



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

CHRISTOPHER M. HARKINS
DIRECTOR

February 9, 2022

The Honorable Jim Stamas, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Thomas Albert, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Supplemental Request 2022-3

Attached please find supplemental recommendations for fiscal year 2022 for School Aid, Community Colleges, and Universities. This supplemental increases combined appropriations for these budgets by \$2.5 billion gross (\$301.5 million general fund, \$1.8 billion state school aid fund, and \$420.7 million federal funds).

The School Aid budget is increased by \$2.35 billion, which includes reductions of \$323.4 million for cost adjustments agreed to during the January Consensus Revenue Estimating Conference related to pupil changes, taxable value changes, special education costs, and for other technical adjustments. The supplemental also provides \$500 million for new programs to support educator recruitment, \$1.63 billion to support educator retention efforts, \$130 million for other support programs; and \$420.8 million to appropriate available federal funding for school meals and other educational related purposes. The supplemental also recommends depositing \$1 billion in available school aid fund revenue into a new fund to support school infrastructure improvement.

The Community Colleges and Universities budgets are increased by \$200 million general fund (\$58.5 million for community colleges and \$141.5 million for universities) for improvements and deferred maintenance of buildings, facilities, and other physical infrastructure.

If you have any questions regarding this request, please contact Bethany Wicksall at (517) 335-3420.

Sincerely,

Christopher M. Harkins
State Budget Director

Attachment

cc: Mike Shirkey, Senate Majority Leader
Jason Wentworth, Speaker of the House
Jim Ananich, Senate Minority Leader
Donna Lasinski, House Minority Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency

Departments
JoAnne Huls, Chief of Staff
Tricia Foster, Chief Operating Officer
Jen Flood, Deputy Chief of Staff
George Cook, Director of Legislative Affairs
Bethany Wicksall, Deputy State Budget Director
Heather Boyd, Office of Financial Management
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Fiscal Year 2022
Supplemental Request 2022-3

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979," by amending sections 3, 11, 20, 22a, 22b, 26a, 26c, 31a, 31d, 31j, 31o, 31y, 31z, 32d, 51a, 51c, 56, 62, 74, 104h, 201, and 236 (MCL 388.1603, 388.1611, 388.1620, 388.1622a, 388.1622b, 388.1626a, 388.1626c, 388.1631a, 388.1631d, 388.1631j, 388.1631o, 388.1631y, 388.1631z, 388.1632d, 388.1651a, 388.1651c, 388.1656, 388.1662, 388.1674, 388.1704h, 388.1801, and 388.1836), section 3 as amended by 2020 PA 165, sections 11, 20, 22a, 22b, 26a, 26c, 31a, 31d, 31j, 32d, 51a, 51c, 56, 62, and 74 as amended and sections 31o, 31y, 31z and 104h as added by 2021 PA 48, sections 201 and 236 as amended by 2021 PA 86, and by adding sections 11v, 11w, 11x, 23b, 23c, 27a, 27b, 27c, 27d, 27e, 27f, 201f, and 236j; and to repeal acts and parts of acts.

1
2 The People of the State of Michigan Enact:

3 ARTICLE I

4 STATE AID TO PUBLIC SCHOOLS, EARLY CHILDHOOD, AND ADULT EDUCATION

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

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

10 (3) "Center" means the center for educational performance and information created in
11 section 94a.

12 (4) "Community district" means a school district organized under part 5b of the
13 revised school code.

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

19 (6) "Department", except as otherwise provided in this article, means the department
20 of education.

21 (7) "District" means a local school district established under the revised school
22 code or, except in sections 6(4), 6(6), ~~11x~~, 13, 20, 22a, 22p, 31a, 51a(14), 105, 105c, and
23 166b, a public school academy. Except in section 20, district also includes a community
24 district.

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

1 the educating district or educating intermediate district.

2 (9) "District superintendent" means the superintendent of a district or the chief
3 administrator of a public school academy.

4 Sec. 11. (1) ~~For the fiscal year ending September 30, 2021, there is appropriated for~~
5 ~~the public schools of this state and certain other state purposes relating to education the~~
6 ~~sum of \$13,715,807,900.00 from the state school aid fund, the sum of \$54,464,600.00 from~~
7 ~~the general fund, an amount not to exceed \$79,800,000.00 from the community district~~
8 ~~education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489,~~
9 ~~MCL 12.262, and an amount not to exceed \$100.00 from the water emergency reserve fund.~~ For
10 the fiscal year ending September 30, 2022, there is appropriated for the public schools of
11 this state and certain other state purposes relating to education the sum of
12 ~~\$14,797,232,100.00~~ **\$16,626,956,100.00** from the state school aid fund, the sum of
13 ~~\$85,400,000.00~~ **\$186,900,000.00** from the general fund, an amount not to exceed
14 \$72,000,000.00 from the community district education trust fund created under section 12 of
15 the Michigan trust fund act, 2000 PA 489, MCL 12.262, and an amount not to exceed \$100.00
16 from the water emergency reserve fund. In addition, all available federal funds are only
17 appropriated as allocated in this article for the fiscal ~~years~~ **year** ending ~~September 30,~~
18 ~~2021 and~~ September 30, 2022.

19 (2) The appropriations under this section are allocated as provided in this article.
20 Money appropriated under this section from the general fund must be expended to fund the
21 purposes of this article before the expenditure of money appropriated under this section
22 from the state school aid fund.

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

26 **Sec. 11v. From the general fund money appropriated in section 11, there is allocated**
27 **\$94,400,000.00 for a community district that was created under section 383 of the revised**
28 **school code, 1976 PA 451, MCL 380.383. Funds allocated under this section are direct grant**
29 **funds to a community district and are not subject to approval by the state board of**
30 **education or the state superintendent of public instruction. The department of education**
31 **shall pay funds allocated under this section for literacy-related programs and initiatives**
32 **to a community district not later than September 30, 2022.**

1 Sec. 11w. (1) From the state school aid fund money appropriated in section 11, there
2 is allocated for 2021-2022 an amount not to exceed \$6,000,000.00 for payments to a single
3 district that was forced to close a building for an extended period of time, but not less
4 than 20 consecutive days, as a result of the district's response to an act of student
5 violence. Funds allocated under this section may be used for personnel and additional
6 student supports, including, but not limited to, psychologists, family liaisons, mental
7 health staff, school security, additional learning time, and the physical repair or
8 replacement of carpets, ceilings, and furniture.

9 (2) For 2021-2022 only, for the district described in subsection (1), upon request by
10 the district to the superintendent of public instruction, in a form and manner prescribed
11 by the department, section 101(3)(d) shall not apply to the district.

12 (3) For 2021-2022 only, for the district described in subsection (1), in addition to
13 other days provided in section 101(4), if pupil instruction is not provided on 1 or more
14 days due to the district's response to an act of violence, upon request by the district to
15 the superintendent of public instruction, in a form and manner prescribed by the
16 department, that 1 or more of those days and the equivalent number of hours count as days
17 and hours of pupil instruction, the department shall count those requested days and the
18 equivalent number hours as days and hours of pupil instruction for the purposes of the days
19 and hours required under section 101.

20 (4) For 2021-2022 only, for the district described in subsection (1), it is intended
21 that results from summative assessments administered by the district during the 2021-2022
22 school year are not used for retention decisions, educator evaluations, and other high-
23 stakes decisions. The department is encouraged to work with the district to determine
24 alternative methods to comply with applicable state laws.

25 (5) The funds allocated under this section for 2021-2022 are a work project
26 appropriation, and any unexpended funds for 2021-2022 are carried forward into 2022-2023.
27 The purpose of the work project is to continue to provide support for the district
28 described in subsection (1). The estimated completion date of the work project is September
29 30, 2023.

30 (6) Notwithstanding section 17b, the department shall make payments under this
31 section on a schedule determined by the department.

32 Sec. 11x. (1) The school infrastructure fund is created as a separate account within

1 the state school aid fund for the purpose of creating a healthy and safe space for every
2 child and to address inequities that currently exist in school infrastructure funding.

3 (2) The state treasurer may receive money or other assets from any source for deposit
4 into the school infrastructure fund. The state treasurer shall direct the investment of the
5 school infrastructure fund. The state treasurer shall credit to the school infrastructure
6 fund interest and earnings from school infrastructure fund investments.

7 (3) Money in the school infrastructure fund at the close of the fiscal year shall
8 remain in the school infrastructure fund and shall not lapse to the general fund.

9 (4) The department of treasury shall be the administrator of the school
10 infrastructure fund for auditing purposes.

11 (5) The department of treasury shall expend money from the school infrastructure
12 fund, upon appropriation, only for aid to a school district or intermediate district, as
13 defined by section 3 and section 5, on infrastructure projects.

14 (6) For the fiscal year ending September 30, 2022 only, \$1,000,000,000.00 from the
15 state school aid fund shall be deposited into the school infrastructure fund.

16 Sec. 20. (1) For 2021-2022, both of the following apply:

17 (a) The target foundation allowance is \$8,700.00.

18 (b) The minimum foundation allowance is \$8,700.00.

19 (2) The department shall calculate the amount of each district's foundation allowance
20 as provided in this section, using a target foundation allowance in the amount specified in
21 subsection (1).

22 (3) Except as otherwise provided in this section, the department shall calculate the
23 amount of a district's foundation allowance as follows, using in all calculations the total
24 amount of the district's foundation allowance as calculated before any proration:

25 (a) Except as otherwise provided in this subdivision, except for 2021-2022, for a
26 district that had a foundation allowance for the immediately preceding fiscal year that was
27 at least equal to the minimum foundation allowance for the immediately preceding fiscal
28 year, but less than the target foundation allowance for the immediately preceding fiscal
29 year, the district receives a foundation allowance in an amount equal to the sum of the
30 district's foundation allowance for the immediately preceding fiscal year plus the
31 difference between twice the dollar amount of the adjustment from the immediately preceding
32 fiscal year to the current fiscal year made in the target foundation allowance and [(the

1 difference between the target foundation allowance for the current fiscal year and target
2 foundation allowance for the immediately preceding fiscal year minus \$40.00) times (the
3 difference between the district's foundation allowance for the immediately preceding fiscal
4 year and the minimum foundation allowance for the immediately preceding fiscal year)
5 divided by the difference between the target foundation allowance for the current fiscal
6 year and the minimum foundation allowance for the immediately preceding fiscal year.] The
7 foundation allowance for a district that had less than the target foundation allowance for
8 the immediately preceding fiscal year must not exceed the target foundation allowance for
9 the current fiscal year. For 2021-2022, for a district that had a foundation allowance for
10 the immediately preceding fiscal year that was at least equal to the minimum foundation
11 allowance for the immediately preceding fiscal year, but less than the target foundation
12 allowance for the immediately preceding fiscal year, the district's foundation allowance is
13 \$8,700.00.

14 (b) Except as otherwise provided in this subsection, for a district that in the
15 immediately preceding fiscal year had a foundation allowance in an amount equal to the
16 amount of the target foundation allowance for the immediately preceding fiscal year, the
17 district receives a foundation allowance for 2021-2022 in an amount equal to the target
18 foundation allowance for 2021-2022.

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

29 (d) For a district that has a foundation allowance that is not a whole dollar amount,
30 the department shall round the district's foundation allowance up to the nearest whole
31 dollar.

32 (4) Except as otherwise provided in this subsection, beginning in 2021-2022, the

1 state portion of a district's foundation allowance is an amount equal to the district's
2 foundation allowance or the target foundation allowance for the current fiscal year,
3 whichever is less, minus the local portion of the district's foundation allowance. **Except**
4 **as otherwise provided in this subsection, for a district described in subsection (3) (c),**
5 **beginning in 2021-2022, the state portion of the district's foundation allowance is an**
6 **amount equal to the target foundation allowance minus the district's foundation allowance**
7 **supplemental payment per pupil calculated under section 20m and minus the local portion of**
8 **the district's foundation allowance.** For a district that has a millage reduction required
9 under section 31 of article IX of the state constitution of 1963, the department shall
10 calculate the state portion of the district's foundation allowance as if that reduction did
11 not occur. For a receiving district, if school operating taxes continue to be levied on
12 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, the taxable value per membership pupil of property in the
15 receiving district used for the purposes of this subsection does not include the taxable
16 value of property within the geographic area of the dissolved district. For a community
17 district, if school operating taxes continue to be levied by a qualifying school district
18 under section 12b of the revised school code, MCL 380.12b, with the same geographic area as
19 the community district, the taxable value per membership pupil of property in the community
20 district to be used for the purposes of this subsection does not include the taxable value
21 of property within the geographic area of the community district.

22 (5) The allocation calculated under this section for a pupil is based on the
23 foundation allowance of the pupil's district of residence. For a pupil enrolled under
24 section 105 or 105c in a district other than the pupil's district of residence, the
25 allocation calculated under this section is based on the lesser of the foundation allowance
26 of the pupil's district of residence or the foundation allowance of the educating district.
27 For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another
28 district in a grade not offered by the pupil's district of residence, the allocation
29 calculated under this section is based on the foundation allowance of the educating
30 district if the educating district's foundation allowance is greater than the foundation
31 allowance of the pupil's district of residence. The calculation under this subsection must
32 take into account a district's per-pupil allocation under section 20m.

1 (6) Except as otherwise provided in this subsection, for pupils in membership, other
2 than special education pupils, in a public school academy, the allocation calculated under
3 this section is an amount per membership pupil other than special education pupils in the
4 public school academy equal to the minimum foundation allowance specified in subsection
5 (1). Notwithstanding section 101, for a public school academy that begins operations after
6 the pupil membership count day, the amount per membership pupil calculated under this
7 subsection must be adjusted by multiplying that amount per membership pupil by the number
8 of hours of pupil instruction provided by the public school academy after it begins
9 operations, as determined by the department, divided by the minimum number of hours of
10 pupil instruction required under section 101(3). The result of this calculation must not
11 exceed the amount per membership pupil otherwise calculated under this subsection.

12 (7) For pupils in membership, other than special education pupils, in a community
13 district, the allocation calculated under this section is an amount per membership pupil
14 other than special education pupils in the community district equal to the foundation
15 allowance of the qualifying school district, as described in section 12b of the revised
16 school code, MCL 380.12b, that is located within the same geographic area as the community
17 district.

18 (8) Subject to subsection (4), for a district that is formed or reconfigured after
19 June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting
20 district's foundation allowance under this section beginning after the effective date of
21 the consolidation or annexation is the lesser of the sum of the average of the foundation
22 allowances of each of the original or affected districts, calculated as provided in this
23 section, weighted as to the percentage of pupils in total membership in the resulting
24 district who reside in the geographic area of each of the original or affected districts
25 plus \$100.00 or the highest foundation allowance among the original or affected districts.
26 This subsection does not apply to a receiving district unless there is a subsequent
27 consolidation or annexation that affects the district. The calculation under this
28 subsection must take into account a district's per-pupil allocation under section 20m.

29 (9) The department shall round each fraction used in making calculations under this
30 section to the fourth decimal place and shall round the dollar amount of an increase in the
31 target foundation allowance to the nearest whole dollar.

32 (10) State payments related to payment of the foundation allowance for a special

1 education pupil are not calculated under this section but are instead calculated under
2 section 51a.

3 (11) To assist the legislature in determining the target foundation allowance for the
4 subsequent fiscal year, each revenue estimating conference conducted under section 367b of
5 the management and budget act, 1984 PA 431, MCL 18.1367b, must calculate a pupil membership
6 factor, a revenue adjustment factor, and an index as follows:

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

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

28 (c) The index is calculated by multiplying the pupil membership factor by the revenue
29 adjustment factor. If a consensus index is not determined at the revenue estimating
30 conference, the principals of the revenue estimating conference shall report their
31 estimates to the house and senate subcommittees responsible for state school aid
32 appropriations not later than 7 days after the conclusion of the revenue conference.

1 (12) Payments to districts and public school academies are not made under this
2 section. Rather, the calculations under this section are used to determine the amount of
3 state payments under section 22b.

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

8 (14) As used in this section:

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

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

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

17 (d) "Current fiscal year" means the fiscal year for which a particular calculation is
18 made.

19 (e) "Dissolved district" means a district that loses its organization, has its
20 territory attached to 1 or more other districts, and is dissolved as provided under section
21 12 of the revised school code, MCL 380.12.

22 (f) "Immediately preceding fiscal year" means the fiscal year immediately preceding
23 the current fiscal year.

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

32 (h) "Local school operating revenue" means school operating taxes levied under

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

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

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

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

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

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

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

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

28 (p) "Tax increment financing acts" means parts 2, 3, 4, and 6 of the recodified tax
29 increment financing act, 2018 PA 57, MCL 125.4201 to 125.4420 and 125.4602 to 125.4629, or
30 the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

31 (q) "Taxable value per membership pupil" means taxable value, as certified by the
32 county treasurer and reported to the department, for the calendar year ending in the

1 current state fiscal year divided by the district's membership excluding special education
2 pupils for the school year ending in the current state fiscal year.

3 Sec. 22a. (1) From the state school aid fund money appropriated in section 11, there
4 is allocated an amount not to exceed ~~\$4,836,000,000.00 for 2020-2021 and there is allocated~~
5 ~~an amount not to exceed \$4,742,000,000.00~~ **\$4,520,000,000.00** for 2021-2022 for payments to
6 districts and qualifying public school academies to guarantee each district and qualifying
7 public school academy an amount equal to its 1994-95 total state and local per-pupil
8 revenue for school operating purposes under section 11 of article IX of the state
9 constitution of 1963. Pursuant to section 11 of article IX of the state constitution of
10 1963, this guarantee does not apply to a district in a year in which the district levies a
11 millage rate for school district operating purposes less than it levied in 1994. However,
12 subsection (2) applies to calculating the payments under this section. Funds allocated
13 under this section that are not expended in the fiscal year for which they were allocated,
14 as determined by the department, may be used to supplement the allocations under sections
15 22b and 51c to fully fund those allocations for the same fiscal year. For each fund
16 transfer as described in the immediately preceding sentence that occurs, the state budget
17 director shall send notification of the transfer to the house and senate appropriations
18 subcommittees on state school aid and the house and senate fiscal agencies by not later
19 than 14 calendar days after the transfer occurs.

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

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

1 district that has a millage reduction required under section 31 of article IX of the state
2 constitution of 1963, the department shall calculate the state portion of the district's
3 foundation allowance as if that reduction did not occur. For a receiving district, if
4 school operating taxes are to be levied on behalf of a dissolved district that has been
5 attached in whole or in part to the receiving district to satisfy debt obligations of the
6 dissolved district under section 12 of the revised school code, MCL 380.12, taxable value
7 per membership pupil of all property in the receiving district that is nonexempt property
8 and taxable value per membership pupil of property in the receiving district that is
9 commercial personal property do not include property within the geographic area of the
10 dissolved district; ad valorem property tax revenue of the receiving district captured
11 under tax increment financing acts does not include ad valorem property tax revenue
12 captured within the geographic boundaries of the dissolved district under tax increment
13 financing acts; and certified mills do not include the certified mills of the dissolved
14 district. For a community district, the department shall reduce the allocation as otherwise
15 calculated under this section by an amount equal to the amount of local school operating
16 tax revenue that would otherwise be due to the community district if not for the operation
17 of section 386 of the revised school code, MCL 380.386, and the amount of this reduction is
18 offset by the increase in funding under section 22b(2).

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

1 code, MCL 380.12, ad valorem property tax revenue captured under tax increment financing
2 acts do not include ad valorem property tax revenue captured within the geographic
3 boundaries of the dissolved district under tax increment financing acts.

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

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

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

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

26 (7) As used in this section:

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

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

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

1 made.

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

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

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

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

28 (h) "Nonexempt property" means property that is not a principal residence, qualified
29 agricultural property, qualified forest property, supportive housing property, industrial
30 personal property, commercial personal property, or property occupied by a public school
31 academy.

32 (i) "Principal residence", "qualified agricultural property", "qualified forest

1 property", "supportive housing property", "industrial personal property", and "commercial
2 personal property" mean those terms as defined in section 1211 of the revised school code,
3 MCL 380.1211.

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

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

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

11 (m) "Tax increment financing acts" means parts 2, 3, 4, and 6 of the recodified tax
12 increment financing act, 2018 PA 57, MCL 125.4201 to 125.4420 and 125.4602 to 125.4629, or
13 the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

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

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

28 (ii) For the number of mills of school operating taxes that may be levied on all
29 property as provided in section 1211(2) of the revised school code, MCL 380.1211, the
30 taxable value of all property for the calendar year ending in the current fiscal year. For
31 a receiving district, if school operating taxes are to be levied on behalf of a dissolved

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

5 Sec. 22b. (1) For discretionary nonmandated payments to districts under this section,
6 there is allocated for ~~2020-2021 an amount not to exceed \$4,478,200,000.00 from the state~~
7 ~~school aid fund and general fund appropriations in section 11 and an amount not to exceed~~
8 ~~\$79,800,000.00 from the community district education trust fund appropriation in section~~
9 ~~11, and there is allocated for 2021-2022 an amount not to exceed \$5,132,000,000.00~~
10 **\$5,098,000,000.00** from the state school aid fund and general fund appropriations in section
11 11 and an amount not to exceed \$72,000,000.00 from the community district education trust
12 fund appropriation in section 11. Of the funds allocated under this section for 2021-2022,
13 ~~\$13,600,000.00~~ **\$14,000,000.00** represents the amount of the general fund revenue deposited
14 into the state school aid fund to reimburse the state school aid fund for community
15 district education trust fund costs in excess of \$72,000,000.00. **If the amount allocated**
16 **under this subsection from the community district education trust fund appropriation under**
17 **section 11 is insufficient to pay for an increase under this section, any amount exceeding**
18 **that allocation may be paid from other allocations under this subsection.** Except for money
19 allocated under this section from the community district education trust fund appropriation
20 in section 11, funds allocated under this section that are not expended in the fiscal year
21 for which they were allocated, as determined by the department, may be used to supplement
22 the allocations under sections 22a and 51c to fully fund those allocations for the same
23 fiscal year. For each fund transfer as described in the immediately preceding sentence that
24 occurs, the state budget director shall send notification of the transfer to the house and
25 senate appropriations subcommittees on state school aid and the house and senate fiscal
26 agencies by not later than 14 calendar days after the transfer occurs.

27 (2) Subject to subsection (3) and section 296, the allocation to a district under
28 this section is an amount equal to the sum of the amounts calculated under sections 20,
29 20m, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district under
30 sections 22a and 51c. For a community district, the allocation as otherwise calculated
31 under this section is increased by an amount equal to the amount of local school operating
32 tax revenue that would otherwise be due to the community district if not for the operation

1 of section 386 of the revised school code, MCL 380.386, and this increase must be paid from
2 the community district education trust fund allocation in subsection (1) in order to offset
3 the absence of local school operating revenue in a community district in the funding of the
4 state portion of the foundation allowance under section 20(4).

5 (3) In order to receive an allocation under subsection (1), each district must do all
6 of the following:

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

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

10 (c) Furnish data and other information required by state and federal law to the
11 center and the department in the form and manner specified by the center or the department,
12 as applicable.

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

14 (e) Comply with section 21f.

15 (f) For a district that has entered into a partnership agreement with the department,
16 comply with section 22p.

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

21 (5) From the allocation in subsection (1), the department shall pay up to
22 \$1,000,000.00 in litigation costs incurred by this state related to commercial or
23 industrial property tax appeals, including, but not limited to, appeals of classification,
24 that impact revenues dedicated to the state school aid fund.

25 (6) From the allocation in subsection (1), the department shall pay up to
26 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by
27 1 or more districts or intermediate districts against this state. If the allocation under
28 this section is insufficient to fully fund all payments required under this section, the
29 payments under this subsection must be made in full before any proration of remaining
30 payments under this section.

31 (7) It is the intent of the legislature that all constitutional obligations of this
32 state have been fully funded under sections 22a, 31d, 51a, 51c, and 152a. If a claim is

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

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

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

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

27 (11) If a lawsuit challenging payments made to districts related to costs reimbursed
28 by federal title XIX Medicaid funds is filed against this state, then, for the purpose of
29 addressing potential liability under such a lawsuit, the state budget director may place
30 funds allocated under this section in escrow or allocate money from the funds otherwise
31 allocated under this section, up to a maximum of 50% of the amount allocated in subsection
32 (1). If funds are placed in escrow under this subsection, those funds are a work project

1 appropriation and the funds are carried forward into the following fiscal year. The purpose
2 of the work project is to provide for any payments that may be awarded to districts as a
3 result of the litigation. The work project is completed upon resolution of the litigation.
4 In addition, this state reserves the right to terminate future federal title XIX Medicaid
5 reimbursement payments to districts if the amount or allocation of reimbursed funds is
6 challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the
7 social security act, 42 USC 1396 to 1396w-5.

8 **Sec. 23b. (1) From the federal fund money appropriated under section 11 from funds**
9 **awarded to this state from the elementary and secondary school emergency relief (ESSER)**
10 **fund under the coronavirus response and relief supplemental appropriations act, 2021,**
11 **division M of Public Law 116-260, there is allocated for 2021-2022 an amount not to exceed**
12 **\$45,437,800.00 to be used for COVID-19 remediation services in the manner described in**
13 **subsection (6).**

14 (2) The funds allocated under subsection (1) must be distributed by the department as
15 follows:

16 (a) An amount not to exceed \$22,844,500.00 from the federal funding allocated under
17 subsection (1) for summer programs that are offered as part of COVID-19 remediation
18 services under this section.

19 (b) An amount not to exceed \$10,939,100.00 from the federal funding allocated under
20 subsection (1) for credit recovery programs that are offered as part of COVID-19
21 remediation services under this section.

22 (c) An amount not to exceed \$11,654,200.00 from the federal funding allocated under
23 subsection (1) for before-school, after-school, or before-and-after school programs that
24 are offered as part of COVID-19 remediation services under this section.

25 (3) Except as otherwise provided in this subsection, to receive funding under this
26 section, a district or intermediate district must apply for the funding in a form and
27 manner prescribed by the department and on a timeline determined by the department.

28 (4) A district or intermediate district that meets all of the following is an
29 eligible district or eligible intermediate district under this section:

30 (a) In its application for funding under this section, the district or intermediate
31 district pledges to provide COVID-19 remediation services to eligible children.

32 (b) In its application for funding under this section, the district or intermediate

1 district includes a COVID-19 remediation services plan. A plan described in this
2 subdivision must include at least all of the following, as applicable:

3 (i) For COVID-19 remediation services that include a summer program, all of the
4 following:

5 (A) A description of the summer program.

6 (B) The number of potential eligible children that will enroll or the number of
7 eligible children enrolled in the summer program.

8 (C) An estimate of costs for the preparation and implementation of the summer
9 program.

10 (ii) For COVID-19 remediation services that include a credit recovery program, all of
11 the following:

12 (A) A description of the credit recovery program.

13 (B) The number of potential eligible children that will enroll or the number of
14 eligible children enrolled in the credit recovery program.

15 (C) An estimate of costs for the preparation and implementation of the credit
16 recovery program.

17 (iii) For COVID-19 remediation services that include a before-school, after-school, or
18 before-and-after school program, all of the following:

19 (A) A description of the before-school, after-school, or before-and-after school
20 program.

21 (B) The number of potential eligible children that will enroll or the number of
22 eligible children enrolled in the before-school, after-school, or before-and-after school
23 program.

24 (C) An estimate of costs for the preparation and implementation of the before-school,
25 after-school, or before-and-after school program.

26 (D) Assurance that the before-school, after-school, or before-and-after school
27 program is designed to emphasize remediation for eligible children.

28 (c) In its application for funding under this section, the district or intermediate
29 district provides information concerning whether or not the district or intermediate
30 district intends to contract for services as described in subsection (6) (a) in providing a
31 summer program, credit recovery program, or before-school, after-school, or before-and-

1 after school program as part of its COVID-19 remediation services under this section.

2 (5) Subject to subsections (2) and (7), from the funding allocated under subsection
3 (1), the department shall pay each eligible district and each eligible intermediate
4 district all of the following, as applicable:

5 (a) An equal amount for each eligible child that, based on the application for
6 funding under this section, will be enrolled or is enrolled in the eligible district's or
7 eligible intermediate district's summer program, as applicable, offered as part of the
8 eligible district's or eligible intermediate district's COVID-19 remediation services under
9 this section.

10 (b) An equal amount for each eligible child that, based on the application for
11 funding under this section, will be enrolled or is enrolled in the eligible district's or
12 eligible intermediate district's credit recovery program, as applicable, offered as part of
13 the eligible district's or eligible intermediate district's COVID-19 remediation services
14 under this section.

15 (c) An amount equal to the lesser of \$50,000.00, or the actual cost to provide the
16 program, as determined by the department to each eligible district or eligible intermediate
17 district for its before-school, after-school, or before-and-after school program offered as
18 part of its COVID-19 remediation services under this section.

19 (6) An eligible district or eligible intermediate district that receives funding
20 under this section shall only use that funding to provide COVID-19 remediation services to
21 eligible children. Both of the following apply for purposes of this subsection:

22 (a) An eligible district or eligible intermediate district may contract with public
23 or private entities, other districts or intermediate districts, or a consortium of other
24 districts or intermediate districts to provide COVID-19 remediation services under this
25 section.

26 (b) An eligible intermediate district may provide its COVID-19 remediation services
27 to its constituent districts to provide to eligible children.

28 (7) If funds allocated under this section for summer programs that are offered as
29 part of COVID-19 remediation services under this section are insufficient to fully fund
30 calculations under this section, the department shall apply proration of an equal dollar
31 amount per eligible child in a summer program. If funds allocated under this section for
32 credit recovery programs that are offered as part of COVID-19 remediation services under

1 this section are insufficient to fully fund calculations under this section, the department
2 shall apply proration of an equal dollar amount per eligible child in a credit recovery
3 program. If funds allocated under this section for before-school, after-school, or before-
4 and-after school programs that are offered as part of COVID-19 remediation services under
5 this section are insufficient to fully fund calculations under this section, the department
6 shall apply proration in equal proportion to the amount the eligible district or eligible
7 intermediate district would have received under this section for that program but for the
8 application of proration under this subsection.

9 (8) In awarding funding under this section, the department shall prioritize funding
10 under this section that is distributed for before-school, after-school, and before-and-
11 after school programs offered as part of COVID-19 remediation services under this section
12 to the following eligible districts or eligible intermediate districts that offer those
13 programs as part of their COVID-19 remediation services:

14 (a) Eligible districts or eligible intermediate districts with the highest number of
15 eligible children who, based on the application for funding under this section, will enroll
16 or are enrolled in the program.

17 (b) Eligible districts or eligible intermediate districts with the largest size
18 program.

19 (c) Eligible districts or eligible intermediate districts with the highest amount of
20 costs for the program.

21 (9) A before-school, after-school, or before-and-after school program that is offered
22 as part of COVID-19 remediation services under this section must be provided to eligible
23 children in a manner in which the eligible children are in person at a school building
24 designated by the eligible district or eligible intermediate district providing the
25 program. A before-school, after-school, or before-and-after school program that is offered
26 as part of COVID-19 remediation services under this section must provide educational
27 programming in core subject areas, including, but not limited to, mathematics, reading, and
28 science. As used in this subsection, "in person" means physically present.

29 (10) If, in its application for funding under this section, an eligible district or
30 eligible intermediate district submits the potential number of eligible children that will
31 enroll in its summer program as described in subsection (4) (b) (i), potential number of
32 eligible children that will enroll in its credit recovery program as described in

1 subsection (4) (b) (ii), or potential number of eligible children that will enroll in its
2 before-school, after-school, or before-and-after school program as described in subsection
3 (4) (b) (iii), as applicable, and the eligible district or eligible intermediate district
4 receives funding under this section based on those estimations, by a date determined by the
5 department, the eligible district or eligible intermediate district shall submit the number
6 of eligible children who actually enrolled in the eligible district's or eligible
7 intermediate district's summer program, credit recovery program, or before-school, after-
8 school, or before-and-after school program. If the eligible district or eligible
9 intermediate district received an overpayment of funds under this section based on its
10 submitted estimates of eligible children as described in this subsection, as determined by
11 the department, the eligible district or eligible intermediate district shall refund the
12 department in the amount of the overpayment.

13 (11) Notwithstanding section 17b and except as otherwise provided in this subsection,
14 the department shall make payments under this section on a schedule determined by the
15 department.

16 (12) As used in this section:

17 (a) "Constituent district" means a district that is located in the geographic
18 boundaries of the intermediate district.

19 (b) "COVID-19 remediation services" means any of the following:

20 (i) A summer program.

21 (ii) A credit recovery program.

22 (iii) A before-school, after-school, or before-and-after school program.

23 (c) "Credit recovery program" means an educational program that meets at least all of
24 the following:

25 (i) Is offered to each eligible child described in subdivision (d) (ii) who was
26 enrolled in any of grades 9 to 12 in the 2021-2022 school year.

27 (ii) Is a program that is designed to provide educational remediation to children.

28 (iii) Is offered in person, online, digitally, by other remote means, in a synchronous
29 or asynchronous format, or through any combination of these.

30 (iv) Is a program that was developed based on the input of teachers and that is
31 teacher-led.

1 (d) "Eligible child" means a child to whom the following apply, as applicable:

2 (i) For participation in a summer program offered as part of COVID-19 remediation
3 services under this section, the eligible district or eligible intermediate district
4 providing the summer program under this section has determined that the child is eligible
5 for enrollment in the eligible district's or eligible intermediate district's summer
6 program. An eligible district or eligible intermediate district is encouraged to base the
7 determination described in this subparagraph on benchmark assessment data from the
8 benchmark assessment or benchmark assessments administered to the child under section 104,
9 as applicable, or on local assessments and is encouraged, in making its determination under
10 this subparagraph, to consider the children with the greatest need based on academics,
11 social-emotional and mental-health risk, or student engagement.

12 (ii) For participation in a credit recovery program offered as part of COVID-19
13 remediation services under this section, both of the following apply:

14 (A) In the 2021-2022 school year, the child was enrolled in the eligible district,
15 eligible intermediate district, or a constituent district of the eligible intermediate
16 district that provides the credit recovery program to the child under this section.

17 (B) Any of the following apply:

18 (I) The child has failed 1 or more credits or courses in the 2021-2022 school year.

19 (II) The child is not on track to graduate from high school, as determined by the
20 eligible district, eligible intermediate district, or constituent district of the eligible
21 intermediate district in which the child was enrolled as described in sub-subparagraph (A).

22 (III) The eligible district, eligible intermediate district, or constituent district
23 of the eligible intermediate district in which the child was enrolled as described in sub-
24 subparagraph (A) has determined that the child is eligible for enrollment in the eligible
25 district's or eligible intermediate district's credit recovery program.

26 (iii) For participation in a before-school, after-school, or before-and-after school
27 program offered as part of COVID-19 remediation services under this section, both of the
28 following apply:

29 (A) In the 2021-2022 school year, the child was enrolled in any of grades K to 12 in
30 the eligible district, eligible intermediate district, or a constituent district of the
31 eligible intermediate district that provides the before-school, after-school, or before-

1 and-after school program to the child under this section.

2 (B) The eligible district, eligible intermediate district, or constituent district of
3 the eligible intermediate district in which the child was enrolled as described in sub-
4 subparagraph (A) has determined that the child is eligible for enrollment in the eligible
5 district's or eligible intermediate district's before-school, after-school, or before-and-
6 after school program.

7 (e) "Summer program" means an educational program that meets at least all of the
8 following:

9 (i) Is offered to each eligible child described in subdivision (d) (i) who was
10 enrolled in any of grades K to 12 in the 2021-2022 school year.

11 (ii) Is offered at any point after June 1, 2022 and before September 1, 2022.

12 (iii) Is an 8-week program. As used in this subparagraph, "week" means a period
13 beginning on Monday and ending on the following Friday.

14 (iv) Is a program that was developed based on the input of teachers and that is
15 teacher-led.

16 (v) Includes programming in core subject areas, including, but not limited to,
17 mathematics, reading, and science.

18 Sec. 23c. (1) From the federal fund money appropriated under section 11 from funds
19 awarded to this state from the governor's emergency education relief (GEER) fund under the
20 coronavirus response and relief supplemental appropriations act, 2021, division M of Public
21 Law 116-260, there is allocated for 2021-2022 an amount not to exceed \$6,618,200.00 for
22 payments to eligible districts or eligible intermediate districts described in subsection
23 (3) to be used in the manner described in subsection (4).

24 (2) To receive funding under this section, a district or intermediate district must
25 apply for the funding in a form and manner prescribed by the department.

26 (3) A district or intermediate district that meets all of the following is an
27 eligible district or eligible intermediate district under this section:

28 (a) The district or intermediate district is providing a summer program, credit
29 recovery program, or both of these programs, as part of COVID-19 remediation services under
30 section 23b.

31 (b) The district or intermediate district agrees to pay each eligible teacher and

1 eligible support staff member the payment described in subsection (3) by not later than 30
2 days after receiving the disbursement of funds under this section from the department.

3 (c) In its application for funding under this section, the district or intermediate
4 district includes the number of eligible teachers and eligible support staff members it
5 intends to provide a payment to under subsection (4).

6 (4) An eligible district or eligible intermediate district that receives funding
7 under this section shall only use that funding as follows:

8 (a) To provide a payment of an equal amount to each eligible teacher.

9 (b) To provide a payment of an amount equal to 25% of the per teacher amount paid in
10 subdivision (a) to each eligible support staff member.

11 (5) An eligible teacher or eligible support staff member must not receive more than 1
12 payment under subsection (4). An eligible teacher or eligible support staff member who is
13 assigned to teach in or assigned to provide his or her services for both a summer program
14 and credit recovery program that is offered as part of COVID-19 remediation services under
15 section 23b is subject to this subsection and must only receive 1 payment under subsection
16 (4).

17 (6) If funds allocated under this section are insufficient to fully fund calculations
18 under this section, the department shall apply proration in equal proportion to the amount
19 the eligible district or eligible intermediate district would have received under this
20 section for eligible teachers and eligible support staff members but for the application of
21 proration under this subsection.

22 (7) Notwithstanding section 17b, the department shall make payments under this
23 section on a schedule determined by the department.

24 (8) As used in this section:

25 (a) "Eligible support staff member" means an individual to whom both of the following
26 apply:

27 (i) The individual is employed by or assigned to work at the eligible district or
28 eligible intermediate district described in subsection (3).

29 (ii) The individual is assigned to provide his or her services as part of a summer
30 program, credit recovery program, or both offered as part of COVID-19 remediation services
31 described in section 23b.

1 (b) "Eligible teacher" means an individual to whom both of the following apply:

2 (i) The individual holds a valid Michigan teaching certificate or is otherwise
3 permitted to teach in the public schools of this state under law.

4 (ii) The individual is employed by or assigned to work at the eligible district or
5 eligible intermediate district described in subsection (3).

6 (iii) The individual is assigned to teach in a summer program, credit recovery
7 program, or both offered as part of COVID-19 remediation services described in section 23b.

8 Sec. 26a. From the state school aid fund money appropriated in section 11, there is
9 allocated an amount not to exceed ~~\$15,300,000.00~~ **\$14,000,000.00** for 2021-2022 to reimburse
10 districts and intermediate districts under section 12 of the Michigan renaissance zone act,
11 1996 PA 376, MCL 125.2692, for taxes levied in 2021. The department shall pay the
12 allocations not later than 60 days after the department of treasury certifies to the
13 department and to the state budget director that the department of treasury has received
14 all necessary information to properly determine the amounts due to each eligible recipient.

15 Sec. 26c. (1) From the state school aid fund money appropriated under section 11,
16 there is allocated an amount not to exceed ~~\$11,300,000.00 for 2020-2021 and there is~~
17 ~~allocated an amount not to exceed~~ **\$14,800,000.00** for 2021-2022 to the
18 promise zone fund created in subsection (3). The funds allocated under this section reflect
19 the amount of revenue from the collection of the state education tax captured under section
20 17 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677.

21 (2) Funds allocated to the promise zone fund under this section must be used solely
22 for payments to eligible districts and intermediate districts, in accordance with section
23 17 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677, that have a
24 promise zone development plan approved by the department of treasury under section 7 of the
25 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667. Eligible districts and
26 intermediate districts shall use payments made under this section for reimbursement for
27 qualified educational expenses as that term is defined in section 3 of the Michigan promise
28 zone authority act, 2008 PA 549, MCL 390.1663.

29 (3) The promise zone fund is created as a separate account within the state school
30 aid fund to be used solely for the purposes of the Michigan promise zone authority act,
31 2008 PA 549, MCL 390.1661 to 390.1679. All of the following apply to the promise zone fund:

1 (a) The state treasurer shall direct the investment of the promise zone fund. The
2 state treasurer shall credit to the promise zone fund interest and earnings from fund
3 investments.

4 (b) Money in the promise zone fund at the close of a fiscal year remains in the
5 promise zone fund and does not lapse to the general fund.

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

10 (5) Notwithstanding section 17b, the department shall make payments under this
11 section on a schedule determined by the department.

12 **Sec. 27a. (1) From the state school aid fund money appropriated in section 11, there**
13 **is allocated for 2021-2022 an amount not to exceed \$350,000,000.00 for payments to eligible**
14 **institutions of higher education and districts for the purposes of improving the educator**
15 **talent pipeline in the state. If, after fulfilling all obligations under subsections (2),**
16 **(3), and (4), funds allocated under any of those subsections are not expended and**
17 **additional obligations exist under any of subsections (2), (3), or (4), unspent allocations**
18 **from those subsections may be used to fund remaining obligations under this section. An**
19 **individual may not concurrently receive funding through programs funded under this section**
20 **and grow your own programs funded under section 27b.**

21 (2) From the allocation in subsection (1), there is allocated \$150,000,000.00 for the
22 Mi Future Educator Fellowship program. These funds must be used to offset tuition costs for
23 students who are working toward earning their initial teacher certification. All of the
24 following apply to payments under this subsection:

25 (a) To establish initial eligibility for an award under this subsection, an
26 individual must meet all of the following conditions by the date of enrollment described in
27 subparagraph (ii):

28 (i) Have graduated from high school with a diploma or certificate of completion or
29 achieved a high school equivalency certificate.

30 (ii) Be admitted to an eligible educator preparation program working toward a teacher
31 certification and enrolled in enough coursework to earn at least 24 credits in an academic

1 year or the equivalent of full-time participation for individuals enrolled in an
2 alternative certification program, as defined by the department.

3 (iii) Not have previously earned a teacher certification.

4 (iv) Timely complete a grant application in a form and manner determined by the
5 department of treasury.

6 (v) Timely file the Free Application for Federal Student Aid for the enrollment
7 period described in subparagraph (ii).

8 (vi) Timely apply for all available gift aid for the enrollment period described in
9 subparagraph (ii).

10 (vii) Agree to repay any award funds received if the individual does not maintain
11 enrollment in their educator preparation program, does not successfully complete their
12 educator program, or does not work in a Michigan public school or in a qualifying Michigan
13 public preschool program for at least 2 years for every year awards were received under
14 this subsection as a certified teacher beginning within one year of completion of their
15 educator preparation program and the receipt of their teacher certification, subject to the
16 provisions under subdivision (f) and guidance developed by the department of treasury.

17 (b) To establish continuing eligibility for an award under this subsection at an
18 eligible educator preparation program, an individual must meet all of the following
19 conditions:

20 (i) Maintain continuous enrollment in an eligible educator preparation program and
21 earn at least 24 credits in an academic year or the equivalent of full-time participation
22 for individuals enrolled in an alternative certification program, as defined by the
23 department.

24 (ii) Maintain satisfactory academic progress.

25 (iii) Participate in relevant academic and career advising programs offered by the
26 eligible educator preparation program.

27 (iv) Timely file the Free Application for Federal Student Aid for each academic year
28 in which the individual receives an award under this subsection.

29 (v) Timely apply for all available gift aid for each academic year in which the
30 individual applies for funding under this subsection.

1 (c) An award under this section must not exceed \$10,000.00 per academic year or the
2 cost of tuition at the in-district resident rate plus other required fees, as determined by
3 the department of treasury, at the eligible educator preparation program attended,
4 whichever is less.

5 (d) Awards under this subsection shall be distributed to eligible educator
6 preparation programs on a timeline determined by the department of treasury.

7 (e) Pending available funds, applicants may renew their award for up to three years,
8 or until program completion, whichever comes first.

9 (f) If an award recipient does not maintain enrollment in their educator preparation
10 program, does not successfully complete their educator preparation program, does not work
11 as a certified teacher in a Michigan public school or in a qualifying Michigan public
12 preschool program within a year of completing their educator preparation program and
13 receiving their teacher certification, or does not maintain employment in a Michigan public
14 school or in a qualifying Michigan public preschool program for at least 2 years for every
15 year an award was received under this subsection, any amount received from funds under this
16 subsection converts to a 0% interest loan that must be repaid to the state. The amount of
17 repayment must be reduced proportionate to the number of years worked in a Michigan public
18 school as a certified teacher or in a qualifying Michigan public preschool program out of
19 the total number of years the recipient agreed to work in Michigan public school as a
20 certified teacher or in a qualifying Michigan public preschool program. The department of
21 treasury shall develop guidance to enforce this subdivision. This guidance may include
22 hardship provisions that allow a loan to be reduced or discharged.

23 (g) An individual may be eligible for an award under this subsection and subsection
24 (3) concurrently.

25 (3) From the allocation in subsection (1), there is allocated \$150,000,000.00 for the
26 Mi Future Educator - Student Teacher Stipend Program. These funds must be paid to eligible
27 educator preparation programs for payments to eligible student teachers working in a
28 district. All of the following apply to payments under this subsection:

29 (a) An eligible student teacher under this subsection must meet all the following:

30 (i) The individual must be admitted to an eligible educator preparation program,
31 working toward a teacher certification, participating in required student teaching
32 coursework, and maintaining satisfactory academic progress.

1 (ii) The individual must timely complete an application in a form and manner
2 determined by the department of treasury. This application must include the school district
3 in which the individual is working as a student teacher and must include a certification by
4 the school district and the individual's eligible educator preparation program that the
5 student is working as a student teacher.

6 (iii) The individual must not have received a payment from funds under this subsection
7 previously, unless the individual is enrolled in an eligible educator preparation program
8 that requires multiple semesters of student teaching.

9 (iv) If an individual is paid by their school district, they are not eligible for
10 payment under this section.

11 (b) The department of treasury shall pay each eligible educator preparation program
12 an amount not to exceed \$9,600.00 per academic semester for each eligible student teacher
13 working in the district. The eligible educator preparation program must then pay these
14 funds in their entirety to the eligible student teacher. If funding is insufficient to
15 fully fund all eligible student teachers, the department of treasury shall first award
16 funding for eligible student teachers who are also Pell grant recipients and then shall
17 distribute funding in the order in which applications were received. It is intended that
18 payments under this subsection are made at the beginning of the semester in one lump sum to
19 eligible student teachers.

20 (c) An individual may be eligible for an award under this subsection and subsection
21 (2) concurrently.

22 (d) As used in this subsection, "required student teaching coursework" means credit
23 hours, or the program equivalent, required by an eligible educator preparation program for
24 successful completion of the program. This coursework must include regular placement in a
25 school district where the student gains real-world, first-hand experience working in a
26 classroom, teaching students, engaging in the day-to-day activities of a certified teacher,
27 and working daily under the guidance of a certified teacher.

28 (4) From the allocation in subsection (1), there is allocated \$50,000,000.00 for the
29 Mi Future Educator - Graduate Fellowship. These funds must be used to offset tuition costs
30 for individuals earning a school administrator certificate or completing graduate-level
31 training to become a school-based mental health professional or a special education

1 administration professional. All of the following apply to payments under this subsection:

2 (a) An eligible school leader under this subsection must meet all the following:

3 (i) The individual must be admitted to a graduate program at a Michigan public
4 university and must be enrolled in coursework leading to relevant certifications or
5 licensures for school administration assignments, special education administration
6 assignments, or school mental health professional assignments. Individuals enrolled in
7 coursework leading to relevant certifications or licensures for school administration
8 assignments or special education administration assignments must be concurrently employed
9 at a school district. Individuals enrolled in doctoral programs are not eligible for an
10 award under this subsection.

11 (ii) The individual must timely complete an application in a form and manner
12 determined by the department of treasury. This application must include the school district
13 in which the individual is currently employed, as applicable, the graduate program in which
14 the individual is enrolled, and the course of study within that program.

15 (iii) The individual must commit to working in a Michigan public school or a
16 qualifying Michigan public preschool setting upon completion of their certification or
17 licensure for at least 2 years for every year an award was received under this subsection.

18 (iv) The individual must acknowledge that if they do not successfully complete their
19 certification or licensure coursework or if they do not maintain employment in a Michigan
20 public school or a qualifying Michigan public preschool setting upon completion of their
21 certification or licensure for at least 2 year for every year an award was received under
22 this subsection, the amount received from funds under this subsection converts to a 0%
23 interest loan that must be repaid to the state. The amount of repayment must be reduced
24 proportionate to the number of years worked in a Michigan public schools or a qualifying
25 Michigan public preschool setting as a certified teacher out of the total number of years
26 the recipient agreed to work in a Michigan public school or a qualifying Michigan public
27 preschool setting as a certified teacher. The department of treasury shall develop guidance
28 to enforce this subdivision. This guidance may include hardship provisions that allow a
29 loan to be reduced or discharged.

30 (b) An award under this section must not exceed \$10,000.00 per academic year or the
31 cost of tuition at the in-district resident rate plus other required fees, as determined by

1 the department of treasury, at the eligible educator preparation program attended,
2 whichever is less.

3 (c) Awards under this subsection shall be distributed to eligible graduate programs
4 on a timeline determined by the department of treasury.

5 (5) The funds allocated under this section for 2021-2022 are a work project
6 appropriation, and any unexpended funds for 2021-2022 are carried forward into 2022-2023.
7 The purpose of the work project is to improve the educator talent pipeline in the state.
8 The estimated completion date of the work project is September 30, 2026.

9 (6) Notwithstanding section 17b, the department of treasury shall make payments under
10 this section on a schedule determined by the department of treasury.

11 (7) As used in this section:

12 (a) "Eligible educator preparation program" means an educator preparation program
13 approved by the department that is provided by one of Michigan's public institutions of
14 higher education or a district.

15 (b) "Gift aid" means federal Pell grants under 20 USC 1070a and tuition incentive
16 program benefits under section 256 of the school aid act of 1979, 1979 PA 94, MCL 388.1856.
17 The term does not include any of the following:

18 (i) Student loans.

19 (ii) Work-study awards.

20 (iii) Qualified withdrawals made from education savings accounts to pay higher
21 education expenses pursuant to the Michigan education savings program act, 2000 PA 161, MCL
22 390.1471 to 390.1486.

23 (iv) Higher education expenses paid under the Michigan education trust program,
24 pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442.

25 (v) Higher education expenses paid under the Michigan promise zone authority act,
26 2008 PA 549, MCL 390.1661 to 390.1679.

27 Sec. 27b. (1) From the state school aid fund money appropriated under section 11,
28 there is allocated for 2021-2022 an amount not to exceed \$150,000,000.00 for grants to
29 districts to implement a grow your own program as described in subsection (2).

30 (2) Districts receiving funding under this section must use the funding to implement
31 a grow your own program. The grow your own program described in this subsection is to

1 provide a no-cost pathway for support staff members to become certified teachers. Allowable
2 expenses for grow your own programs include but are not limited to:

3 (a) Tuition and fees for a Michigan approved education preparation provider.

4 (b) Books.

5 (c) Testing fees.

6 (d) Travel to and from coursework.

7 (e) Substitute employee salary and wages for the duration of the educator preparation
8 program attended by the recipient staff of the district.

9 (f) Costs for curriculum, materials, professional development, and hands-on-learning
10 experiences to implement a program within the district to encourage students in any of
11 grades 6 through 12 to consider a career in education. Not more than 10% of funds received
12 by a district may be used for this purpose.

13 (3) The department shall establish a grant process to distribute funds under this
14 section. A district must apply for funds in a form and manner as determined by the
15 department. As part of the application, a district must submit the following:

16 (a) Demonstrated need for funding in the district or the broader community, including
17 projected workforce needs, and a proposed spending plan on how the funds will be utilized
18 which includes expected tuition, fees, and books for the program.

19 (b) Partners that will be engaged such as other districts, community-based early
20 childhood programs, and educator preparation program providers.

21 (c) Number of support staff projected to participate.

22 (d) If using funds for the purposes described under subsection (2)(f), a description
23 of the program being implemented and the number of students the programs is intended to
24 reach.

25 (e) Assurances that the pathway will be no cost for participants and that
26 participants will be compensated as an employee for the duration of their training,
27 including a paid residency and/or student teaching.

28 (4) An individual may not concurrently receive funding for programs under this
29 section and any programs funded under section 27a.

30 (5) Notwithstanding section 17b, the department shall make payments under this
31 section on a schedule determined by the department.

32 (6) The funds allocated under this section for 2021-2022 are a work project

1 appropriation, and any unexpended funds for 2021-2022 are carried forward into 2022-2023.
2 The purpose of the work project is to continue support for grow your own programs in
3 districts. The estimated completion date of the work project is September 30, 2024.

4 Sec. 27c. (1) From the state school aid fund money appropriated in section 11, there
5 is allocated for 2021-2022 an amount not to exceed \$1,500,000,000.00 for payments to
6 districts to recognize the work of educators and school support staff.

7 (2) The funds allocated under this section for 2021-2022 are a work project
8 appropriation, and any unexpended funds for 2021-2022 are carried forward into 2022-2023.
9 The purpose of the work project is to make payments to school districts for eligible
10 educational personnel as described in this section. The estimated completion date of the
11 work project is September 30, 2026.

12 (3) The payment amounts described in this section are the gross amounts paid to
13 eligible staff members before any required payroll withholdings.

14 (4) Payments made by districts with funds from this section are considered bonus
15 payments and must not be considered part of a district's payroll for the purposes of
16 calculating required contributions to the public school employees' retirement system nor
17 for the purposes of calculating an individual employee's benefits from the public school
18 employees' retirement system.

19 (5) By October 31, 2022, the department shall make payments to districts in an amount
20 equal to \$2,000.00 multiplied by each full-time equated teacher, administrator,
21 paraprofessional, or other non-instructional staff member employed by the district at the
22 beginning of the 2022-2023 school year. The district must pay all funds received under this
23 subsection to each teacher, administrator, paraprofessional, and non-instructional staff
24 member employed by the district in an amount equal to \$2,000.00 multiplied by the
25 percentage of full-time status hours the employee is scheduled to work for the 2022-2023
26 school year.

27 (6) By October 31, 2023, the department shall make payments to districts in an amount
28 equal to the amount calculated under this subsection.

29 (a) For each teacher, administrator, paraprofessional, and non-instructional staff
30 member employed by the district during the 2022-2023 school year who is still employed by
31 the same district for the 2023-2024 school year; or for each teacher, administrator,
32 paraprofessional, and non-instructional staff member employed by the district working in a

1 building eligible for schoolwide title I programs for the 2023-2024 school year, an amount
2 equal to \$2,000.00 multiplied by the percentage of full-time status hours the employee is
3 scheduled to work for the 2023-2024 school year.

4 (b) For each teacher, administrator, paraprofessional, and non-instructional staff
5 member employed by the district for the 2023-2024 school year who did not receive a payment
6 with funds under subsection (5) because the individual was not employed by any district
7 during the reporting period for funding paid during the 2022-2023 school year, an amount
8 equal to \$2,000.00 multiplied by the percentage of full-time status hours the employee is
9 scheduled to work for the 2023-2024 school year.

10 (c) The district must pay each teacher, administrator, paraprofessional, and non-
11 instructional staff member counted in calculations under this subsection an amount equal to
12 \$2,000.00 multiplied by the percentage of full-time status hours the employee is scheduled
13 to work for the 2023-2024 school year.

14 (7) By October 31, 2024, the department shall make payments to districts in an amount
15 equal to the amount calculated under this subsection.

16 (a) For each teacher employed by the district and eligible for payments under
17 subsection (6) who is still employed by the same district for the 2024-2025 school year; or
18 for each teacher employed by the district working in a building eligible for schoolwide
19 title I programs for the 2024-2025 school year, an amount equal to \$3,000.00 multiplied by
20 the percentage of full-time status hours the employee is scheduled to work for the 2024-
21 2025 school year.

22 (b) For each teacher employed by the district for the 2024-2025 school year who did
23 not receive a payment with funds under subsection (6) because the individual was not
24 employed by any district during the reporting period for funding paid during the 2023-2024
25 school year, an amount equal to \$3,000.00 multiplied by the percentage of full-time status
26 hours the employee is scheduled to work for the 2024-2025 school year.

27 (c) The district must pay each teacher counted in calculations under this subsection
28 an amount equal to \$3,000.00 multiplied by the percentage of full-time status hours the
29 employee is scheduled to work for the 2024-2025 school year.

30 (8) By October 31, 2025, the department shall make payments to districts in an amount
31 equal to the amount calculated under this subsection.

32 (a) For each teacher employed by the district and eligible for payments under

1 subsection (7) who is still employed by the same district for the 2025-2026 school year; or
2 for each teacher employed by the district working in a building eligible for schoolwide
3 title I programs for the 2025-2026 school year, an amount equal to \$4,000.00 multiplied by
4 the percentage of full-time status hours the employee is scheduled to work for the 2025-
5 2026 school year.

6 (b) For each teacher employed by the district for the 2025-2026 school year who did
7 not receive a payment with funds under subsection (7) because the individual was not
8 employed by any district during the reporting period for funding paid during the 2024-2025
9 school year, an amount equal to \$4,000.00 multiplied by the percentage of full-time status
10 hours the employee is scheduled to work for the 2025-2026 school year.

11 (c) The district must pay each teacher counted in calculations under this subsection
12 an amount equal to \$4,000.00 multiplied by the percentage of full-time status hours the
13 employee is scheduled to work for the 2023-2024 school year.

14 (d) If, after making payments under subsections (5), (6), and (7), there is not
15 sufficient funding to make full payments under this subsection, the per employee amount
16 used for calculations and payments under this subsection must be prorated by the
17 department.

18 (9) In addition to other requirements listed in this section, districts eligible for
19 payments under this section must do all of the following:

20 (a) Provide planned annual staffing counts to the department in a form and manner
21 determined by the department on a timeline determined by the department.

22 (b) Provide actual annual staffing counts to the department in a form and manner
23 determined by the department on a timeline determined by the department.

24 (c) If the reported planned annual staffing count exceeds the actual annual staffing
25 and a district is not able to use their full allocations for the purposes under subsections
26 (5), (6), (7), or (8), the district must remit any overpayment to the department.

27 (10) As used in this section:

28 (a) "District" means that term as defined in section (7) and includes intermediate
29 districts as defined in section (5).

30 (b) "Percentage of full-time status hours" means the numbers of hours an employee is
31 scheduled to work in a district divided by the number of hours considered by the district
32 to be full-time. This percentage must not exceed 100%.

1 (c) "Administrator", "paraprofessional", and "non-instructional staff member" mean
2 those staffing groups used by the center for reporting summary information on registry of
3 educational personnel collections, using for those staffing groups the same assignment code
4 rollups used by the center, excluding those personnel defined as teachers for the purposes
5 of this section.

6 (d) "Teacher" means professional employees in school districts that hold a bachelor's
7 degree or higher and have specialized training. These roles are identified in the registry
8 of educational personnel as follows: general education codes "000AX - 000ZZ", special
9 education "00192-00406" career and technical education "00500 - 00599" and early childhood
10 "60100 - 60401; 60600, 60700." The department may add qualifying roles at the request of a
11 district if they meet the requirement of requiring a bachelor's degree or higher, having
12 specialized training, and not being in an administrative role. Teachers employed by a
13 community-based provider of a great start readiness program are defined as teachers in this
14 section and, for the purposes of this section only, are considered to be employed by and
15 working in the intermediate district that allocated funds to the community-based provider
16 for great start readiness programs.

17 (11) Notwithstanding section 17b, the department shall make payments under this
18 section on a schedule determined by the department.

19 Sec. 27d. (1) From the appropriation in section 11, there is allocated for 2021-2022
20 for the purposes of this section an amount not to exceed \$50,000,000.00 from the state
21 school aid fund. Programs funded under this section are intended to expand support for new
22 teachers, improve their instructional practices, and improve teacher retention.

23 (2) From the allocation under subsection (1), the department shall partner with
24 educator preparation programs provided by public institutions of higher education,
25 districts, or districts in partnership with an institution of higher education or an
26 alternative educator preparation program to provide coaching and cohort support to students
27 in educator preparation programs and new teachers. The service must be free and must
28 continue to be available for at least the first three years of a teacher's service. This
29 partnership is intended to create a robust support system for new teachers. A cohort system
30 of supports must provide both of the following:

31 (a) Provide new teachers with professional connections to similarly experienced
32 teachers who face many of the same challenges when beginning their profession.

1 (b) Provide coaches or mentors who are experts in the field of education to new
2 teachers who can offer guidance on complex issues and subsequently share that expertise
3 with new teachers.

4 (3) From the allocation under subsection (1), the department shall provide grants for
5 mentor stipends to support and retain quality teachers in Michigan. Districts are eligible
6 to receive grants under this subsection and may use the funding for any of the following
7 allowable expenditures:

8 (a) Stipends for veteran teachers who serve as mentor teachers.

9 (b) Training for mentor teachers.

10 (c) Books, materials, professional learning expenses, and other resources necessary
11 for mentoring and onboarding new teachers.

12 (d) Staffing costs to cover time spent by both new and mentor teachers dedicated to
13 mentoring and onboarding rather than being in the classroom.

14 (4) From the allocation under subsection (1), there is allocated \$500,000.00 for a
15 competitive grant to assist the department with the development of research-based mentor
16 standards, curriculum, and professional learning to ensure mentors are prepared to support
17 new teachers. Intermediate districts and other educational entities are eligible to apply
18 for this grant in a form and manner determined by the department.

19 (5) From the allocation under subsection (1), there is allocated \$500,000.00 for a
20 competitive grant to conduct a program evaluation of activities funded under this section.
21 The evaluation shall identify recommendations to strengthen the program. Qualified
22 evaluators are eligible to apply for this grant in a form and manner determined by the
23 department.

24 (6) Notwithstanding section 17b, the department shall make payments under this
25 section on a schedule determined by the department.

26 Sec. 27e. (1) From the state school aid fund appropriated under section 11, there is
27 allocated for 2021-2022 an amount not to exceed \$75,000,000.00 for the development of
28 innovative partnerships to respond to regional workforce needs and increase the number of
29 qualified educator personnel in Michigan's schools.

30 (2) Grants awarded under this section must be used to assess and respond to local
31 education workforce needs and to do one or more of the following:

32 (a) Assess regional education workforce needs with a focus on critical shortage

1 areas, which may include STEM, career and technical education, and special education.

2 (b) Implement strategies to attract, train, and retain highly qualified pre-k through
3 grade 12 education personnel. These strategies may include subgrating funds to
4 organizations that support the pre-k through grade 12 education personnel talent pipeline.

5 (c) Implement strategies to attract, train, and retain school support staff,
6 including paraprofessionals, non-instructional staff, and substitute teachers.

7 (d) Expand access to educator preparation programs in areas where availability is
8 limited.

9 (3) Each grant application must include at least one district or one intermediate
10 district and may include public institutions of higher education and other public, private,
11 and nonprofit organizations.

12 (4) Partnerships shall apply to the department in a form and manner determined by the
13 department. The department shall ensure all of the following when awarding grants under
14 this section:

15 (a) Grantees represent diverse geographies of the state, including rural, suburban,
16 and urban areas.

17 (b) Grants are prioritized toward partnerships that demonstrate the most significant
18 education personnel workforce needs in their region, including, but not limited to, teacher
19 retention issues, age of local workforce and impending retirement waves, and availability
20 of new education personnel.

21 (c) Priority will be given to partnerships with diverse groups of regional
22 stakeholders that include public, private, and nonprofit organizations.

23 (d) Grants are intended to be for 3 years. The total amount received by a single
24 partnership must not exceed \$5,000,000.00.

25 (5) The department shall award a grant to at least one partnership between districts
26 and a statewide special education organization that improves the capacity of building-level
27 special education administration personnel. This partnership must provide personnel with
28 the background and training in special education processes, including, but not limited to,
29 legal requirements, evaluations, multi-disciplinary evaluation teams, individualized
30 education programs, functional behavior plans, specifically designed instruction,
31 transition plans, and mental health evaluations.

32 (6) The funds allocated under this section for 2021-2022 are a work project

1 appropriation, and any unexpended funds for 2021-2022 are carried forward into 2022-2023.
2 The purpose of the work project is to continue to provide support for the regional
3 partnerships described in subsection (3). The estimated completion date of the work project
4 is September 30, 2023.

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

7 Sec. 27f. (1) From the general fund money appropriated in section 11, there is
8 allocated an amount not to exceed \$500,000.00 for 2021-2022 to an association that
9 represents a consortium of urban school districts in this state in partnership with a
10 research consultant for purposes of this section.

11 (2) Funds under this section must be used to support an analysis and an accompanying
12 report of Michigan's education workforce. The analysis described in this subsection must
13 provide all of the following:

14 (a) The identification of effective and financially sustainable strategies districts
15 have developed to address the staffing shortage.

16 (b) An evaluation of how educator workforce shortages compare among the various
17 districts across the state in efforts to improve the diversity of the workforce and to
18 understand how workforce shortages relate to questions of equity in education.

19 (c) Recommendations for both short-term and long-term solutions to address the
20 educator shortage.

21 (d) An examination of educator workforce policies in other states to identify
22 approaches that have been useful in addressing educator shortages and diversity.

23 (e) An analysis of district-level personnel data from urban and rural districts that
24 have faced the largest declines in staff and face the greatest burdens addressing the
25 shortages.

26 (f) The inclusion of targeted feedback from school-level educators, as well as
27 district-level administrators.

28 (3) The study described in subsection (2) must include representation from various
29 stakeholders, including, but not limited to, teachers, school administrators, and human
30 resource directors.

31 (4) Notwithstanding section 17b, the department shall make payments under this
32 section on a schedule determined by the department.

1 (5) The funds allocated under this section for 2021-2022 are a work project
2 appropriation, and any unexpended funds for 2021-2022 do not lapse to the state school aid
3 fund and are carried forward into 2022-2023. The purpose of the work project is to continue
4 support for the analysis described in subsection (2). The estimated completion date of the
5 work project is September 30, 2023.

6 Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there
7 is allocated for 2021-2022 an amount not to exceed \$537,650,000.00, and from the general
8 fund money appropriated in section 11 there is allocated for 2021-2022 an amount not to
9 exceed \$1,500,000.00, for payments to eligible districts and eligible public school
10 academies for the purposes of ensuring that pupils are proficient in English language arts
11 by the end of grade 3, that pupils are proficient in mathematics by the end of grade 8,
12 that pupils are attending school regularly, that high school graduates are career and
13 college ready, and for the purposes under subsections (7) and (8).

14 (2) For a district that has combined state and local revenue per membership pupil
15 under ~~section 20~~ **sections 20 and 20m** that is greater than the target foundation allowance
16 under section 20 for the current fiscal year and that, for the immediately preceding fiscal
17 year, had combined state and local revenue per membership pupil under section 20 that was
18 greater than the target foundation allowance under section 20 that was in effect for that
19 fiscal year, the allocation under subsection (4) is an amount equal to 35% of the
20 allocation for which it would otherwise be eligible under subsection (4) before any
21 proration under subsection (15). It is the intent of the legislature that, if revenues are
22 sufficient and if districts with combined state and local revenue per membership pupil
23 under ~~section 20~~ **sections 20 and 20m** that is below the target foundation allowance are
24 receiving nonprorated payments under subsection (4), the percentage in the immediately
25 preceding sentence must be increased annually until it reaches 100%. If a district has
26 combined state and local revenue per membership pupil under ~~section 20~~ **sections 20 and 20m**
27 that is greater than the target foundation allowance under section 20 for the current
28 fiscal year, but for the 2018-2019 fiscal year had combined state and local revenue per
29 membership pupil under section 20 that was less than the basic foundation allowance under
30 section 20 that was in effect for the 2018-2019 fiscal year, the district shall receive an
31 amount per pupil equal to 11.5% of the statewide weighted average foundation allowance, as
32 applied under subsection (4), and before any proration under subsection (15).

1 (3) For a district or public school academy to be eligible to receive funding under
2 this section, other than funding under subsection (7) or (8), the district or public school
3 academy, for grades K to 12, must comply with the requirements under section 1280f of the
4 revised school code, MCL 380.1280f, and shall use resources to address early literacy and
5 numeracy, and for at least grades K to 12 or, if the district or public school academy does
6 not operate all of grades K to 12, for all of the grades it operates, must implement a
7 multi-tiered system of supports that is an evidence based framework that uses data driven
8 problem solving to integrate academic and behavioral instruction and that uses intervention
9 delivered to all pupils in varying intensities based on pupil needs. The multi-tiered
10 system of supports described in this subsection must provide at least all of the following
11 essential components:

12 (a) Team-based leadership.

13 (b) A tiered delivery system.

14 (c) Selection and implementation of instruction, interventions, and supports.

15 (d) A comprehensive screening and assessment system.

16 (e) Continuous data-based decision making.

17 (4) From the state school aid fund money allocated under subsection (1), there is
18 allocated for 2021-2022 an amount not to exceed \$512,500,000.00 to continue a weighted
19 foundation per pupil payment for districts and public school academies enrolling
20 economically disadvantaged pupils. The department shall pay under this subsection to each
21 eligible district or eligible public school academy an amount per pupil equal to 11.5% of
22 the statewide weighted average foundation allowance for the following, as applicable:

23 (a) Except as otherwise provided under subdivision (b), (c), or (d) the greater of
24 the following:

25 (i) The number of membership pupils in the district or public school academy who are
26 determined to be economically disadvantaged, as reported to the center in the form and
27 manner prescribed by the center not later than the fifth Wednesday after the pupil
28 membership count day of the immediately preceding fiscal year.

29 (ii) If the district or public school academy is in the community eligibility program,
30 the number of pupils determined to be eligible based on the product of the identified
31 student percentage multiplied by the total number of pupils in the district or public

1 school academy, as reported to the center in the form and manner prescribed by the center
2 not later than the fifth Wednesday after the pupil membership count day of the immediately
3 preceding fiscal year. These calculations must be made at the building level. This
4 subparagraph only applies to an eligible district or eligible public school academy for the
5 fiscal year immediately following the first fiscal year in which it is in the community
6 eligibility program. As used in this subparagraph, "identified student percentage" means
7 the quotient of the number of pupils in an eligible district or eligible public school
8 academy who are determined to be economically disadvantaged, as reported to the center in a
9 form and manner prescribed by the center, not later than the fifth Wednesday after the
10 pupil membership count day in the fiscal year preceding the first fiscal year in which the
11 eligible district or eligible public school academy is in the community eligibility
12 program, divided by the total number of pupils counted in an eligible district or eligible
13 public school academy on the pupil membership count day in the fiscal year preceding the
14 first fiscal year in which the eligible district or eligible public school academy is in
15 the community eligibility program.

16 (b) If the district or public school academy began operations as a district or public
17 school academy after the pupil membership count day of the immediately preceding school
18 year, the number of membership pupils in the district or public school academy who are
19 determined to be economically disadvantaged, as reported to the center in the form and
20 manner prescribed by the center not later than the fifth Wednesday after the pupil
21 membership count day of the current fiscal year.

22 (c) If the district or public school academy began operations as a district or public
23 school academy after the pupil membership count day of the current fiscal year, the number
24 of membership pupils in the district or public school academy who are determined to be
25 economically disadvantaged, as reported to the center in the form and manner prescribed by
26 the center not later than the fifth Wednesday after the supplemental count day of the
27 current fiscal year.

28 (d) If, for a particular fiscal year, the number of membership pupils in a district
29 or public school academy who are determined under subdivision (a) to be economically
30 disadvantaged or to be eligible based on the identified student percentage varies by more
31 than 20 percentage points from the number of those pupils in the district or public school
32 academy as calculated under subdivision (a) for the immediately preceding fiscal year

1 caused by an egregious reporting error by the district or public school academy, the
2 department may choose to have the calculations under subdivision (a) instead be made using
3 the number of membership pupils in the district or public school academy who are determined
4 to be economically disadvantaged, as reported to the center in the form and manner
5 prescribed by the center not later than the fifth Wednesday after the supplemental count
6 day of the immediately preceding fiscal year.

7 (5) Except as otherwise provided in this section, a district or public school academy
8 receiving funding under this section shall use that money only to provide instructional
9 programs and direct noninstructional services, including, but not limited to, medical,
10 mental health, or counseling services, for at-risk pupils; for school health clinics; and
11 for the purposes of subsection (6), (7), or (8). In addition, a district that is a school
12 district of the first class or a district or public school academy in which at least 50% of
13 the pupils in membership were determined to be economically disadvantaged in the
14 immediately preceding state fiscal year, as determined and reported as described in
15 subsection (4), may use the funds it receives under this section for school security or
16 school parent liaison personnel. The uses of the funds described in the immediately
17 preceding sentence must align to the needs assessment and the multi-tiered system of
18 supports model and, for funds spent on parent liaison personnel, must connect parents to
19 the school community. A district or public school academy shall not use any of the money
20 received under this section for administrative costs. The instruction or direct
21 noninstructional services provided under this section may be conducted before or after
22 regular school hours or by adding extra school days to the school year.

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

29 (7) From the state school aid fund money allocated under subsection (1), there is
30 allocated for 2021-2022 an amount not to exceed \$8,000,000.00 to support primary health
31 care services provided to children and adolescents up to age 21. These funds must be
32 expended in a form and manner determined jointly by the department and the department of

1 health and human services. If any funds allocated under this subsection are not used for
2 the purposes of this subsection for the fiscal year in which they are allocated, those
3 unused funds must be used that fiscal year to avoid or minimize any proration that would
4 otherwise be required under subsection (15) for that fiscal year.

5 (8) From the state school aid fund money allocated under subsection (1), there is
6 allocated for 2021-2022 an amount not to exceed \$5,150,000.00 for the state portion of the
7 hearing and vision screenings as described in part 93 of the public health code, 1978 PA
8 368, MCL 333.9301 to 333.9329, and, from the general fund money allocated under subsection
9 (1), there is allocated for 2021-2022 an amount not to exceed \$1,500,000.00 for the state
10 portion of the dental screenings as described in part 93 of the public health code, 1978 PA
11 368, MCL 333.9301 to 333.9329. A local public health department shall pay at least 50% of
12 the total cost of the screenings. The frequency of the vision screenings must be as
13 required under R 325.13091 to R 325.13096 of the Michigan Administrative Code and the
14 frequency of the hearing screenings must be as required under R 325.3271 to R 325.3276 of
15 the Michigan Administrative Code. Funds must be awarded in a form and manner approved
16 jointly by the department and the department of health and human services. Notwithstanding
17 section 17b, the department shall make payments to eligible entities under this subsection
18 on a schedule determined by the department.

19 (9) Each district or public school academy receiving funds under this section shall
20 submit to the department by July 15 of each fiscal year a report, in the form and manner
21 prescribed by the department, that includes a brief description of each program conducted
22 or services performed by the district or public school academy using funds under this
23 section, the amount of funds under this section allocated to each of those programs or
24 services, the total number of at risk pupils served by each of those programs or services,
25 and the data necessary for the department and the department of health and human services
26 to verify matching funds for the temporary assistance for needy families program. In
27 prescribing the form and manner of the report, the department shall ensure that districts
28 are allowed to expend funds received under this section on any activities that are
29 permissible under this section. If a district or public school academy does not comply with
30 this subsection, the department shall withhold an amount equal to the August payment due
31 under this section until the district or public school academy complies with this
32 subsection. If the district or public school academy does not comply with this subsection

1 by the end of the fiscal year, the withheld funds are forfeited to the school aid fund.

2 (10) In order to receive funds under this section, a district or public school
3 academy must allow access for the department or the department's designee to audit all
4 records related to the program for which it receives those funds. The district or public
5 school academy shall reimburse the state for all disallowances found in the audit.

6 (11) Subject to subsections (6), (7), and (8), for schools in which more than 40% of
7 pupils are identified as at-risk, a district or public school academy may use the funds it
8 receives under this section to implement tier 1, evidence-based practices in schoolwide
9 reforms that are guided by the district's comprehensive needs assessment and are included
10 in the district improvement plan. Schoolwide reforms must include parent and community
11 supports, activities, and services, that may include the pathways to potential program
12 created by the department of health and human services or the communities in schools
13 program. As used in this subsection, "tier 1, evidence-based practices" means research
14 based instruction and classroom interventions that are available to all learners and
15 effectively meet the needs of most pupils.

16 (12) A district or public school academy that receives funds under this section may
17 use those funds to provide research based professional development and to implement a
18 coaching model that supports the multi-tiered system of supports framework. Professional
19 development may be provided to district and school leadership and teachers and must be
20 aligned to professional learning standards; integrated into district, school building, and
21 classroom practices; and solely related to the following:

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

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

26 (13) A district or public school academy that receives funds under subsection (4) or
27 (17) may use funds received under subsection (4) or (17) for support staff providing
28 services to at-risk pupils.

29 (14) A district or public school academy that receives funds under this section may
30 use up to 10% of the funds received under this section to provide evidence-based
31 instruction for pre-kindergarten instructional and noninstructional services to children
32 who meet at least 1 of the criteria in subsection (20) (a) (i) to (x).

1 (15) If necessary, and before any proration required under section 296, the
2 department shall prorate payments under this section, except payments under subsection (7),
3 (8), or (17), by reducing the amount of the allocation as otherwise calculated under this
4 section by an equal percentage per district.

5 (16) If a district is dissolved pursuant to section 12 of the revised school code,
6 MCL 380.12, the intermediate district to which the dissolved district was constituent shall
7 determine the estimated number of pupils that are economically disadvantaged and that are
8 enrolled in each of the other districts within the intermediate district and provide that
9 estimate to the department for the purposes of distributing funds under this section within
10 60 days after the district is declared dissolved.

11 (17) From the state school aid fund money allocated under subsection (1), there is
12 allocated for 2021-2022 an amount not to exceed \$12,000,000.00 for payments to districts
13 and public school academies that otherwise received an allocation under this subsection for
14 2020-2021 and whose allocation under this section for 2020-2021, excluding any payments
15 under subsection (7) or (8), would have been more than the district's or public school
16 academy's allocation under this section for 2021-2022 as calculated under subsection (4)
17 only and as adjusted under subsection (15). The allocation for each district or public
18 school academy under this subsection is an amount equal to its allocation under this
19 section for 2020-2021 minus its allocation as otherwise calculated under subsection (4) for
20 2021-2022 as adjusted by subsection (15), using in those calculations the 2017-2018 number
21 of pupils determined to be economically disadvantaged. However, if the allocation as
22 otherwise calculated under this subsection would have been less than \$0.00, the allocation
23 under this subsection is \$0.00. If necessary, and before any proration required under
24 section 296, the department shall prorate payments under this subsection by reducing the
25 amount of the allocation as otherwise calculated under this subsection by an equal
26 percentage per district or public school academy. Any unexpended funds under this
27 subsection are to be distributed through payments made under subsection (4) as provided
28 under subsection (4), but those funds must not be factored into calculating payments under
29 this subsection.

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

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

5 (20) As used in this section:

6 (a) "At-risk pupil" means a pupil in grades pre-K to 12 for whom the district has
7 documentation that the pupil meets any of the following criteria:

8 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

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

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

25 (b) "Economically disadvantaged" means a pupil who has been determined eligible for
26 free or reduced-price meals as determined under the Richard B. Russell national school
27 lunch act, 42 USC 1751 to 1769j; who is in a household receiving supplemental nutrition
28 assistance program or temporary assistance for needy families assistance; or who is
29 homeless, migrant, or in foster care, as reported to the center.

30 (c) "English language learner" means limited English proficient pupils who speak a

1 language other than English as their primary language and have difficulty speaking,
2 reading, writing, or understanding English as reported to the center.

3 (d) "Statewide weighted average foundation allowance" means the number that is
4 calculated by adding together the result of each district's or public school academy's
5 foundation allowance, not to exceed the target foundation allowance for the current fiscal
6 year, or per-pupil payment calculated under section 20 multiplied by the number of pupils
7 in membership in that district or public school academy, and then dividing that total by
8 the statewide number of pupils in membership.

9 Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not
10 to exceed ~~\$23,838,400.00 for 2020-2021 and there is allocated an amount not to exceed~~
11 ~~\$23,838,400.00~~ **\$24,553,400.00** for 2021-2022 for the purpose of making payments to districts
12 and other eligible entities under this section.

13 (2) The amounts allocated from state sources under this section are used to pay the
14 amount necessary to reimburse districts for 6.0127% of the necessary costs of the state
15 mandated portion of lunch programs provided by those districts. The department shall
16 calculate the amount due to each district under this section using the methods of
17 calculation adopted by the Michigan supreme court in the consolidated cases known as Durant
18 v State of Michigan, 456 Mich 175 (1997).

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

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

27 (5) From the federal funds appropriated in section 11, there is allocated for ~~2020-~~
28 ~~2021 all available federal funding, estimated at \$800,000,000.00, and there is allocated~~
29 ~~for 2021-2022 all available federal funding, estimated at \$545,000,000.00~~ **\$900,000,000.00**
30 for child nutrition programs and, for ~~2020-2021, all available federal funding, estimated~~
31 ~~at \$15,712,000.00 for food distribution programs, \$50,000,000.00 for the child nutrition~~
32 ~~program pandemic electronic benefit transfer cost reimbursement program, \$50,000,000.00 for~~

1 ~~child nutrition program emergency operational cost reimbursement programs, and \$259,600.00~~
2 ~~for commodity supplemental fund programs, and, for 2021-2022, all available federal~~
3 funding, estimated at ~~\$11,000,000.00, \$30,700,000.00~~ for food distribution programs.

4 (6) Notwithstanding section 17b, the department shall make payments to eligible
5 entities other than districts under this section on a schedule determined by the
6 department.

7 (7) In purchasing food for a lunch program funded under this section, a district or
8 other eligible entity shall give preference to food that is grown or produced by Michigan
9 businesses if it is competitively priced and of comparable quality.

10 Sec. 31j. (1) From the general fund money appropriated in section 11, there is
11 allocated an amount not to exceed \$500,000.00 and from the state school aid fund money
12 appropriated in section 11, there is allocated an amount not to exceed ~~\$4,500,000.00~~
13 **\$4,000,000.00** for 2021-2022 for a program to support districts and other non-school
14 sponsors in the purchase of locally grown fruits and vegetables as described in this
15 section.

16 (2) Funding under this section retained by the department for administration must not
17 exceed 5%. Funding under this section retained by project partners for data collection,
18 outreach, and training must not exceed 1% for each partner.

19 (3) The department shall develop and implement a competitive grant program for
20 districts and other non-school sponsors to assist in paying for the costs incurred by the
21 district or other non-school sponsor to purchase or increase purchases of whole or
22 minimally processed fruits, vegetables, and legumes grown in this state. The maximum amount
23 that may be drawn down on a grant to a district or other non-school sponsor is based on the
24 number of meals served by the district during the previous school year under the Richard B.
25 Russell national school lunch act, 42 USC 1751 to 1769j, or meals served by the other non-
26 school sponsor in the previous school year. The department shall collaborate with the
27 Michigan department of agriculture and rural development to provide training to newly
28 participating schools and other non-school sponsors and electronic information on Michigan
29 agriculture.

30 (4) The goals of the program under this section include improving daily nutrition and
31 eating habits for children through the school and child care settings while investing in
32 Michigan's agricultural and related food business economy.

1 (5) A district or other non-school sponsor that receives a grant under this section
2 shall use those funds for the costs incurred by the district or the sponsor to purchase
3 whole or minimally processed fruits, vegetables, and legumes that meet all of the
4 following:

5 (a) Were purchased for use in school meals served between September 1, 2021 through
6 August 30, 2022.

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

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

11 (6) For Michigan-grown fruits, vegetables, and legumes that satisfy the requirements
12 of subsection (5), the department shall make matching reimbursements in an amount not to
13 exceed 10 cents for every school meal that is served as part of the United States
14 Department of Agriculture's child nutrition programs and that uses Michigan-grown fruits,
15 vegetables, and legumes.

16 (7) A district or other non-school sponsor that receives a grant for reimbursement
17 under this section shall use the grant to purchase whole or minimally processed fruits,
18 vegetables, and legumes that are grown in this state and, if minimally processed, are also
19 processed in this state.

20 (8) In awarding grants under this section, the department shall work in consultation
21 with Michigan-based farm to school resource organizations, to develop scoring criteria that
22 assess an applicant's ability to procure Michigan-grown products, prepare and menu
23 Michigan-grown products, promote and market Michigan-grown products, and submit letters of
24 intent from districts or other non-school sponsors on plans for educational activities that
25 promote the goals of the program.

26 (9) The department shall give preference to districts or other non-school sponsors
27 that propose educational activities that meet 1 or more of the following: promote healthy
28 food activities; have clear educational objectives; involve parents or the community;
29 connect to a school's or child care center's farm-to-school or farm-to-early-child-care
30 procurement activities; and market and promote the program, leading to increased pupil
31 knowledge and consumption of Michigan-grown products. The department shall give stronger
32 weighting and consideration to applications with robust marketing and promotional

1 activities.

2 (10) In awarding grants, the department shall also consider all of the following:

3 (a) The percentage of children who qualify for free or reduced price school meals
4 under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j.

5 (b) The variety of school or child care center sizes and geographic locations within
6 the identified prosperity regions.

7 (c) The existing or future collaboration opportunities between more than 1 district
8 or child care center.

9 (11) As a condition of receiving a grant under this section, a district or other non-
10 school sponsor shall provide or direct its vendors to provide to the department copies of
11 monthly receipts that show the quantity of different Michigan-grown fruits, vegetables, and
12 legumes purchased, the amount of money spent on each of these products, the name and
13 Michigan location of the farm that grew the products, and the methods or plans to market
14 and promote the program. The district or other non-school sponsor also shall provide to the
15 department monthly United States Department of Agriculture child nutrition reimbursable
16 meal numbers and participation rates and must retain monthly menus noting when and how
17 Michigan-grown products were used in meals. The district or other non-school sponsor and
18 school or non-school sponsor food service director or directors also shall agree to respond
19 to brief online surveys and to provide a report that shows the percentage relationship of
20 Michigan spending compared to total food spending. Not later than 60 days after the end of
21 the school year in which funds under this section were received, each district or each non-
22 school sponsor shall submit a report to the department on outcomes and related measurements
23 for economic development and children's nutrition and readiness to learn. The report must
24 include at least both of the following:

25 (a) The extent to which farmers and related businesses, including distributors and
26 processors, saw an increase in market opportunities and income generation through sales of
27 Michigan or local products to districts and other non-school sponsors. All of the following
28 apply for purposes of this subdivision:

29 (i) The data used to determine the amount of this increase are the total dollar
30 amount of Michigan or local fruits, vegetables, and legumes purchased by schools and other
31 non-school sponsors, along with the number of different types of products purchased; school
32 and non-school sponsor food purchasing trends identified along with products that are of

1 new and growing interest among food service directors; the number of businesses impacted;
2 and the percentage of total food budget spent on Michigan-grown fruits, vegetables, and
3 legumes.

4 (ii) The district or other non-school sponsor shall use purchasing data collected for
5 the program and surveys of school and non-school sponsor food service directors on the
6 impact and success of the program as the source for the data described in subparagraph (i).

7 (b) The ability to which pupils can access a variety of healthy Michigan-grown foods
8 through schools and other non-school sponsor centers and increase their consumption of
9 those foods. All of the following apply for purposes of this subdivision:

10 (i) The data used to determine whether this subdivision is met are the number of
11 pupils exposed to Michigan-grown fruits, vegetables, and legumes at schools and non-school
12 sponsor centers; the variety of products served; new items taste-tested or placed on menus;
13 and the increase in pupil willingness to try new local healthy foods.

14 (ii) The district or other non-school sponsor shall use purchasing data collected for
15 the project, meal count and enrollment numbers, school menu calendars, and surveys of
16 school and non-school sponsor food service directors as the source for the data described
17 in subparagraph (i).

18 (12) The department shall compile the reports provided by districts and other non-
19 school sponsors under subsection (11) into 1 legislative report. The department shall
20 provide this report not later than November 1, 2022 to the house and senate subcommittees
21 responsible for school aid, the house and senate fiscal agencies, and the state budget
22 director.

23 (13) Notwithstanding section 17b, the department shall make payments under this
24 section on a schedule determined by the department.

25 Sec. 31o. (1) From the state school aid fund money appropriated in section 11, there
26 is allocated for 2021-2022 an amount not to exceed \$240,000,000.00 for payments to eligible
27 districts **and intermediate districts** for the purpose of increasing the number of school
28 psychologists, school social workers, school counselors, and school nurses serving students
29 in this state.

30 (2) Except as otherwise provided in this subsection, to receive funding under this
31 section, a district **or intermediate district** must apply for the funding in a form and

1 manner prescribed by the department. In its application for funding under this section, a
2 district **or intermediate district** must pledge and provide assurances to the department that
3 it will fully annually fund all staff that are supported with funding under this section in
4 an ongoing manner after the **district or intermediate district receives its final payment**
5 **under this section.** ~~third year it receives funding under this section.~~

6 (3) The department shall award funding to districts **and intermediate districts** with
7 the greatest need for additional school psychologists, school social workers, school
8 counselors, or school nurses. To determine the districts **and intermediate districts** with
9 the greatest needs under this subsection, the department shall consider the physical and
10 mental health services available at the district **or intermediate district** and how close an
11 applicant district **or intermediate district** is to meeting the following recommended staff-
12 to-student ratios:

13 (a) 1 school psychologist for every 500 full-time equated pupils counted in the
14 district **or directly served by the intermediate district.**

15 (b) 1 school social worker for every 250 full-time equated pupils counted in the
16 district **or directly served by the intermediate district.**

17 (c) 1 school counselor for every 250 full-time equated pupils counted in the district
18 **or directly served by the intermediate district.**

19 (d) 1 school nurse for every 750 full-time equated pupils counted in the district **or**
20 **directly served by the intermediate district.**

21 (4) To be eligible for funding under this section, a district **or intermediate**
22 **district** must hire additional school psychologists, school social workers, school
23 counselors, or school nurses by March 1, ~~2022~~**2024** and must maintain support for the new
24 staff in an ongoing manner. As determined by the department, staff hired and supported by
25 funding under this section must meet all applicable state and federal laws, rules, and
26 license requirements to be considered a school psychologist, school social worker, school
27 counselor, or school nurse.

28 (5) Subject to subsection (6), payments to eligible districts **and intermediate**
29 **districts** must be made as follows:

30 (a) ~~In the first year funds are distributed from this section,~~ **For staff hired**
31 **before March 1, 2022** the department shall provide payments to eligible districts **or**
32 **intermediate districts** equal to 100% of the annual cost of newly hired school

1 psychologists, school social workers, school counselors, or school nurses. The amount paid
2 to the eligible district **or intermediate district** must be the lesser of the actual cost of
3 the employee, as determined by the department, or the median wage for an equivalent
4 employee working in a school setting, as determined by the department, using wage data from
5 the Bureau of Labor Statistics that is specific to this state.

6 (b) ~~In the second year funds are distributed under this section,~~ **For staff retained**
7 **or hired before March 1, 2023** the department shall pay eligible districts **or intermediate**
8 **districts** 66% of the amount paid to the eligible district **or intermediate district** under
9 subdivision (a).

10 (c) ~~In the third year funds are distributed under this section,~~ **For staff retained or**
11 **hired before March 1, 2024** the department shall pay eligible districts **or intermediate**
12 **districts** 33% of the amount paid to the eligible district **or intermediate district** under
13 subdivision (a).

14 (6) If, after awarding funding under subsection (3) and calculating payment amounts
15 under subsection (5), the department determines that the amount allocated in subsection (1)
16 is insufficient to fully fund payments under this section, the department shall prorate
17 payments to eligible districts **or intermediate districts** on an equal percentage basis.

18 (7) The funds allocated under this section for 2021-2022 are a work project
19 appropriation, and any unexpended funds for 2021-2022 are carried forward into 2022-2023.
20 The purpose of the work project is to increase the number of school psychologists, school
21 social workers, school counselors, and school nurses in school buildings. The estimated
22 completion date of the work project is September 30, 2024.

23 (8) Notwithstanding section 17b, the department shall make payments under this
24 section on a schedule determined by the department.

25 Sec. 31y. (1) From the state school aid fund money appropriated in section 11, there
26 is allocated for 2021-2022 an amount not to exceed \$60,000,000.00 to make payments to
27 districts that operate year-round, balanced calendars. ~~during the 2021-2022 school year.~~
28 Payments to districts made under this section must be in an amount equal to 3% applied to
29 the district's foundation allowance as calculated under section 20 **during the fiscal year**
30 **in which payments are being made**, for each pupil enrolled and educated in a year-round
31 balanced calendar by the district. If the funds allocated under this section are
32 insufficient to fully fund the calculations under this section, funding must be prorated on

1 an equal per-pupil basis.

2 (2) The funds allocated under this section for 2021-2022 are a work project
3 appropriation, and any unexpended funds for 2021-2022 are carried forward into 2022-2023.
4 The purpose of the work project is to provide operational payments for districts utilizing
5 a balanced calendar. The estimated completion date of the work project is September 30,
6 2024.

7 Sec. 31z. (1) From the federal funds allocated under section 11n, there is allocated
8 \$75,000,000.00 for 2021-2022 from the federal funding awarded to this state from the
9 coronavirus state fiscal recovery fund under the American rescue plan act of 2021, title
10 IX, subtitle M of Public Law 117-2, to provide capital infrastructure grants to districts.

11 (2) From the funds allocated under subsection (1), \$75,000,000.00 must be allocated
12 for matching grants to districts for HVAC and other one-time infrastructure or equipment
13 costs necessary to operate a year-round, balanced calendar. A district that receives a
14 grant under this subsection shall commit to operating a year-round, balanced calendar ~~in~~
15 ~~the 2022-2023 school year,~~ and if it is unable to do so, the department must deduct the
16 amount of the grant paid under this subsection from the district's state aid payments that
17 are otherwise due to the district under this article. ~~during the 2022-2023 school year.~~ The
18 department shall establish a sliding scale for grant payments under this section such that
19 districts that received higher total ESSER payments under section 11r, evaluated on a per-
20 pupil and total dollar basis, receive smaller matching grants than those with lower total
21 ESSER payments, evaluated on a per-pupil and total dollar basis.

22 (3) **The funds allocated under this section for 2021-2022 are a work project**
23 **appropriation, and any unexpended funds for 2021-2022 are carried forward into 2022-2023.**
24 **The purpose of the work project is to provide supports for districts utilizing a balanced**
25 **calendar. The estimated completion date of the work project is September 30, 2024.**

26 Sec. 32d. (1) From the state school aid fund money appropriated in section 11, there
27 is allocated to eligible intermediate districts and consortia of intermediate districts for
28 great start readiness programs an amount not to exceed \$297,120,000.00 for 2021-2022. In
29 addition, from the federal funds allocated in section 11n, there is allocated to eligible
30 intermediate districts and consortia of intermediate districts for great start readiness
31 programs an amount not to exceed \$121,000,000.00 for 2021-2022 from the coronavirus state
32 fiscal recovery funds under the American rescue plan act of 2021, title IX, subtitle M of

1 Public Law 117-2. An intermediate district or consortium shall use funds allocated under
2 this section for great start readiness programs to provide part-day, school-day, or
3 GSRP/Head Start blended comprehensive free compensatory classroom programs designed to
4 improve the readiness and subsequent achievement of educationally disadvantaged children
5 who meet the participant eligibility and prioritization guidelines as defined by the
6 department. For a child to be eligible to participate in a program under this section, the
7 child must be at least 4, but less than 5, years of age as of September 1 of the school
8 year in which the program is offered and must meet those eligibility and prioritization
9 guidelines. A child who is not 4 years of age as of September 1, but who will be 4 years of
10 age not later than December 1, is eligible to participate if the child's parent or legal
11 guardian seeks a waiver from the September 1 eligibility date by submitting a request for
12 enrollment in a program to the responsible intermediate district, if the program has
13 capacity on or after September 1 of the school year, and if the child meets eligibility and
14 prioritization guidelines.

15 (2) From the state school aid fund money allocated under subsection (1), an amount
16 not to exceed \$295,120,000.00 and from the federal funds allocated under subsection (1), an
17 amount not to exceed \$121,000,000.00 is allocated to intermediate districts or consortia of
18 intermediate districts based on the formula in section 39. An intermediate district or
19 consortium of intermediate districts receiving funding under this section shall act as the
20 fiduciary for the great start readiness programs. An intermediate district or consortium of
21 intermediate districts receiving funding under this section may collaborate with local
22 governments to identify children eligible for programs funded under this section and may
23 contract with local governments to provide services. In order to be eligible to receive
24 funds allocated under this subsection from an intermediate district or consortium of
25 intermediate districts, a district, a consortium of districts, a local government, or a
26 public or private for-profit or nonprofit legal entity or agency must comply with this
27 section and section 39. The funds allocated under this subsection for 2021-2022 are a work
28 project appropriation, and any unexpended funds for 2021-2022 are carried forward into
29 2022-2023. The purpose of the work project is to continue to improve access to preschool
30 programming for economically disadvantaged children. The estimated completion date of the
31 work project described in the immediately preceding sentence is September 30, 2023.

32 (3) In addition to the allocation under subsection (1), from the general fund money

1 appropriated under section 11, there is allocated an amount not to exceed ~~\$350,000.00~~
2 **\$600,000.00** for 2021-2022 for a competitive grant to continue a longitudinal evaluation of
3 children who have participated in great start readiness programs.

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

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

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

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

16 (d) Physical and dental health and developmental screening services for all program
17 participants.

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

20 (f) Active and continuous involvement of the parents or guardians of the program
21 participants.

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

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

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

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

3 (5) An application for funding under this section must provide for the following, in
4 a form and manner determined by the department:

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

6 (b) Except as otherwise provided in this subdivision, ensure that at least 85% of the
7 children participating in an eligible great start readiness program for whom the
8 intermediate district is receiving funds under this section are children who live with
9 families with a household income that is equal to or less than 250% of the federal poverty
10 guidelines. If the intermediate district determines that all eligible children are being
11 served and that there are no children on the waiting list who live with families with a
12 household income that is equal to or less than 250% of the federal poverty guidelines, the
13 intermediate district may then enroll children who live with families with a household
14 income that is equal to or less than 300% of the federal poverty guidelines. The enrollment
15 process must consider income and risk factors, such that children determined with higher
16 need are enrolled before children with lesser need. For purposes of this subdivision, all
17 age-eligible children served in foster care or who are experiencing homelessness or who
18 have individualized education programs recommending placement in an inclusive preschool
19 setting are considered to live with families with household income equal to or less than
20 250% of the federal poverty guidelines regardless of actual family income and are
21 prioritized for enrollment within the lowest quintile.

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

24 (i) Teachers possessing proper training. A lead teacher must have a valid Michigan
25 teaching certificate with an early childhood or lower elementary endorsement or a
26 bachelor's or higher degree in child development or early childhood education with
27 specialization in preschool teaching. However, if an applicant demonstrates to the
28 department that it is unable to fully comply with this subparagraph after making reasonable
29 efforts to comply, teachers or paraprofessionals with at least 5 years of experience as a
30 paraprofessional in a great start readiness program classroom who have significant but
31 incomplete training in early childhood education or child development may be used if the
32 applicant provides to the department, and the department approves, a plan for each teacher

1 to come into compliance with the standards in this subparagraph. A teacher's compliance
2 plan must be completed within 3 years of the date of employment. Progress toward completion
3 of the compliance plan consists of at least 2 courses per calendar year.

4 (ii) Paraprofessionals possessing proper training in early childhood education,
5 including an associate degree in early childhood education or child development or the
6 equivalent, or a child development associate (CDA) credential. However, if an applicant
7 demonstrates to the department that it is unable to fully comply with this subparagraph
8 after making reasonable efforts to comply, the applicant may use paraprofessionals who have
9 completed at least 1 course that earns college credit in early childhood education or child
10 development if the applicant provides to the department, and the department approves, a
11 plan for each paraprofessional to come into compliance with the standards in this
12 subparagraph. A paraprofessional's compliance plan must be completed within 3 years of the
13 date of employment. Progress toward completion of the compliance plan consists of at least
14 2 courses or 60 clock hours of training per calendar year.

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

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

26 (7) For a grant recipient that enrolls pupils in a GSRP/Head Start blended program,
27 the grant recipient shall ensure that all Head Start and GSRP policies and regulations are
28 applied to the blended slots, with adherence to the highest standard from either program,
29 to the extent allowable under federal law.

30 (8) An intermediate district or consortium of intermediate districts receiving a
31 grant under this section shall designate an early childhood coordinator, and may provide
32 services directly or may contract with 1 or more districts or public or private for-profit

1 or nonprofit providers that meet all requirements of subsections (4) and (5).

2 (9) An intermediate district or consortium of intermediate districts may retain for
3 administrative services provided by the intermediate district or consortium of intermediate
4 districts an amount not to exceed 4% of the grant amount. Expenses incurred by
5 subrecipients engaged by the intermediate district or consortium of intermediate districts
6 for directly running portions of the program are considered program costs or a contracted
7 program fee for service. Subrecipients operating with a federally approved indirect rate
8 for other early childhood programs may include indirect costs, not to exceed the federal
9 10% de minimis.

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

13 (11) Each grant recipient shall enroll children identified under subsection (5) (b)
14 according to how far the child's household income is below 250% of the federal poverty
15 guidelines by ranking each applicant child's household income from lowest to highest and
16 dividing the applicant children into quintiles based on how far the child's household
17 income is below 250% of the federal poverty guidelines, and then enrolling children in the
18 quintile with the lowest household income before enrolling children in the quintile with
19 the next lowest household income until slots are completely filled. If the grant recipient
20 determines that all eligible children are being served and that there are no children on
21 the waiting list who live with families with a household income that is equal to or less
22 than 250% of the federal poverty guidelines, the grant recipient may then enroll children
23 who live with families with a household income that is equal to or less than 300% of the
24 federal poverty guidelines. The enrollment process must consider income and risk factors,
25 such that children determined with higher need are enrolled before children with lesser
26 need. For purposes of this subsection, all age-eligible children served in foster care or
27 who are experiencing homelessness or who have individualized education programs
28 recommending placement in an inclusive preschool setting are considered to live with
29 families with household income equal to or less than 250% of the federal poverty guidelines
30 regardless of actual family income and are prioritized for enrollment within the lowest
31 quintile.

32 (12) An intermediate district or consortium of intermediate districts receiving a

1 grant under this section shall allow parents of eligible children who are residents of the
2 intermediate district or within the consortium to choose a program operated by or
3 contracted with another intermediate district or consortium of intermediate districts and
4 shall enter into a written agreement regarding payment, in a manner prescribed by the
5 department.

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

31 (a) The intermediate district or consortium notified each nonparticipating licensed
32 child care center located in the service area of the intermediate district or consortium

1 regarding the center's eligibility to participate, in a manner prescribed by the
2 department.

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

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

10 (14) If an intermediate district or consortium of intermediate districts receiving a
11 grant under this section fails to submit satisfactory evidence to demonstrate its effort to
12 contract for at least 30% of its total allocation, as required under subsection (13), the
13 department shall reduce the allocation to the intermediate district or consortium by a
14 percentage equal to the difference between the percentage of an intermediate district's or
15 consortium's total allocation awarded to community-based providers and 30% of its total
16 allocation.

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

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

24 (b) Provide, or ensure that an organization with which the department contracts
25 provides, a community-based provider with a validated great start to quality rating within
26 90 days of the provider's having submitted a request and self-assessment.

27 (c) Ensure that all intermediate district, district, community college or university,
28 Head Start grantee or delegate, private for-profit, and private nonprofit providers are
29 subject to a single great start to quality rating system. The rating system must ensure
30 that regulators process all prospective providers at the same pace on a first-come, first-
31 served basis and must not allow 1 type of provider to receive a great start to quality
32 rating ahead of any other type of provider.

1 (d) Not later than March 1 of each year, compile the results of the information
2 reported by each intermediate district or consortium under subsection (13) and report to
3 the legislature a list by intermediate district or consortium with the number and
4 percentage of each intermediate district's or consortium's total allocation allocated to
5 community-based providers by provider type, including private for-profit, private
6 nonprofit, community college or university, Head Start grantee or delegate, and district or
7 intermediate district.

8 (16) A recipient of funds under this section shall report to the center in a form and
9 manner prescribed by the center the information necessary to derive the number of children
10 participating in the program who meet the program eligibility criteria under subsection
11 (5) (b), the number of eligible children not participating in the program and on a waitlist,
12 and the total number of children participating in the program by various demographic groups
13 and eligibility factors necessary to analyze equitable and priority access to services for
14 the purposes of subsection (3).

15 (17) As used in this section:

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

18 (b) "Federal poverty guidelines" means the guidelines published annually in the
19 Federal Register by the United States Department of Health and Human Services under its
20 authority to revise the poverty line under 42 USC 9902.

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

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

28 (18) An intermediate district or consortium of intermediate districts receiving funds
29 under this section shall establish and charge tuition according to a sliding scale of
30 tuition rates based upon household income for children participating in an eligible great
31 start readiness program who live with families with a household income that is more than
32 250% of the federal poverty guidelines to be used by all of its providers, as approved by

1 the department.

2 (19) From the amount allocated in subsection (2), there is allocated for 2021-2022 an
3 amount not to exceed \$10,000,000.00 for reimbursement of transportation costs for children
4 attending great start readiness programs funded under this section. To receive
5 reimbursement under this subsection, not later than November 1 of each year, a program
6 funded under this section that provides transportation shall submit to the intermediate
7 district that is the fiscal agent for the program a projected transportation budget. The
8 amount of the reimbursement for transportation under this subsection is no more than the
9 projected transportation budget or \$300.00 multiplied by the number of children funded for
10 the program under this section. If the amount allocated under this subsection is
11 insufficient to fully reimburse the transportation costs for all programs that provide
12 transportation and submit the required information, the department shall prorate the
13 reimbursement in an equal amount per child funded. The department shall make payments to
14 the intermediate district that is the fiscal agent for each program, and the intermediate
15 district shall then reimburse the program provider for transportation costs as prescribed
16 under this subsection.

17 (20) Subject to, and from the funds allocated under, subsection (19), the department
18 shall reimburse a program for transportation costs related to parent- or guardian-
19 accompanied transportation provided by transportation service companies, buses, or other
20 public transportation services. To be eligible for reimbursement under this subsection, a
21 program must submit to the intermediate district or consortia of intermediate districts all
22 of the following:

23 (a) The names of families provided with transportation support along with a
24 documented reason for the need for transportation support and the type of transportation
25 provided.

26 (b) Financial documentation of actual transportation costs incurred by the program,
27 including, but not limited to, receipts and mileage reports, as determined by the
28 department.

29 (c) Any other documentation or information determined necessary by the department.

30 (21) The department shall implement a process to review and approve age-appropriate
31 comprehensive classroom level quality assessments for GSRP grantees that support the early
32 childhood standards of quality for prekindergarten children adopted by the state board. The

1 department shall make available to intermediate districts at least 2 classroom level
2 quality assessments that were approved in 2018.

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

11 (23) The department shall implement a process to evaluate and approve age-appropriate
12 educational curricula that are in compliance with the early childhood standards of quality
13 for prekindergarten children adopted by the state board.

14 (24) From the funds allocated under subsection (1), there is allocated for 2021-2022
15 an amount not to exceed \$2,000,000.00 for payments to intermediate districts or consortia
16 of intermediate districts for professional development and training materials for educators
17 in programs implementing new curricula or child assessment tools approved for use in the
18 great start readiness program.

19 (25) A great start readiness program or a GSRP/Head Start blended program funded
20 under this section is permitted to utilize AmeriCorps Pre-K Reading Corps members in
21 classrooms implementing research-based early literacy intervention strategies.

22 (26) **In addition to the allocation under subsection (1), from the state school aid**
23 **fund money appropriated under section 11, there is allocated an amount not to exceed**
24 **\$30,000,000.00 for 2021-2022 for classroom start up grants to intermediate districts and**
25 **consortia of intermediate districts for new or expanding great start readiness classrooms.**

26 (a) **Intermediate districts and consortia of intermediate districts shall apply for**
27 **funding under this subsection in a form and manner determined by the department.**

28 (b) **The department shall pay an amount not to exceed \$25,000.00 for each new or**
29 **expanded classroom opened and operated during the current fiscal year by each approved**
30 **applicant under subdivision (a). If funding is not sufficient to fully fund all eligible**
31 **applicants, the department must prorate the per classroom amount on an equal basis. If the**
32 **allocation is not fully awarded in the current fiscal year, the department may award any**

1 remaining funding during fiscal year 2022-2023 for each new or expanded classroom opened
2 and operated during that fiscal year at an equal amount per classroom, based on remaining
3 available funds, not to exceed \$25,000.00 per classroom.

4 (c) Funds received under this subsection by intermediate districts and consortia of
5 intermediate districts must be paid in full to the entity operating the classroom and may
6 be used for any of the following purposes:

7 (i) Costs associated with attracting, recruiting, retaining, and licensing required
8 classroom education personnel to staff new or expanded classrooms.

9 (ii) Supporting facility improvements or purchasing facility space necessary to
10 provide a safe, high quality learning environment for children in each new or expanded
11 classroom.

12 (iii) Outreach material necessary for public awareness that the great start readiness
13 program has openings in the area and for costs associated with enrolling eligible children
14 in new or expanded classrooms.

15 (iv) Supporting costs in each new or expanded classroom associated with improving a
16 provider's great start to quality rating.

17 (d) The funds allocated under this subsection for 2021-2022 are a work project
18 appropriation, and any unexpended funds for 2021-2022 do not lapse to the state school aid
19 fund and are carried forward into 2022-2023. The purpose of the work project is to continue
20 support for new or expanded great start readiness classrooms. The estimated completion date
21 of the work project is September 30, 2023.

22 Sec. 51a. (1) From the state school aid fund money in section 11, there is allocated
23 an amount not to exceed ~~\$1,079,296,100.00 for 2020-2021~~ and there is allocated an amount
24 ~~not to exceed \$1,123,696,100.00~~ **\$1,089,396,100.00** for 2021-2022 from state sources and all
25 available federal funding under sections 1411 to 1419 of part B of the individuals with
26 disabilities education act, 20 USC 1411 to 1419, estimated at ~~\$456,752,000.00 for 2020-2021~~
27 ~~and \$380,000,000.00 for 2021-2022~~, plus any carryover federal funds from previous year
28 appropriations. The allocations under this subsection are for the purpose of reimbursing
29 districts and intermediate districts for special education programs, services, and special
30 education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to
31 380.1761; net tuition payments made by intermediate districts to the Michigan Schools for

1 the Deaf and Blind; and special education programs and services for pupils who are eligible
2 for special education programs and services according to statute or rule. For meeting the
3 costs of special education programs and services not reimbursed under this article, a
4 district or intermediate district may use money in general funds or special education
5 funds, not otherwise restricted, or contributions from districts to intermediate districts,
6 tuition payments, gifts and contributions from individuals or other entities, or federal
7 funds that may be available for this purpose, as determined by the intermediate district
8 plan prepared under article 3 of the revised school code, MCL 380.1701 to 380.1761.
9 Notwithstanding section 17b, the department shall make payments of federal funds to
10 districts, intermediate districts, and other eligible entities under this section on a
11 schedule determined by the department.

12 (2) From the funds allocated under subsection (1), there is allocated the amount
13 necessary, ~~estimated at \$319,000,000.00 for 2020-2021 and estimated at \$332,000,000.00~~
14 **\$311,900,000.00** for 2021-2022, for payments toward reimbursing districts and intermediate
15 districts for 28.6138% of total approved costs of special education, excluding costs
16 reimbursed under section 53a, and 70.4165% of total approved costs of special education
17 transportation. Allocations under this subsection are made as follows:

18 (a) The department shall calculate the initial amount allocated to a district under
19 this subsection toward fulfilling the specified percentages by multiplying the district's
20 special education pupil membership, excluding pupils described in subsection (11), times
21 the foundation allowance under section 20 of the pupil's district of residence, plus the
22 amount of the district's per-pupil allocation under section 20m, not to exceed the target
23 foundation allowance for the current fiscal year, or, for a special education pupil in
24 membership in a district that is a public school academy, times an amount equal to the
25 amount per membership pupil calculated under section 20(6). For an intermediate district,
26 the amount allocated under this subdivision toward fulfilling the specified percentages is
27 an amount per special education membership pupil, excluding pupils described in subsection
28 (11), and is calculated in the same manner as for a district, using the foundation
29 allowance under section 20 of the pupil's district of residence, not to exceed the target
30 foundation allowance for the current fiscal year, and that district's per-pupil allocation
31 under section 20m.

32 (b) After the allocations under subdivision (a), the department shall pay a district

1 or intermediate district for which the payments calculated under subdivision (a) do not
2 fulfill the specified percentages the amount necessary to achieve the specified percentages
3 for the district or intermediate district.

4 (3) From the funds allocated under subsection (1), there is allocated for ~~2020-2021~~
5 ~~an amount not to exceed \$1,000,000.00 and there is allocated for 2021-2022~~ an amount not to
6 exceed \$1,000,000.00 to make payments to districts and intermediate districts under this
7 subsection. If the amount allocated to a district or intermediate district for a fiscal
8 year under subsection (2) (b) is less than the sum of the amounts allocated to the district
9 or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the
10 district or intermediate district for the fiscal year an amount equal to that difference,
11 adjusted by applying the same proration factor that was used in the distribution of funds
12 under section 52 in 1996-97 as adjusted to the district's or intermediate district's
13 necessary costs of special education used in calculations for the fiscal year. This
14 adjustment is to reflect reductions in special education program operations or services
15 between 1996-97 and subsequent fiscal years. The department shall make adjustments for
16 reductions in special education program operations or services in a manner determined by
17 the department and shall include adjustments for program or service shifts.

18 (4) If the department determines that the sum of the amounts allocated for a fiscal
19 year to a district or intermediate district under subsection (2) (a) and (b) is not
20 sufficient to fulfill the specified percentages in subsection (2), then the department
21 shall pay the shortfall to the district or intermediate district during the fiscal year
22 beginning on the October 1 following the determination and shall adjust payments under
23 subsection (3) as necessary. If the department determines that the sum of the amounts
24 allocated for a fiscal year to a district or intermediate district under subsection (2) (a)
25 and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in
26 subsection (2), then the department shall deduct the amount of the excess from the
27 district's or intermediate district's payments under this article for the fiscal year
28 beginning on the October 1 following the determination and shall adjust payments under
29 subsection (3) as necessary. However, if the amount allocated under subsection (2) (a) in
30 itself exceeds the amount necessary to fulfill the specified percentages in subsection (2),
31 there is no deduction under this subsection.

32 (5) State funds are allocated on a total approved cost basis. Federal funds are

1 allocated under applicable federal requirements.

2 (6) From the amount allocated in subsection (1), there is allocated an amount not to
3 exceed ~~\$2,200,000.00 for 2020-2021 and there is allocated an amount not to exceed~~
4 \$2,200,000.00 for 2021-2022 to reimburse 100% of the net increase in necessary costs
5 incurred by a district or intermediate district in implementing the revisions in the
6 administrative rules for special education that became effective on July 1, 1987. As used
7 in this subsection, "net increase in necessary costs" means the necessary additional costs
8 incurred solely because of new or revised requirements in the administrative rules minus
9 cost savings permitted in implementing the revised rules. The department shall determine
10 net increase in necessary costs in a manner specified by the department.

11 (7) For purposes of this section and sections 51b to 58, all of the following apply:

12 (a) "Total approved costs of special education" are determined in a manner specified
13 by the department and may include indirect costs, but must not exceed 115% of approved
14 direct costs for section 52 and section 53a programs. The total approved costs include
15 salary and other compensation for all approved special education personnel for the program,
16 including payments for Social Security and Medicare and public school employee retirement
17 system contributions. The total approved costs do not include salaries or other
18 compensation paid to administrative personnel who are not special education personnel as
19 that term is defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed
20 by federal funds, other than those federal funds included in the allocation made under this
21 article, are not included. Special education approved personnel not utilized full time in
22 the evaluation of students or in the delivery of special education programs, ancillary, and
23 other related services are reimbursed under this section only for that portion of time
24 actually spent providing these programs and services, with the exception of special
25 education programs and services provided to youth placed in child caring institutions or
26 juvenile detention programs approved by the department to provide an on-grounds education
27 program.

28 (b) Beginning with the 2004-2005 fiscal year, a district or intermediate district
29 that employed special education support services staff to provide special education support
30 services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-
31 2004 receives the same type of support services from another district or intermediate
32 district shall report the cost of those support services for special education

1 reimbursement purposes under this article. This subdivision does not prohibit the transfer
2 of special education classroom teachers and special education classroom aides if the pupils
3 counted in membership associated with those special education classroom teachers and
4 special education classroom aides are transferred and counted in membership in the other
5 district or intermediate district in conjunction with the transfer of those teachers and
6 aides.

7 (c) If the department determines before bookclosing for a fiscal year that the
8 amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and
9 sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections
10 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district or intermediate
11 district whose reimbursement for that fiscal year would otherwise be affected by
12 subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for
13 that district or intermediate district and the department shall calculate reimbursement for
14 that district or intermediate district in the same manner as it was for 2003-2004. If the
15 amount of the excess allocations under subsections (2), (3), (6), and (11) and sections
16 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those
17 districts and intermediate districts under this subdivision, then the department shall
18 prorate calculations and resulting reimbursement under this subdivision on an equal
19 percentage basis. Beginning in 2015-2016, the amount of reimbursement under this
20 subdivision for a fiscal year must not exceed \$2,000,000.00 for any district or
21 intermediate district.

22 (d) Reimbursement for ancillary and other related services, as that term is defined
23 by R 340.1701c of the Michigan Administrative Code, is not provided when those services are
24 covered by and available through private group health insurance carriers or federal
25 reimbursed program sources unless the department and district or intermediate district
26 agree otherwise and that agreement is approved by the state budget director. Expenses,
27 other than the incidental expense of filing, must not be borne by the parent. In addition,
28 the filing of claims must not delay the education of a pupil. A district or intermediate
29 district is responsible for payment of a deductible amount and for an advance payment
30 required until the time a claim is paid.

31 (e) Beginning with calculations for 2004-2005, if an intermediate district purchases
32 a special education pupil transportation service from a constituent district that was

1 previously purchased from a private entity; if the purchase from the constituent district
2 is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the
3 intermediate district to the constituent does not result in any net change in the revenue
4 the constituent district receives from payments under sections 22b and 51c, then upon
5 application by the intermediate district, the department shall direct the intermediate
6 district to continue to report the cost associated with the specific identified special
7 education pupil transportation service and shall adjust the costs reported by the
8 constituent district to remove the cost associated with that specific service.

9 (8) A pupil who is enrolled in a full-time special education program conducted or
10 administered by an intermediate district or a pupil who is enrolled in the Michigan Schools
11 for the Deaf and Blind is not included in the membership count of a district, but is
12 counted in membership in the intermediate district of residence.

13 (9) Special education personnel transferred from 1 district to another to implement
14 the revised school code are entitled to the rights, benefits, and tenure to which the
15 person would otherwise be entitled had that person been employed by the receiving district
16 originally.

17 (10) If a district or intermediate district uses money received under this section
18 for a purpose other than the purpose or purposes for which the money is allocated, the
19 department may require the district or intermediate district to refund the amount of money
20 received. The department shall deposit money that is refunded in the state treasury to the
21 credit of the state school aid fund.

22 (11) From the funds allocated in subsection (1), there is allocated the amount
23 necessary, estimated at ~~\$2,400,000.00 for 2020-2021 and estimated at \$2,900,000.00~~
24 **\$1,500,000.00** for 2021-2022, to pay the foundation allowances for pupils described in this
25 subsection. The department shall calculate the allocation to a district under this
26 subsection by multiplying the number of pupils described in this subsection who are counted
27 in membership in the district times the sum of the foundation allowance under section 20 of
28 the pupil's district of residence, plus the amount of the district's per-pupil allocation
29 under section 20m, not to exceed the target foundation allowance for the current fiscal
30 year, or, for a pupil described in this subsection who is counted in membership in a
31 district that is a public school academy, times an amount equal to the amount per
32 membership pupil under section 20(6). The department shall calculate the allocation to an

1 intermediate district under this subsection in the same manner as for a district, using the
2 foundation allowance under section 20 of the pupil's district of residence not to exceed
3 the target foundation allowance for the current fiscal year and that district's per-pupil
4 allocation under section 20m. This subsection applies to all of the following pupils:

5 (a) Pupils described in section 53a.

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

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

11 (12) If it is determined that funds allocated under subsection (2) or (11) or under
12 section 51c will not be expended, funds up to the amount necessary and available may be
13 used to supplement the allocations under subsection (2) or (11) or under section 51c in
14 order to fully fund those allocations. After payments under subsections (2) and (11) and
15 section 51c, the department shall expend the remaining funds from the allocation in
16 subsection (1) in the following order:

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

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

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

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

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

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

25 (14) If a public school academy that is not a cyber school, as that term is defined
26 in section 551 of the revised school code, MCL 380.551, enrolls under this section a pupil
27 who resides outside of the intermediate district in which the public school academy is
28 located and who is eligible for special education programs and services according to
29 statute or rule, or who is a child with a disability, as that term is defined under the
30 individuals with disabilities education act, Public Law 108-446, the intermediate district
31 in which the public school academy is located and the public school academy shall enter
32 into a written agreement with the intermediate district in which the pupil resides for the

1 purpose of providing the pupil with a free appropriate public education, and the written
2 agreement must include at least an agreement on the responsibility for the payment of the
3 added costs of special education programs and services for the pupil. If the public school
4 academy that enrolls the pupil does not enter into an agreement under this subsection, the
5 public school academy shall not charge the pupil's resident intermediate district or the
6 intermediate district in which the public school academy is located the added costs of
7 special education programs and services for the pupil, and the public school academy is not
8 eligible for any payouts based on the funding formula outlined in the resident or
9 nonresident intermediate district's plan. If a pupil is not enrolled in a public school
10 academy under this subsection, the provision of special education programs and services and
11 the payment of the added costs of special education programs and services for a pupil
12 described in this subsection are the responsibility of the district and intermediate
13 district in which the pupil resides.

14 (15) For the purpose of receiving its federal allocation under part B of the
15 individuals with disabilities education act, Public Law 108-446, a public school academy
16 that is a cyber school, as that term is defined in section 551 of the revised school code,
17 MCL 380.551, and is in compliance with section 553a of the revised school code, MCL
18 380.553a, directly receives the federal allocation under part B of the individuals with
19 disabilities education act, Public Law 108-446, from the intermediate district in which the
20 cyber school is located, as the subrecipient. If the intermediate district does not
21 distribute the funds described in this subsection to the cyber school by the part B
22 application due date of July 1, the department may distribute the funds described in this
23 subsection directly to the cyber school according to the formula prescribed in 34 CFR
24 300.705 and 34 CFR 300.816.

25 (16) For a public school academy that is a cyber school, as that term is defined in
26 section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a
27 of the revised school code, MCL 380.553a, that enrolls a pupil under this section, the
28 intermediate district in which the cyber school is located shall ensure that the cyber
29 school complies with sections 1701a, 1703, 1704, 1751, 1752, 1756, and 1757 of the revised
30 school code, MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757;
31 applicable rules; and the individuals with disabilities education act, Public Law 108-446.

32 (17) For the purposes of this section, the department or the center shall only

1 require a district or intermediate district to report information that is not already
2 available from the financial information database maintained by the center.

3 Sec. 51c. As required by the court in the consolidated cases known as Durant v State
4 of Michigan, 456 Mich 175 (1997), from the allocation under section 51a(1), there is
5 allocated for ~~2020-2021 and for 2021-2022~~, the amount necessary, estimated at
6 ~~\$702,500,000.00 for 2020-2021 and \$733,400,000.00~~ **\$686,400,000.00** for 2021-2022, for
7 payments to reimburse districts for 28.6138% of total approved costs of special education
8 excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of
9 special education transportation. Funds allocated under this section that are not expended
10 in the fiscal year for which they were allocated, as determined by the department, may be
11 used to supplement the allocations under sections 22a and 22b to fully fund those
12 allocations for the same fiscal year. For each fund transfer as described in the
13 immediately preceding sentence that occurs, the state budget director shall send
14 notification of the transfer to the house and senate appropriations subcommittees on state
15 school aid and the house and senate fiscal agencies by not later than 14 calendar days
16 after the transfer occurs.

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

18 (a) "Membership" means for a particular fiscal year the total membership of the
19 intermediate district and the districts constituent to the intermediate district, except
20 that if a district has elected not to come under part 30 of the revised school code, MCL
21 380.1711 to 380.1741, membership of the district is not included in the membership of the
22 intermediate district.

23 (b) "Millage levied" means the millage levied for special education under part 30 of
24 the revised school code, MCL 380.1711 to 380.1741, including a levy for debt service
25 obligations.

26 (c) "Taxable value" means the total taxable value of the districts constituent to an
27 intermediate district, except that if a district has elected not to come under part 30 of
28 the revised school code, MCL 380.1711 to 380.1741, taxable value of the district is not
29 included in the taxable value of the intermediate district.

30 (2) From the allocation under section 51a(1), there is allocated an amount not to
31 exceed ~~\$40,008,100.00 for 2020-2021 and an amount not to exceed~~ \$40,008,100.00 for 2021-
32 2022 to reimburse intermediate districts levying millages for special education under part

1 30 of the revised school code, MCL 380.1711 to 380.1741. The purpose, use, and expenditure
2 of the reimbursement are limited as if the funds were generated by these millages and
3 governed by the intermediate district plan adopted under article 3 of the revised school
4 code, MCL 380.1701 to 380.1761. As a condition of receiving funds under this section, an
5 intermediate district distributing any portion of special education millage funds to its
6 constituent districts must submit for departmental approval and implement a distribution
7 plan.

8 ~~(3) Except as otherwise provided in this subsection, reimbursement for those millages~~
9 ~~levied in 2019-2020 is made in 2020-2021 at an amount per 2019-2020 membership pupil~~
10 ~~computed by subtracting from \$208,800.00 the 2019-2020 taxable value behind each membership~~
11 ~~pupil and multiplying the resulting difference by the 2019-2020 millage levied, and then~~
12 ~~subtracting from that amount the 2019-2020 local community stabilization share revenue for~~
13 ~~special education purposes behind each membership pupil for reimbursement of personal~~
14 ~~property exemption loss under the local community stabilization authority act, 2014 PA 86,~~
15 ~~MCL 123.1341 to 123.1362. Reimbursement in 2020-2021 for an intermediate district whose~~
16 ~~2017-2018 allocation was affected by the operation of subsection (5) is an amount equal to~~
17 ~~102.5% of the 2017-2018 allocation to that intermediate district.~~

18 (3) ~~(4)~~ Except as otherwise provided in this subsection, reimbursement for those
19 millages levied in 2020-2021 is made in 2021-2022 at an amount per 2020-2021 membership
20 pupil computed by subtracting from ~~\$215,900.00~~ **\$218,200.00** the 2020-2021 taxable value
21 behind each membership pupil and multiplying the resulting difference by the 2020-2021
22 millage levied, and then subtracting from that amount the 2020-2021 local community
23 stabilization share revenue for special education purposes behind each membership pupil for
24 reimbursement of personal property exemption loss under the local community stabilization
25 authority act, 2014 PA 86, MCL 123.1341 to 123.1362. Reimbursement in 2021-2022 for an
26 intermediate district whose 2017-2018 allocation was affected by the operation of
27 subsection ~~(5)~~ **(4)** is an amount equal to 102.5% of the 2017-2018 allocation to that
28 intermediate district.

29 ~~(4)~~ ~~(5)~~ The department shall ensure that the amount paid to a single intermediate
30 district under ~~this section~~ **subsection (2)** does not exceed 62.9% of the total amount
31 allocated under subsection (2).

32 ~~(5)~~ ~~(6)~~ The department shall ensure that the amount paid to a single intermediate

1 district under ~~this section~~ **subsection (2)** is not less than 75% of the amount allocated to
2 the intermediate district under this section for the immediately preceding fiscal year.

3 **(6)** ~~(7)~~ From the **allocation under section 51a(1)**, ~~state school aid fund money~~
4 ~~appropriated in section 11~~, there is allocated an amount not to exceed \$34,200,000.00 for
5 2021-2022 to provide payments to intermediate districts levying millages for special
6 education under part 30 of the revised school code, MCL 380.1711 to 380.1741. The purpose,
7 use, and expenditure of the payments under this subsection are limited as if the funds were
8 generated by these millages and governed by the intermediate district plan adopted under
9 article 3 of the revised school code, MCL 380.1701 to 380.1761. The department shall
10 provide a payment under this subsection to each intermediate district described in this
11 subsection as follows:

12 (a) Except as otherwise provided in this subsection, for an intermediate district
13 with a 2020-2021 3-year average special education millage revenue per pupil that is less
14 than \$251.00 and that is levying at least 46.2% but less than 60.0% of its maximum millage
15 rate allowed under section 1724a of the revised school code, MCL 380.1724a, an amount
16 computed by subtracting from \$251.00 the 2020-2021 3-year average special education millage
17 revenue per pupil and, only if the millage levied by the intermediate district is less than
18 1, multiplying that amount by the number of mills levied divided by 1, and then multiplying
19 that amount by the 2020-2021 3-year average membership, and then subtracting from that
20 amount the amount allocated under subsection (2) for 2021-2022. If the calculation under
21 this subdivision results in an amount below zero, there is no payment under this
22 subdivision.

23 (b) Except as otherwise provided in this subsection, for an intermediate district
24 with a 2020-2021 3-year average special education millage revenue per pupil that is less
25 than \$281.00 and that is levying at least 60.0% of its maximum millage rate allowed under
26 section 1724a of the revised school code, MCL 380.1724a, an amount computed by subtracting
27 from \$281.00 the 2020-2021 3-year average special education millage revenue per pupil, and,
28 only if the millage levied by the intermediate district is less than 1, multiplying that
29 amount by the number of mills levied divided by 1, and then multiplying that amount by the
30 2020-2021 3-year average membership, and then subtracting from that amount the amount
31 allocated under subsection (2) for 2021-2022. If the calculation under this subdivision
32 results in an amount below zero, there is no payment under this subdivision.

1 (7) ~~(8)~~—As used in subsection ~~(7)~~—(6) :

2 (a) "2020-2021 3-year average membership" means the 3-year average pupil membership
3 for 2018-2019, 2019-2020, and 2020-2021.

4 (b) "2020-2021 3-year average special education millage revenue per pupil" means the
5 3-year average taxable value per mill levied behind each membership pupil for 2018-2019,
6 2019-2020, and 2020-2021 multiplied by the 2020-2021 millage levied.

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

8 (a) "Membership" means for a particular fiscal year the total membership of the
9 intermediate district and the districts constituent to the intermediate district or the
10 total membership of the area vocational-technical program, except that if a district has
11 elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to
12 380.690, the membership of that district are not included in the membership of the
13 intermediate district. However, the membership of a district that has elected not to come
14 under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, is included
15 in the membership of the intermediate district if the district meets both of the following:

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

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

22 (b) "Millage levied" means the millage levied for area vocational-technical education
23 under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a
24 levy for debt service obligations incurred as the result of borrowing for capital outlay
25 projects and in meeting capital projects fund requirements of area vocational-technical
26 education.

27 (c) "Taxable value" means the total taxable value of the districts constituent to an
28 intermediate district or area vocational-technical education program, except that if a
29 district has elected not to come under sections 681 to 690 of the revised school code, MCL
30 380.681 to 380.690, the taxable value of that district is not included in the taxable value
31 of the intermediate district. However, the taxable value of a district that has elected not

1 to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, is
2 included in the taxable value of the intermediate district if the district meets both of
3 the following:

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

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

10 (2) From the appropriation in section 11, there is allocated an amount not to exceed
11 \$9,190,000.00 ~~each fiscal year for 2020-2021 and for 2021-2022~~ to reimburse intermediate
12 districts and area vocational-technical education programs established under section 690(3)
13 of the revised school code, MCL 380.690, levying millages for area vocational-technical
14 education under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The
15 purpose, use, and expenditure of the reimbursement are limited as if the funds were
16 generated by those millages.

17 ~~(3) Reimbursement for those millages levied in 2019-2020 is made in 2020-2021 at an~~
18 ~~amount per 2019-2020 membership pupil computed by subtracting from \$218,700.00 the 2019-~~
19 ~~2020 taxable value behind each membership pupil and multiplying the resulting difference by~~
20 ~~the 2019-2020 millage levied, and then subtracting from that amount the 2019-2020 local~~
21 ~~community stabilization share revenue for area vocational technical education behind each~~
22 ~~membership pupil for reimbursement of personal property exemption loss under the local~~
23 ~~community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.~~

24 (3) ~~(4)~~ Reimbursement for those millages levied in 2020-2021 is made in 2021-2022 at
25 an amount per 2020-2021 membership pupil computed by subtracting from ~~\$224,800.00~~
26 **\$227,300.00** the 2020-2021 taxable value behind each membership pupil and multiplying the
27 resulting difference by the 2020-2021 millage levied, and then subtracting from that amount
28 the 2020-2021 local community stabilization share revenue for area vocational technical
29 education behind each membership pupil for reimbursement of personal property exemption
30 loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to
31 123.1362.

1 (4) ~~(5)~~—The department shall ensure that the amount paid to a single intermediate
2 district under this section does not exceed 38.4% of the total amount allocated under
3 subsection (2).

4 (5) ~~(6)~~—The department shall ensure that the amount paid to a single intermediate
5 district under this section is not less than 75% of the amount allocated to the
6 intermediate district under this section for the immediately preceding fiscal year.

7 Sec. 74. (1) From the state school aid fund money appropriated in section 11, there
8 is allocated an amount not to exceed ~~\$3,805,800.00~~ **\$3,964,800.00** for 2021-2022 for the
9 purposes of this section.

10 (2) From the allocation in subsection (1), there is allocated for 2021-2022 the
11 amount necessary for payments to state supported colleges or universities and intermediate
12 districts providing school bus driver safety instruction under section 51 of the pupil
13 transportation act, 1990 PA 187, MCL 257.1851. The department shall make payments in an
14 amount determined by the department not to exceed the actual cost of instruction and driver
15 compensation for each public or nonpublic school bus driver attending a course of
16 instruction. For the purpose of computing compensation, the hourly rate allowed each school
17 bus driver must not exceed the hourly rate received for driving a school bus. The
18 department shall make reimbursement compensating the driver during the course of
19 instruction to the college or university or intermediate district providing the course of
20 instruction.

21 (3) From the allocation in subsection (1), there is allocated for 2021-2022 the
22 amount necessary to pay the reasonable costs of nonspecial education auxiliary services
23 transportation provided under section 1323 of the revised school code, MCL 380.1323.
24 Districts funded under this subsection do not receive funding under any other section of
25 this article for nonspecial education auxiliary services transportation.

26 (4) From the funds allocated in subsection (1), there is allocated an amount not to
27 exceed \$1,780,800.00 for 2021-2022 for reimbursement to districts and intermediate
28 districts for costs associated with the inspection of school buses and pupil transportation
29 vehicles by the department of state police as required under section 715a of the Michigan
30 vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act,
31 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of
32 costs attributable to each district for which bus inspections are provided and submit it to

1 the department and to an intermediate district serving as fiduciary in a time and manner
2 determined jointly by the department and the department of state police. Upon review and
3 approval of the statement of cost, the department shall forward to the designated
4 intermediate district serving as fiduciary the amount of the reimbursement on behalf of
5 each district and intermediate district for costs detailed on the statement within 45 days
6 after receipt of the statement. The designated intermediate district shall make payment in
7 the amount specified on the statement to the department of state police within 45 days
8 after receipt of the statement. The total reimbursement of costs under this subsection must
9 not exceed the amount allocated under this subsection. Notwithstanding section 17b, the
10 department shall make payments to eligible entities under this subsection on a schedule
11 prescribed by the department.

12 Sec. 104h. (1) From the state school aid fund money appropriated under section 11,
13 there is allocated for 2021-2022 an amount not to exceed \$11,500,000.00 to districts to
14 begin implementation of a benchmark assessment system for the 2022-2023 school year. All of
15 the following apply to the benchmark assessment system described in this subsection:

16 (a) The system must provide for all of the following:

17 (i) That, within the first 9 weeks of the 2022-2023 school year, the district shall
18 administer 1 or more benchmark assessments provided by a provider approved under subsection
19 (6), benchmark assessments described in subdivision (b), or local benchmark assessments, or
20 any combination thereof, to all pupils in grades K to 8 to measure proficiency in reading
21 and mathematics.

22 (ii) That, in addition to the benchmark assessment or benchmark assessments
23 administered under subparagraph (i), by not later than the last day of the 2022-2023 school
24 year, the district shall administer 1 or more benchmark assessments provided by a provider
25 approved under subsection (6), benchmark assessments described in subdivision (b), or local
26 benchmark assessments, or any combination thereof, to all pupils in grades K to 8 to
27 measure proficiency in reading and mathematics.

28 (b) A district may administer 1 or more of the following benchmark assessments toward
29 meeting the requirements under subdivision (a):

30 (i) A benchmark assessment in reading for students in grades K to 9 that contains
31 progress monitoring tools and enhanced diagnostic assessments.

1 (ii) A benchmark assessment in math for students in grades K to 8 that contains
2 progress monitoring tools.

3 (c) The system must provide that, to the extent practicable, if a district
4 administers a benchmark assessment or benchmark assessments under this section, the
5 district shall administer the same benchmark assessment or benchmark assessments provided
6 by a provider approved under subsection (6), benchmark assessment or benchmark assessments
7 described in subdivision (b), or local benchmark assessment or local benchmark assessments
8 that it administered to pupils in previous school years, as applicable.

9 (d) The system must provide that, if a district administers a benchmark assessment or
10 benchmark assessments under this section, the district shall provide each pupil's data from
11 the benchmark assessment or benchmark assessments, as available, to the pupil's parent or
12 legal guardian within 30 days of administering the benchmark assessment or benchmark
13 assessments.

14 (e) The system must provide that, if a local benchmark assessment or local benchmark
15 assessments are administered under subdivision (a), the district shall report to the
16 department and the center, in a form and manner prescribed by the center, the local
17 benchmark assessment or local benchmark assessments that were administered and how that
18 assessment or those assessments measure changes, including any losses, as applicable, in
19 learning, and the district's plan for addressing any losses in learning.

20 (f) The system must provide that, by not later than 30 days after a benchmark
21 assessment or benchmark assessments are administered under subparagraph (1)(a)(ii) **or**
22 **within the timeframe specified by the department**, the district shall send benchmark
23 assessment data from all benchmark assessments administered in the 2022-2023 school year,
24 excluding data from a local benchmark assessment, as applicable, ~~aggregated by grade level,~~
25 ~~student demographic subgroups, and mode of instruction including grade level, student~~
26 **demographics, and mode of instruction** to the department **in a form and manner prescribed by**
27 **the department**. If available, the data described in this subdivision must include
28 information concerning pupil growth from fall 2022 to spring 2023.

29 (2) To receive funding under this section, a district must apply for the funding in a
30 form and manner prescribed by the department.

31 (3) The department shall pay an amount equal to \$12.50 per membership pupil in grades
32 K to 8 in the district to each district that applies for funding under this section.

1 (4) The department shall make 1 of the benchmark assessments provided by a provider
2 approved under subsection (6) available to districts at no cost to the districts for
3 purposes of meeting the requirements under this section. The benchmark assessment described
4 in this subsection must meet all of the following:

- 5 (a) Be aligned to the content standards of this state.
- 6 (b) Complement the state's summative assessment system.
- 7 (c) Be internet-delivered and include a standards-based assessment.
- 8 (d) Provide information on pupil achievement with regard to learning content required
9 in a given year or grade span.
- 10 (e) Provide timely feedback to pupils and teachers.
- 11 (f) Be nationally normed.
- 12 (g) Provide information to educators about student growth and allow for multiple
13 testing opportunities.

14 (5) By not later than ~~June 15,~~ **September 30**, 2023, the department shall submit a
15 report to the house and senate appropriations committees, the house and senate
16 appropriations subcommittees on school aid, and the house and senate fiscal agencies
17 regarding the benchmark assessment data received under this section, disaggregated by grade
18 level and demographic subgroup for each district. If information concerning pupil growth is
19 included in the data described in this subsection, it must be incorporated in the report
20 described in this subsection.

21 (6) The department shall approve at least 4 but not more than 6 providers of
22 benchmark assessments for the purposes of this section. The department shall inform
23 districts of all of the providers approved under this subsection in an equitable manner.
24 The benchmark assessments, with the exclusion of the benchmark assessment described in
25 subsection (4), provided by approved providers under this subsection must meet all of the
26 following:

- 27 (a) Be aligned to the content standards of this state.
- 28 (b) Complement the state's summative assessment system.
- 29 (c) Be internet-delivered and include a standards-based remote, in-person, or both
30 remote and in-person assessment using a computer-adaptive model to target the instructional
31 level of each pupil.
- 32 (d) Provide information on pupil achievement with regard to learning content required

1 in a given year or grade span.

2 (e) Provide immediate feedback to pupils and teachers.

3 (f) Be nationally normed.

4 (g) Provide multiple measures of growth and provide for multiple testing

5 opportunities.

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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, 2022, from the funds indicated in this section. The following is a summary of the appropriations in this section **and section 201f**:

(a) The gross appropriation is ~~\$431,917,000.00.~~ **\$490,424,600.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$431,917,000.00.~~ **\$490,424,600.00**.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

- (i) Total federal revenues, \$0.00.
- (ii) Total local revenues, \$0.00.
- (iii) Total private revenues, \$0.00.
- (iv) Total other state restricted revenues, \$431,917,000.00.
- (v) State general fund/general purpose money, ~~\$0.00.~~ **\$58,507,600.00**.

1 (2) Subject to subsection (3), the amount appropriated for community college
2 operations is \$328,583,400.00, allocated as follows:

3 (a) The appropriation for Alpena Community College is \$5,830,600.00, \$5,753,300.00
4 for operations, \$53,400.00 for 1-time performance funding, and \$23,900.00 for costs
5 incurred under the North American Indian tuition waiver.

6 (b) The appropriation for Bay de Noc Community College is \$5,772,400.00,
7 \$5,602,800.00 for operations, \$58,000.00 for 1-time performance funding, and \$111,600.00
8 for costs incurred under the North American Indian tuition waiver.

9 (c) The appropriation for Delta College is \$15,364,000.00, \$15,160,500.00 for
10 operations, \$143,400.00 for 1-time performance funding, and \$60,100.00 for costs incurred
11 under the North American Indian tuition waiver.

12 (d) The appropriation for Glen Oaks Community College is \$2,684,500.00, \$2,651,200.00
13 for operations, \$33,300.00 for 1-time performance funding, and \$0.00 for costs incurred
14 under the North American Indian tuition waiver.

15 (e) The appropriation for Gogebic Community College is \$4,968,100.00, \$4,873,700.00
16 for operations, \$42,400.00 for 1-time performance funding, and \$52,000.00 for costs
17 incurred under the North American Indian tuition waiver.

18 (f) The appropriation for Grand Rapids Community College is \$19,193,200.00,
19 \$18,773,100.00 for operations, \$221,500.00 for 1-time performance funding, and \$198,600.00
20 for costs incurred under the North American Indian tuition waiver.

21 (g) The appropriation for Henry Ford College is \$22,753,900.00, \$22,533,100.00 for
22 operations, \$205,800.00 for 1-time performance funding, and \$15,000.00 for costs incurred
23 under the North American Indian tuition waiver.

24 (h) The appropriation for Jackson College is \$12,912,300.00, \$12,756,200.00 for
25 operations, \$109,900.00 for 1-time performance funding, and \$46,200.00 for costs incurred
26 under the North American Indian tuition waiver.

27 (i) The appropriation for Kalamazoo Valley Community College is \$13,320,400.00,
28 \$13,099,900.00 for operations, \$134,400.00 for 1-time performance funding, and \$86,100.00
29 for costs incurred under the North American Indian tuition waiver.

30 (j) The appropriation for Kellogg Community College is \$10,419,200.00, \$10,267,100.00
31 for operations, \$100,800.00 for 1-time performance funding, and \$51,300.00 for costs
32 incurred under the North American Indian tuition waiver.

1 (k) The appropriation for Kirtland Community College is \$3,404,000.00, \$3,358,400.00
2 for operations, \$39,100.00 for 1-time performance funding, and \$6,500.00 for costs incurred
3 under the North American Indian tuition waiver.

4 (l) The appropriation for Lake Michigan College is \$5,768,200.00, \$5,702,700.00 for
5 operations, \$52,400.00 for 1-time performance funding, and \$13,100.00 for costs incurred
6 under the North American Indian tuition waiver.

7 (m) The appropriation for Lansing Community College is \$33,255,300.00, \$32,852,000.00
8 for operations, \$280,600.00 for 1-time performance funding, and \$122,700.00 for costs
9 incurred under the North American Indian tuition waiver.

10 (n) The appropriation for Macomb Community College is \$34,629,700.00, \$34,276,100.00
11 for operations, \$330,300.00 for 1-time performance funding, and \$23,300.00 for costs
12 incurred under the North American Indian tuition waiver.

13 (o) The appropriation for Mid Michigan Community College is \$5,396,300.00,
14 \$5,184,400.00 for operations, \$58,000.00 for 1-time performance funding, and \$153,900.00
15 for costs incurred under the North American Indian tuition waiver.

16 (p) The appropriation for Monroe County Community College is \$4,798,100.00,
17 \$4,746,200.00 for operations, \$51,200.00 for 1-time performance funding, and \$700.00 for
18 costs incurred under the North American Indian tuition waiver.

19 (q) The appropriation for Montcalm Community College is \$3,612,600.00, \$3,570,600.00
20 for operations, \$37,200.00 for 1-time performance funding, and \$4,800.00 for costs incurred
21 under the North American Indian tuition waiver.

22 (r) The appropriation for C.S. Mott Community College is \$16,623,500.00,
23 \$16,440,000.00 for operations, \$142,500.00 for 1-time performance funding, and \$41,000.00
24 for costs incurred under the North American Indian tuition waiver.

25 (s) The appropriation for Muskegon Community College is \$9,431,700.00, \$9,289,100.00
26 for operations, \$85,100.00 for 1-time performance funding, and \$57,500.00 for costs
27 incurred under the North American Indian tuition waiver.

28 (t) The appropriation for North Central Michigan College is \$3,612,700.00,
29 \$3,389,300.00 for operations, \$42,200.00 for 1-time performance funding, and \$181,200.00
30 for costs incurred under the North American Indian tuition waiver.

31 (u) The appropriation for Northwestern Michigan College is \$9,906,900.00,
32 \$9,567,100.00 for operations, \$88,600.00 for 1-time performance funding, and \$251,200.00

1 for costs incurred under the North American Indian tuition waiver.

2 (v) The appropriation for Oakland Community College is \$22,485,200.00, \$22,211,700.00
3 for operations, \$240,000.00 for 1-time performance funding, and \$33,500.00 for costs
4 incurred under the North American Indian tuition waiver.

5 (w) The appropriation for Schoolcraft College is \$13,386,700.00, \$13,196,200.00 for
6 operations, \$151,700.00 for 1-time performance funding, and \$38,800.00 for costs incurred
7 under the North American Indian tuition waiver.

8 (x) The appropriation for Southwestern Michigan College is \$7,081,900.00,
9 \$6,979,400.00 for operations, \$68,400.00 for 1-time performance funding, and \$34,100.00 for
10 costs incurred under the North American Indian tuition waiver.

11 (y) The appropriation for St. Clair County Community College is \$7,478,700.00,
12 \$7,385,200.00 for operations, \$78,400.00 for 1-time performance funding, and \$15,100.00 for
13 costs incurred under the North American Indian tuition waiver.

14 (z) The appropriation for Washtenaw Community College is \$14,080,600.00,
15 \$13,855,900.00 for operations, \$189,400.00 for 1-time performance funding, and \$35,300.00
16 for costs incurred under the North American Indian tuition waiver.

17 (aa) The appropriation for Wayne County Community College is \$17,782,100.00,
18 \$17,593,400.00 for operations, \$173,700.00 for 1-time performance funding, and \$15,000.00
19 for costs incurred under the North American Indian tuition waiver.

20 (bb) The appropriation for West Shore Community College is \$2,630,600.00,
21 \$2,585,600.00 for operations, \$24,800.00 for 1-time performance funding, and \$20,200.00 for
22 costs incurred under the North American Indian tuition waiver.

23 (3) The amount appropriated in subsection (2) for community college operations is
24 \$328,583,400.00 and is appropriated from the state school aid fund.

25 (4) From the appropriations described in subsection (1), both of the following apply:

26 (a) Subject to section 207a, the amount appropriated for fiscal year 2021-2022 to
27 offset certain fiscal year 2021-2022 retirement contributions is \$1,733,600.00,
28 appropriated from the state school aid fund.

29 (b) For fiscal year 2021-2022, there is allocated an amount not to exceed
30 \$11,700,000.00 for payments to participating community colleges, appropriated from the
31 state school aid fund. A community college that receives money under this subdivision shall
32 use that money solely for the purpose of offsetting the normal cost contribution rate.

1 (5) From the appropriations described in subsection (1), subject to section 207b, the
2 amount appropriated for payments to community colleges that are participating entities of
3 the retirement system is \$87,200,000.00 appropriated from the state school aid fund.

4 (6) From the appropriations described in subsection (1), subject to section 207c, the
5 amount appropriated for renaissance zone tax reimbursements is \$2,200,000.00, appropriated
6 from the state school aid fund. Each community college receiving funds in this subsection
7 shall accrue these payments to its institutional fiscal year ending June 30, 2022.

8 **Sec. 201f. (1) From the funds appropriated under section 201, for the fiscal year**
9 **ending September 30, 2022 only, there is appropriated an amount not to exceed**
10 **\$58,507,600.00 from the state general fund/general purpose money for infrastructure,**
11 **technology, equipment, and maintenance. These funds are intended to be used for necessary**
12 **improvements and deferred maintenance of community college buildings, facilities, and other**
13 **physical infrastructure; necessary improvements and deferred maintenance of information**
14 **technology, other technology infrastructure, and other equipment; and other purposes**
15 **related to infrastructure, technology, equipment, and maintenance. These funds are not**
16 **intended to be used for any other purpose than what is specified in this section. These**
17 **funds are distributed to each community college according to their respective share of**
18 **total fiscal year equated students as reported to the Michigan community college data**
19 **inventory for the fiscal year ending September 30, 2021.**

20 (2) From the amount appropriated in subsection (1), each community college is
21 allocated the following:

- 22 (a) Alpena Community College, \$521,500.00.
- 23 (b) Bay de Noc Community College, \$673,600.00.
- 24 (c) Delta College, \$2,666,400.00.
- 25 (d) Glen Oaks Community College, \$394,600.00.
- 26 (e) Gogebic Community College, \$338,500.00.
- 27 (f) Grand Rapids Community College, \$5,113,200.00.
- 28 (g) Henry Ford College, \$4,835,200.00.
- 29 (h) Jackson College, \$1,693,100.
- 30 (i) Kalamazoo Valley Community College, \$2,446,200.00.
- 31 (j) Kellogg Community College, \$1,233,400.00.
- 32 (k) Kirtland Community College, \$442,000.00.

- 1 (l) Lake Michigan College, \$883,500.00.
- 2 (m) Lansing Community College, \$4,019,300.00.
- 3 (n) Macomb Community College, \$6,626,700.00.
- 4 (o) Mid Michigan Community College, \$1,103,600.00.
- 5 (p) Monroe County Community College, \$809,100.00.
- 6 (q) Montcalm Community College, \$542,700.00.
- 7 (r) C.S. Mott Community College, \$2,170,600.00.
- 8 (s) Muskegon Community College, \$1,369,500.00.
- 9 (t) North Central Michigan College, \$700,500.00.
- 10 (u) Northwestern Michigan College, \$1,214,000.00.
- 11 (v) Oakland Community College, \$5,826,200.00.
- 12 (w) Schoolcraft College, \$3,383,400.00.
- 13 (x) Southwestern Michigan College, \$691,900.00.
- 14 (y) St. Clair County Community College, \$1,259,700.00.
- 15 (z) Washtenaw Community College, \$4,341,800.00.
- 16 (aa) Wayne County Community College, \$2,831,100.00.
- 17 (bb) West Shore Community College, \$376,300.00.

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ARTICLE III

STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, 2022, from the funds indicated in this section. The following is a summary of the appropriations in this section, ~~and section 236h,~~ **and section 236j:**

(a) The gross appropriation is ~~\$1,808,251,200.00.~~ **\$1,949,743,600.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,808,251,200.00.~~ **\$1,949,743,600.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

- (i) Total federal revenues, \$128,526,400.00.
- (ii) Total local revenues, \$0.00.
- (iii) Total private revenues, \$0.00.
- (iv) Total other state restricted revenues, \$361,403,300.00.
- (v) State general fund/general purpose money, ~~\$1,318,321,500.00.~~ **\$1,459,813,900.00.**

1 (2) Amounts appropriated for public universities are as follows:

2 (a) The appropriation for Central Michigan University is \$90,440,500.00,
3 \$87,600,000.00 for operations, \$876,000.00 for 1-time supplemental funding, and
4 \$1,964,500.00 for costs incurred under the North American Indian tuition waiver.

5 (b) The appropriation for Eastern Michigan University is \$78,305,900.00,
6 \$77,253,700.00 for operations, \$772,500.00 for 1-time supplemental funding, and \$279,700.00
7 for costs incurred under the North American Indian tuition waiver.

8 (c) The appropriation for Ferris State University is \$56,541,600.00, \$55,025,500.00
9 for operations, \$550,300.00 for 1-time supplemental funding, and \$965,800.00 for costs
10 incurred under the North American Indian tuition waiver.

11 (d) The appropriation for Grand Valley State University is \$74,213,800.00,
12 \$72,313,500.00 for operations, \$723,100.00 for 1-time supplemental funding, and
13 \$1,177,200.00 for costs incurred under the North American Indian tuition waiver.

14 (e) The appropriation for Lake Superior State University is \$14,366,600.00,
15 \$13,307,000.00 for operations, \$133,100.00 for 1-time supplemental funding, and \$926,500.00
16 for costs incurred under the North American Indian tuition waiver.

17 (f) The appropriation for Michigan State University is \$357,862,000.00,
18 \$287,331,700.00 for operations, \$2,873,300.00 for 1-time supplemental funding,
19 \$1,932,800.00 for costs incurred under the North American Indian tuition waiver,
20 \$35,286,700.00 for MSU AgBioResearch, and \$30,437,500.00 for MSU Extension.

21 (g) The appropriation for Michigan Technological University is \$51,371,900.00,
22 \$50,101,600.00 for operations, \$501,000.00 for 1-time supplemental funding, and \$769,300.00
23 for costs incurred under the North American Indian tuition waiver.

24 (h) The appropriation for Northern Michigan University is \$49,338,700.00,
25 \$47,809,100.00 for operations, \$478,100.00 for 1-time supplemental funding, and
26 \$1,051,500.00 for costs incurred under the North American Indian tuition waiver.

27 (i) The appropriation for Oakland University is \$54,012,900.00, \$53,147,400.00 for
28 operations, \$531,500.00 for 1-time supplemental funding, and \$334,000.00 for costs incurred
29 under the North American Indian tuition waiver.

30 (j) The appropriation for Saginaw Valley State University is \$31,043,500.00,
31 \$30,583,800.00 for operations, \$305,800.00 for 1-time supplemental funding, and \$153,900.00
32 for costs incurred under the North American Indian tuition waiver.

1 (k) The appropriation for University of Michigan - Ann Arbor is \$326,265,400.00,
2 \$321,970,100.00 for operations, \$3,219,700.00 for 1-time supplemental funding, and
3 \$1,075,600.00 for costs incurred under the North American Indian tuition waiver.

4 (l) The appropriation for University of Michigan - Dearborn is \$26,593,700.00,
5 \$26,167,000.00 for operations, \$261,700.00 for 1-time supplemental funding, and \$165,000.00
6 for costs incurred under the North American Indian tuition waiver.

7 (m) The appropriation for University of Michigan - Flint is \$24,197,400.00,
8 \$23,616,200.00 for operations, \$236,200.00 for 1-time supplemental funding, and \$345,000.00
9 for costs incurred under the North American Indian tuition waiver.

10 (n) The appropriation for Wayne State University is \$205,496,400.00, \$202,996,700.00
11 for operations, \$2,030,000.00 for 1-time supplemental funding, and \$469,700.00 for costs
12 incurred under the North American Indian tuition waiver.

13 (o) The appropriation for Western Michigan University is \$113,432,700.00,
14 \$111,522,200.00 for operations, \$1,115,200.00 for 1-time supplemental funding, and
15 \$795,300.00 for costs incurred under the North American Indian tuition waiver.

16 (3) The amount appropriated in subsection (2) for public universities is
17 \$1,553,483,000.00, appropriated from the following:

18 (a) State school aid fund, \$343,168,300.00.

19 (b) State general fund/general purpose money, \$1,210,314,700.00.

20 (4) The amount appropriated for Michigan public school employees' retirement system
21 reimbursement is \$13,495,000.00, appropriated from the state school aid fund.

22 (5) The amount appropriated for state and regional programs is \$316,800.00,
23 appropriated from general fund/general purpose money and allocated as follows:

24 (a) Higher education database modernization and conversion, \$200,000.00.

25 (b) Midwestern Higher Education Compact, \$116,800.00.

26 (6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa
27 Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and
28 allocated as follows:

29 (a) Select student support services, \$1,956,100.00.

30 (b) Michigan college/university partnership program, \$586,800.00.

31 (c) Morris Hood, Jr. educator development program, \$148,600.00.

32 (7) Subject to subsection (8), the amount appropriated for grants and financial aid

1 is \$147,783,200.00, allocated as follows:

2 (a) State competitive scholarships, \$29,861,700.00.

3 (b) Tuition grants, \$42,021,500.00.

4 (c) Tuition incentive program, \$71,300,000.00.

5 (d) Children of veterans and officer's survivor tuition grant programs,
6 \$1,400,000.00.

7 (e) Project GEAR-UP, \$3,200,000.00.

8 (8) The money appropriated in subsection (7) for grants and financial aid is
9 appropriated from the following:

10 (a) Federal revenues under the United States Department of Education, Office of
11 Elementary and Secondary Education, GEAR-UP program, \$3,200,000.00.

12 (b) Federal revenues under the social security act, temporary assistance for needy
13 families, \$125,326,400.00.

14 (c) State general fund/general purpose money, \$19,256,800.00.

15 (9) For fiscal year 2021-2022 only, in addition to the allocation under subsection
16 (4), from the appropriations described in subsection (1), there is allocated an amount not
17 to exceed \$4,740,000.00 for payments to participating public universities, appropriated
18 from the state school aid fund. A university that receives money under this subsection
19 shall use that money solely for the purpose of offsetting the normal cost contribution
20 rate. As used in this subsection, "participating public universities" means public
21 universities that are a reporting unit of the Michigan public school employees' retirement
22 system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
23 to 38.1437, and that pay contributions to the Michigan public school employees' retirement
24 system for the state fiscal year.

25 (11) The amount of one-time funding appropriated for the Japan Center for Michigan
26 Universities is \$500,000.00, appropriated from the state general fund/general purpose money
27 and allocated to support the operations of the Japan Center.

28 **Sec. 236j. (1) From the funds appropriated in section 236 for the fiscal year ending**
29 **September 30, 2022 only, there is appropriated an amount not to exceed \$141,492,400.00 from**
30 **the state general fund/general purpose money for infrastructure, technology, equipment, and**
31 **maintenance. These funds are intended to be used for necessary improvements and deferred**
32 **maintenance of university buildings, facilities, and other physical infrastructure;**

1 necessary improvements and deferred maintenance of information technology, other technology
2 infrastructure, and other equipment; and other purposes related to infrastructure,
3 technology, equipment, and maintenance. These funds are not intended to be used for any
4 other purpose than what is specified in this section. These funds are distributed to each
5 university according to their respective share of total fiscal year equated students as
6 reported to the higher education institutional data inventory for the fiscal year ending
7 September 30, 2021.

8 (2) From the amount appropriated in subsection (1), each university is allocated the
9 following:

- 10 (a) Central Michigan University, \$8,910,600.00.
- 11 (b) Eastern Michigan University, \$7,478,900.00.
- 12 (c) Ferris State University, \$5,315,000.00.
- 13 (d) Grand Valley State University, \$12,109,300.00.
- 14 (e) Lake Superior State University, \$866,900.00.
- 15 (f) Michigan State University, \$27,430,000.00.
- 16 (g) Michigan Technological University, \$3,648,200.00.
- 17 (h) Northern Michigan University, \$3,721,900.00.
- 18 (i) Oakland University, \$9,520,700.00.
- 19 (j) Saginaw Valley State University, \$3,937,000.00.
- 20 (k) University of Michigan - Ann Arbor, \$28,348,900.00.
- 21 (l) University of Michigan - Dearborn, \$3,974,100.00.
- 22 (m) University of Michigan - Flint, \$3,364,600.00.
- 23 (n) Wayne State University, \$13,040,800.00.
- 24 (o) Western Michigan University, \$9,825,500.00.

1 Enacting section 1. (1) In accordance with section 30 of article I of the state
2 constitution of 1963, total state spending on school aid under article I as amended by this
3 amendatory act from state sources for fiscal year 2021-2022 is estimated at
4 \$16,885,856,200.00 and state appropriations for school aid to be paid to local units of
5 government for fiscal year 2021-2022 are estimated at \$16,674,896,700.00

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 2021-2022
8 under article II as amended by this amendatory act is estimated at \$490,424,600.00 and the
9 amount of that state spending from state sources to be paid to local units of government
10 for fiscal year 2021-2022 is estimated at \$490,424,600.00.

11 (3) In accordance with section 30 of article IX of the state constitution of 1963,
12 total state spending from state sources for higher education for fiscal year 2021-2022
13 under article III as amended by this amendatory act is estimated at \$1,821,217,200 and the
14 amount of that state spending from state sources to be paid to local units of government
15 for fiscal year 2021-2022 is estimated at \$0.

16 Enacting section 2. Sections 67b and 99z of the state school aid act of 1979, 1979 PA
17 94, MCL 388.1667b and 388.1699z are repealed.

18 Enacting section 3. This amendatory act shall be effective immediately.