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STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

August 16, 2012

MEMORANDUM

TO: Local School District Superintendents, Public School Academy Directors,
Intermediate School District Superintendents

FROM: Carol Wolenberg, Deputy Superintendent *Carol*
Sally Vaughn, Ph.D., Deputy Superintendent/Chief Academic Officer *Sally*

SUBJECT: Guidance on 2012-13 Best Practice Incentive, Section 22f

On June 26, 2012 the Governor enacted legislation under Section 22f of the State School Aid Act, 2012 PA 201, that appropriates \$80,000,000 to provide \$52 per pupil allocations for the FY 2012-13 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);
- Obtain competitive bids for the provision of 2012-13 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 instructional programs or blended learning opportunities to all eligible pupils;
- Provide a link on district's home page to the url for the MiSchoolData portal or provide data elements on website consistent with the MiSchoolData tables;
- Provide physical education consistent with the 2003 state board policy on quality physical education, or provide health education consistent with the 2004 state board policy on comprehensive 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.

Cc: Michigan Education Alliance

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Michigan Department of Education (MDE)
Guidance on Best Practices as Defined in MCL 388.1622f
July 26, 2012

Statutory Requirements:

388.1622f Best Practices Incentive Grants

Sec. 22f. (1) From the appropriation in section 11, there is allocated for 2012-2013 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, 2013:

(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 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 non-instructional services for 2012-2013.

(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 instructional programs or blended learning opportunities to all eligible pupils. In order to satisfy this requirement, districts must make all eligible pupils and their parents or guardians aware of these opportunities. For the purposes of this subdivision:

(i) "Blended learning" means a hybrid instructional delivery model where pupils are provided face-to-face instruction, in part at a supervised school facility away from home and partially through computer-based and internet-connected learning environments with some degree of pupil control over time, location, and pace of instruction.

(ii) "Online instructional program" means a course of study that generates a credit or a grade, provided in an interactive computer-based and internet-connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a

Michigan certificated teacher is responsible for providing direct instruction, 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 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 consistent with the state board's policy on quality physical education adopted September 25, 2003, or provides health education consistent with the state board's policy on comprehensive school health education adopted June 8, 2004.

(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 2013-2014.

(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.

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.

Guidance

To be eligible to receive the 22f funds a district is required to provide evidence that it met seven of the eight best practice requirements listed in 2012 PA 201. 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 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 2012-13 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.

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.

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 or telephone (517) 335-5224 or Linda Forward, Director, Office of Educational Improvement and Innovation, at 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 instructional programs or blended learning opportunities to all eligible pupils. Eligibility for grades K-5 the equivalent of 2 or fewer classes per semester; for grades 6-12 the equivalent of 1 or more classes per semester. For grades 6-12 if exceeding 2 or more classes please reference the guidance found in the [Pupil Accounting Manual 5-0-B](#) in order to apply for the seat time waiver. That policy and procedure should include the mechanism to make all eligible pupils and their parents or guardians aware of these opportunities. For purposes of this subdivision:

- i) “Blended Learning” means a hybrid instructional delivery model where pupils are provided face-to-face instruction, in part at a supervised school facility away from home

and partially through computer based and internet connected learning environments with some degree of pupil control over time, location, and pace of instruction.

- ii) "Online instructional program" means a course of study that generates a credit or grade, provided in an interactive computer based and internet connected learning environment, in which pupils are separated from their teachers by time or location, or both, and in which a Michigan certificated teacher is responsible for providing direct instruction, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.

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

- Graduation and Drop out 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 has policy and procedure in place consistent with the [State Board's Policy on Quality Physical Education](#) adopted September 25, 2003 or the [State Board's Policy on Comprehensive School Health Education](#) adopted June 8, 2004.

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 2012 payment. A district must submit its board resolution by June 1, 2013, to be eligible for these 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 2012-13 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 or by mail at: John Hayner, Michigan Department of Education, State Aid and School Finance, PO Box 30008, Lansing, Michigan 48909.

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

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, 2013 [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 2012-13.
 - 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 instructional programs or blended learning opportunities to all eligible pupils 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 consistent with the 2003 State Board's Policy on Quality Physical Education.
- Health education consistent with the 2004 State Board's Policy on Comprehensive 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 Hayner at 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.