) AN ENHANCED DEFICIT ELIMINATION PLAN SHALL PROVIDE FOR THE RESOLUTION OF THE  
7 DETERIORATING FINANCIAL CIRCUMSTANCES, PERSISTENTLY DECLINING ENROLLMENT, OR OTHER INDICATORS  
8 OF RECURRING OPERATING DEFICITS OR RECURRING FINANCIAL STRESS AND IS SUBJECT TO APPROVAL BY  
9 THE STATE TREASURER. AS A CONDITION OF APPROVING AN ENHANCED DEFICIT ELIMINATION PLAN, THE  
10 STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE DISTRICT REQUIRED TO SUBMIT AN  
11 ENHANCED DEFICIT ELIMINATION PLAN UNDER THIS SECTION TO ENTER INTO A FINANCIAL RECOVERY  
12 AGREEMENT WITH THE STATE TREASURER. A FINANCIAL RECOVERY AGREEMENT MAY PROVIDE FOR, BUT IS  
13 NOT LIMITED TO, ALL OF THE FOLLOWING:

14 (A) ASSISTANCE AND GUIDANCE FROM THE DEPARTMENT OF TREASURY AND OTHER STATE  
15 DEPARTMENTS AND AGENCIES.

16 (B) AN ACADEMIC PLAN FOR THE DISTRICT.

17 (C) THE APPOINTMENT OF A LOCAL AUDITOR OR INSPECTOR, OR BOTH.

18 (D) REMEDIAL MEASURES OR OTHER ACTION UNDER THIS ARTICLE OR THE REVISED SCHOOL CODE  
19 NECESSARY TO ADDRESS THE FINANCIAL CIRCUMSTANCES OF THE DISTRICT OR INTERMEDIATE DISTRICT.

20 (E) THE REQUIRED RETENTION BY THE DISTRICT OR INTERMEDIATE DISTRICT OF A CONSULTANT OR  
21 1 OR MORE OTHER EXPERTS FOR THE PURPOSE OF ASSISTING THE DISTRICT OR INTERMEDIATE DISTRICT TO  
22 ACHIEVE THE GOALS AND OBJECTIVES OF THE FINANCIAL RECOVERY AGREEMENT.

23 (6) BEFORE A DISTRICT OR INTERMEDIATE DISTRICT SUBMITS AN ENHANCED DEFICIT ELIMINATION  
24 PLAN TO THE STATE TREASURER UNDER SUBSECTION (5), THE BOARD OF THE DISTRICT OR INTERMEDIATE  
25 SCHOOL DISTRICT SHALL APPROVE THE PLAN. IF A DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED TO  
26 SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SUBSECTION (5), SOME OR ALL OF THE MONEY  
27 PAYABLE TO THE SCHOOL DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE MAY BE WITHHELD  
28 AND RELEASED IN THE SAME MANNER AS PROVIDED UNDER SUBSECTION (1). WHEN APPROVING AN ENHANCED  
29 DEFICIT ELIMINATION PLAN, THE STATE TREASURER MAY ESTABLISH THE PERIOD OF TIME WITHIN WHICH A  
30 DISTRICT OR INTERMEDIATE DISTRICT MUST ELIMINATE ITS DEFICIT AND MAY SET SPECIAL CONDITIONS  
31 THAT THE DISTRICT OR INTERMEDIATE DISTRICT MUST MEET WHILE THE DEFICIT ELIMINATION PLAN IS IN  
32 EFFECT.

1 (7) AFTER THE STATE TREASURER APPROVES AN ENHANCED DEFICIT ELIMINATION PLAN FOR A  
2 DISTRICT OR INTERMEDIATE DISTRICT, THE DISTRICT OR INTERMEDIATE DISTRICT SHALL POST THE  
3 ENHANCED DEFICIT ELIMINATION PLAN ON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S WEBSITE.

4 (8) IF A DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT  
5 ELIMINATION PLAN UNDER SUBSECTION (5), THE DISTRICT OR INTERMEDIATE DISTRICT SHALL SUBMIT TO  
6 THE SUPERINTENDENT AND THE STATE TREASURER AN ENHANCED MONTHLY MONITORING REPORT ON REVENUE,  
7 EXPENDITURES, CASH FLOW, DEBT, OTHER LIABILITIES, ASSETS, BUDGET AMENDMENTS, PUPIL  
8 MEMBERSHIP, AND OTHER DATA RELATING TO THE FINANCES OF THE DISTRICT OR INTERMEDIATE DISTRICT  
9 IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY AND SHALL POST THESE REPORTS ON  
10 ITS WEBSITE.

11 (9) AN ALLOCATION TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE IS  
12 CONTINGENT UPON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S COMPLIANCE WITH THIS SECTION.

13 (10) ~~(6) For the purposes of~~ AS USED IN this section:

14 (A) "DEFICIT ELIMINATION PLAN" MEANS A PLAN REQUIRED UNDER THIS SECTION FOR THE  
15 ELIMINATION OF A DEFICIT THAT SETS FORTH ACTIONS TO BE TAKEN TO ELIMINATE THE DEFICIT WITHIN  
16 THE TIME PERIOD PRESCRIBED BY THE DEPARTMENT.

17 (B) "~~deficit~~ DEFICIT fund balance" means that term as defined in the Michigan public  
18 school accounting manual published by the department.

19 (C) "ENHANCED DEFICIT ELIMINATION PLAN" MEANS MEASURES REQUIRED BY THE STATE TREASURER  
20 UNDER THIS SECTION TO ADDRESS THE FINANCIAL CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE  
21 DISTRICT AND RESOLVE ANY DEFICIT WITHIN THE TIME PERIOD PRESCRIBED BY THE STATE TREASURER.

22 (D) "PREPLAN FINANCIAL REPORT" MEANS A REPORT ON THE FINANCIAL CONDITIONS WITHIN A  
23 DISTRICT OR INTERMEDIATE DISTRICT, REQUIRED UNDER THIS SECTION AND SUBMITTED IN A FORM AND  
24 MANNER PRESCRIBED BY THE STATE TREASURER, WHICH MAY INCLUDE, BUT IS NOT LIMITED TO, FINANCIAL  
25 DATA AND OTHER INFORMATION ON LIABILITIES, PAYMENTS, ENROLLMENT, BORROWING, AND OTHER  
26 CRITERIA RELATING TO THE FINANCIAL CONDITIONS WITHIN A DISTRICT OR INTERMEDIATE DISTRICT.

27 SEC. 103A. (1) BEFORE JULY 7 OF EACH YEAR, EACH DISTRICT RECEIVING MONEY UNDER THIS  
28 ARTICLE SHALL TRANSMIT TO THE CENTER THE BUDGETARY ASSUMPTIONS USED BY THE DISTRICT WHEN  
29 ADOPTING ITS ANNUAL BUDGET PURSUANT TO THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2,  
30 MCL 141.421 TO 141.440A. THE SUBMISSION OF THE BUDGETARY ASSUMPTIONS UNDER THIS SECTION SHALL  
31 BE IN THE FORM PRESCRIBED BY THE CENTER AND SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

32 (A) THE PROJECTED FOUNDATION ALLOWANCE USED BY THE DISTRICT WHEN ADOPTING THE

1 DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

2 (B) THE DISTRICT'S PROJECTED MEMBERSHIP USED BY THE DISTRICT WHEN ADOPTING ITS BUDGET  
3 FOR THE CURRENT SCHOOL FISCAL YEAR.

4 (C) THE DISTRICT'S EXPENDITURES PER PUPIL FOR THE IMMEDIATELY PRECEDING SCHOOL FISCAL  
5 YEAR, CALCULATED BY DIVIDING THE DISTRICT'S TOTAL GENERAL FUND OPERATING EXPENDITURES DURING  
6 THAT SCHOOL FISCAL YEAR BY THE DISTRICT'S MEMBERSHIP REPORTED BY THE DEPARTMENT IN THE MOST  
7 RECENT STATE AID FINANCIAL STATUS REPORT FOR THE MONTH OF MAY.

8 (D) THE DISTRICT'S PROJECTED EXPENDITURES PER PUPIL FOR THE CURRENT SCHOOL FISCAL  
9 YEAR, CALCULATED BY DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES AUTHORIZED BY THE  
10 DISTRICT'S GOVERNING BODY WHEN ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL  
11 YEAR BY THE DISTRICT'S PROJECTED MEMBERSHIP USED WHEN ADOPTING THE DISTRICT'S BUDGET FOR THE  
12 CURRENT SCHOOL FISCAL YEAR.

13 (2) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS CONTINGENT UPON THE DISTRICT'S  
14 COMPLIANCE WITH THIS SECTION.

15 SEC. 103B. (1) IF A DISTRICT DETERMINES THAT CONDITIONS OF FISCAL STRESS, A DEFICIT,  
16 OR CONDITIONS INDICATING A FINANCIAL EMERGENCY HAVE ARISEN OR MAY ARISE FOR THE DISTRICT, THE  
17 DISTRICT SHALL NOTIFY THE SUPERINTENDENT AND REQUEST TECHNICAL ASSISTANCE IN ADDRESSING THE  
18 FISCAL STRESS, DEFICIT, OR FINANCIAL EMERGENCY. THE SUPERINTENDENT SHALL NOTIFY THE STATE  
19 TREASURER OF ANY REQUEST FOR TECHNICAL ASSISTANCE UNDER THIS SUBSECTION.

20 (2) AFTER RECEIVING A REQUEST FOR TECHNICAL ASSISTANCE UNDER SUBSECTION (1), THE  
21 DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF TREASURY REGARDING THE PROVISION OF TECHNICAL  
22 ASSISTANCE TO THE DISTRICT. SUBJECT TO AVAILABLE RESOURCES, THE DEPARTMENT AND THE DEPARTMENT  
23 OF TREASURY SHALL REVIEW THE FINANCIAL CONDITION AND THE BUDGET OF THE DISTRICT AND PROVIDE  
24 THE DISTRICT WITH TECHNICAL ASSISTANCE, INCLUDING, BUT NOT LIMITED TO, DATA ANALYSIS TOOLS,  
25 WITH THE OBJECTIVE OF ASSISTING THE DISTRICT IN AVOIDING OR REMEDYING CONDITIONS OF FISCAL  
26 STRESS, A DEFICIT, OR A FINANCIAL EMERGENCY BEFORE FURTHER STATE INTERVENTION.

27 (4) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS CONTINGENT UPON THE DISTRICT'S  
28 COMPLIANCE WITH THIS SECTION.

29 (5) AS USED IN THIS SECTION:

30 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2) OF THE UNIFORM  
31 BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.435, OR UNDER SECTION 102(1). DEFICIT ALSO  
32 INCLUDES 1 OR BOTH OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE DISTRICT:

1 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR INTERMEDIATE DISTRICT IS  
2 NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT THE END OF THE CURRENT SCHOOL FISCAL YEAR.

3 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE DISTRICT OTHER THAN THE  
4 GENERAL FUND HAVE A NEGATIVE BALANCE OR PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE  
5 TOTAL GENERAL FUND BALANCE.

6 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION  
7 5(3) (A) TO (M) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,  
8 EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR NEXT SCHOOL FISCAL YEAR AND  
9 THREATEN THE ABILITY OF THE DISTRICT TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT  
10 COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL CODE AND ALL APPLICABLE RULES.

11 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

12 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-TERM FINANCIAL  
13 OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

14 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION 4(1) (A) TO (S) OF THE LOCAL  
15 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR  
16 WITHIN A DISTRICT.

17 SEC. 103C. (1) THE SUPERINTENDENT OR THE STATE TREASURER MAY REQUIRE A DISTRICT TO  
18 SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION IF EITHER DETERMINES THAT  
19 FINANCIAL STRESS MAY EXIST WITHIN THE DISTRICT, THAT A DEFICIT IS PROJECTED TO ARISE WITHIN  
20 THE DISTRICT DURING THE CURRENT SCHOOL FISCAL YEAR OR THE FOLLOWING 2 SCHOOL FISCAL YEARS, OR  
21 THAT THE DISTRICT MAY BE UNABLE TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING ITS  
22 OBLIGATIONS OR ABILITY TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH  
23 THIS ARTICLE, THE REVISED SCHOOL CODE, AND APPLICABLE RULES BASED UPON 1 OR MORE OF THE  
24 FOLLOWING:

25 (A) THE DISTRICT HAS FAILED TO PAY A REQUIRED OBLIGATION ONCE OR MORE IN A SCHOOL  
26 FISCAL YEAR.

27 (B) THE DISTRICT HAS EXPENDED OR DISTRIBUTED TAX REVENUE IN A MANNER PROHIBITED BY  
28 LAW.

29 (C) THE DISTRICT'S PUPIL ENROLLMENT HAS DECLINED BY 5% OR MORE IN A SINGLE SCHOOL  
30 FISCAL YEAR OR BY 15% OR MORE OVER A PERIOD OF 3 OR MORE FISCAL YEARS AND THE DISTRICT FAILED  
31 TO REDUCE EXPENDITURES IN A MANNER THAT ADDRESSED THE ENROLLMENT DECLINE.

32 (D) THE SCHOOL DISTRICT'S EXPENDITURES PER PUPIL HAVE INCREASED BY 5% OR MORE IN THE

1 MOST RECENT SCHOOL FISCAL YEAR AS COMPARED TO THE IMMEDIATELY PRECEDING SCHOOL FISCAL YEAR.  
2 AS USED IN THIS SUBDIVISION, "EXPENDITURES PER PUPIL" MEANS THE QUOTIENT OF DIVIDING THE  
3 TOTAL GENERAL FUND OPERATING EXPENDITURES FOR A SCHOOL FISCAL YEAR BY THE FINAL AUDITED  
4 NUMBER OF PUPILS IN MEMBERSHIP FOR THE STATE FISCAL YEAR IN WHICH THAT SCHOOL FISCAL YEAR  
5 ENDED.

6 (E) THE DISTRICT'S ACTUAL ENROLLMENT OR FOUNDATION ALLOWANCE FOR A SCHOOL FISCAL YEAR  
7 WAS 97% OR LESS OF THE DISTRICT'S BUDGETARY ASSUMPTIONS REPORTED UNDER SECTION 103A FOR THE  
8 SCHOOL FISCAL YEAR AND THE DISTRICT FAILED TO ADOPT AN AMENDED BUDGET REFLECTING THE ACTUAL  
9 ENROLLMENT AND FOUNDATION ALLOWANCE FOR THE SCHOOL FISCAL YEAR BY NOVEMBER 15 OF THE SCHOOL  
10 FISCAL YEAR.

11 (F) THE DISTRICT HAS APPLIED FOR A LOAN UNDER THE EMERGENCY MUNICIPAL LOAN ACT, 1980  
12 PA 243, MCL 141.931 TO 141.942.

13 (2) IF A DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL REPORTS UNDER SUBSECTION  
14 (1), THE DISTRICT SHALL DO ALL OF THE FOLLOWING:

15 (A) SUBMIT A PERIODIC FINANCIAL STATUS REPORT IN THE FORM AND MANNER AND ON THE  
16 PERIODIC BASIS PRESCRIBED BY THE DEPARTMENT OF TREASURY AFTER CONSULTATION WITH THE  
17 DEPARTMENT.

18 (B) TRANSMIT A COPY OF EACH PERIODIC FINANCIAL STATUS REPORT REQUIRED UNDER THIS  
19 SECTION TO THE MEMBERS OF ITS GOVERNING BODY FOR APPROVAL PRIOR TO SUBMISSION OF THE REPORT  
20 TO THE DEPARTMENT OF TREASURY AND THE DEPARTMENT.

21 (C) PROVIDE THE DEPARTMENT OF TREASURY OR THE DEPARTMENT WITH OTHER FINANCIAL DATA OR  
22 INFORMATION RELATING TO THE FINANCIAL CONDITIONS OF THE DISTRICT AS REQUESTED BY THE  
23 DEPARTMENT OF TREASURY OR THE DEPARTMENT.

24 (D) ALLOW THE DEPARTMENT OF TREASURY OR THE DEPARTMENT TO EXAMINE FINANCIAL RECORDS  
25 AND BOOKS OF ACCOUNT OF THE DISTRICT.

26 (E) PROMPTLY AND FULLY PROVIDE THE ASSISTANCE AND INFORMATION NECESSARY AND PROPERLY  
27 REQUESTED BY THE DEPARTMENT OF TREASURY OR THE DEPARTMENT IN THE EXERCISE OF THE DEPARTMENT  
28 OF TREASURY'S OR THE DEPARTMENT'S DUTIES UNDER THIS SECTION.

29 (3) IF A DISTRICT FAILS TO SUBMIT A PERIODIC FINANCIAL STATUS REPORT REQUIRED UNDER  
30 THIS SECTION, OR IF THE STATE TREASURER DETERMINES OR IS NOTIFIED BY THE SUPERINTENDENT THAT  
31 INFORMATION INCLUDED ON A PERIODIC FINANCIAL STATUS REPORT INDICATES THAT FINANCIAL STRESS  
32 EXISTS WITHIN A DISTRICT THAT HAS A DEFICIT, OR THAT A DEFICIT IS PROJECTED TO OCCUR WITHIN A

1 DISTRICT IN THE CURRENT SCHOOL FISCAL YEAR OR THE NEXT SCHOOL FISCAL YEAR AND THAT THE  
2 DISTRICT LACKS THE CAPACITY TO ADDRESS WITHOUT STATE ASSISTANCE, THE STATE TREASURER MAY  
3 REQUIRE THE DISTRICT TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 102.

4 (4) A DISTRICT IS NOT REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS  
5 SECTION IF THE DISTRICT IS REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN OR AN ENHANCED  
6 DEFICIT ELIMINATION PLAN UNDER SECTION 102, OR IF A FINANCIAL EMERGENCY HAS BEEN DECLARED FOR  
7 THE DISTRICT UNDER THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, 6 MCL 141.1541  
8 TO 141.1575. IF A DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS  
9 SECTION AND A LOAN IS ISSUED TO THE SCHOOL DISTRICT UNDER THE EMERGENCY LOAN ACT, 1980 PA  
10 243, MCL 141.931 TO 141.942, THE STATE TREASURER SHALL REQUIRE THE SCHOOL DISTRICT TO SUBMIT  
11 PERIODIC FINANCIAL REPORTS UNDER THIS SECTION FOR AT LEAST 4 YEARS AFTER THE DATE OF ISSUANCE  
12 OF THE LOAN.

13 (5) A DISTRICT IS NO LONGER REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER  
14 THIS SECTION IF THE STATE TREASURER, AFTER CONSULTATION WITH THE SUPERINTENDENT, DETERMINES  
15 THAT THE PERIODIC FINANCIAL STATUS REPORTS SUBMITTED BY THE DISTRICT INDICATE THAT POTENTIAL  
16 FINANCIAL STRESS DOES NOT EXIST WITHIN THE DISTRICT, THAT A DEFICIT IS NOT PROJECTED TO ARISE  
17 WITHIN THE DISTRICT, WITHIN THE CURRENT SCHOOL FISCAL YEAR OR THE FOLLOWING 2 SCHOOL FISCAL  
18 YEARS; AND THAT THE DISTRICT WILL BE ABLE TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO  
19 SATISFYING THE DISTRICT'S ABILITY TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT  
20 COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL CODE, AND APPLICABLE RULES.

21 (6) IF THE STATE TREASURER MAKES A DETERMINATION UNDER SUBSECTION (5) THAT THE  
22 CONDITIONS UNDER THAT SUBSECTION APPLY TO A DISTRICT, THE STATE TREASURER SHALL NOTIFY THE  
23 DISTRICT. THE SUPERINTENDENT MAY NOTIFY THE STATE TREASURER THAT THE SUPERINTENDENT HAS  
24 DETERMINED THAT CONDITIONS UNDER SUBSECTION (5) APPLY TO A DISTRICT.

25 (7) AS USED IN THIS SECTION:

26 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2) OF THE UNIFORM  
27 BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.435, OR UNDER SECTION 102(1). DEFICIT ALSO  
28 INCLUDES 1 OR BOTH OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE DISTRICT:

29 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR INTERMEDIATE DISTRICT IS  
30 NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT THE END OF THE CURRENT SCHOOL FISCAL YEAR.

31 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE DISTRICT OTHER THAN THE  
32 GENERAL FUND HAVE A NEGATIVE BALANCE OR PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE

1 TOTAL GENERAL FUND BALANCE.

2 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION  
3 5(3) (A) TO (M) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,  
4 EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR NEXT SCHOOL FISCAL YEAR AND  
5 THREATEN THE ABILITY OF THE DISTRICT TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT  
6 COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL CODE AND ALL APPLICABLE RULES.

7 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

8 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-TERM FINANCIAL  
9 OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

10 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION 4(1) (A) TO (S) OF THE LOCAL  
11 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR  
12 WITHIN A DISTRICT.

13 Sec.104. (1) In order to receive state aid under this article, a district shall  
14 comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code,  
15 MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL  
16 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money  
17 appropriated in section 11, there is allocated for ~~2014-2015~~ **2015-2016** an amount not to  
18 exceed ~~\$41,394,400.00~~ **\$43,994,400.00** for payments on behalf of districts for costs associated  
19 with complying with those provisions of law. In addition, from the federal funds appropriated  
20 in section 11, there is allocated for ~~2014-2015~~ **2015-2016** an amount estimated at  
21 \$6,250,000.00, funded from DED-OESE, title VI, state assessment funds, and from DED-OSERS,  
22 section 504 of part B of the individuals with disabilities education act, Public Law 94-142,  
23 plus any carryover federal funds from previous year appropriations, for the purposes of  
24 complying with the federal no child left behind act of 2001, Public Law 107-110.

25 (2) The results of each test administered as part of the ~~Michigan educational~~  
26 ~~assessment program~~ **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)**, including tests  
27 administered to high school students, shall include an item analysis that lists all items  
28 that are counted for individual pupil scores and the percentage of pupils choosing each  
29 possible response.

30 (3) All federal funds allocated under this section shall be distributed in accordance  
31 with federal law and with flexibility provisions outlined in Public Law 107-116, and in the  
32 education flexibility partnership act of 1999, Public Law 106-25.



1 (4) Notwithstanding section 17b, payments on behalf of districts, intermediate  
2 districts, and other eligible entities under this section shall be paid on a schedule  
3 determined by the department.

4 (5) From the allocation in subsection (1), there is allocated an amount not to exceed  
5 \$8,500,000.00 for the following purposes:

6 (a) Converting existing student assessments to online assessments.

7 (b) Providing paper and pencil test versions to districts not prepared to implement  
8 online assessments.

9 (c) Expanding writing assessments to additional grade levels.

10 (d) Providing an increased number of constructed response test questions so that  
11 pupils can demonstrate higher-order skills such as problem solving and communicating  
12 reasoning.

13 (6) From the allocation in subsection (1), there is allocated an amount not to exceed  
14 \$3,200,000.00 for the development or selection of an online reporting tool to provide  
15 student-level assessment data in a secure environment to educators, parents, and pupils  
16 immediately after assessments are scored. The department and the center shall ensure that any  
17 data collected by the online reporting tool do not provide individually identifiable student  
18 data to the federal government.

19 (7) From the allocation in subsection (1), there is allocated an amount not to exceed  
20 ~~\$3,000,000.00~~ **\$5,600,000.00** for the purpose of implementing a summative assessment system  
21 pursuant to section 104c.

22 (8) As used in this section:

23 (a) "DED" means the United States department of education.

24 (b) "DED-OESE" means the DED office of elementary and secondary education.

25 (c) "DED-OSERS" means the DED office of special education and rehabilitative services.

26 Sec. 104b. (1) In order to receive state aid under this article, a district shall  
27 comply with this section and shall administer the Michigan merit examination, **WHICH INCLUDES**  
28 **A COLLEGE ENTRANCE, WORK SKILLS, AND A SUMMATIVE MICHIGAN STUDENT TEST OF EDUCATIONAL**  
29 **PROGRESS (M-STEP)**, to pupils in grade 11, and to pupils in grade 12 who did not take the  
30 complete Michigan merit examination in grade 11, as provided in this section.

31 (2) For the purposes of this section, the department of technology, management, and  
32 budget shall contract with 1 or more providers to develop, supply, and score the Michigan

1 merit examination. The Michigan merit examination shall consist of all of the following:

2 (a) Assessment instruments that **ARE ALIGNED TO MICHIGAN'S CONTENT STANDARDS, AND**  
3 measure English language arts, mathematics, reading, and science and are used by colleges and  
4 universities in this state for entrance or placement purposes. This ~~shall~~ **MAY** include 1 or  
5 more writing components.

6 (b) One or more tests from 1 or more test developers that assess a pupil's ability to  
7 apply at least reading and mathematics skills in a manner that is intended to allow employers  
8 to use the results in making employment decisions. The department of technology, management,  
9 and budget and the superintendent shall ensure that any test or tests selected under this  
10 subdivision have all the components necessary to allow a pupil to be eligible to receive the  
11 results of a nationally recognized evaluation of workforce readiness if the pupil's test  
12 performance is adequate.

13 (c) A social studies component.

14 (d) Any other component that is necessary to obtain the approval of the United States  
15 department of education to use the Michigan merit examination for the purposes of the no  
16 child left behind act of 2001, Public Law 107-110.

17 (3) In addition to all other requirements of this section, all of the following apply  
18 to the Michigan merit examination:

19 (a) The department of technology, management, and budget and the superintendent shall  
20 ensure that any contractor used for scoring the Michigan merit examination supplies an  
21 individual report for each pupil that will identify for the pupil's parents and teachers  
22 whether the pupil met expectations or failed to meet expectations for each standard, to allow  
23 the pupil's parents and teachers to assess and remedy problems before the pupil moves to the  
24 next grade.

25 (b) The department of technology, management, and budget and the superintendent shall  
26 ensure that any contractor used for scoring, developing, or processing the Michigan merit  
27 examination meets quality management standards commonly used in the assessment industry,  
28 including at least meeting level 2 of the capability maturity model developed by the software  
29 engineering institute of Carnegie Mellon university for the first year the Michigan merit  
30 examination is offered to all grade 11 pupils and at least meeting level 3 of the capability  
31 maturity model for subsequent years.

32 (c) The department of technology, management, and budget and the superintendent shall

1 ensure that any contract for scoring, administering, or developing the Michigan merit  
2 examination includes specific deadlines for all steps of the assessment process, including,  
3 but not limited to, deadlines for the correct testing materials to be supplied to schools and  
4 for the correct results to be returned to schools, and includes penalties for noncompliance  
5 with these deadlines.

6 (d) The superintendent shall ensure that the Michigan merit examination meets all of  
7 the following:

8 (i) Is designed to test pupils on ~~grade level content expectations or course content~~  
9 ~~expectations, as appropriate~~ **MICHIGAN CONTENT STANDARDS**, in all subjects tested.

10 (ii) Complies with requirements of the no child left behind act of 2001, Public Law  
11 107-110.

12 (iii) Is consistent with the code of fair testing practices in education prepared by  
13 the joint committee on testing practices of the American psychological association.

14 (iv) Is factually accurate. If the superintendent determines that a question is not  
15 factually accurate and should be excluded from scoring, the state board and the  
16 superintendent shall ensure that the question is excluded from scoring.

17 (4) A district shall include on each pupil's high school transcript all of the  
18 following:

19 (a) For each high school graduate who has completed the Michigan merit examination  
20 under this section, the pupil's scaled score on each subject area component of the Michigan  
21 merit examination.

22 (b) The number of school days the pupil was in attendance at school each school year  
23 during high school and the total number of school days in session for each of those school  
24 years.

25 (5) The superintendent shall work with the provider or providers of the Michigan merit  
26 examination to produce Michigan merit examination subject area scores for each pupil  
27 participating in the Michigan merit examination, ~~including scaling and merging of test items~~  
28 for the different subject area components. The superintendent shall design and distribute to  
29 districts, intermediate districts, and nonpublic schools a simple and concise document that  
30 describes the scoring for each subject area and indicates the scaled score ranges for each  
31 subject area.

32 (6) The Michigan merit examination shall be administered in each district during the

1 last 12 weeks of the district's school year. The superintendent shall ensure that the  
2 Michigan merit examination is scored and the scores are returned to pupils, their parents or  
3 legal guardians, and districts not later than the beginning of the pupil's first semester of  
4 grade 12. The returned scores shall indicate at least the pupil's scaled score for each  
5 subject area component and the range of scaled scores for each subject area. In reporting the  
6 scores to pupils, parents, and schools, the superintendent shall provide standards-specific,  
7 meaningful, and timely feedback on the pupil's performance on the Michigan merit examination.

8 (7) A district shall administer the complete Michigan merit examination to a pupil  
9 only once and shall not administer the complete Michigan merit examination to the same pupil  
10 more than once. If a pupil does not take the complete Michigan merit examination in grade 11,  
11 the district shall administer the complete Michigan merit examination to the pupil in grade  
12 12. If a pupil chooses to retake the college entrance examination component of the Michigan  
13 merit examination, as described in subsection (2) (a), the pupil may do so through the  
14 provider of the college entrance examination component and the cost of the retake is the  
15 responsibility of the pupil unless all of the following are met:

16 (a) The pupil has taken the complete Michigan merit examination.

17 (b) The pupil did not qualify for a Michigan promise grant under section 6 of the  
18 Michigan promise grant act, 2006 PA 479, MCL 390.1626, based on the pupil's performance on  
19 the complete Michigan merit examination.

20 (c) The pupil meets the income eligibility criteria for free breakfast, lunch, or  
21 milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to  
22 1769i.

23 (d) The pupil has applied to the provider of the college entrance examination  
24 component for a scholarship or fee waiver to cover the cost of the retake and that  
25 application has been denied.

26 (e) After taking the complete Michigan merit examination, the pupil has not already  
27 received a free retake of the college entrance examination component paid for either by this  
28 state or through a scholarship or fee waiver by the provider.

29 (8) The superintendent shall ensure that the length of the Michigan merit examination  
30 and the combined total time necessary to administer all of the components of the Michigan  
31 merit examination are the shortest possible that will still maintain the degree of  
32 reliability and validity of the Michigan merit examination results determined necessary by

1 the superintendent. The superintendent shall ensure that the maximum total combined length of  
2 time that schools are required to set aside for pupils to answer all test questions on the  
3 Michigan merit examination does not exceed 8 hours if the superintendent determines that  
4 sufficient alignment to applicable Michigan merit curriculum content standards can be  
5 achieved within that time limit.

6 (9) A district shall provide accommodations to a pupil with disabilities for the  
7 Michigan merit examination, as provided under section 504 of title V of the rehabilitation  
8 act of 1973, 29 USC 794; subtitle A of title II of the Americans with disabilities act of  
9 1990, 42 USC 12131 to 12134; the individuals with disabilities education act amendments of  
10 1997, Public Law 105-17; and the implementing regulations for those statutes. The provider or  
11 providers of the Michigan merit examination and the superintendent shall mutually agree upon  
12 the accommodations to be provided under this subsection.

13 (10) To the greatest extent possible, the Michigan merit examination shall be based on  
14 ~~grade level content expectations or course content expectations~~ **MICHIGAN CONTENT STANDARDS,**  
15 as appropriate. ~~Not later than July 1, 2008, the department shall identify specific grade~~  
16 ~~level content expectations to be taught before and after the middle of grade 11, so that~~  
17 ~~teachers will know what content will be covered within the Michigan merit examination.~~ **THE**  
18 **DEPARTMENT MAY AUGMENT THE COLLEGE ENTRANCE AND WORK SKILLS COMPONENTS OF THE MICHIGAN MERIT**  
19 **EXAM TO DEVELOP THE ASSESSMENT, DEPENDENT ON THOSE COMPONENTS' ALIGNMENT TO MICHIGAN CONTENT**  
20 **STANDARDS. IF ALIGNMENT IS NOT PRESENT IN THESE COMPONENTS, THE DEPARTMENT WILL PRODUCE**  
21 **ADDITIONAL COMPONENTS AS REQUIRED BY LAW, WHILE MINIMIZING THE AMOUNT OF TIME NEEDED FOR**  
22 **ASSESSMENTS.**

23 (11) A child who is a student in a nonpublic school or home school may take the  
24 Michigan merit examination under this section. To take the Michigan merit examination, a  
25 child who is a student in a home school shall contact the district in which the child  
26 resides, and that district shall administer the Michigan merit examination, or the child may  
27 take the Michigan merit examination at a nonpublic school if allowed by the nonpublic school.  
28 Upon request from a nonpublic school, the superintendent shall direct the provider or  
29 providers to supply the Michigan merit examination to the nonpublic school and the nonpublic  
30 school may administer the Michigan merit examination. If a district administers the Michigan  
31 merit examination under this subsection to a child who is not enrolled in the district, the  
32 scores for that child are not considered for any purpose to be scores of a pupil of the

1 district.

2 (12) In contracting under subsection (2), the department of management and budget  
3 shall consider a contractor that provides electronically-scored essays with the ability to  
4 score constructed response feedback in multiple languages and provide ongoing instruction and  
5 feedback.

6 (13) The purpose of the Michigan merit examination is to assess pupil performance in  
7 mathematics, science, social studies, and English language arts for the purpose of improving  
8 academic achievement and establishing a statewide standard of competency. The assessment  
9 under this section provides a common measure of data that will contribute to the improvement  
10 of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's  
11 curriculum framework standards and promotes pupil participation in higher level mathematics,  
12 science, social studies, and English language arts courses. These standards are based upon  
13 the expectations of what pupils should learn through high school and are aligned with  
14 national standards.

15 (14) For a pupil enrolled in a middle college program, other than a middle college  
16 operated as a shared educational entity or a specialized shared educational entity, if the  
17 pupil receives at least 50% of his or her instruction at the high school while in grade 11,  
18 the Michigan merit examination shall be administered to the pupil at the high school at which  
19 the pupil receives high school instruction, and the department shall include the pupil's  
20 scores on the Michigan merit examination in the scores for that high school for all purposes  
21 for which a school's or district's results are reported. The department shall allow the  
22 middle college program to use a 5-year graduation rate for determining adequate yearly  
23 progress. As used in this subsection, "middle college" means a program consisting of a series  
24 of courses and other requirements and conditions, including an early college or other program  
25 created under a memorandum of understanding, that allows a pupil to graduate from high school  
26 with both a high school diploma and a certificate or degree from a community college or state  
27 public university.

28 (15) As used in this section:

29 (a) "English language arts" means reading and writing.

30 (b) "Social studies" means United States history, world history, world geography,  
31 economics, and American government.

32 Sec. 104c. (1) In order to receive state aid under this article, a district shall

1 administer the state assessments described in this section.

2 (2) For the purposes of this section, the department shall develop for use in the  
3 spring of ~~2014-2015 new Michigan education assessment program (MEAP)~~ **2015-2016 THE MICHIGAN**  
4 **STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)** assessments in English language arts and  
5 mathematics. These assessments shall be aligned to state standards.

6 (3) For the purposes of this section, the department shall implement ~~beginning in the~~  
7 ~~2015-2016 school year~~ a summative assessment system that is proven to be valid and reliable  
8 for administration to pupils as provided under this subsection. The summative assessment  
9 system shall meet all of the following requirements:

10 (a) The summative assessment system shall measure student proficiency on the current  
11 state standards, shall measure student growth for consecutive grade levels in which students  
12 are assessed in the same subject area in both grade levels, and shall be capable of measuring  
13 individual student performance.

14 (b) The summative assessments for English language arts and mathematics shall be  
15 administered to all public school pupils in grades 3 to ~~10~~ **11**, including those pupils as  
16 required by the federal individuals with disabilities education act, Public Law 108-446, and  
17 by title I of the federal elementary and secondary education act.

18 (c) The summative assessments for science shall be administered to all public school  
19 pupils in at least grades 4 and 7, including those pupils as required by the federal  
20 individuals with disabilities education act, Public Law 108-446, and by title I of the  
21 federal elementary and secondary education act.

22 (d) The summative assessments for social studies shall be administered to all public  
23 school pupils in at least grades 5 and 8, 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 (e) The content of the summative assessments shall be aligned to state standards.

27 (f) The pool of questions for the summative assessments shall be subject to a  
28 transparent review process for quality, bias, and sensitive issues involving educator review  
29 and comment. The department shall post samples from tests or retired tests featuring  
30 questions from this pool for review by the public.

31 (g) The summative assessment system shall ensure that students, parents, and teachers  
32 are provided with reports that convey individual student proficiency and growth on the

1 assessment and that convey individual student domain-level performance in each subject area,  
2 including representative questions, and individual student performance in meeting state  
3 standards.

4 (h) The summative assessment system shall be capable of providing, and the department  
5 shall ensure that students, parents, teachers, administrators, and community members are  
6 provided with, reports that convey aggregate student proficiency and growth data by teacher,  
7 grade, school, and district.

8 (i) The summative assessment system shall ensure the capability of reporting the  
9 available data to support educator evaluations.

10 (j) The summative assessment system shall ensure that the reports provided to  
11 districts containing individual student data are available within 60 days after completion of  
12 the assessments.

13 ~~(k) The assessments shall be capable of being implemented statewide in a fully  
14 operational manner no later than the 2015-2016 school year.~~

15 **(K)** ~~(l)~~ The summative assessment system shall ensure that access to individually  
16 identifiable student data meets all of the following:

17 (i) Is in compliance with 20 USC 1232g, commonly referred to as the family educational  
18 rights and privacy act of 1974.

19 (ii) Except as may be provided for in an agreement with a vendor to provide assessment  
20 services, as necessary to support educator evaluations pursuant to subdivision (i), or for  
21 research or program evaluation purposes, is available only to the student; to the student's  
22 parent or legal guardian; and to a school administrator or teacher, to the extent that he or  
23 she has a legitimate educational interest.

24 **(L)** ~~(m)~~ The summative assessment system shall ensure that the assessments are pilot  
25 tested before statewide implementation.

26 **(M)** ~~(n)~~ The summative assessment system shall ensure that assessments are designed so  
27 that the maximum total combined length of time that schools are required to set aside for a  
28 pupil to answer all test questions on all assessments that are part of the system for the  
29 pupil's grade level does not exceed that maximum total combined length of time for the  
30 previous statewide assessment system or 9 hours, whichever is less. This subdivision does not  
31 limit the amount of time a district may allow a pupil to complete a test.

32 **(N)** ~~(o)~~ The total cost of executing the summative assessment system statewide each



1 year, including, but not limited to, the cost of contracts for administration, scoring, and  
2 reporting, shall not exceed an amount equal to 2 times the cost of executing the previous  
3 statewide assessment after adjustment for inflation.

4 ~~(4) To begin the process required under subsection (3), not later than September 1,~~  
5 ~~2014, the department shall issue a request for proposals for the summative assessment system~~  
6 ~~described in that subsection.~~

7 **(4) BEGINNING IN THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT SHALL FIELD TEST ADDITIONAL**  
8 **COMPONENTS IN THE ASSESSMENT SYSTEM DESCRIBED UNDER THIS SUBSECTION, FOR FULL IMPLEMENTATION**  
9 **IN THE 2016-2017 SCHOOL YEAR. THE ADDITIONAL COMPONENTS ARE NECESSARY TO DETERMINE A PUPIL'S**  
10 **PROFICIENCY LEVEL PRIOR TO GRADE 3. THE ADDITIONAL COMPONENTS ARE AS FOLLOWS:**

11 **(A) ASSESSMENTS ADMINISTERED IN THE FALL AND SPRING OF EACH YEAR TO MEASURE ENGLISH**  
12 **LANGUAGE ARTS AND MATHEMATICS IN EACH OF THE GRADES 1 AND 2.**

13 **(B) THE KINDERGARTEN ENTRY ASSESSMENT (KEA) SHALL BE ADMINISTERED IN THE FALL OF THE**  
14 **KINDERGARTEN YEAR. THE KEA SHALL INCLUDE THE COMPONENTS UNDER SUBSECTION (4) (A) AND MAY**  
15 **INCLUDE OBSERVATIONAL COMPONENTS THAT MEASURE COGNITIVE, SOCIAL-EMOTIONAL, AND PHYSICAL**  
16 **SKILLS.**

17 (5) This section does not prohibit districts from adopting interim assessments.

18 ~~(6) The department shall seek a waiver or amendment to an existing waiver for federal~~  
19 ~~approval of the assessment framework under this section and shall notify the United States~~  
20 ~~department of education about the provisions of this section and take necessary steps to~~  
21 ~~assure the United States department of education that this state is on track to develop and~~  
22 ~~implement a summative assessment system as required by federal law.~~

23 **(6) ~~(7)~~ As used in this section, "English language arts" means that term as defined in**  
24 **section 104b.**

25 Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not  
26 to exceed \$22,000,000.00 for ~~2014-2015~~ **2015-2016** for adult education programs authorized  
27 under this section. Funds allocated under this section are restricted for adult education  
28 programs as authorized under this section only. A recipient of funds under this section shall  
29 not use those funds for any other purpose.

30 (2) To be eligible for funding under this section, ~~a program~~ **AN ELIGIBLE ADULT**  
31 **EDUCATION PROVIDER** shall employ certificated teachers and qualified administrative staff and  
32 shall offer continuing education opportunities for teachers to allow them to maintain

1 certification.

2 (3) To be eligible to be a participant funded under this section, a person shall be  
3 enrolled in an adult basic education program, an adult English as a second language program,  
4 a general educational development (G.E.D.) test preparation program, a job- or employment-  
5 related program, or a high school completion program, that meets the requirements of this  
6 section, and for which instruction is provided, and shall meet either of the following, as  
7 applicable:

8 (a) If the individual has obtained a high school diploma or a general educational  
9 development (G.E.D.) certificate, the individual meets 1 of the following:

10 ~~(i) Is less than 20 years of age on September 1 of the school year and is enrolled in~~  
11 ~~the Michigan career and technical institute.~~

12 **(I)** ~~(iii)~~ Is less than 20 years of age on September 1 of the school year, is not  
13 attending an institution of higher education, and is enrolled in a job- or employment-related  
14 program through a referral by an employer or by a Michigan workforce agency.

15 **(II)** ~~(iii)~~ Is enrolled in an English as a second language program.

16 **(III)** ~~(iv)~~ Is enrolled in a high school completion program.

17 **(IV) IS 20 YEARS OF AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR AND ENROLLED IN AN ADULT**  
18 **BASIC EDUCATION PROGRAM AND DETERMINED BY A DEPARTMENT-APPROVED ASSESSMENT, IN A FORM AND**  
19 **MANNER PRESCRIBED BY THE DEPARTMENT, TO BE BELOW NINTH GRADE LEVEL IN READING OR MATHEMATICS,**  
20 **OR BOTH.**

21 (b) If the individual has not obtained a high school diploma or G.E.D. certificate,  
22 the individual meets 1 of the following:

23 (i) Is at least 20 years of age on September 1 of the school year.

24 (ii) Is at least 16 years of age on September 1 of the school year, has been  
25 permanently expelled from school under section 1311(2) or 1311a of the revised school code,  
26 MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available  
27 through his or her district of residence.

28 **(4) BY APRIL 1 OF EACH FISCAL YEAR, INTERMEDIATE DISTRICTS WITHIN A PROSPERITY REGION**  
29 **MUST DETERMINE WHICH INTERMEDIATE DISTRICT WILL SERVE AS THE REGION'S FISCAL AGENT FOR THE**  
30 **FOLLOWING FISCAL YEAR AND MUST NOTIFY THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY THE**  
31 **DEPARTMENT. THE DEPARTMENT SHALL APPROVE OR DISAPPROVE OF THE PROSPERITY REGION'S SELECTED**  
32 **FISCAL AGENT.** From the funds allocated under subsection (1), an amount as determined under

1 this subsection shall be allocated to each intermediate district serving as a fiscal agent  
2 for adult education programs in each of the 10 prosperity regions identified by the  
3 department. An intermediate district shall not use more than 5% of the funds allocated under  
4 this subsection for administration costs for serving as the fiscal agent. ~~The department~~  
5 ~~shall ensure that the funds allocated under this subsection for 2014-2015 will provide~~  
6 ~~services in 2014-2015 to at least the same number of individuals as the number of individuals~~  
7 ~~who were enrolled in programs funded under this section in 2013-2014.~~ For 2014-2015, 67% of  
8 the allocation provided to each intermediate district serving as a fiscal agent shall be  
9 based on the proportion of total funding formerly received by the adult education providers  
10 in that prosperity region in 2013-2014, and 33% shall be allocated based on the factors in  
11 subdivisions (a), (b), and (c). For 2015-2016, 33% of the allocation provided to each  
12 intermediate district serving as a fiscal agent shall be based upon the proportion of total  
13 funding formerly received by the adult education providers in that prosperity region in 2013-  
14 2014 and 67% of the allocation shall be based upon the factors in subdivisions (a), (b), and  
15 (c). For 2016-2017, 100% of the allocation provided to each intermediate district serving as  
16 a fiscal agent shall be based on the factors in subdivisions (a), (b), and (c). The funding  
17 factors for this section are as follows:

18 (a) Sixty percent of this portion of the funding shall be distributed based upon the  
19 proportion of the state population of individuals between the ages of 18 and 24 that are not  
20 high school graduates that resides in each of the prosperity regions, as reported by the most  
21 recent 5-year estimates from the American community survey (ACS) from the United States  
22 census bureau.

23 (b) Thirty-five percent of this portion of the funding shall be distributed based upon  
24 the proportion of the state population of individuals age 25 or older who are not high school  
25 graduates that resides in each of the prosperity regions, as reported by the most recent 5-  
26 year estimates from the American community survey (ACS) from the United States census bureau.

27 (c) Five percent of this portion of the funding shall be distributed based upon the  
28 proportion of the state population of individuals age 18 or older who lack basic English  
29 language proficiency that resides in each of the prosperity regions, as reported by the most  
30 recent 5-year estimates from the American community survey (ACS) from the United States  
31 census bureau.

32 (5) To be an eligible fiscal agent, an intermediate district must agree to do the

1 following in a form and manner determined by the department:

2 (a) Distribute funds to adult education programs in a prosperity region as described  
3 in this section.

4 (b) Collaborate with ~~education advisory groups~~ **THE TALENT DISTRICT CAREER COUNCIL, AN**  
5 **ADVISORY COUNCIL** of the workforce development boards, **OR ITS SUCCESSOR**, located in the  
6 prosperity region to develop a regional strategy that aligns adult education programs and  
7 services into an efficient and effective delivery system for adult education learners, **WITH**  
8 **SPECIAL CONSIDERATION FOR PROVIDING CONTEXTUALIZED LEARNING AND CAREER PATHWAYS.**

9 (c) Collaborate with ~~education advisory groups~~ **THE TALENT DISTRICT CAREER COUNCIL, AN**  
10 **ADVISORY COUNCIL** of the workforce development boards, **OR ITS SUCCESSOR**, located in the  
11 prosperity region to create a local process and criteria that will identify eligible adult  
12 education providers to receive funds allocated under this section based on location, demand  
13 for services, **PAST PERFORMANCE, QUALITY INDICATORS AS IDENTIFIED BY THE DEPARTMENT**, and cost  
14 to provide instructional services. ~~All~~ **THE FISCAL AGENT WILL DETERMINE ALL** local processes,  
15 criteria, and provider determinations **WHICH** must be approved by the department before funds  
16 may be distributed to the fiscal agent.

17 **(D) PROVIDE OVERSIGHT TO ITS ADULT EDUCATION PROVIDERS THROUGHOUT THE PROGRAM YEAR TO**  
18 **ENSURE COMPLIANCE WITH SECTION 107 REQUIREMENTS.**

19 **(E)** ~~(d)~~ Report adult education program and participant data and information as  
20 prescribed by the department.

21 (6) The amount allocated under this section per full-time equated participant shall  
22 not exceed \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for  
23 a program offering less than 450 hours of instruction.

24 (7) An adult basic education program or an adult English as a second language program  
25 operated on a year-round or school year basis may be funded under this section, subject to  
26 all of the following:

27 (a) The program enrolls adults who are determined by a department-approved assessment,  
28 in a form and manner prescribed by the department, to be below ninth grade level in reading  
29 or mathematics, or both, or to lack basic English proficiency.

30 (b) The program tests individuals for eligibility under subdivision (a) before  
31 enrollment and upon completion of the program in compliance with the state-approved  
32 assessment policy.

1 (c) A participant in an adult basic education program is eligible for reimbursement  
2 until 1 of the following occurs:

3 (i) The participant's reading and mathematics proficiency are assessed at or above the  
4 ninth grade level.

5 (ii) The participant fails to show progress on 2 successive assessments after having  
6 completed at least 450 hours of instruction.

7 (d) A funding recipient enrolling a participant in an English as a second language  
8 program is eligible for funding according to subsection (11) until the participant meets 1 of  
9 the following:

10 (i) The participant is assessed as having attained basic English proficiency as  
11 determined by a department-approved assessment.

12 (ii) The participant fails to show progress on 2 successive department-approved  
13 assessments after having completed at least 450 hours of instruction. The department shall  
14 provide information to a funding recipient regarding appropriate assessment instruments for  
15 this program.

16 (8) A general educational development (G.E.D.) test preparation program operated on a  
17 year-round or school year basis may be funded under this section, subject to all of the  
18 following:

19 (a) The program enrolls adults who do not have a high school diploma.

20 (b) The program shall administer a pre-test approved by the department before  
21 enrolling an individual to determine the individual's literacy levels, shall administer a  
22 G.E.D. practice test to determine the individual's potential for success on the G.E.D. test,  
23 and shall administer a post-test upon completion of the program in compliance with the state-  
24 approved assessment policy.

25 (c) A funding recipient shall receive funding according to subsection (11) for a  
26 participant, and a participant may be enrolled in the program until 1 of the following  
27 occurs:

28 (i) The participant obtains the G.E.D.

29 (ii) The participant fails to show progress on 2 successive department-approved  
30 assessments used to determine readiness to take the G.E.D. test after having completed at  
31 least 450 hours of instruction.

32 (9) A high school completion program operated on a year-round or school year basis may

1 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.

3 (b) The program tests participants described in subdivision (a) before enrollment and  
4 upon completion of the program in compliance with the state-approved assessment policy.

5 (c) A funding recipient shall receive funding according to subsection (11) for a  
6 participant in a course offered under this subsection until 1 of the following occurs:

7 (i) The participant passes the course and earns a high school diploma.

8 (ii) The participant fails to earn credit in 2 successive semesters or terms in which  
9 the participant is enrolled after having completed at least 900 hours of instruction.

10 (10) A job- or employment-related adult education program operated on a year-round or  
11 school year basis may be funded under this section, subject to all of the following:

12 (a) The program enrolls adults referred by their employer who are less than 20 years  
13 of age, have a high school diploma, are determined to be in need of remedial mathematics or  
14 communication arts skills and are not attending an institution of higher education.

15 (b) The program tests participants described in subdivision (a) before enrollment and  
16 upon completion of the program in compliance with the department-approved assessment policy.

17 (c) An individual may be enrolled in this program and the grant recipient shall  
18 receive funding according to subsection (11) until 1 of the following occurs:

19 (i) The individual achieves the requisite skills as determined by department-approved  
20 assessment instruments.

21 (ii) The individual fails to show progress on 2 successive assessments after having  
22 completed at least 450 hours of instruction.

23 (11) A funding recipient shall receive payments under this section in accordance with  
24 the following:

25 (a) Seventy-five percent for enrollment of eligible participants.

26 (b) Twenty-five percent for participant completion of the adult basic education  
27 objectives by achieving an educational gain as determined by the national reporting system  
28 levels; for achieving basic English proficiency, **AS DETERMINED BY THE DEPARTMENT**; for  
29 obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests; for attainment of a high  
30 school diploma or passage of a course required for a participant to attain a high school  
31 diploma; for enrollment in a postsecondary institution, or for entry into or retention of  
32 employment, as applicable.

1 (12) A person who is not eligible to be a participant funded under this section may  
2 receive adult education services upon the payment of tuition. In addition, a person who is  
3 not eligible to be served in a program under this section due to the program limitations  
4 specified in subsection (7), (8), (9), or (10) may continue to receive adult education  
5 services in that program upon the payment of tuition. The tuition level shall be determined  
6 by the local or intermediate district conducting the program.

7 (13) An individual who is an inmate in a state correctional facility shall not be  
8 counted as a participant under this section.

9 (14) A funding recipient shall not commingle money received under this section or from  
10 another source for adult education purposes with any other funds and shall establish a  
11 separate ledger account for funds received under this section. This subsection does not  
12 prohibit a district from using general funds of the district to support an adult education or  
13 community education program.

14 (15) A funding recipient receiving funds under this section may establish a sliding  
15 scale of tuition rates based upon a participant's family income. A funding recipient may  
16 charge a participant tuition to receive adult education services under this section from that  
17 sliding scale of tuition rates on a uniform basis. The amount of tuition charged per  
18 participant shall not exceed the actual operating cost per participant minus any funds  
19 received under this section per participant. A funding recipient may not charge a participant  
20 tuition under this section if the participant's income is at or below 200% of the federal  
21 poverty guidelines published by the United States department of health and human services.

22 (16) In order to receive funds under this section, a funding recipient shall furnish  
23 to the department, in a form and manner determined by the department, all information needed  
24 to administer this program and meet federal reporting requirements; shall allow the  
25 department or the department's designee to review all records related to the program for  
26 which it receives funds; and shall reimburse the state for all disallowances found in the  
27 review, as determined by the department.

28 (17) All intermediate district participant audits of adult education programs shall be  
29 performed pursuant to the adult education participant auditing and accounting manuals  
30 published by the department.

31 (18) As used in this section:

32 **(A) "CAREER PATHWAY" MEANS A COMBINATION OF RIGOROUS AND HIGH-QUALITY EDUCATION,**

1 TRAINING, AND OTHER SERVICES THAT COMPLY WITH ALL OF THE FOLLOWING:

2 (I) ALIGNS WITH THE SKILL NEEDS OF INDUSTRIES IN THE ECONOMY OF THE STATE OR REGIONAL  
3 ECONOMY INVOLVED.

4 (II) PREPARES AN INDIVIDUAL TO BE SUCCESSFUL IN ANY OF A FULL RANGE OF SECONDARY OR  
5 POSTSECONDARY EDUCATION OPTIONS, INCLUDING APPRENTICESHIPS REGISTERED UNDER THE ACT OF AUGUST  
6 16, 1937 (COMMONLY KNOWN AS THE ``NATIONAL APPRENTICESHIP ACT``; 50 STAT. 664, CHAPTER 663;  
7 29 U.S.C. 50 ET SEQ.).

8 (III) INCLUDES COUNSELING TO SUPPORT AN INDIVIDUAL IN ACHIEVING THE INDIVIDUAL'S  
9 EDUCATION AND CAREER GOALS.

10 (IV) INCLUDES, AS APPROPRIATE, EDUCATION OFFERED CONCURRENTLY WITH AND IN THE SAME  
11 CONTEXT AS WORKFORCE PREPARATION ACTIVITIES AND TRAINING FOR A SPECIFIC OCCUPATION OR  
12 OCCUPATIONAL CLUSTER.

13 (V) ORGANIZES EDUCATION, TRAINING, AND OTHER SERVICES TO MEET THE PARTICULAR NEEDS OF  
14 AN INDIVIDUAL IN A MANNER THAT ACCELERATES THE EDUCATIONAL AND CAREER ADVANCEMENT OF THE  
15 INDIVIDUAL TO THE EXTENT PRACTICABLE.

16 (VI) ENABLES AN INDIVIDUAL TO ATTAIN A SECONDARY SCHOOL DIPLOMA OR ITS RECOGNIZED  
17 EQUIVALENT, AND AT LEAST 1 RECOGNIZED POSTSECONDARY CREDENTIAL.

18 (VII) HELPS AN INDIVIDUAL ENTER OR ADVANCE WITHIN A SPECIFIC OCCUPATION OR  
19 OCCUPATIONAL CLUSTER.

20 (B) ~~(a)~~ "Department" means the Michigan strategic fund.

21 (C) ~~(b)~~ "Eligible adult education provider" means a district, intermediate district, a  
22 consortium of districts, a consortium of intermediate districts, or a consortium of districts  
23 and intermediate districts that is identified as part of the local process described in  
24 subsection (5) (c) and approved by the department.

25 (D) ~~(e)~~ "Participant" means the sum of the number of full-time equated individuals  
26 enrolled in and attending a department-approved adult education program under this section,  
27 using quarterly participant count days on the schedule described in section 6(7) (b).

28 Sec. 147. (1) The allocation for ~~2014-2015~~ 2015-2016 for the public school employees'  
29 retirement system pursuant to the public school employees retirement act of 1979, 1980 PA  
30 300, MCL 38.1301 to 38.1408, shall be made using the individual projected benefit entry age  
31 normal cost method of valuation and risk assumptions adopted by the public school employees  
32 retirement board and the department of technology, management, and budget.



1 (2) The annual level percentage of payroll contribution rates for the ~~2014-2015~~ **2015-**  
2 **2016** fiscal year, as determined by the retirement system, are estimated as follows:

3 (a) For public school employees who first worked for a public school reporting unit  
4 before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level  
5 percentage of payroll contribution rate is estimated at ~~33.41%~~ **36.31%**, with 25.78% paid  
6 directly by the employer.

7 (b) For public school employees who first worked for a public school reporting unit on  
8 or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual level  
9 percentage of payroll contribution rate is estimated at ~~32.33%~~ **35.09%** , with ~~24.70%~~ **24.56%**  
10 paid directly by the employer.

11 (c) For public school employees who first worked for a public school reporting unit on  
12 or after July 1, 2010 and who participate in the personal healthcare fund, the annual level  
13 percentage of payroll contribution rate is estimated at ~~31.82%~~ **34.66%**, with ~~24.19%~~ **24.13%**  
14 paid directly by the employer.

15 (d) For public school employees who first worked for a public school reporting unit on  
16 or after September 4, 2012, who elect defined contribution, and who participate in the  
17 personal healthcare fund, the annual level percentage of payroll contribution rate is  
18 estimated at ~~28.59%~~ **31.49%**, with 20.96% paid directly by the employer.

19 (e) For public school employees who first worked for a public school reporting unit  
20 before July 1, 2010, who elect defined contribution, and who are enrolled in the health  
21 premium subsidy, the annual level percentage of payroll contribution rate is estimated at  
22 ~~29.10%~~ **31.92%**, with ~~21.47%~~ **21.39%** paid directly by the employer.

23 (f) For public school employees who first worked for a public school reporting unit  
24 before July 1, 2010, who elect defined contribution, and who participate in the personal  
25 healthcare fund, the annual level percentage of payroll contribution rate is estimated at  
26 ~~28.59%~~ **31.49%**, with 20.96% paid directly by the employer.

27 (g) For public school employees who first worked for a public school reporting unit  
28 before July 1, 2010 and who participate in the personal healthcare fund, the annual level  
29 percentage of payroll contribution rate is estimated at ~~32.90%~~ **35.88%**, with ~~25.27%~~ **25.35%**  
30 paid directly by the employer.

31 (3) In addition to the employer payments described in subsection (2), the employer  
32 shall pay the applicable contributions to the Tier 2 plan, as determined by the public school

1 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

2 (4) The contribution rates in subsection (2) reflect an amortization period of ~~24~~ **23**  
3 years for ~~2014-2015~~ **2015-2016**. The public school employees' retirement system board shall  
4 notify each district and intermediate district by February 28 of each fiscal year of the  
5 estimated contribution rate for the next fiscal year.

6 Sec. 147a. From the appropriation in section 11, there is allocated for ~~2014-2015~~  
7 **2015-2016** an amount not to exceed \$100,000,000.00 for payments to participating districts. A  
8 district that receives money under this section shall use that money solely for the purpose  
9 of offsetting a portion of the retirement contributions owed by the district for the fiscal  
10 year in which it is received. The amount allocated to each participating district under this  
11 section shall be based on each participating district's percentage of the total statewide  
12 payroll for all participating districts for the immediately preceding fiscal year. As used in  
13 this section, "participating district" means a district that is a reporting unit of the  
14 Michigan public school employees' retirement system under the public school employees  
15 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to  
16 the Michigan public school employees' retirement system for the applicable fiscal year.

17 Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2014-2015~~  
18 **2015-2016** an amount not to exceed ~~\$656,700,000.00~~ **\$893,500,000.00** from the state school aid  
19 fund, ~~and there is appropriated for 2014-2015 an amount not to exceed \$18,000,000.00 from the~~  
20 ~~MPSERS retirement obligation reform reserve fund,~~ for payments to districts, **DISTRICT**  
21 **LIBRARIES**, and intermediate districts that are participating entities of the Michigan public  
22 school employees' retirement system.

23 (2) For ~~2014-2015~~ **2015-2016**, the amounts allocated under subsection (1) are estimated  
24 to provide an average MPSERS rate cap per pupil amount of ~~\$441.00~~ **\$601.00** and are estimated  
25 to provide a rate cap per pupil for districts ranging between \$4.00 and ~~\$1,400.00~~ **\$2,300.00**.

26 (3) Payments made under this section for ~~2014-2015~~ **2015-2016** shall be equal to the  
27 difference between the unfunded actuarial accrued liability contribution rate as calculated  
28 pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300,  
29 MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96%  
30 included in section 41 of the public school employees retirement act of 1979, 1980 PA 300,  
31 MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public  
32 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

1 (4) The amount allocated to each participating entity under this section shall be  
2 based on each participating entity's proportion of the total covered payroll for the  
3 immediately preceding fiscal year for the same type of participating entities. A  
4 participating entity that receives funds under this section shall use the funds solely for  
5 the purpose of retirement contributions as specified in subsection (5).

6 (5) Each participating entity receiving funds under this section shall forward an  
7 amount equal to the amount allocated under subsection (4) to the retirement system in a form,  
8 manner, and time frame determined by the retirement system.

9 (6) Funds allocated under this section should be considered when comparing a  
10 district's growth in total state aid funding from 1 fiscal year to the next.

11 (7) Not later than ~~October 20, 2014~~ **DECEMBER 20, 2015**, the department shall publish  
12 and post on its website an estimated MPSERS rate cap per pupil for each district.

13 (8) As used in this section:

14 (a) "MPSERS rate cap per pupil" means an amount equal to the quotient of the  
15 district's payment under this section divided by the district's pupils in membership.

16 (b) "Participating entity" means a district, intermediate district, or district  
17 library that is a reporting unit of the Michigan public school employees' retirement system  
18 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
19 38.1437, and that reports employees to the Michigan public school employees' retirement  
20 system for the applicable fiscal year.

21 (c) "Retirement board" means the board that administers the retirement system under  
22 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

23 (d) "Retirement system" means the Michigan public school employees' retirement system  
24 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
25 38.1437.

26 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v  
27 State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state  
28 school aid fund money appropriated in section 11 there is allocated for ~~2014-2015~~ **2015-2016**  
29 an amount not to exceed \$38,000,500.00 to be used solely for the purpose of paying necessary  
30 costs related to the state-mandated collection, maintenance, and reporting of data to this  
31 state.

32 (2) From the allocation in subsection (1), the department shall make payments to

1 districts and intermediate districts in an equal amount per pupil based on the total number  
2 of pupils in membership in each district and intermediate district. The department shall not  
3 make any adjustment to these payments after the final installment payment under section 17b  
4 is made.

5 Sec. 163. (1) Except as provided in the revised school code, the board of a district  
6 or intermediate district shall not permit any of the following:

7 (a) A noncertificated ~~teacher~~ **EDUCATOR** to teach in an elementary or secondary school  
8 or in an adult basic education or high school completion program.

9 (b) A noncertificated ~~counselor~~ **EDUCATOR** to provide counseling services to pupils in  
10 an elementary or secondary school or in an adult basic education or high school completion  
11 program.

12 **(C) A NONCERTIFICATED EDUCATOR TO ADMINISTER INSTRUCTIONAL PROGRAMS IN AN ELEMENTARY**  
13 **OR SECONDARY SCHOOL, OR IN AN ADULT BASIC EDUCATION OR HIGH SCHOOL COMPLETION PROGRAM, UNLESS**  
14 **THAT EDUCATOR IS FULFILLING APPLICABLE CONTINUING EDUCATION REQUIREMENTS.**

15 (2) Except as provided in the revised school code, a district or intermediate district  
16 employing ~~teachers or counselors~~ **EDUCATORS** not legally certificated **OR LICENSED** shall have  
17 deducted the sum equal to the amount paid the ~~teachers or counselors~~ **EDUCATORS** for the period  
18 of noncertificated, **NONLICENSED** or illegal employment. Each intermediate superintendent shall  
19 notify the department of the name of the noncertificated ~~teacher or counselor~~ **OR NONLICENSED**  
20 **EDUCATOR**, and the district employing that individual and the amount of salary the  
21 noncertificated ~~teacher or counselor~~ **OR NONLICENSED EDUCATOR** was paid within a constituent  
22 district.

23 (3) If a school official is notified by the department that he or she is employing a  
24 nonapproved noncertificated ~~teacher or counselor~~ **OR NONLICENSED EDUCATOR** in violation of this  
25 section and knowingly continues to employ that teacher or counselor, the school official is  
26 guilty of a misdemeanor, punishable by a fine of \$1,500.00 for each incidence. This penalty  
27 is in addition to all other financial penalties otherwise specified in this article.

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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, ~~2015, 2016~~, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$364,724,900.00.~~ **\$393,825,600.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$364,724,900.00.~~ **\$393,825,600.00.**

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, ~~\$197,614,100.00~~ **\$256,714,800.00**.

7 (v) State general fund/general purpose money, ~~\$167,110,800.00~~ **\$137,110,800.00**.

8 (2) Subject to subsection (3), the amount appropriated for community college  
9 operations is ~~\$307,191,300.00~~ **\$311,492,000.00**, allocated as follows:

10 (a) The appropriation for Alpena Community College is ~~\$5,390,700.00~~ **\$5,462,000.00**,  
11 ~~\$5,236,500.00~~ **\$5,390,700.00** for operations and ~~\$154,200.00~~ **\$71,300.00** for performance  
12 funding.

13 (b) The appropriation for Bay de Noc Community College is ~~\$5,419,500.00~~  
14 **\$5,488,300.00**, ~~\$5,279,300.00~~ **\$5,419,500.00** for operations and ~~\$140,200.00~~ **\$68,800.00** for  
15 performance funding.

16 (c) The appropriation for Delta College is ~~\$14,498,900.00~~ **\$14,706,700.00**,  
17 ~~\$14,063,500.00~~ **\$14,498,900.00** for operations and ~~\$435,400.00~~ **\$207,800.00** for performance  
18 funding.

19 (d) The appropriation for Glen Oaks Community College is ~~\$2,516,100.00~~ **\$2,553,400.00**,  
20 ~~\$2,441,500.00~~ **\$2,516,100.00** for operations and ~~\$74,600.00~~ **\$37,300.00** for performance funding.

21 (e) The appropriation for Gogebic Community College is ~~\$4,451,400.00~~ **\$4,506,400.00**,  
22 ~~\$4,330,300.00~~ **\$4,451,400.00** for operations and ~~\$121,100.00~~ **\$55,000.00** for performance  
23 funding.

24 (f) The appropriation for Grand Rapids Community College is ~~\$17,947,500.00~~  
25 **\$18,176,600.00**, ~~\$17,454,900.00~~ **\$17,947,500.00** for operations and ~~\$492,600.00~~ **\$229,100.00** for  
26 performance funding.

27 (g) The appropriation for Henry Ford Community College is ~~\$21,623,800.00~~  
28 **\$21,876,700.00**, ~~\$21,060,000.00~~ **\$21,623,800.00** for operations and ~~\$563,800.00~~ **\$252,900.00** for  
29 performance funding.

30 (h) The appropriation for Jackson College is ~~\$12,087,300.00~~ **\$12,242,500.00**,  
31 ~~\$11,758,200.00~~ **\$12,087,300.00** for operations and ~~\$329,100.00~~ **\$155,200.00** for performance  
32 funding.

1 (i) The appropriation for Kalamazoo Valley Community College is ~~\$12,503,100.00,~~  
2 **\$12,694,900.00**, ~~\$12,122,500.00~~ **\$12,503,100.00** for operations and ~~\$380,600.00~~ **\$191,800.00** for  
3 performance funding.

4 (j) The appropriation for Kellogg Community College is ~~\$9,813,500.00,~~ **\$9,947,300.00**,  
5 ~~\$9,522,000.00~~ **\$9,813,500.00** for operations and ~~\$291,500.00~~ **\$133,800.00** for performance  
6 funding.

7 (k) The appropriation for Kirtland Community College is ~~\$3,167,700.00,~~ **\$3,224,300.00**,  
8 ~~\$3,055,700.00~~ **\$3,167,700.00** for operations and ~~\$112,000.00~~ **\$56,600.00** for performance  
9 funding.

10 (l) The appropriation for Lake Michigan College is ~~\$5,342,900.00,~~ **\$5,414,800.00**,  
11 ~~\$5,178,100.00~~ **\$5,342,900.00** for operations and ~~\$164,800.00~~ **\$71,900.00** for performance  
12 funding.

13 (m) The appropriation for Lansing Community College is ~~\$30,877,600.00,~~ **\$31,289,900.00**,  
14 ~~\$30,023,700.00~~ **\$30,877,600.00** for operations and ~~\$853,900.00~~ **\$412,300.00** for performance  
15 funding.

16 (n) The appropriation for Macomb Community College is ~~\$32,816,600.00,~~ **\$33,222,400.00**,  
17 ~~\$31,931,200.00~~ **\$32,816,600.00** for operations and ~~\$885,400.00~~ **\$405,800.00** for performance  
18 funding.

19 (o) The appropriation for Mid Michigan Community College is ~~\$4,682,000.00,~~  
20 **\$4,761,500.00**, ~~\$4,517,900.00~~ **\$4,682,000.00** for operations and ~~\$164,100.00~~ **\$79,500.00** for  
21 performance funding.

22 (p) The appropriation for Monroe County Community College is ~~\$4,492,900.00,~~  
23 **\$4,565,100.00**, ~~\$4,342,600.00~~ **\$4,492,900.00** for operations and ~~\$150,300.00~~ **\$72,200.00** for  
24 performance funding.

25 (q) The appropriation for Montcalm Community College is ~~\$3,226,700.00,~~ **\$3,281,800.00**,  
26 ~~\$3,121,200.00~~ **\$3,226,700.00** for operations and ~~\$105,500.00~~ **\$55,100.00** for performance  
27 funding.

28 (r) The appropriation for C.S. Mott Community College is ~~\$15,686,100.00,~~  
29 **\$15,900,900.00**, ~~\$15,247,100.00~~ **\$15,686,100.00** for operations and ~~\$439,000.00~~ **\$214,800.00** for  
30 performance funding.

31 (s) The appropriation for Muskegon Community College is ~~\$8,901,000.00,~~ **\$9,013,800.00**,  
32 ~~\$8,653,500.00~~ **\$8,901,000.00** for operations and ~~\$247,500.00~~ **\$112,800.00** for performance

1 funding.

2 (t) The appropriation for North Central Michigan College is ~~\$3,172,400.00,~~  
3 **\$3,223,300.00,** ~~\$3,064,400.00~~ **\$3,172,400.00** for operations and ~~\$108,000.00~~ **\$50,900.00** for  
4 performance funding.

5 (u) The appropriation for Northwestern Michigan College is ~~\$9,078,800.00,~~  
6 **\$9,195,100.00,** ~~\$8,825,300.00~~ **\$9,078,800.00** for operations and ~~\$253,500.00~~ **\$116,300.00** for  
7 performance funding.

8 (v) The appropriation for Oakland Community College is ~~\$21,123,300.00,~~ **\$21,430,800.00,**  
9 ~~\$20,483,100.00~~ **\$21,123,300.00** for operations and ~~\$640,200.00~~ **\$307,500.00** for performance  
10 funding.

11 (w) The appropriation for St. Clair County Community College is ~~\$7,061,600.00,~~  
12 **\$7,154,600.00,** ~~\$6,860,100.00~~ **\$7,061,600.00** for operations and ~~\$201,500.00~~ **\$93,000.00** for  
13 performance funding.

14 (x) The appropriation for Schoolcraft College is ~~\$12,513,700.00,~~ **\$12,716,100.00,**  
15 ~~\$12,112,200.00~~ **\$12,513,700.00** for operations and ~~\$401,500.00~~ **\$202,400.00** for performance  
16 funding.

17 (y) The appropriation for Southwestern Michigan College is ~~\$6,576,400.00,~~  
18 **\$6,653,000.00,** ~~\$6,404,300.00~~ **\$6,576,400.00** for operations and ~~\$172,100.00~~ **\$76,600.00** for  
19 performance funding.

20 (z) The appropriation for Washtenaw Community College is ~~\$13,077,300.00,~~  
21 **\$13,330,000.00,** ~~\$12,610,800.00~~ **\$13,077,300.00** for operations and ~~\$466,500.00~~ **\$252,700.00** for  
22 performance funding.

23 (aa) The appropriation for Wayne County Community College is ~~\$16,727,600.00,~~  
24 **\$17,014,900.00,** ~~\$16,194,300.00~~ **\$16,727,600.00** for operations and ~~\$533,300.00~~ **\$287,300.00** for  
25 performance funding.

26 (bb) The appropriation for West Shore Community College is ~~\$2,414,900.00,~~  
27 **\$2,444,900.00,** ~~\$2,349,800.00~~ **\$2,414,900.00** for operations and ~~\$65,100.00~~ **\$30,000.00** for  
28 performance funding.

29 (3) The amount appropriated in subsection (2) for community college operations is  
30 appropriated from the following:

31 (a) State school aid fund, ~~\$195,880,500.00.~~ **\$230,181,200.00.**

32 (b) State general fund/general purpose money, ~~\$111,310,800.00.~~ **\$81,310,800.00.**



1 (4) From the appropriations described in subsection (1), subject to section 207a, the  
2 amount appropriated for fiscal year ~~2014-2015-2015-2016~~ to offset certain fiscal year ~~2014-~~  
3 ~~2015-2015-2016~~ retirement contributions is \$1,733,600.00, appropriated from the state school  
4 aid fund.

5 (5) From the appropriations described in subsection (1), subject to section 207b, the  
6 amount appropriated for payments to community colleges that are participating entities of the  
7 retirement system is **\$69,500,000.00, \$17,200,000.00 FROM THE STATE SCHOOL AID FUND AND**  
8 ~~\$52,300,000.00, appropriated~~ from general fund/general purpose money.

9 (6) From the appropriations described in subsection (1), subject to section 207c, the  
10 amount appropriated for renaissance zone tax reimbursements is **\$5,100,000.00, \$1,600,000.00**  
11 **FROM THE STATE SCHOOL AID FUND AND** \$3,500,000.00, ~~appropriated~~ from general fund/general  
12 purpose money.

13 (7) **FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), SUBJECT TO 1986 PA 102, MCL**  
14 **390.1281 TO 390.1288, THE AMOUNT APPROPRIATED FOR INDEPENDENT PART-TIME STUDENT GRANTS IS**  
15 **\$6,000,000.00, APPROPRIATED FROM THE STATE SCHOOL AID FUND.**

16 Sec. 206. The funds appropriated in section 201 are appropriated for community  
17 colleges with fiscal years ending June 30, ~~2015-2016~~ and shall be paid out of the state  
18 treasury and distributed by the state treasurer to the respective community colleges in 11  
19 monthly installments on the sixteenth of each month, or the next succeeding business day,  
20 beginning with October 16, ~~2014-2015~~. Each community college shall accrue its July and August  
21 ~~2015-2016~~ payments to its institutional fiscal year ending June 30, ~~2015-2016~~. However, if  
22 the state budget director determines that a community college failed to submit all verified  
23 Michigan community colleges activities classification structure data for school year ~~2013-~~  
24 ~~2014-2014-2015~~ to the workforce development agency by November 1, ~~2014-2015~~, or failed to  
25 submit its longitudinal data system data set for school year ~~2013-2014-2014-2015~~ to the  
26 center for educational performance and information under section 219, the state treasurer  
27 shall withhold the monthly installments from that community college until those data are  
28 submitted. The state budget director shall notify the chairs of the house and senate  
29 appropriations subcommittees on community colleges at least 10 days before withholding funds  
30 from any community college.

31 Sec. 207a. All of the following apply to the allocation of the **FISCAL YEAR 2015-2016**  
32 appropriations described in section 201(4):

1 (a) A community college that receives money under section 201(4) shall use that money  
2 solely for the purpose of offsetting a portion of the retirement contributions owed by the  
3 college for the **CURRENT** fiscal year ~~ending September 30, 2015~~.

4 (b) The amount allocated to each participating community college under section 201(4)  
5 shall be based on each ~~participating~~ college's **PERCENTAGE OF THE** total **COVERED** payroll  
6 ~~covered by the retirement system covered payroll for all COMMUNITY COLLEGES THAT ARE~~  
7 participating colleges ~~for~~ **IN THE IMMEDIATELY PRECEDING** fiscal year ~~2013-2014~~.

8 Sec. 207b. All of the following apply to the allocation of the **FISCAL YEAR 2015-2016**  
9 appropriations described in section 201(5) for payments to community colleges that are  
10 participating entities of the retirement system:

11 (a) The amount of a payment under section 201(5) shall be the difference between the  
12 unfunded actuarial accrued liability contribution rate as calculated under section 41 of the  
13 public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum  
14 employer rate of 20.96% under section 41 of the public school employees retirement act of  
15 1979, 1980 PA 300, MCL 38.1341.

16 (b) The amount allocated to each community college under section 201(5) shall be based  
17 on each community college's percentage of the total covered payroll for all community  
18 colleges that are participating colleges in the immediately preceding fiscal year. A  
19 community college that receives funds under this subdivision shall use the funds solely for  
20 the purpose of retirement contributions under section 201(5).

21 (c) Each participating college that receives funds under section 201(5) shall forward  
22 an amount equal to the amount allocated under subdivision (b) to the retirement system in a  
23 form and manner determined by the retirement system.

24 Sec. 207c. All of the following apply to the allocation of the appropriations  
25 described in section 201(6) to community colleges described in section 12(3) of the Michigan  
26 renaissance zone act, MCL 125.2692:

27 (a) The amount allocated to each community college under section 201(6) **FOR FISCAL**  
28 **YEAR 2015-2016** shall be based on that community college's proportion of total revenue lost by  
29 community colleges ~~in fiscal year 2013-2014~~ as a result of the exemption of property **TAXES**  
30 **LEVIED IN 2015** under the Michigan renaissance zone act.

31 (b) The appropriations described in section 201(6) shall be made to each eligible  
32 community college within 60 days after the department of treasury certifies to the state

1 budget director that it has received all necessary information to properly determine the  
2 amounts ~~of tax revenue lost by~~ **DUE TO** each eligible community college ~~in fiscal year 2013-~~  
3 ~~2014~~ under section 12 of the Michigan renaissance zone act, MCL 125.2692.

4 Sec. 209. (1) Within 30 days after the board of a community college adopts its annual  
5 operating budget for the following ~~school~~ fiscal year, or after the board adopts a subsequent  
6 revision to that budget, the community college shall make all of the following available  
7 through a link on its website homepage:

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

9 (b) A link to the most recent "Activities Classification Structure Data Book and  
10 Companion".

11 (c) General fund revenue and expenditure projections for **THE CURRENT** fiscal year ~~2014-~~  
12 ~~2015~~ and **THE NEXT** fiscal year ~~2015-2016~~.

13 (d) A listing of all debt service obligations, detailed by project, anticipated ~~fiscal~~  
14 ~~year 2014-2015~~ payment of each project, and total outstanding debt **FOR THE CURRENT FISCAL**  
15 **YEAR.**

16 ~~(e) The estimated cost to the community college resulting from the patient protection~~  
17 ~~and affordable care act, Public Law 111-148, as amended by the health care and education~~  
18 ~~reconciliation act of 2010, Public Law 111-152.~~

19 **(E)** ~~(f)~~ Links to all of the following for the community college:

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

21 (ii) Each health care benefits plan, including, but not limited to, medical, dental,  
22 vision, disability, long-term care, or any other type of benefits that would constitute  
23 health care services, offered to any bargaining unit or employee of the community college.

24 (iii) Audits and financial reports for the most recent fiscal year for which they are  
25 available.

26 ~~(iv) A copy of the board of trustees resolution regarding compliance with best~~  
27 ~~practices for the local strategic value component described in section 230(2).~~

28 (2) For statewide consistency and public visibility, community colleges must use the  
29 icon badge provided by the department of technology, management, and budget consistent with  
30 the icon badge developed by the department of education for K-12 school districts. It must  
31 appear on the front of each community college's homepage. The size of the icon may be reduced  
32 to 150 x 150 pixels.

1 ~~(3) The state budget director shall determine whether a community college has~~  
2 ~~complied with this section. The state budget director may withhold a community college's~~  
3 ~~monthly installments described in section 206 until the community college complies with this~~  
4 ~~section. The state budget director shall notify the chairs of the house and senate~~  
5 ~~appropriations subcommittee on community colleges at least 10 days before withholding funds~~  
6 ~~from any community college.~~

7 **(3)** ~~(4)~~ Each community college shall report the following information to the senate  
8 and house appropriations subcommittees on community colleges, the senate and house fiscal  
9 agencies, and the state budget office by November 15 of each fiscal year and post that  
10 information on the internet website required under subsection (1):

11 (a) Budgeted **CURRENT** fiscal year ~~2014-2015~~ general fund revenue from tuition and fees.

12 (b) Budgeted **CURRENT** fiscal year ~~2014-2015~~ general fund revenue from state  
13 appropriations.

14 (c) Budgeted **CURRENT** fiscal year ~~2014-2015~~ general fund revenue from property taxes.

15 (d) Budgeted **CURRENT** fiscal year ~~2014-2015~~ total general fund revenue.

16 (e) Budgeted **CURRENT** fiscal year ~~2014-2015~~ total general fund expenditures.

17 ~~(5) By November 15 of each year, a community college shall report the following~~  
18 ~~information to the center for educational performance and information and post the~~  
19 ~~information on its website under the budget transparency icon badge:~~

20 ~~(a) Opportunities for earning college credit through the following programs:~~

21 ~~(i) State approved career and technical education or a tech prep articulated program~~  
22 ~~of study.~~

23 ~~(ii) Direct college credit or concurrent enrollment.~~

24 ~~(iii) Dual enrollment.~~

25 ~~(iv) An early college/middle college program.~~

26 ~~(b) For each program described in subdivision (a) that the community college offers,~~  
27 ~~all of the following information:~~

28 ~~(i) The number of high school students participating in the program.~~

29 ~~(ii) The number of school districts that participate in the program with the community~~  
30 ~~college.~~

31 ~~(iii) Whether a college professor, qualified local school district employee, or other~~  
32 ~~individual teaches the course or courses in the program.~~

- ~~(iv) The total cost to the community college to operate the program.~~
- ~~(v) The cost per credit hour for the course or courses in the program.~~
- ~~(vi) The location where the course or courses in the program are held.~~
- ~~(vii) Instructional resources offered to the program instructors.~~
- ~~(viii) Resources offered to the student in the program.~~
- ~~(ix) Transportation services provided to students in the program.~~

Sec. 210. (1) Recognizing the critical importance of education in strengthening Michigan's workforce, ~~the legislature encourages~~ each community college **IS ENCOURAGED** to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

(2) Recognizing the central role of community colleges in responding to local employment needs and challenges, community colleges shall develop and continue efforts to collaborate with local employers and students to identify local employment needs and strategies to meet them.

(3) Community colleges are encouraged to collaborate with each other on innovations to identify and meet local employment needs.

(4) Community colleges are encouraged to work with universities to develop equivalency standards of core college courses and identify equivalent courses offered by postsecondary institutions.

Sec. 213. ~~It is the intent of the legislature that community~~ **(1) COMMUNITY** colleges **ARE ENCOURAGED TO** work with public universities in the state to implement statewide reverse transfer agreements to increase the number of students that are awarded credentials of value upon completion of the necessary credits. These statewide agreements shall enable students who have earned a significant number of credits at a community college and transferred to a baccalaureate-granting institution before completing a degree to transfer the credits earned at the baccalaureate institution back to the community college in order to be awarded a credential of value.

**(2) IT IS EXPECTED THAT COMMUNITY COLLEGES SHALL WORK WITH THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS AND PUBLIC UNIVERSITIES TO IMPLEMENT THE MICHIGAN TRANSFER AGREEMENT AS RECOMMENDED BY THE FINAL REPORT OF THE COMMITTEE ON THE TRANSFERABILITY OF CORE COLLEGE COURSES.**

**SEC. 215. IN ORDER TO INCREASE THE NUMBER OF RESIDENTS IN THIS STATE WITH A**

1 POSTSECONDARY CREDENTIAL, A COMMUNITY COLLEGE RECEIVING FUNDS FROM THE INDEPENDENT PART-TIME  
2 STUDENT GRANTS UNDER SECTION 201 IS ENCOURAGED TO PRIORITIZE THESE FUNDS FOR AID TO STUDENTS  
3 WHO HAVE ENROLLED IN AN ACADEMIC PROGRAM AFTER NOT BEING ENROLLED FOR MORE THAN A SEMESTER OR  
4 TERM, WHO HAVE PREVIOUSLY EARNED CREDITS IN AN ACADEMIC PROGRAM, AND WHO HAVE NOT YET EARNED  
5 A CERTIFICATE OR DEGREE.

6 Sec. 217. (1) The workforce development agency shall do all of the following:

7 (a) Establish, maintain, and coordinate the state community college database commonly  
8 known as the "activities classification structure" or "ACS" database.

9 (b) Collect data concerning community colleges and community college programs in this  
10 state, including data required by law.

11 (c) Establish procedures to ensure the validity and reliability of the data and the  
12 collection process.

13 (d) Develop model data collection policies, including, but not limited to, policies  
14 that ensure the privacy of any individual student data. Privacy policies shall ensure that  
15 student social security numbers are not released to the public for any purpose.

16 (e) Provide data in a useful manner to allow state policymakers and community college  
17 officials to make informed policy decisions.

18 (f) Assist community colleges in complying with audits under this section or federal  
19 law.

20 (2) There is created within the workforce development agency the activities  
21 classification structure advisory committee. The committee shall provide advice to the  
22 director of the workforce development agency regarding the management of the state community  
23 college database, including, but not limited to:

24 (a) Determining what data are necessary to collect and maintain to enable state and  
25 community college officials to make informed policy decisions.

26 (b) Defining the roles of all stakeholders in the data collection system.

27 (c) Recommending timelines for the implementation and ongoing collection of data.

28 (d) Establishing and maintaining data definitions, data transmission protocols, and  
29 system specifications and procedures for the efficient and accurate transmission and  
30 collection of data.

31 (e) Establishing and maintaining a process for ensuring the accuracy of the data.

32 (f) Establishing and maintaining policies related to data collection, including, but

1 not limited to, privacy policies related to individual student data.

2 (g) Ensuring that the data are made available to state policymakers and citizens of  
3 this state in the most useful format possible.

4 (h) Addressing other matters as determined by the director of the workforce  
5 development agency or as required by law.

6 (3) The activities classification structure advisory committee created in subsection  
7 (2) shall consist of the following members:

8 (a) One representative from the house fiscal agency, appointed by the director of the  
9 house fiscal agency.

10 (b) One representative from the senate fiscal agency, appointed by the director of the  
11 senate fiscal agency.

12 (c) One representative from the workforce development agency, appointed by the  
13 director of the workforce development agency.

14 (d) One representative from the state budget office, appointed by the state budget  
15 director.

16 (e) One representative from the governor's policy office, appointed by that office.

17 (f) Four representatives of the Michigan community colleges association, appointed by  
18 the president of the association. From the groupings of community colleges given in table 17  
19 of the activities classification structure ~~report~~ **DATABASE** described in subsection ~~(4)~~ **(1)**,  
20 the association shall appoint 1 representative each from group 1, group 2, and group 3, and 1  
21 representative from either group 3 or 4.

22 ~~(4) The activities classification structure advisory committee shall review the~~  
23 ~~existing activities classification structure report, data, definitions, processes, and other~~  
24 ~~items as needed and publish an initial report on their findings and recommendations by July~~  
25 ~~30, 2015. This report shall be submitted to the senate and house appropriations subcommittees~~  
26 ~~on community colleges, the senate and house fiscal agencies, the director of the workforce~~  
27 ~~development agency, the state budget director, and the Michigan community colleges~~  
28 ~~association.~~

29 Sec. 222. Each community college shall have an annual audit of all income and  
30 expenditures performed by an independent auditor and shall furnish the independent auditor's  
31 management letter and an annual audited accounting of all general and current funds income  
32 and expenditures including audits of college foundations to the members of the senate and

1 house appropriations subcommittees on community colleges, the senate and house fiscal  
2 agencies, the auditor general, the workforce development agency, and the state budget  
3 director before November 15 of each year. If a community college fails to furnish the audit  
4 materials, the monthly state aid installments shall be withheld from that college until the  
5 information is submitted. All reporting shall conform to the requirements set forth in the  
6 "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges". ~~It is the~~  
7 ~~intent of the legislature that a~~ community college shall make the information the community  
8 college is required to provide under this section available to the public on its internet  
9 website.

10 Sec. 225. Each community college shall report to the house and senate fiscal agencies,  
11 the state budget director, and the workforce development agency by August 31, ~~2014-2015~~, the  
12 tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-  
13 district student as established by the college governing board for the ~~2014-2015-2015-2016~~  
14 academic year. This report should also include the annual cost of attendance based on a full-  
15 time course load of 30 credits. Each community college shall also report any revisions to the  
16 reported ~~2014-2015-2015-2016~~ academic year tuition and mandatory fees adopted by the college  
17 governing board to the house and senate fiscal agencies, the state budget director, and the  
18 workforce development agency within 15 days of being adopted.

19 Sec. 226. Each community college shall report to the workforce development agency the  
20 numbers and type of associate degrees and other certificates awarded during the previous  
21 fiscal year. The report shall be made not later than November 15 of each year. **COMMUNITY**  
22 **COLLEGES SHALL WORK WITH THE WORKFORCE DEVELOPMENT AGENCY AND THE CENTER FOR EDUCATIONAL**  
23 **PERFORMANCE AND INFORMATION TO DEVELOP A SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS TASK.**

24 Sec. 229. (1) It is ~~the intent of the legislature~~ **EXPECTED** that each community college  
25 that receives an appropriation in section 201 include in its admission application process a  
26 specific question as to whether an applicant for admission has ever served or is currently  
27 serving in the United States armed forces or is the spouse or dependent of an individual who  
28 has served or is currently serving in the United States armed forces, in order to more  
29 quickly identify potential educational assistance available to that applicant.

30 (2) It is ~~the intent of the legislature~~ **EXPECTED** that each public community college  
31 that receives an appropriation in section 201 shall work with the house and senate community  
32 college subcommittees, the Michigan community college association, and veterans groups to



1 review the issue of in-district tuition for veterans of this state when determining tuition  
2 rates and fees.

3 (3) As used in this section, "veteran" means an honorably discharged veteran entitled  
4 to educational assistance under the provisions of section 5003 of the post-911 veterans  
5 educational assistance act of 2008, 38 USC 3301 to 3324.

6 Sec. 229a. Included in the fiscal year ~~2014-2015-2015-2016~~ appropriations for the  
7 department of technology, management, and budget are appropriations **TOTALING \$29,479,600.00**  
8 to provide funding for the state share of costs for previously constructed capital projects  
9 for community colleges. Those appropriations for state building authority rent represent  
10 additional state general fund support for community colleges, and the following is an  
11 estimate of the amount of that support to each community college:

- 12 (a) Alpena Community College, ~~\$485,400.00.~~ **\$652,700.00.**
- 13 (b) Bay de Noc Community College, ~~\$636,600.00.~~ **\$685,900.00.**
- 14 (c) Delta College, ~~\$2,842,800.00.~~ **\$3,510,900.00.**
- 15 (d) Glen Oaks Community College, ~~\$123,300.00.~~ **\$123,100.00.**
- 16 (e) Gogebic Community College, ~~\$16,900.00.~~ **\$67,600.00.**
- 17 (f) Grand Rapids Community College, ~~\$1,792,400.00.~~ **\$2,126,000.00.**
- 18 (g) Henry Ford Community College, ~~\$1,030,800.00.~~ **\$1,028,500.00.**
- 19 (h) Jackson College, ~~\$1,787,300.00.~~ **\$1,677,800.00.**
- 20 (i) Kalamazoo Valley Community College, ~~\$1,471,000.00.~~ **\$1,557,700.00.**
- 21 (j) Kellogg Community College, ~~\$521,400.00.~~ **\$520,200.00.**
- 22 (k) Kirtland Community College, ~~\$364,000.00.~~ **\$363,200.00.**
- 23 (l) Lake Michigan College, ~~\$340,900.00.~~ **\$340,200.00.**
- 24 (m) Lansing Community College, ~~\$610,100.00.~~ **\$1,282,200.00.**
- 25 (n) Macomb Community College, ~~\$1,316,600.00.~~ **\$1,377,400.00.**
- 26 (o) Mid Michigan Community College, ~~\$1,117,300.00.~~ **\$1,712,600.00.**
- 27 (p) Monroe County Community College, ~~\$1,266,500.00.~~ **\$1,263,600.00.**
- 28 (q) Montcalm Community College, ~~\$973,700.00.~~ **\$971,500.00.**
- 29 (r) C.S. Mott Community College, ~~\$1,808,000.00.~~ **\$1,803,900.00.**
- 30 (s) Muskegon Community College, ~~\$198,500.00.~~ **\$267,800.00.**
- 31 (t) North Central Michigan College, ~~\$117,600.00.~~ **\$469,400.00.**
- 32 (u) Northwestern Michigan College, ~~\$1,308,600.00.~~ **\$1,305,600.00.**

- (v) Oakland Community College, ~~\$466,300.00.~~ **\$465,200.00.**
- (w) St. Clair County Community College, ~~\$357,000.00.~~ **\$356,200.00.**
- (x) Schoolcraft College, ~~\$1,550,300.00.~~ **\$1,546,700.00.**
- (y) Southwestern Michigan College, ~~\$231,100.00.~~ **\$286,900.00.**
- (z) Washtenaw Community College, ~~\$1,680,600.00.~~ **\$1,676,800.00.**
- (aa) Wayne County Community College, ~~\$1,466,000.00.~~ **\$1,462,700.00.**
- (bb) West Shore Community College, ~~\$578,600.00.~~ **\$577,300.00.**

Sec. 230. (1) Money included in the appropriations for community college operations under section 201(2) in fiscal year ~~2014-2015~~ **2015-2016** for performance funding is distributed based on the following formula:

- (a) Allocated proportionate to fiscal year ~~2013-2014~~ **2014-2015** base appropriations, 50%.
- (b) Based on contact hour equated students, 10%.
- (c) Based on administrative costs, 7.5%.
- (d) Based on a weighted degree formula, ~~as provided for in the 2006 recommendations of the performance indicators task force, 17.5%.~~ **32.5%.**
- ~~(e) Based on the local strategic value component, as developed in cooperation with the Michigan community college association and described in subsection (2), 15%.~~

~~(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or before October 15, 2014, that the college has met 4 out of 5 best practices listed in each category described in subsection (3). The resolution shall provide specifics as to how the community college meets each best practice measure within each category. One third of funding available under the strategic value component shall be allocated to each category described in subsection (3). Amounts distributed under local strategic value shall be on a proportionate basis to each college's fiscal year 2013-2014 operations funding. Payments to community colleges that qualify for local strategic value funding shall be distributed with the November installment payment described in section 206.~~

~~(3) For purposes of subsection (2), the following categories of best practices reflect functional activities of community colleges that have strategic value to the local communities and regional economies:~~

1           ~~(a) For Category A, economic development and business or industry partnerships, the~~  
2 ~~following:~~

3           ~~(i) The community college has active partnerships with local employers including~~  
4 ~~hospitals and health care providers.~~

5           ~~(ii) The community college provides customized on-site training for area companies,~~  
6 ~~employees, or both.~~

7           ~~(iii) The community college supports entrepreneurship through a small business~~  
8 ~~assistance center or other training or consulting activities targeted toward small~~  
9 ~~businesses.~~

10           ~~(iv) The community college supports technological advancement through industry~~  
11 ~~partnerships, incubation activities, or operation of a Michigan technical education center or~~  
12 ~~other advanced technology center.~~

13           ~~(v) The community college has active partnerships with local or regional workforce and~~  
14 ~~economic development agencies.~~

15           ~~(b) For Category B, educational partnerships, the following:~~

16           ~~(i) The community college has active partnerships with regional high schools,~~  
17 ~~intermediate school districts, and career-tech centers to provide instruction through dual~~  
18 ~~enrollment, concurrent enrollment, direct credit, middle college, or academy programs.~~

19           ~~(ii) The community college hosts, sponsors, or participates in enrichment programs for~~  
20 ~~area K-12 students, such as college days, summer or after school programming, or science~~  
21 ~~Olympiad.~~

22           ~~(iii) The community college provides, supports, or participates in programming to~~  
23 ~~promote successful transitions to college for traditional age students, including grant~~  
24 ~~programs such as talent search, upward bound, or other activities to promote college~~  
25 ~~readiness in area high schools and community centers.~~

26           ~~(iv) The community college provides, supports, or participates in programming to~~  
27 ~~promote successful transitions to college for new or recentering adult students, such as adult~~  
28 ~~basic education, general education development certificate preparation and testing, or~~  
29 ~~recruiting, advising, or orientation activities specific to adults.~~

30           ~~(v) The community college has active partnerships with regional 4-year colleges and~~  
31 ~~universities to promote successful transfer, such as articulation, 2+2, or reverse transfer~~  
32 ~~agreements or operation of a university center.~~

1 ~~(c) For Category C, community services, the following:~~

2 ~~(i) The community college provides continuing education programming for leisure,~~  
3 ~~wellness, personal enrichment, or professional development.~~

4 ~~(ii) The community college operates or sponsors opportunities for community members to~~  
5 ~~engage in activities that promote leisure, wellness, cultural or personal enrichment such as~~  
6 ~~community sports teams, theater or musical ensembles, or artist guilds.~~

7 ~~(iii) The community college operates public facilities to promote cultural,~~  
8 ~~educational, or personal enrichment for community members, such as libraries, computer labs,~~  
9 ~~performing arts centers, museums, art galleries, or television or radio stations.~~

10 ~~(iv) The community college operates public facilities to promote leisure or wellness~~  
11 ~~activities for community members, including gymnasiums, athletic fields, tennis courts,~~  
12 ~~fitness centers, hiking or biking trails, or natural areas.~~

13 ~~(v) The community college promotes, sponsors, or hosts community service activities~~  
14 ~~for students, staff, or community members.~~

15 **(2) PAYMENTS FOR PERFORMANCE FUNDING UNDER SECTION 201(2) SHALL BE MADE TO A COMMUNITY**  
16 **COLLEGE ONLY IF THAT COMMUNITY COLLEGE ACTIVELY PARTICIPATES IN AND SUBMITS TIMELY UPDATES TO**  
17 **THE MICHIGAN TRANSFER NETWORK SPONSORED BY THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS**  
18 **AND ADMISSIONS OFFICERS. THE STATE BUDGET DIRECTOR SHALL DETERMINE IF A COMMUNITY COLLEGE HAS**  
19 **NOT SATISFIED THIS REQUIREMENT. THE STATE BUDGET DIRECTOR MAY WITHHOLD PAYMENTS FOR**  
20 **PERFORMANCE FUNDING UNTIL A COMMUNITY COLLEGE IS IN COMPLIANCE WITH THIS SECTION.**

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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, ~~2015,~~ **2016**, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,516,496,300.00.~~ **\$1,541,219,200.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,516,496,300.00.~~ **\$1,541,219,200.00.**

1 (b) The sources of the adjusted gross appropriation described in subdivision (a) are  
2 as follows:

3 (i) Total federal revenues, \$97,026,400.00.

4 (ii) Total local revenues, \$0.00.

5 (iii) Total private revenues, \$0.00.

6 (iv) Total other state restricted revenues, ~~\$204,567,900.00~~ **\$205,279,500.00**.

7 (v) State general fund/general purpose money, ~~\$1,214,902,000.00~~ **\$1,238,913,300.00**.

8 (2) Amounts appropriated for public universities are as follows:

9 (a) The appropriation for Central Michigan University is ~~\$79,115,000.00,~~  
10 ~~\$73,540,100.00~~ **\$81,502,900.00**, **\$79,164,800.00** for operations and ~~\$5,574,900.00~~ **\$2,338,100.00**  
11 for performance funding.

12 (b) The appropriation for Eastern Michigan University is ~~\$71,771,100.00,~~  
13 ~~\$67,275,400.00~~ **\$73,196,700.00**, **\$71,782,500.00** for operations and ~~\$4,495,700.00~~ **\$1,414,200.00**  
14 for performance funding.

15 (c) The appropriation for Ferris State University is ~~\$49,087,000.00,~~ ~~\$45,636,500.00~~  
16 **\$50,606,700.00**, **\$49,119,100.00** for operations and ~~\$3,450,500.00~~ **\$1,487,600.00** for performance  
17 funding.

18 (d) The appropriation for Grand Valley State University is ~~\$63,136,000.00,~~  
19 ~~\$57,823,500.00~~ **\$65,680,200.00**, **\$63,156,500.00** for operations and ~~\$5,312,500.00~~ **\$2,523,700.00**  
20 for performance funding.

21 (e) The appropriation for Lake Superior State University is ~~\$12,782,500.00,~~  
22 ~~\$12,231,000.00~~ **\$13,247,300.00**, **\$12,997,500.00** for operations and ~~\$551,500.00~~ **\$249,800.00** for  
23 performance funding.

24 (f) The appropriation for Michigan State University is ~~\$324,038,100.00,~~  
25 ~~\$249,597,800.00~~ **\$330,391,700.00**, **\$264,437,900.00** for operations, ~~\$14,831,300.00~~ **\$5,152,600.00**  
26 for performance funding, ~~\$32,027,900.00~~ **\$32,668,500.00** for MSU AgBioResearch, and  
27 ~~\$27,581,100.00~~ **\$28,132,700.00** for MSU extension.

28 (g) The appropriation for Michigan Technological University is ~~\$45,923,100.00,~~  
29 ~~\$43,473,800.00~~ **\$46,908,000.00**, **\$45,938,000.00** for operations and ~~\$2,449,300.00~~ **\$970,000.00**  
30 for performance funding.

31 (h) The appropriation for Northern Michigan University is ~~\$44,277,200.00,~~  
32 ~~\$41,741,400.00~~ **\$45,254,400.00**, **\$44,338,300.00** for operations and ~~\$2,535,800.00~~ **\$916,100.00**

1 for performance funding.

2 (i) The appropriation for Oakland University is ~~\$48,364,100.00, \$45,651,600.00~~  
3 **\$50,021,000.00, \$48,371,900.00** for operations and ~~\$2,712,500.00~~ **\$1,649,100.00** for performance  
4 funding.

5 (j) The appropriation for Saginaw Valley State University is ~~\$27,610,200.00,~~  
6 ~~\$25,991,000.00~~ **\$28,120,400.00, \$27,621,600.00** for operations and ~~\$1,619,200.00~~ **\$498,800.00**  
7 for performance funding.

8 (k) The appropriation for University of Michigan - Ann Arbor is ~~\$295,174,100.00,~~  
9 ~~\$279,232,700.00~~ **\$300,874,900.00, \$295,178,500.00** for operations and ~~\$15,941,400.00~~  
10 **\$5,696,400.00** for performance funding.

11 (l) The appropriation for University of Michigan - Dearborn is ~~\$23,689,300.00,~~  
12 ~~\$22,510,400.00~~ **\$24,095,700.00, \$23,701,000.00** for operations and ~~\$1,178,900.00~~ **\$394,700.00**  
13 for performance funding.

14 (m) The appropriation for University of Michigan - Flint is ~~\$21,337,700.00,~~  
15 ~~\$19,938,200.00~~ **\$21,901,700.00, \$21,359,600.00** for operations and ~~\$1,399,500.00~~ **\$542,100.00**  
16 for performance funding.

17 (n) The appropriation for Wayne State University is ~~\$190,519,800.00, \$183,398,300.00~~  
18 **\$191,623,200.00, \$190,529,900.00** for operations and ~~\$7,121,500.00~~ **\$1,093,300.00** for  
19 performance funding.

20 (o) The appropriation for Western Michigan University is ~~\$102,742,000.00,~~  
21 ~~\$97,279,000.00~~ **\$104,633,700.00, \$102,761,100.00** for operations and ~~\$5,463,000.00~~  
22 **\$1,872,600.00** 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, \$200,019,500.00.

26 (b) State general fund/general purpose money, ~~\$1,199,547,700.00~~ **\$1,228,039,000.00.**

27 (4) The amount appropriated for Michigan public school employees' retirement system  
28 reimbursement is ~~\$2,446,200.00, \$446,200.00~~ **\$5,160,000.00**, appropriated from the state school  
29 aid fund ~~and \$2,000,000.00 appropriated from general fund/general purpose money.~~

30 ~~(5) For fiscal year 2014-2015 only, in addition to the amount appropriated under~~  
31 ~~subsection (4), \$4,002,200.00 is appropriated for Michigan public school employees'~~  
32 ~~retirement system reimbursement, appropriated from the state school aid fund.~~

1 (5) ~~(6)~~ The amount appropriated for state and regional programs is ~~\$2,295,000.00~~  
2 **\$315,000.00** appropriated from general fund/general purpose money and allocated as follows:

3 ~~(a) College access program, \$2,000,000.00.~~

4 (A) ~~(b)~~ Higher education database modernization and conversion, \$200,000.00.

5 (B) ~~(c)~~ Midwestern higher education compact, ~~\$95,000.00.~~ **\$115,000.00.**

6 (6) ~~(7)~~ The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa  
7 Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and  
8 allocated as follows:

9 (a) Select student support services, \$1,956,100.00.

10 (b) Michigan college/university partnership program, \$586,800.00.

11 (c) Morris Hood, Jr. educator development program, \$148,600.00.

12 (7) ~~(8)~~ Subject to subsection ~~(9)~~, (8), the amount appropriated for grants and  
13 financial aid is ~~\$105,494,200.00.~~ **\$104,994,200.00**, allocated as follows:

14 (a) State competitive scholarships, \$18,361,700.00.

15 (b) Tuition grants, \$33,532,500.00.

16 (c) Tuition incentive program, \$48,500,000.00.

17 (d) Children of veterans and officer's survivor tuition grant programs, \$1,400,000.00.

18 (e) Project GEAR-UP, \$3,200,000.00.

19 ~~(f) North American Indian tuition waivers, \$500,000.00.~~

20 (8) ~~(9)~~ The money appropriated in subsection ~~(8)~~ (7) for grants and financial aid is  
21 appropriated from the following:

22 (a) Federal revenues under the United States department of education, office of  
23 elementary and secondary education, GEAR-UP program, \$3,200,000.00.

24 (b) Federal revenues under the social security act, temporary assistance for needy  
25 families, \$93,826,400.00.

26 (c) Contributions to children of veterans tuition grant program, \$100,000.00.

27 (d) State general fund/general purpose money, ~~\$8,367,800.00.~~ **\$7,867,800.00.**

28 Sec. 236b. In addition to the funds appropriated in section 236, there is appropriated  
29 for grants and financial aid in fiscal year ~~2014-2015~~ **2015-2016** an amount not to exceed  
30 \$6,000,000.00 for federal contingency funds. These funds are not available for expenditure  
31 until they have been transferred under section 393(2) of the management and budget act, 1984  
32 PA 431, MCL 18.1393, for another purpose under this article.



1           Sec. 236c. In addition to the funds appropriated for fiscal year ~~2014-2015~~**2015-2016**  
2 in section 236, appropriations to the department of technology, management, and budget in the  
3 act providing general appropriations for fiscal year ~~2014-2015~~**2015-2016** for state building  
4 authority rent, totaling an estimated ~~\$124,825,300.00~~, **\$135,995,300.00**, provide funding for  
5 the state share of costs for previously constructed capital projects for state universities.  
6 These appropriations for state building authority rent represent additional state general  
7 fund support provided to public universities, and the following is an estimate of the amount  
8 of that support to each university:

- 9           (a) Central Michigan University, ~~\$9,103,200.00~~. **\$9,551,800.00**.  
10           (b) Eastern Michigan University, ~~\$4,861,700.00~~. **\$4,860,900.00**.  
11           (c) Ferris State University, ~~\$6,252,200.00~~. **\$6,251,200.00**.  
12           (d) Grand Valley State University, ~~\$4,252,500.00~~. **\$6,952,300.00**.  
13           (e) Lake Superior State University, ~~\$1,112,900.00~~. **\$1,720,300.00**.  
14           (f) Michigan State University, ~~\$16,101,200.00~~. **\$16,549,200.00**.  
15           (g) Michigan Technological University, ~~\$7,444,600.00~~. **\$7,443,400.00**.  
16           (h) Northern Michigan University, ~~\$8,016,400.00~~. **\$9,706,200.00**.  
17           (i) Oakland University, ~~\$10,969,800.00~~. **\$12,993,400.00**.  
18           (j) Saginaw Valley State University, ~~\$9,777,400.00~~. **\$9,865,800.00**.  
19           (k) University of Michigan - Ann Arbor, ~~\$9,159,200.00~~. **\$9,607,800.00**.  
20           (l) University of Michigan - Dearborn, ~~\$6,296,200.00~~. **\$6,745,200.00**.  
21           (m) University of Michigan - Flint, ~~\$2,855,000.00~~. **\$3,104,000.00**.  
22           (n) Wayne State University, ~~\$13,679,800.00~~. **\$15,703,000.00**.  
23           (o) Western Michigan University, ~~\$14,943,200.00~~. **\$14,940,800.00**.

24           Sec. 241. (1) Subject to ~~section~~ **SECTIONS 244 AND** 265a, the funds appropriated in  
25 section 236 to public universities shall be paid out of the state treasury and distributed by  
26 the state treasurer to the respective institutions in 11 equal monthly installments on the  
27 sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2014~~  
28 **2015**. Except for Wayne State University, each institution shall accrue its July and August  
29 ~~2015~~ **2016** payments to its institutional fiscal year ending June 30, ~~2015~~**2016**.

30           (2) All public universities shall submit higher education institutional data inventory  
31 (HEIDI) data and associated financial and program information requested by and in a manner  
32 prescribed by the state budget director. For public universities with fiscal years ending

1 June 30, ~~2014~~**2015**, these data shall be submitted to the state budget director by October 15,  
2 ~~2014~~**2015**. Public universities with a fiscal year ending September 30, ~~2014~~**2015** shall submit  
3 preliminary HEIDI data by November 15, ~~2014~~**2015** and final data by December 15, ~~2014~~**2015**. If  
4 a public university fails to submit HEIDI data and associated financial aid program  
5 information in accordance with this reporting schedule, the state treasurer may withhold the  
6 monthly installments under subsection (1) to the public university until those data are  
7 submitted.

8 Sec. 242. Funds received by the state from the federal government or private sources  
9 for the use of a college or university are appropriated for the purposes for which they are  
10 provided. ~~The acceptance and use of federal or private funds do not place an obligation on~~  
11 ~~the legislature to continue the purposes for which the funds are made available.~~

12 Sec. 245. (1) A public university shall maintain a public transparency website  
13 available through a link on its website homepage. The public university shall update this  
14 website within 30 days after the university's governing board adopts its annual operating  
15 budget for the next academic year, or after the governing board adopts a subsequent revision  
16 to that budget.

17 (2) The website required under subsection (1) shall include all of the following  
18 concerning the public university:

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

20 (b) A summary of current expenditures for the most recent fiscal year for which they  
21 are available, expressed as pie charts in the following 2 categories:

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

23 (A) Earnings and wages.

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

26 (C) Retirement benefit costs.

27 (D) All other personnel costs.

28 (ii) A chart of all current expenditures the public university reported as part of its  
29 higher education institutional data inventory data under section 241(2), broken into the same  
30 subcategories in which it reported those data.

31 (c) Links to all of the following for the public university:

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

1 (ii) Each health care benefits plan, including, but not limited to, medical, dental,  
2 vision, disability, long-term care, or any other type of benefits that would constitute  
3 health care services, offered to any bargaining unit or employee of the public university.

4 (iii) Audits and financial reports for the most recent fiscal year for which they are  
5 available.

6 (iv) Campus security policies and crime statistics pursuant to the student right-to-  
7 know and campus security act, Public Law 101-542, 104 Stat. 2381. Information shall include  
8 all material prepared pursuant to the public information reporting requirements under the  
9 crime awareness and campus security act of 1990, title II of the student right-to-know and  
10 campus security act, Public Law 101-542, 104 Stat. 2381.

11 (d) A list of all positions funded partially or wholly through institutional general  
12 fund revenue that includes the position title and annual salary or wage amount for each  
13 position.

14 (e) General fund revenue and expenditure projections for the current fiscal year and  
15 the next fiscal year.

16 (f) A listing of all debt service obligations, detailed by project, anticipated fiscal  
17 year payment for each project, and total outstanding debt for the current fiscal year.

18 (g) The institution's policy regarding the transferability of core college courses  
19 between community colleges and the university.

20 (h) A listing of all community colleges that have entered into reverse transfer  
21 agreements with the university.

22 (3) On the website required under subsection (1), a public university shall provide a  
23 dashboard or report card demonstrating the university's performance in several "best  
24 practice" measures. The dashboard or report card shall include at least all of the following  
25 for the 3 most recent academic years for which the data are available:

26 (a) Enrollment.

27 (b) Student retention rate.

28 (c) Six-year graduation rates.

29 (d) Number of Pell grant recipients and graduating Pell grant recipients.

30 (e) Geographic origination of students, categorized as in-state, out-of-state, and  
31 international.

32 (f) Faculty to student ratios and total university employee to student ratios.

1 (g) Teaching load by faculty classification.

2 (h) Graduation outcome rates, including employment and continuing education.

3 (4) For statewide consistency and public visibility, public universities must use the  
4 icon badge provided by the department of technology, management, and budget consistent with  
5 the icon badge developed by the department of education for K-12 school districts. It must  
6 appear on the front of each public university's homepage. The size of the icon may be reduced  
7 to 150 x 150 pixels. The font size and style for this reporting must be consistent with other  
8 documents on each university's website.

9 ~~(5) The state budget director shall determine whether a public university has complied~~  
10 ~~with this section. The state budget director may withhold a public university's monthly~~  
11 ~~installments described in section 241 until the public university complies with this section.~~

12 ~~(6) By November 15 of each year, a public university shall report the following~~  
13 ~~information to the center for educational performance and information and post the~~  
14 ~~information on its website under the budget transparency icon badge:~~

15 ~~(a) Opportunities for earning college credit through the following programs:~~

16 ~~(i) State approved career and technical education or a tech prep articulated program~~  
17 ~~of study.~~

18 ~~(ii) Direct college credit or concurrent enrollment.~~

19 ~~(iii) Dual enrollment.~~

20 ~~(iv) An early college/middle college program.~~

21 ~~(b) For each program described in subdivision (a) that the public university offers,~~  
22 ~~all of the following information:~~

23 ~~(i) The number of high school students participating in the program.~~

24 ~~(ii) The number of school districts that participate in the program with the public~~  
25 ~~university.~~

26 ~~(iii) Whether a university professor, qualified local school district employee, or~~  
27 ~~other individual teaches the course or courses in the program.~~

28 ~~(iv) The total cost to the public university to operate the program.~~

29 ~~(v) The cost per credit hour for the course or courses in the program.~~

30 ~~(vi) The location where the course or courses in the program are held.~~

31 ~~(vii) Instructional resources offered to the program instructors.~~

32 ~~(viii) Resources offered to the student in the program.~~

1 ~~(ix) Transportation services provided to students in the program.~~

2 Sec. 246. (1) **ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE FISCAL YEAR 2015-**  
3 **2016 APPROPRIATIONS DESCRIBED IN SECTION 236(4) FOR PAYMENTS TO UNIVERSITIES THAT ARE**  
4 **PARTICIPATING ENTITIES OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM:**

5 (A) The funds appropriated in section 236(4) for Michigan public school employees'  
6 retirement system reimbursement shall be allocated to each participating public university  
7 under this section based on each participating public university's percentage of the total  
8 combined payrolls of the universities' employees who are members of the retirement system and  
9 who were hired before January 1, 1996 and the universities' employees who would have been  
10 members of the retirement system on or after January 1, 1996, but for the enactment of 1995  
11 PA 272 for all public universities that are participating public universities for the  
12 immediately preceding state fiscal year.

13 (B) **THE AMOUNT OF A PAYMENT UNDER SECTION 236(4) SHALL BE EQUAL TO THE DIFFERENCE**  
14 **BETWEEN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE FOR UNIVERSITY REPORTING**  
15 **UNITS AS CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979,**  
16 **1980 PA 300, MCL 38.1341, AS CALCULATED WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE**  
17 **OF 25.73% INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980**  
18 **PA 300, MCL 38.1341, AND THE MAXIMUM EMPLOYER RATE FOR UNIVERSITY REPORTING UNITS OF 25.73%**  
19 **UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL**  
20 **38.1341.** Payments shall be made in a form and manner determined by the office of retirement  
21 services.

22 (C) A public university that receives money under ~~this~~ section 236(4) shall use that  
23 money solely for the purpose of ~~offsetting a portion of the retirement contributions owed by~~  
24 ~~the university.~~ **EACH PARTICIPATING UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION 236(4) SHALL**  
25 **FORWARD AN AMOUNT EQUAL TO THE AMOUNT RECEIVED UNDER SECTION 236(4) TO THE MICHIGAN PUBLIC**  
26 **SCHOOL EMPLOYEES RETIREMENT SYSTEM IN A FORM AND MANNER DETERMINED BY THE OFFICE OF**  
27 **RETIREMENT SERVICES.**

28 (2) As used in this section, "participating public university" means a public  
29 university that is a reporting unit of the Michigan public school employees' retirement  
30 system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
31 38.1408, and that pays contributions to the Michigan public school employees' retirement  
32 system for the state fiscal year.

1           Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant  
2 program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

3           (2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in  
4 undergraduate degree programs who are qualified and who apply before July 1, **2014 FOR THE**  
5 **2014-2015 ACADEMIC YEAR AND MARCH 1** of each year ~~for the next~~ **THEREAFTER BEGINNING WITH THE**  
6 **2015-2016** academic year.

7           (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections ~~(7)~~  
8 **(6)** and ~~(8)~~, **(7)**, the department of treasury shall determine an actual maximum tuition grant  
9 award per student, which shall be no less than \$1,512.00, that ensures that the aggregate  
10 payments for the tuition grant program do not exceed the appropriation contained in section  
11 236 for the state tuition grant program. If the department determines that insufficient funds  
12 are available to establish a maximum award amount equal to at least \$1,512.00, the department  
13 shall immediately report to the house and senate appropriations subcommittees on higher  
14 education, the house and senate fiscal agencies, and the state budget director regarding the  
15 estimated amount of additional funds necessary to establish a \$1,512.00 maximum award amount.  
16 If the department determines that sufficient funds are available to establish a maximum award  
17 amount equal to at least \$1,512.00, the department shall immediately report to the house and  
18 senate appropriations subcommittees on higher education, the house and senate fiscal  
19 agencies, and the state budget director regarding the maximum award amount established. ~~and~~  
20 ~~the projected amount of any projected year end appropriation balance based on that maximum~~  
21 ~~award amount. By December 15, and again by~~ **BY** February 18 of each fiscal year, the department  
22 shall analyze the status of award commitments, shall make any necessary adjustments, and  
23 shall confirm that those award commitments will not exceed the appropriation contained in  
24 section 236 for the tuition grant program. The determination and actions shall be reported to  
25 the state budget director and the house and senate fiscal agencies no later than the final  
26 day of February of each year. If award adjustments are necessary, the students shall be  
27 notified of the adjustment by March 4 of each year.

28           ~~(4) Any unexpended and unencumbered funds remaining on September 30, 2015 from the~~  
29 ~~amounts appropriated in section 236 for the tuition grant program for fiscal year 2014-2015~~  
30 ~~shall not lapse on September 30, 2015, but shall continue to be available for expenditure for~~  
31 ~~tuition grants provided in the 2015-2016 fiscal year under a work project account. The use of~~  
32 ~~these unexpended fiscal year 2014-2015 funds shall terminate at the end of the 2015-2016~~

1 ~~fiscal year.~~

2 (4) ~~(5)~~ The department of treasury shall continue a proportional tuition grant maximum  
3 award level for recipients enrolled less than full-time in a given semester or term.

4 (5) ~~(6)~~ If the department of treasury increases the maximum award per eligible student  
5 from that provided in the previous fiscal year, it shall not have the effect of reducing the  
6 number of eligible students receiving awards in relation to the total number of eligible  
7 applicants. Any increase in the maximum grant shall be proportional for all eligible students  
8 receiving awards for that fiscal year.

9 (6) ~~(7)~~ ~~Except as provided in subsection (4),~~ the **THE** department of treasury shall not  
10 award more than ~~\$3,200,000.00~~ **\$3,000,000.00** in tuition grants to eligible students enrolled  
11 in the same independent nonprofit college or university in this state. Any decrease in the  
12 maximum grant shall be proportional for all eligible students enrolled in that college or  
13 university, as determined by the department.

14 (7) ~~(8)~~ The department of treasury shall not award tuition grants to otherwise  
15 eligible students enrolled in an independent college or university that does not report, in a  
16 form and manner directed by and satisfactory to the department of treasury, by ~~August 31~~  
17 **SEPTEMBER 30** of each year, ~~beginning with August 31, 2015,~~ all of the following:

18 (a) The number of students in the most recently completed academic year that **EVER**  
19 received a state tuition grant **AT THE REPORTING INSTITUTION** and successfully completed a  
20 program or graduated.

21 (b) The number of students in the most recently completed academic year that **EVER**  
22 received a state tuition grant **AT THE REPORTING INSTITUTION** and took a remedial education  
23 class.

24 (c) The number of students in the most recently completed academic year that **EVER**  
25 received a Pell grant **AT THE REPORTING INSTITUTION** and successfully completed a program or  
26 graduated.

27 (8) **THE DEPARTMENT OF TREASURY SHALL NOT AWARD TUITION GRANTS TO OTHERWISE ELIGIBLE**  
28 **STUDENTS ENROLLED IN AN INDEPENDENT COLLEGE OR UNIVERSITY THAT DOES NOT SUBMIT THE ANNUAL P-**  
29 **20 LONGITUDINAL DATA SYSTEM DATA SETS TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND**  
30 **INFORMATION, IN A FORM AND MANNER DIRECTED BY AND SATISFACTORY TO THE CENTER FOR EDUCATIONAL**  
31 **PERFORMANCE AND INFORMATION, BY SEPTEMBER 30 OF EACH YEAR, BEGINNING WITH SEPTEMBER 30, 2016.**

32 Sec. 254. The sums appropriated in **SECTION 201 AND** section 236 for ~~the state~~

1 ~~competitive scholarship, tuition incentive, and tuition grant programs~~ **STUDENT FINANCIAL AID**  
2 **PROGRAMS** shall be paid out of the state treasury and shall be distributed to the respective  
3 institutions under a quarterly payment system as follows: 50% shall be paid at the beginning  
4 of the state's first fiscal quarter, 30% during the state's second fiscal quarter, 10% during  
5 the state's third fiscal quarter, and 10% during the state's fourth fiscal quarter.

6 Sec. 255. The department of treasury shall determine the needs analysis criteria for  
7 students to qualify for the state competitive scholarship program, ~~and~~ tuition grant program,  
8 **AND INDEPENDENT PART-TIME STUDENT GRANTS PROGRAM**. To be consistent with federal requirements,  
9 the department of treasury may take student wages into consideration when determining the  
10 amount of the award.

11 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program  
12 shall be distributed as provided in this section and pursuant to the administrative  
13 procedures for the tuition incentive program of the department of treasury.

14 (2) As used in this section:

15 (a) "Phase I" means the first part of the tuition incentive assistance program defined  
16 as the academic period of 80 semester or 120 term credits, or less, leading to an associate  
17 degree or certificate.

18 (b) "Phase II" means the second part of the tuition incentive assistance program which  
19 provides assistance in the third and fourth year of 4-year degree programs.

20 (c) "Department" means the department of treasury.

21 (3) An individual shall meet the following basic criteria and financial thresholds to  
22 be eligible for tuition incentive benefits:

23 (a) To be eligible for phase I, an individual shall meet all of the following  
24 criteria:

25 (i) Apply for certification to the department any time after he or she begins the  
26 sixth grade but before August 31 of the school year in which he or she graduates from high  
27 school or before completing a general education development certificate.

28 (ii) Be less than 20 years of age at the time he or she graduates from high school  
29 with a diploma or certificate of completion or completes a general education development  
30 certificate.

31 (iii) Be a United States citizen and a resident of Michigan according to institutional  
32 criteria.



1 (iv) Be at least a half-time student, earning less than 80 semester or 120 term  
2 credits at a participating educational institution within 4 years of high school graduation  
3 or completion of a general education development certificate.

4 (v) Request information on filing a FAFSA.

5 (vi) Must 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 and  
12 must be financially eligible as determined by the department. An individual is financially  
13 eligible for the tuition incentive program if he or she was eligible for Medicaid from the  
14 state of Michigan for 24 months within the 36 months before application. The department shall  
15 accept certification of Medicaid eligibility only from the department of human services for  
16 the purposes of verifying if a person is Medicaid eligible for 24 months within the 36 months  
17 before application. Certification of eligibility may begin in the sixth grade. As used in  
18 this subdivision, "incarcerated" does not include detention of a juvenile in a state-operated  
19 or privately operated juvenile detention facility.

20 (4) For phase I, the department shall provide payment on behalf of a person eligible  
21 under subsection (3). The department shall reject billings that are excessive or outside the  
22 guidelines for the type of educational institution.

23 (5) For phase I, all of the following apply:

24 (a) Payments for associate degree or certificate programs shall not be made for more  
25 than 80 semester or 120 term credits for any individual student at any participating  
26 institution.

27 (b) For persons enrolled at a Michigan community college, the department shall pay the  
28 current in-district tuition and mandatory fees. For persons residing in an area that is not  
29 included in any community college district, the out-of-district tuition rate may be  
30 authorized.

31 (c) For persons enrolled at a Michigan public university, the department shall pay  
32 lower division resident tuition and mandatory fees for the current year.

1 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting college  
2 or university, or a Michigan federal tribally controlled community college, or Focus: HOPE,  
3 the department shall pay mandatory fees for the current year and a per-credit payment that  
4 does not exceed the average community college in-district per-credit tuition rate as reported  
5 on August 1, for the immediately preceding academic year.

6 (6) A person participating in phase II may be eligible for additional funds not to  
7 exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the  
8 following conditions:

9 (a) Credits are earned in a 4-year program at a Michigan degree-granting ~~4-year~~  
10 college or university.

11 (b) The tuition reimbursement is for coursework completed within 30 months of  
12 completion of the phase I requirements.

13 (7) The department shall work closely with participating institutions to develop an  
14 application and eligibility determination process that will provide the highest level of  
15 participation and ensure that all requirements of the program are met.

16 (8) Applications for the tuition incentive program may be approved at any time after  
17 the student begins the sixth grade. If a determination of financial eligibility is made, that  
18 determination is valid as long as the student meets all other program requirements and  
19 conditions.

20 (9) Each institution shall ensure that all known available restricted grants for  
21 tuition and fees are used prior to billing the tuition incentive program for any portion of a  
22 student's tuition and fees.

23 (10) The department shall ensure that the tuition incentive program is well publicized  
24 and that eligible Medicaid clients are provided information on the program. The department  
25 shall provide the necessary funding and staff to fully operate the program.

26 Sec. 258. By February 15 of each year, the department of treasury shall post to its  
27 publicly available website a report for the preceding fiscal year on all student financial  
28 aid programs for which funds are appropriated in **SECTION 201 OR** section 236. For each student  
29 financial aid program, the report shall include, but is not limited to, the total number of  
30 awards paid in the preceding fiscal year, the total dollar amount of those awards, and the  
31 number of students receiving awards and the total amount of those awards at each eligible  
32 postsecondary institution. To the extent information is available, the report shall also

1 include information on household income and other demographic characteristics of students  
2 receiving awards under each program and historical information on the number of awards and  
3 total award amounts for each program.

4 **SEC. 260. A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 IS ENCOURAGED TO ADOPT**  
5 **THE COMMON APPLICATION, MANAGED BY THE COMMON APPLICATION, INCORPORATED, TO MAKE**  
6 **POSTSECONDARY EDUCATION MORE ACCESSIBLE TO STUDENTS IN THIS STATE.**

7 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2014-2015~~  
8 **2015-2016** for MSU AgBioResearch is \$2,982,900.00 and included in the appropriation in section  
9 236 for MSU extension is \$2,645,200.00 for project GREEN. Project GREEN is intended to  
10 address critical regulatory, food safety, economic, and environmental problems faced by this  
11 state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym  
12 for generating research and extension to meet environmental and economic needs.

13 (2) The department of agriculture and rural development and Michigan State University,  
14 in consultation with agricultural commodity groups and other interested parties, shall  
15 develop project GREEN and its program priorities.

16 Sec. 263a. (1) Not later than September 30 of each year, Michigan State University  
17 shall submit a report on MSU AgBioResearch and MSU extension to the house and senate  
18 appropriations subcommittees on agriculture and on higher education, the house and senate  
19 standing committees on agriculture, the house and senate fiscal agencies, and the state  
20 budget director for the preceding academic fiscal year.

21 (2) The report required under subsection (1) shall include all of the following:

22 (a) Total funds expended by MSU AgBioResearch and by MSU extension service identified  
23 by state, local, private, federal, and university fund sources.

24 (b) The metric goals that were used to evaluate the impacts of programs operated by  
25 MSU extension and MSU AgBioResearch. ~~It is the intent of the legislature that the~~ **THE**  
26 following metric goals will be used to evaluate the impacts of those programs:

27 (i) Increasing the number of agriculture and food-related firms collaborating with and  
28 using services of research and extension faculty and staff by 3% per year.

29 (ii) Increasing the number of individuals utilizing MSU extension's educational  
30 services by 5% per year.

31 (iii) Increasing external funds generated in support of research and extension, beyond  
32 state appropriations, by 10% over the amounts generated in the past 3 state fiscal years.

1 (iv) Increasing the sector's total economic impact ~~from today's \$71,000,000,000.00 to~~  
2 **AT LEAST** \$100,000,000,000.00.

3 (v) ~~Doubling~~**INCREASING** Michigan's agricultural exports ~~from \$1,750,000,000.00 to~~ **AT**  
4 **LEAST** \$3,500,000,000.00.

5 (vi) Increasing jobs in the food and agriculture sector by 10%.

6 (vii) Improving access by Michigan consumers to healthy foods by 20%.

7 (c) A review of major programs within both MSU AgBioResearch and MSU extension with  
8 specific reference to accomplishments, impacts, and the metrics described in subdivision (b),  
9 including a specific accounting of Project GREEN expenditures and the impact of those  
10 expenditures.

11 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2014-2015-2015-~~  
12 **2016** for Michigan State University is \$80,000.00 for the Michigan future farmers of America  
13 association. This \$80,000.00 allocation shall not supplant any existing support that Michigan  
14 State University provides to the Michigan future farmers of America association.

15 Sec. 265. (1) Payments under section 265a for performance funding shall only be made  
16 to a public university that certifies to the state budget director by August 31, ~~2014-2015~~  
17 that its board did not adopt an increase in tuition and fee rates for resident undergraduate  
18 students after September 1, ~~2013-2014~~ for the ~~2013-2014~~ **2014-2015** academic year and that its  
19 board will not adopt an increase in tuition and fee rates for resident undergraduate students  
20 for the ~~2014-2015~~ **2015-2016** academic year that is greater than ~~3.2%~~ **2.8%**. As used in this  
21 subsection:

22 (a) ~~Subject to subdivision (c), "fee"~~ **"FEE"** means any board-authorized fee that will  
23 be paid by more than 1/2 of all resident undergraduate students at least once during their  
24 enrollment at a public university. A university increasing a fee that applies to a specific  
25 subset of students or courses shall provide sufficient information to prove that the increase  
26 applied to that subset will not cause the increase in the average amount of board-authorized  
27 total tuition and fees paid by resident undergraduate students in the ~~2014-2015~~ **2015-2016**  
28 academic year to exceed the limit established in this subsection.

29 (b) "Tuition and fee rate" means the average of full-time rates for all undergraduate  
30 classes, based on an average of the rates authorized by the university board and actually  
31 charged to students, deducting any uniformly-rebated or refunded amounts, for the 2 semesters  
32 with the highest levels of full-time equated resident undergraduate enrollment during the

1 academic year.

2 ~~(c) For purposes of subdivision (a), for a public university that compels resident~~  
3 ~~undergraduate students to be covered by health insurance as a condition to enroll at the~~  
4 ~~university, "fee" includes the annual amount a student is charged for coverage by the~~  
5 ~~university affiliated group health insurance policy if he or she does not provide proof that~~  
6 ~~he or she is otherwise covered by health insurance. This subdivision does not apply to~~  
7 ~~limited subsets of resident undergraduate students to be covered by health insurance for~~  
8 ~~specific reasons other than general enrollment at the university.~~

9 (2) The state budget director shall implement uniform reporting requirements to ensure  
10 that a public university receiving a payment under section 265a for performance funding has  
11 satisfied the tuition restraint requirements of this section. The state budget director shall  
12 have the sole authority to determine if a public university has met the requirements of this  
13 section. Information reported by a public university to the state budget director under this  
14 subsection shall also be reported to the house and senate appropriations subcommittees on  
15 higher education and the house and senate fiscal agencies.

16 Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal year  
17 ~~2014-2015~~ **2015-2016** for performance funding shall be paid only to a public university that  
18 complies with section 265 and certifies to the state budget director, the house and senate  
19 appropriations subcommittees on higher education, and the house and senate fiscal agencies by  
20 August 31, ~~2014~~ **2015** that it complies with all of the following requirements:

21 (a) The university participates in reverse transfer agreements described in section  
22 286 with at least 3 Michigan community colleges or has made a good-faith effort to enter into  
23 reverse transfer agreements.

24 (b) The university does not and will not consider whether dual enrollment credits  
25 earned by an incoming student were utilized towards his or her high school graduation  
26 requirements when making a determination as to whether those credits may be used by the  
27 student toward completion of a university degree or certificate program.

28 (c) The university **ACTIVELY** participates in **AND SUBMITS TIMELY UPDATES TO** the Michigan  
29 transfer network created as part of the Michigan association of collegiate registrars and  
30 admissions officers transfer agreement.

31 (2) Any performance funding amounts under section 236 that are not paid to a public  
32 university because it did not comply with 1 or more requirements under subsection (1) are

1 unappropriated and reappropriated for performance funding to those public universities that  
2 meet the requirements under subsection (1), distributed in proportion to their performance  
3 funding appropriation amounts under section 236.

4 (3) The state budget director shall report to the house and senate appropriations  
5 subcommittees on higher education and the house and senate fiscal agencies by September ~~17,~~  
6 ~~2014,~~ **30, 2015**, regarding any performance funding amounts that are not paid to a public  
7 university because it did not comply with 1 or more requirements under subsection (1) and any  
8 reappropriation of funds under subsection (2).

9 (4) Performance funding amounts described in section 236 are distributed based on the  
10 following formula:

11 (a) ~~Proportional to each university's share of total operations funding appropriated~~  
12 ~~in fiscal year 2010-2011, 50.0%.~~

13 ~~(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.~~  
14 **22.2%.**

15 **(B)** ~~(e)~~ Based on research and development expenditures, for universities classified in  
16 Carnegie classifications as doctoral/research universities, research universities (high  
17 research activity), or research universities (very high research activity) only, ~~5.6%.~~ **11.1%.**

18 **(C)** ~~(d)~~ Based on 6-year graduation rate, total degree completions, and institutional  
19 support as a percentage of core expenditures, and **THE PERCENTAGE OF** students receiving Pell  
20 grants, scored against national Carnegie classification peers and weighted by total  
21 undergraduate fiscal year equated students, ~~33.3%.~~ **66.7%.**

22 (5) For purposes of determining the score of a university under subsection ~~(4)(d),~~  
23 **(4)(C)**, each university is assigned 1 of the following scores:

24 (a) A university classified as in the top 20%, a score of 3.

25 (b) A university classified as above national median, a score of 2.

26 (c) A university classified as improving, a score of 2. ~~It is the intent of the~~  
27 ~~legislature that, beginning in the 2015-2016 state fiscal year, a university classified as~~  
28 ~~improving is assigned a score of 1.~~

29 (d) A university that is not included in subdivision (a), (b), or (c), a score of 0.

30 (6) For purposes of this section, "Carnegie classification" shall mean the basic  
31 classification of the university according to the most recent version of the Carnegie  
32 classification of institutions of higher education, published by the Carnegie foundation for

1 the advancement of teaching.

2 Sec. 267. All public universities shall submit the amount of tuition and fees actually  
3 charged to a full-time resident undergraduate student for academic year ~~2014-2015~~ **2015-2016**  
4 as part of their higher education institutional data inventory (HEIDI) data by August 31 of  
5 each year. A public university shall report any revisions for any semester of the reported  
6 academic year ~~2014-2015-2015-2016~~ tuition and fee charges to HEIDI within 15 days of being  
7 adopted.

8 Sec. 268. (1) ~~For the fiscal year ending September 30, 2014, it is the intent of the~~  
9 ~~legislature that funds be allocated for unfunded North American Indian tuition waiver costs~~  
10 ~~incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general~~  
11 ~~fund.~~

12 ~~(2) Appropriations in section 236(8)(f) for North American Indian tuition waivers~~  
13 ~~shall be paid to universities under section 2a of 1976 PA 174, MCL 390.1252a. Allocations~~  
14 ~~shall be adjusted for amounts included in university operations appropriations. If funds are~~  
15 ~~insufficient to support the entire cost of waivers, amounts shall be prorated.~~

16 ~~(3) By February 15 of each year, the department of civil rights shall annually submit~~  
17 ~~to the state budget director, the house and senate appropriations subcommittees on higher~~  
18 ~~education, and the house and senate fiscal agencies a report on North American Indian tuition~~  
19 ~~waivers for the preceding fiscal year that includes, but is not limited to, all of the~~  
20 ~~following information for each postsecondary institution:~~

21 (a) The total number of waiver applications.

22 (b) The total number of waivers granted and the monetary value of each waiver.

23 (c) The number of students who withdraw from classes.

24 (d) The number of students who successfully complete a degree or certificate program  
25 and the 6-year graduation rate.

26 **(2) A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 SHALL PROVIDE TO THE DEPARTMENT**  
27 **OF CIVIL RIGHTS ANY INFORMATION NECESSARY FOR PREPARING THE REPORT DETAILED IN SUBSECTION**  
28 **(1).**

29 Sec. 269. For fiscal year ~~2014-2015~~ **2015-2016**, from the amount appropriated in section  
30 236 to Central Michigan University for operations, \$29,700.00 shall be paid to Saginaw  
31 Chippewa Tribal College for the costs of waiving tuition for North American Indians under  
32 1976 PA 174, MCL 390.1251 to 390.1253.

1           Sec. 270. For fiscal year ~~2014-2015~~**2015-2016**, from the amount appropriated in section  
2 236 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills  
3 Community College for the costs of waiving tuition for North American Indians under 1976 PA  
4 174, MCL 390.1251 to 390.1253.

5           Sec. 275. (1) ~~It is the intent of the legislature that each~~**EACH** public university  
6 that receives an appropriation in section 236 **IS ENCOURAGED TO** do all of the following:

7           (a) Meet the provisions of section 5003 of the post-911 veterans educational  
8 assistance act of 2008, 38 USC 3301 to 3324, including voluntary participation in the yellow  
9 ribbon GI education enhancement program established in that act in 38 USC 3317. ~~By October 1~~  
10 ~~of each year, each public university shall report to the house and senate appropriations~~  
11 ~~subcommittees on higher education, the house and senate fiscal agencies, and the presidents~~  
12 ~~council, state universities of Michigan on whether or not it has chosen to participate in the~~  
13 ~~yellow ribbon GI education enhancement program. If at any time during the fiscal year a~~  
14 ~~university participating in the yellow ribbon program chooses to leave the yellow ribbon~~  
15 ~~program, it shall notify the house and senate appropriations subcommittees on higher~~  
16 ~~education, the house and senate fiscal agencies, and the presidents council, state~~  
17 ~~universities of Michigan.~~

18           (b) Establish an on-campus veterans' liaison to provide information and assistance to  
19 all student veterans.

20           (c) Provide flexible enrollment application deadlines for all veterans.

21           (d) Include in its admission application process a specific question as to whether an  
22 applicant for admission is a veteran, an active member of the military, a member of the  
23 national guard or military reserves, or the spouse or dependent of a veteran, active member  
24 of the military, or member of the national guard or military reserves, in order to more  
25 quickly identify potential educational assistance available to that applicant.

26           (e) Consider all veterans residents of this state for determining their tuition rates  
27 and fees.

28           (f) Waive enrollment fees for all veterans.

29           ~~(2) By October 1 of each year, each public university shall report to the house and~~  
30 ~~senate appropriations subcommittees on higher education, the house and senate fiscal~~  
31 ~~agencies, and the department of military and veterans affairs regarding services provided~~  
32 ~~specifically to veterans and active military duty personnel, including, but not limited to,~~



1 ~~the services described in subsection (1).~~

2 (2) ~~(3)~~ As used in this section, "veteran" means an honorably discharged veteran  
3 entitled to educational assistance under the provisions of section 5003 of the post-911  
4 veterans educational assistance act of 2008, 38 USC 3301 to 3324.

5 Sec. 276. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~ for  
6 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
7 Chavez - Rosa Parks future faculty program that is intended to increase the pool of  
8 academically or economically disadvantaged candidates pursuing faculty teaching careers in  
9 postsecondary education. Preference may not be given to applicants on the basis of race,  
10 color, ethnicity, gender, or national origin. Institutions should encourage applications from  
11 applicants who would otherwise not adequately be represented in the graduate student and  
12 faculty populations. Each public university shall apply the percentage change applicable to  
13 every public university in the calculation of appropriations in section 236 to the amount of  
14 funds allocated to the future faculty program.

15 (2) The program shall be administered by each public university in a manner prescribed  
16 by the workforce development agency. The workforce development agency shall use a good faith  
17 effort standard to evaluate whether a fellowship is in default.

18 Sec. 277. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~ for  
19 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
20 Chavez - Rosa Parks college day program that is intended to introduce academically or  
21 economically disadvantaged schoolchildren to the potential of a college education. Preference  
22 may not be given to participants on the basis of race, color, ethnicity, gender, or national  
23 origin. Public universities should encourage participation from those who would otherwise not  
24 adequately be represented in the student population.

25 (2) Individual program plans of each public university shall include a budget of equal  
26 contributions from this program, the participating public university, the participating  
27 school district, and the participating independent degree-granting college. College day funds  
28 shall not be expended to cover indirect costs. Not more than 20% of the university match  
29 shall be attributable to indirect costs. Each public university shall apply the percentage  
30 change applicable to every public university in the calculation of appropriations in section  
31 236 to the amount of funds allocated to the college day program.

32 (3) The program described in this section shall be administered by each public

1 university in a manner prescribed by the workforce development agency.

2 Sec. 278. (1) Included in section 236 for fiscal year ~~2014-2015~~**2015-2016** is funding  
3 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services  
4 program for developing academically or economically disadvantaged student retention programs  
5 for 4-year public and independent educational institutions in this state. Preference may not  
6 be given to participants on the basis of race, color, ethnicity, gender, or national origin.  
7 Institutions should encourage participation from those who would otherwise not adequately be  
8 represented in the student population.

9 (2) An award made under this program to any 1 institution shall not be greater than  
10 \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or  
11 university basis.

12 (3) The program described in this section shall be administered by the workforce  
13 development agency.

14 Sec. 279. (1) Included in section 236 for fiscal year ~~2014-2015~~**2015-2016** is funding  
15 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership  
16 program between 4-year public and independent colleges and universities and public community  
17 colleges, which is intended to increase the number of academically or economically  
18 disadvantaged students who transfer from community colleges into baccalaureate programs.  
19 Preference may not be given to participants on the basis of race, color, ethnicity, gender,  
20 or national origin. Institutions should encourage participation from those who would  
21 otherwise not adequately be represented in the transfer student population.

22 (2) The grants shall be made under the program described in this section to Michigan  
23 public and independent colleges and universities. An award to any 1 institution shall not be  
24 greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college  
25 or university basis.

26 (3) The program described in this section shall be administered by the workforce  
27 development agency.

28 Sec. 280. (1) Included in the appropriation for fiscal year ~~2014-2015~~**2015-2016** for  
29 each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar  
30 Chavez - Rosa Parks visiting professors program which is intended to increase the number of  
31 instructors in the classroom to provide role models for academically or economically  
32 disadvantaged students. Preference may not be given to participants on the basis of race,

1 color, ethnicity, gender, or national origin. Public universities should encourage  
2 participation from those who would otherwise not adequately be represented in the student  
3 population.

4 (2) The program described in this section shall be administered by the workforce  
5 development agency.

6 Sec. 281. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~ in  
7 section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
8 initiative for the Morris Hood, Jr. educator development program which is intended to  
9 increase the number of academically or economically disadvantaged students who enroll in and  
10 complete K-12 teacher education programs at the baccalaureate level. Preference may not be  
11 given to participants on the basis of race, color, ethnicity, gender, or national origin.  
12 Institutions should encourage participation from those who would otherwise not adequately be  
13 represented in the teacher education student population.

14 (2) The program described in this section shall be administered by each state-approved  
15 teacher education institution in a manner prescribed by the workforce development agency.

16 (3) Approved teacher education institutions may and are encouraged to use student  
17 support services funding in coordination with the Morris Hood, Jr. funding to achieve the  
18 goals of the program described in this section.

19 Sec. 282. Each institution receiving funds **FOR FISCAL YEAR 2015-2016** under section  
20 278, 279, or 281 shall notify the workforce development agency by April 15, ~~of each year 2016~~  
21 as to whether it will expend by the end of its fiscal year the funds received under section  
22 278, 279, or 281. Notwithstanding the award limitations in sections 278 and 279, the amount  
23 of funding reported as not being expended will be reallocated to the institutions that intend  
24 to expend all funding received under section 278, 279, or 281.

25 Sec. 283. (1) From the amount appropriated in section 236, the public universities  
26 shall **USE THE P-20 LONGITUDINAL DATA SYSTEM TO** systematically inform Michigan high schools  
27 regarding the academic status of students from each high school in a manner prescribed by the  
28 presidents council, state universities of Michigan in cooperation with the Michigan  
29 association of secondary school principals. Public universities shall also work with the  
30 center for educational performance and information to maintain a systematic approach for  
31 accomplishing this task.

32 (2) Michigan high schools shall systematically inform the public universities about

1 the use of information received under this section in a manner prescribed by the Michigan  
2 association of secondary school principals in cooperation with the presidents council, state  
3 universities of Michigan.

4 Sec. 284. From the amount appropriated in section 236, the public universities shall  
5 **USE THE P-20 LONGITUDINAL DATA SYSTEM TO** inform Michigan community colleges regarding the  
6 academic status of community college transfer students in a manner prescribed by the  
7 presidents council, state universities of Michigan in cooperation with the Michigan community  
8 college association. Public universities shall also work with the center for educational  
9 performance and information to maintain a systematic approach for accomplishing this task.

10 Sec. 286. ~~It is the intent of the legislature that public~~ **PUBLIC** universities **SHALL**  
11 work with community colleges in the state to implement statewide reverse transfer agreements  
12 to increase the number of students that are awarded credentials of value upon completion of  
13 the necessary credits. ~~It is the intent of the legislature that these~~ **THESE** statewide  
14 agreements shall enable students who have earned a significant number of credits at a  
15 community college and transfer to a baccalaureate granting institution before completing a  
16 degree to transfer the credits earned at the baccalaureate institution back to the community  
17 college in order to be awarded a credential of value.

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**ARTICLE IV**

**GENERAL PROVISIONS**

**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, 2016 AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017, FROM THE FUNDS INDICATED IN THIS ACT:**

1           (2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

2   GROSS APPROPRIATION .....	\$ 15,894,008,700	\$ 15,694,442,500
3   TOTAL INTERDEPARTMENTAL GRANTS AND		
4    INTRADEPARTMENTAL TRANSFERS.....	0	0
5   ADJUSTED GROSS APPROPRIATION .....	\$ 15,894,008,700	\$ 15,694,442,500
6   TOTAL FEDERAL REVENUES .....	1,872,795,600	1,872,795,600
7   TOTAL LOCAL REVENUES .....	0	0
8   TOTAL PRIVATE REVENUES .....	0	0
9   TOTAL OTHER STATE RESTRICTED REVENUES .....	12,599,189,000	12,475,559,000
10   STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,421,924,100	\$ 1,433,024,100

11           SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)

12   APPROPRIATION SUMMARY

13   GROSS APPROPRIATION .....	\$ 13,958,963,900	\$ 13,839,253,900
14   TOTAL INTERDEPARTMENTAL GRANTS AND		
15    INTRADEPARTMENTAL TRANSFERS.....	0	0
16   ADJUSTED GROSS APPROPRIATION .....	\$ 13,958,963,900	\$ 13,839,253,900
17   TOTAL FEDERAL REVENUES .....	1,775,769,200	1,775,769,200
18   TOTAL LOCAL REVENUES .....	0	0
19   TOTAL PRIVATE REVENUES .....	0	0
20   TOTAL OTHER STATE RESTRICTED REVENUES .....	12,137,294,700	12,006,484,700
21   STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 45,900,000	\$ 57,000,000

22           (2) BASIC OPERATIONS

23   PROPOSAL A OBLIGATION PAYMENT .....	\$ 5,277,000,000	\$ 5,144,000,000
24   DISCRETIONARY PAYMENT .....	3,662,000,000	3,666,000,000
25   ISD GENERAL OPERATIONS .....	67,108,000	67,108,000
26   HOLD HARMLESS PROVISION .....	6,000,000	6,000,000
27   DISTRICT DISSOLUTION TRANSITION COSTS .....	2,200,000	0
28   MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
29    REFORM COSTS.....	993,500,000	1,081,600,000
30   MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
31    RESERVE FUND DEPOSIT.....	0	0
32   ISOLATED DISTRICT FUNDING .....	<u>2,584,600</u>	<u>2,584,600</u>

	For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017
1 GROSS APPROPRIATION .....	\$ 10,010,392,600	\$ 9,967,292,600
2       APPROPRIATED FROM:		
3 STATE RESTRICTED REVENUES .....	9,988,822,100	9,933,422,100
4 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 21,570,500	\$ 33,870,500
5       (3) SPECIAL EDUCATION		
6 SPECIAL EDUCATION HEADLEE OBLIGATION .....	\$ 621,000,000	\$ 633,000,000
7 SPECIAL EDUCATION FOUNDATIONS .....	257,200,000	261,600,000
8 SPECIAL EDUCATION HOLD HARMLESS PAYMENT .....	1,000,000	1,000,000
9 SPECIAL EDUCATION NON-SEC. 52 PAYMENT .....	3,200,000	3,200,000
10 SPECIAL EDUCATION RULE CHANGE .....	2,200,000	2,200,000
11 SPECIAL EDUCATION COURT PLACED FTES .....	10,500,000	10,500,000
12 MICHIGAN SCHOOLS FOR THE DEAF AND BLIND .....	1,688,000	1,688,000
13 SPECIAL EDUCATION MILLAGE EQUALIZATION .....	37,758,100	37,758,100
14 SPECIAL EDUCATION FEDERAL PROGRAMS .....	<u>441,000,000</u>	<u>441,000,000</u>
15 GROSS APPROPRIATION .....	\$ 1,375,546,100	\$ 1,391,946,100
16       APPROPRIATED FROM:		
17 FEDERAL REVENUES .....	441,000,000	441,000,000
18 STATE RESTRICTED REVENUES .....	934,546,100	950,946,100
19 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
20       (4) SUPPORT SERVICES		
21 COURT-PLACED CHILDREN .....	\$ 8,000,000	\$ 8,000,000
22 JUVENILE DETENTION FACILITIES .....	2,189,800	2,189,800
23 YOUTH CHALLENGE PROGRAM .....	1,497,400	1,497,400
24 AT-RISK PROGRAM .....	408,988,200	408,988,200
25 CHILD AND ADOLESCENT HEALTH CENTERS .....	3,557,300	3,557,300
26 HEARING AND VISION SCREENING .....	5,150,000	5,150,000
27 MATH AND SCIENCE CENTERS .....	8,474,300	8,474,300
28 BILINGUAL EDUCATION .....	1,200,000	1,200,000
29 STRICT DISCIPLINE ACADEMIES PUPIL TRANSFERS .....	1,000,000	0
30 GANG PREVENTION AND INTERVENTION PROGRAMS .....	1,000,000	0
31 THIRD GRADE READING INITIATIVE .....	18,400,000	16,900,000
32 DISTRESSED DISTRICT REHABILITATION FUND .....	75,000,000	0

	For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017	
1	FEDERAL PROGRAMS .....	<u>809,876,400</u>	<u>809,876,400</u>
2	GROSS APPROPRIATION .....	\$ 1,344,333,400	\$ 1,265,833,400
3	APPROPRIATED FROM:		
4	FEDERAL REVENUES .....	815,125,700	815,125,700
5	STATE RESTRICTED REVENUES .....	528,732,700	450,232,700
6	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 475,000	\$ 475,000
7	(5) SCHOOL MEAL PROGRAMS		
8	SCHOOL LUNCH .....	\$ 535,695,100	\$ 535,695,100
9	SCHOOL BREAKFAST .....	<u>5,625,000</u>	<u>5,625,000</u>
10	GROSS APPROPRIATION .....	\$ 541,320,100	\$ 541,320,100
11	APPROPRIATED FROM:		
12	FEDERAL REVENUES .....	513,200,000	513,200,000
13	STATE RESTRICTED REVENUES .....	28,120,100	28,120,100
14	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
15	(6) EARLY CHILDHOOD EDUCATION		
16	GREAT START READINESS PROGRAM .....	\$ 239,575,000	\$ 239,575,000
17	GREAT START EARLY CHILDHOOD BLOCK GRANTS .....	<u>15,900,000</u>	<u>15,900,000</u>
18	GROSS APPROPRIATION .....	\$ 255,475,000	\$ 255,475,000
19	APPROPRIATED FROM:		
20	STATE RESTRICTED REVENUES .....	255,175,000	255,175,000
21	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 300,000	\$ 300,000
22	(7) PERFORMANCE INITIATIVES		
23	BEST PRACTICES GRANTS .....	\$ 30,000,000	\$ 30,000,000
24	CONSOLIDATION INNOVATION GRANTS .....	<u>2,000,000</u>	<u>0</u>
25	GROSS APPROPRIATION .....	\$ 32,000,000	\$ 30,000,000
26	APPROPRIATED FROM:		
27	STATE RESTRICTED REVENUES .....	32,000,000	30,000,000
28	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
29	(8) STUDENT ASSESSMENT AND ACCOUNTABILITY		
30	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION ....	12,160,500	12,160,500
31	STUDENT ASSESSMENTS .....	50,244,400	50,244,400
32	DATA COLLECTION AND REPORTING COSTS .....	38,000,500	38,000,500



	For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017	
1	UPDATE TEACHER CERTIFICATION TESTS .....	<u>1,800,000</u>	<u>0</u>
2	GROSS APPROPRIATION .....	\$ 102,205,400	\$ 100,405,400
3	APPROPRIATED FROM:		
4	FEDERAL REVENUES .....	6,443,500	6,443,500
5	STATE RESTRICTED REVENUES .....	83,794,900	81,994,900
6	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 11,967,000	\$ 11,967,000
7	(9) TECHNOLOGY INITIATIVES		
8	MICHIGAN VIRTUAL HIGH SCHOOL .....	\$ 7,987,500	\$ 7,387,500
9	FIRST ROBOTICS .....	2,000,000	0
10	TECHNOLOGY INFRASTRUCTURE IMPROVEMENT GRANTS .....	<u>25,000,000</u>	<u>0</u>
11	GROSS APPROPRIATION .....	\$ 34,987,500	\$ 7,387,500
12	APPROPRIATED FROM:		
13	STATE RESTRICTED REVENUES .....	27,000,000	0
14	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 7,987,500	\$ 7,387,500
15	(10) COLLEGE AND CAREER READINESS		
16	VOCATIONAL EDUCATION .....	\$ 26,611,300	\$ 26,611,300
17	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT .....	9,190,000	9,190,000
18	DUAL ENROLLMENT INCENTIVE .....	1,750,000	0
19	ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE		
20	TESTING.....	250,000	0
21	MICHIGAN COLLEGE ACCESS NETWORK .....	3,000,000	3,000,000
22	SKILLED TRADES / DUAL ENROLLMENT INITIATIVE .....	17,800,000	17,800,000
23	COLLEGE AND CAREER PREPARATION .....	<u>600,000</u>	<u>0</u>
24	GROSS APPROPRIATION .....	\$ 59,201,300	\$ 56,601,300
25	APPROPRIATED FROM:		
26	STATE RESTRICTED REVENUES .....	55,601,300	53,601,300
27	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 3,600,000	\$ 3,000,000
28	(11) ADULT EDUCATION		
29	ADULT EDUCATION .....	<u>\$ 22,000,000</u>	<u>\$ 22,000,000</u>
30	GROSS APPROPRIATION .....	\$ 22,000,000	\$ 22,000,000
31	APPROPRIATED FROM:		
32	STATE RESTRICTED REVENUES .....	22,000,000	22,000,000

	For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017
1 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
2 (12) TRANSPORTATION SAFETY		
3 BUS DRIVER SAFETY .....	\$ 1,625,000	\$ 1,625,000
4 SCHOOL BUS INSPECTIONS .....	<u>1,690,700</u>	<u>1,690,700</u>
5 GROSS APPROPRIATION .....	\$ 3,315,700	\$ 3,315,700
6 APPROPRIATED FROM:		
7 STATE RESTRICTED REVENUES .....	3,315,700	3,315,700
8 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
9 (13) DEBT SERVICE AND OTHER REQUIRED PAYMENTS		
10 SCHOOL BOND LOAN REDEMPTION FUND .....	\$ 143,000,000	\$ 161,000,000
11 SCHOOL AID FUND BORROWING COSTS .....	4,000,000	5,000,000
12 RENAISSANCE ZONE REIMBURSEMENT .....	26,300,000	26,300,000
13 PAYMENT IN LIEU OF TAXES REIMBURSEMENT .....	4,276,800	4,276,800
14 PROMISE ZONE PAYMENTS .....	<u>610,000</u>	<u>1,100,000</u>
15 GROSS APPROPRIATION .....	\$ 178,186,800	\$ 197,676,800
16 APPROPRIATED FROM:		
17 STATE RESTRICTED REVENUES .....	178,186,800	197,676,800
18 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
19 SEC. 298B. (1) SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)		
20 APPROPRIATION SUMMARY		
21 GROSS APPROPRIATION .....	\$ 393,825,600	\$ 400,725,600
22 TOTAL INTERDEPARTMENTAL GRANTS AND		
23 INTRADEPARTMENTAL TRANSFERS.....	0	0
24 ADJUSTED GROSS APPROPRIATION .....	\$ 393,825,600	\$ 400,725,600
25 TOTAL FEDERAL REVENUES .....	0	0
26 TOTAL LOCAL REVENUES .....	0	0
27 TOTAL PRIVATE REVENUES .....	0	0
28 TOTAL OTHER STATE RESTRICTED REVENUES .....	256,714,800	263,614,800
29 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 137,110,800	\$ 137,110,800
30 (2) OPERATIONS		
31 (A) ALPENA COMMUNITY COLLEGE		
32 OPERATIONS .....	\$ 5,390,700	\$ 5,462,000

		For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017
1	PERFORMANCE FUNDING .....	<u>71,300</u>	<u>0</u>
2	GROSS APPROPRIATION .....	\$ 5,462,000	\$ 5,462,000
3	(B) BAY DE NOC COMMUNITY COLLEGE		
4	OPERATIONS .....	\$ 5,419,500	\$ 5,488,300
5	PERFORMANCE FUNDING .....	<u>68,800</u>	<u>0</u>
6	GROSS APPROPRIATION .....	\$ 5,488,300	\$ 5,488,300
7	(C) DELTA COLLEGE		
8	OPERATIONS .....	\$ 14,498,900	\$ 14,706,700
9	PERFORMANCE FUNDING .....	<u>207,800</u>	<u>0</u>
10	GROSS APPROPRIATION .....	\$ 14,706,700	\$ 14,706,700
11	(D) GLEN OAKS COMMUNITY COLLEGE		
12	OPERATIONS .....	\$ 2,516,100	\$ 2,553,400
13	PERFORMANCE FUNDING .....	<u>37,300</u>	<u>0</u>
14	GROSS APPROPRIATION .....	\$ 2,553,400	\$ 2,553,400
15	(E) GOGEBIC COMMUNITY COLLEGE		
16	OPERATIONS .....	\$ 4,451,400	\$ 4,506,400
17	PERFORMANCE FUNDING .....	<u>55,000</u>	<u>0</u>
18	GROSS APPROPRIATION .....	\$ 4,506,400	\$ 4,506,400
19	(F) GRAND RAPIDS COMMUNITY COLLEGE		
20	OPERATIONS .....	\$ 17,947,500	\$ 18,176,600
21	PERFORMANCE FUNDING .....	<u>229,100</u>	<u>0</u>
22	GROSS APPROPRIATION .....	\$ 18,176,600	\$ 18,176,600
23	(G) HENRY FORD COMMUNITY COLLEGE		
24	OPERATIONS .....	\$ 21,623,800	\$ 21,876,700
25	PERFORMANCE FUNDING .....	<u>252,900</u>	<u>0</u>
26	GROSS APPROPRIATION .....	\$ 21,876,700	\$ 21,876,700
27	(H) JACKSON COMMUNITY COLLEGE		
28	OPERATIONS .....	\$ 12,087,300	\$ 12,242,500
29	PERFORMANCE FUNDING .....	<u>155,200</u>	<u>0</u>
30	GROSS APPROPRIATION .....	\$ 12,242,500	\$ 12,242,500
31	(I) KALAMAZOO VALLEY COMMUNITY COLLEGE		
32	OPERATIONS .....	\$ 12,503,100	\$ 12,694,900

		For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017
1	PERFORMANCE FUNDING .....	<u>191,800</u>	<u>0</u>
2	GROSS APPROPRIATION .....	\$ 12,694,900	\$ 12,694,900
3	(J) KELLOGG COMMUNITY COLLEGE		
4	OPERATIONS .....	\$ 9,813,500	\$ 9,947,300
5	PERFORMANCE FUNDING .....	<u>133,800</u>	<u>0</u>
6	GROSS APPROPRIATION .....	\$ 9,947,300	\$ 9,947,300
7	(K) KIRTLAND COMMUNITY COLLEGE		
8	OPERATIONS .....	\$ 3,167,700	\$ 3,224,300
9	PERFORMANCE FUNDING .....	<u>56,600</u>	<u>0</u>
10	GROSS APPROPRIATION .....	\$ 3,224,300	\$ 3,224,300
11	(L) LAKE MICHIGAN COLLEGE		
12	OPERATIONS .....	\$ 5,342,900	\$ 5,414,800
13	PERFORMANCE FUNDING .....	<u>71,900</u>	<u>0</u>
14	GROSS APPROPRIATION .....	\$ 5,414,800	\$ 5,414,800
15	(M) LANSING COMMUNITY COLLEGE		
16	OPERATIONS .....	\$ 30,877,600	\$ 31,289,900
17	PERFORMANCE FUNDING .....	<u>412,300</u>	<u>0</u>
18	GROSS APPROPRIATION .....	\$ 31,289,900	\$ 31,289,900
19	(N) MACOMB COMMUNITY COLLEGE		
20	OPERATIONS .....	\$ 32,816,600	\$ 33,222,400
21	PERFORMANCE FUNDING .....	<u>405,800</u>	<u>0</u>
22	GROSS APPROPRIATION .....	\$ 33,222,400	\$ 33,222,400
23	(O) MID MICHIGAN COMMUNITY COLLEGE		
24	OPERATIONS .....	\$ 4,682,000	\$ 4,761,500
25	PERFORMANCE FUNDING .....	<u>79,500</u>	<u>0</u>
26	GROSS APPROPRIATION .....	\$ 4,761,500	\$ 4,761,500
27	(P) MONROE COUNTY COMMUNITY COLLEGE		
28	OPERATIONS .....	\$ 4,492,900	\$ 4,565,100
29	PERFORMANCE FUNDING .....	<u>72,200</u>	<u>0</u>
30	GROSS APPROPRIATION .....	\$ 4,565,100	\$ 4,565,100
31	(Q) MONTCALM COMMUNITY COLLEGE		
32	OPERATIONS .....	\$ 3,226,700	\$ 3,281,800

		For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017
1	PERFORMANCE FUNDING .....	<u>55,100</u>	<u>0</u>
2	GROSS APPROPRIATION .....	\$ 3,281,800	\$ 3,281,800
3	(R) C. S. MOTT COMMUNITY COLLEGE		
4	OPERATIONS .....	\$ 15,686,100	\$ 15,900,900
5	PERFORMANCE FUNDING .....	<u>214,800</u>	<u>0</u>
6	GROSS APPROPRIATION .....	\$ 15,900,900	\$ 15,900,900
7	(S) MUSKEGON COMMUNITY COLLEGE		
8	OPERATIONS .....	\$ 8,901,000	\$ 9,013,800
9	PERFORMANCE FUNDING .....	<u>112,800</u>	<u>0</u>
10	GROSS APPROPRIATION .....	\$ 9,013,800	\$ 9,013,800
11	(T) NORTH CENTRAL MICHIGAN COLLEGE		
12	OPERATIONS .....	\$ 3,172,400	\$ 3,223,300
13	PERFORMANCE FUNDING .....	<u>50,900</u>	<u>0</u>
14	GROSS APPROPRIATION .....	\$ 3,223,300	\$ 3,223,300
15	(U) NORTHWESTERN MICHIGAN COLLEGE		
16	OPERATIONS .....	\$ 9,078,800	\$ 9,195,100
17	PERFORMANCE FUNDING .....	<u>116,300</u>	<u>0</u>
18	GROSS APPROPRIATION .....	\$ 9,195,100	\$ 9,195,100
19	(V) OAKLAND COMMUNITY COLLEGE		
20	OPERATIONS .....	\$ 21,123,300	\$ 21,430,800
21	PERFORMANCE FUNDING .....	<u>307,500</u>	<u>0</u>
22	GROSS APPROPRIATION .....	\$ 21,430,800	\$ 21,430,800
23	(W) ST. CLAIR COUNTY COMMUNITY COLLEGE		
24	OPERATIONS .....	\$ 7,061,600	\$ 7,154,600
25	PERFORMANCE FUNDING .....	<u>93,000</u>	<u>0</u>
26	GROSS APPROPRIATION .....	\$ 7,154,600	\$ 7,154,600
27	(X) SCHOOLCRAFT COLLEGE		
28	OPERATIONS .....	\$ 12,513,700	\$ 12,716,100
29	PERFORMANCE FUNDING .....	<u>202,400</u>	<u>0</u>
30	GROSS APPROPRIATION .....	\$ 12,716,100	\$ 12,716,100
31	(Y) SOUTHWESTERN MICHIGAN COLLEGE		
32	OPERATIONS .....	\$ 6,576,400	\$ 6,653,000

	For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017
1 PERFORMANCE FUNDING .....	<u>76,600</u>	<u>0</u>
2 GROSS APPROPRIATION .....	\$ 6,653,000	\$ 6,653,000
3 (Z) WASHTENAW COMMUNITY COLLEGE		
4 OPERATIONS .....	\$ 13,077,300	\$ 13,330,000
5 PERFORMANCE FUNDING .....	<u>252,700</u>	<u>0</u>
6 GROSS APPROPRIATION .....	\$ 13,330,000	\$ 13,330,000
7 (AA) WAYNE COUNTY COMMUNITY COLLEGE		
8 OPERATIONS .....	\$ 16,727,600	\$ 17,014,900
9 PERFORMANCE FUNDING .....	<u>287,300</u>	<u>0</u>
10 GROSS APPROPRIATION .....	\$ 17,014,900	\$ 17,014,900
11 (BB) WEST SHORE COMMUNITY COLLEGE		
12 OPERATIONS .....	\$ 2,414,900	\$ 2,444,900
13 PERFORMANCE FUNDING .....	<u>30,000</u>	<u>0</u>
14 GROSS APPROPRIATION .....	\$ 2,444,900	\$ 2,444,900
15 (CC) OPERATIONS FUNDING SOURCES		
16 GROSS APPROPRIATION .....	\$ 311,492,000	\$ 311,492,000
17 APPROPRIATED FROM:		
18 STATE SCHOOL AID FUND .....	230,181,200	230,181,200
19 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 81,310,800	\$ 81,310,800
20 (3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT		
21 SYSTEM (MPSERS)		
22 MPSERS COST OFFSET .....	\$ 1,733,600	\$ 1,733,600
23 MPSERS UAL CAP REIMBURSEMENT .....	<u>69,500,000</u>	<u>76,400,000</u>
24 GROSS APPROPRIATION .....	\$ 71,233,600	\$ 78,133,600
25 APPROPRIATED FROM:		
26 STATE SCHOOL AID FUND .....	18,933,600	25,833,600
27 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 52,300,000	\$ 52,300,000
28 (4) RENAISSANCE ZONE REIMBURSEMENTS		
29 RENAISSANCE ZONE REIMBURSEMENTS .....	<u>5,100,000</u>	<u>5,100,000</u>
30 GROSS APPROPRIATION .....	\$ 5,100,000	\$ 5,100,000
31 APPROPRIATED FROM:		
32 STATE SCHOOL AID FUND .....	1,600,000	1,600,000

	For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017
1 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 3,500,000	\$ 3,500,000
2 (5) STUDENT FINANCIAL AID		
3 INDEPENDENT PART-TIME STUDENT GRANTS .....	\$ <u>6,000,000</u>	\$ <u>6,000,000</u>
4 GROSS APPROPRIATION .....	\$ 6,000,000	\$ 6,000,000
5 APPROPRIATED FROM:		
6 STATE SCHOOL AID FUND .....	6,000,000	6,000,000
7 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
8 SEC. 298C. (1) SUMMARY OF APPROPRIATIONS FOR UNIVERSITIES AND STUDENT FINANCIAL AID		
9 (ARTICLE III)		
10 APPROPRIATION SUMMARY		
11 GROSS APPROPRIATION .....	\$ 1,541,219,200	\$ 1,541,399,200
12 TOTAL INTERDEPARTMENTAL GRANTS AND		
13 INTRADEPARTMENTAL TRANSFERS.....	0	0
14 ADJUSTED GROSS APPROPRIATION .....	\$ 1,541,219,200	\$ 1,541,399,200
15 TOTAL FEDERAL REVENUES .....	97,026,400	97,026,400
16 TOTAL LOCAL REVENUES .....	0	0
17 TOTAL PRIVATE REVENUES .....	0	0
18 TOTAL OTHER STATE RESTRICTED REVENUES .....	205,279,500	205,459,500
19 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,238,913,300	\$ 1,238,913,300
20 (2) UNIVERSITY OPERATIONS		
21 (A) CENTRAL MICHIGAN UNIVERSITY		
22 OPERATIONS .....	\$ 79,164,800	\$ 81,502,900
23 PERFORMANCE FUNDING .....	<u>2,338,100</u>	<u>0</u>
24 GROSS APPROPRIATION .....	\$ 81,502,900	\$ 81,502,900
25 (B) EASTERN MICHIGAN UNIVERSITY		
26 OPERATIONS .....	\$ 71,782,500	\$ 73,196,700
27 PERFORMANCE FUNDING .....	<u>1,414,200</u>	<u>0</u>
28 GROSS APPROPRIATION .....	\$ 73,196,700	\$ 73,196,700
29 (C) FERRIS STATE UNIVERSITY		
30 OPERATIONS .....	\$ 49,119,100	\$ 50,606,700
31 PERFORMANCE FUNDING .....	<u>1,487,600</u>	<u>0</u>
32 GROSS APPROPRIATION .....	\$ 50,606,700	\$ 50,606,700

1	(D) GRAND VALLEY STATE UNIVERSITY		
2	OPERATIONS .....	\$ 63,156,500	\$ 65,680,200
3	PERFORMANCE FUNDING .....	<u>2,523,700</u>	<u>0</u>
4	GROSS APPROPRIATION .....	\$ 65,680,200	\$ 65,680,200
5	(E) LAKE SUPERIOR STATE UNIVERSITY		
6	OPERATIONS .....	\$ 12,997,500	\$ 13,247,300
7	PERFORMANCE FUNDING .....	<u>249,800</u>	<u>0</u>
8	GROSS APPROPRIATION .....	\$ 13,247,300	\$ 13,247,300
9	(F) MICHIGAN STATE UNIVERSITY		
10	OPERATIONS .....	\$ 264,437,900	\$ 269,590,500
11	PERFORMANCE FUNDING .....	5,152,600	0
12	MSU AGBIORESEARCH .....	32,668,500	32,668,500
13	MSU EXTENSION .....	<u>28,132,700</u>	<u>28,132,700</u>
14	GROSS APPROPRIATION .....	\$ 330,391,700	\$ 330,391,700
15	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY		
16	OPERATIONS .....	\$ 45,938,000	\$ 46,908,000
17	PERFORMANCE FUNDING .....	<u>970,000</u>	<u>0</u>
18	GROSS APPROPRIATION .....	\$ 46,908,000	\$ 46,908,000
19	(H) NORTHERN MICHIGAN UNIVERSITY		
20	OPERATIONS .....	\$ 44,338,300	\$ 45,254,400
21	PERFORMANCE FUNDING .....	<u>916,100</u>	<u>0</u>
22	GROSS APPROPRIATION .....	\$ 45,254,400	\$ 45,254,400
23	(I) OAKLAND UNIVERSITY		
24	OPERATIONS .....	\$ 48,371,900	\$ 50,021,000
25	PERFORMANCE FUNDING .....	<u>1,649,100</u>	<u>0</u>
26	GROSS APPROPRIATION .....	\$ 50,021,000	\$ 50,021,000
27	(J) SAGINAW VALLEY STATE UNIVERSITY		
28	OPERATIONS .....	\$ 27,621,600	\$ 28,120,400
29	PERFORMANCE FUNDING .....	<u>498,800</u>	<u>0</u>
30	GROSS APPROPRIATION .....	\$ 28,120,400	\$ 28,120,400
31	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR		
32	OPERATIONS .....	\$ 295,178,500	\$ 300,874,900



	For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017
1 PERFORMANCE FUNDING .....	<u>5,696,400</u>	<u>0</u>
2 GROSS APPROPRIATION .....	\$ 300,874,900	\$ 300,874,900
3 (L) UNIVERSITY OF MICHIGAN - DEARBORN		
4 OPERATIONS .....	\$ 23,701,000	\$ 24,095,700
5 PERFORMANCE FUNDING .....	<u>394,700</u>	<u>0</u>
6 GROSS APPROPRIATION .....	\$ 24,095,700	\$ 24,095,700
7 (M) UNIVERSITY OF MICHIGAN - FLINT		
8 OPERATIONS .....	\$ 21,359,600	\$ 21,901,700
9 PERFORMANCE FUNDING .....	<u>542,100</u>	<u>0</u>
10 GROSS APPROPRIATION .....	\$ 21,901,700	\$ 21,901,700
11 (N) WAYNE STATE UNIVERSITY		
12 OPERATIONS .....	\$ 190,529,900	\$ 191,623,200
13 PERFORMANCE FUNDING .....	<u>1,093,300</u>	<u>0</u>
14 GROSS APPROPRIATION .....	\$ 191,623,200	\$ 191,623,200
15 (O) WESTERN MICHIGAN UNIVERSITY		
16 OPERATIONS .....	\$ 102,761,100	\$ 104,633,700
17 PERFORMANCE FUNDING .....	<u>1,872,600</u>	<u>0</u>
18 GROSS APPROPRIATION .....	\$ 104,633,700	\$ 104,633,700
19 (P) OPERATIONS FUNDING SOURCES		
20 GROSS APPROPRIATION .....	\$ 1,428,058,500	\$ 1,428,058,500
21 APPROPRIATED FROM:		
22 STATE SCHOOL AID FUND .....	200,019,500	200,019,500
23 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,228,039,000	\$ 1,228,039,000
24 (3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT		
25 SYSTEM (MPSERS)		
26 MPSERS UAL CAP REIMBURSEMENT .....	<u>5,160,000</u>	<u>5,340,000</u>
27 GROSS APPROPRIATION .....	\$ 5,160,000	\$ 5,340,000
28 APPROPRIATED FROM:		
29 STATE SCHOOL AID FUND .....	5,160,000	5,340,000
30 STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
31 (4) STATE AND REGIONAL PROGRAMS		
32 HIGHER EDUCATION DATABASE MODERNIZATION AND CONVERSION	\$ 200,000	\$ 200,000

	For Fiscal Year Ending Sept. 30, 2016	For Fiscal Year Ending Sept. 30, 2017
1 <b>MIDWESTERN HIGHER EDUCATION COMPACT .....</b>	<u>115,000</u>	<u>115,000</u>
2 <b>GROSS APPROPRIATION .....</b>	\$     315,000	\$     315,000
3 <b>APPROPRIATED FROM:</b>		
4 <b>STATE GENERAL FUND/GENERAL PURPOSE .....</b>	\$     315,000	\$     315,000
5 <b>    (5) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA</b>		
6 <b>    PARKS PROGRAM</b>		
7 <b>    SELECT STUDENT SUPPORT SERVICES .....</b>	\$    1,956,100	\$    1,956,100
8 <b>    MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM .....</b>	586,800	586,800
9 <b>    MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM .....</b>	<u>148,600</u>	<u>148,600</u>
10 <b>GROSS APPROPRIATION .....</b>	\$    2,691,500	\$    2,691,500
11 <b>APPROPRIATED FROM:</b>		
12 <b>STATE GENERAL FUND/GENERAL PURPOSE .....</b>	\$    2,691,500	\$    2,691,500
13 <b>    (6) GRANTS AND FINANCIAL AID</b>		
14 <b>    STATE COMPETITIVE SCHOLARSHIPS .....</b>	\$   18,361,700	\$   18,361,700
15 <b>    TUITION GRANTS .....</b>	33,532,500	33,532,500
16 <b>    TUITION INCENTIVE PROGRAM .....</b>	48,500,000	48,500,000
17 <b>    CHILDREN OF VETERANS AND OFFICER'S SURVIVOR</b>		
18 <b>    TUITION PROGRAM .....</b>	1,400,000	1,400,000
19 <b>    PROJECT GEAR-UP .....</b>	<u>3,200,000</u>	<u>3,200,000</u>
20 <b>GROSS APPROPRIATION .....</b>	\$  104,994,200	\$  104,994,200
21 <b>APPROPRIATED FROM:</b>		
22 <b>UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF</b>		
23 <b>    ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM..</b>	3,200,000	3,200,000
24 <b>    SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY</b>		
25 <b>    FAMILIES.....</b>	93,826,400	93,826,400
26 <b>    CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT</b>		
27 <b>    PROGRAM.....</b>	100,000	100,000
28 <b>STATE GENERAL FUND/GENERAL PURPOSE .....</b>	\$     7,867,800	\$     7,867,800

29        Enacting section 1. (1) In accordance with section 30 of article I of the state  
30   constitution of 1963, total state spending on school aid under article I as amended by this  
31   amendatory act from state sources for fiscal year 2015-2016 is estimated at  
32   \$12,183,194,700.00 and state appropriations for school aid to be paid to local units of

1 government for fiscal year 2015-2016 are estimated at \$12,022,427,700.00; and total state  
2 spending on school aid under article I as amended by this amendatory act from state sources  
3 for fiscal year 2016-2017 is estimated at \$12,063,484,700.00 and state appropriations for  
4 school aid to be paid to local units of government for fiscal year 2016-2017 are estimated at  
5 \$11,885,517,700.00.

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 2015-2016  
8 under article II as amended by this amendatory act is estimated at \$393,825,600.00 and the  
9 amount of that state spending from state sources to be paid to local units of government for  
10 fiscal year 2015-2016 is estimated at \$393,825,600.00; and total state spending from state  
11 sources for community colleges for fiscal year 2016-2017 under article II as amended by this  
12 amendatory act is estimated at \$400,725,600.00 and the amount of that state spending from  
13 state sources to be paid to local units of government for fiscal year 2016-2017 is estimated  
14 at \$400,725,600.00.

15 (3) In accordance with section 30 of article IX of the state constitution of 1963,  
16 total state spending from state sources for higher education for fiscal year 2015-2016 under  
17 article III as amended by this amendatory act is estimated at \$1,444,192,800.00 and the  
18 amount of that state spending from state sources to be paid to local units of government for  
19 fiscal year 2015-2016 is estimated at \$0; and total state spending from state sources for  
20 higher education for fiscal year 2016-2017 under article III as amended by this amendatory  
21 act is estimated at \$1,444,372,800.00 and the amount of that state spending from state  
22 sources to be paid to local units of government for fiscal year 2016-2017 is estimated at \$0.

23 Enacting section 2. Sections 12, 22c, 22j, 31b, 32r, 64c, 64d, 74a, 99b, 147d, 166,  
24 201a, 208, 210b, 212, 227, 228, 236a, 239a, 259, 261, 262a, 271a, 273, 274, 274a, 275a, and  
25 293 of the state school aid act of 1979, 1979 PA 94, MCL 388.1612, 388.1622c, 388.1622j,  
26 388.1631b, 388.1632r, 388.1664c, 388.1664d, 388.1674a, 388.1699b, 388.1747d, 388.1766,  
27 388.1801a, 388.1808, 388.1810b, 388.1812, 388.1827, 388.1828, 388.1836a, 388.1839a, 388.1859,  
28 388.1861, 388.1862a, 388.1871a, 388.1873, 388.1874, 388.1874a, 388.1875a, and 388.1893 are  
29 repealed effective October 1, 2015.

30 Enacting section 3. (1) Except as otherwise provided in subsection (2), this  
31 amendatory act takes effect October 1, 2015.

32 (2) Sections 18a, 95a and 252 of the state school aid act of 1979, 1979 PA 94, MCL

1 388.1618a, 388.1695a, 388.1852, as amended by this amendatory act take effect upon enactment  
2 of this amendatory act.