



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

RICK SNYDER  
GOVERNOR

MICHAEL P. FLANAGAN  
STATE SUPERINTENDENT

August 29 2013

**MEMORANDUM**

TO: Local School District Superintendents, Public School Academy Directors

FROM: Carol Wolenberg, Deputy Superintendent, Administrative & Support Services  
Venessa Keesler, Deputy Superintendent, Education Services  
Joseph Martineau, Deputy Superintendent, Accountability Services

*Handwritten signatures: Venessa, Carol, and a signature that appears to be 'gan'.*

SUBJECT: Guidance on 2013-14 Best Practice Incentive, Section 22f

On June 13, 2013 the Governor enacted legislation under Section 22f of the State School Aid Act, 2013 PA 60, that appropriates \$80,000,000 to provide \$52 per pupil allocations for the FY 2013-14 school year to local school districts and public school academies meeting seven out of eight of the following best practices.

- Hold policy on medical benefit plans (if directly employed by district, or not excluded by a voluntary employee beneficiary association)
- Obtain competitive bids for the provision of 2013-14 non-instructional services
- Accept applications for enrollment of non-resident pupils under Section 105 or 105c
- Monitor individual pupil academic growth in each subject area at least twice during the school fiscal year using competency based online assessments
- Support opportunities for pupils to receive postsecondary credit while attending secondary school
- Offer online courses or blended learning opportunities to all eligible pupils, and publish course syllabi
- Provide to parents and community members a dashboard/report card with required financial information on website
- Provide physical education or health education

To simplify the process, the Department has developed the attached guidance on Best Practices as defined in MCL 388.1622f. Each district wishing to apply for the funds under this section must submit to the Department a local board of education resolution that certifies the district's compliance with the required best practices. The funds will be distributed pursuant to the payment schedule in Section 17b of the State School Aid Act as the Department determines the district has met the best practice requirements.

If you have questions related to the guidance, please contact Glenda Rader at [raderg@michigan.gov](mailto:raderg@michigan.gov).

cc: Michigan Education Alliance  
Intermediate School District Superintendents

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**Michigan Department of Education (MDE)**  
**Guidance on Best Practices as Defined in MCL 388.1622f**  
August 29, 2013

**Statutory Requirements:**

**388.1622f Best Practices Incentive Grants**

Sec. 22f. (1) From the appropriation in section 11, there is allocated for 2013-2014 an amount not to exceed \$80,000,000.00 to provide incentive payments to districts that meet best practices under this section. Payments received under this section may be used for any purpose for which payments under sections 22a and 22b may be used.

(2) The amount of the incentive payment under this section is an amount equal to \$52.00 per pupil. A district shall receive an incentive payment under this section if the district satisfies at least 7 of the following requirements not later than June 1, 2014:

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

(b) The district has obtained competitive bids on the provision of pupil transportation, food service, custodial, or 1 or more other noninstructional services for 2013-2014. In comparing competitive bids to the current costs of providing 1 or more of these services, a district shall exclude the unfunded accrued liability costs for retirement and other benefits from the district's current costs.

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

(d) The district monitors individual pupil academic growth in each subject area at least twice during the school year using competency-based online assessments and reports those results to the pupil and his or her parent or guardian, or provides the department with a plan and is able to show progress toward developing the technology infrastructure necessary for the implementation of pupil academic growth assessments by 2014-2015.

(e) The district supports opportunities for pupils to receive postsecondary credit while attending secondary school, by doing at least 1 of the following, and makes all eligible pupils and their parents or guardians aware of these opportunities:

(i) Supports attendance of district pupils under the postsecondary enrollment options act, MCL 388.511 to 388.524, or under the career and technical preparation act, MCL 388.1901 to 388.1913, consistent with provisions under section 21b.

(ii) Offers college-level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(iii) Participates in a middle college. For the purposes of this subparagraph, "middle college" means a series of courses and other requirements and conditions that allow a pupil to graduate with a high school diploma and a certificate or degree from a community college or state public university.

(iv) Provides other opportunities to pupils that allow those pupils to graduate with a high school diploma and also complete coursework that a postsecondary institution normally applies toward satisfaction of degree requirements.

(v) If a district does not offer any high school grades, the district informs all pupils and parents of the opportunities that are available for postsecondary options during high school.

(f) The district offers online courses or blended learning opportunities to all eligible pupils. In order to satisfy this requirement, a district must make all eligible pupils and their parents or

guardians aware of these opportunities and must publish an online course syllabus as described in section 21f for each online course that the district offers. For the purposes of this subdivision: (i) "Blended learning" means a hybrid instructional delivery model where pupils are provided content, instruction, and assessment in part at a supervised educational facility away from home where the pupil and a teacher with a valid Michigan teaching certificate are in the same physical location and in part through internet-connected learning environments with some degree of pupil control over time, location, and pace of instruction.

(ii) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a teacher with a valid Michigan teaching certificate is responsible for determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.

(g) The district provides to parents and community members a dashboard or report card demonstrating the district's efforts to manage its finances responsibly. **The dashboard or report card shall include revenue and expenditure projections for the district for fiscal year 2013-2014 and fiscal year 2014-2015, a listing of all debt service obligations, detailed by project, including anticipated fiscal year 2013-2014 payment for each project, a listing of total outstanding debt,** and at least all of the following for the 3 most recent school years for which the data are available:

(i) Graduation and dropout rates.

(ii) Average class size in grades kindergarten to 3.

(iii) College readiness as measured by Michigan merit examination test scores.

(iv) Elementary and middle school MEAP scores.

(v) Teacher, principal, and superintendent salary information including at least minimum, average, and maximum pay levels.

(vi) General fund balance.

(vii) The total number of days of instruction provided.

(h) The district provides physical education or provides health education.

(3) If the department determines that a district has intentionally submitted false information in order to qualify for an incentive payment under this section, the district forfeits an amount equal to the amount it received under this section from its total state school aid for 2014-2015.

(4) If the department determines that funds allocated under this section will remain unexpended after the initial allocation of \$52.00 per pupil to eligible districts under subsection (2), the remaining unexpended amount is allocated on an equal per pupil basis to districts that meet the requirements of subsection (2) and that have a foundation allowance, as calculated under section 20, in an amount that is less than the basic foundation allowance under that section.

## **MDE Guidance**

### **Overview**

This guidance is intended to provide a district (LEA or PSA) with the process it must follow and the requirements it must meet in order to be eligible to receive funds under Section 22f of the State School Aid Act.

To be eligible to receive the 22f funds a district is required to provide evidence that it met at least seven of the eight best practice requirements listed in 2013 PA 60. Each district wishing to apply for funds under this section will submit to the department a copy of the board resolution detailing the district's compliance with the required best practices. Attached is a copy of an acceptable sample board resolution (Attachment A).

**To meet Requirement A** – The school board must certify that it is the policy holder on all of the health care benefit policies it covers on behalf of employees. An example of evidence for this would be each district insurance policy or employer participation agreement showing that it is the designated policy holder. A district that does not directly employ its staff, or a district with a

voluntary employee beneficiary association that pays no more than the maximum per employee contribution amount and that contributes no more than the maximum employer contribution percentage of total annual costs for the medical benefit plans as described in sections 3 and 4 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied this requirement.

**To meet Requirement B** – The school board must certify that it has obtained a competitive bid on the provision of pupil transportation, food service, custodial, or one or more other non-instructional services. MDE will consider a district to have met this requirement if it has either a single or multi-year proposal or contract for the provision of any fiscal year 2013-14 non-instructional function (Pupil Support, Instructional Staff Support, General Adm., Business Services, Operations and Maintenance, Transportation, Staff/Personnel Services, Non-Instructional Technology, or Food Services.) To qualify as a “provision of service,” the bid should be for purchased services as defined in the *Michigan Public School Accounting Manual* under object codes 31xx - 49xx. When bids are compared to the current costs of whichever service is being bid on, unfunded accrued liability costs for retirement and other benefits should be excluded from the district’s current costs. Indicate on the signed resolution which services were bid to meet the requirement.

**To meet Requirement C** – The school board must certify that it accepts applications for enrollment by nonresident applicants under Section 105 or 105c. A public school academy is considered to have met this requirement.

**To meet Requirement D** – The school board must certify that it has a policy and procedure in place to monitor individual pupil academic growth in each subject area at least twice during the school year using a reputable competency-based online assessment and report the results of those assessments to the pupil and his or her parent or guardian, OR provide the department with a plan and be able to show progress toward developing the technology infrastructure necessary for the implementation of pupil academic growth assessments by 2014-15. If a technology plan is necessary to meet this requirement, please submit the plan using Michigan Electronic Grants System (MEGS) as you have in the past; remembering to follow the guidelines already in existence for the technology plan. Indicate on the signed resolution which option meets the requirement for the district.

**To meet Requirement E** – The school board must certify that it has a policy and procedure in place to support opportunities for pupils to receive postsecondary credit while attending secondary school. The policy and procedure must provide at least one of the following, and make all eligible pupils and their parents aware of the opportunity:

- i) Supports attendance of district pupils under the Postsecondary Enrollment Options Act, MCL 388.511 to 388.524, or under the Career and Technical Preparation Act, MCL 388.1901 to 388.1913, consistent with provisions under Section 21b.
- ii) Offers college level equivalent courses, as defined in Section 1471 of the Revised School Code, MCL 380.1471.
- iii) Participates in a middle college. For the purposes of this subparagraph, “Middle College” means a series of courses and other requirements and conditions that allow a pupil to graduate with a high school diploma and a certificate or degree from a community college or state public university.
- iv) Provides other opportunities to pupils that allow those pupils to graduate with a high school diploma and also complete coursework that a postsecondary institute normally applies toward satisfaction of degree requirements.
- v) If a district does not offer any high school grades, the district informs all pupils and parents of the opportunities that are available for postsecondary options during high school.

A variety of designs and concepts are available to provide early college credit learning experiences for students ranging from Advanced Placement, dual enrollment, and Early/Middle Colleges (EMC). MDE has created a [comprehensive list of options](#) for providing your students the

opportunity to earn postsecondary credit while in high school. If you have questions related to any of these postsecondary options or are interested in learning more about how the expanded EMC will work, please contact either Patty Cantu, Director, Office of Career Technical Education at [cantup@michigan.gov](mailto:cantup@michigan.gov) or telephone (517) 335-5224 or Linda Forward, Director, Office of Educational Improvement and Innovation, at [forwardl@michigan.gov](mailto:forwardl@michigan.gov) or telephone (517) 241-3147.

**To meet Requirement F** - The school board must certify that it has a policy and procedure in place to offer online courses or blended learning opportunities to all eligible pupils. Please reference the guidance found in the [Pupil Accounting Manual](#) Sections 5-O-A, 5-O-B, 5-O-C, and 5-O-D in order to determine district compliance with this requirement. The district policy and procedure should include the mechanism to make all eligible pupils and their parents or guardians aware of these opportunities. Districts must publish an online course syllabus as described in section 21F for each online course that the district offers. For purposes of this subdivision:

- i) "Blended Learning" means a hybrid instructional delivery model where pupils are provided content, instruction, and assessment in part at a supervised educational facility away from home where the pupil and a teacher with a valid Michigan teaching certificate are in the same physical location and in part through internet connected learning environments with some degree of pupil control over time, location, and pace of instruction.
- ii) "Online course" means a course of study that is capable of generating a credit or a grade, that is provided in an interactive internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a teacher with a valid Michigan teaching certificate is responsible for determining appropriate instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.

Questions related to Best Practice Requirement F may be addressed to Barb Fardell at [FardellB@michigan.gov](mailto:FardellB@michigan.gov) or by phone at (517) 335-1291.

**To meet Requirement G** – The school board shall provide a link on the district's home page to the url for the MiSchoolData Portal which contains the required dashboard indicators pursuant to Section 22f(1)(e). The URL to the MiSchoolData Portal is: [www.mischooldata.org](http://www.mischooldata.org). **However, for many public school academies** certain data elements (minimum, average, maximum teacher, principal and superintendent salaries) may be unavailable in the current state data collections because those entities do not report to the Michigan Public Employees Retirement System (MPERS). In cases where data is currently unavailable for an academy, in order to meet requirement G the academy will provide those data on the academy website in a similar format as displayed on the MiSchoolData website for districts reporting to MPERS. **NOTE: A change from last year is the requirement to report projections of 2013-14 and 2014-15 Revenue and Expenditure Projections. Districts must also report outstanding debt information.** To meet this requirement, districts will report the information on the district's Budget Transparency Page. The [MDE Budget and Salary/Compensation Transparency Reporting Guidelines](#) provide the reporting requirements for these data elements.

Following are the required data elements to meet the dashboard/report card requirement:

- Revenue and Expenditure Projections for 2013-2014, and 2014-2015
- A listing of all debt service obligations, detailed by project, including anticipated 2013-2014 payments for each project
- A listing of total outstanding debt
- Graduation and Dropout Rates
- Average Class Size in Grades Kindergarten to 3

- College Readiness as Measured by Michigan Merit Examination Test Scores Elementary and Middle School MEAP Scores
- Teacher, Principal, and Superintendent Salary Information
- General Fund Balance
- Total Number of Days of Instruction

**To meet Requirement H** – The school board shall certify that it provides health and/or physical education.

### **Submission Dates**

While there is no specific date by which a district must submit its board resolution, state aid payments at \$52 per pupil can begin as early as the October 2013 payment. MDE must be in receipt of the district's board resolution **by June 1, 2014**. Districts failing to meet this deadline will be ineligible to receive the Section 22f funds.

Once MDE has received the school board resolution and confirmed that a district has met seven of the eight eligibility requirements, the \$52 per 2013-14 blended pupil membership will be paid out in accordance with MCL 388.1617b. A copy of the signed board resolution is to be sent to John A. Hayner in the State Aid and School Finance Office. The email address is: [Haynerj1@Michigan.gov](mailto:Haynerj1@Michigan.gov) OR by mail at: John A. Hayner, Michigan Department of Education, State Aid and School Finance, PO Box 30008, Lansing, Michigan 48909. The MDE publication [Districts Submitting the Best Practice Resolutions for 2013-14](#) will be updated monthly.

MDE reserves the right to monitor districts for compliance with each of these requirements and may request additional information to verify eligibility.

Questions related to the MDE Best Practice Guidance may be addressed to Glenda Rader at [raderg@michigan.gov](mailto:raderg@michigan.gov).



**Best Practices Incentive**  
School Board Resolution

WHEREAS, Section 22f of the State School Aid Act provides \$52 per pupil one-time grants to districts that satisfy at least 7 of 8 best practices criteria not later than June 1, 2014 [MCL 388.1622f].

WHEREAS, the board of education of \_\_\_\_\_(NAME OF SCHOOL DISTRICT)\_\_\_\_\_ desires to receive the \$52 per pupil incentive payment.

WHEREAS, the \_\_\_\_\_(NAME OF SCHOOL DISTRICT)\_\_\_\_\_ has satisfied at least 7 of 8 best practices criteria.

WHEREAS, eligibility for the incentive payment is contingent upon adopting a resolution that states the district has complied with the following 7 of 8 best practice criteria.

Now, therefore, be it resolved as follows:

1. The board of education of \_\_\_\_\_(NAME OF SCHOOL DISTRICT)\_\_\_\_\_ certifies that the district has complied with the following requirements: [LIST only the Best Practice requirements the district has met to make it eligible to receive the Section 22f funds]
  - The district is the designated policy holder for medical benefit plan(s) pursuant to Section 22f(1)(a).
  - The district has obtained a competitive bid on non-instructional services pursuant to Section 22f(1)(b).
    - Identify which non-instructional services were competitively bid for 2013-14.
  - The district accepts applications for enrollment by non-resident applicants under Section 105 or 105c (MCL 388.1705) pursuant to Section 22f(1)(c). A Public School Academy is considered to have met this requirement.
  - The district identifies which of the following it provides pursuant to Section 22f(1)(d):
    - The district monitors individual pupil academic growth in each subject area at least twice during the school year using competency based online assessments pursuant to Section 22f(1)(d) and reports the results to the pupil and his or her parent or guardian.
    - Submits to the Michigan Department of Education a plan that shows progress toward developing the technology infrastructure necessary for the implementation of pupil academic growth assessments by 2014-2015.
  - The district supports opportunities for pupils to receive postsecondary credit while attending secondary school pursuant to Section 22f(1)(e).
  - The district offers online courses or blended learning opportunities to all eligible pupils, and publish course syllabi pursuant to Section 22f(1)(f).
  - The district provides a link on the district's home page to the url for the MiSchoolData Portal which will contain the required dashboard indicators pursuant to Section 22f(1)(g). If certain data elements for our district are unavailable from state data collections, we agree to provide those data in the form and manner determined by MDE.

➤ The district identifies which of the following it provides pursuant to Section 22f(1)(h):

- Physical Education.
- Health education.

2. The board of education of \_\_\_\_\_ (NAME OF SCHOOL DISTRICT) \_\_\_\_\_ authorizes and directs its secretary to file this resolution with the State Aid and School Finance Office of the Michigan Department of Education.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

Resolved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Roll Call Vote: Passed: \_\_\_\_\_ Failed: \_\_\_\_\_

\_\_\_\_\_  
Board Representative Name

\_\_\_\_\_  
Board Representative Signature

Please send resolution to John A. Hayner at [haynerj1@michigan.gov](mailto:haynerj1@michigan.gov) **or** it may be mailed to:  
John A. Hayner, Michigan Department of Education, Office of State Aid and School Finance, P.O.  
Box 30008, Lansing, Michigan 48909.