

**SUBSTITUTE FOR
HOUSE BILL NO. 4407**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 4, 6, 11, 11a, 11d, 11j, 11k, 11m, 11s, 15,
18, 20, 20d, 20f, 21f, 22a, 22b, 22d, 22m, 22p, 23b, 23e, 24, 24a,
25f, 25g, 25i, 26a, 26b, 26c, 28, 31a, 31d, 31f, 31m, 31n, 32d,
32p, 35a, 35b, 39, 39a, 41, 51a, 51c, 51d, 51f, 53a, 54, 54b, 54d,
56, 61a, 61b, 61d, 62, 67a, 74, 81, 94, 94a, 98, 99h, 99s, 101,
104, 104c, 105, 105c, 107, 147, 147a, 147c, 147e, 152a, and 152b
(MCL 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611d, 388.1611j,
388.1611k, 388.1611m, 388.1611s, 388.1615, 388.1618, 388.1620,
388.1620d, 388.1620f, 388.1621f, 388.1622a, 388.1622b, 388.1622d,
388.1622m, 388.1622p, 388.1623b, 388.1623e, 388.1624, 388.1624a,
388.1625f, 388.1625g, 388.1625i, 388.1626a, 388.1626b, 388.1626c,



388.1628, 388.1631a, 388.1631d, 388.1631f, 388.1631m, 388.1631n, 388.1632d, 388.1632p, 388.1635a, 388.1635b, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1651f, 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1656, 388.1661a, 388.1661b, 388.1661d, 388.1662, 388.1667a, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1701, 388.1704, 388.1704c, 388.1705, 388.1705c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1752a, and 388.1752b), sections 4 and 104c as amended by 2019 PA 58, sections 6, 11a, 11d, 11j, 11k, 11m, 11s, 15, 18, 20, 20d, 20f, 22a, 22b, 22d, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 28, 31a, 31d, 31f, 32d, 32p, 35a, 35b, 39, 39a, 41, 51a, 51c, 51d, 51f, 53a, 54, 54b, 54d, 56, 61a, 61b, 61d, 62, 74, 81, 94, 94a, 98, 99h, 99s, 101, 104, 105, 105c, 107, 147, 147a, 147c, 147e, and 152a as amended and sections 25i and 67a as added by 2020 PA 165, sections 11, 21f, and 31n as amended and sections 23b and 23e as added by 2021 PA 3, and section 31m as added and section 152b as amended by 2018 PA 265, and by adding sections 22e, 26d, 31b, 35g, 97, 99aa, 99bb, 104h, and 147d; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) "Elementary pupil" means a pupil in membership in
2 grades K to 8 in a district not maintaining classes above ~~the~~
3 ~~eight~~ grade **8** or in grades K to 6 in a district maintaining
4 classes above ~~the eight~~ grade **8** or a child enrolled and in regular
5 attendance in a publicly funded prekindergarten setting.

6 (2) "Extended school year" means an educational program
7 conducted by a district in which pupils must be enrolled but not
8 necessarily in attendance on the pupil membership count day in an
9 extended year program. The mandatory clock hours must be completed



1 by each pupil not more than 365 calendar days after the pupil's
2 first day of classes for the school year prescribed. The department
3 shall prescribe pupil, personnel, and other reporting requirements
4 for the educational program.

5 (3) "Fiscal year" means the state fiscal year that commences
6 October 1 and continues through September 30.

7 (4) "High school equivalency certificate" means a certificate
8 granted for the successful completion of a high school equivalency
9 test.

10 (5) "High school equivalency test" means the G.E.D. test
11 developed by the GED Testing Service, ~~the Test Assessing Secondary~~
12 ~~Completion (TASC) developed by CTS/McGraw-Hill,~~ the HISET test
13 developed by Educational Testing Service (ETS), or another
14 comparable test approved by the department of labor and economic
15 opportunity.

16 (6) "High school equivalency test preparation program" means a
17 program that has high school level courses in English language
18 arts, social studies, science, and mathematics and that prepares an
19 individual to successfully complete a high school equivalency test.

20 (7) "High school pupil" means a pupil in membership in grades
21 7 to 12, except in a district not maintaining grades above ~~the~~
22 ~~eighth~~ grade 8.

23 Sec. 6. (1) "Center program" means a program operated by a
24 district or by an intermediate district for special education
25 pupils from several districts in programs for pupils with autism
26 spectrum disorder, pupils with severe cognitive impairment, pupils
27 with moderate cognitive impairment, pupils with severe multiple
28 impairments, pupils with hearing impairment, pupils with visual
29 impairment, and pupils with physical impairment or other health



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

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

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

22 (4) "Membership", except as otherwise provided in this
23 subsection or this article, means for a district, a public school
24 academy, or an intermediate district the sum of the product of .90
25 times the number of full-time equated pupils in grades K to 12
26 actually enrolled and in regular daily attendance in the district,
27 public school academy, or intermediate district on the pupil
28 membership count day for the current school year, plus the product
29 of .10 times the final audited count from the supplemental count



1 day of full-time equated pupils in grades K to 12 actually enrolled
 2 and in regular daily attendance in the district, public school
 3 academy, or intermediate district for the immediately preceding
 4 school year. A district's, public school academy's, or intermediate
 5 district's membership is adjusted as provided under section 25e for
 6 pupils who enroll after the pupil membership count day in a strict
 7 discipline academy operating under sections 1311b to 1311m of the
 8 revised school code, MCL 380.1311b to 380.1311m. For ~~2020-2021~~
 9 **2021-2022** only, membership means for a district, a public school
 10 academy, or an intermediate district, the sum of the product of ~~.75~~
 11 **.90** times the ~~district's, public school academy's, or intermediate~~
 12 ~~district's 2019-2020 membership as calculated under this section in~~
 13 ~~2019-2020~~ **number of full-time equated pupils in grades K to 12**
 14 **actually enrolled and in regular daily attendance in the district,**
 15 **public school academy, or intermediate district on the pupil**
 16 **membership count day for the current school year** and the product of
 17 ~~.25~~ **.10** times [~~the sum of (the product of .90 times the number of~~
 18 ~~full-time equated pupils engaged in pandemic learning for fall 2020~~
 19 ~~or, for a public school academy that operates as a cyber school, as~~
 20 ~~that term is defined in section 551 of the revised school code, MCL~~
 21 ~~380.551, the number of full-time equated pupils in grades K to 12~~
 22 ~~actually enrolled and in regular daily attendance in the public~~
 23 ~~school academy on pupil membership count day for the current school~~
 24 ~~year) and (the product of .10 times the final audited count from~~
 25 ~~the supplemental count day of full-time equated pupils in grades K~~
 26 ~~to 12 actually enrolled and in regular daily attendance in the~~
 27 ~~district, public school academy, or intermediate district for the~~
 28 ~~immediately preceding school year)] **.the final audited count of the**
 29 **number of full-time equated pupils engaged in pandemic learning for**~~



1 **spring 2021, or, for a public school academy that operates as a**
2 **cyber school, as that term is defined in section 551 of the revised**
3 **school code, MCL 380.551, the final audited count from the**
4 **supplemental count day of full-time equated pupils in grades K to**
5 **12 actually enrolled and in regular daily attendance in the public**
6 **school academy for the immediately preceding school year.** All pupil
7 counts used in this subsection are as determined by the department
8 and calculated by adding the number of pupils registered for
9 attendance plus pupils received by transfer and minus pupils lost
10 as defined by rules promulgated by the superintendent, and as
11 corrected by a subsequent department audit. The amount of the
12 foundation allowance for a pupil in membership is determined under
13 section 20. In making the calculation of membership, all of the
14 following, as applicable, apply to determining the membership of a
15 district, a public school academy, or an intermediate district:

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

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



1 (c) A special education pupil educated by the intermediate
2 district is counted in membership in the intermediate district.

3 (d) A pupil placed by a court or state agency in an on-grounds
4 program of a juvenile detention facility, a child caring
5 institution, or a mental health institution, or a pupil funded
6 under section 53a, is counted in membership in the district or
7 intermediate district approved by the department to operate the
8 program.

9 (e) A pupil enrolled in the Michigan Schools for the Deaf and
10 Blind is counted in membership in the pupil's intermediate district
11 of residence.

12 (f) A pupil enrolled in a career and technical education
13 program supported by a millage levied over an area larger than a
14 single district or in an area vocational-technical education
15 program established under section 690 of the revised school code,
16 MCL 380.690, is counted in membership only in the pupil's district
17 of residence.

18 (g) A pupil enrolled in a public school academy is counted in
19 membership in the public school academy.

20 (h) For the purposes of this section and section 6a, for a
21 cyber school, as that term is defined in section 551 of the revised
22 school code, MCL 380.551, that is in compliance with section 553a
23 of the revised school code, MCL 380.553a, a pupil's participation
24 in the cyber school's educational program is considered regular
25 daily attendance, and for a district or public school academy, a
26 pupil's participation in a virtual course as that term is defined
27 in section 21f is considered regular daily attendance. For the
28 purposes of this subdivision, for a pupil enrolled in a cyber
29 school and utilizing sequential learning, participation means that



1 term as defined in the pupil accounting manual, section ~~5-e-d:5-0-~~
 2 **D:** requirements for counting pupils in membership-subsection 10.

3 (i) For a new district or public school academy beginning its
 4 operation after December 31, 1994, membership for the first 2 full
 5 or partial fiscal years of operation is determined as follows:

6 (i) ~~Except as otherwise provided in this subparagraph, if~~ **If**
 7 operations begin before the pupil membership count day for the
 8 fiscal year, membership is the average number of full-time equated
 9 pupils in grades K to 12 actually enrolled and in regular daily
 10 attendance on the pupil membership count day for the current school
 11 year and on the supplemental count day for the current school year,
 12 as determined by the department and calculated by adding the number
 13 of pupils registered for attendance on the pupil membership count
 14 day plus pupils received by transfer and minus pupils lost as
 15 defined by rules promulgated by the superintendent, and as
 16 corrected by a subsequent department audit, plus the final audited
 17 count from the supplemental count day for the current school year,
 18 and dividing that sum by 2. ~~However, for 2020-2021 only, if~~
 19 ~~operations begin before the pupil membership count day for the~~
 20 ~~fiscal year, except for a public school academy that operates as a~~
 21 ~~cyber school, as that term is defined in section 551 of the revised~~
 22 ~~school code, MCL 380.551, membership is the average number of full-~~
 23 ~~time equated pupils engaged in pandemic learning for fall 2020 and~~
 24 ~~full-time equated pupils engaged in pandemic learning for spring~~
 25 ~~2021, as that term is defined in section 6a, as determined by the~~
 26 ~~department and calculated by adding the number of pupils registered~~
 27 ~~for attendance on the pupil membership count day plus pupils~~
 28 ~~received by transfer and minus pupils lost as defined by rules~~
 29 ~~promulgated by the superintendent, and as corrected by a subsequent~~



1 ~~department audit, plus the final audited count from the~~
2 ~~supplemental count day for the current school year, and dividing~~
3 ~~that sum by 2.~~

4 (ii) If operations begin after the pupil membership count day
5 for the fiscal year and not later than the supplemental count day
6 for the fiscal year, membership is the final audited count of the
7 number of full-time equated pupils in grades K to 12 actually
8 enrolled and in regular daily attendance on the supplemental count
9 day for the current school year. ~~, but, for 2020-2021 only, except~~
10 ~~for a public school academy that operates as a cyber school, as~~
11 ~~that term is defined in section 551 of the revised school code, MCL~~
12 ~~380.551, membership is the final audited count of the number of~~
13 ~~full-time equated pupils engaged in pandemic learning for spring~~
14 ~~2021, as that term is defined in section 6a.~~

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

24 (k) For an extended school year program approved by the
25 superintendent, a pupil enrolled, but not scheduled to be in
26 regular daily attendance, on a pupil membership count day, is
27 counted in membership.

28 (l) To be counted in membership, a pupil must meet the minimum
29 age requirement to be eligible to attend school under section 1147



1 of the revised school code, MCL 380.1147, or must be enrolled under
 2 subsection (3) of that section, and must be less than 20 years of
 3 age on September 1 of the school year except as follows:

4 (i) A special education pupil who is enrolled and receiving
 5 instruction in a special education program or service approved by
 6 the department, who does not have a high school diploma, and who is
 7 less than 26 years of age as of September 1 of the current school
 8 year is counted in membership.

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

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

15 (B) Had dropped out of school.

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

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

25 (m) An individual who has achieved a high school diploma is
 26 not counted in membership. An individual who has achieved a high
 27 school equivalency certificate is not counted in membership unless
 28 the individual is a student with a disability as that term is
 29 defined in R 340.1702 of the Michigan Administrative Code. An



1 individual participating in a job training program funded under
2 former section 107a or a jobs program funded under former section
3 107b, administered by the department of labor and economic
4 opportunity, or participating in any successor of either of those 2
5 programs, is not counted in membership.

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

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

28 (ii) If the public school academy provides instruction for less
29 than 1/2 of the class hours required under section 101, the



1 district or intermediate district providing the remainder of the
2 hours of instruction receives as its prorated share of the full-
3 time equated membership for each of those pupils an amount equal to
4 1 times the product of the hours of instruction the district or
5 intermediate district provides divided by the number of hours
6 required under section 101 for full-time equivalency, and the
7 remainder of the full-time membership for each of those pupils is
8 allocated to the public school academy.

9 (o) An individual less than 16 years of age as of September 1
10 of the current school year who is being educated in an alternative
11 education program is not counted in membership if there are also
12 adult education participants being educated in the same program or
13 classroom.

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

16 (q) The number of class hours used to calculate full-time
17 equated memberships must be consistent with section 101. In
18 determining full-time equated memberships for pupils who are
19 enrolled in a postsecondary institution or for pupils engaged in an
20 internship or work experience under section 1279h of the revised
21 school code, MCL 380.1279h, a pupil is not considered to be less
22 than a full-time equated pupil solely because of the effect of his
23 or her postsecondary enrollment or engagement in the internship or
24 work experience, including necessary travel time, on the number of
25 class hours provided by the district to the pupil.

26 (r) Full-time equated memberships for pupils in kindergarten
27 are determined by dividing the number of instructional hours
28 scheduled and provided per year per kindergarten pupil by the same
29 number used for determining full-time equated memberships for



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

12 (s) For a district or a public school academy that has pupils
 13 enrolled in a grade level that was not offered by the district or
 14 public school academy in the immediately preceding school year, the
 15 number of pupils enrolled in that grade level to be counted in
 16 membership is the average of the number of those pupils enrolled
 17 and in regular daily attendance on the pupil membership count day
 18 and the supplemental count day of the current school year. ~~but,~~
 19 ~~for 2020-2021 only, except for a public school academy that~~
 20 ~~operates as a cyber school, as that term is defined in section 551~~
 21 ~~of the revised school code, MCL 380.551, the number of pupils~~
 22 ~~enrolled in that grade level to be counted in membership is the~~
 23 ~~average of the number of those pupils engaged in pandemic learning~~
 24 ~~for fall 2020 and the number of those pupils engaged in pandemic~~
 25 ~~learning for spring 2021, as that term is defined in section 6a, as~~
 26 ~~determined by the department.~~ Membership is calculated by adding
 27 the number of pupils registered for attendance in that grade level
 28 on the pupil membership count day plus pupils received by transfer
 29 and minus pupils lost as defined by rules promulgated by the



1 superintendent, and as corrected by subsequent department audit,
2 plus the final audited count from the supplemental count day for
3 the current school year, and dividing that sum by 2.

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

7 (u) If, as a result of a disciplinary action, a district
8 determines through the district's alternative or disciplinary
9 education program that the best instructional placement for a pupil
10 is in the pupil's home or otherwise apart from the general school
11 population, if that placement is authorized in writing by the
12 district superintendent and district alternative or disciplinary
13 education supervisor, and if the district provides appropriate
14 instruction as described in this subdivision to the pupil at the
15 pupil's home or otherwise apart from the general school population,
16 the district may count the pupil in membership on a pro rata basis,
17 with the proration based on the number of hours of instruction the
18 district actually provides to the pupil divided by the number of
19 hours required under section 101 for full-time equivalency. For the
20 purposes of this subdivision, a district is considered to be
21 providing appropriate instruction if all of the following are met:

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

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

29 (iii) Course content is comparable to that in the district's



1 alternative education program.

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

4 (v) If a pupil was enrolled in a public school academy on the
5 pupil membership count day, if the public school academy's contract
6 with its authorizing body is revoked or the public school academy
7 otherwise ceases to operate, and if the pupil enrolls in a district
8 within 45 days after the pupil membership count day, the department
9 shall adjust the district's pupil count for the pupil membership
10 count day to include the pupil in the count.

11 (w) For a public school academy that has been in operation for
12 at least 2 years and that suspended operations for at least 1
13 semester and is resuming operations, membership is the sum of the
14 product of .90 times the number of full-time equated pupils in
15 grades K to 12 actually enrolled and in regular daily attendance on
16 the first pupil membership count day or supplemental count day,
17 whichever is first, occurring after operations resume, plus the
18 product of .10 times the final audited count from the most recent
19 pupil membership count day or supplemental count day that occurred
20 before suspending operations, as determined by the superintendent.
21 ~~, but, for 2020-2021 only, except for a public school academy that~~
22 ~~operates as a cyber school, as that term is defined in section 551~~
23 ~~of the revised school code, MCL 380.551, membership is the sum of~~
24 ~~the product of .90 times the number of full-time equated pupils~~
25 ~~engaged in pandemic learning for fall 2020 or the number of full-~~
26 ~~time equated pupils engaged in pandemic learning for spring 2021,~~
27 ~~as that term is defined in section 6a, whichever applies first~~
28 ~~after operations resume, plus the product of .10 times the final~~
29 ~~audited count from the most recent pupil membership count day or~~



1 ~~supplemental count day that occurred before suspending operations,~~
 2 ~~as determined by the superintendent.~~

3 (x) If a district's membership for a particular fiscal year,
 4 as otherwise calculated under this subsection, would be less than
 5 1,550 pupils, the district has 4.5 or fewer pupils per square mile,
 6 as determined by the department, and the district does not receive
 7 funding under section 22d(2), the district's membership is
 8 considered to be the membership figure calculated under this
 9 subdivision. If a district educates and counts in its membership
 10 pupils in grades 9 to 12 who reside in a contiguous district that
 11 does not operate grades 9 to 12 and if 1 or both of the affected
 12 districts request the department to use the determination allowed
 13 under this sentence, the department shall include the square
 14 mileage of both districts in determining the number of pupils per
 15 square mile for each of the districts for the purposes of this
 16 subdivision. ~~If a district has established a community engagement~~
 17 ~~advisory committee in partnership with the department of treasury,~~
 18 ~~is required to submit a deficit elimination plan or an enhanced~~
 19 ~~deficit elimination plan under section 1220 of the revised school~~
 20 ~~code, MCL 380.1220, and is located in a city with a population~~
 21 ~~between 9,000 and 11,000 that is in a county with a population~~
 22 ~~between 155,000 and 160,000, the district's membership is~~
 23 ~~considered to be the membership figure calculated under this~~
 24 ~~subdivision.~~ The membership figure calculated under this
 25 subdivision is the greater of the following:

26 (i) The average of the district's membership for the 3-fiscal-
 27 year period ending with that fiscal year, calculated by adding the
 28 district's actual membership for each of those 3 fiscal years, as
 29 otherwise calculated under this subsection, and dividing the sum of



1 those 3 membership figures by 3.

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

4 (y) Full-time equated memberships for special education pupils
5 who are not enrolled in kindergarten but are enrolled in a
6 classroom program under R 340.1754 of the Michigan Administrative
7 Code are determined by dividing the number of class hours scheduled
8 and provided per year by 450. Full-time equated memberships for
9 special education pupils who are not enrolled in kindergarten but
10 are receiving early childhood special education services under R
11 340.1755 or R 340.1862 of the Michigan Administrative Code are
12 determined by dividing the number of hours of service scheduled and
13 provided per year per-pupil by 180.

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

19 (aa) For the first year in which a pupil is counted in
20 membership on the pupil membership count day in a middle college
21 program, the membership is the average of the full-time equated
22 membership on the pupil membership count day and on the
23 supplemental count day for the current school year, as determined
24 by the department. If a pupil described in this subdivision was
25 counted in membership by the operating district on the immediately
26 preceding supplemental count day, the pupil is excluded from the
27 district's immediately preceding supplemental count for the
28 purposes of determining the district's membership.

29 (bb) A district or public school academy that educates a pupil



1 who attends a United States Olympic Education Center may count the
2 pupil in membership regardless of whether or not the pupil is a
3 resident of this state.

4 (cc) A pupil enrolled in a district other than the pupil's
5 district of residence under section 1148(2) of the revised school
6 code, MCL 380.1148, is counted in the educating district.

7 (dd) For a pupil enrolled in a dropout recovery program that
8 meets the requirements of section 23a, the pupil is counted as 1/12
9 of a full-time equated membership for each month that the district
10 operating the program reports that the pupil was enrolled in the
11 program and was in full attendance. However, if the special
12 membership counting provisions under this subdivision and the
13 operation of the other membership counting provisions under this
14 subsection result in a pupil being counted as more than 1.0 FTE in
15 a fiscal year, the payment made for the pupil under sections 22a
16 and 22b must not be based on more than 1.0 FTE for that pupil, and
17 any portion of an FTE for that pupil that exceeds 1.0 is instead
18 paid under section 25g. The district operating the program shall
19 report to the center the number of pupils who were enrolled in the
20 program and were in full attendance for a month not later than 30
21 days after the end of the month. A district shall not report a
22 pupil as being in full attendance for a month unless both of the
23 following are met:

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

27 (ii) The pupil meets the district's definition under section
28 23a of satisfactory monthly progress for that month or, if the
29 pupil does not meet that definition of satisfactory monthly



1 progress for that month, the pupil did meet that definition of
2 satisfactory monthly progress in the immediately preceding month
3 and appropriate interventions are implemented within 10 school days
4 after it is determined that the pupil does not meet that definition
5 of satisfactory monthly progress.

6 (ee) A pupil participating in a virtual course under section
7 21f is counted in membership in the district enrolling the pupil.

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

18 (gg) If a special education pupil is expelled under section
19 1311 or 1311a of the revised school code, MCL 380.1311 and
20 380.1311a, and is not in attendance on the pupil membership count
21 day because of the expulsion, and if the pupil remains enrolled in
22 the district and resumes regular daily attendance during that
23 school year, the district's membership is adjusted to count the
24 pupil in membership as if he or she had been in attendance on the
25 pupil membership count day.

26 (hh) A pupil enrolled in a community district is counted in
27 membership in the community district.

28 (ii) A part-time pupil enrolled in a nonpublic school in
29 grades K to 12 in accordance with section 166b must not be counted



1 as more than 0.75 of a full-time equated membership.

2 (jj) A district that borders another state or a public school
3 academy that operates at least grades 9 to 12 and is located within
4 20 miles of a border with another state may count in membership a
5 pupil who is enrolled in a course at a college or university that
6 is located in the bordering state and within 20 miles of the border
7 with this state if all of the following are met:

8 (i) The pupil would meet the definition of an eligible student
9 under the postsecondary enrollment options act, 1996 PA 160, MCL
10 388.511 to 388.524, if the course were an eligible course under
11 that act.

12 (ii) The course in which the pupil is enrolled would meet the
13 definition of an eligible course under the postsecondary enrollment
14 options act, 1996 PA 160, MCL 388.511 to 388.524, if the course
15 were provided by an eligible postsecondary institution under that
16 act.

17 (iii) The department determines that the college or university
18 is an institution that, in the other state, fulfills a function
19 comparable to a state university or community college, as those
20 terms are defined in section 3 of the postsecondary enrollment
21 options act, 1996 PA 160, MCL 388.513, or is an independent
22 nonprofit degree-granting college or university.

23 (iv) The district or public school academy pays for a portion
24 of the pupil's tuition at the college or university in an amount
25 equal to the eligible charges that the district or public school
26 academy would pay to an eligible postsecondary institution under
27 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511
28 to 388.524, as if the course were an eligible course under that
29 act.



1 (v) The district or public school academy awards high school
2 credit to a pupil who successfully completes a course as described
3 in this subdivision.

4 (kk) A pupil enrolled in a middle college program may be
5 counted for more than a total of 1.0 full-time equated membership
6 if the pupil is enrolled in more than the minimum number of
7 instructional days and hours required under section 101 and the
8 pupil is expected to complete the 5-year program with both a high
9 school diploma and at least 60 transferable college credits or is
10 expected to earn an associate's degree in fewer than 5 years.

11 (ll) If a district's or public school academy's membership for
12 a particular fiscal year, as otherwise calculated under this
13 subsection, includes pupils counted in membership who are enrolled
14 under section 166b, all of the following apply for the purposes of
15 this subdivision:

16 (i) If the district's or public school academy's membership for
17 pupils counted under section 166b equals or exceeds 5% of the
18 district's or public school academy's membership for pupils not
19 counted in membership under section 166b in the immediately
20 preceding fiscal year, then the growth in the district's or public
21 school academy's membership for pupils counted under section 166b
22 must not exceed 10%.

23 (ii) If the district's or public school academy's membership
24 for pupils counted under section 166b is less than 5% of the
25 district's or public school academy's membership for pupils not
26 counted in membership under section 166b in the immediately
27 preceding fiscal year, then the district's or public school
28 academy's membership for pupils counted under section 166b must not
29 exceed the greater of the following:



1 (A) 5% of the district's or public school academy's membership
2 for pupils not counted in membership under section 166b.

3 (B) 10% more than the district's or public school academy's
4 membership for pupils counted under section 166b in the immediately
5 preceding fiscal year.

6 (iii) If 1 or more districts consolidate or are parties to an
7 annexation, then the calculations under subparagraphs (i) and (ii)
8 must be applied to the combined total membership for pupils counted
9 in those districts for the fiscal year immediately preceding the
10 consolidation or annexation.

11 **(mm) Beginning with the 2021-2022 school year, if a district,**
12 **intermediate district, or public school academy charges tuition for**
13 **a student enrolled in the district, intermediate district, or**
14 **public school academy that resided out of state in the immediately**
15 **preceding school year, the student must not be counted in**
16 **membership in the district, intermediate district, or public school**
17 **academy.**

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

20 (6) "Pupil" means an individual in membership in a public
21 school. A district must have the approval of the pupil's district
22 of residence to count the pupil in membership, except approval by
23 the pupil's district of residence is not required for any of the
24 following:

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

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

29 (c) A pupil enrolled in a public school academy.



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

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

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

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

27 (ii) "Serious assault" means an act that constitutes a felony
 28 violation of chapter XI of the Michigan penal code, 1931 PA 328,
 29 MCL 750.81 to 750.90h, or that constitutes an assault and



1 infliction of serious or aggravated injury under section 81a of the
2 Michigan penal code, 1931 PA 328, MCL 750.81a.

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

8 **(g)** ~~(h)~~—A pupil enrolled in an alternative education program
9 operated by a district other than his or her district of residence
10 who meets 1 or more of the following:

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

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

16 **(iii)** The pupil is pregnant or is a parent.

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

18 **(h)** ~~(i)~~—A pupil enrolled in the Michigan Virtual School, for
19 the pupil's enrollment in the Michigan Virtual School.

20 **(i)** ~~(j)~~—A pupil who is the child of a person who works at the
21 district or who is the child of a person who worked at the district
22 as of the time the pupil first enrolled in the district but who no
23 longer works at the district due to a workforce reduction. As used
24 in this subdivision, "child" includes an adopted child, stepchild,
25 or legal ward.

26 **(j)** ~~(k)~~—An expelled pupil who has been denied reinstatement by
27 the expelling district and is reinstated by another school board
28 under section 1311 or 1311a of the revised school code, MCL
29 380.1311 and 380.1311a.



1 **(k)** ~~(l)~~—A pupil enrolled in a district other than the pupil's
 2 district of residence in a middle college program if the pupil's
 3 district of residence and the enrolling district are both
 4 constituent districts of the same intermediate district.

5 **(l)** ~~(m)~~—A pupil enrolled in a district other than the pupil's
 6 district of residence who attends a United States Olympic Education
 7 Center.

8 **(m)** ~~(n)~~—A pupil enrolled in a district other than the pupil's
 9 district of residence under section 1148(2) of the revised school
 10 code, MCL 380.1148.

11 **(n)** ~~(o)~~—A pupil who enrolls in a district other than the
 12 pupil's district of residence as a result of the pupil's school not
 13 making adequate yearly progress under the no child left behind act
 14 of 2001, Public Law 107-110, or the every student succeeds act,
 15 Public Law 114-95.

16 However, if a district educates pupils who reside in another
 17 district and if the primary instructional site for those pupils is
 18 established by the educating district after 2009-2010 and is
 19 located within the boundaries of that other district, the educating
 20 district must have the approval of that other district to count
 21 those pupils in membership.

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

24 (a) Except as provided in subdivision (b), the first Wednesday
 25 in October each school year or, for a district or building in which
 26 school is not in session on that Wednesday due to conditions not
 27 within the control of school authorities, with the approval of the
 28 superintendent, the immediately following day on which school is in
 29 session in the district or building. ~~A district is considered to be~~



1 ~~in session for purposes of this subdivision when the district is~~
2 ~~providing pupil instruction pursuant to an extended COVID-19~~
3 ~~learning plan approved under section 98a.~~

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

- 6 (i) Fourth Wednesday in July.
7 (ii) First Wednesday in October.
8 (iii) Second Wednesday in February.
9 (iv) Fourth Wednesday in April.

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



1 membership count day or supplemental count day is only counted as
 2 1.0 full-time equated membership if the pupil resumed attendance in
 3 the district, intermediate district, or public school academy
 4 within 45 days after the pupil membership count day or supplemental
 5 count day of that particular year. A pupil not counted as 1.0 full-
 6 time equated membership due to an absence from a class is counted
 7 as a prorated membership for the classes the pupil attended. For
 8 purposes of this subsection, "class" means a period of time in 1
 9 day when pupils and an individual who is appropriately placed under
 10 a valid certificate, substitute permit, authorization, or approval
 11 issued by the department, are together and instruction is taking
 12 place.

13 (9) "Pupils engaged in pandemic learning for ~~fall 2020~~ **spring**
 14 **2021**" means ~~pupils in grades K to 12 who are enrolled in a~~
 15 ~~district, excluding a district that operates as a cyber school, as~~
 16 ~~that term is defined in section 551 of the revised school code, MCL~~
 17 ~~380.551, or intermediate district and to which any of the following~~
 18 ~~apply:~~

19 (a) ~~For a pupil who is not learning sequentially, any of the~~
 20 ~~following occurs for each of the pupil's scheduled courses:~~

21 (i) ~~The pupil attends a live lesson from the pupil's teacher or~~
 22 ~~at least 1 of the pupil's teachers on 2020-2021 pupil membership~~
 23 ~~count day.~~

24 (ii) ~~The pupil logs into an online or virtual lesson or lesson~~
 25 ~~activity on 2020-2021 pupil membership count day and the login can~~
 26 ~~be documented by the district or intermediate district.~~

27 (iii) ~~The pupil and the pupil's teacher or at least 1 of the~~
 28 ~~pupil's teachers engage in a subject-oriented telephone~~
 29 ~~conversation on 2020-2021 pupil membership count day.~~



~~(iv) The district or intermediate district documents that an electronic mail dialogue occurred between the pupil and the pupil's teacher or at least 1 of the pupil's teachers on 2020-2021 pupil membership count day.~~

~~(b) For a pupil who is using sequential learning, any of the following occurs for each of the pupil's scheduled courses:~~

~~(i) The pupil attends a virtual course where synchronous, live instruction occurs with the pupil's teacher or at least 1 of the pupil's teachers on 2020-2021 pupil membership count day and the attendance is documented by the district or intermediate district.~~

~~(ii) The pupil completes a course assignment on 2020-2021 pupil membership count day and the completion is documented by the district or intermediate district.~~

~~(iii) The pupil completes a course lesson or lesson activity on 2020-2021 pupil membership count day and the completion is documented by the district or intermediate district.~~

~~(iv) The pupil accesses an ongoing lesson that is not a login on 2020-2021 pupil membership count day and the access is documented by the district or intermediate district.~~

~~(c) At a minimum, 1 2-way interaction has occurred between the pupil and the pupil's teacher or at least 1 of the pupil's teachers or another district employee who has responsibility for the pupil's learning, grade progression, or academic progress during the week on which 2020-2021 pupil membership count day falls and during each week for the 3 consecutive weeks after the week on which 2020-2021 pupil membership count day falls. A district may utilize 2-way interactions that occur under this subdivision toward meeting the requirement under section 101(3)(h). As used in this subdivision:~~

~~(i) "2-way interaction" means a communication that occurs~~



1 ~~between a pupil and the pupil's teacher or at least 1 of the~~
 2 ~~pupil's teachers or another district employee who has~~
 3 ~~responsibility for the pupil's learning, grade progression, or~~
 4 ~~academic progress, where 1 party initiates communication and a~~
 5 ~~response from the other party follows that communication, and that~~
 6 ~~is relevant to course progress or course content for at least 1 of~~
 7 ~~the courses in which the pupil is enrolled or relevant to the~~
 8 ~~pupil's overall academic progress or grade progression. Responses,~~
 9 ~~as described in this subparagraph, must be to communication~~
 10 ~~initiated by the teacher, by another district employee who has~~
 11 ~~responsibility for the pupil's learning, grade progression, or~~
 12 ~~academic progress, or by the pupil, and not some other action~~
 13 ~~taken. The communication described in this subparagraph may occur~~
 14 ~~through, but is not limited to, any of the following means:~~

15 ~~(A) Electronic mail.~~

16 ~~(B) Telephone.~~

17 ~~(C) Instant messaging.~~

18 ~~(D) Face-to-face conversation.~~

19 ~~(ii) "Week" means a period beginning on Wednesday and ending on~~
 20 ~~the following Tuesday.~~

21 ~~(d) The pupil has not participated in or completed an activity~~
 22 ~~as described in subdivision (a), (b), or (c) and the pupil was not~~
 23 ~~excused from participation or completion, but the pupil~~
 24 ~~participates in or completes an activity described in subdivision~~
 25 ~~(a) or (b) during the 10 consecutive school days immediately~~
 26 ~~following the 2020-2021 pupil membership count day.~~

27 ~~(e) The pupil has not participated in or completed an activity~~
 28 ~~as described in subdivision (a), (b), or (c) and the pupil was~~
 29 ~~excused from participation or completion, but the pupil~~



1 ~~participates in or completes an activity described in subdivision~~
 2 ~~(a) or (b) during the 30 calendar days immediately following the~~
 3 ~~2020-2021 pupil membership count day.~~

4 ~~(f) The pupil meets the criteria of pupils in grades K to 12~~
 5 ~~actually enrolled and in regular daily attendance.~~ **that term as**
 6 **defined in section 6a.**

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

10 (11) "The revised school code" means the revised school code,
 11 1976 PA 451, MCL 380.1 to 380.1852.

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

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

18 (14) "State board" means the state board of education.

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

23 (16) "Supplemental count day" means the day on which the
 24 supplemental pupil count is conducted under section 6a or the day
 25 specified as supplemental count day under section 6a.

26 (17) "Tuition pupil" means a pupil of school age attending
 27 school in a district other than the pupil's district of residence
 28 for whom tuition may be charged to the district of residence.
 29 Tuition pupil does not include a pupil who is a special education



1 pupil, a pupil described in subsection (6)(c) to (o), or a pupil
 2 whose parent or guardian voluntarily enrolls the pupil in a
 3 district that is not the pupil's district of residence. A pupil's
 4 district of residence shall not require a high school tuition
 5 pupil, as provided under section 111, to attend another school
 6 district after the pupil has been assigned to a school district.

7 (18) "State school aid fund" means the state school aid fund
 8 established in section 11 of article IX of the state constitution
 9 of 1963.

10 (19) "Taxable value" means, **except as otherwise provided in**
 11 **this article**, the taxable value of property as determined under
 12 section 27a of the general property tax act, 1893 PA 206, MCL
 13 211.27a.

14 (20) "Textbook" means a book, electronic book, or other
 15 instructional print or electronic resource that is selected and
 16 approved by the governing board of a district and that contains a
 17 presentation of principles of a subject, or that is a literary work
 18 relevant to the study of a subject required for the use of
 19 classroom pupils, or another type of course material that forms the
 20 basis of classroom instruction.

21 (21) "Total state aid" or "total state school aid", except as
 22 otherwise provided in this article, means the total combined amount
 23 of all funds due to a district, intermediate district, or other
 24 entity under this article.

25 Sec. 11. (1) ~~For the fiscal year ending September 30, 2021,~~
 26 ~~there is appropriated for the public schools of this state and~~
 27 ~~certain other state purposes relating to education the sum of~~
 28 ~~\$13,759,819,500.00 from the state school aid fund, the sum of~~
 29 ~~\$50,964,600.00 from the general fund, an amount not to exceed~~



1 ~~\$77,700,000.00 from the community district education trust fund~~
 2 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
 3 ~~489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~
 4 ~~emergency reserve fund. For the fiscal year ending September 30,~~
 5 ~~2022, there is appropriated for the public schools of this state~~
 6 ~~and certain other state purposes relating to education the sum of~~
 7 ~~\$14,405,485,000.00 from the state school aid fund, the sum of~~
 8 ~~\$50,000,000.00 from the general fund, an amount not to exceed~~
 9 ~~\$72,000,000.00 from the community district education trust fund~~
 10 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
 11 ~~489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~
 12 ~~emergency reserve fund. In addition, all available federal funds~~
 13 ~~are only appropriated as allocated in this article for the fiscal~~
 14 ~~year ending September 30, 2021-2022.~~

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

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

23 Sec. 11a. (1) The school aid stabilization fund is created as
 24 a separate account within the state school aid fund.

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

29 (a) Unexpended and unencumbered state school aid fund revenue



1 for a fiscal year that remains in the state school aid fund as of
2 the bookclosing for that fiscal year.

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

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

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

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

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

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



1 equal to the remainder of the projected shortfall must be prorated
2 in the manner provided under section 296(3).

3 (7) For ~~2020-2021~~, **2021-2022**, in addition to the
4 appropriations in section 11, there is appropriated from the school
5 aid stabilization fund to the state school aid fund the amount
6 necessary to fully fund the allocations under this article.

7 **(8) For 2021-2022, from the state school aid fund money**
8 **appropriated in section 11, there is allocated an amount equal to**
9 **\$102,300,000.00 for deposit to the school aid stabilization fund.**

10 Sec. 11d. ~~(1) For 2019-2020, the department shall deduct an~~
11 ~~amount equal to \$175.00 per membership pupil from each district's~~
12 ~~total state school aid. A district may choose to apply this~~
13 ~~reduction to funding the district receives under any provision of~~
14 ~~this act, other than sections 11j, 22a, 26a, 26b, 26c, 31d, 31f,~~
15 ~~51a(2), 51a(11), 51c, 53a, 147c, 147e(2)(a), and 152a, even if the~~
16 ~~reduction chosen by the district results in a program being reduced~~
17 ~~or discontinued.~~

18 ~~(2) If the department, after applying the deduction calculated~~
19 ~~in subsection (1), determines that this state has overpaid the~~
20 ~~amount of total state school aid to a district, the department~~
21 ~~shall establish as a receivable the amount of overpayment and shall~~
22 ~~recoup the amount from the district in subsequent monthly~~
23 ~~apportionments of total state school aid. The full amount of~~
24 ~~overpayment must be recouped within 1 fiscal year.~~

25 ~~(3) If a district has pledged remaining total state school aid~~
26 ~~for 2019-2020 for the fulfillment of requirements related to the~~
27 ~~repayment of state aid anticipation notes or the equivalent loan~~
28 ~~instrument not offered by this state, and if the district presents~~
29 ~~evidence satisfactory to the department that the deduction~~



1 ~~calculated in subsection (1) would cause hardship for the district~~
 2 ~~in fulfilling its pledged loan repayment requirements, the~~
 3 ~~department shall establish as a receivable in the current fiscal~~
 4 ~~year the amount of the deduction calculated in subsection (1) and~~
 5 ~~shall recoup the amount from the district in subsequent monthly~~
 6 ~~apportionments of total state school aid. The full amount of the~~
 7 ~~deduction calculated in subsection (1) must be recouped within 1~~
 8 ~~fiscal year.~~

9 ~~(4) From the state school aid fund money appropriated under~~
 10 ~~section 11, there is allocated for 2020-2021-2021-2022 an amount~~
 11 ~~not to exceed \$95,000,000.00-\$172,460,000.00 to provide payments on~~
 12 ~~an equal per-pupil basis to districts. as provided under this~~
 13 ~~subsection. The amount of a payment under this subsection to each~~
 14 ~~district must be equal to the district's 50/50 blended membership~~
 15 ~~multiplied by the quotient of \$95,000,000.00 divided by the~~
 16 ~~statewide sum of each district's 50/50 blended membership. As used~~
 17 ~~in this subsection, "50/50 blended membership" means the sum of the~~
 18 ~~product of .5 times the district's 2019-2020 membership as~~
 19 ~~calculated under section 6(4) in 2019-2020 and the product of .5~~
 20 ~~times [the sum of (the product of .90 times the number of full-time~~
 21 ~~equated pupils engaged in pandemic learning for fall 2020 or, for a~~
 22 ~~district that is a public school academy that operates as a cyber~~
 23 ~~school, as that term is defined in section 551 of the revised~~
 24 ~~school code, MCL 380.551, the number of full-time equated pupils in~~
 25 ~~grades K to 12 actually enrolled and in regular daily attendance in~~
 26 ~~the district on pupil membership count day for the current school~~
 27 ~~year) and (the product of .10 times the final audited count from~~
 28 ~~the supplemental count day of full-time equated pupils in grades K~~
 29 ~~to 12 actually enrolled and in regular daily attendance in the~~



1 ~~district for the immediately preceding school year)]~~.

2 ~~(5) As used in this section, "total state school aid" means~~
 3 ~~the total combined amount of all state funds allocated to a~~
 4 ~~district under this act, except for funds allocated to a district~~
 5 ~~under sections 11j, 22a, 26a, 26b, 26c, 31d, 31f, 51a(2), 51a(11),~~
 6 ~~51c, 53a, 147e, 147e(2)(a), and 152a.~~

7 Sec. 11j. From the ~~appropriation~~ **state school aid fund money**
 8 **appropriated** in section 11, there is allocated an amount not to
 9 exceed \$111,000,000.00 for ~~2020-2021~~ **2021-2022** for payments to the
 10 school loan bond redemption fund in the department of treasury on
 11 behalf of districts and intermediate districts. Notwithstanding
 12 section 296 or any other provision of this act, funds allocated
 13 under this section are not subject to proration and must be paid in
 14 full.

15 Sec. 11k. For ~~2020-2021~~, **2021-2022**, there is appropriated from
 16 the general fund to the school loan revolving fund an amount equal
 17 to the amount of school bond loans assigned to the Michigan finance
 18 authority, not to exceed the total amount of school bond loans held
 19 in reserve as long-term assets. As used in this section, "school
 20 loan revolving fund" means that fund created in section 16c of the
 21 shared credit rating act, 1985 PA 227, MCL 141.1066c.

22 Sec. 11m. From the ~~appropriation~~ **state school aid fund money**
 23 **appropriated** in section 11, there is allocated for ~~2020-2021~~ an
 24 ~~amount not to exceed \$11,400,000.00~~ **2021-2022 an amount not to**
 25 **exceed \$9,500,000.00** for fiscal year cash-flow borrowing costs
 26 solely related to the state school aid fund established under
 27 section 11 of article IX of the state constitution of 1963.

28 Sec. 11s. (1) From the state school aid fund money
 29 appropriated in section 11, there is allocated \$5,000,000.00 for



1 ~~2020-2021-2021-2022~~ and from the general fund money appropriated in
2 section 11, there is allocated \$3,075,000.00 for ~~2020-2021-2021-~~
3 ~~2022~~ for the purpose of providing services and programs to children
4 who reside within the boundaries of a district with the majority of
5 its territory located within the boundaries of a city for which an
6 executive proclamation of emergency concerning drinking water is
7 issued in the current or immediately preceding ~~5-6~~ fiscal years
8 under the emergency management act, 1976 PA 390, MCL 30.401 to
9 30.421. From the funding appropriated in section 11, there is
10 allocated for ~~2020-2021-2021-2022~~ \$100.00 from the water emergency
11 reserve fund for the purposes of this section.

12 (2) From the general fund money allocated in subsection (1),
13 there is allocated to a district with the majority of its territory
14 located within the boundaries of a city ~~in-for~~ which an executive
15 proclamation of emergency is issued in the current or immediately
16 preceding ~~5-6~~ fiscal years and that has at least 4,500 pupils in
17 membership for the 2016-2017 fiscal year or has at least 3,000
18 pupils in membership for a fiscal year after 2016-2017, an amount
19 not to exceed \$2,425,000.00 for ~~2020-2021-2021-2022~~ for the purpose
20 of employing school nurses, classroom aides, and school social
21 workers. The district shall provide a report to the department in a
22 form, manner, and frequency prescribed by the department. The
23 department shall provide a copy of that report to the governor, the
24 house and senate school aid subcommittees, the house and senate
25 fiscal agencies, and the state budget director within 5 days after
26 receipt. The report must provide at least the following
27 information:

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



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

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

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

8 (3) For ~~2020-2021 only,~~ **2021-2022**, from the state school aid
9 fund money allocated in subsection (1), there is allocated an
10 amount not to exceed ~~\$2,400,000.00~~ **\$2,000,000.00** to an intermediate
11 district that has a constituent district described in subsection
12 (2) to provide state early intervention services for children
13 described in subsection (1) who are between age 3 and age 5. The
14 intermediate district shall use these funds to provide state early
15 intervention services that are similar to the services described in
16 the early on Michigan state plan. ~~, including ensuring that all~~
17 ~~children described in subsection (1) who are less than 4 years of~~
18 ~~age as of September 1, 2016 are assessed and evaluated at least~~
19 ~~twice annually.~~

20 (4) From the state school aid fund money allocated in
21 subsection (1), there is allocated an amount not to exceed
22 \$1,000,000.00 for ~~2020-2021~~ **2021-2022** to the intermediate district
23 described in subsection (3) to enroll children described in
24 subsection (1) in school-day great start readiness programs,
25 regardless of household income eligibility requirements contained
26 in section 32d. The department shall administer this funding
27 consistent with all other provisions that apply to great start
28 readiness programs under sections 32d and 39.

29 (5) For ~~2020-2021,~~ **2021-2022**, from the general fund money



1 allocated in subsection (1), there is allocated an amount not to
2 exceed \$650,000.00 for nutritional services to children described
3 in subsection (1).

4 (6) For ~~2020-2021~~, **2021-2022**, from the state school aid fund
5 money allocated in subsection (1), there is allocated an amount not
6 to exceed ~~\$1,600,000.00~~ **\$2,000,000.00** to the intermediate district
7 described in subsection (3) for interventions and supports for
8 students in K to 12 who were impacted by an executive proclamation
9 of emergency described in subsection (1) concerning drinking water.
10 Funds under this subsection must be used for behavioral supports,
11 social workers, counselors, psychologists, nursing services,
12 including, but not limited to, vision and hearing services,
13 transportation services, parental engagement, community
14 coordination, and other support services.

15 (7) In addition to other funding allocated and appropriated in
16 this section, there is appropriated an amount not to exceed
17 \$5,000,000.00 for ~~2020-2021~~ **2021-2022** for state restricted
18 contingency funds. These contingency funds are not available for
19 expenditure until they have been transferred to a section within
20 this article under section 393(2) of the management and budget act,
21 1984 PA 431, MCL 18.1393.

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

25 Sec. 15. (1) If a district or intermediate district fails to
26 receive its proper apportionment, the department, upon satisfactory
27 proof that the district or intermediate district was entitled
28 justly, shall apportion the deficiency in the next apportionment.
29 Subject to subsections (2) and (3), if a district or intermediate



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

19 (2) If the result of an audit conducted by or for the
20 department affects the current fiscal year membership, the
21 department shall adjust affected payments in the current fiscal
22 year. A deduction due to an adjustment made as a result of an audit
23 conducted by or for the department, or as a result of information
24 obtained by the department from the district, an intermediate
25 district, the department of treasury, or the office of auditor
26 general, must be deducted from the district's apportionments when
27 the adjustment is finalized. At the request of the district and
28 upon the district presenting evidence satisfactory to the
29 department of the hardship, the department may grant up to an



1 additional 4 years for the adjustment and may advance payments to
2 the district otherwise authorized under this article if the
3 district would otherwise experience a significant hardship in
4 satisfying its financial obligations. However, a district that
5 presented satisfactory evidence of hardship and was undergoing an
6 extended adjustment during 2018-2019 may continue to use the period
7 of extended adjustment as originally granted by the department.

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

26 (4) If the department makes an adjustment under this section
27 based in whole or in part on a membership audit finding that a
28 district or intermediate district employed an educator in violation
29 of certification requirements under the revised school code and



1 rules promulgated by the department, the department shall prorate
 2 the adjustment according to the period of noncompliance with the
 3 certification requirements.

4 (5) The department may conduct audits, or may direct audits by
 5 designee of the department, for the current fiscal year and the
 6 immediately preceding fiscal year of all records related to a
 7 program for which a district or intermediate district has received
 8 funds under this article.

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

12 (7) In addition to funds appropriated in section 11 for all
 13 programs and services, there is appropriated for ~~2020-2021~~**2021-**
 14 **2022** for obligations in excess of applicable appropriations an
 15 amount equal to the collection of overpayments, but not to exceed
 16 amounts available from overpayments.

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



1 the reasonableness of expenditures and may withhold from a
 2 recipient of funds under this article the apportionment otherwise
 3 due upon a violation by the recipient. A district must not be
 4 prohibited or limited from using funds appropriated or allocated
 5 under this article that are permitted for use for noninstructional
 6 services to contract or subcontract with an intermediate district,
 7 third party, or vendor for the noninstructional services.

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

18 (a) The annual operating budget and subsequent budget
 19 revisions.

20 (b) Using data that have already been collected and submitted
 21 to the department, a summary of district expenditures for the most
 22 recent fiscal year for which they are available, expressed in the
 23 following 2 visual displays:

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

26 (A) Salaries and wages.

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



1 (C) Retirement benefit costs.

2 (D) All other personnel costs.

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

5 (A) Instruction.

6 (B) Support services.

7 (C) Business and administration.

8 (D) Operations and maintenance.

9 (c) Links to all of the following:

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

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

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

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

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

23 (vi) The district's written policy establishing specific
24 categories of reimbursable expenses, as described in section
25 1254(2) of the revised school code, MCL 380.1254.

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



1 school fiscal year.

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

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

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

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

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

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

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

27 (4) For the purposes of determining the reasonableness of
28 expenditures, whether a district or intermediate district has
29 received the proper amount of funds under this article, and whether



1 a violation of this article has occurred, all of the following
2 apply:

3 (a) The department shall require that each district and
4 intermediate district have an audit of the district's or
5 intermediate district's financial and pupil accounting records
6 conducted at least annually, and at such other times as determined
7 by the department, at the expense of the district or intermediate
8 district, as applicable. The audits must be performed by a
9 certified public accountant or by the intermediate district
10 superintendent, as may be required by the department, or in the
11 case of a district of the first class by a certified public
12 accountant, the intermediate superintendent, or the auditor general
13 of the city. A district or intermediate district shall retain these
14 records for the current fiscal year and from at least the 3
15 immediately preceding fiscal years.

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

27 (c) A district's or intermediate district's annual financial
28 audit must include an analysis of the financial and pupil
29 accounting data used as the basis for distribution of state school



1 aid.

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

6 (e) All of the following must be done not later than November
7 1 each year for reporting the prior fiscal year data: ~~, but, for~~
8 ~~2020-2021 only, not later than December 1 for reporting the 2019-~~
9 ~~2020 data:~~

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

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

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

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

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

29 (5) By the first business day in November of each fiscal year,



1 ~~but, for submission of the 2019-2020 annual comprehensive financial~~
 2 ~~data described in this subsection, by the first business day in~~
 3 ~~December,~~ each district and intermediate district shall submit to
 4 the center, in a manner prescribed by the center, annual
 5 comprehensive financial data consistent with the district's or
 6 intermediate district's audited financial statements and consistent
 7 with accounting manuals and charts of accounts approved and
 8 published by the department. For an intermediate district, the
 9 report must also contain the website address where the department
 10 can access the report required under section 620 of the revised
 11 school code, MCL 380.620. The department shall ensure that the
 12 prescribed Michigan public school accounting manual chart of
 13 accounts includes standard conventions to distinguish expenditures
 14 by allowable fund function and object. The functions must include
 15 at minimum categories for instruction, pupil support, instructional
 16 staff support, general administration, school administration,
 17 business administration, transportation, facilities operation and
 18 maintenance, facilities acquisition, and debt service; and must
 19 include object classifications of salary, benefits, including
 20 categories for active employee health expenditures, purchased
 21 services, supplies, capital outlay, and other. A district shall
 22 report the required level of detail consistent with the manual as
 23 part of the comprehensive annual financial report.

24 (6) By the last business day in September of each year, each
 25 district and intermediate district shall file with the center the
 26 special education actual cost report, known as "SE-4096", on a form
 27 and in the manner prescribed by the center. An intermediate
 28 district shall certify the audit of a district's report.

29 (7) By not later than 1 week after the last business day in



1 September of each year, each district and intermediate district
2 shall file with the center the audited transportation expenditure
3 report, known as "SE-4094", on a form and in the manner prescribed
4 by the center. An intermediate district shall certify the audit of
5 a district's report.

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

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

13 (10) If a district or intermediate district does not comply
14 with subsections (4), (5), (6), (7), and (12), or if the department
15 determines that the financial data required under subsection (5)
16 are not consistent with audited financial statements, the
17 department shall withhold all state school aid due to the district
18 or intermediate district under this article, beginning with the
19 next payment due to the district or intermediate district, until
20 the district or intermediate district complies with subsections
21 (4), (5), (6), (7), and (12). If the district or intermediate
22 district does not comply with subsections (4), (5), (6), (7), and
23 (12) by the end of the fiscal year, the district or intermediate
24 district forfeits the amount withheld.

25 (11) If a district or intermediate district does not comply
26 with subsection (2), the department may withhold up to 10% of the
27 total state school aid due to the district or intermediate district
28 under this article, beginning with the next payment due to the
29 district or intermediate district, until the district or



1 intermediate district complies with subsection (2). If the district
2 or intermediate district does not comply with subsection (2) by the
3 end of the fiscal year, the district or intermediate district
4 forfeits the amount withheld.

5 (12) By November 1 of each year, if a district or intermediate
6 district offers virtual learning under section 21f, or for a school
7 of excellence that is a cyber school, as defined in section 551 of
8 the revised school code, MCL 380.551, the district or intermediate
9 district shall submit to the department a report that details the
10 per-pupil costs of operating the virtual learning by vendor type
11 and virtual learning model. The report must include information
12 concerning the operation of virtual learning for the immediately
13 preceding school fiscal year, including information concerning
14 summer programming. Information must be collected in a form and
15 manner determined by the department and must be collected in the
16 most efficient manner possible to reduce the administrative burden
17 on reporting entities.

18 (13) By March 31 of each year, the department shall submit to
19 the house and senate appropriations subcommittees on ~~state~~-school
20 aid, the state budget director, and the house and senate fiscal
21 agencies a report summarizing the per-pupil costs by vendor type of
22 virtual courses available under section 21f and virtual courses
23 provided by a school of excellence that is a cyber school, as
24 defined in section 551 of the revised school code, MCL 380.551.

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

27 (a) Virtual courses provided by the Michigan Virtual
28 University.

29 (b) Virtual courses provided by a school of excellence that is



1 a cyber school, as defined in section 551 of the revised school
2 code, MCL 380.551.

3 (c) Virtual courses provided by third party vendors not
4 affiliated with a ~~Michigan~~ public school **in this state**.

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

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

10 (16) ~~Beginning October 1, 2020, and annually thereafter, the~~
11 **The** department shall **annually** submit to the senate and house
12 subcommittees on ~~state~~ school aid and to the senate and house
13 standing committees on education an itemized list of allocations
14 under this article to any association or consortium consisting of
15 associations in the immediately preceding fiscal year. The report
16 must detail the recipient or recipients, the amount allocated, and
17 the purpose for which the funds were distributed.

18 Sec. 20. (1) For ~~2020-2021,~~ **2021-2022**, both of the following
19 apply:

20 (a) The target foundation allowance is ~~\$8,529.00.~~ **\$8,579.00.**

21 (b) The minimum foundation allowance is ~~\$8,111.00.~~ **\$8,211.00.**

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

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



1 proration:

2 (a) Except as otherwise provided in this subdivision, for a
 3 district that had a foundation allowance for the immediately
 4 preceding fiscal year that was at least equal to the minimum
 5 foundation allowance for the immediately preceding fiscal year, but
 6 less than the target foundation allowance for the immediately
 7 preceding fiscal year, the district receives a foundation allowance
 8 in an amount equal to the sum of the district's foundation
 9 allowance for the immediately preceding fiscal year plus the
 10 difference between twice the dollar amount of the adjustment from
 11 the immediately preceding fiscal year to the current fiscal year
 12 made in the target foundation allowance and [(the difference
 13 between the target foundation allowance for the current fiscal year
 14 and target foundation allowance for the immediately preceding
 15 fiscal year minus ~~\$40.00~~ **\$17.00**) times (the difference between the
 16 district's foundation allowance for the immediately preceding
 17 fiscal year and the minimum foundation allowance for the
 18 immediately preceding fiscal year) divided by the difference
 19 between the target foundation allowance for the current fiscal year
 20 and the minimum foundation allowance for the immediately preceding
 21 fiscal year.] However, the foundation allowance for a district that
 22 had less than the target foundation allowance for the immediately
 23 preceding fiscal year must not exceed the target foundation
 24 allowance for the current fiscal year.

25 (b) Except as otherwise provided in this subsection, for a
 26 district that in the immediately preceding fiscal year had a
 27 foundation allowance in an amount equal to the amount of the target
 28 foundation allowance for the immediately preceding fiscal year, the
 29 district receives a foundation allowance for ~~2020-2021~~ **2021-2022** in



1 an amount equal to the target foundation allowance for ~~2020-~~
2 ~~2021-2021-2022~~.

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

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

20 (4) Except as otherwise provided in this subsection, beginning
21 in 2014-2015, the state portion of a district's foundation
22 allowance is an amount equal to the district's foundation allowance
23 or the target foundation allowance for the current fiscal year,
24 whichever is less, minus the local portion of the district's
25 foundation allowance. For a district described in subsection
26 (3)(c), beginning in 2014-2015, the state portion of the district's
27 foundation allowance is an amount equal to \$6,962.00 plus the
28 difference between the district's foundation allowance for the
29 current fiscal year and the district's foundation allowance for



1 1998-99, minus the local portion of the district's foundation
2 allowance. For a district that has a millage reduction required
3 under section 31 of article IX of the state constitution of 1963,
4 the department shall calculate the state portion of the district's
5 foundation allowance as if that reduction did not occur. For a
6 receiving district, if school operating taxes continue to be levied
7 on behalf of a dissolved district that has been attached in whole
8 or in part to the receiving district to satisfy debt obligations of
9 the dissolved district under section 12 of the revised school code,
10 MCL 380.12, the taxable value per membership pupil of property in
11 the receiving district used for the purposes of this subsection
12 does not include the taxable value of property within the
13 geographic area of the dissolved district. For a community
14 district, if school operating taxes continue to be levied by a
15 qualifying school district under section 12b of the revised school
16 code, MCL 380.12b, with the same geographic area as the community
17 district, the taxable value per membership pupil of property in the
18 community district to be used for the purposes of this subsection
19 does not include the taxable value of property within the
20 geographic area of the community district.

21 (5) The allocation calculated under this section for a pupil
22 is based on the foundation allowance of the pupil's district of
23 residence. For a pupil enrolled ~~pursuant to~~**under** section 105 or
24 105c in a district other than the pupil's district of residence,
25 the allocation calculated under this section is based on the lesser
26 of the foundation allowance of the pupil's district of residence or
27 the foundation allowance of the educating district. For a pupil in
28 membership in a K-5, K-6, or K-8 district who is enrolled in
29 another district in a grade not offered by the pupil's district of



1 residence, the allocation calculated under this section is based on
2 the foundation allowance of the educating district if the educating
3 district's foundation allowance is greater than the foundation
4 allowance of the pupil's district of residence.

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

20 (7) Except as otherwise provided in this subsection, for
21 pupils in membership, other than special education pupils, in a
22 community district, the allocation calculated under this section is
23 an amount per membership pupil other than special education pupils
24 in the community district equal to the foundation allowance of the
25 qualifying school district, as described in section 12b of the
26 revised school code, MCL 380.12b, that is located within the same
27 geographic area as the community district.

28 (8) Subject to subsection (4), for a district that is formed
29 or reconfigured after June 1, 2002 by consolidation of 2 or more



1 districts or by annexation, the resulting district's foundation
2 allowance under this section beginning after the effective date of
3 the consolidation or annexation is the lesser of the sum of the
4 average of the foundation allowances of each of the original or
5 affected districts, calculated as provided in this section,
6 weighted as to the percentage of pupils in total membership in the
7 resulting district who reside in the geographic area of each of the
8 original or affected districts plus \$100.00 or the highest
9 foundation allowance among the original or affected districts. This
10 subsection does not apply to a receiving district unless there is a
11 subsequent consolidation or annexation that affects the district.

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

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

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

25 (a) The pupil membership factor is computed by dividing the
26 estimated membership in the school year ending in the current
27 fiscal year, excluding intermediate district membership, by the
28 estimated membership for the school year ending in the subsequent
29 fiscal year, excluding intermediate district membership. If a



1 consensus membership factor is not determined at the revenue
2 estimating conference, the principals of the revenue estimating
3 conference shall report their estimates to the house and senate
4 subcommittees responsible for school aid appropriations not later
5 than 7 days after the conclusion of the revenue conference.

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

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



1 conclusion of the revenue conference.

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

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

11 (14) As used in this section:

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

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

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

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

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

28 (f) "Immediately preceding fiscal year" means the fiscal year
29 immediately preceding the current fiscal year.



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

12 (h) "Local school operating revenue" means school operating
13 taxes levied under section 1211 of the revised school code, MCL
14 380.1211. For a receiving district, if school operating taxes are
15 to be levied on behalf of a dissolved district that has been
16 attached in whole or in part to the receiving district to satisfy
17 debt obligations of the dissolved district under section 12 of the
18 revised school code, MCL 380.12, local school operating revenue
19 does not include school operating taxes levied within the
20 geographic area of the dissolved district.

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

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

27 (k) "Nonexempt property" means property that is not a
28 principal residence, qualified agricultural property, qualified
29 forest property, supportive housing property, industrial personal



1 property, commercial personal property, or property occupied by a
2 public school academy.

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

8 (m) "Receiving district" means a district to which all or part
9 of the territory of a dissolved district is attached under section
10 12 of the revised school code, MCL 380.12.

11 (n) "School operating purposes" means the purposes included in
12 the operation costs of the district as prescribed in sections 7 and
13 18 and purposes authorized under section 1211 of the revised school
14 code, MCL 380.1211.

15 (o) "School operating taxes" means local ad valorem property
16 taxes levied under section 1211 of the revised school code, MCL
17 380.1211, and retained for school operating purposes.

18 (p) "Tax increment financing acts" means parts 2, 3, 4, and 6
19 of the recodified tax increment financing act, 2018 PA 57, MCL
20 125.4201 to 125.4420 and 125.4602 to 125.4629, or the brownfield
21 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

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

28 Sec. 20d. In making the final determination required under
29 former section 20a of a district's combined state and local revenue



1 per membership pupil in 1993-94 and in making calculations under
 2 section 20 for ~~2020-2021~~, **2021-2022**, the department and the
 3 department of treasury shall comply with all of the following:

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

19 (b) If a district had an adjustment made to its 1993-94 total
 20 state school aid that excluded payments made under former section
 21 146 and under section 147 on behalf of the district's employees who
 22 provided direct services for intermediate district center programs
 23 operated by the district under **former section 51 and** sections ~~51~~
 24 **51a** to 56, if nonresident pupils attending the center programs were
 25 included in the district's membership for purposes of calculating
 26 the combined state and local revenue per membership pupil for 1993-
 27 94, and if there is a signed agreement by all constituent districts
 28 of the intermediate district agreeing to an adjustment under this
 29 subdivision, the department shall calculate the foundation



1 allowances for 1995-96 and 1996-97 of all districts that had pupils
 2 attending the intermediate district center program operated by the
 3 district that had the adjustment as if their combined state and
 4 local revenue per membership pupil for 1993-94 included resident
 5 pupils attending the center program and excluded nonresident pupils
 6 attending the center program.

7 Sec. 20f. (1) From the ~~funds~~**state school aid fund money**
 8 appropriated in section 11, there is allocated an amount not to
 9 exceed \$18,000,000.00 for ~~2020-2021~~**2021-2022** for payments to
 10 eligible districts under this section.

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

16 (a) The increase in the district's foundation allowance or
 17 per-pupil payment as calculated under section 20 from 2012-2013 to
 18 2013-2014.

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

21 (c) The quotient of the district's allocation under section
 22 147a for 2012-2013 divided by the district's membership pupils for
 23 2012-2013 minus the quotient of the district's allocation under
 24 section 147a for 2013-2014 divided by the district's membership
 25 pupils for 2013-2014.

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



1 (4) The funding under this subsection is from the allocation
 2 under subsection (1). A district is eligible for funding under this
 3 subsection if the sum of the following is less than \$25.00:

4 (a) The increase in the district's foundation allowance or
 5 per-pupil payment as calculated under section 20 from 2014-2015 to
 6 2015-2016.

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

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

11 (d) The quotient of the district's allocation under section
 12 31a for 2015-2016 divided by the district's membership pupils for
 13 2015-2016 minus the quotient of the district's allocation under
 14 section 31a for 2014-2015 divided by the district's membership
 15 pupils for 2014-2015.

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

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

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

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

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



1 pupils for 2014-2015.

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

6 Sec. 21f. (1) ~~Except as otherwise provided under subsection~~
7 ~~(15), a~~ **A** primary district shall enroll an eligible pupil in
8 virtual courses in accordance with the provisions of this ~~section.~~
9 ~~Except as otherwise provided under subsection (15), a~~ **subsection**
10 **and subsections (2) to (13).** A primary district shall not offer a
11 virtual course to an eligible pupil unless the virtual course is
12 published in the primary district's catalog of board-approved
13 courses, **in the catalog of board-approved courses of the**
14 **intermediate district in which the primary district is located,** or
15 in ~~the~~ a statewide catalog of virtual courses maintained by ~~the~~
16 ~~Michigan Virtual University pursuant to section 98.~~ **a qualifying**
17 **statewide educational institution.** The primary district shall also
18 **ensure that its catalog of board-approved courses described in this**
19 **subsection is made available to pupils in the same form and manner**
20 **that its catalog of in-person courses is made available to pupils**
21 **and shall** provide on its publicly accessible website a link to the
22 statewide ~~catalog~~ **catalogs** of virtual courses maintained by ~~the~~
23 ~~Michigan Virtual University.~~ ~~Except as otherwise provided under~~
24 ~~subsection (15), unless~~ **each qualifying statewide educational**
25 **institution. Unless** the pupil is at least age 18 or is an
26 emancipated minor, a pupil must not be enrolled in a virtual course
27 without the consent of the pupil's parent or legal guardian.

28 (2) Subject to subsection (3), ~~and except as otherwise~~
29 ~~provided under subsection (15),~~ a primary district shall enroll an



1 eligible pupil in up to 2 virtual courses as requested by the pupil
 2 during an academic term, semester, or trimester. **To the extent**
 3 **practicable, a primary district shall ensure that the enrollment**
 4 **process for a virtual course is the same as the enrollment process**
 5 **for an in-person course offered by the primary district.**

6 ~~(3) Except as otherwise provided under subsection (15), a~~ **A**
 7 pupil may be enrolled in more than 2 virtual courses in a specific
 8 academic term, semester, or trimester if ~~all~~ **any** of the following
 9 ~~conditions are met:~~ **apply:**

10 (a) **All of the following conditions are met:**

11 (i) The primary district has determined that it is in the best
 12 interest of the pupil.

13 (ii) ~~(b)~~ The pupil agrees with the recommendation of the
 14 primary district.

15 (iii) ~~(e)~~ The primary district, in collaboration with the pupil,
 16 has developed an education development plan, in a form and manner
 17 specified by the department, that is kept on file by the **primary**
 18 district. This subdivision does not apply to a pupil enrolled as a
 19 part-time pupil under section 166b.

20 (b) **The pupil has exhibited an academic deficiency by testing**
 21 **below grade level in 1 or more subjects on the Michigan student**
 22 **test of educational progress (M-STEP) or a successor state**
 23 **assessment, the PSAT or SAT, or a benchmark assessment administered**
 24 **by the primary district and the virtual course or courses are**
 25 **designed to remedy this deficiency.**

26 ~~(4) Except as otherwise provided under subsection (15), if~~ **If**
 27 the number of applicants eligible for acceptance in a virtual
 28 course does not exceed the capacity of the provider to provide the
 29 virtual course, the provider shall accept for enrollment all of the



1 applicants eligible for acceptance. If the number of applicants
 2 exceeds the provider's capacity to provide the virtual course, the
 3 provider shall use a random draw system, subject to the need to
 4 abide by state and federal antidiscrimination laws and court
 5 orders. A primary district that is also a provider shall determine
 6 whether or not it has the capacity to accept applications for
 7 enrollment from nonresident applicants in virtual courses and may
 8 use that limit as the reason for refusal to enroll a nonresident
 9 applicant.

10 (5) ~~Except as otherwise provided under subsection (15), a~~ **A**
 11 primary district may not establish additional requirements beyond
 12 those specified in this subsection that would prohibit a pupil from
 13 taking a virtual course. ~~Except as otherwise provided under~~
 14 ~~subsection (15), a~~ **A** pupil's primary district may deny the pupil
 15 enrollment in a virtual course if any of the following apply, as
 16 determined by the district:

17 (a) The pupil is enrolled in any of grades K to 5.

18 (b) The pupil has previously gained the credits that would be
 19 provided from the completion of the virtual course.

20 (c) The virtual course is not capable of generating academic
 21 credit.

22 (d) The virtual course is inconsistent with the **pupil's**
 23 remaining graduation requirements. ~~or career interests of the~~
 24 ~~pupil.~~

25 (e) The pupil has not completed the prerequisite coursework
 26 for the requested virtual course or has not demonstrated
 27 proficiency in the prerequisite course content.

28 (f) ~~The~~ **Except for a pupil who is enrolling in a virtual**
 29 **course intended to remedy an academic deficiency as described in**



1 **subsection (3) (b), the** pupil has failed a previous virtual course
2 in the same subject during the 2 most recent academic years.

3 ~~(g) The virtual course is of insufficient quality or rigor. A~~
4 ~~primary district that denies a pupil enrollment request for this~~
5 ~~reason shall enroll the pupil in a virtual course in the same or a~~
6 ~~similar subject that the primary district determines is of~~
7 ~~acceptable rigor and quality.~~

8 **(g)** ~~(h)~~—The cost of the virtual course exceeds the amount
9 identified in subsection (10), unless the pupil or the pupil's
10 parent or legal guardian agrees to pay the cost that exceeds this
11 amount.

12 **(h)** ~~(i)~~—The request for a virtual course enrollment did not
13 occur within the same timelines established by the primary district
14 for enrollment and schedule changes for regular courses.

15 **(i)** ~~(j)~~—The request for a virtual course enrollment was not
16 made in the academic term, semester, trimester, or summer preceding
17 the enrollment. This subdivision does not apply to a request made
18 by a pupil who is newly enrolled in the primary district.

19 ~~(6) Except as otherwise provided under subsection (15), if~~ **If**
20 a pupil is denied enrollment in a virtual course by the pupil's
21 primary district, the primary district shall provide written
22 notification to the pupil of the denial, the reason or reasons for
23 the denial under subsection (5), and a description of the appeal
24 process. The pupil may appeal the denial by submitting a letter to
25 the superintendent of the intermediate district in which the
26 pupil's primary district is located. The letter of appeal must
27 include the reason provided by the primary district for not
28 enrolling the pupil and the reason why the pupil is claiming that
29 the enrollment should be approved. The intermediate district



1 superintendent or designee shall respond to the appeal within 5
 2 days after it is received. If the intermediate district
 3 superintendent or designee determines that the denial of enrollment
 4 does not meet 1 or more of the reasons specified in subsection (5),
 5 the primary district shall enroll the pupil in the virtual course.

6 (7) ~~Except as otherwise provided under subsection (15), to~~ **To**
 7 provide a virtual course to an eligible pupil under this section, a
 8 provider must do all of the following:

9 (a) Ensure that the virtual course has been published in the
 10 pupil's primary district's catalog of board-approved courses,
 11 **published in the catalog of board-approved courses of the**
 12 **intermediate district in which the pupil's primary district is**
 13 **located**, or published in ~~the~~ **a** statewide catalog of virtual courses
 14 maintained by ~~the Michigan Virtual University.~~ **a qualifying**
 15 **statewide educational institution. For the purposes of this**
 16 **section, a district, intermediate district, or qualifying statewide**
 17 **educational institution is responsible for ensuring that a virtual**
 18 **course is of a quality or rigor at least equal to or greater than**
 19 **that of an in-person course offered by the district, intermediate**
 20 **district, or qualifying statewide educational institution before**
 21 **offering the virtual course in its catalog of courses described in**
 22 **this subsection.**

23 (b) For a virtual course in a core academic subject or for a
 24 virtual course that would fulfill 1 or more of the credit
 25 requirements of the Michigan merit standard under section 1278a or
 26 1278b of the revised school code, MCL 380.1278a or 380.1278b,
 27 ensure that the virtual course is aligned to the appropriate state
 28 content standards established by the department.

29 (c) ~~(b)~~ Assign to each pupil a teacher of record and provide



1 the primary district with the personnel identification code
 2 assigned by the center for the teacher of record. If the provider
 3 is a community college **or state public university**, the virtual
 4 course must be taught by an instructor employed by or contracted
 5 through the providing community college **or state public university**.

6 (d) ~~(e)~~—Offer the virtual course on an open entry and exit
 7 method, or aligned to a semester, trimester, or accelerated
 8 academic term format.

9 (e) ~~(d)~~—If the virtual course is offered to eligible pupils in
 10 more than 1 district, the following additional requirements must
 11 also be met:

12 (i) Provide the Michigan Virtual University **described in**
 13 **section 98** with a course syllabus that meets the definition under
 14 subsection ~~(14)(g)~~ **(14)(j)** in a form and manner prescribed by the
 15 Michigan Virtual University for inclusion in a statewide catalog of
 16 virtual courses.

17 (ii) Not later than October 1 of each fiscal year, provide the
 18 Michigan Virtual University **described in section 98** with an
 19 aggregated count of enrollments for each virtual course the
 20 provider delivered to pupils under this section during the
 21 immediately preceding school year, and the number of enrollments in
 22 which the pupil earned 60% or more of the total course points for
 23 each virtual course.

24 (8) ~~Except as otherwise provided under subsection (15), to~~ **To**
 25 provide a virtual course under this section, a community college
 26 ~~shall~~ **or state public university must** ensure that each virtual
 27 course it provides under this section generates postsecondary
 28 credit.

29 (9) ~~Except as otherwise provided under subsection (15), for~~



1 **For** any virtual course a pupil enrolls in under this section, the
 2 pupil's primary district must assign to the pupil a mentor and
 3 shall supply the provider with the mentor's contact information.

4 ~~(10) Except as otherwise provided under subsection (15), for~~
 5 **For** a pupil enrolled in 1 or more virtual courses, the primary
 6 district shall use foundation allowance or per-pupil funds
 7 calculated under section 20 to pay for the expenses associated with
 8 the virtual course or courses. Except as otherwise provided ~~under~~
 9 ~~subsection (15),~~ **in this subsection,** a primary district is not
 10 required to pay toward the cost of a virtual course an amount that
 11 exceeds 6.67% of the minimum foundation allowance for the current
 12 fiscal year as calculated under section 20. **However, for a pupil**
 13 **enrolled in a virtual course that is provided by a community**
 14 **college or state public university, payment for that course must be**
 15 **an amount equal to the lesser of the amount of the eligible charges**
 16 **or the prorated percentage of the statewide pupil-weighted average**
 17 **foundation allowance, as calculated under this subsection and**
 18 **section 20, for all districts for the fiscal year that begins on**
 19 **October 1 of the academic year of enrollment in the virtual course,**
 20 **with the proration based on the proportion of the school year that**
 21 **the pupil is enrolled in the virtual course. In the calculation of**
 22 **the statewide pupil-weighted average foundation allowance for the**
 23 **purposes of this subsection, if a district's foundation allowance**
 24 **is above the target foundation allowance under section 20, then the**
 25 **district's foundation allowance is considered to be the target**
 26 **foundation allowance. As used in this subsection, "eligible**
 27 **charges" means tuition and mandatory course fees, material fees,**
 28 **and registration fees required by the community college or state**
 29 **public university for the virtual course, and includes any late**



1 fees charged by the community college or state public university
 2 due to the primary district's failure to make a required payment.
 3 Eligible charges does not include transportation or parking costs
 4 or activity fees.

5 (11) A virtual learning pupil has the same rights and access
 6 to technology in his or her primary district's school facilities as
 7 all other pupils enrolled in the pupil's primary district. The
 8 department shall establish standards for hardware, software, and
 9 internet access for pupils who are enrolled in more than 2 virtual
 10 courses under this section in an academic term, semester, or
 11 trimester taken at a location other than a school facility.

12 (12) If a pupil successfully completes a virtual course, as
 13 determined by the pupil's primary district, the pupil's primary
 14 district shall grant appropriate academic credit for completion of
 15 the course and shall count that credit toward completion of
 16 graduation and subject area requirements. A pupil's school record
 17 and transcript must identify the virtual course title as it appears
 18 in the virtual course syllabus.

19 (13) The enrollment of a pupil in 1 or more virtual courses
 20 must not result in a pupil being counted as more than 1.0 full-time
 21 equivalent pupils under this article. ~~Except as otherwise provided~~
 22 ~~under subsection (15), the~~ **The** minimum requirements to count the
 23 pupil in membership are those established by the pupil accounting
 24 manual as it was in effect for the 2015-2016 school year or as
 25 subsequently amended by the department if the department notifies
 26 the legislature about the proposed amendment at least 60 days
 27 before the amendment becomes effective.

28 (14) As used in this section:

29 (a) "**Community college**" means a community college organized



1 under the community college act of 1966, 1966 PA 331, MCL 389.1 to
2 389.195.

3 (b) ~~(a)~~—"Instructor" means an individual who is employed by or
4 contracted through a community college **or an individual who is**
5 **employed by or contracted through a state public university.**

6 (c) ~~(b)~~—"Mentor" means a professional employee of the primary
7 district who monitors the pupil's progress, ensures the pupil has
8 access to needed technology, is available for assistance, and
9 ensures access to the teacher of record. A mentor may also serve as
10 the teacher of record if the primary district is the provider for
11 the virtual course and the mentor meets the requirements under
12 subdivision ~~(e)~~. **(h)**.

13 (d) ~~(e)~~—"Primary district" means the district that enrolls the
14 pupil and reports the pupil for pupil membership purposes.

15 (e) ~~(d)~~—"Provider" means ~~the a~~ district, **including a district**
16 **that operates as a cyber school as that term is defined in section**
17 **551 of the revised school code, MCL 380.551, an intermediate**
18 **district, ~~or~~ community college, state public university, or other**
19 **person or entity** that the primary district pays to provide the
20 virtual course. ~~or the Michigan Virtual University if it is~~
21 ~~providing the virtual course. Beginning on the first day of the~~
22 ~~2020-2021 school year through August 31, 2021, "provider" also~~
23 ~~includes any other institution or individual that the primary~~
24 ~~district pays to provide the virtual course.~~

25 (f) "Qualifying statewide educational institution" means the
26 Michigan Virtual University described in section 98 or a state
27 public university.

28 (g) "State public university" means a university described in
29 section 4, 5, or 6 of article VIII of the state constitution of



1 1963.

2 (h) ~~(e)~~—"Teacher of record" means a teacher who meets all of
3 the following:

4 (i) Holds a valid Michigan teaching certificate or a teaching
5 permit recognized by the department.

6 (ii) If applicable, is endorsed in the subject area and grade
7 of the virtual course.

8 (iii) Is responsible for providing instruction, determining
9 instructional methods for each pupil, diagnosing learning needs,
10 assessing pupil learning, prescribing intervention strategies and
11 modifying lessons, reporting outcomes, and evaluating the effects
12 of instruction and support strategies.

13 (iv) Has a personnel identification code provided by the
14 center.

15 (v) If the provider is a community college, is an instructor
16 employed by or contracted through the providing community college.

17 (vi) **If the provider is a state public university, is a regular**
18 **or adjunct member of the state public university's faculty.**

19 (i) ~~(f)~~—"Virtual course" means a course of study that is
20 capable of generating a credit or a grade and that is provided in
21 an interactive learning environment where the majority of the
22 curriculum is delivered using the internet and in which pupils may
23 be separated from their instructor or teacher of record by time or
24 location, or both.

25 (j) ~~(g)~~—"Virtual course syllabus" means a document that
26 includes all of the following:

27 (i) An alignment document detailing how the course meets
28 applicable ~~state~~ standards **established by the department** or, if the
29 ~~state does not have state~~ **department has not established** standards



1 **for that course or subject area**, nationally recognized standards.

2 (ii) The virtual course content outline.

3 (iii) The virtual course required assessments.

4 (iv) The virtual course prerequisites.

5 (v) Expectations for actual instructor or teacher of record
6 contact time with the virtual learning pupil and other
7 communications between a pupil and the instructor or teacher of
8 record.

9 (vi) Academic support available to the virtual learning pupil.

10 (vii) The virtual course learning outcomes and objectives.

11 (viii) The name of the institution or organization providing the
12 virtual content.

13 (ix) The name of the institution or organization providing the
14 instructor or teacher of record.

15 (x) The course titles assigned by the provider and the course
16 titles and course codes from the National Center for Education
17 Statistics (NCES) school codes for the exchange of data (SCED).

18 (xi) The number of eligible pupils that will be accepted by the
19 provider in the virtual course. A primary district that is also the
20 provider may limit the enrollment to those pupils enrolled in the
21 primary district.

22 (xii) The results of the virtual course quality review using
23 the guidelines and model review process published by the Michigan
24 Virtual University.

25 **(k)** ~~(h)~~—"Virtual learning pupil" means a pupil enrolled in 1
26 or more virtual courses.

27 ~~(15) The requirements under this section concerning virtual~~
28 ~~courses do not apply to virtual courses offered as part of pandemic~~
29 ~~learning. As used in this subsection, "pandemic learning" means a~~



1 ~~mode of pupil instruction provided as a result of the COVID-19~~
 2 ~~pandemic.~~

3 Sec. 22a. (1) From the ~~appropriation~~ **state school aid fund**
 4 **money appropriated** in section 11, there is allocated an amount not
 5 to exceed ~~\$4,916,000,000.00 for 2019-2020~~ and there is allocated an
 6 amount not to exceed ~~\$4,880,500,000.00~~ **\$4,729,000,000.00** for ~~2020-~~
 7 ~~2021-~~ **2021-2022** for payments to districts and qualifying public
 8 school academies to guarantee each district and qualifying public
 9 school academy an amount equal to its 1994-95 total state and local
 10 per pupil revenue for school operating purposes under section 11 of
 11 article IX of the state constitution of 1963. Pursuant to section
 12 11 of article IX of the state constitution of 1963, this guarantee
 13 does not apply to a district in a year in which the district levies
 14 a millage rate for school district operating purposes less than it
 15 levied in 1994. However, subsection (2) applies to calculating the
 16 payments under this section. Funds allocated under this section
 17 that are not expended in the fiscal year for which they were
 18 allocated, as determined by the department, may be used to
 19 supplement the allocations under sections 22b and 51c to fully fund
 20 those allocations for the same fiscal year. For each fund transfer
 21 as described in the immediately preceding sentence that occurs, the
 22 state budget director shall send notification of the transfer to
 23 the house and senate appropriations subcommittees on state school
 24 aid and the house and senate fiscal agencies by not later than 14
 25 calendar days after the transfer occurs.

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



1 amount calculated as follows:

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



1 under tax increment financing acts; and certified mills do not
2 include the certified mills of the dissolved district. For a
3 community district, the department shall reduce the allocation as
4 otherwise calculated under this section by an amount equal to the
5 amount of local school operating tax revenue that would otherwise
6 be due to the community district if not for the operation of
7 section 386 of the revised school code, MCL 380.386, and the amount
8 of this reduction is offset by the increase in funding under
9 section 22b(2).

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



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

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

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

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



1 district unless there is a subsequent consolidation or annexation
2 that affects the district.

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

4 (7) As used in this section:

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

9 (b) "Certified mills" means the lesser of 18 mills or the
10 number of mills of school operating taxes levied by the district in
11 1993-94.

12 (c) "Current fiscal year" means the fiscal year for which a
13 particular calculation is made.

14 (d) "Current year hold harmless school operating taxes per
15 pupil" means the per pupil revenue generated by multiplying a
16 district's 1994-95 hold harmless millage by the district's current
17 year taxable value per membership pupil. For a receiving district,
18 if school operating taxes are to be levied on behalf of a dissolved
19 district that has been attached in whole or in part to the
20 receiving district to satisfy debt obligations of the dissolved
21 district under section 12 of the revised school code, MCL 380.12,
22 taxable value per membership pupil does not include the taxable
23 value of property within the geographic area of the dissolved
24 district.

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

29 (f) "Hold harmless millage" means, for a district with a 1994-



1 95 foundation allowance greater than \$6,500.00, the number of mills
 2 by which the exemption from the levy of school operating taxes on a
 3 principal residence, qualified agricultural property, qualified
 4 forest property, supportive housing property, industrial personal
 5 property, commercial personal property, and property occupied by a
 6 public school academy could be reduced as provided in section 1211
 7 of the revised school code, MCL 380.1211, and the number of mills
 8 of school operating taxes that could be levied on all property as
 9 provided in section 1211(2) of the revised school code, MCL
 10 380.1211, as certified by the department of treasury for the 1994
 11 tax year. For a receiving district, if school operating taxes are
 12 to be levied on behalf of a dissolved district that has been
 13 attached in whole or in part to the receiving district to satisfy
 14 debt obligations of the dissolved district under section 12 of the
 15 revised school code, MCL 380.12, school operating taxes do not
 16 include school operating taxes levied within the geographic area of
 17 the dissolved district.

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

21 (h) "Nonexempt property" means property that is not a
 22 principal residence, qualified agricultural property, qualified
 23 forest property, supportive housing property, industrial personal
 24 property, commercial personal property, or property occupied by a
 25 public school academy.

26 (i) "Principal residence", "qualified agricultural property",
 27 "qualified forest property", "supportive housing property",
 28 "industrial personal property", and "commercial personal property"
 29 mean those terms as defined in section 1211 of the revised school



1 code, MCL 380.1211.

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

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

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

12 (m) "Tax increment financing acts" means parts 2, 3, 4, and 6
13 of the recodified tax increment financing act, 2018 PA 57, MCL
14 125.4201 to 125.4420 and 125.4602 to 125.4629, or the brownfield
15 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

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

18 (i) For the number of mills by which the exemption from the
19 levy of school operating taxes on a principal residence, qualified
20 agricultural property, qualified forest property, supportive
21 housing property, industrial personal property, commercial personal
22 property, and property occupied by a public school academy may be
23 reduced as provided in section 1211 of the revised school code, MCL
24 380.1211, the taxable value of principal residence, qualified
25 agricultural property, qualified forest property, supportive
26 housing property, industrial personal property, commercial personal
27 property, and property occupied by a public school academy for the
28 calendar year ending in the current fiscal year. For a receiving
29 district, if school operating taxes are to be levied on behalf of a



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

6 (ii) For the number of mills of school operating taxes that may
 7 be levied on all property as provided in section 1211(2) of the
 8 revised school code, MCL 380.1211, the taxable value of all
 9 property for the calendar year ending in the current fiscal year.
 10 For a receiving district, if school operating taxes are to be
 11 levied on behalf of a dissolved district that has been attached in
 12 whole or in part to the receiving district to satisfy debt
 13 obligations of the dissolved district under section 12 of the
 14 revised school code, MCL 380.12, school operating taxes do not
 15 include school operating taxes levied within the geographic area of
 16 the dissolved district.

17 Sec. 22b. (1) For discretionary nonmandated payments to
 18 districts under this section, there is allocated for ~~2019-2020 an~~
 19 ~~amount not to exceed \$4,499,100,000.00 from the state school aid~~
 20 ~~fund and general fund appropriations in section 11 and an amount~~
 21 ~~not to exceed \$75,900,000.00 from the community district education~~
 22 ~~trust fund appropriation in section 11, and there is allocated for~~
 23 ~~2020-2021~~ **2021-2022** an amount not to exceed ~~\$4,488,800,000.00~~
 24 **\$4,579,000,000.00** from the state school aid fund and general fund
 25 appropriations in section 11 and an amount not to exceed
 26 ~~\$77,700,000.00~~ **\$72,000,000.00** from the community district education
 27 trust fund appropriation in section 11. Except for money allocated
 28 under this section from the community district education trust fund
 29 appropriation in section 11, funds allocated under this section



1 that are not expended in the fiscal year for which they were
2 allocated, as determined by the department, may be used to
3 supplement the allocations under sections 22a and 51c to fully fund
4 those allocations for the same fiscal year. For each fund transfer
5 as described in the immediately preceding sentence that occurs, the
6 state budget director shall send notification of the transfer to
7 the house and senate appropriations subcommittees on state school
8 aid and the house and senate fiscal agencies by not later than 14
9 calendar days after the transfer occurs.

10 (2) Subject to subsection (3) and section 296, the allocation
11 to a district under this section is an amount equal to the sum of
12 the amounts calculated under sections 20, 51a(2), 51a(3), and
13 51a(11), minus the sum of the allocations to the district under
14 sections 22a and 51c. For a community district, the allocation as
15 otherwise calculated under this section is increased by an amount
16 equal to the amount of local school operating tax revenue that
17 would otherwise be due to the community district if not for the
18 operation of section 386 of the revised school code, MCL 380.386,
19 and this increase must be paid from the community district
20 education trust fund allocation in subsection (1) in order to
21 offset the absence of local school operating revenue in a community
22 district in the funding of the state portion of the foundation
23 allowance under section 20(4).

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

26 (a) Comply with section 1280b of the revised school code, MCL
27 380.1280b.

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



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

4 (d) Comply with section 1230g of the revised school code, MCL
5 380.1230g.

6 (e) Comply with section 21f.

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

9 ~~(g) For a district that offers kindergarten, comply with~~
10 ~~section 104(4).~~

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

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

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

29 (7) It is the intent of the legislature that all



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

15 (8) If the local claims review board or a court of competent
16 jurisdiction makes a final determination that this state is in
17 violation of section 29 of article IX of the state constitution of
18 1963 regarding state payments to districts, the state budget
19 director shall use work project funds under subsection (7) or
20 allocate from the discretionary funds for nonmandated payments
21 under this section the amount as may be necessary to satisfy the
22 amount owed to districts before making any payments to districts
23 under subsection (2).

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



1 action to the court of appeals, and the court of appeals has and
2 shall exercise jurisdiction over the claim.

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

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

28 Sec. 22d. (1) From the state school aid fund money
29 appropriated under section 11, an amount not to exceed



1 ~~\$7,000,000.00~~ **\$7,342,700.00** is allocated for ~~2020-2021~~ **2021-2022**
 2 for supplemental payments to rural districts under this section.

3 (2) From the allocation under subsection (1), there is
 4 allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
 5 ~~\$957,300.00~~ **\$1,300,000.00** for payments under this subsection to
 6 districts that meet all of the following:

7 (a) Operates grades K to 12.

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

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

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

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

14 (3) The amount of the additional funding to each eligible
 15 district under subsection (2) is determined under a spending plan
 16 developed as provided in this subsection and approved by the
 17 superintendent of public instruction. The spending plan must be
 18 developed cooperatively by the intermediate superintendents of each
 19 intermediate district in which an eligible district is located. The
 20 intermediate superintendents shall review the financial situation
 21 of each eligible district, determine the minimum essential
 22 financial needs of each eligible district, and develop and agree on
 23 a spending plan that distributes the available funding under
 24 subsection (2) to the eligible districts based on those financial
 25 needs. The intermediate superintendents shall submit the spending
 26 plan to the superintendent of public instruction for approval. Upon
 27 approval by the superintendent of public instruction, the amounts
 28 specified for each eligible district under the spending plan are
 29 allocated under subsection (2) and must be paid to the eligible



1 districts in the same manner as payments under section 22b.

2 (4) Subject to subsection (6), from the allocation in
3 subsection (1), there is allocated for ~~2020-2021~~**2021-2022** an
4 amount not to exceed \$6,042,700.00 for payments under this
5 subsection to districts that have fewer than 10.0 pupils per square
6 mile as determined by the department.

7 (5) The funds allocated under subsection (4) are allocated as
8 follows:

9 (a) An amount equal to \$5,200,000.00 is allocated to districts
10 with fewer than 8.0 pupils per square mile, as determined by the
11 department, on an equal per-pupil basis.

12 (b) The balance of the funding under subsection (4) is
13 allocated as follows:

14 (i) For districts with at least 8.0 but fewer than 9.0 pupils
15 per square mile, as determined by the department, the allocation is
16 an amount per pupil equal to 75% of the per-pupil amount allocated
17 to districts under subdivision (a).

18 (ii) For districts with at least 9.0 but fewer than 10.0 pupils
19 per square mile, as determined by the department, the allocation is
20 an amount per pupil equal to 50% of the per-pupil amount allocated
21 to districts under subdivision (a).

22 (c) If the total funding allocated under subdivision (b) is
23 not sufficient to fully fund payments as calculated under that
24 subdivision, the department shall prorate payments to districts
25 under subdivision (b) on an equal per-pupil basis.

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

28 **Sec. 22e. (1) From the state school aid fund money**
29 **appropriated under section 11, there is allocated an amount not to**



1 exceed \$50,000,000.00 for 2021-2022 to reimburse eligible districts
2 for transportation costs.

3 (2) A district with fewer than 20.0 pupils per square mile, as
4 determined by the department, is an eligible district under this
5 section.

6 (3) The department shall provide payments to eligible
7 districts under this section as follows:

8 (a) An amount equal to \$250.00 per pupil to eligible districts
9 with fewer than 10.0 pupils per square mile, as determined by the
10 department.

11 (b) An amount equal to \$200.00 per pupil to eligible districts
12 with at least 10.0 but fewer than 15.0 pupils per square mile, as
13 determined by the department.

14 (c) An amount equal to \$150.00 per pupil to eligible districts
15 with at least 15.0 but fewer than 20.0 pupils per square mile, as
16 determined by the department.

17 (4) If the total funding allocated under this section is not
18 sufficient to fully fund payments as calculated under this section,
19 the department shall prorate payments to eligible districts on an
20 equal percentage basis.

21 (5) Notwithstanding section 17b, the department shall make
22 payments to eligible districts under this section on a schedule
23 determined by the department.

24 Sec. 22m. (1) From the ~~appropriations~~ **state school aid fund**
25 **money appropriated** in section 11, there is allocated for ~~2020-2021~~
26 **2021-2022** an amount not to exceed \$2,200,000.00 for supporting the
27 integration of local data systems into the Michigan data hub
28 network based on common standards and applications that are in
29 compliance with section 19(6).



1 (2) An entity that is the fiscal agent for no more than 5
2 consortia of intermediate districts that previously received
3 funding from the technology readiness infrastructure grant under
4 former section 22i for the purpose of establishing regional data
5 hubs that are part of the Michigan data hub network is eligible for
6 funding under this section.

7 (3) The center shall work with an advisory committee composed
8 of representatives from intermediate districts within each of the
9 data hub regions to coordinate the activities of the Michigan data
10 hub network.

11 (4) The center, in collaboration with the Michigan data hub
12 network, shall determine the amount of funds distributed under this
13 section to each participating regional data hub within the network,
14 based upon a competitive grant process. The center shall ensure
15 that the entities receiving funding under this section represent
16 geographically diverse areas in this state.

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

19 (6) To receive funding under this section, a regional data hub
20 must have a governance model that ensures local control of data,
21 data security, and student privacy issues. The integration of data
22 within each of the regional data hubs must provide for the
23 actionable use of data by districts and intermediate districts
24 through common reports and dashboards and for efficiently providing
25 information to meet state and federal reporting purposes.

26 (7) Participation in a data hub region in the Michigan data
27 hub network under this section is voluntary and is not required.

28 (8) Entities receiving funding under this section shall use
29 the funds for all of the following:



1 (a) Creating an infrastructure that effectively manages the
2 movement of data between data systems used by intermediate
3 districts, districts, and other educational organizations in
4 Michigan based on common data standards to improve student
5 achievement.

6 (b) Utilizing the infrastructure to put in place commonly
7 needed integrations, reducing cost and effort to do that work while
8 increasing data accuracy and usability.

9 (c) Promoting the use of a more common set of applications by
10 promoting systems that integrate with the Michigan data hub
11 network.

12 (d) Promoting 100% district adoption of the Michigan data hub
13 network by September 30, ~~2021~~.**2022**.

14 (e) Ensuring local control of data, data security, and student
15 data privacy.

16 (f) Utilizing the infrastructure to promote the actionable use
17 of data through common reports and dashboards that are consistent
18 statewide.

19 (g) Creating a governance model to facilitate sustainable
20 operations of the infrastructure in the future, including
21 administration, legal agreements, documentation, staffing, hosting,
22 and funding.

23 (h) Evaluating future data initiatives at all levels to
24 determine whether the initiatives can be enhanced by using the
25 standardized environment in the Michigan data hub network.

26 (9) Not later than January 1 of each fiscal year, the center
27 shall prepare a summary report of information provided by each
28 entity that received funds under this section that includes
29 measurable outcomes based on the objectives described under this



1 section and a summary of compiled data from each entity to provide
 2 a means to evaluate the effectiveness of the project. The center
 3 shall submit the report to the house and senate appropriations
 4 subcommittees on ~~state~~-school aid and to the house and senate
 5 fiscal agencies.

6 Sec. 22p. (1) Subject to subsection (2), in order to receive
 7 funding under section 22b, a district or public school academy that
 8 is assigned by the superintendent of public instruction as a
 9 partnership district must have a signed 3-year partnership
 10 agreement with the department that includes all of the following:

11 (a) Measurable academic outcomes that the district or public
 12 school academy will achieve for each school operated by the
 13 district or public school academy that is subject to the
 14 partnership agreement after 18 months and after 36 months from the
 15 date the agreement was originally signed. Measurable academic
 16 outcomes under this subdivision must include all of the following:

17 (i) Outcomes that put pupils on track to meet or exceed grade
 18 level proficiency and that are based on district or public school
 19 academy needs. ~~identified as required under section 21h.~~

20 (ii) Either of the following, as applicable:

21 (A) At least 1 proficiency or growth outcome based on state
 22 assessments described in section 104b or 104c.

23 (B) ~~For 2020-2021 only, at~~ **At** least 1 proficiency or growth
 24 outcome based on a benchmark assessment described in section
 25 ~~104.104a.~~

26 (b) Accountability measures to be imposed if the district or
 27 public school academy does not achieve the measurable academic
 28 outcomes described in subdivision (a) for each school operated by
 29 the district or public school academy that is subject to the



1 partnership agreement. For a district assigned as a partnership
2 district as described in this subsection, accountability measures
3 under this subdivision must include the reconstitution of the
4 school. For a public school academy assigned as a partnership
5 district as described in this subsection, accountability measures
6 under this subdivision may include the reconstitution of the
7 school.

8 (c) For a public school academy assigned as a partnership
9 district as described in this subsection, a requirement that, if
10 reconstitution is imposed on a school that is operated by the
11 public school academy and that is subject to the partnership
12 agreement, the school must be reconstituted as described in section
13 507, 528, or 561, as applicable, of the revised school code, MCL
14 380.507, 380.528, and 380.561.

15 (d) For a district assigned as a partnership district as
16 described in this subsection, a provision that, if reconstitution
17 is imposed on a school that is operated by the district and that is
18 subject to the partnership agreement, reconstitution may require
19 closure of the school building, but, if the school building remains
20 open, reconstitution must include, but is not limited to, all of
21 the following:

22 (i) The district shall make significant changes to the
23 instructional and noninstructional programming of the school based
24 on the needs identified through a comprehensive review of data. ~~in~~
25 ~~compliance with section 21h.~~

26 (ii) The district shall review whether the current principal of
27 the school should remain as principal or be replaced.

28 (iii) The reconstitution plan for the school must require the
29 adoption of goals similar to the goals included in the partnership



1 agreement, with a limit of 3 years to achieve the goals. If the
 2 goals are not achieved within 3 years, the superintendent of public
 3 instruction shall impose a second reconstitution plan.

4 (2) If a district or public school academy is assigned as a
 5 partnership district as described in subsection (1) during the
 6 current fiscal year, it shall ensure that it has a signed
 7 partnership agreement as described in subsection (1) in place by
 8 not later than 90 days after the date that it is assigned as a
 9 partnership district. If a district or public school academy
 10 described in this subsection does not comply with this subsection,
 11 the department shall withhold funding under section 22b for that
 12 district or public school academy until the district or public
 13 school academy has a signed partnership agreement as described in
 14 subsection (1) in place.

15 Sec. 23b. (1) ~~From the federal fund money allocated under~~
 16 ~~section 11n awarded to this state from the elementary and secondary~~
 17 ~~school emergency relief (ESSER) fund under the coronavirus response~~
 18 ~~and relief supplemental appropriations act, 2021, division M of~~
 19 ~~Public Law 116-260, there is allocated for 2020-2021 an amount not~~
 20 ~~to exceed \$152,400,000.00, and from the state school aid fund money~~
 21 ~~appropriated under section 11, there is allocated for 2020-2021~~
 22 **2021-2022** an amount not to exceed ~~\$10,000,000.00~~ **\$152,400,000.00** to
 23 eligible districts and eligible intermediate districts described in
 24 subsection (4) to be used for ~~COVID-19~~ remediation services in the
 25 manner described in subsection (6).

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

28 (a) An amount not to exceed \$90,000,000.00 ~~from the federal~~
 29 ~~funding allocated under subsection (1)~~ for summer programs that are



1 offered as part of ~~COVID-19~~ remediation services under this
2 section.

3 (b) An amount not to exceed \$45,000,000.00 ~~from the federal~~
4 ~~funding allocated under subsection (1)~~ for credit recovery programs
5 that are offered as part of ~~COVID-19~~ remediation services under
6 this section.

7 (c) An amount not to exceed \$17,400,000.00 ~~from the federal~~
8 ~~funding allocated under subsection (1)~~ for before-school, after-
9 school, or before-and-after school programs that are offered as
10 part of ~~COVID-19~~ remediation services under this section.

11 ~~(d) An amount not to exceed \$10,000,000.00 from the state~~
12 ~~school aid fund money allocated under subsection (1) for additional~~
13 ~~payments for summer programs and credit recovery programs that are~~
14 ~~offered as part of COVID-19 remediation services under this section~~
15 ~~that the department's innovation council designates as innovative~~
16 ~~under subsection (11).~~

17 (3) Except as otherwise provided in this subsection, to
18 receive funding under this section, a district or intermediate
19 district must apply for the funding in a form and manner prescribed
20 by the department. An application for funding under this section
21 must be submitted to the department by not later than April 15,
22 ~~2021-2022~~.

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

26 (a) In its application for funding under this section, the
27 district or intermediate district pledges to provide ~~COVID-19~~
28 remediation services to eligible ~~pupils~~ **children**.

29 (b) In its application for funding under this section, the



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

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

6 (A) A description of the summer program.

7 (B) The number of potential eligible ~~pupils~~ **children** that will
 8 enroll or the number of eligible ~~pupils~~ **children** enrolled in the
 9 summer program.

10 (C) An estimate of costs for the preparation and
 11 implementation of the summer program.

12 ~~(D) A statement indicating whether or not the district or~~
 13 ~~intermediate district is requesting that the summer program be~~
 14 ~~designated as innovative under subsection (11) and the reasons the~~
 15 ~~district or intermediate district believes its program is~~
 16 ~~innovative.~~

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

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

20 (B) The number of potential eligible ~~pupils~~ **children** that will
 21 enroll or the number of eligible ~~pupils~~ **children** enrolled in the
 22 credit recovery program.

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

25 ~~(D) A statement indicating whether or not the district or~~
 26 ~~intermediate district is requesting that the credit recovery~~
 27 ~~program be designated as innovative under subsection (11) and the~~
 28 ~~reasons the district or intermediate district believes its program~~
 29 ~~is innovative.~~



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

4 (A) A description of the before-school, after-school, or
 5 before-and-after school program.

6 (B) The number of potential ~~pupils~~ **eligible children** that will
 7 enroll or the number of eligible ~~pupils~~ **children** enrolled in the
 8 before-school, after-school, or before-and-after school program.

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

12 (D) Assurance that the before-school, after-school, or before-
 13 and-after school program is designed to emphasize remediation for
 14 eligible ~~pupils~~ **children**.

15 (c) In its application for funding under this section, the
 16 district or intermediate district provides information concerning
 17 whether or not the district or intermediate district intends to
 18 contract for services as described in subsection (6) (a) in
 19 providing a summer program, credit recovery program, or before-
 20 school, after-school, or before-and-after school program as part of
 21 its ~~COVID-19~~ remediation services under this section.

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

26 (a) An amount equal to \$550.00 for each eligible ~~pupil~~ **child**
 27 that, based on the application for funding under this section, will
 28 be enrolled or is enrolled in the eligible district's or eligible
 29 intermediate district's summer program, as applicable, offered as



1 part of the eligible district's or eligible intermediate district's
2 ~~COVID-19~~ remediation services under this section.

3 (b) An amount equal to \$550.00 for each eligible ~~pupil~~ **child**
4 that, based on the application for funding under this section, will
5 be enrolled or is enrolled in the eligible district's or eligible
6 intermediate district's credit recovery program, as applicable,
7 offered as part of the eligible district's or eligible intermediate
8 district's ~~COVID-19~~ remediation services under this section.

9 (c) An amount not to exceed \$25,000.00 to each eligible
10 district or eligible intermediate district for its before-school,
11 after-school, or before-and-after school program offered as part of
12 its ~~COVID-19~~ remediation services under this section.

13 ~~(d) In addition to the amounts distributed under subdivisions~~
14 ~~(a) and (b), an amount not to exceed \$100.00 for each eligible~~
15 ~~pupil who, based on the application for funding under this section,~~
16 ~~will be enrolled or is enrolled in the eligible district's or~~
17 ~~eligible intermediate district's summer program or credit recovery~~
18 ~~program, as applicable, if the program or programs have been~~
19 ~~designated as innovative under subsection (11).~~

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

25 (a) An eligible district or eligible intermediate district may
26 contract with public or private entities, other districts or
27 intermediate districts, or a consortium of other districts or
28 intermediate districts to provide ~~COVID-19~~ remediation services
29 under this section.



1 (b) An eligible intermediate district may provide its ~~COVID-19~~
 2 remediation services to its constituent districts to provide to
 3 eligible ~~pupils-~~**children**.

4 (7) If funds allocated under this section for summer programs
 5 that are offered as part of ~~COVID-19~~-remediation services under
 6 this section are insufficient to fully fund calculations under this
 7 section, the department shall apply proration of an equal dollar
 8 amount per eligible ~~pupil-~~**child** in a summer program. If funds
 9 allocated under this section for credit recovery programs that are
 10 offered as part of ~~COVID-19~~-remediation services under this section
 11 are insufficient to fully fund calculations under this section, the
 12 department shall apply proration of an equal dollar amount per
 13 eligible ~~pupil-~~**child** in a credit recovery program. If funds
 14 allocated under this section for before-school, after-school, or
 15 before-and-after school programs that are offered as part of ~~COVID-~~
 16 ~~19~~-remediation services under this section are insufficient to
 17 fully fund calculations under this section, the department shall
 18 apply proration in equal proportion to the amount the eligible
 19 district or eligible intermediate district would have received
 20 under this section for that program but for the application of
 21 proration under this subsection. ~~If funds specifically allocated~~
 22 ~~under this section for summer programs and credit recovery programs~~
 23 ~~that are offered as part of COVID-19 remediation services under~~
 24 ~~this section that have been designated as innovative under~~
 25 ~~subsection (11) are insufficient to fully fund calculations under~~
 26 ~~this section, the department shall apply proration of an equal~~
 27 ~~dollar amount per eligible pupil in the program or programs~~
 28 ~~described in this sentence.~~

29 (8) In awarding funding under this section, the department



1 shall prioritize funding under this section that is distributed for
 2 before-school, after-school, and before-and-after school programs
 3 offered as part of ~~COVID-19~~-remediation services under this section
 4 to the following eligible districts or eligible intermediate
 5 districts that offer those programs as part of their ~~COVID-19~~
 6 remediation services:

7 (a) Eligible districts or eligible intermediate districts with
 8 the highest number of eligible ~~pupils~~-**children** who, based on the
 9 application for funding under this section, will enroll or are
 10 enrolled in the program.

11 (b) Eligible districts or eligible intermediate districts with
 12 the largest size program.

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

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

26 (10) If, in its application for funding under this section, an
 27 eligible district or eligible intermediate district submits the
 28 potential number of eligible ~~pupils~~-**children** that will enroll in
 29 its summer program as described in subsection (4) (b) (i), potential



1 number of eligible ~~pupils~~**children** that will enroll in its credit
 2 recovery program as described in subsection (4) (b) (ii), or potential
 3 number of eligible ~~pupils~~**children** that will enroll in its before-
 4 school, after-school, or before-and-after school program as
 5 described in subsection (4) (b) (iii), as applicable, and the eligible
 6 district or eligible intermediate district receives funding under
 7 this section based on those estimations, by June 15, ~~2021~~,**2022**,
 8 the eligible district or eligible intermediate district shall
 9 submit the number of ~~pupils~~**eligible children** who actually enrolled
 10 in the eligible district's or eligible intermediate district's
 11 summer program, credit recovery program, or before-school, after-
 12 school, or before-and-after school program. If the eligible
 13 district or eligible intermediate district received an overpayment
 14 of funds under this section based on its submitted estimates of
 15 eligible ~~pupils~~**children** as described in this subsection, as
 16 determined by the department, the eligible district or eligible
 17 intermediate district shall refund the department in the amount of
 18 the overpayment.

19 ~~(11) For purposes of determining which eligible districts and~~
 20 ~~eligible intermediate districts will receive additional payments as~~
 21 ~~described in subsection (5) (d), the department's innovation council~~
 22 ~~shall, based on applications submitted under this section,~~
 23 ~~designate summer programs and credit recovery programs that are~~
 24 ~~offered as part of COVID-19 remediation services under this section~~
 25 ~~that, in their applications for funding under this section, request~~
 26 ~~innovative designation as innovative if it determines those~~
 27 ~~programs are innovative. A program that is designated as innovative~~
 28 ~~under this subsection may include, without limitation, 1 or more of~~
 29 ~~the following:~~



1 ~~(a) Community based projects.~~

2 ~~(b) Integrated kinesthetic or cognitive growth programs.~~

3 ~~(c) STEM-based programs.~~

4 ~~(d) Outdoor or adventure-based programs.~~

5 ~~(e) Any programs that integrate public and private~~
6 ~~partnerships.~~

7 **(11)** ~~(12)~~ Notwithstanding section 17b and except as otherwise
8 provided in this subsection, the department shall make payments
9 under this section on a schedule determined by the department. The
10 department shall distribute all funding under this section by not
11 later than May 20, ~~2021~~**2022**.

12 **(12)** ~~(13)~~ As used in this section:

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

15 (b) ~~"COVID-19 remediation"~~ **Remediation** services" means any of
16 the following:

17 (i) A summer program.

18 (ii) A credit recovery program.

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

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

23 (i) Is offered to each eligible ~~pupil~~ **child** described in
24 subdivision (d) (ii) who was enrolled in any of grades 9 to 12 in the
25 ~~2020-2021~~ **2021-2022** school year.

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

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



1 combination of these.

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

4 (d) "Eligible ~~pupil~~"-**child**" means a child to whom the
5 following apply, as applicable:

6 (i) For participation in a summer program offered as part of
7 ~~COVID-19~~-remediation services under this section, both of the
8 following apply:

9 (A) Any of the following apply:

10 (I) If an eligible district that is not a public school
11 academy is providing the ~~COVID-19~~-remediation services, the child
12 resides within the geographic boundaries of the district.

13 (II) If an eligible district that is a public school academy
14 is providing the ~~COVID-19~~-remediation services, the child resides
15 within the geographic boundaries of the intermediate district in
16 which the district is located.

17 (III) If an eligible intermediate district is providing the
18 ~~COVID-19~~-remediation services, the child resides within the
19 geographic boundaries of the intermediate district.

20 (B) The eligible district or eligible intermediate district
21 providing the summer program under this section has determined that
22 the child is eligible for enrollment in the eligible district's or
23 eligible intermediate district's summer program. An eligible
24 district or eligible intermediate district is encouraged to base
25 the determination described in this sub-subparagraph on benchmark
26 assessment data from the benchmark assessment or benchmark
27 assessments administered to the child under section ~~104,~~**104a**, as
28 applicable.

29 (ii) For participation in a credit recovery program offered as



1 part of ~~COVID-19~~ remediation services under this section, both of
 2 the following apply:

3 (A) In the ~~2020-2021~~**2021-2022** school year, the child was
 4 enrolled in the eligible district, eligible intermediate district,
 5 or a constituent district of the eligible intermediate district
 6 that provides the credit recovery program to the child under this
 7 section.

8 (B) Any of the following apply:

9 (I) The child has failed 1 or more credits or courses in the
 10 ~~2020-2021~~**2021-2022** school year.

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

16 (III) The eligible district, eligible intermediate district,
 17 or constituent district of the eligible intermediate district in
 18 which the child was enrolled as described in sub-subparagraph (A)
 19 has determined that the child is eligible for enrollment in the
 20 eligible district's or eligible intermediate district's credit
 21 recovery program.

22 (iii) For participation in a before-school, after-school, or
 23 before-and-after school program offered as part of ~~COVID-19~~
 24 remediation services under this section, both of the following
 25 apply:

26 (A) In the ~~2020-2021~~**2021-2022** school year, the child was
 27 enrolled in any of grades K to 12 in the eligible district,
 28 eligible intermediate district, or a constituent district of the
 29 eligible intermediate district that provides the before-school,



1 after-school, or before-and-after school program to the child under
2 this section.

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

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

11 (i) Is offered to each eligible ~~pupil~~**child** described in
12 subdivision (d) (i) who was enrolled in any of grades K to 8 in the
13 ~~2020-2021-2021-2022~~ school year.

14 (ii) Is offered at any point after June 1, ~~2021-2022~~ and before
15 September 1, ~~2021-2022~~.

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

19 (iv) Is provided to eligible ~~pupils~~**children** described in
20 subdivision (d) (i) in a manner in which the eligible ~~pupils~~**children**
21 are in person at a school building designated by the eligible
22 district or eligible intermediate district providing the program.
23 As used in this subparagraph, "in person" means physically present.

24 (v) Is a program that was developed based on the input of
25 teachers and that is teacher-led.

26 (vi) Includes programming in core subject areas, including, but
27 not limited to, mathematics, reading, and science.

28 Sec. 23e. (1) From the ~~federal fund money allocated under~~
29 ~~section 11n awarded to this state from the governor's emergency~~



1 ~~education relief (GEER) fund under the coronavirus response and~~
 2 ~~relief supplemental appropriations act, 2021, division M of Public~~
 3 ~~Law 116-260, **general fund money appropriated under section 11,**~~
 4 there is allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
 5 \$5,000,000.00. The department shall develop a competitive grant
 6 program to distribute this funding to eligible entities described
 7 in subsection (3) as described under this section.

8 (2) To receive funding under this section, an entity must
 9 apply for the funding in a form and manner prescribed by the
 10 department.

11 (3) An entity that meets eligibility criteria established by
 12 the department for purposes of receiving grant funding under this
 13 section is an eligible entity under this section. The eligibility
 14 criteria described in this subsection must establish that an entity
 15 must meet at least all of the following requirements to receive
 16 grant funding under this section:

17 (a) Serves children in kindergarten or any or all of grades 1
 18 to 8, or both.

19 (b) Is a community-based organization that is exempt from
 20 federal income tax under section 501(c)(3) of the internal revenue
 21 code, 26 USC 501.

22 (c) Provides before-school, after-school, or before-and-after
 23 school programming to children described in subdivision (a).

24 (4) The department shall determine the amount of grant funding
 25 under this section that will be paid to each eligible entity.
 26 However, in determining the amounts under this subsection, the
 27 department shall ensure that both of the following are applied in
 28 its determinations:

29 (a) To the extent practicable, the department shall ensure



1 that all eligible entities in all geographic regions of this state
 2 are represented in the distribution of grant funding under this
 3 section. This subdivision does not require the department to award
 4 grant funding under this section to eligible entities in all
 5 geographic regions of this state.

6 (b) The department shall prioritize distributing grant funding
 7 under this section to eligible entities that are located within
 8 districts or intermediate districts that do not provide the before-
 9 school, after-school, or before-and-after school programming
 10 provided by the eligible entity.

11 (5) An eligible entity that receives grant funding under this
 12 section shall use the funding only to provide before-school, after-
 13 school, or before-and-after school programming to children
 14 described in subsection (3) (a). The programming offered under this
 15 subsection must meet both of the following:

16 (a) Be provided to children in a manner in which the children
 17 are in person at a building designated by the eligible entity. As
 18 used in this subdivision, "in person" means physically present.

19 (b) Provide educational programming in core subject areas,
 20 including, but not limited to, mathematics, reading, and science.

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

24 Sec. 24. (1) From the ~~appropriation~~ **state school aid fund**
 25 **money appropriated** in section 11, there is allocated for ~~2020-2021~~
 26 ~~an amount not to exceed \$7,150,000.00~~ **2021-2022 an amount not to**
 27 **exceed \$7,650,000.00** for payments to the educating district or
 28 intermediate district for educating pupils assigned by a court or
 29 the department of health and human services to reside in or to



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

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

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

27 (b) "Department's approved per-pupil allocation" for a
28 district or intermediate district is determined by dividing the
29 total amount allocated under this section for a fiscal year by the



1 full-time equated membership total for all pupils approved by the
 2 department to be funded under this section for that fiscal year for
 3 the district or intermediate district.

4 (3) A district or intermediate district educating pupils
 5 described in this section at a residential child caring institution
 6 may operate, and receive funding under this section for, a
 7 department-approved on-grounds educational program for those pupils
 8 that is longer than 181 days, but not longer than 233 days, if the
 9 child caring institution was licensed as a child caring institution
 10 and offered in 1991-92 an on-grounds educational program that was
 11 longer than 181 days but not longer than 233 days and that was
 12 operated by a district or intermediate district.

13 (4) Special education pupils funded under section 53a are not
 14 funded under this section.

15 Sec. 24a. From the ~~appropriation~~ **state school aid fund money**
 16 **appropriated** in section 11, there is allocated an amount not to
 17 exceed \$1,355,700.00 for ~~2020-2021~~ **2021-2022** for payments to
 18 intermediate districts for pupils who are placed in juvenile
 19 justice service facilities operated by the department of health and
 20 human services. The amount of the payment to each intermediate
 21 district is an amount equal to the state share of those costs that
 22 are clearly and directly attributable to the educational programs
 23 for pupils placed in facilities described in this section that are
 24 located within the intermediate district's boundaries. The
 25 intermediate districts receiving payments under this section shall
 26 cooperate with the department of health and human services to
 27 ensure that all funding allocated under this section is utilized by
 28 the intermediate district and department of health and human
 29 services for educational programs for pupils described in this



1 section. Pupils described in this section are not eligible to be
 2 funded under section 24. However, a program responsibility or other
 3 fiscal responsibility associated with these pupils must not be
 4 transferred from the department of health and human services to a
 5 district or intermediate district unless the district or
 6 intermediate district consents to the transfer.

7 Sec. 25f. (1) From the state school aid fund money
 8 appropriated in section 11, there is allocated an amount not to
 9 exceed \$1,600,000.00 for ~~2020-2021~~**2021-2022** for payments to strict
 10 discipline academies established under sections 1311b to 1311m of
 11 the revised school code, MCL 380.1311b to 380.1311m, as provided
 12 under this section.

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

17 (3) The total amount allocated to a strict discipline academy
 18 under this section must first be distributed as the lesser of the
 19 strict discipline academy's added cost or the department's approved
 20 per-pupil allocation for the strict discipline academy. Any funds
 21 remaining after the first distribution must be distributed by
 22 prorating on an equal per-pupil membership basis, not to exceed a
 23 strict discipline academy's added cost. However, the sum of the
 24 amounts received by a strict discipline academy under this section
 25 and under section 24 must not exceed the product of the strict
 26 discipline academy's per-pupil allocation calculated under section
 27 20 multiplied by the strict discipline academy's full-time equated
 28 membership. The department shall allocate funds to strict
 29 discipline academies under this section on a monthly basis. For the



1 purposes of this subsection:

2 (a) "Added cost" means 100% of the added cost each fiscal year
3 for educating all pupils enrolled and in regular daily attendance
4 at a strict discipline academy. Added cost must be computed by
5 deducting all other revenue received under this article for pupils
6 described in this subsection from total costs, as approved by the
7 department, in whole or in part, for educating those pupils in a
8 strict discipline academy. The department shall include all costs
9 including, but not limited to, educational costs, insurance,
10 management fees, technology costs, legal fees, auditing fees,
11 interest, pupil accounting costs, and any other administrative
12 costs necessary to operate the program or to comply with statutory
13 requirements. Costs reimbursed by federal funds are not included.

14 (b) "Department's approved per-pupil allocation" for a strict
15 discipline academy is determined by dividing the total amount
16 allocated under this subsection for a fiscal year by the full-time
17 equated membership total for all pupils approved by the department
18 to be funded under this subsection for that fiscal year for the
19 strict discipline academy.

20 (4) Special education pupils funded under section 53a are not
21 funded under this section.

22 (5) If the funds allocated under this section are insufficient
23 to fully fund the adjustments under subsection (3), the department
24 shall prorate payments under this section on an equal per-pupil
25 basis.

26 (6) The department shall make payments to districts under this
27 section according to the payment schedule under section 17b.

28 Sec. 25g. (1) From the state school aid fund money
29 appropriated in section 11, there is allocated an amount not to



1 exceed \$750,000.00 for ~~2020-2021~~**2021-2022** for the purposes of this
 2 section. Except as otherwise provided in this section, if the
 3 operation of the special membership counting provisions under
 4 section 6(4) (dd) and the other membership counting provisions under
 5 section 6(4) result in a pupil being counted as more than 1.0 FTE
 6 in a fiscal year, then the payment made for the pupil under
 7 sections 22a and 22b must not be based on more than 1.0 FTE for
 8 that pupil, and that portion of the FTE that exceeds 1.0 is paid
 9 under this section in an amount equal to that portion multiplied by
 10 the educating district's foundation allowance or per-pupil payment
 11 calculated under section 20.

12 (2) Special education pupils funded under section 53a are not
 13 funded under this section.

14 (3) If the funds allocated under this section are insufficient
 15 to fully fund the adjustments under subsection (1), the department
 16 shall prorate payments under this section on an equal per-pupil
 17 basis.

18 (4) The department shall make payments to districts under this
 19 section according to the payment schedule under section 17b.

20 Sec. 25i. (1) From the general fund money appropriated in
 21 section 11, there is allocated for ~~2020-2021~~**2021-2022** an amount
 22 not to exceed \$2,000,000.00 for an eligible attendance recovery
 23 program as described in subsection (3). The funds allocated under
 24 this section must be used to administer an eligible attendance
 25 recovery program for all districts that opt into the program to
 26 serve eligible pupils described in subsection (2).

27 (2) A pupil who meets any of the following and who is enrolled
 28 in a district that opts into the attendance recovery program funded
 29 under this section is an eligible pupil under this section:



1 (a) The pupil did not engage in the district's remote
2 continuous education offerings in spring ~~2020-2021~~.

3 (b) The pupil needs intervention based on his or her absences
4 or consistent disengagement in classes.

5 (c) The pupil is in danger of failing 1 or more classes.

6 (d) The pupil is eligible under the McKinney-Vento
7 homelessness assistance act, Public Law 100-77, or is in foster
8 care.

9 (e) The pupil's family requires financial or social support.

10 (f) The pupil has disengaged in his or her education, is
11 attending school irregularly, or is not progressing in his or her
12 coursework.

13 (3) An attendance recovery program that meets all of the
14 following is an eligible attendance recovery program under this
15 section:

16 (a) Reflects experience and successful outcomes running
17 statewide student recovery programs.

18 (b) Has, at a minimum, 2 years of experience working with this
19 state's local education agencies.

20 (c) Has multimodal contact capabilities that include, but are
21 not limited to, a call center, ~~electronic mail, email~~, text,
22 social-media matching, and public service announcements.

23 (d) Reflects experience in assisting at-risk students in
24 overcoming learning barriers in a remote or online learning
25 environment.

26 (e) Has the ability to scale to provide outreach to at least
27 20,000 students before the end of ~~2020-2021~~.

28 (4) The department shall choose and designate the provider of
29 the eligible attendance recovery program under this section by not



1 later than November 1, ~~2020.~~**2021**. The provider chosen and
2 designated by the department under this subsection must do all of
3 the following:

4 (a) Work with the department to notify districts about the
5 program and provide technical assistance to districts interested in
6 opting in.

7 (b) Work with each district to obtain contact information for
8 each eligible pupil.

9 (c) Provide outreach using differentiated treatment strategies
10 to pupils and families using multiple modalities that may include
11 ~~phone,~~**telephone**, text, social media, ~~electronic mail,~~**email**, and
12 traditional mail, to find and engage eligible pupils.

13 (d) Implement a culturally and linguistically responsive
14 outreach and support plan. Elements of the plan must include
15 differentiated outreach and ongoing coaching strategies to families
16 to ensure cultural and linguistic relevance.

17 (e) Use information about barriers to engagement gathered from
18 pupils and families to assign eligible pupils to an ongoing support
19 level. Ongoing support levels described in this subdivision must
20 include a minimum of 3 support tiers following the general design
21 of response to intervention (RTI) models.

22 (f) For eligible pupils and their families, provide a coach to
23 deliver interventions in accordance with the pupil's needs and the
24 framework of his or her assigned ongoing support level.

25 (g) Report weekly to each district that has opted into the
26 program and to the department with metrics agreed upon by the
27 provider and the department.

28 (5) Notwithstanding section 17b, the department shall make
29 payments under this section by not later than December 1,



1 ~~2020-2021.~~

2 Sec. 26a. From the ~~funds~~ **state school aid fund money**
 3 appropriated in section 11, there is allocated an amount not to
 4 exceed \$15,300,000.00 for ~~2020-2021~~ **2021-2022** to reimburse
 5 districts and intermediate districts under section 12 of the
 6 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes
 7 levied in ~~2020.~~ **2021**. The department shall pay the allocations not
 8 later than 60 days after the department of treasury certifies to
 9 the department and to the state budget director that the department
 10 of treasury has received all necessary information to properly
 11 determine the amounts due to each eligible recipient.

12 Sec. 26b. (1) From the ~~appropriation~~ **state school aid fund**
 13 **money appropriated** in section 11, there is allocated an amount not
 14 to exceed \$4,645,000.00 for ~~2020-2021~~ **2021-2022** for payments to
 15 districts, intermediate districts, and community college districts
 16 for the portion of the payment in lieu of taxes obligation that is
 17 attributable to districts, intermediate districts, and community
 18 college districts under section 2154 of the natural resources and
 19 environmental protection act, 1994 PA 451, MCL 324.2154.

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

24 Sec. 26c. (1) From the state school aid fund money
 25 appropriated under section 11, there is allocated an amount not to
 26 exceed ~~\$9,700,000.00 for 2020-2021~~ **\$13,800,000.00 for 2021-2022** to
 27 the promise zone fund created in subsection (3). The funds
 28 allocated under this section reflect the amount of revenue from the
 29 collection of the state education tax captured under section 17 of



1 the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677.

2 (2) Funds allocated to the promise zone fund under this
3 section must be used solely for payments to eligible districts and
4 intermediate districts, in accordance with section 17 of the
5 Michigan promise zone authority act, 2008 PA 549, MCL 390.1677,
6 that have a promise zone development plan approved by the
7 department of treasury under section 7 of the Michigan promise zone
8 authority act, 2008 PA 549, MCL 390.1667. Eligible districts and
9 intermediate districts shall use payments made under this section
10 for reimbursement for qualified educational expenses as defined in
11 section 3 of the Michigan promise zone authority act, 2008 PA 549,
12 MCL 390.1663.

13 (3) The promise zone fund is created as a separate account
14 within the state school aid fund to be used solely for the purposes
15 of the Michigan promise zone authority act, 2008 PA 549, MCL
16 390.1661 to 390.1679. All of the following apply to the promise
17 zone fund:

18 (a) The state treasurer shall direct the investment of the
19 promise zone fund. The state treasurer shall credit to the promise
20 zone fund interest and earnings from fund investments.

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

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

29 (5) Notwithstanding section 17b, the department shall make



1 payments under this section on a schedule determined by the
2 department.

3 **Sec. 26d. (1) From the state school aid fund money**
4 **appropriated under section 11, there is allocated an amount not to**
5 **exceed \$7,500,000.00 for 2021-2022 for reimbursements to**
6 **intermediate districts as required under section 15b of the**
7 **brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665b.**

8 **(2) The amounts reimbursed under subsection (1) must be used**
9 **by the intermediate district only for the purposes for which the**
10 **property taxes were originally levied.**

11 **(3) The Michigan strategic fund and the Michigan economic**
12 **development corporation shall work with the department of treasury**
13 **in identifying the amount of tax revenues that are to be reimbursed**
14 **under subsection (1).**

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

18 **Sec. 28. (1) To recognize differentiated instructional costs**
19 **for different types of pupils in ~~2020-2021~~, 2021-2022, the**
20 **following sections provide a weighted foundation allocation or an**
21 **additional payment of some type in the following amounts, as**
22 **allocated under those sections:**

23 **(a) Section 22d, isolated and rural districts,**
24 **~~\$7,000,000.00~~-\$7,342,700.00.**

25 **(b) Section 31a, at risk, standard programming,**
26 **\$510,000,000.00.**

27 **(c) Section 31a, at risk, additional payment, \$12,000,000.00.**

28 **(d) Section 41, bilingual education for English language**
29 **learners, \$13,000,000.00.**



1 (e) Section 51c, special education, mandated percentages,
2 ~~\$713,400,000.00.~~ **\$733,000,000.00.**

3 (f) Section 51f, special education, additional percentages,
4 \$60,207,000.00.

5 (g) Section 61a, career and technical education, standard
6 reimbursement, \$37,611,300.00.

7 (h) Section 61d, career and technical education incentives,
8 \$5,000,000.00.

9 (2) The funding described in subsection (1) is not a separate
10 allocation of any funding but is instead a listing of funding
11 allocated in the sections listed in subsection (1).

12 Sec. 31a. (1) From the state school aid fund money
13 appropriated in section 11, there is allocated for ~~2020-2021-2021-~~
14 **2022** an amount not to exceed ~~\$535,150,000.00~~ **\$536,650,000.00** for
15 payments to eligible districts and eligible public school academies
16 for the purposes of ensuring that pupils are proficient in English
17 language arts by the end of grade 3, that pupils are proficient in
18 mathematics by the end of grade 8, that pupils are attending school
19 regularly, that high school graduates are career and college ready,
20 and for the purposes under subsections ~~(7)-(6)~~ and ~~(8)-(7)~~.

21 (2) For a district that has combined state and local revenue
22 per membership pupil under section 20 that is greater than the
23 target foundation allowance under section 20 for the current fiscal
24 year and that, for the immediately preceding fiscal year, had
25 combined state and local revenue per membership pupil under section
26 20 that was greater than the target foundation allowance under
27 section 20 that was in effect for that fiscal year, the allocation
28 under ~~this section~~ **subsection (4)** is an amount equal to ~~30%~~ **35%** of
29 the allocation for which it would otherwise be eligible under ~~this~~



1 ~~section-subsection (4)~~ before any proration under subsection ~~(14)~~.
2 **(11)**. It is the intent of the legislature that, if revenues are
3 sufficient and if districts with combined state and local revenue
4 per membership pupil under section 20 that is below the target
5 foundation allowance are receiving nonprorated payments under ~~this~~
6 ~~section,subsection (4)~~, the percentage in the immediately
7 preceding sentence must be increased annually until it reaches
8 100%. If a district has combined state and local revenue per
9 membership pupil under section 20 that is greater than the target
10 foundation allowance under section 20 for the current fiscal year,
11 but for the 2018-2019 fiscal year had combined state and local
12 revenue per membership pupil under section 20 that was less than
13 the basic foundation allowance under section 20 that was in effect
14 for the 2018-2019 fiscal year, the district shall receive an amount
15 per pupil equal to 11.5% of the statewide weighted average
16 foundation allowance, as applied under subsection (4), and before
17 any proration under subsection ~~(14)~~.**(11)**.

18 (3) For a district or public school academy to be eligible to
19 receive funding under this section, other than funding under
20 subsection ~~(7)~~**(6)** or ~~(8)~~**(7)**, the district or public school
21 academy, for grades K to 12, must comply with the requirements
22 under section 1280f of the revised school code, MCL 380.1280f, and
23 shall use resources to address early literacy and numeracy, and for
24 at least grades K to 12 or, if the district or public school
25 academy does not operate all of grades K to 12, for all of the
26 grades it operates, must implement a multi-tiered system of
27 supports that is an evidence based framework that uses data driven
28 problem solving to integrate academic and behavioral instruction
29 and that uses intervention delivered to all pupils in varying



1 intensities based on pupil needs. The multi-tiered system of
 2 supports described in this subsection must provide at least all of
 3 the following essential components:

4 (a) Team-based leadership.

5 (b) A tiered delivery system.

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

8 (d) A comprehensive screening and assessment system.

9 (e) Continuous data-based decision making.

10 (4) From the funds allocated under subsection (1), there is
 11 allocated for ~~2020-2021~~**2021-2022** an amount not to exceed
 12 \$510,000,000.00 to continue a weighted foundation per pupil payment
 13 for districts and public school academies enrolling economically
 14 disadvantaged pupils. The department shall pay under this ~~section~~
 15 **subsection** to each eligible district or eligible public school
 16 academy an amount per pupil equal to 11.5% of the statewide
 17 weighted average foundation allowance for the following, as
 18 applicable:

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

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

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



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

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



1 (c) If the district or public school academy began operations
2 as a district or public school academy after the pupil membership
3 count day of the current fiscal year, the number of membership
4 pupils in the district or public school academy who are determined
5 to be economically disadvantaged, as reported to the center in the
6 form and manner prescribed by the center not later than the fifth
7 Wednesday after the supplemental count day of the current fiscal
8 year.

9 (d) If, for a particular fiscal year, the number of membership
10 pupils in a district or public school academy who are determined
11 under subdivision (a) to be economically disadvantaged or to be
12 eligible based on the identified student percentage varies by more
13 than 20 percentage points from the number of those pupils in the
14 district or public school academy as calculated under subdivision
15 (a) for the immediately preceding fiscal year caused by an
16 egregious reporting error by the district or public school academy,
17 the department may choose to have the calculations under
18 subdivision (a) instead be made using the number of membership
19 pupils in the district or public school academy who are determined
20 to be economically disadvantaged, as reported to the center in the
21 form and manner prescribed by the center not later than the fifth
22 Wednesday after the supplemental count day of the immediately
23 preceding fiscal year.

24 ~~(5) Except as otherwise provided in this section, a district~~
25 ~~or public school academy receiving funding under this section shall~~
26 ~~use that money only to provide instructional programs and direct~~
27 ~~noninstructional services, including, but not limited to, medical,~~
28 ~~mental health, or counseling services, for at-risk pupils; for~~
29 ~~school health clinics; and for the purposes of subsection (6), (7),~~



1 ~~or (8). In addition, a district that is a school district of the~~
 2 ~~first class or a district or public school academy in which at~~
 3 ~~least 50% of the pupils in membership were determined to be~~
 4 ~~economically disadvantaged in the immediately preceding state~~
 5 ~~fiscal year, as determined and reported as described in subsection~~
 6 ~~(4), may use not more than 20% of the funds it receives under this~~
 7 ~~section for school security that aligns to the needs assessment and~~
 8 ~~the multi-tiered system of supports model. A district or public~~
 9 ~~school academy shall not use any of that~~ **the money received under**
 10 **this section** for administrative costs. ~~The instruction or direct~~
 11 ~~noninstructional services provided under this section may be~~
 12 ~~conducted before or after regular school hours or by adding extra~~
 13 ~~school days to the school year.~~

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

22 **(6)** ~~(7)~~ From the funds allocated under subsection (1), there
 23 is allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
 24 \$8,000,000.00 to support primary health care services provided to
 25 children and adolescents up to age 21. These funds must be expended
 26 in a form and manner determined jointly by the department and the
 27 department of health and human services. If any funds allocated
 28 under this subsection are not used for the purposes of this
 29 subsection for the fiscal year in which they are allocated, those



1 unused funds must be used that fiscal year to avoid or minimize any
 2 proration that would otherwise be required under subsection ~~(14)~~
 3 **(11)** for that fiscal year.

4 **(7)** ~~(8)~~—From the funds allocated under subsection (1), there
 5 is allocated for ~~2020–2021~~ **2021–2022** an amount not to exceed
 6 ~~\$5,150,000.00~~ **\$6,650,000.00** for the state portion of the hearing,
 7 ~~and vision, and dental~~ screenings as described in ~~section 9301~~ **part**
 8 **93** of the public health code, 1978 PA 368, MCL 333.9301 **to**
 9 **333.9329**. A local public health department shall pay at least 50%
 10 of the total cost of the screenings. The frequency of the **vision**
 11 screenings must be as required under R 325.13091 to R 325.13096 and
 12 **the frequency of the hearing screenings must be as required under R** R
 13 325.3271 to R 325.3276 of the Michigan Administrative Code. Funds
 14 must be awarded in a form and manner approved jointly by the
 15 department and the department of health and human services.
 16 Notwithstanding section 17b, the department shall make payments to
 17 eligible entities under this subsection on a schedule determined by
 18 the department.

19 **(8)** ~~(9)~~—Each district or public school academy receiving funds
 20 under this section shall submit to the department by July 15 of
 21 each fiscal year a report, in the form and manner prescribed by the
 22 department, that includes a brief description of each program
 23 conducted or services performed by the district or public school
 24 academy using funds under this section, the amount of funds under
 25 this section allocated to each of those programs or services, the
 26 total number of at risk pupils served by each of those programs or
 27 services, and the data necessary for the department and the
 28 department of health and human services to verify matching funds
 29 for the temporary assistance for needy families program. In



1 prescribing the form and manner of the report, the department shall
 2 ensure that districts are allowed to expend funds received under
 3 this section on any activities that are permissible under this
 4 section. If a district or public school academy does not comply
 5 with this subsection, the department shall withhold an amount equal
 6 to the August payment due under this section until the district or
 7 public school academy complies with this subsection. If the
 8 district or public school academy does not comply with this
 9 subsection by the end of the fiscal year, the withheld funds are
 10 forfeited to the school aid fund.

11 (9) ~~(10)~~—In order to receive funds under this section, a
 12 district or public school academy must allow access for the
 13 department or the department's designee to audit all records
 14 related to the program for which it receives those funds. The
 15 district or public school academy shall reimburse the state for all
 16 disallowances found in the audit.

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



1 ~~(12) A district or public school academy that receives funds~~
 2 ~~under this section may use up to 7.5% of those funds to provide~~
 3 ~~research based professional development and to implement a coaching~~
 4 ~~model that supports the multi-tiered system of supports framework.~~
 5 ~~Professional development may be provided to district and school~~
 6 ~~leadership and teachers and must be aligned to professional~~
 7 ~~learning standards; integrated into district, school building, and~~
 8 ~~classroom practices; and solely related to the following:~~

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

12 ~~(b) Implementing section 1280f of the revised school code, MCL~~
 13 ~~380.1280f, as required under subsection (3), with fidelity.~~

14 **(10)** ~~(13)~~ A district or public school academy that receives
 15 funds under ~~this section~~ **subsections (4) or (13)** may use funds
 16 received under ~~this section~~ **subsections (4) or (13) for** support
 17 ~~instructional or behavioral coaches. Funds used for this purpose~~
 18 ~~are not subject to the cap under subsection (12).~~ **staff providing**
 19 **services to at-risk pupils.**

20 **(11)** ~~(14)~~ If necessary, and before any proration required
 21 under section 296, the department shall prorate payments under this
 22 section, except payments under subsection ~~(7), (8), or (16),~~ **(6),**
 23 **(7), or (13),** by reducing the amount of the allocation as otherwise
 24 calculated under this section by an equal percentage per district.

25 **(12)** ~~(15)~~ If a district is dissolved pursuant to section 12 of
 26 the revised school code, MCL 380.12, the intermediate district to
 27 which the dissolved district was constituent shall determine the
 28 estimated number of pupils that are economically disadvantaged and
 29 that are enrolled in each of the other districts within the



1 intermediate district and provide that estimate to the department
 2 for the purposes of distributing funds under this section within 60
 3 days after the district is declared dissolved.

4 **(13)** ~~(16)~~ From the funds allocated under subsection (1), there
 5 is allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
 6 \$12,000,000.00 for payments to districts and public school
 7 academies that otherwise received an allocation under this
 8 subsection for ~~2019-2020~~ **2020-2021** and whose allocation under this
 9 section for ~~2019-2020~~, **2020-2021**, excluding any payments under
 10 subsection ~~(7) or (8)~~, **(6) or (7)**, would have been more than the
 11 district's or public school academy's allocation under this section
 12 for ~~2020-2021~~ **2021-2022** as calculated under subsection (4) only and
 13 as adjusted under subsection ~~(14)~~. **(11)**. The allocation for each
 14 district or public school academy under this subsection is an
 15 amount equal to its allocation under this section for ~~2019-2020~~
 16 **2020-2021** minus its allocation as otherwise calculated under
 17 subsection (4) for ~~2020-2021~~, **2021-2022** as adjusted by subsection
 18 ~~(14)~~, **(11)**, using in those calculations the 2017-2018 number of
 19 pupils determined to be economically disadvantaged. However, if the
 20 allocation as otherwise calculated under this subsection would have
 21 been less than \$0.00, the allocation under this subsection is
 22 \$0.00. If necessary, and before any proration required under
 23 section 296, the department shall prorate payments under this
 24 subsection by reducing the amount of the allocation as otherwise
 25 calculated under this subsection by an equal percentage per
 26 district or public school academy. Any unexpended funds under this
 27 subsection are to be distributed through payments made under
 28 subsection (4) as provided under subsection (4), but those funds
 29 must not be factored into calculating payments under this



1 subsection.

2 ~~(17) A district or public school academy that receives funds~~
 3 ~~under this section may use funds received under this section to~~
 4 ~~provide an anti-bullying or crisis intervention program.~~

5 **(14)** ~~(18)~~—The department shall collaborate with the department
 6 of health and human services to prioritize assigning Pathways to
 7 Potential Success coaches to elementary schools that have a high
 8 percentage of pupils in grades K to 3 who are not proficient in
 9 English language arts, based upon state assessments for pupils in
 10 those grades.

11 **(15)** ~~(19)~~—As used in this section:

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

15 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

28 (ix) For pupils for whom the results of the state summative
 29 assessment have been received, is a pupil who did not achieve



1 proficiency on the English language arts, mathematics, science, or
2 social studies content area assessment.

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

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

14 (c) "English language learner" means limited English
15 proficient pupils who speak a language other than English as their
16 primary language and have difficulty speaking, reading, writing, or
17 understanding English as reported to the center.

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

26 **Sec. 31b. (1) From the state school aid fund money**
27 **appropriated in section 11, there is allocated an amount not to**
28 **exceed \$25,000,000.00 for 2021-2022 for competitive grants to**
29 **eligible districts to implement a balanced calendar instructional**



1 program in at least 1 school operated by the eligible district. An
2 eligible district may receive only 1 grant under this section for
3 each school operated by the eligible district that will implement a
4 balanced calendar instructional program.

5 (2) A district to which both of the following apply is an
6 eligible district under this section:

7 (a) The board of the district has adopted a resolution stating
8 that the district will implement, for the first time, a balanced
9 calendar instructional program beginning with the 2022-2023 school
10 year for each school operated by the district for which it is
11 seeking funding under this section.

12 (b) The district pledges to provide the balanced calendar
13 instructional program in each school described in subdivision (a)
14 for at least 5 consecutive school years.

15 (3) A district seeking a grant under this section must apply
16 for the grant to the department, in a form and manner prescribed by
17 the department, by not later than December 1, 2021. The department
18 shall select the districts that will receive grants under this
19 section and provide notice of its selections by not later than
20 February 1, 2022.

21 (4) The department shall award grants under this section on a
22 competitive basis, but shall place priority on providing funding
23 under this section to schools operated by districts that have not
24 already received a grant under this section.

25 (5) For each school operated by the eligible district for
26 which the eligible district requests funding under this section,
27 the department shall award a grant to each eligible district in an
28 amount that does not exceed \$150,000.00.

29 (6) An eligible district that receives funding under this



1 section shall ensure that the funding is only used for either of
2 the following:

3 (a) Any necessary modifications to instructional facilities of
4 the eligible district, as approved by the department.

5 (b) Nonrecurring costs related to preparing for the operation
6 of a balanced calendar instructional program, as approved by the
7 department.

8 (7) An eligible district that receives funding under this
9 section is not required to provide a number of hours and days of
10 pupil instruction to pupils that is greater than the minimum number
11 of hours and days of pupil instruction required under section
12 101(3), but shall spread at least 1,098 hours and 180 days of the
13 pupil instruction it provides to pupils throughout the entire
14 school year in each of the schools it operates in which a balanced
15 calendar instructional program is being implemented and for which
16 it received funding under this section.

17 (8) For an eligible district that receives funding under this
18 section, excessive heat is considered to be a condition not within
19 the control of school authorities under section 101(4).

20 (9) If an eligible district that receives funding under this
21 section does not provide a balanced calendar instructional program
22 in each school described in subsection (2) (a) for at least 5
23 consecutive school years, the eligible district will be required to
24 refund the department in the proportionate amount it received under
25 this section for the fiscal year ending September 30, 2022 for each
26 school described in subsection (2) (a) operated by the district that
27 did not provide a balanced calendar instructional program for at
28 least 5 consecutive school years for each year that the school did
29 not provide the program as described in this sentence. As used in



1 this subsection, "proportionate amount" means 1/5 of the amount
 2 that the eligible district received under this section for the
 3 fiscal year ending September 30, 2022 for a school described in
 4 subsection (2) (a) operated by the district that did not provide a
 5 balanced calendar instructional program for at least 5 consecutive
 6 school years.

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

10 Sec. 31d. (1) From the appropriations in section 11, there is
 11 allocated an amount not to exceed ~~\$23,144,000.00 for 2020-2021~~
 12 **\$23,838,400.00 for 2021-2022** for the purpose of making payments to
 13 districts and other eligible entities under this section.

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

22 (3) The payments made under this section include all state
 23 payments made to districts so that each district receives at least
 24 6.0127% of the necessary costs of operating the state mandated
 25 portion of the lunch program in a fiscal year.

26 (4) The payments made under this section to districts and
 27 other eligible entities that are not required under section 1272a
 28 of the revised school code, MCL 380.1272a, to provide a lunch
 29 program must ~~, except for in 2020-2021,~~ be in an amount not to



1 exceed \$10.00 per eligible pupil plus 5 cents for each free lunch
 2 and 2 cents for each reduced price lunch provided, as determined by
 3 the department. ~~For 2020-2021 only, the amount described in this~~
 4 ~~subsection is not to exceed \$10.00 per eligible pupil plus 5 cents~~
 5 ~~for each lunch provided, as determined by the department.~~

6 (5) From the federal funds appropriated in section 11, there
 7 is allocated ~~for 2020-2021 all available federal funding, estimated~~
 8 ~~at \$545,000,000.00~~ **for 2021-2022 all available federal funding,**
 9 **estimated at \$545,000,000.00,** for child nutrition programs and all
 10 available federal funding, estimated at ~~\$5,000,000.00~~
 11 **\$11,000,000.00,** for food distribution programs.

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

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

19 Sec. 31f. (1) From the ~~appropriations~~ **state school aid fund**
 20 **money appropriated** in section 11, there is allocated an amount not
 21 to exceed ~~\$4,500,000.00 for 2020-2021~~ **\$11,900,000.00 for 2021-2022**
 22 for the purpose of making payments to districts to reimburse for
 23 the cost of providing breakfast.

24 (2) The funds allocated under this section for school
 25 breakfast programs are made available to all eligible applicant
 26 districts that meet all of the following criteria:

27 (a) The district participates in the federal school breakfast
 28 program and meets all standards as prescribed by 7 CFR parts 210,
 29 220, 225, 226, and 245.



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

3 (3) The payment for a district under this section is at a per
4 meal rate equal to the lesser of the district's actual cost or 100%
5 of the statewide average cost of a meal served, as determined and
6 approved by the department, less federal reimbursement, participant
7 payments, and other state reimbursement. The department shall
8 determine the statewide average cost using costs as reported in a
9 manner approved by the department for the preceding school year.

10 (4) Notwithstanding section 17b, the department may make
11 payments under this section pursuant to an agreement with the
12 department.

13 (5) In purchasing food for a school breakfast program funded
14 under this section, a district shall give preference to food that
15 is grown or produced by Michigan businesses if it is competitively
16 priced and of comparable quality.

17 Sec. 31m. (1) The school mental health and support services
18 fund is created as a separate account within the state school aid
19 fund.

20 (2) The state treasurer may receive money or other assets from
21 any source for deposit into the school mental health and support
22 services fund. The state treasurer shall direct the investment of
23 the school mental health and support services fund and shall credit
24 to the school mental health and support services fund interest and
25 earnings from the school mental health and support services fund.

26 (3) Money available in the school mental health and support
27 services fund ~~shall~~**must** not be expended without a specific
28 appropriation.

29 (4) Money in the school mental health and support services



1 fund at the close of the fiscal year ~~shall remain in the school~~
 2 ~~mental health and support services fund and shall not lapse lapses~~
 3 to the state school aid fund. ~~or to the general fund.~~ The
 4 department of treasury shall be the administrator of the school
 5 mental health and support services fund for auditing purposes.

6 (5) For the fiscal year ending September 30, 2018,
 7 \$30,000,000.00 from the state school aid fund shall be deposited
 8 into the school mental health and support services fund to be used
 9 to support efforts to improve mental health and support services
 10 for K-12 pupils in this state, including, but not limited to,
 11 improved access to counseling services, educational awareness
 12 programs, and enhanced mental health and clinical services.

13 Sec. 31n. (1) From the state school aid fund money
 14 appropriated in section 11, there is allocated for ~~2020-2021-2021-~~
 15 ~~2022~~ for the purposes of this section an amount not to exceed
 16 ~~\$55,600,000.00~~ **\$39,850,000.00** and from the general fund money
 17 appropriated in section 11, there is allocated for ~~2020-2021-2021-~~
 18 ~~2022~~ for the purposes of this section an amount not to exceed
 19 \$1,300,000.00. The department and the department of health and
 20 human services shall continue a program to distribute this funding
 21 to add licensed behavioral health providers for general education
 22 pupils, and shall continue to seek federal Medicaid match funding
 23 for all eligible mental health and support services.

24 (2) The department and the department of health and human
 25 services shall maintain an advisory council for programs funded
 26 under this section. The advisory council shall define goals for
 27 implementation of programs funded under this section, and shall
 28 provide feedback on that implementation. At a minimum, the advisory
 29 council shall consist of representatives of state associations



1 representing school health, school mental health, school
 2 counseling, education, health care, and other organizations,
 3 representatives from the department and the department of health
 4 and human services, and a representative from the school safety
 5 task force created under Executive Order No. 2018-5. The department
 6 and department of health and human services, working with the
 7 advisory council, shall determine an approach to increase capacity
 8 for mental health and support services in schools for general
 9 education pupils, and shall determine where that increase in
 10 capacity qualifies for federal Medicaid match funding.

11 (3) The advisory council shall develop a fiduciary agent
 12 checklist for intermediate districts to facilitate development of a
 13 plan to submit to the department and to the department of health
 14 and human services. The department and department of health and
 15 human services shall determine the requirements and format for
 16 intermediate districts to submit a plan for possible funding under
 17 subsection (5). The department shall make applications for funding
 18 for this program available to districts and intermediate districts
 19 not later than December 1, ~~2020-2021~~ for the ~~2020-2021-2021-2022~~
 20 fiscal year and shall award the funding not later than February 1,
 21 ~~2021-2022~~ for the ~~2020-2021-2021-2022~~ fiscal year.

22 (4) The department of health and human services shall seek to
 23 amend the state Medicaid plan or obtain appropriate Medicaid
 24 waivers as necessary for the purpose of generating additional
 25 Medicaid match funding for school mental health and support
 26 services for general education pupils. The intent is that a
 27 successful state plan amendment or other Medicaid match mechanisms
 28 will result in additional federal Medicaid match funding for both
 29 the new funding allocated under this section and for any expenses



1 already incurred by districts and intermediate districts for mental
2 health and support services for general education pupils.

3 (5) From the state school aid fund money allocated under
4 subsection (1), there is allocated for ~~2020-2021~~**2021-2022** an
5 amount not to exceed ~~\$9,300,000.00~~**\$13,550,000.00** to be distributed
6 to the network of child and adolescent health centers to place a
7 licensed master's level behavioral health provider in schools that
8 do not currently have services available to general education
9 students. Child and adolescent health centers that are part of the
10 network described in this subsection shall provide a commitment to
11 maintain services and implement all available federal Medicaid
12 match methodologies. The department of health and human services
13 shall use all existing or additional federal Medicaid match
14 opportunities to maximize funding allocated under this subsection.
15 The department shall provide funds under this subsection to child
16 and adolescent health centers that are part of the network
17 described in this subsection in the same proportion that funding
18 under section 31a(7) is provided to child and adolescent health
19 centers that are part of the network described in this subsection
20 and that are located and operating in those districts. A payment
21 from funding allocated under this subsection must not be paid to an
22 entity that is not part of the network described in this
23 subsection.

24 (6) From the state school aid fund money allocated under
25 subsection (1), there is allocated for ~~2020-2021~~**2021-2022** an
26 amount not to exceed ~~\$45,800,000.00~~**\$25,800,000.00** to be
27 distributed to intermediate districts for the provision of mental
28 health and support services to general education students. From the
29 funds allocated under this subsection, the department shall



1 distribute ~~817,800.00~~ **\$460,700.00** for ~~2020-2021~~ **2021-2022** to each
 2 intermediate district that submits a plan approved by the
 3 department and the department of health and human services. The
 4 department and department of health and human services shall work
 5 cooperatively in providing oversight and assistance to intermediate
 6 districts during the plan submission process and shall monitor the
 7 program upon implementation. An intermediate district shall use
 8 funds awarded under this subsection to provide funding to its
 9 constituent districts, including public school academies that are
 10 considered to be constituent districts under section 705(7) of the
 11 revised school code, MCL 380.705, for the provision of mental
 12 health and support services to general education students. In
 13 addition to the criteria identified under subsection (7), an
 14 intermediate district shall consider geography, cost, or other
 15 challenges when awarding funding to its constituent districts. ~~For~~
 16 ~~2020-2021 only, even if grants under this subsection have already~~
 17 ~~been received by constituent districts of an intermediate district~~
 18 ~~under this subsection, the intermediate district may award~~
 19 ~~additional grants to its constituent districts from funding~~
 20 ~~allocated through the amendatory act that added this sentence,~~
 21 ~~based on applications as described in subsection (7) that have~~
 22 ~~already been submitted for the fiscal year, and, if a constituent~~
 23 ~~district did not apply for initial grants as described in~~
 24 ~~subsection (7) before the effective date of the amendatory act that~~
 25 ~~added this sentence and asks to apply for the additional grants~~
 26 ~~described in this sentence, the intermediate district must allow~~
 27 ~~the constituent district to submit an application for the~~
 28 ~~additional grant funding.~~ If funding awarded to an intermediate
 29 district remains after funds are provided by the intermediate



1 district to its constituent districts, the intermediate district
2 may hire or contract for experts to provide mental health and
3 support services to general education students residing within the
4 boundaries of the intermediate district, including, but not limited
5 to, expanding, hiring, or contracting for staff and experts to
6 provide those services directly or to increase access to those
7 services through coordination with outside mental health agencies.

8 (7) A district requesting funds under this section from the
9 intermediate district in which it is located shall submit an
10 application for funding for the provision of mental health and
11 support services to general education pupils. A district receiving
12 funding from the application process described in this subsection
13 shall provide services to nonpublic students upon request. An
14 intermediate district shall not discriminate against an application
15 submitted by a public school academy simply on the basis of the
16 applicant being a public school academy. The department shall
17 approve grant applications based on the following criteria:

18 (a) The district's commitment to maintain mental health and
19 support services delivered by licensed providers into future fiscal
20 years.

21 (b) The district's commitment to work with its intermediate
22 district to use funding it receives under this section that is
23 spent by the district for general education pupils toward
24 participation in federal Medicaid match methodologies. A district
25 must provide a local match of at least 20% of the funding allocated
26 to the district under section 31n.

27 (c) The district's commitment to adhere to any local funding
28 requirements determined by the department and the department of
29 health and human services.



1 (d) The extent of the district's existing partnerships with
2 community health care providers or the ability of the district to
3 establish such partnerships.

4 (e) The district's documentation of need, including gaps in
5 current mental health and support services for the general
6 education population.

7 (f) The district's submission of a formal plan of action
8 identifying the number of schools and students to be served.

9 (g) Whether the district will participate in ongoing
10 trainings.

11 (h) Whether the district will submit an annual report to the
12 state.

13 (i) Whether the district demonstrates a willingness to work
14 with the state to establish program and service delivery
15 benchmarks.

16 (j) Whether the district has developed a school safety plan or
17 is in the process of developing a school safety plan.

18 (k) Any other requirements determined by the department or the
19 department of health and human services.

20 (8) Funding under this section, including any federal Medicaid
21 funds that are generated, must not be used to supplant existing
22 services.

23 (9) Both of the following are allocated to the department of
24 health and human services from the general fund money allocated
25 under subsection (1):

26 (a) For ~~2020-2021~~, **2021-2022**, an amount not to exceed
27 \$1,000,000.00 for the purpose of upgrading technology and systems
28 infrastructure and other administrative requirements to support the
29 programs funded under this section.



1 (b) For ~~2020-2021,~~ **2021-2022**, an amount not to exceed
2 \$300,000.00 for the purpose of administering the programs under
3 this section and working on generating additional Medicaid funds as
4 a result of programs funded under this section.

5 (10) From the state school aid fund money allocated under
6 subsection (1), there is allocated for ~~2020-2021-~~**2021-2022** an
7 amount not to exceed \$500,000.00 to intermediate districts on an
8 equal per intermediate district basis for the purpose of
9 administering programs funded under this section.

10 (11) The department and the department of health and human
11 services shall work with the advisory council to develop proposed
12 measurements of outcomes and performance. Those measurements must
13 include, at a minimum, the number of pupils served, the number of
14 schools served, and where those pupils and schools were located.
15 The department and the department of health and human services
16 shall compile data necessary to measure outcomes and performance,
17 and districts and intermediate districts receiving funding under
18 this section shall provide data requested by the department and
19 department of health and human services for the measurement of
20 outcomes and performance. The department and department of health
21 and human services shall provide an annual report not later than
22 December 1 of each year to the house and senate appropriations
23 subcommittees on ~~state~~-school aid and health and human services, to
24 the house and senate fiscal agencies, and to the state budget
25 director. At a minimum, the report must include measurements of
26 outcomes and performance, proposals to increase efficacy and
27 usefulness, proposals to increase performance, and proposals to
28 expand coverage.

29 (12) ~~Beginning with 2018-2019,~~ a **A** district or intermediate



1 district that receives funding directly or indirectly under this
 2 section may carry over any unexpended funds received under this
 3 section for up to 2 fiscal years beyond the fiscal year in which
 4 the funds were received.

5 Sec. 32d. (1) From the funds appropriated in section 11, there
 6 is allocated to eligible intermediate districts and consortia of
 7 intermediate districts for great start readiness programs an amount
 8 not to exceed ~~\$249,600,000.00~~ **\$254,600,000.00** for ~~2020-2021.~~ **2021-**
 9 **2022**. An intermediate district or consortium shall use funds
 10 allocated under this section for great start readiness programs to
 11 provide part-day, school-day, or GSRP/Head Start blended
 12 comprehensive free compensatory classroom programs designed to
 13 improve the readiness and subsequent achievement of educationally
 14 disadvantaged children who meet the participant eligibility and
 15 prioritization guidelines as defined by the department. For a child
 16 to be eligible to participate in a program under this section, the
 17 child must be at least 4, but less than 5, years of age as of
 18 September 1 of the school year in which the program is offered and
 19 must meet those eligibility and prioritization guidelines. A child
 20 who is not 4 years of age as of September 1, but who will be 4
 21 years of age not later than December 1, is eligible to participate
 22 if the child's parent or legal guardian seeks a waiver from the
 23 September 1 eligibility date by submitting a request for enrollment
 24 in a program to the responsible intermediate district, if the
 25 program has capacity on or after September 1 of the school year,
 26 and if the child meets eligibility and prioritization guidelines.

27 (2) From the funds allocated under subsection (1), an amount
 28 not to exceed ~~\$247,600,000.00~~ **\$252,600,000.00** is allocated to
 29 intermediate districts or consortia of intermediate districts based



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

9 (3) In addition to the allocation under subsection (1), from
 10 the general fund money appropriated under section 11, there is
 11 allocated an amount not to exceed \$350,000.00 for ~~2020-2021-2021-~~
 12 ~~2022~~ for a competitive grant to continue a longitudinal evaluation
 13 of children who have participated in great start readiness
 14 programs. ~~This evaluation must include, to the extent, for 2020-~~
 15 ~~2021, that data from the kindergarten readiness assessment are~~
 16 ~~available, a comparative analysis of the relationship between great~~
 17 ~~start readiness programs and performance on the kindergarten~~
 18 ~~readiness assessment funded under section 104. The evaluation must~~
 19 ~~use children wait-listed under this section for comparison, must~~
 20 ~~include a determination of the specific great start readiness~~
 21 ~~program in which the kindergarten students were enrolled and~~
 22 ~~attended in the previous school year, and must, to the extent, for~~
 23 ~~2020-2021, that data from the Michigan kindergarten entry~~
 24 ~~observation tool are available, analyze Michigan kindergarten entry~~
 25 ~~observation tool scores for students taking the Michigan~~
 26 ~~kindergarten entry observation tool each year and produce a report~~
 27 ~~as required under section 104. The performance data on the~~
 28 ~~kindergarten readiness assessment must be submitted to the center~~
 29 ~~at the same time as the fall Michigan student data system~~



1 ~~collection. The responsibility for the analysis required under this~~
2 ~~subsection may be added to the requirements that the department~~
3 ~~currently has with its competitively designated current grantee.~~

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

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

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

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

19 (d) Physical and dental health and developmental screening
20 services for all program participants.

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

24 (f) Active and continuous involvement of the parents or
25 guardians of the program participants.

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

29 (h) Participation in a school readiness advisory committee



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

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

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

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

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

19 (b) Except as otherwise provided in this subdivision, ~~or~~
 20 ~~section,~~ ensure that at least 90% of the children participating in
 21 an eligible great start readiness program for whom the intermediate
 22 district is receiving funds under this section are children who
 23 live with families with a household income that is equal to or less
 24 than 250% of the federal poverty guidelines. If the intermediate
 25 district determines that all eligible children are being served and
 26 that there are no children on the waiting list who live with
 27 families with a household income that is equal to or less than 250%
 28 of the federal poverty guidelines, the intermediate district may
 29 then enroll children who live with families with a household income



1 that is equal to or less than 300% of the federal poverty
2 guidelines. The enrollment process must consider income and risk
3 factors, such that children determined with higher need are
4 enrolled before children with lesser need. For purposes of this
5 subdivision, ~~and subsection (27),~~ all age-eligible children served
6 in foster care or who are experiencing homelessness or who have
7 individualized education programs recommending placement in an
8 inclusive preschool setting are considered to live with families
9 with household income equal to or less than 250% of the federal
10 poverty guidelines regardless of actual family income and are
11 prioritized for enrollment within the lowest quintile.

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

14 (i) Teachers possessing proper training. A lead teacher must
15 have a ~~valid~~ teaching certificate **recognized by any state** with an
16 early childhood ~~(ZA or ZS)~~ **or lower elementary** endorsement, ~~or a~~
17 bachelor's or higher degree in child development or early childhood
18 education with specialization in preschool teaching, **or at least 5**
19 **years of experience as a paraprofessional.** However, if an applicant
20 demonstrates to the department that it is unable to fully comply
21 with this subparagraph after making reasonable efforts to comply,
22 teachers who have significant but incomplete training in early
23 childhood education or child development may be used if the
24 applicant provides to the department, and the department approves,
25 a plan for each teacher to come into compliance with the standards
26 in this subparagraph. A teacher's compliance plan must be completed
27 within 2 years of the date of employment. Progress toward
28 completion of the compliance plan consists of at least 2 courses
29 per calendar year.



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

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

28 (6) For a grant recipient that enrolls pupils in a school-day
29 program funded under this section, each child enrolled in the



1 school-day program is counted as described in section 39 for
2 purposes of determining the amount of the grant award.

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

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

14 (9) An intermediate district or consortium of intermediate
15 districts may retain for administrative services provided by the
16 intermediate district or consortium of intermediate districts an
17 amount not to exceed 4% of the grant amount. Expenses incurred by
18 subrecipients engaged by the intermediate district or consortium of
19 intermediate districts for directly running portions of the program
20 are considered program costs or a contracted program fee for
21 service. Subrecipients operating with a federally approved indirect
22 rate for other early childhood programs may include indirect costs,
23 not to exceed the federal 10% de minimis.

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

27 (11) ~~Except as otherwise provided in this section, each~~ **Each**
28 grant recipient shall enroll children identified under subsection
29 (5)(b) according to how far the child's household income is below



1 250% of the federal poverty guidelines by ranking each applicant
2 child's household income from lowest to highest and dividing the
3 applicant children into quintiles based on how far the child's
4 household income is below 250% of the federal poverty guidelines,
5 and then enrolling children in the quintile with the lowest
6 household income before enrolling children in the quintile with the
7 next lowest household income until slots are completely filled. If
8 the grant recipient determines that all eligible children are being
9 served and that there are no children on the waiting list who live
10 with families with a household income that is equal to or less than
11 250% of the federal poverty guidelines, the grant recipient may
12 then enroll children who live with families with a household income
13 that is equal to or less than 300% of the federal poverty
14 guidelines. The enrollment process must consider income and risk
15 factors, such that children determined with higher need are
16 enrolled before children with lesser need. For purposes of this
17 subsection, ~~and subsection (27),~~ all age-eligible children served
18 in foster care or who are experiencing homelessness or who have
19 individualized education programs recommending placement in an
20 inclusive preschool setting are considered to live with families
21 with household income equal to or less than 250% of the federal
22 poverty guidelines regardless of actual family income and are
23 prioritized for enrollment within the lowest quintile.

24 (12) An intermediate district or consortium of intermediate
25 districts receiving a grant under this section shall allow parents
26 of eligible children who are residents of the intermediate district
27 or within the consortium to choose a program operated by or
28 contracted with another intermediate district or consortium of
29 intermediate districts and shall enter into a written agreement



1 regarding payment, in a manner prescribed by the department.

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



1 intermediate district or consortium shall submit evidence
2 satisfactory to the department, and the department must be able to
3 verify this evidence, demonstrating that the intermediate district
4 or consortium took measures to contract for at least 30% of its
5 total allocation as required under this subsection, including, but
6 not limited to, at least all of the following measures:

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

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

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

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



1 and 30% of its total allocation.

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

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

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

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

23 (d) Not later than March 1 of each year, compile the results
24 of the information reported by each intermediate district or
25 consortium under subsection (13) and report to the legislature a
26 list by intermediate district or consortium with the number and
27 percentage of each intermediate district's or consortium's total
28 allocation allocated to community-based providers by provider type,
29 including private for-profit, private nonprofit, community college



1 or university, Head Start grantee or delegate, and district or
2 intermediate district.

3 (16) A recipient of funds under this section shall report to
4 the center in a form and manner prescribed by the center the
5 information necessary to derive the number of children
6 participating in the program who meet the program eligibility
7 criteria under subsection (5) (b), ~~subject to subsection (27),~~ the
8 number of eligible children not participating in the program and on
9 a waitlist, and the total number of children participating in the
10 program by various demographic groups and eligibility factors
11 necessary to analyze equitable and priority access to services for
12 the purposes of subsection (3).

13 (17) As used in this section:

14 (a) "GSRP/Head Start blended program" ~~, except as otherwise~~
15 ~~provided in this section,~~ means a part-day program funded under
16 this section and a Head Start program, which are combined for a
17 school-day program.

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

22 (c) "Part-day program" ~~, except as otherwise provided in this~~
23 ~~section,~~ means a program that operates at least 4 days per week, 30
24 weeks per year, for at least 3 hours of teacher-child contact time
25 per day but for fewer hours of teacher-child contact time per day
26 than a school-day program.

27 (d) "School-day program" ~~, except as otherwise provided in~~
28 ~~this section,~~ means a program that operates for at least the same
29 length of day as a district's first grade program for a minimum of



1 4 days per week, 30 weeks per year. A classroom that offers a
 2 school-day program must enroll all children for the school day to
 3 be considered a school-day program.

4 (18) An intermediate district or consortium of intermediate
 5 districts receiving funds under this section shall establish and
 6 charge tuition according to a sliding scale of tuition rates based
 7 upon household income for children participating in an eligible
 8 great start readiness program who live with families with a
 9 household income that is more than 250% ~~, but, for 2020-2021 only,~~
 10 ~~who live with families with a household income that is more than~~
 11 ~~400%~~ of the federal poverty guidelines to be used by all of its
 12 providers, as approved by the department.

13 (19) From the amount allocated in subsection (2), there is
 14 allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
 15 \$10,000,000.00 for reimbursement of transportation costs for
 16 children attending great start readiness programs funded under this
 17 section. To receive reimbursement under this subsection, not later
 18 than November 1 of each year, a program funded under this section
 19 that provides transportation shall submit to the intermediate
 20 district that is the fiscal agent for the program a projected
 21 transportation budget. The amount of the reimbursement for
 22 transportation under this subsection is no more than the projected
 23 transportation budget or \$300.00 multiplied by the number of
 24 children funded for the program under this section. If the amount
 25 allocated under this subsection is insufficient to fully reimburse
 26 the transportation costs for all programs that provide
 27 transportation and submit the required information, the department
 28 shall prorate the reimbursement in an equal amount per child
 29 funded. The department shall make payments to the intermediate



1 district that is the fiscal agent for each program, and the
2 intermediate district shall then reimburse the program provider for
3 transportation costs as prescribed under this subsection.

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

12 (a) The names of families provided with transportation support
13 along with a documented reason for the need for transportation
14 support and the type of transportation provided.

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

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

20 (21) The department shall implement a process to review and
21 approve age-appropriate comprehensive classroom level quality
22 assessments for GSRP grantees that support the early childhood
23 standards of quality for prekindergarten children adopted by the
24 state board. The department shall make available to intermediate
25 districts at least 2 classroom level quality assessments that were
26 approved in 2018.

27 (22) An intermediate district that is a GSRP grantee may
28 approve the use of a supplemental curriculum that aligns with and
29 enhances the age-appropriate educational curriculum in the



1 classroom. If the department objects to the use of a supplemental
 2 curriculum approved by an intermediate district, the superintendent
 3 shall establish a review committee independent of the department.
 4 The review committee shall meet within 60 days of the department
 5 registering its objection in writing and provide a final
 6 determination on the validity of the objection within 60 days of
 7 the review committee's first meeting.

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

12 (24) From the funds allocated under subsection (1), there is
 13 allocated for ~~2020-2021~~**2021-2022** an amount not to exceed
 14 \$2,000,000.00 for payments to intermediate districts or consortia
 15 of intermediate districts for professional development and training
 16 materials for educators in programs implementing new curricula.

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

21 ~~(26) For the 2020-2021 program year only, the hours, days, and~~
 22 ~~weeks specified within the definitions under subsection (17)(a),~~
 23 ~~(c), and (d) do not apply to all grantees and subrecipients under~~
 24 ~~this section. However, for the 2020-2021 fiscal year only, grantees~~
 25 ~~and subrecipients shall, at a minimum, provide pandemic learning~~
 26 ~~and programming on-site, at a different location, in-person,~~
 27 ~~online, digitally, by other remote means, in a synchronous or~~
 28 ~~asynchronous format, or through any combination therein that~~
 29 ~~results in an amount of hours, days, and weeks necessary to deliver~~



1 ~~the educational or course content that would have been delivered in~~
 2 ~~a year in which pandemic learning was not provided and that~~
 3 ~~complies with requirements developed by the department. The~~
 4 ~~department shall publish uniform guidance concerning requirements~~
 5 ~~under this subsection for age-appropriate instruction that is~~
 6 ~~provided online, digitally, or by other remote means as part of~~
 7 ~~pandemic learning and programming provided under this subsection.~~
 8 ~~As used in this subsection, "pandemic learning" means a mode of~~
 9 ~~instruction provided as a result of the COVID-19 pandemic.~~

10 ~~(27) For the 2020-2021 program year only, household income~~
 11 ~~eligibility thresholds requiring household incomes that are equal~~
 12 ~~to or less than 250% of the federal poverty guidelines under~~
 13 ~~subsections (5) (b) and (11) do not apply for all grantees and~~
 14 ~~subrecipients under this section. However, for the 2020-2021~~
 15 ~~program year, all grantees and subrecipients must continue to~~
 16 ~~enroll children in the quintile with the lowest household income~~
 17 ~~first before enrolling the next quintile and must implement the~~
 18 ~~ranking process described in subsection (11) by first enrolling~~
 19 ~~children from households with incomes that are equal to or less~~
 20 ~~than 250% of the federal poverty guidelines, then enrolling~~
 21 ~~children from households with incomes that are equal to an amount~~
 22 ~~that is greater than 250% but less than or equal to 300% of the~~
 23 ~~federal poverty guidelines, then enrolling children from households~~
 24 ~~with incomes equal to an amount that is greater than 300% but less~~
 25 ~~than or equal to 350% of the federal poverty guidelines, and then~~
 26 ~~continuing enrollment in an order increasing in percentage from a~~
 27 ~~percentage greater than 350% in relation to the federal poverty~~
 28 ~~guidelines until all available slots are filled.~~

29 ~~(28) For the 2020-2021 program year only, intermediate~~



1 ~~districts will be awarded funding based on the total allocation~~
 2 ~~under subsection (1) and the funding must be allocated to~~
 3 ~~intermediate districts as prescribed under section 39. To receive~~
 4 ~~funding as described in this subsection, an intermediate district~~
 5 ~~must complete the department's process for accepting funds and~~
 6 ~~implement its existing local process for funding current~~
 7 ~~subrecipients under this section, including, but not limited to,~~
 8 ~~adding any necessary new subrecipients and implementation of the~~
 9 ~~program. Intermediate districts described in this subsection must~~
 10 ~~report the children served under this section to the center for~~
 11 ~~data-tracking purposes. The data described in this subsection must~~
 12 ~~not be used to determine funding for the 2020-2021 program year or~~
 13 ~~hold harmless funding levels for 2021-2022. Hold harmless funding~~
 14 ~~for 2021-2022 must be determined based on the 2019-2020 final~~
 15 ~~allocations under this section. Both of the following apply for the~~
 16 ~~2020-2021 program year:~~

17 ~~(a) An intermediate district and its subrecipients under this~~
 18 ~~section must conform to typical expenditures related to the~~
 19 ~~operation of great start readiness programs to ensure the stability~~
 20 ~~of the programs, including, but not limited to, ongoing program and~~
 21 ~~staff costs.~~

22 ~~(b) Funding remaining after serving all eligible children, in~~
 23 ~~accordance with subsections (5) (b) and (11), subject to subsection~~
 24 ~~(27), or remaining from other program savings due to pandemic~~
 25 ~~learning must be used for the betterment of the program under this~~
 26 ~~section and must be approved by the department. Intermediate~~
 27 ~~districts and subrecipients under this section may only spend in~~
 28 ~~accordance with the provisions of this subdivision if the~~
 29 ~~intermediate district or subrecipient has demonstrated to the~~



1 ~~satisfaction of the department that no eligible children are on~~
 2 ~~waitlists for the programs operated by the intermediate district or~~
 3 ~~subrecipients under this section.~~

4 Sec. 32p. (1) From the ~~appropriation~~ **state school aid fund**
 5 **money appropriated** in section 11, there is allocated an amount not
 6 to exceed \$13,400,000.00 to intermediate districts for ~~2020-2021~~
 7 **2021-2022** for the purpose of providing early childhood funding to
 8 intermediate districts to support the goals and outcomes under
 9 subsection (2) and subsection (4), and to provide early childhood
 10 programs for children from birth through age 8. The funding
 11 provided to each intermediate district under this section is
 12 determined by the distribution formula established by the
 13 department's office of great start to provide equitable funding
 14 statewide. In order to receive funding under this section, each
 15 intermediate district must provide an application to the office of
 16 great start not later than September 15 of the immediately
 17 preceding fiscal year indicating the strategies planned to be
 18 provided.

19 (2) Each intermediate district or consortium of intermediate
 20 districts that receives funding under this section shall convene a
 21 local great start collaborative and a parent coalition **that**
 22 **includes an active partnership with at least 1 community-based**
 23 **organization.** The goal of each great start collaborative and parent
 24 coalition is to ensure the coordination and expansion of local
 25 early childhood infrastructure and programs that allow every child
 26 in the community to achieve the following outcomes:

27 (a) Children born healthy.

28 (b) Children healthy, thriving, and developmentally on track
 29 from birth to ~~third~~ grade **3.**



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

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

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

10 (a) Physical health.

11 (b) Social-emotional health.

12 (c) Family supports and basic needs.

13 (d) Parent education.

14 (e) Early education, including the child's development of
15 skills linked to success in foundational literacy, and care.

16 (4) From the funds allocated in subsection (1), at least
17 \$2,500,000.00 must be used for the purpose of providing home visits
18 to at-risk children and their families. The home visits must be
19 conducted as part of a locally coordinated, family-centered,
20 evidence-based, data-driven home visit strategic plan that is
21 approved by the department. The goals of the home visits funded
22 under this subsection are to improve school readiness using
23 evidence-based methods, including a focus on developmentally
24 appropriate outcomes for early literacy, to improve positive
25 parenting practices, and to improve family economic self-
26 sufficiency while reducing the impact of high-risk factors through
27 community resources and referrals. The department shall coordinate
28 the goals of the home visit strategic plans approved under this
29 subsection with other state agency home visit programs in a way



1 that strengthens Michigan's home visiting infrastructure and
2 maximizes federal funds available for the purposes of at-risk
3 family home visits. The coordination among departments and agencies
4 is intended to avoid duplication of state services and spending,
5 and should emphasize efficient service delivery of home visiting
6 programs.

7 (5) Not later than December 1 of each year, each intermediate
8 district shall provide a report to the department detailing the
9 strategies actually implemented during the immediately preceding
10 school year and the families and children actually served. At a
11 minimum, the report must include an evaluation of the services
12 provided with additional funding under subsection (4) for home
13 visits, using the goals identified in subsection (4) as the basis
14 for the evaluation, including the degree to which school readiness
15 was improved, the degree to which positive parenting practices were
16 improved, the degree to which there was improved family economic
17 self-sufficiency, and the degree to which community resources and
18 referrals were utilized. The department shall compile and summarize
19 these reports and submit its summary to the house and senate
20 appropriations subcommittees on school aid and to the house and
21 senate fiscal agencies not later than February 15 of each year.

22 (6) An intermediate district or consortium of intermediate
23 districts that receives funding under this section may carry over
24 any unexpended funds received under this section into the next
25 fiscal year and may expend those unused funds through June 30 of
26 the next fiscal year. However, an intermediate district or
27 consortium of intermediate districts that receives funding for the
28 purposes described in subsection (2) in fiscal year ~~2020-2021-2021-~~
29 **2022** shall not carry over into the next fiscal year any amount



1 exceeding ~~30%~~**20%** of the amount awarded to the intermediate
 2 district or consortium in the ~~2020-2021~~**2021-2022** fiscal year. It
 3 is intended that the amount carried over from funding awarded for
 4 the purposes described in subsection (2) ~~in fiscal year 2021-2022~~
 5 ~~not exceed 20% of the amount awarded in that fiscal year and the~~
 6 ~~amount carried over from funding awarded for the purposes described~~
 7 ~~in subsection (2) in fiscal year 2022-2023~~ not exceed 15% of the
 8 amount awarded in that fiscal year. A recipient of a grant shall
 9 return any unexpended grant funds to the department in the manner
 10 prescribed by the department not later than September 30 of the
 11 next fiscal year after the fiscal year in which the funds are
 12 received.

13 Sec. 35a. (1) From the appropriations in section 11, there is
 14 allocated for ~~2020-2021~~**2021-2022** for the purposes of this section
 15 an amount not to exceed \$55,400,000.00 from the state school aid
 16 fund. ~~and there is allocated for 2020-2021 for the purposes of~~
 17 ~~subsection (8) an amount not to exceed \$2,773,000.00 from the~~
 18 ~~general fund.~~ The superintendent shall designate staff or
 19 contracted employees funded under this section as critical
 20 shortage. Programs funded under this section are intended to ensure
 21 that this state will be a top 10 state in grade 4 reading
 22 proficiency by 2025 according to the National Assessment of
 23 Educational Progress (NAEP). **By December 31, 2021, the**
 24 **superintendent of public instruction shall do both of the**
 25 **following:**

26 (a) **Report in person to the house appropriations subcommittee**
 27 **on school aid regarding progress on the goal described in this**
 28 **subsection and be available for questioning as prescribed through a**
 29 **process developed by the chair of the house appropriations**



1 **subcommittee on school aid.**

2 **(b) Submit a written report to the house appropriations**
 3 **subcommittee on school aid regarding progress on the goal described**
 4 **in this subsection.**

5 (2) A district that receives funds under subsection (5) may
 6 spend up to 5% of those funds for professional development for
 7 educators in a department-approved research-based training program
 8 related to current state literacy standards for pupils in grades
 9 pre-K to 3. The professional development must also include training
 10 in the use of screening and diagnostic tools, progress monitoring,
 11 and intervention methods used to address barriers to learning and
 12 delays in learning that are diagnosed through the use of these
 13 tools.

14 (3) A district that receives funds under subsection (5) may
 15 use up to 5% of those funds to administer department-approved
 16 screening and diagnostic tools to monitor the development of early
 17 literacy and early reading skills of pupils in grades pre-K to 3
 18 and to support research-based professional development for
 19 educators in administering screening and diagnostic tools and in
 20 data interpretation of the results obtained through the use of
 21 those tools for the purpose of implementing a multi-tiered system
 22 of support to improve reading proficiency among pupils in grades
 23 pre-K to 3. A department-approved screening and diagnostic tool
 24 administered by a district using funding under this section must
 25 include all of the following components: phonemic awareness,
 26 phonics, fluency, and comprehension. Further, all of the following
 27 sub-skills must be assessed within each of these components:

28 (a) Phonemic awareness - segmentation, blending, and sound
 29 manipulation (deletion and substitution).



1 (b) Phonics - decoding (reading) and encoding (spelling).

2 (c) Fluency - reading rate, accuracy, and expression.

3 (d) Comprehension - making meaning of text.

4 (4) From the allocation under subsection (1), there is
 5 allocated an amount not to exceed \$31,500,000.00 for ~~2020-2021~~
 6 **2021-2022** for the purpose of providing early literacy coaches at
 7 intermediate districts to assist teachers in developing and
 8 implementing instructional strategies for pupils in grades pre-K to
 9 3 so that pupils are reading at grade level by the end of grade 3.
 10 All of the following apply to funding under this subsection:

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

15 (i) Current state literacy standards for pupils in grades pre-K
 16 to 3.

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

22 (iii) The use of data from diagnostic tools to determine the
 23 necessary additional supports and interventions needed by
 24 individual pupils in grades pre-K to 3 in order to be reading at
 25 grade level.

26 (b) From the allocation under this subsection, the department
 27 shall award grants to intermediate districts for the support of
 28 early literacy coaches. The department shall provide this funding
 29 in the following manner:



1 (i) The department shall award each intermediate district grant
 2 funding to support the cost of 1 early literacy coach in an equal
 3 amount per early literacy coach, not to exceed \$112,500.00.

4 (ii) After distribution of the grant funding under subparagraph
 5 (i), the department shall distribute the remainder of grant funding
 6 for additional early literacy coaches in an amount not to exceed
 7 \$112,500.00 per early literacy coach. The number of funded early
 8 literacy coaches for each intermediate district is based on the
 9 percentage of the total statewide number of pupils in grades K to 3
 10 who meet the income eligibility standards for the federal free and
 11 reduced-price lunch programs who are enrolled in districts in the
 12 intermediate district.

13 (c) If an intermediate district that receives funding under
 14 this subsection uses an assessment tool that screens for signs of
 15 dyslexia, the intermediate district shall use the assessment
 16 results from that assessment tool to identify pupils who
 17 demonstrate signs of dyslexia.

18 (5) From the allocation under subsection (1), there is
 19 allocated an amount not to exceed \$19,900,000.00 for ~~2020-2021~~
 20 **2021-2022** to districts that provide additional instructional time
 21 to those pupils in grades pre-K to 3 ~~, or, for 2020-2021 only,~~
 22 ~~those pupils in grades pre-K to 12,~~ who have been identified by
 23 using department-approved screening and diagnostic tools as needing
 24 additional supports and interventions in order to be reading at
 25 grade level by the end of grade 3. ~~, or, for 2020-2021 only,~~
 26 ~~reading at the applicable grade level.~~ Additional instructional
 27 time may be provided before, during, and after regular school hours
 28 or as part of a year-round balanced school calendar. All of the
 29 following apply to funding under this subsection:



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

4 (i) Implemented a multi-tiered system of support instructional
5 delivery model that is an evidence-based model that uses data-
6 driven problem solving to integrate academic and behavioral
7 instruction and that uses intervention delivered to all pupils in
8 varying intensities based on pupil needs. The multi-tiered system
9 of supports must provide at least all of the following essential
10 components:

11 (A) Team-based leadership.

12 (B) A tiered delivery system.

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

15 (D) A comprehensive screening and assessment system.

16 (E) Continuous data-based decision making.

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

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

24 (iv) Provided teachers of pupils in grades pre-K to 3 with
25 research-based professional development in diagnostic data
26 interpretation.

27 (v) Complied with the requirements under section 1280f of the
28 revised school code, MCL 380.1280f.

29 (b) The department shall distribute funding allocated under



1 this subsection to eligible districts on an equal per-first-grade-
2 pupil basis.

3 (c) If the funds allocated under this subsection are
4 insufficient to fully fund the payments under this subsection,
5 payments under this subsection are prorated on an equal per-pupil
6 basis based on grade 1 pupils.

7 (6) Not later than September 1 of each year, a district that
8 receives funding under subsection (5) in conjunction with the
9 Michigan student data system, if possible, shall provide to the
10 department a report that includes at least both of the following,
11 in a form and manner prescribed by the department:

12 (a) For pupils in grades pre-K to 3, ~~or pre-K to 12, as~~
13 ~~applicable,~~ the pupils, schools, and grades served with funds under
14 this section and the categories of services provided.

15 (b) For pupils in grades pre-K to 3, ~~or pre-K to 12, as~~
16 ~~applicable,~~ pupil proficiency and growth data that allows analysis
17 both in the aggregate and by each of the following subgroups, as
18 applicable:

19 (i) School.

20 (ii) Grade level.

21 (iii) Gender.

22 (iv) Race.

23 (v) Ethnicity.

24 (vi) Economically disadvantaged status.

25 (vii) Disability.

26 (viii) Pupils identified as having reading deficiencies.

27 (7) From the allocation under subsection (1), there is
28 allocated an amount not to exceed \$4,000,000.00 for ~~2020-2021-2021-~~
29 ~~2022~~ to an intermediate district in which the combined total number



1 of pupils in membership of all of its constituent districts is the
2 fewest among all intermediate districts. All of the following apply
3 to the funding under this subsection:

4 (a) Funding under this subsection must be used by the
5 intermediate district, in partnership with an association that
6 represents intermediate district administrators in this state, to
7 implement all of the following:

8 (i) Literacy essentials teacher and principal training modules.

9 (ii) Face-to-face and online professional learning of literacy
10 essentials teacher and principal training modules for literacy
11 coaches, principals, and teachers.

12 (iii) The placement of regional lead literacy coaches to
13 facilitate professional learning for early literacy coaches. These
14 regional lead literacy coaches shall provide support for new
15 literacy coaches, building teachers, and administrators and shall
16 facilitate regional data collection to evaluate the effectiveness
17 of statewide literacy coaches funded under this section.

18 (iv) Provide \$500,000.00 from this subsection for literacy
19 training, modeling, coaching, and feedback for district principals
20 or chief administrators, as applicable. The training described in
21 this subparagraph must use the pre-K and K to 3 essential
22 instructional practices in literacy created by the general
23 education leadership network as the framework for all training
24 provided under this subparagraph.

25 (b) Not later than September 1 of each year, the intermediate
26 district described in this subsection, in consultation with grant
27 recipients, shall submit a report to the chairs of the senate and
28 house appropriations subcommittees on ~~state~~-school aid, the chairs
29 of the senate and house standing committees responsible for



1 education legislation, the house and senate fiscal agencies, and
 2 the state budget director. The report described under this
 3 subdivision must include student achievement results in English
 4 language arts and survey results with feedback from parents and
 5 teachers regarding the initiatives implemented under this
 6 subsection.

7 (c) Up to 2% of funds allocated under this subsection may be
 8 used by the association representing intermediate district
 9 administrators that is in partnership with the intermediate
 10 district specified in this subsection to administer this
 11 subsection.

12 ~~(8) From the general fund money allocated in subsection (1),~~
 13 ~~the department shall allocate the amount of \$2,773,000.00 for 2020-~~
 14 ~~2021 to the Michigan Education Corps for the PreK Reading Corps,~~
 15 ~~the K3 Reading Corps, and the Math Corps. All of the following~~
 16 ~~apply to funding under this subsection:~~

17 ~~(a) By September 1 of the current fiscal year, the Michigan~~
 18 ~~Education Corps shall provide a report concerning its use of the~~
 19 ~~funding to the senate and house appropriations subcommittees on~~
 20 ~~state school aid, the senate and house fiscal agencies, and the~~
 21 ~~senate and house caucus policy offices on outcomes and performance~~
 22 ~~measures of the Michigan Education Corps, including, but not~~
 23 ~~limited to, the degree to which the Michigan Education Corps'~~
 24 ~~replication of the PreK Reading Corps, the K3 Reading Corps, and~~
 25 ~~the Math Corps programs is demonstrating sufficient efficacy and~~
 26 ~~impact. The report must include data pertaining to at least all of~~
 27 ~~the following:~~

28 ~~(i) The current impact of the programs on this state in terms~~
 29 ~~of numbers of children and schools receiving support. This portion~~



1 ~~of the report must specify the number of children tutored,~~
 2 ~~including dosage and completion, and the demographics of those~~
 3 ~~children.~~

4 ~~(ii) Whether the assessments and interventions are implemented~~
 5 ~~with fidelity. This portion of the report must include details on~~
 6 ~~the total number of assessments and interventions completed and the~~
 7 ~~range, mean, and standard deviation.~~

8 ~~(iii) Whether the literacy or math improvement of children~~
 9 ~~participating in the programs is consistent with expectations. This~~
 10 ~~portion of the report must detail at least all of the following:~~

11 ~~(A) Growth rate by grade or age level, in comparison to~~
 12 ~~targeted growth rate.~~

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

14 ~~(C) Exit rates.~~

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

17 ~~(iv) The impact of the programs on organizations and~~
 18 ~~stakeholders, including, but not limited to, school administrators,~~
 19 ~~internal coaches, and AmeriCorps members.~~

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

24 ~~(c) The department may not reserve any portion of the~~
 25 ~~allocation provided under this subsection for an evaluation of the~~
 26 ~~Michigan Education Corps, the Michigan Education Corps' funding, or~~
 27 ~~the Michigan Education Corps' programming unless agreed to in~~
 28 ~~writing by the Michigan Education Corps. The department shall award~~
 29 ~~the entire \$2,773,000.00 allocated under this subsection to the~~



1 ~~Michigan Education Corps and shall not condition the awarding of~~
2 ~~this funding on the implementation of an independent evaluation.~~

3 (8) ~~(9)~~—If a district or intermediate district expends any
4 funding received under subsection (4) or (5) for professional
5 development in research-based effective reading instruction, the
6 district or intermediate district shall select a professional
7 development program from the list described under subdivision (a).
8 All of the following apply to the requirement under this
9 subsection:

10 (a) The department shall issue a request for proposals for
11 professional development programs in research-based effective
12 reading instruction to develop an initial approved list of
13 professional development programs in research-based effective
14 reading instruction. The department shall make the initial approved
15 list public and shall determine if it will, on a rolling basis,
16 approve any new proposals submitted for addition to its initial
17 approved list.

18 (b) To be included as an approved professional development
19 program in research-based effective reading instruction under
20 subdivision (a), an applicant must demonstrate to the department in
21 writing the program's competency in all of the following topics:

22 (i) Understanding of phonemic awareness, phonics, fluency,
23 vocabulary, and comprehension.

24 (ii) Appropriate use of assessments and differentiated
25 instruction.

26 (iii) Selection of appropriate instructional materials.

27 (iv) Application of research-based instructional practices.

28 (c) As used in this subsection, "effective reading
29 instruction" means reading instruction scientifically proven to



1 result in improvement in pupil reading skills.

2 (9) ~~(10)~~ Notwithstanding section 17b, the department shall
3 make payments made under ~~subsections~~ **subsection** (7) and ~~(8)~~ on a
4 schedule determined by the department.

5 Sec. 35b. (1) From the general fund money appropriated in
6 section 11, there is allocated for ~~2020-2021~~ **2021-2022** an amount
7 not to exceed \$250,000.00 for a grant to be distributed by the
8 department to the Children's Choice Initiative for a program to use
9 a multisensory structured language education method to improve
10 reading proficiency rates and to comply with section 1280f of the
11 revised school code, MCL 380.1280f.

12 (2) Grant funds awarded under this section must be expended
13 for the following purposes:

14 (a) Professional development including training staff and
15 tutors in a multisensory, sequential, systematic education
16 approach.

17 (b) Additional instructional time before, during, or after
18 school for pupils in grades K to 3 identified as having an early
19 literacy delay or reading deficiency using a multisensory,
20 sequential, systematic education approach.

21 (3) Not later than December 1, ~~2021,~~ **2022**, an entity that
22 receives grant funds under this section shall report to the house
23 and senate appropriations subcommittees on school aid, the house
24 and senate fiscal agencies, and the state budget director on all of
25 the following for the grant funds awarded under this section:

26 (a) The number of staff and tutors trained.

27 (b) The number of pupils in grades K to 3 identified as having
28 an early literacy delay or reading deficiency served.

29 (c) The number of hours of added instructional time provided



1 to pupils served.

2 (d) Pupil reading proficiency and growth data of pupils served
3 necessary to evaluate the effectiveness of the program.

4 **Sec. 35g. (1) From the state school aid fund money**
5 **appropriated in section 11, there is allocated an amount not to**
6 **exceed \$1,000,000.00 for 2021-2022 for competitive grants to**
7 **eligible districts that have established innovative community**
8 **libraries.**

9 (2) A district that has established an innovative community
10 library that meets all of the following is an eligible district
11 under this section:

12 (a) The library provides for the engagement and connection of
13 readers.

14 (b) The library provides for resources that are used to
15 further reading skills.

16 (c) The library provides for the involvement of community
17 volunteers and donations.

18 (3) An eligible district may partner with an existing library
19 to provide an innovative community library described in subsection
20 (2).

21 (4) For the purpose of this section, an innovative community
22 library described in subsection (2) does not need to be in a
23 physical building.

24 (5) To receive funding under this section, an eligible
25 district must apply for the funding to the department's innovation
26 council, in a form and manner prescribed by the department's
27 innovation council, by not later than March 15, 2022. The
28 department's innovation council must develop an application process
29 for the submission of applications for funding under this section



1 by not later than December 15, 2021. The department's innovation
2 council must score applications and award up to 20 grants under
3 this section based on the following criteria by not later than July
4 15, 2022:

5 (a) How the innovative community library has addressed early
6 childhood literacy gaps.

7 (b) How community partners of the innovative community library
8 have engaged in addressing literacy gaps.

9 (c) How the innovative community library has connected
10 different readers together.

11 (d) How the innovative community library will promote its
12 approach to other districts or communities in addressing early
13 literacy gaps.

14 (6) The grant awards under subsection (5) must be ranked in a
15 manner in which there are 2 first-place grant awards, 2 second-
16 place grant awards, 2 third-place grant awards, 2 fourth-place
17 grant awards, 2 fifth-place grant awards, 2 sixth-place grant
18 awards, 2 seventh-place grant awards, 2 eighth-place grant awards,
19 2 ninth-place grant awards, and 2 tenth-place grant awards. The
20 first-place grant awards described in this subsection must receive
21 the highest award of funding under this section and the amount of
22 funding awarded under this section must decline sequentially with
23 each numerical-place award described in this subsection, with the
24 lowest award of funding under this section going to the tenth-place
25 grant award recipients.

26 (7) Notwithstanding section 17b, subject to subsection (5),
27 the department shall make payments to eligible districts under this
28 section on a schedule determined by the department.

29 Sec. 39. (1) An eligible applicant receiving funds under



1 section 32d shall submit an application, in a form and manner
2 prescribed by the department, by a date specified by the department
3 in the immediately preceding fiscal year. An eligible applicant is
4 not required to amend the applicant's current accounting cycle or
5 adopt this state's fiscal year accounting cycle in accounting for
6 financial transactions under this section. The application must
7 include all of the following:

8 (a) The estimated total number of children in the community
9 who meet the criteria of section 32d, as provided to the applicant
10 by the department utilizing the most recent population data
11 available from the American Community Survey conducted by the
12 United States Census Bureau. The department shall ensure that it
13 provides updated American Community Survey population data at least
14 once every 3 years.

15 (b) The estimated number of children in the community who meet
16 the criteria of section 32d and are being served exclusively by
17 Head Start programs operating in the community.

18 (c) The number of children whom the applicant has the capacity
19 to serve who meet the criteria of section 32d including a
20 verification of physical facility and staff resources capacity.

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

27 (3) The initial allocation to each eligible applicant under
28 section 32d is the lesser of the following:

29 (a) The sum of the number of children served in a school-day



1 program in the preceding school year multiplied by ~~\$7,250.00~~
 2 **\$7,400.00** and the number of children served in a GSRP/Head Start
 3 blended program or a part-day program in the preceding school year
 4 multiplied by ~~\$3,625.00~~ **\$3,700.00**.

5 (b) The sum of the number of children the applicant has the
 6 capacity to serve in the current school year in a school-day
 7 program multiplied by ~~\$7,250.00~~ **\$7,400.00** and the number of
 8 children served in a GSRP/Head Start blended program or a part-day
 9 program the applicant has the capacity to serve in the current
 10 school year multiplied by ~~\$3,625.00~~ **\$3,700.00**.

11 (4) If funds remain after the allocations under subsection
 12 (3), the department shall distribute the remaining funds to each
 13 intermediate district or consortium of intermediate districts that
 14 serves less than the state percentage benchmark determined under
 15 subsection (5). The department shall distribute these remaining
 16 funds to each eligible applicant based upon each applicant's
 17 proportionate share of the remaining unserved children necessary to
 18 meet the statewide percentage benchmark in intermediate districts
 19 or consortia of intermediate districts serving less than the
 20 statewide percentage benchmark. When all applicants have been given
 21 the opportunity to reach the statewide percentage benchmark, the
 22 statewide percentage benchmark may be reset, as determined by the
 23 department, until greater equity of opportunity to serve eligible
 24 children across all intermediate school districts has been
 25 achieved.

26 (5) For the purposes of subsection (4), the department shall
 27 calculate a percentage of children served by each intermediate
 28 district or consortium of intermediate districts by adding the
 29 number of children served in the immediately preceding year by that



1 intermediate district or consortium with the number of eligible
2 children under section 32d served exclusively by head start, as
3 reported in a form and manner prescribed by the department, within
4 the intermediate district or consortia service area and dividing
5 that total by the total number of children within the intermediate
6 district or consortium of intermediate districts who meet the
7 criteria of section 32d as determined by the department utilizing
8 the most recent population data available from the American
9 Community Survey conducted by the United States Census Bureau. The
10 department shall compare the resulting percentage of eligible
11 children served to a statewide percentage benchmark to determine if
12 the intermediate district or consortium is eligible for additional
13 funds under subsection (4). The statewide percentage benchmark is
14 60%.

15 (6) If, taking into account the total amount to be allocated
16 to the applicant as calculated under this section, an applicant
17 determines that it is able to include additional eligible children
18 in the great start readiness program without additional funds under
19 section 32d, the applicant may include additional eligible children
20 but does not receive additional funding under section 32d for those
21 children.

22 (7) The department shall review the program components under
23 section 32d and under this section at least biennially. The
24 department also shall convene a committee of internal and external
25 stakeholders at least once every 5 years to ensure that the funding
26 structure under this section reflects current system needs under
27 section 32d.

28 **(8) Hold harmless funding for 2021-2022 must be determined**
29 **based on the 2019-2020 final allocations calculated and paid under**



1 **section 32d in 2019-2020.**

2 (9) ~~(8)~~ As used in this section, "GSRP/Head Start blended
3 program", "part-day program", and "school-day program" mean those
4 terms as defined in section 32d. ~~as, for 2020-2021, impacted by~~
5 ~~section 32d(26).~~

6 Sec. 39a. (1) From the federal funds appropriated in section
7 11, ~~there is allocated for 2020-2021 to districts, intermediate~~
8 ~~districts, and other eligible entities all available federal~~
9 ~~funding, estimated at \$749,200,000.00~~ **there is allocated for 2021-**
10 **2022 to districts, intermediate districts, and other eligible**
11 **entities all available federal funding, estimated at**
12 **\$752,300,000.00**, for the federal programs under the no child left
13 behind act of 2001, Public Law 107-110, or the every student
14 succeeds act, Public Law 114-95. These funds are allocated as
15 follows:

16 (a) An amount estimated at \$1,200,000.00 for ~~2020-2021~~ **2021-**
17 **2022** to provide students with drug- and violence-prevention
18 programs and to implement strategies to improve school safety,
19 funded from DED-OESE, drug-free schools and communities funds.

20 (b) An amount estimated at \$100,000,000.00 for ~~2020-2021~~ **2021-**
21 **2022** for the purpose of preparing, training, and recruiting high-
22 quality teachers and class size reduction, funded from DED-OESE,
23 improving teacher quality funds.

24 (c) An amount estimated at ~~\$11,000,000.00 for 2020-2021~~
25 **\$13,000,000.00 for 2021-2022** for programs to teach English to
26 limited English proficient (LEP) children, funded from DED-OESE,
27 language acquisition state grant funds.

28 (d) An amount estimated at \$2,800,000.00 for ~~2020-2021~~ **2021-**
29 **2022** for rural and ~~low-income~~ **low-income** schools, funded from DED-



1 OESE, rural and low income school funds.

2 (e) An amount estimated at \$535,000,000.00 for ~~2020-2021-2021-~~
3 **2022** to provide supplemental programs to enable educationally
4 disadvantaged children to meet challenging academic standards,
5 funded from DED-OESE, title I, disadvantaged children funds.

6 (f) An amount estimated at \$9,200,000.00 for ~~2020-2021-2021-~~
7 **2022** for the purpose of identifying and serving migrant children,
8 funded from DED-OESE, title I, migrant education funds.

9 (g) An amount estimated at \$39,000,000.00 for ~~2020-2021-2021-~~
10 **2022** for the purpose of providing high-quality extended learning
11 opportunities, after school and during the summer, for children in
12 low-performing schools, funded from DED-OESE, twenty-first century
13 community learning center funds.

14 (h) An amount estimated at \$14,000,000.00 for ~~2020-2021-2021-~~
15 **2022** to help support local school improvement efforts, funded from
16 DED-OESE, title I, local school improvement grants.

17 (i) An amount estimated at \$35,000,000.00 for ~~2020-2021-2021-~~
18 **2022** to improve the academic achievement of students, funded from
19 DED-OESE, title IV, student support and academic enrichment grants.

20 (j) **An amount estimated at \$3,100,000.00 for 2021-2022 for**
21 **literacy programs that advance literacy skills for students from**
22 **birth through grade 12, including limited-English-proficient**
23 **students and students with disabilities, funded from DED-OESE,**
24 **striving readers comprehensive literacy program.**

25 (2) From the federal funds appropriated in section 11, there
26 is allocated to districts, intermediate districts, and other
27 eligible entities all available federal funding, estimated at
28 ~~\$55,000,000.00 for 2020-2021-~~ **\$56,500,000.00 for 2021-2022** for the
29 following programs that are funded by federal grants:



1 (a) An amount estimated at \$3,000,000.00 for ~~2020-2021-2021-~~
 2 **2022** to provide services to homeless children and youth, funded
 3 from DED-OVAE, homeless children and youth funds.

4 (b) An amount estimated at \$24,000,000.00 for ~~2020-2021-2021-~~
 5 **2022** for providing career and technical education services to
 6 pupils, funded from DED-OVAE, basic grants to states.

7 (c) An amount estimated at \$14,000,000.00 for ~~2020-2021-2021-~~
 8 **2022** for the Michigan charter school subgrant program, funded from
 9 DED-OII, public charter schools program funds.

10 (d) An amount estimated at \$14,000,000.00 for ~~2020-2021-2021-~~
 11 **2022** for the purpose of promoting and expanding high-quality
 12 preschool services, funded from HHS-OCC, preschool development
 13 funds.

14 **(e) An amount estimated at \$1,500,000.00 for 2021-2022 for the**
 15 **purpose of addressing priority substance abuse treatment,**
 16 **prevention, and mental health needs, funded from HHS-SAMHSA.**

17 (3) The department shall distribute all federal funds
 18 allocated under this section in accordance with federal law and
 19 with flexibility provisions outlined in Public Law 107-116, and in
 20 the education flexibility partnership act of 1999, Public Law 106-
 21 25. Notwithstanding section 17b, the department shall make payments
 22 of federal funds to districts, intermediate districts, and other
 23 eligible entities under this section on a schedule determined by
 24 the department.

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



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

9 (6) As used in this section:

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

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

13 (c) "DED-OII" means the DED Office of Innovation and
 14 Improvement.

15 (d) "DED-OVAE" means the DED Office of Vocational and Adult
 16 Education.

17 (e) "HHS" means the United States Department of Health and
 18 Human Services.

19 (f) "HHS-OCC" means the HHS Office of Child Care.

20 (g) "HHS-SAMHSA" means the HHS Substance Abuse and Mental
 21 Health Services Project.

22 Sec. 41. (1) For a district to be eligible to receive funding
 23 under this section, the district must administer to English
 24 language learners the English language proficiency assessment known
 25 as the "WIDA ACCESS for English language learners" or the "WIDA
 26 Alternate ACCESS". From the ~~appropriation~~ **state school aid fund**
 27 **money appropriated** in section 11, there is allocated an amount not
 28 to exceed \$13,000,000.00 for ~~2020-2021~~ **2021-2022** for payments to
 29 eligible districts for services for English language learners who



1 have been administered the WIDA ACCESS for English language
2 learners.

3 (2) The department shall distribute funding allocated under
4 subsection (1) to eligible districts based on the number of full-
5 time equivalent English language learners as follows:

6 (a) \$900.00 per full-time equivalent English language learner
7 who has been assessed under the WIDA ACCESS for English language
8 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA
9 Alternate ACCESS composite score between 1.0 and 1.9, or less, as
10 applicable to each assessment.

11 (b) \$620.00 per full-time equivalent English language learner
12 who has been assessed under the WIDA ACCESS for English language
13 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA
14 Alternate ACCESS composite score between 2.0 and 2.9, or less, as
15 applicable to each assessment.

16 (c) \$100.00 per full-time equivalent English language learner
17 who has been assessed under the WIDA ACCESS for English language
18 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA
19 Alternate ACCESS composite score between 3.0 and 3.9, or less, as
20 applicable to each assessment.

21 (3) If funds allocated under subsection (1) are insufficient
22 to fully fund the payments as prescribed under subsection (2), the
23 department shall prorate payments on an equal percentage basis,
24 with the same percentage proration applied to all funding
25 categories.

26 (4) Each district receiving funds under subsection (1) shall
27 submit to the department by July 15 of each fiscal year a report,
28 not to exceed 10 pages, on the usage by the district of funds under
29 subsection (1) in a form and manner determined by the department,



1 including a brief description of each program conducted or services
 2 performed by the district using funds under subsection (1) and the
 3 amount of funds under subsection (1) allocated to each of those
 4 programs or services. If a district does not comply with this
 5 subsection, the department shall withhold an amount equal to the
 6 August payment due under this section until the district complies
 7 with this subsection. If the district does not comply with this
 8 subsection by the end of the fiscal year, the withheld funds are
 9 forfeited to the school aid fund.

10 (5) In order to receive funds under subsection (1), a district
 11 must allow access for the department or the department's designee
 12 to audit all records related to the program for which it receives
 13 those funds. The district shall reimburse this state for all
 14 disallowances found in the audit.

15 (6) Beginning July 1, 2020, and every 3 years thereafter, the
 16 department shall review the per-pupil distribution under subsection
 17 (2), to ensure that funding levels are appropriate and make
 18 recommendations for adjustments to the members of the senate and
 19 house subcommittees on K-12 school aid appropriations.

20 Sec. 51a. (1) From the ~~appropriation~~ **state school aid fund**
 21 **money appropriated** in section 11, there is allocated an amount not
 22 to exceed ~~\$1,023,996,100.00 for 2019-2020 and there is allocated an~~
 23 ~~amount not to exceed \$1,079,296,100.00~~ **\$1,120,796,100.00** for 2020-
 24 ~~2021-2022~~ **2021-2022** from state sources and all available federal funding
 25 under sections ~~611 to 619~~ **1411 to 1419** of part B of the individuals
 26 with disabilities education act, 20 USC 1411 to 1419, estimated at
 27 ~~\$370,000,000.00 for 2019-2020 and \$375,000,000.00~~ **\$380,000,000.00**
 28 for ~~2020-2021,~~ **2021-2022**, plus any carryover federal funds from
 29 previous year appropriations. The allocations under this subsection



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

20 (2) From the funds allocated under subsection (1), there is
21 allocated the amount necessary, estimated at ~~\$286,900,000.00~~ for
22 ~~2019-2020~~ and estimated at ~~\$307,500,000.00~~ **\$329,900,000.00** for
23 ~~2020-2021, 2021-2022~~, for payments toward reimbursing districts and
24 intermediate districts for 28.6138% of total approved costs of
25 special education, excluding costs reimbursed under section 53a,
26 and 70.4165% of total approved costs of special education
27 transportation. Allocations under this subsection are made as
28 follows:

29 (a) The department shall calculate the initial amount



1 allocated to a district under this subsection toward fulfilling the
 2 specified percentages by multiplying the district's special
 3 education pupil membership, excluding pupils described in
 4 subsection (11), times the foundation allowance under section 20 of
 5 the pupil's district of residence, not to exceed the target
 6 foundation allowance for the current fiscal year, or, for a special
 7 education pupil in membership in a district that is a public school
 8 academy, times an amount equal to the amount per membership pupil
 9 calculated under section 20(6). For an intermediate district, the
 10 amount allocated under this subdivision toward fulfilling the
 11 specified percentages is an amount per special education membership
 12 pupil, excluding pupils described in subsection (11), and is
 13 calculated in the same manner as for a district, using the
 14 foundation allowance under section 20 of the pupil's district of
 15 residence, not to exceed the target foundation allowance for the
 16 current fiscal year.

17 (b) After the allocations under subdivision (a), the
 18 department shall pay a district or intermediate district for which
 19 the payments calculated under subdivision (a) do not fulfill the
 20 specified percentages the amount necessary to achieve the specified
 21 percentages for the district or intermediate district.

22 (3) From the funds allocated under subsection (1), there is
 23 allocated for ~~2019-2020 an amount not to exceed \$1,000,000.00 and~~
 24 ~~there is allocated for 2020-2021~~ **2021-2022** an amount not to exceed
 25 \$1,000,000.00 to make payments to districts and intermediate
 26 districts under this subsection. If the amount allocated to a
 27 district or intermediate district for a fiscal year under
 28 subsection (2)(b) is less than the sum of the amounts allocated to
 29 the district or intermediate district for 1996-97 under sections 52



1 and 58, there is allocated to the district or intermediate district
2 for the fiscal year an amount equal to that difference, adjusted by
3 applying the same proration factor that was used in the
4 distribution of funds under section 52 in 1996-97 as adjusted to
5 the district's or intermediate district's necessary costs of
6 special education used in calculations for the fiscal year. This
7 adjustment is to reflect reductions in special education program
8 operations or services between 1996-97 and subsequent fiscal years.
9 The department shall make adjustments for reductions in special
10 education program operations or services in a manner determined by
11 the department and shall include adjustments for program or service
12 shifts.

13 (4) If the department determines that the sum of the amounts
14 allocated for a fiscal year to a district or intermediate district
15 under subsection (2)(a) and (b) is not sufficient to fulfill the
16 specified percentages in subsection (2), then the department shall
17 pay the shortfall to the district or intermediate district during
18 the fiscal year beginning on the October 1 following the
19 determination and shall adjust payments under subsection (3) as
20 necessary. If the department determines that the sum of the amounts
21 allocated for a fiscal year to a district or intermediate district
22 under subsection (2)(a) and (b) exceeds the sum of the amount
23 necessary to fulfill the specified percentages in subsection (2),
24 then the department shall deduct the amount of the excess from the
25 district's or intermediate district's payments under this article
26 for the fiscal year beginning on the October 1 following the
27 determination and shall adjust payments under subsection (3) as
28 necessary. However, if the amount allocated under subsection (2)(a)
29 in itself exceeds the amount necessary to fulfill the specified



1 percentages in subsection (2), there is no deduction under this
2 subsection.

3 (5) State funds are allocated on a total approved cost basis.
4 Federal funds are allocated under applicable federal requirements.

5 (6) From the amount allocated in subsection (1), there is
6 allocated an amount not to exceed \$2,200,000.00 ~~for 2019-2020 and~~
7 ~~there is allocated an amount not to exceed \$2,200,000.00 for 2020-~~
8 ~~2021-2021-2022~~ to reimburse 100% of the net increase in necessary
9 costs incurred by a district or intermediate district in
10 implementing the revisions in the administrative rules for special
11 education that became effective on July 1, 1987. As used in this
12 subsection, "net increase in necessary costs" means the necessary
13 additional costs incurred solely because of new or revised
14 requirements in the administrative rules minus cost savings
15 permitted in implementing the revised rules. The department shall
16 determine net increase in necessary costs in a manner specified by
17 the department.

18 (7) For purposes of ~~sections 51a~~ **this section and sections 51b**
19 to 58, all of the following apply:

20 (a) "Total approved costs of special education" are determined
21 in a manner specified by the department and may include indirect
22 costs, but must not exceed 115% of approved direct costs for
23 section 52 and section 53a programs. The total approved costs
24 include salary and other compensation for all approved special
25 education personnel for the program, including payments for Social
26 Security and Medicare and public school employee retirement system
27 contributions. The total approved costs do not include salaries or
28 other compensation paid to administrative personnel who are not
29 special education personnel as that term is defined in section 6 of



1 the revised school code, MCL 380.6. Costs reimbursed by federal
2 funds, other than those federal funds included in the allocation
3 made under this article, are not included. Special education
4 approved personnel not utilized full time in the evaluation of
5 students or in the delivery of special education programs,
6 ancillary, and other related services are reimbursed under this
7 section only for that portion of time actually spent providing
8 these programs and services, with the exception of special
9 education programs and services provided to youth placed in child
10 caring institutions or juvenile detention programs approved by the
11 department to provide an on-grounds education program.

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

26 (c) If the department determines before bookclosing for a
27 fiscal year that the amounts allocated for that fiscal year under
28 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
29 will exceed expenditures for that fiscal year under subsections



1 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
2 district or intermediate district whose reimbursement for that
3 fiscal year would otherwise be affected by subdivision (b),
4 subdivision (b) does not apply to the calculation of the
5 reimbursement for that district or intermediate district and the
6 department shall calculate reimbursement for that district or
7 intermediate district in the same manner as it was for 2003-2004.
8 If the amount of the excess allocations under subsections (2), (3),
9 (6), and (11) and sections 53a, 54, and 56 is not sufficient to
10 fully fund the calculation of reimbursement to those districts and
11 intermediate districts under this subdivision, then the department
12 shall prorate calculations and resulting reimbursement under this
13 subdivision on an equal percentage basis. Beginning in 2015-2016,
14 the amount of reimbursement under this subdivision for a fiscal
15 year must not exceed \$2,000,000.00 for any district or intermediate
16 district.

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

29 (e) Beginning with calculations for 2004-2005, if an



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

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

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

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



1 aid fund.

2 (11) From the funds allocated in subsection (1), there is
 3 allocated the amount necessary, estimated at ~~\$3,100,000.00~~ for
 4 ~~2019-2020~~ and estimated at ~~\$3,000,000.00~~ **\$2,500,000.00** for ~~2020-~~
 5 ~~2021,~~ **2021-2022**, to pay the foundation allowances for pupils
 6 described in this subsection. The department shall calculate the
 7 allocation to a district under this subsection by multiplying the
 8 number of pupils described in this subsection who are counted in
 9 membership in the district times the sum of the foundation
 10 allowance under section 20 of the pupil's district of residence not
 11 to exceed the target foundation allowance for the current fiscal
 12 year, or, for a pupil described in this subsection who is counted
 13 in membership in a district that is a public school academy, times
 14 an amount equal to the amount per membership pupil under section
 15 20(6). The department shall calculate the allocation to an
 16 intermediate district under this subsection in the same manner as
 17 for a district, using the foundation allowance under section 20 of
 18 the pupil's district of residence not to exceed the target
 19 foundation allowance for the current fiscal year. This subsection
 20 applies to all of the following pupils:

21 (a) Pupils described in section 53a.

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

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

29 (12) If it is determined that funds allocated under subsection



1 (2) or (11) or under section 51c will not be expended, funds up to
 2 the amount necessary and available may be used to supplement the
 3 allocations under subsection (2) or (11) or under section 51c in
 4 order to fully fund those allocations. After payments under
 5 subsections (2) and (11) and section 51c, the department shall
 6 expend the remaining funds from the allocation in subsection (1) in
 7 the following order:

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

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

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

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

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

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

17 (14) If a public school academy that is not a cyber school, as
 18 that term is defined in section 551 of the revised school code, MCL
 19 380.551, enrolls under this section a pupil who resides outside of
 20 the intermediate district in which the public school academy is
 21 located and who is eligible for special education programs and
 22 services according to statute or rule, or who is a child with
 23 ~~disabilities,~~ **a disability**, as **that term is** defined under the
 24 individuals with disabilities education act, Public Law 108-446,
 25 the intermediate district in which the public school academy is
 26 located and the public school academy shall enter into a written
 27 agreement with the intermediate district in which the pupil resides
 28 for the purpose of providing the pupil with a free appropriate
 29 public education, and the written agreement must include at least



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

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



1 prescribed in 34 CFR 300.705 and 34 CFR 300.816.

2 (16) For a public school academy that is a cyber school, as
 3 that term is defined in section 551 of the revised school code, MCL
 4 380.551, and is in compliance with section 553a of the revised
 5 school code, MCL 380.553a, that enrolls a pupil under this section,
 6 the intermediate district in which the cyber school is located
 7 shall ensure that the cyber school complies with sections 1701a,
 8 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code,
 9 MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756,
 10 and 380.1757; applicable rules; and the individuals with
 11 disabilities education act, Public Law 108-446.

12 (17) For the purposes of this section, the department or the
 13 center shall only require a district or intermediate district to
 14 report information that is not already available from the financial
 15 information database maintained by the center.

16 Sec. 51c. As required by the court in the consolidated cases
 17 known as *Durant v State of Michigan*, 456 Mich 175 (1997), from the
 18 allocation under section 51a(1), there is allocated for ~~2019-2020~~
 19 ~~and for 2020-2021,~~ **2021-2022** the amount necessary, estimated at
 20 ~~\$678,600,000.00 for 2019-2020 and \$713,400,000.00 for 2020-2021,~~
 21 **\$733,000,000.00** for payments to reimburse districts for 28.6138% of
 22 total approved costs of special education excluding costs
 23 reimbursed under section 53a, and 70.4165% of total approved costs
 24 of special education transportation. Funds allocated under this
 25 section that are not expended in the fiscal year for which they
 26 were allocated, as determined by the department, may be used to
 27 supplement the allocations under sections 22a and 22b to fully fund
 28 those allocations for the same fiscal year. For each fund transfer
 29 as described in the immediately preceding sentence that occurs, the



1 state budget director shall send notification of the transfer to
 2 the house and senate appropriations subcommittees on state school
 3 aid and the house and senate fiscal agencies by not later than 14
 4 calendar days after the transfer occurs.

5 Sec. 51d. (1) From the federal funds appropriated in section
 6 11, there is allocated for ~~2020-2021-2021-2022~~ all available
 7 federal funding, estimated at \$71,000,000.00 for special education
 8 programs and services that are funded by federal grants. The
 9 department shall distribute all federal funds allocated under this
 10 section in accordance with federal law. Notwithstanding section
 11 17b, the department shall make payments of federal funds to
 12 districts, intermediate districts, and other eligible entities
 13 under this section on a schedule determined by the department.

14 (2) From the federal funds allocated under subsection (1), the
 15 following amounts are allocated for ~~2020-2021-2021-2022~~:

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

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

22 (c) An amount estimated at \$43,000,000.00 for special
 23 education programs funded by DED-OSERS, handicapped program,
 24 individuals with disabilities act funds.

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

28 Sec. 51f. (1) From the funds appropriated under section 11,
 29 there is allocated for ~~2020-2021-2021-2022~~ an amount not to exceed



1 \$60,207,000.00 for payments to districts and intermediate districts
2 to increase the level of reimbursement of costs associated with
3 providing special education services required under state and
4 federal law.

5 (2) A district's or intermediate district's allocation under
6 this section is equal to the level percentage multiplied by each
7 district's or intermediate district's costs reported to the center
8 on the special education actual cost report, known as "SE-4096" as
9 referred to under section 18(6), as approved by the department.

10 (3) The total reimbursement under this section and under
11 section 51c must not exceed the total reported costs for a district
12 or intermediate district.

13 (4) For ~~2020-2021~~, **2021-2022**, the level percentage is
14 estimated at 2.0%.

15 (5) For the purposes of this section, "level percentage" means
16 the percentage calculated by dividing the allocation in subsection
17 (1) by the total of costs reported to the center on the special
18 education actual cost report, known as "SE-4096" as referred to
19 under section 18(6), as approved by the department.

20 Sec. 53a. (1) For districts, reimbursement for pupils
21 described in subsection (2) is 100% of the total approved costs of
22 operating special education programs and services approved by the
23 department and included in the intermediate district plan adopted
24 under article 3 of the revised school code, MCL 380.1701 to
25 380.1761, minus the district's foundation allowance calculated
26 under section 20. For intermediate districts, the department shall
27 calculate reimbursement for pupils described in subsection (2) in
28 the same manner as for a district, using the foundation allowance
29 under section 20 of the pupil's district of residence, not to



1 exceed the target foundation allowance under section 20 for the
2 current fiscal year.

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

5 (a) Pupils assigned to a district or intermediate district
6 through the community placement program of the courts or a state
7 agency, if the pupil was a resident of another intermediate
8 district at the time the pupil came under the jurisdiction of the
9 court or a state agency.

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

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

15 (d) Pupils enrolled in a department-approved on-grounds
16 educational program longer than 180 days, but not longer than 233
17 days, at a residential child care institution, if the child care
18 institution offered in 1991-92 an on-grounds educational program
19 longer than 180 days but not longer than 233 days.

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

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

28 (4) The costs of transportation are funded under this section
29 and are not reimbursed under section 58.



1 (5) The department shall not allocate more than \$10,500,000.00
 2 of the allocation for ~~2020-2021-2021-2022~~ in section 51a(1) under
 3 this section.

4 Sec. 54. Each intermediate district receives an amount per-
 5 pupil for each pupil in attendance at the Michigan Schools for the
 6 Deaf and Blind. The amount is proportionate to the total
 7 instructional cost at each school. The department shall not
 8 allocate more than \$1,688,000.00 of the allocation for ~~2020-2021~~
 9 **2021-2022** in section 51a(1) under this section.

10 Sec. 54b. (1) From the general fund money appropriated in
 11 section 11, there is allocated an amount not to exceed
 12 \$1,600,000.00 for ~~2020-2021-2021-2022~~ to continue the
 13 implementation of the recommendations of the special education
 14 reform task force published in January 2016.

15 (2) The department shall use funds allocated under this
 16 section for the purpose of piloting statewide implementation of the
 17 Michigan Integrated Behavior and Learning Support Initiative
 18 (MiBLSI), a nationally recognized program that includes positive
 19 behavioral intervention and supports and provides a statewide
 20 structure to support local initiatives for an integrated behavior
 21 and reading program. With the assistance of the intermediate
 22 districts involved in MiBLSI, the department shall identify a
 23 number of intermediate districts to participate in the pilot that
 24 is sufficient to ensure that MiBLSI can be implemented statewide
 25 with fidelity and sustainability. In addition, the department shall
 26 identify an intermediate district to act as a fiscal agent for
 27 these funds.

28 Sec. 54d. (1) From the ~~appropriations~~ **state school aid fund**
 29 **money appropriated** in section 11, there is allocated an amount not



1 to exceed \$7,150,000.00 for ~~2020-2021~~**2021-2022** to intermediate
2 districts for the purpose of providing state early on services
3 programs for children from birth to 3 years of age with a
4 developmental delay or a disability, or both, and their families,
5 as described in the early on Michigan state plan, as approved by
6 the department.

7 (2) To be eligible to receive grant funding under this
8 section, each intermediate district must apply in a form and manner
9 determined by the department.

10 (3) The grant funding allocated under this section must be
11 used to increase early on services and resources available to
12 children that demonstrate developmental delays to help prepare them
13 for success as they enter school. State early on services include
14 evaluating and providing early intervention services for eligible
15 infants and toddlers and their families to address developmental
16 delays, including those affecting physical, cognitive,
17 communication, adaptive, social, or emotional development. Grant
18 funds must not be used to supplant existing services that are
19 currently being provided.

20 (4) The department shall distribute the funds allocated under
21 subsection (1) to intermediate districts according to the
22 department's early on funding formula utilized to distribute the
23 federal award to Michigan under part C of the individuals with
24 disabilities education act, **Public Law 108-446**. Funds received
25 under this section must not supplant existing funds or resources
26 allocated for early on early intervention services. An intermediate
27 district receiving funds under this section shall maximize the
28 capture of Medicaid funds to support early on early intervention
29 services to the extent possible.



1 (5) Each intermediate district that receives funds under this
 2 section shall report data and other information to the department
 3 in a form, manner, and frequency prescribed by the department to
 4 allow for monitoring and evaluation of the program and to ensure
 5 that the children described in subsection (1) received appropriate
 6 levels and types of services delivered by qualified personnel,
 7 based on the individual needs of the children and their families.

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

11 **(7) Grant funds awarded and allocated to an intermediate**
 12 **district under this section must be expended by the grant recipient**
 13 **before June 30 of the fiscal year immediately following the fiscal**
 14 **year in which the funds are received.**

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

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

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

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



1 of the district ~~are~~**is** not included in the ~~membership and taxable~~
2 value of the intermediate district.

3 (2) From the allocation under section 51a(1), there is
4 allocated ~~\$40,008,100.00 for 2019-2020 and~~ an amount not to exceed
5 \$40,008,100.00 for ~~2020-2021~~**2021-2022** to reimburse intermediate
6 districts levying millages for special education under part 30 of
7 the revised school code, MCL 380.1711 to 380.1741. The purpose,
8 use, and expenditure of the reimbursement are limited as if the
9 funds were generated by these millages and governed by the
10 intermediate district plan adopted under article 3 of the revised
11 school code, MCL 380.1701 to 380.1761. As a condition of receiving
12 funds under this section, an intermediate district distributing any
13 portion of special education millage funds to its constituent
14 districts must submit for departmental approval and implement a
15 distribution plan.

16 ~~(3) Except as otherwise provided in this subsection,~~
17 ~~reimbursement for those millages levied in 2018-2019 is made in~~
18 ~~2019-2020 at an amount per 2018-2019 membership pupil computed by~~
19 ~~subtracting from \$201,700.00 the 2018-2019 taxable value behind~~
20 ~~each membership pupil and multiplying the resulting difference by~~
21 ~~the 2018-2019 millage levied, and then subtracting from that amount~~
22 ~~the 2018-2019 local community stabilization share revenue for~~
23 ~~special education purposes behind each membership pupil for~~
24 ~~reimbursement of personal property exemption loss under the local~~
25 ~~community stabilization authority act, 2014 PA 86, MCL 123.1341 to~~
26 ~~123.1362. Reimbursement in 2019-2020 for an intermediate district~~
27 ~~whose 2017-2018 allocation was affected by the operation of~~
28 ~~subsection (5) is an amount equal to 102.5% of the 2017-2018~~
29 ~~allocation to that intermediate district.~~



1 ~~(4) Except as otherwise provided in this subsection,~~
2 reimbursement for those millages levied in 2019-2020 is made in
3 2020-2021 at an amount per 2019-2020 membership pupil computed by
4 subtracting from \$209,000.00 the 2019-2020 taxable value behind
5 each membership pupil and multiplying the resulting difference by
6 the 2019-2020 millage levied, and then subtracting from that amount
7 the 2019-2020 local community stabilization share revenue for
8 special education purposes behind each membership pupil for
9 reimbursement of personal property exemption loss under the local
10 community stabilization authority act, 2014 PA 86, MCL 123.1341 to
11 123.1362. Reimbursement in 2020-2021 for an intermediate district
12 whose 2017-2018 allocation was affected by the operation of
13 subsection (5) is an amount equal to 102.5% of the 2017-2018
14 allocation to that intermediate district.

15 **(3) Except as otherwise provided in this subsection,**
16 reimbursement for those millages levied in 2020-2021 is made in
17 2021-2022 at an amount per 2020-2021 membership pupil computed by
18 subtracting from \$215,900.00 the 2020-2021 taxable value behind
19 each membership pupil and multiplying the resulting difference by
20 the 2020-2021 millage levied, and then subtracting from that amount
21 the 2020-2021 local community stabilization share revenue for
22 special education purposes behind each membership pupil for
23 reimbursement of personal property exemption loss under the local
24 community stabilization authority act, 2014 PA 86, MCL 123.1341 to
25 123.1362. Reimbursement in 2021-2022 for an intermediate district
26 whose 2017-2018 allocation was affected by the operation of
27 subsection (4) is an amount equal to 102.5% of the 2017-2018
28 allocation to that intermediate district.

29 **(4) ~~(5)~~**The department shall ensure that the amount paid to a



1 single intermediate district under this section does not exceed
2 62.9% of the total amount allocated under subsection (2).

3 (5) ~~(6)~~—The department shall ensure that the amount paid to a
4 single intermediate district under this section is not less than
5 75% of the amount allocated to the intermediate district under this
6 section for the immediately preceding fiscal year.

7 (6) From the state school aid fund money appropriated in
8 section 11, there is allocated an amount not to exceed
9 \$20,000,000.00 for 2021-2022 to provide payments to intermediate
10 districts levying millages for special education under part 30 of
11 the revised school code, MCL 380.1711 to 380.1741. The purpose,
12 use, and expenditure of the payments under this subsection are
13 limited as if the funds were generated by these millages and
14 governed by the intermediate district plan adopted under article 3
15 of the revised school code, MCL 380.1701 to 380.1761. The
16 department shall provide a payment under this subsection to each
17 intermediate district described in this subsection as follows:

18 (a) Except as otherwise provided in this subsection, for an
19 intermediate district with a 2020-2021 3-year average special
20 education millage revenue per pupil of at least \$350.00 but less
21 than \$400.00, an amount computed by subtracting from \$400.00 the
22 2020-2021 3-year average special education millage revenue per
23 pupil, and then multiplying that amount by the 2020-2021 3-year
24 average membership, and then subtracting from that amount the
25 amount allocated under subsection (2) for 2021-2022. If the
26 calculation under this subdivision results in an amount below 0,
27 there is no payment under this subdivision.

28 (b) Except as otherwise provided in this subsection, for an
29 intermediate district with a 2020-2021 3-year average special



1 education millage revenue per pupil of at least \$400.00 but less
2 than \$500.00, an amount computed by subtracting from \$500.00 the
3 2020-2021 3-year average special education millage revenue per
4 pupil, and then multiplying that amount by the 2020-2021 3-year
5 average membership, and then subtracting from that amount the
6 amount allocated under subsection (2) for 2021-2022. If the
7 calculation under this subdivision results in an amount below 0,
8 there is no payment under this subdivision.

9 (c) Except as otherwise provided in this subsection, for an
10 intermediate district with a 2020-2021 3-year average special
11 education millage revenue per pupil of at least \$500.00 but less
12 than \$650.00, an amount computed by subtracting from \$650.00 the
13 2020-2021 3-year average special education millage revenue per
14 pupil, and then multiplying that amount by the 2020-2021 3-year
15 average membership, and then subtracting from that amount the
16 amount allocated under subsection (2) for 2021-2022. If the
17 calculation under this subdivision results in an amount below 0,
18 there is no payment under this subdivision.

19 (d) For an intermediate district that is levying the maximum
20 millage rate allowed under section 1724a of the revised school
21 code, MCL 380.1724a, and that has a 3-year average special
22 education millage revenue per pupil that is less than \$500.00, an
23 amount computed by multiplying \$150.00 by the 2020-2021 3-year
24 average membership, and then subtracting from that amount the
25 amount allocated under subsection (2) for 2021-2022. If the
26 calculation under this subdivision results in an amount below 0,
27 there is no payment under this subdivision.

28 (7) As used in subsection (6):

29 (a) "2020-2021 3-year average membership" means the 3-year



1 average pupil membership for 2018-2019, 2019-2020, and 2020-2021.

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

6 Sec. 61a. (1) From the state school aid fund money
7 appropriated in section 11, there is allocated an amount not to
8 exceed \$37,611,300.00 for ~~2020-2021~~**2021-2022** to reimburse on an
9 added cost basis districts, except for a district that served as
10 the fiscal agent for a vocational education consortium in the 1993-
11 94 school year and that has a foundation allowance as calculated
12 under section 20 greater than the minimum foundation allowance
13 under that section, and secondary area vocational-technical
14 education centers for secondary-level career and technical
15 education programs according to rules approved by the
16 superintendent. Applications for participation in the programs must
17 be submitted in the form prescribed by the department. The
18 department shall determine the added cost for each career and
19 technical education program area. The department shall prioritize
20 the allocation of added cost funds based on the capital and program
21 expenditures needed to operate the career and technical education
22 programs provided; the number of pupils enrolled; the advancement
23 of pupils through the instructional program; the existence of an
24 articulation agreement with at least 1 postsecondary institution
25 that provides pupils with opportunities to earn postsecondary
26 credit during the pupil's participation in the career and technical
27 education program and transfers those credits to the postsecondary
28 institution upon completion of the career and technical education
29 program; and the program rank in student placement, job openings,



1 and wages, and shall ensure that the allocation does not exceed 75%
2 of the added cost of any program. Notwithstanding any rule or
3 department determination to the contrary, when determining a
4 district's allocation or the formula for making allocations under
5 this section, the department shall include the participation of
6 pupils in grade 9 in all of those determinations and in all
7 portions of the formula. With the approval of the department, the
8 board of a district maintaining a secondary career and technical
9 education program may offer the program for the period from the
10 close of the school year until September 1. The program shall use
11 existing facilities and must be operated as prescribed by rules
12 promulgated by the superintendent.

13 (2) Except for a district that served as the fiscal agent for
14 a vocational education consortium in the 1993-94 school year, the
15 department shall reimburse districts and intermediate districts for
16 local career and technical education administration, shared time
17 career and technical education administration, and career education
18 planning district career and technical education administration.
19 The superintendent shall adopt guidelines for the definition of
20 what constitutes administration and shall make reimbursement
21 pursuant to those guidelines. The department shall not distribute
22 more than \$800,000.00 of the allocation in subsection (1) under
23 this subsection.

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

29 Sec. 61b. (1) From the funds appropriated under section 11,



1 there is allocated for ~~2020-2021~~**2021-2022** an amount not to exceed
2 \$8,000,000.00 from the state school aid fund appropriation for CTE
3 early/middle college and CTE dual enrollment programs authorized
4 under this section and for planning grants for the development or
5 expansion of CTE early/middle college programs. The purpose of
6 these programs is to increase the number of Michigan residents with
7 high-quality degrees or credentials, and to increase the number of
8 students who are college and career ready upon high school
9 graduation.

10 (2) From the funds allocated under subsection (1), the
11 department shall allocate an amount as determined under this
12 subsection to each intermediate district serving as a fiscal agent
13 for state-approved CTE early/middle college and CTE dual enrollment
14 programs in each of the career education planning districts
15 identified by the department. An intermediate district shall not
16 use more than 5% of the funds allocated under this subsection for
17 administrative costs for serving as the fiscal agent.

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

21 (a) Distribute funds to eligible CTE early/middle college and
22 CTE dual enrollment programs in a career education planning
23 district as described in this section.

24 (b) Collaborate with the career and educational advisory
25 council in the workforce development board service delivery area to
26 develop 1 regional strategic plan under subsection (4) that aligns
27 CTE programs and services into an efficient and effective delivery
28 system for high school students. The department will align career
29 education planning districts, workforce development board service



1 delivery areas, and intermediate districts for the purpose of
2 creating 1 regional strategic plan for each workforce development
3 board service delivery area.

4 (c) Implement a regional process to rank career clusters in
5 the workforce development board service delivery area as described
6 under subsection (4). Regional processes must be approved by the
7 department before the ranking of career clusters.

8 (d) Report CTE early/middle college and CTE dual enrollment
9 program and student data and information as prescribed by the
10 department and the center.

11 (e) **Ensure that the local education agency responsible for**
12 **student reporting in the Michigan Student Data System (MSDS) will**
13 **report the total number of college credits the student earned, at**
14 **the time of high school graduation, as determined by the department**
15 **and the center.**

16 (f) **Ensure that the local education agency will report each**
17 **award outcome in the Michigan Student Data System (MSDS) that the**
18 **CTE early/middle college student attained. An on-track CTE**
19 **early/middle college graduate will have obtained his or her high**
20 **school diploma and at least 1 of the following:**

21 (i) **An associate degree.**

22 (ii) **60 transferrable college credits.**

23 (iii) **Professional certification.**

24 (iv) **A Michigan Early Middle College Association certificate.**

25 (v) **Participation in a registered apprenticeship.**

26 (4) A regional strategic plan must be approved by the career
27 and educational advisory council before submission to the
28 department. A regional strategic plan must include, but is not
29 limited to, the following:



1 (a) An identification of regional employer need based on a
2 ranking of all career clusters in the workforce development board
3 service delivery area ranked by 10-year job openings projections
4 and median wage for each standard occupational code in each career
5 cluster as obtained from the United States Bureau of Labor
6 Statistics. Standard occupational codes within high-ranking
7 clusters also may be further ranked by median wage. The career and
8 educational advisory council located in the workforce development
9 board service delivery area shall review the rankings and modify
10 them if necessary to accurately reflect employer demand for talent
11 in the workforce development board service delivery area. A career
12 and educational advisory council shall document that it has
13 conducted this review and certify that it is accurate. These career
14 cluster rankings must be determined and updated once every 4 years.

15 (b) An identification of educational entities in the workforce
16 development board service delivery area that will provide eligible
17 CTE early/middle college and CTE dual enrollment programs including
18 districts, intermediate districts, postsecondary institutions, and
19 noncredit occupational training programs leading to an industry-
20 recognized credential.

21 (c) A strategy to inform parents and students of CTE
22 early/middle college and CTE dual enrollment programs in the
23 workforce development board service delivery area.

24 (d) Any other requirements as defined by the department.

25 (5) An eligible CTE program is a program that meets all of the
26 following:

27 (a) Has been identified in the highest 5 career cluster
28 rankings in any of the 16 workforce development board service
29 delivery area strategic plans jointly approved by the department of



1 labor and economic opportunity and the department.

2 (b) Has a coherent sequence of courses that will allow a
3 student to earn a high school diploma and achieve at least 1 of the
4 following ~~outcomes defined in subsection (3) (f)~~ in a specific
5 career cluster. ÷

6 ~~(i) An associate degree.~~

7 ~~(ii) An industry-recognized technical certification approved by~~
8 ~~the department of labor and economic opportunity.~~

9 ~~(iii) Up to 60 transferable college credits.~~

10 ~~(iv) Participation in a registered apprenticeship, pre-~~
11 ~~apprenticeship, or apprentice readiness program.~~

12 (c) Is aligned with the Michigan merit curriculum.

13 (d) Has an articulation agreement with at least 1
14 postsecondary institution that provides students with opportunities
15 to receive postsecondary credits during the student's participation
16 in the CTE early/middle college or CTE dual enrollment program and
17 transfers those credits to the postsecondary institution upon
18 completion of the CTE early/middle college or CTE dual enrollment
19 program.

20 (e) Provides instruction that is supervised, directed, or
21 coordinated by an appropriately certificated CTE teacher or, for
22 concurrent enrollment courses, a postsecondary faculty member.

23 (f) Provides for highly integrated student support services
24 that include at least the following:

25 (i) Teachers as academic advisors.

26 (ii) Supervised course selection.

27 (iii) Monitoring of student progress and completion.

28 (iv) Career planning services provided by a local one-stop
29 service center as described in the Michigan works one-stop service



1 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
2 high school counselor or advisor.

3 (g) Has courses that are taught on a college campus, are
4 college courses offered at the high school and taught by college
5 faculty, or are courses taught in combination with online
6 instruction.

7 (6) The department shall distribute funds to eligible CTE
8 early/middle college and CTE dual enrollment programs as follows:

9 (a) The department shall determine statewide average CTE costs
10 per pupil for each CIP code program by calculating statewide
11 average costs for each CIP code program for the 3 most recent
12 fiscal years.

13 (b) The distribution to each eligible CTE early/middle college
14 or CTE dual enrollment program is the product of 50% of CTE costs
15 per pupil times the pupil enrollment of each eligible CTE
16 early/middle college or CTE dual enrollment program in the
17 immediately preceding school year.

18 (7) In order to receive funds under this section, a CTE
19 early/middle college or CTE dual enrollment program shall furnish
20 to the intermediate district that is the fiscal agent identified in
21 subsection (2), in a form and manner determined by the department,
22 all information needed to administer this program and meet federal
23 reporting requirements; shall allow the department or the
24 department's designee to review all records related to the program
25 for which it receives funds; and shall reimburse the state for all
26 disallowances found in the review, as determined by the department.

27 (8) There is allocated for ~~2020-2021~~**2021-2022** from the funds
28 under subsection (1) an amount not to exceed \$500,000.00 from the
29 state school aid fund allocation for grants to intermediate



1 districts or consortia of intermediate districts for the purpose of
2 planning for new or expanded early/middle college programs.
3 Applications for grants must be submitted in a form and manner
4 determined by the department. The amount of a grant under this
5 subsection must not exceed \$50,000.00. To be eligible for a grant
6 under this subsection, an intermediate district or consortia of
7 intermediate districts must provide matching funds equal to the
8 grant received under this subsection. Notwithstanding section 17b,
9 the department shall make payments under this subsection in the
10 manner determined by the department.

11 (9) Funds distributed under this section may be used to fund
12 program expenditures that would otherwise be paid from foundation
13 allowances. A program receiving funding under section 61a may
14 receive funding under this section for allowable costs that exceed
15 the reimbursement the program received under section 61a. The
16 combined payments received by a program under section 61a and this
17 section must not exceed the total allowable costs of the program. A
18 program provider shall not use more than 5% of the funds allocated
19 under this section to the program for administrative costs.

20 (10) If the allocation under subsection (1) is insufficient to
21 fully fund payments as otherwise calculated under this section, the
22 department shall prorate payments under this section on an equal
23 percentage basis.

24 (11) If pupils enrolled in a career cluster in an eligible CTE
25 early/middle college or CTE dual enrollment program qualify to be
26 reimbursed under this section, those pupils continue to qualify for
27 reimbursement until graduation, even if the career cluster is no
28 longer identified as being in the highest 5 career cluster
29 rankings.



1 (12) As used in this section:

2 (a) "Allowable costs" means those costs directly attributable
3 to the program as jointly determined by the department of labor and
4 economic opportunity and the department.

5 (b) "Career and educational advisory council" means an
6 advisory council to the local workforce development boards located
7 in a workforce development board service delivery area consisting
8 of educational, employer, labor, and parent representatives.

9 (c) "CIP" means classification of instructional programs.

10 (d) "CTE" means career and technical education programs.

11 (e) "CTE dual enrollment program" means a 4-year high school
12 program of postsecondary courses offered by eligible postsecondary
13 educational institutions that leads to an industry-recognized
14 certification or degree.

15 (f) "Early/middle college program" means a 5-year high school
16 program.

17 (g) "Eligible postsecondary educational institution" means
18 that term as defined in section 3 of the career and technical
19 preparation act, 2000 PA 258, MCL 388.1903.

20 Sec. 61d. (1) From the appropriation in section 11, there is
21 allocated for ~~2020-2021~~**2021-2022** an amount not to exceed
22 \$5,000,000.00 from the state school aid fund for additional
23 payments to districts for career and technical education programs
24 for the purpose of increasing the number of Michigan residents with
25 high-quality degrees or credentials, and to increase the number of
26 pupils who are college- and career-ready upon high school
27 graduation.

28 (2) The department shall calculate payments to districts under
29 this section in the following manner:



1 (a) A payment of \$35.00 multiplied by the number of pupils in
2 grades 9 to 12 who are counted in membership in the district and
3 are enrolled in at least 1 career and technical education program.

4 (b) An additional payment of \$35.00 multiplied by the number
5 of pupils in grades 9 to 12 who are counted in membership in the
6 district and are enrolled in at least 1 career and technical
7 education program that provides instruction in critical skills and
8 high-demand career fields.

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

12 (4) As used in this section:

13 (a) "Career and technical education program" means a state-
14 approved career and technical education program, as determined by
15 the department.

16 (b) "Career and technical education program that provides
17 instruction in critical skills and high-demand career field" means
18 a career and technical education program classified under any of
19 the following 2-digit classification of instructional programs
20 (CIP) codes:

21 (i) 01, which refers to "agriculture, agriculture operations,
22 and related sciences".

23 (ii) 03, which refers to "natural resources and conservation".

24 (iii) 10 through 11, which refers to "communications
25 technologies/technicians and support services" and "computer and
26 information sciences and support services".

27 (iv) 14 through 15, which refers to "engineering" and
28 "engineering technologies and engineering-related fields".

29 (v) 26, which refers to "biological and biomedical sciences".



1 (vi) 46 through 48, which refers to "construction trades",
2 "mechanic and repair technologies/technicians", and "precision
3 production".

4 (vii) 51, which refers to "health professions and related
5 programs".

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

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

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

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

28 (b) "Millage levied" means the millage levied for area
29 vocational-technical education under sections 681 to 690 of the



1 revised school code, MCL 380.681 to 380.690, including a levy for
 2 debt service obligations incurred as the result of borrowing for
 3 capital outlay projects and in meeting capital projects fund
 4 requirements of area vocational-technical education.

5 (c) "Taxable value" means the total taxable value of the
 6 districts constituent to an intermediate district or area
 7 vocational-technical education program, except that if a district
 8 has elected not to come under sections 681 to 690 of the revised
 9 school code, MCL 380.681 to 380.690, the ~~membership and~~ taxable
 10 value of that district ~~are is~~ not included in the ~~membership and~~
 11 taxable value of the intermediate district. However, the ~~membership~~
 12 ~~and~~ taxable value of a district that has elected not to come under
 13 sections 681 to 690 of the revised school code, MCL 380.681 to
 14 380.690, ~~are is~~ included in the ~~membership and~~ taxable value of the
 15 intermediate district if the district meets both of the following:

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

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

24 (2) From the appropriation in section 11, there is allocated
 25 an amount not to exceed \$9,190,000.00 ~~each fiscal year for 2019-~~
 26 ~~2020 and for 2020-2021~~ **2021-2022** to reimburse intermediate
 27 districts and area vocational-technical education programs
 28 established under section 690(3) of the revised school code, MCL
 29 380.690, levying millages for area vocational-technical education



1 under sections 681 to 690 of the revised school code, MCL 380.681
 2 to 380.690. The purpose, use, and expenditure of the reimbursement
 3 are limited as if the funds were generated by those millages.

4 ~~(3) Reimbursement for those millages levied in 2018-2019 is~~
 5 ~~made in 2019-2020 at an amount per 2018-2019 membership pupil~~
 6 ~~computed by subtracting from \$210,800.00 the 2018-2019 taxable~~
 7 ~~value behind each membership pupil and multiplying the resulting~~
 8 ~~difference by the 2018-2019 millage levied, and then subtracting~~
 9 ~~from that amount the 2018-2019 local community stabilization share~~
 10 ~~revenue for area vocational technical education behind each~~
 11 ~~membership pupil for reimbursement of personal property exemption~~
 12 ~~loss under the local community stabilization authority act, 2014 PA~~
 13 ~~86, MCL 123.1341 to 123.1362.~~

14 **(3)** ~~(4)~~ Reimbursement for those millages levied in ~~2019-2020~~
 15 **2020-2021** is made in ~~2020-2021~~ **2021-2022** at an amount per ~~2019-2020~~
 16 **2020-2021** membership pupil computed by subtracting from ~~\$218,800.00~~
 17 **\$224,800.00** the ~~2019-2020~~ **2020-2021** taxable value behind each
 18 membership pupil and multiplying the resulting difference by the
 19 ~~2019-2020~~ **2020-2021** millage levied, and then subtracting from that
 20 amount the ~~2019-2020~~ **2020-2021** local community stabilization share
 21 revenue for area vocational technical education behind each
 22 membership pupil for reimbursement of personal property exemption
 23 loss under the local community stabilization authority act, 2014 PA
 24 86, MCL 123.1341 to 123.1362.

25 **(4)** ~~(5)~~ The department shall ensure that the amount paid to a
 26 single intermediate district under this section does not exceed
 27 38.4% of the total amount allocated under subsection (2).

28 **(5)** ~~(6)~~ The department shall ensure that the amount paid to a
 29 single intermediate district under this section is not less than



1 75% of the amount allocated to the intermediate district under this
2 section for the immediately preceding fiscal year.

3 Sec. 67a. (1) From the general fund money appropriated under
4 section 11, there is allocated an amount not to exceed \$50,000.00
5 for ~~2020-2021~~**2021-2022** for a grant to be distributed by the
6 department to an organization to provide industrial and
7 technological education and workforce preparation for students and
8 professional development opportunities and support for teachers.

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

12 Sec. 74. (1) From the ~~amount appropriated~~**state school aid**
13 **fund money appropriated** in section 11, there is allocated an amount
14 not to exceed ~~\$3,814,500.00~~**\$3,805,800.00** for ~~2020-2021~~**2021-2022**
15 for the purposes of this section.

16 (2) From the allocation in subsection (1), there is allocated
17 for ~~2020-2021~~**2021-2022** the amount necessary for payments to state
18 supported colleges or universities and intermediate districts
19 providing school bus driver safety instruction under section 51 of
20 the pupil transportation act, 1990 PA 187, MCL 257.1851. The
21 department shall make payments in an amount determined by the
22 department not to exceed the actual cost of instruction and driver
23 compensation for each public or nonpublic school bus driver
24 attending a course of instruction. For the purpose of computing
25 compensation, the hourly rate allowed each school bus driver must
26 not exceed the hourly rate received for driving a school bus. The
27 department shall make reimbursement compensating the driver during
28 the course of instruction to the college or university or
29 intermediate district providing the course of instruction.



1 (3) From the allocation in subsection (1), there is allocated
2 for ~~2020-2021-2021-2022~~ the amount necessary to pay the reasonable
3 costs of nonspecial education auxiliary services transportation
4 provided under section 1323 of the revised school code, MCL
5 380.1323. Districts funded under this subsection do not receive
6 funding under any other section of this article for nonspecial
7 education auxiliary services transportation.

8 (4) From the funds allocated in subsection (1), there is
9 allocated an amount not to exceed ~~\$1,789,500.00~~ **\$1,780,800.00** for
10 ~~2020-2021-2021-2022~~ for reimbursement to districts and intermediate
11 districts for costs associated with the inspection of school buses
12 and pupil transportation vehicles by the department of state police
13 as required under section 715a of the Michigan vehicle code, 1949
14 PA 300, MCL 257.715a, and section 39 of the pupil transportation
15 act, 1990 PA 187, MCL 257.1839. The department of state police
16 shall prepare a statement of costs attributable to each district
17 for which bus inspections are provided and submit it to the
18 department and to an intermediate district serving as fiduciary in
19 a time and manner determined jointly by the department and the
20 department of state police. Upon review and approval of the
21 statement of cost, the department shall forward to the designated
22 intermediate district serving as fiduciary the amount of the
23 reimbursement on behalf of each district and intermediate district
24 for costs detailed on the statement within 45 days after receipt of
25 the statement. The designated intermediate district shall make
26 payment in the amount specified on the statement to the department
27 of state police within 45 days after receipt of the statement. The
28 total reimbursement of costs under this subsection must not exceed
29 the amount allocated under this subsection. Notwithstanding section



1 17b, the department shall make payments to eligible entities under
2 this subsection on a schedule prescribed by the department.

3 Sec. 81. (1) From the ~~appropriation~~**state school aid fund**
4 **money appropriated** in section 11, there is allocated for ~~2020-2021~~
5 **2021-2022** to the intermediate districts the sum necessary, but not
6 to exceed \$69,138,000.00, to provide state aid to intermediate
7 districts under this section.

8 (2) The amount allocated under this section to each
9 intermediate district is an amount equal to 100% of the amount
10 allocated to the intermediate district under this section for ~~2019-~~
11 ~~2020-~~**2020-2021**. An intermediate district shall use funding
12 provided under this section to comply with requirements of this
13 article and the revised school code that are applicable to
14 intermediate districts, and for which funding is not provided
15 elsewhere in this article, and to provide technical assistance to
16 districts as authorized by the intermediate school board.

17 (3) Intermediate districts receiving funds under this section
18 shall collaborate with the department to develop expanded
19 professional development opportunities for teachers to update and
20 expand their knowledge and skills needed to support the Michigan
21 merit curriculum.

22 (4) From the allocation in subsection (1), there is allocated
23 to an intermediate district, formed by the consolidation or
24 annexation of 2 or more intermediate districts or the attachment of
25 a total intermediate district to another intermediate district or
26 the annexation of all of the constituent K-12 districts of a
27 previously existing intermediate district which has disorganized,
28 an additional allotment of \$3,500.00 each fiscal year for each
29 intermediate district included in the new intermediate district for



1 3 years following consolidation, annexation, or attachment.

2 (5) In order to receive funding under this section, an
3 intermediate district shall do all of the following:

4 (a) Demonstrate to the satisfaction of the department that the
5 intermediate district employs at least 1 person who is trained in
6 pupil accounting and auditing procedures, rules, and regulations.

7 (b) Demonstrate to the satisfaction of the department that the
8 intermediate district employs at least 1 person who is trained in
9 rules, regulations, and district reporting procedures for the
10 individual-level student data that serves as the basis for the
11 calculation of the district and high school graduation and dropout
12 rates.

13 (c) Comply with sections 1278a and 1278b of the revised school
14 code, MCL 380.1278a and 380.1278b.

15 (d) Furnish data and other information required by state and
16 federal law to the center and the department in the form and manner
17 specified by the center or the department, as applicable.

18 (e) Comply with section 1230g of the revised school code, MCL
19 380.1230g.

20 Sec. 94. (1) From the general fund money appropriated in
21 section 11, there is allocated to the department for ~~2020-2021~~
22 **2021-2022** an amount not to exceed \$1,200,000.00 for efforts to
23 increase the number of pupils who participate and succeed in
24 advanced placement and international baccalaureate programs, and to
25 support the college-level examination program (CLEP).

26 (2) From the funds allocated under this section, the
27 department shall award funds to cover all or part of the costs of
28 advanced placement test fees or international baccalaureate test
29 fees and international baccalaureate registration fees for low-



1 income pupils who take an advanced placement or an international
2 baccalaureate test and CLEP fees for low-income pupils who take a
3 CLEP test.

4 (3) The department shall only award funds under this section
5 if the department determines that all of the following criteria are
6 met:

7 (a) Each pupil for whom payment is made meets eligibility
8 requirements of the federal advanced placement test fee program
9 under section 1701 of the no child left behind act of 2001, Public
10 Law 107-110, or under a corresponding provision of the every
11 student succeeds act, Public Law 114-95.

12 (b) The tests are administered by the college board, the
13 international baccalaureate organization, or another test provider
14 approved by the department.

15 (c) The pupil for whom payment is made pays at least \$5.00
16 toward the cost of each test for which payment is made.

17 (4) The department shall establish procedures for awarding
18 funds under this section.

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

22 Sec. 94a. (1) There is created within the state budget office
23 in the department of technology, management, and budget the center
24 for educational performance and information. The center shall do
25 all of the following:

26 (a) Coordinate the collection of all data required by state
27 and federal law from districts, intermediate districts, and
28 postsecondary institutions.

29 (b) Create, maintain, and enhance this state's P-20



1 longitudinal data system and ensure that it meets the requirements
2 of subsection (4).

3 (c) Collect data in the most efficient manner possible in
4 order to reduce the administrative burden on reporting entities,
5 including, but not limited to, electronic transcript services.

6 (d) Create, maintain, and enhance this state's web-based
7 educational portal to provide information to school leaders,
8 teachers, researchers, and the public in compliance with all
9 federal and state privacy laws. Data must include, but are not
10 limited to, all of the following:

11 (i) ~~Data~~ **As required under other state laws or federal law,**
12 **data** sets that link teachers to student information. ~~, allowing~~
13 ~~districts to assess individual teacher impact on student~~
14 ~~performance and consider student growth factors in teacher and~~
15 ~~principal evaluation systems.~~

16 (ii) Data access or, if practical, data sets, provided for
17 regional data hubs that, in combination with local data, can
18 improve teaching and learning in the classroom.

19 (iii) Research-ready data sets for researchers to perform
20 research that advances this state's educational performance.

21 (e) Provide data in a useful manner to allow state and local
22 policymakers to make informed policy decisions.

23 (f) Provide public reports to the residents of this state to
24 allow them to assess allocation of resources and the return on
25 their investment in the education system of this state.

26 (g) Other functions as assigned by the state budget director.

27 (2) Each state department, officer, or agency that collects
28 information from districts, intermediate districts, or
29 postsecondary institutions as required under state or federal law



1 shall make arrangements with the center to ensure that the state
2 department, officer, or agency is in compliance with subsection
3 (1). This subsection does not apply to information collected by the
4 department of treasury under the uniform budgeting and accounting
5 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
6 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
7 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
8 388.1939; or section 1351a of the revised school code, MCL
9 380.1351a.

10 (3) The center may enter into any interlocal agreements
11 necessary to fulfill its functions.

12 (4) The center shall ensure that the P-20 longitudinal data
13 system required under subsection (1)(b) meets all of the following:

14 (a) Includes data at the individual student level from
15 preschool through postsecondary education and into the workforce.

16 (b) Supports interoperability by using standard data
17 structures, data formats, and data definitions to ensure linkage
18 and connectivity in a manner that facilitates the exchange of data
19 among agencies and institutions within the state and between
20 states.

21 (c) ~~Enables~~ **As required under other state laws or federal law,**
22 **enables** the matching of individual teacher and student records so
23 that an individual student may be matched with those teachers
24 providing instruction to that student **for programs and services**
25 **specified in the complementary sections of law.**

26 (d) Enables the matching of individual teachers with
27 information about their certification and the institutions that
28 prepared and recommended those teachers for state certification.

29 (e) Enables data to be easily generated for continuous



1 improvement and decision-making, including timely reporting to
 2 parents, teachers, and school leaders on student achievement.

3 (f) Ensures the reasonable quality, validity, and reliability
 4 of data contained in the system.

5 (g) Provides this state with the ability to meet federal and
 6 state reporting requirements.

7 (h) For data elements related to preschool through grade 12
 8 and postsecondary, meets all of the following:

9 (i) Contains a unique statewide student identifier that does
 10 not permit a student to be individually identified by users of the
 11 system, except as allowed by federal and state law.

12 (ii) Contains student-level enrollment, demographic, and
 13 program participation information.

14 (iii) Contains student-level information about the points at
 15 which students exit, transfer in, transfer out, drop out, or
 16 complete education programs.

17 (iv) Has the capacity to communicate with higher education data
 18 systems.

19 (i) For data elements related to preschool through grade 12
 20 only, meets all of the following:

21 (i) Contains yearly test records of individual students for
 22 assessments approved by DED-OESE for accountability purposes under
 23 section 1111(b) of the elementary and secondary education act of
 24 1965, 20 USC 6311, including information on individual students not
 25 tested, by grade and subject.

26 (ii) ~~Contains~~ **As required under other state laws or federal**
 27 **law, contains** student-level transcript information, including
 28 information on courses completed and grades earned **for programs and**
 29 **services specified in complementary sections of law.**



1 (iii) Contains student-level college readiness test scores.

2 (j) For data elements related to postsecondary education only:

3 (i) Contains data that provide information regarding the extent
4 to which individual students transition successfully from secondary
5 school to postsecondary education, including, but not limited to,
6 all of the following:

7 (A) Enrollment in remedial coursework.

8 (B) Completion of 1 year's worth of college credit applicable
9 to a degree within 2 years of enrollment.

10 (ii) Contains data that provide other information determined
11 necessary to address alignment and adequate preparation for success
12 in postsecondary education.

13 (5) From the general fund money appropriated in section 11,
14 there is allocated an amount not to exceed ~~\$16,848,900.00~~
15 **\$16,802,500.00** for ~~2020-2021-2021-2022~~ to the department of
16 technology, management, and budget to support the operations of the
17 center. In addition, from the federal funds appropriated in section
18 11, there is allocated for ~~2020-2021-2021-2022~~ the amount
19 necessary, estimated at \$193,500.00, to support the operations of
20 the center and to establish a P-20 longitudinal data system
21 necessary for state and federal reporting purposes. The center
22 shall cooperate with the department to ensure that this state is in
23 compliance with federal law and is maximizing opportunities for
24 increased federal funding to improve education in this state.

25 (6) From the funds allocated in subsection (5), the center may
26 use an amount determined by the center for competitive grants for
27 ~~2020-2021-2021-2022~~ to support collaborative efforts on the P-20
28 longitudinal data system. All of the following apply to grants
29 awarded under this subsection:



1 (a) The center shall award competitive grants to eligible
2 intermediate districts or a consortium of intermediate districts
3 based on criteria established by the center.

4 (b) Activities funded under the grant must support the P-20
5 longitudinal data system portal and may include portal hosting,
6 hardware and software acquisition, maintenance, enhancements, user
7 support and related materials, and professional learning tools and
8 activities aimed at improving the utility of the P-20 longitudinal
9 data system.

10 (c) An applicant that received a grant under this subsection
11 for the immediately preceding fiscal year has priority for funding
12 under this section. However, after 3 fiscal years of continuous
13 funding, an applicant is required to compete openly with new
14 applicants.

15 (7) Funds allocated under this section that are not expended
16 in the fiscal year in which they were allocated may be carried
17 forward to a subsequent fiscal year and are appropriated for the
18 purposes for which the funds were originally allocated.

19 (8) The center may bill departments as necessary in order to
20 fulfill reporting requirements of state and federal law. The center
21 may also enter into agreements to supply custom data, analysis, and
22 reporting to other principal executive departments, state agencies,
23 local units of government, and other individuals and organizations.
24 The center may receive and expend funds in addition to those
25 authorized in subsection (5) to cover the costs associated with
26 salaries, benefits, supplies, materials, and equipment necessary to
27 provide such data, analysis, and reporting services.

28 (9) As used in this section, ÷

29 ~~(a)~~ "DED-OESE" means the United States Department of Education



1 Office of Elementary and Secondary Education.

2 ~~(b) "State education agency" means the department.~~

3 Sec. 97. (1) For 2021-2022, from the state school aid fund
4 money appropriated under section 11, there is allocated an amount
5 not to exceed \$7,500,000.00 and from the general fund money
6 appropriated under section 11, there is allocated an amount not to
7 exceed \$2,500,000.00 for competitive grants to public schools,
8 nonpublic schools, districts, and intermediate districts to
9 purchase technology equipment, upgrade hardening measures, or
10 conduct school building safety assessments to improve the safety
11 and security of school buildings, pupils or students, and school
12 staff with the goal of creating a safer school environment through
13 equipment and technology enhancements. The department of state
14 police, grants and community services division, shall administer
15 the grant program described in this subsection. All grants under
16 this subsection must be funded on a reimbursement-only basis.
17 Grants under this subsection must not exceed \$50,000.00 for each
18 public school or nonpublic school and \$250,000.00 for each district
19 or intermediate district.

20 (2) All of the following apply to the application process for
21 funding under subsection (1):

22 (a) To receive funding under subsection (1), a public school,
23 nonpublic school, district, or intermediate district shall submit
24 an application for funding under subsection (1) directly to the
25 department of state police, grants and community services division.

26 (b) An application from a district or intermediate district
27 under this subsection must be for 1 or more buildings that have
28 some or all of pre-K to grade 12 classrooms and pupils.

29 (c) An applicant may submit only 1 application.



1 (d) An individual public school may submit its own application
2 but must not also be included in its district's application if the
3 district submits an application under this subsection.

4 (e) The department of state police shall award grants to
5 applicants based on eligibility, the project description, and
6 whether the project reflects the highest security need of the
7 applicant within grant funding constraints, the budget narrative,
8 the budget, project goals, objectives, and performance measures.

9 (f) The department of state police shall give priority to all
10 of the following applicants:

11 (i) Applicants seeking funding for projects that involve
12 multiple agencies working in partnership.

13 (ii) Applicants seeking funding for proposals that seek to
14 secure exterior access points of school buildings.

15 (iii) Applicants that did not receive a school safety grant in
16 the past.

17 (iv) Applicants that did not receive a grant under section 1001
18 of article XX of 2018 PA 207 or under section 115 of 2018 PA 618.

19 (g) To be awarded a grant, an applicant must demonstrate proof
20 that the public school, nonpublic school, district, or intermediate
21 district has an emergency operation plan that was updated after
22 August 1, 2017 to align with the state emergency operations plan
23 guidance and statewide school safety information policy developed
24 under section 1308 of the revised school code, MCL 380.1308.

25 (h) The department of state police shall issue grant guidance
26 and application materials, including required performance measures,
27 not later than February 1, 2022.

28 (3) The department of state police shall not award funding
29 under subsection (1) to a public school, nonpublic school,



1 district, or intermediate district in relation to the same school
2 building more than once. If a district submits an application under
3 subsection (2) relating to a school building and a public school
4 within that district also submits an application for funding in
5 relation to that same school building, the department of state
6 police shall not allocate funding under subsection (1) twice for
7 that school building. If a public school, nonpublic school,
8 district, or intermediate district submits more than 1 application,
9 the department of state police shall first consider the most recent
10 application submitted in considering funding under subsection (1).

11 (4) Eligible expenses for reimbursement under subsection (1)
12 must be consistent with the recommendations of the school safety
13 task force created by Executive Order No. 2018-5. The department of
14 state police shall list the eligible expenses in the grant guidance
15 and application materials described under subsection (2). The
16 following items are not eligible expenses for which grant funds
17 under subsection (1) may be applied:

- 18 (a) Weapons, including tasers.
19 (b) Personal body armor for routine use.
20 (c) Construction of new facilities.
21 (d) Costs in applying for the grant, such as consultants and
22 grant writers.
23 (e) Expenses incurred before the date of the award or after
24 the end of the performance period of the grant award.
25 (f) Personnel costs or operation costs related to a capital
26 improvement.
27 (g) Indirect costs or indirect administrative expenses.
28 (h) Travel.
29 (i) Contributions or donations.



1 (j) Management or administrative training and conferences,
2 except as otherwise preapproved by the department of state police.

3 (k) Management studies or research and development.

4 (l) Memberships and dues, except for a specific requirement of
5 the project that has been preapproved by the department of state
6 police.

7 (m) Vehicles, watercraft, or aircraft, including unmanned or
8 remotely piloted aircraft and vehicles.

9 (n) Service contracts and training beyond the performance
10 period of the grant award.

11 (o) Food, refreshments, and snacks.

12 (5) A grantee under section 1001 of article XX of 2018 PA 207
13 that is a public school, nonpublic school, district, or
14 intermediate district or a grantee under section 115 of 2018 PA 618
15 that is a public school, nonpublic school, district, or
16 intermediate district is not prohibited from applying for, and
17 receiving, a grant award under this section.

18 (6) The department of state police shall begin issuing awards
19 for grants under subsection (1) not later than May 1, 2022. A
20 project that is awarded a grant under this section must be
21 completed by July 1, 2023.

22 (7) The department of state police shall report on grant
23 activities under this section, including available performance
24 outcomes as identified in individual grant agreements, to the
25 senate and house appropriations subcommittees on state police, the
26 senate and house fiscal agencies, and the state budget office by
27 August 1, 2023.

28 (8) The funds allocated for school safety grants under this
29 section for 2021-2022 are a work project appropriation, and any



1 unexpended funds for 2021-2022 do not lapse to the state school aid
2 fund or general fund and are carried forward into 2022-2023. The
3 purpose of the work project is to continue promoting safer school
4 environments. The estimated completion date of the work project is
5 July 1, 2023.

6 (9) The department of state police shall ensure that a grant
7 to a nonpublic school under this section is funded from the general
8 fund money allocated under this section.

9 Sec. 98. (1) From the general fund money appropriated in
10 section 11, there is allocated an amount not to exceed
11 \$7,500,000.00 for ~~2020-2021~~**2021-2022** for the purposes described in
12 this section. The Michigan Virtual University shall provide a
13 report to the legislature not later than November 1 of each year
14 that includes its mission, its plans, and proposed benchmarks it
15 must meet, including a plan to achieve the organizational
16 priorities identified in this section, in order to receive full
17 funding for ~~2021-2022~~**2022-2023**. Not later than March 1 of each
18 year, the Michigan Virtual University shall provide an update to
19 the house and senate appropriations subcommittees on school aid to
20 show the progress being made to meet the benchmarks identified.

21 (2) The Michigan Virtual University shall operate the Michigan
22 Virtual Learning Research Institute. The Michigan Virtual Learning
23 Research Institute shall do all of the following:

24 (a) Support and accelerate innovation in education through the
25 following activities:

26 (i) Test, evaluate, and recommend as appropriate new
27 technology-based instructional tools and resources.

28 (ii) Research, design, and recommend virtual education delivery
29 models for use by pupils and teachers that include age-appropriate



1 multimedia instructional content.

2 (iii) Research, develop, and recommend annually to the
3 department criteria by which cyber schools and virtual course
4 providers should be monitored and evaluated to ensure a quality
5 education for their pupils.

6 (iv) Based on pupil completion and performance data reported to
7 the department or the center from cyber schools and other virtual
8 course providers operating in this state, analyze the effectiveness
9 of virtual learning delivery models in preparing pupils to be
10 college- and career-ready and publish a report that highlights
11 enrollment totals, completion rates, and the overall impact on
12 pupils. The Michigan Virtual Learning Research Institute shall
13 submit the report to the house and senate appropriations
14 subcommittees on ~~state~~-school aid, the state budget director, the
15 house and senate fiscal agencies, the department, districts, and
16 intermediate districts not later than March 31 of each year.

17 (v) Provide an extensive professional development program to
18 at least 30,000 educational personnel, including teachers, school
19 administrators, and school board members, that focuses on the
20 effective integration of virtual learning into curricula and
21 instruction. The Michigan Virtual Learning Research Institute is
22 encouraged to work with the MiSTEM advisory council created under
23 section 99s to coordinate professional development of teachers in
24 applicable fields. In addition, the Michigan Virtual Learning
25 Research Institute and external stakeholders are encouraged to
26 coordinate with the department for professional development in this
27 state. Not later than December 1 of each year, the Michigan Virtual
28 Learning Research Institute shall submit a report to the house and
29 senate appropriations subcommittees on state school aid, the state



1 budget director, the house and senate fiscal agencies, and the
2 department on the number of teachers, school administrators, and
3 school board members who have received professional development
4 services from the Michigan Virtual University. The report must also
5 identify barriers and other opportunities to encourage the adoption
6 of virtual learning in the public education system.

7 (vi) Identify and share best practices for planning,
8 implementing, and evaluating virtual and blended education delivery
9 models with intermediate districts, districts, and public school
10 academies to accelerate the adoption of innovative education
11 delivery models statewide.

12 (b) Provide leadership for this state's system of virtual
13 learning education by doing the following activities:

14 (i) Develop and report policy recommendations to the governor
15 and the legislature that accelerate the expansion of effective
16 virtual learning in this state's schools.

17 (ii) Provide a clearinghouse for research reports, academic
18 studies, evaluations, and other information related to virtual
19 learning.

20 (iii) Promote and distribute the most current instructional
21 design standards and guidelines for virtual teaching.

22 (iv) In collaboration with the department and interested
23 colleges and universities in this state, support implementation and
24 improvements related to effective virtual learning instruction.

25 (v) Pursue public/private partnerships that include districts
26 to study and implement competency-based technology-rich virtual
27 learning models.

28 (vi) Create a statewide network of school-based mentors serving
29 as liaisons between pupils, virtual instructors, parents, and



1 school staff, as provided by the department or the center, and
2 provide mentors with research-based training and technical
3 assistance designed to help more pupils be successful virtual
4 learners.

5 (vii) Convene focus groups and conduct annual surveys of
6 teachers, administrators, pupils, parents, and others to identify
7 barriers and opportunities related to virtual learning.

8 (viii) Produce an annual consumer awareness report for schools
9 and parents about effective virtual education providers and
10 education delivery models, performance data, cost structures, and
11 research trends.

12 (ix) Provide an internet-based platform that educators can use
13 to create student-centric learning tools and resources for sharing
14 in the state's open educational resource repository and facilitate
15 a user network that assists educators in using the content creation
16 platform and state repository for open educational resources. As
17 part of this initiative, the Michigan Virtual University shall work
18 collaboratively with districts and intermediate districts to
19 establish a plan to make available virtual resources that align to
20 Michigan's K-12 curriculum standards for use by students,
21 educators, and parents.

22 (x) Create and maintain a public statewide catalog of virtual
23 learning courses being offered by all public schools and community
24 colleges in this state. The Michigan Virtual Learning Research
25 Institute shall identify and develop a list of nationally
26 recognized best practices for virtual learning and use this list to
27 support reviews of virtual course vendors, courses, and
28 instructional practices. The Michigan Virtual Learning Research
29 Institute shall also provide a mechanism for intermediate districts



1 to use the identified best practices to review content offered by
2 constituent districts. The Michigan Virtual Learning Research
3 Institute shall review the virtual course offerings of the Michigan
4 Virtual University, and make the results from these reviews
5 available to the public as part of the statewide catalog. The
6 Michigan Virtual Learning Research Institute shall ensure that the
7 statewide catalog is made available to the public on the Michigan
8 Virtual University website and shall allow the ability to link it
9 to each district's website as provided for in section 21f. The
10 statewide catalog must also contain all of the following:

11 (A) The number of enrollments in each virtual course in the
12 immediately preceding school year.

13 (B) The number of enrollments that earned 60% or more of the
14 total course points for each virtual course in the immediately
15 preceding school year.

16 (C) The pass rate for each virtual course.

17 (xi) Support registration, payment services, and transcript
18 functionality for the statewide catalog and train key stakeholders
19 on how to use new features.

20 (xii) Collaborate with key stakeholders to examine district
21 level accountability and teacher effectiveness issues related to
22 virtual learning under section 21f and make findings and
23 recommendations publicly available.

24 (xiii) Provide a report on the activities of the Michigan
25 Virtual Learning Research Institute.

26 (3) To further enhance its expertise and leadership in virtual
27 learning, the Michigan Virtual University shall continue to operate
28 the Michigan Virtual School as a statewide laboratory and quality
29 model of instruction by implementing virtual and blended learning



1 solutions for Michigan schools in accordance with the following
2 parameters:

3 (a) The Michigan Virtual School must maintain its
4 accreditation status from recognized national and international
5 accrediting entities.

6 (b) The Michigan Virtual University shall use no more than
7 \$1,000,000.00 of the amount allocated under this section to
8 subsidize the cost paid by districts for virtual courses.

9 (c) In providing educators responsible for the teaching of
10 virtual courses as provided for in this section, the Michigan
11 Virtual School shall follow the requirements to request and assess,
12 and the department of state police shall provide, a criminal
13 history check and criminal records check under sections 1230 and
14 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
15 the same manner as if the Michigan Virtual School were a school
16 district under those sections.

17 (4) From the funds allocated under subsection (1), the
18 Michigan Virtual University shall allocate up to \$500,000.00 to
19 support the expansion of new online and blended educator
20 professional development programs.

21 (5) If the course offerings are included in the statewide
22 catalog of virtual courses under subsection (2)(b)(x), the Michigan
23 Virtual School operated by the Michigan Virtual University may
24 offer virtual course offerings, including, but not limited to, all
25 of the following:

26 (a) Information technology courses.

27 (b) College level equivalent courses, as **that term is** defined
28 in section 1471 of the revised school code, MCL 380.1471.

29 (c) Courses and dual enrollment opportunities.



1 (d) Programs and services for at-risk pupils.

2 (e) High school equivalency test preparation courses for
3 adjudicated youth.

4 (f) Special interest courses.

5 (g) Professional development programs for teachers, school
6 administrators, other school employees, and school board members.

7 (6) If a home-schooled or nonpublic school student is a
8 resident of a district that subscribes to services provided by the
9 Michigan Virtual School, the student may use the services provided
10 by the Michigan Virtual School to the district without charge to
11 the student beyond what is charged to a district pupil using the
12 same services.

13 (7) Not later than December 1 of each fiscal year, the
14 Michigan Virtual University shall provide a report to the house and
15 senate appropriations subcommittees on ~~state~~-school aid, the state
16 budget director, the house and senate fiscal agencies, and the
17 department that includes at least all of the following information
18 related to the Michigan Virtual School for the preceding state
19 fiscal year:

20 (a) A list of the districts served by the Michigan Virtual
21 School.

22 (b) A list of virtual course titles available to districts.

23 (c) The total number of virtual course enrollments and
24 information on registrations and completions by course.

25 (d) The overall course completion rate percentage.

26 (8) In addition to the information listed in subsection (7),
27 the report under subsection (7) must also include a plan to serve
28 at least 600 schools with courses from the Michigan Virtual School
29 or with content available through the internet-based platform



1 identified in subsection (2) (b) (ix).

2 (9) The governor may appoint an advisory group for the
3 Michigan Virtual Learning Research Institute established under
4 subsection (2). The members of the advisory group serve at the
5 pleasure of the governor and without compensation. The purpose of
6 the advisory group is to make recommendations to the governor, the
7 legislature, and the president and board of the Michigan Virtual
8 University that will accelerate innovation in this state's
9 education system in a manner that will prepare elementary and
10 secondary students to be career and college ready and that will
11 promote the goal of increasing the percentage of residents of this
12 state with high-quality degrees and credentials to at least 60% by
13 2025.

14 (10) Not later than November 1 of each year, the Michigan
15 Virtual University shall submit to the house and senate
16 appropriations subcommittees on ~~state~~-school aid, the state budget
17 director, and the house and senate fiscal agencies a detailed
18 budget for that fiscal year that includes a breakdown on its
19 projected costs to deliver virtual educational services to
20 districts and a summary of the anticipated fees to be paid by
21 districts for those services. Not later than March 1 each year, the
22 Michigan Virtual University shall submit to the house and senate
23 appropriations subcommittees on ~~state~~-school aid, the state budget
24 director, and the house and senate fiscal agencies a breakdown on
25 its actual costs to deliver virtual educational services to
26 districts and a summary of the actual fees paid by districts for
27 those services based on audited financial statements for the
28 immediately preceding fiscal year.

29 (11) As used in this section:



1 (a) "Blended learning" means a hybrid instructional delivery
2 model where pupils are provided content, instruction, and
3 assessment, in part at a supervised educational facility away from
4 home where the pupil and a teacher with a valid Michigan teaching
5 certificate are in the same physical location and in part through
6 internet-connected learning environments with some degree of pupil
7 control over time, location, and pace of instruction.

8 (b) "Cyber school" means a full-time instructional program of
9 virtual courses for pupils that may or may not require attendance
10 at a physical school location.

11 (c) "Virtual course" means a course of study that is capable
12 of generating a credit or a grade and that is provided in an
13 interactive learning environment in which the majority of the
14 curriculum is delivered using the internet and in which pupils are
15 separated from their instructor or teacher of record by time or
16 location, or both.

17 Sec. 99h. (1) From the state school aid fund money
18 appropriated in section 11, there is allocated an amount not to
19 exceed ~~\$4,400,000.00~~ **\$4,723,200.00** for ~~2020-2021~~ **2021-2022** for
20 competitive grants to districts and intermediate districts, and
21 from the general fund money appropriated in section 11, there is
22 allocated ~~\$300,000.00~~ **\$600,000.00** for ~~2020-2021~~ **2021-2022** for
23 competitive grants to nonpublic schools, that provide pupils in
24 grades pre-K to 12 with expanded opportunities to improve
25 mathematics, science, and technology skills by participating in
26 events hosted by a science and technology development program known
27 as FIRST (for inspiration and recognition of science and
28 technology) Robotics, including JR FIRST Lego League, FIRST Lego
29 League, FIRST Tech challenge, and FIRST Robotics competition, or



1 other competitive robotics programs, including VEX and those hosted
2 by the Robotics Education and Competition (REC) Foundation.
3 Programs funded under this section are intended to increase the
4 number of pupils demonstrating proficiency in science and
5 mathematics on the state assessments and to increase the number of
6 pupils who are college- and career-ready upon high school
7 graduation. Notwithstanding section 17b, the department shall make
8 grant payments to districts, nonpublic schools, and intermediate
9 districts under this section on a schedule determined by the
10 department. The department shall set maximum grant awards for each
11 different level of programming and competition in a manner that
12 both maximizes the number of teams that will be able to receive
13 funds and expands the geographical distribution of teams.

14 (2) A district, nonpublic school, or intermediate district
15 applying for a grant under this section shall submit an application
16 in a form and manner prescribed by the department. To be eligible
17 for a grant, a district, nonpublic school, or intermediate district
18 must demonstrate in its application that the district, nonpublic
19 school, or intermediate district has established a partnership for
20 the purposes of the robotics program with at least 1 sponsor,
21 business entity, higher education institution, or technical school,
22 shall submit a spending plan, and shall provide a local in-kind or
23 cash match from other private or local funds of at least 25% of the
24 cost of the robotics program award.

25 (3) The department shall distribute the grant funding under
26 this section for the following purposes:

27 (a) Grants to districts, nonpublic schools, or intermediate
28 districts to pay for stipends not to exceed \$1,500.00 per building
29 for coaching.



1 (b) Grants to districts, nonpublic schools, or intermediate
2 districts for event registrations, materials, travel costs, and
3 other expenses associated with the preparation for and attendance
4 at robotics events and competitions.

5 (c) Grants to districts, nonpublic schools, or intermediate
6 districts for awards to teams that advance to the next levels of
7 competition as determined by the department. The department shall
8 determine an equal amount per team for those teams that advance.

9 (4) The funds allocated under this section for ~~2020-2021-2021-~~
10 **2022** are a work project appropriation, and any unexpended funds for
11 ~~2020-2021-2021-2022~~ are carried forward into ~~2021-2022-~~**2022-2023**.
12 The purpose of the work project is to continue support of FIRST
13 Robotics and must not be used to support other robotics
14 competitions. The estimated completion date of the work project is
15 September 30, 2023.

16 (5) A nonpublic school that receives a grant under this
17 section may use the funds for either robotics or Science Olympiad
18 programs.

19 (6) To be eligible to receive funds under this section, a
20 nonpublic school must be a nonpublic school registered with the
21 department and must meet all applicable state reporting
22 requirements for nonpublic schools.

23 Sec. 99s. (1) From the funds appropriated under section 11,
24 there is allocated for ~~2020-2021-2021-2022~~ an amount not to exceed
25 \$7,634,300.00 from the state school aid fund appropriation and an
26 amount not to exceed \$300,000.00 from the general fund
27 appropriation for Michigan science, technology, engineering, and
28 mathematics (MiSTEM) programs. In addition, from the federal funds
29 appropriated in section 11, there is allocated to the department



1 for ~~2020-2021~~**2021-2022** an amount estimated at \$235,000.00 from
2 DED-OESE, title II, mathematics and science partnership grants. The
3 MiSTEM network may receive funds from private sources. If the
4 MiSTEM network receives funds from private sources, the MiSTEM
5 network shall expend those funds in alignment with the statewide
6 STEM strategy. Programs funded under this section are intended to
7 increase the number of pupils demonstrating proficiency in science
8 and mathematics on the state assessments, to increase the number of
9 pupils who are college- and career-ready upon high school
10 graduation, and to promote certificate and degree attainment in
11 STEM fields. Notwithstanding section 17b, the department shall make
12 payments under this section on a schedule determined by the
13 department.

14 (2) All of the following apply to the MiSTEM advisory council:

15 (a) The MiSTEM advisory council is created. The MiSTEM
16 advisory council shall provide to the governor, legislature,
17 department of labor and economic opportunity, and department
18 recommendations designed to improve and promote innovation in STEM
19 education and to prepare students for careers in science,
20 technology, engineering, and mathematics.

21 (b) The MiSTEM advisory council created under subdivision (a)
22 consists of the following members:

23 (i) The governor shall appoint 11 voting members who are
24 representative of business sectors that are important to Michigan's
25 economy and rely on a STEM-educated workforce, nonprofit
26 organizations and associations that promote STEM education, K-12
27 and postsecondary education entities involved in STEM-related
28 career education, or other sectors as considered appropriate by the
29 governor. Each of these members serves at the pleasure of the



1 governor and for a term determined by the governor.

2 (ii) The senate majority leader shall appoint 2 members of the
3 senate to serve as nonvoting, ex-officio members of the MiSTEM
4 advisory council, including 1 majority party member and 1 minority
5 party member.

6 (iii) The speaker of the house of representatives shall appoint
7 2 members of the house of representatives to serve as nonvoting,
8 ex-officio members of the MiSTEM advisory council, including 1
9 majority party member and 1 minority party member.

10 (iv) The governor shall appoint 1 state officer or employee to
11 serve as a nonvoting, ex-officio member of the MiSTEM advisory
12 council.

13 (c) Each member of the MiSTEM advisory council serves without
14 compensation.

15 (d) The MiSTEM advisory council annually shall review and make
16 recommendations to the governor, the legislature, and the
17 department concerning changes to the statewide strategy adopted by
18 the council for delivering STEM education-related opportunities to
19 pupils. The MiSTEM advisory council shall use funds received under
20 this subsection to ensure that its members or their designees are
21 trained in the Change the Equation STEMworks rating system program
22 for the purpose of rating STEM programs.

23 (3) The MiSTEM advisory council shall make specific funding
24 recommendations for the funds allocated under subsection (4) by
25 December 15 of each fiscal year. Each specific funding
26 recommendation must be for a program approved by the MiSTEM
27 advisory council. All of the following apply:

28 (a) To be eligible for MiSTEM advisory council approval as
29 described in this subsection, a program must satisfy all of the



1 following:

2 (i) Align with this state's academic standards.

3 (ii) Have STEMworks certification.

4 (iii) Provide project-based experiential learning, student
5 programming, or educator professional learning experiences.

6 (iv) Focus predominantly on classroom-based STEM experiences or
7 professional learning experiences.

8 (b) The MiSTEM advisory council shall approve programs that
9 represent all network regions and include a diverse array of
10 options for students and educators and at least 1 program in each
11 of the following areas:

12 (i) Robotics.

13 (ii) Computer science or coding.

14 (iii) Engineering or bioscience.

15 (c) The MiSTEM advisory council is encouraged to work with the
16 MiSTEM network to develop locally and regionally developed programs
17 and professional learning experiences for the programs on the list
18 of approved programs.

19 (d) If the MiSTEM advisory council is unable to make specific
20 funding recommendations by December 15 of a fiscal year, the
21 department shall award and distribute the funds allocated under
22 subsection (4) on a competitive grant basis that at least follows
23 the statewide STEM strategy plan and rating system recommended by
24 the MiSTEM advisory council. Each grant must provide STEM
25 education-related opportunities for pupils.

26 (e) The MiSTEM advisory council shall work with the executive
27 director of the MiSTEM network to implement the statewide STEM
28 strategy adopted by the MiSTEM advisory council.

29 (4) ~~From~~ **Except as otherwise provide in this subsection, from**



1 the state school aid fund money allocated under subsection (1),
2 there is allocated for ~~2020-2021-2021-2022~~ an amount not to exceed
3 \$3,050,000.00 for the purpose of funding programs under this
4 section for ~~2020-2021-2021-2022~~ as recommended by the MiSTEM
5 advisory council. **However, from the allocation under this**
6 **subsection, the council shall recommend and the department shall**
7 **award \$350,000.00 in grants to intermediate districts to implement**
8 **fabrication laboratories (Fab Labs). The council shall recommend**
9 **and the department shall only award 10 grants described in the**
10 **immediately preceding sentence in an amount not to exceed**
11 **\$35,000.00 each.**

12 (5) From the state school aid fund money allocated under
13 subsection (1), there is allocated an amount not to exceed
14 \$3,834,300.00 for ~~2020-2021-2021-2022~~ to support the activities and
15 programs of the MiSTEM network regions. In addition, from the
16 federal funds allocated under subsection (1), there is allocated
17 for ~~2020-2021-2021-2022~~ an amount estimated at \$235,000.00 from
18 DED-OESE, title II, mathematics and science partnership grants, for
19 the purposes of this subsection. From the money allocated under
20 this subsection, the department shall award the fiscal agent for
21 each MiSTEM network region \$200,000.00 for the base operations of
22 each region. The department shall distribute the remaining funds to
23 each fiscal agent in an equal amount per pupil, based on the number
24 of K to 12 pupils enrolled in districts within each region in the
25 immediately preceding fiscal year.

26 (6) A MiSTEM network region shall do all of the following:

27 (a) Collaborate with the career and educational advisory
28 council that is located in the MiSTEM region to develop a regional
29 strategic plan for STEM education that creates a robust regional



1 STEM culture, that empowers STEM teachers, that integrates business
2 and education into the STEM network, and that ensures high-quality
3 STEM experiences for pupils. At a minimum, a regional STEM
4 strategic plan should do all of the following:

5 (i) Identify regional employer need for STEM.

6 (ii) Identify processes for regional employers and educators to
7 create guided pathways for STEM careers that include internships or
8 externships, apprenticeships, and other experiential engagements
9 for pupils.

10 (iii) Identify educator professional ~~development~~ **learning**
11 opportunities, including internships or externships and
12 apprenticeships, that integrate this state's science standards into
13 high-quality STEM experiences that engage pupils.

14 (b) Facilitate regional STEM events such as educator and
15 employer networking and STEM career fairs to raise STEM awareness.

16 (c) Contribute to the MiSTEM website and engage in other
17 MiSTEM network functions to further the mission of STEM in this
18 state in coordination with the MiSTEM advisory council and its
19 executive director.

20 (d) Facilitate application and implementation of state and
21 federal funds under this subsection and any other grants or funds
22 for the MiSTEM network region.

23 (e) Work with districts to provide STEM programming and
24 professional learning.

25 (f) Coordinate recurring discussions and work with the career
26 and educational advisory council to ensure that feedback and best
27 practices are being shared, including funding, program,
28 professional learning opportunities, and regional strategic plans.

29 (7) From the state school aid fund money allocated under



1 subsection (1), the department shall distribute for ~~2020-2021-2021-~~
2 **2022** an amount not to exceed \$750,000.00, in a form and manner
3 determined by the department, to those network regions able to
4 provide curriculum and professional development support to assist
5 districts in implementing the Michigan merit curriculum components
6 for mathematics and science.

7 (8) In order to receive state or federal funds under
8 subsection (5) or (7), or to receive funds from private sources as
9 authorized under subsection (1), a grant recipient must allow
10 access for the department or the department's designee to audit all
11 records related to the program for which it receives those funds.
12 The grant recipient shall reimburse the state for all disallowances
13 found in the audit.

14 (9) In order to receive state funds under subsection (5) or
15 (7), a grant recipient must provide at least a ~~10%~~**25%** local match
16 from local public or private resources for the funds received under
17 this subsection.

18 (10) Not later than July 1 of each year, a MiSTEM network
19 region that receives funds under subsection (5) shall report to the
20 executive director of the MiSTEM network in a form and manner
21 prescribed by the executive director on performance measures
22 developed by the MiSTEM network regions and approved by the
23 executive director. The performance measures must be designed to
24 ensure that the activities of the MiSTEM network are improving
25 student academic outcomes.

26 (11) Not more than 5% of a MiSTEM network region grant under
27 subsection (5) or (7) may be retained by a fiscal agent for serving
28 as the fiscal agent of a MiSTEM network region.

29 (12) From the general fund money allocated under subsection



1 (1), there is allocated an amount not to exceed \$300,000.00 to the
2 department of labor and economic opportunity to support the
3 functions of the executive director and executive assistant for the
4 MiSTEM network, and for administrative, training, and travel costs
5 related to the MiSTEM advisory council. The executive director and
6 executive assistant for the MiSTEM network shall do all of the
7 following:

8 (a) Serve as a liaison among and between the department, the
9 department of labor and economic opportunity, the MiSTEM advisory
10 council, the governor's future talent council, the MiSTEM regions,
11 and any other relevant organization or entity in a manner that
12 creates a robust statewide STEM culture, that empowers STEM
13 teachers, that integrates business and education into the STEM
14 network, and that ensures high-quality STEM experiences for pupils.

15 (b) Coordinate the implementation of a marketing campaign,
16 including, but not limited to, a website that includes dashboards
17 of outcomes, to build STEM awareness and communicate STEM needs and
18 opportunities to pupils, parents, educators, and the business
19 community.

20 (c) Work with the department and the MiSTEM advisory council
21 to coordinate, award, and monitor MiSTEM state and federal grants
22 to the MiSTEM network regions and conduct reviews of grant
23 recipients, including, but not limited to, pupil experience and
24 feedback.

25 (d) Report to the governor, the legislature, the department,
26 and the MiSTEM advisory council annually on the activities and
27 performance of the MiSTEM network regions.

28 (e) Coordinate recurring discussions and work with regional
29 staff to ensure that a network or loop of feedback and best



1 practices are shared, including funding, programming, professional
 2 learning opportunities, discussion of MiSTEM strategic vision, and
 3 regional objectives.

4 (f) Coordinate major grant application efforts with the MiSTEM
 5 advisory council to assist regional staff with grant applications
 6 on a local level. The MiSTEM advisory council shall leverage
 7 private and nonprofit relationships to coordinate and align private
 8 funds in addition to funds appropriated under this section.

9 (g) Train state and regional staff in the STEMworks rating
 10 system, in collaboration with the MiSTEM advisory council and the
 11 department.

12 (h) Hire MiSTEM network region staff in collaboration with the
 13 network region fiscal agent.

14 (13) As used in this section:

15 (a) "Career and educational advisory council" means an
 16 advisory council to the local workforce development boards located
 17 in a prosperity region consisting of educational, employer, labor,
 18 and parent representatives.

19 (b) "DED" means the United States Department of Education.

20 (c) "DED-OESE" means the DED Office of Elementary and
 21 Secondary Education.

22 (d) "STEM" means science, technology, engineering, and
 23 mathematics delivered in an integrated fashion using cross-
 24 disciplinary learning experiences that can include language arts,
 25 performing and fine arts, and career and technical education.

26 **Sec. 99aa. (1) From the state school aid fund money**
 27 **appropriated in section 11, there is allocated an amount not to**
 28 **exceed \$450,000.00 for 2021-2022 to 1 eligible intermediate**
 29 **district to provide opportunities for high school students with**



1 disabilities to train for, gain, and maintain competitive
2 employment.

3 (2) An intermediate district that has partnered with Project
4 SEARCH to provide the opportunities described in subsection (1) is
5 an eligible intermediate district under this section.

6 (3) The funds allocated under this section for 2021-2022 are a
7 work project appropriation, and any unexpended funds for 2021-2022
8 are carried forward into 2022-2023. The purpose of the work project
9 is to provide for the continuation of opportunities for high school
10 students with disabilities as described in subsection (1). The
11 estimated completion date of the work project is September 30,
12 2023.

13 Sec. 99bb. (1) From the state school aid fund money
14 appropriated under section 11, there is allocated \$5,000,000.00 and
15 from the general fund money appropriated under section 11, there is
16 allocated \$500,000.00 for 2021-2022 for the purposes of this
17 section.

18 (2) From the state school aid fund money allocated under
19 subsection (1), there is allocated \$4,000,000.00 for payments to
20 districts and from the general fund money allocated under
21 subsection (1), there is allocated \$500,000.00 for payments to
22 nonpublic schools to provide stipends of \$1,000.00 for each
23 eligible teacher.

24 (3) A teacher who is elected under subsection (4) is an
25 eligible teacher under this section.

26 (4) A teacher elected as described in this subsection shall
27 attend the statewide teacher network conference and is considered a
28 statewide teacher network member. Each school operated by a
29 district and each nonpublic school may have up to 1 teacher who is



1 elected under this subsection. If a teacher expresses interest in
2 serving as a statewide teacher network member, the school in which
3 the teacher works shall establish an anonymous election process.
4 Both of the following apply to an election process described in
5 this subsection:

6 (a) It must include a vote concerning the selection of a
7 teacher who will serve as a member of the statewide teacher network
8 that is open to all workers who work full-time at the school.

9 (b) It must be held by not later than October 31, 2021.

10 (5) To receive a stipend under subsection (2), an eligible
11 teacher must agree to serve as a statewide teacher network member
12 from November 1, 2021 through October 31, 2022.

13 (6) Statewide teacher network members elected under subsection
14 (4) shall determine a system of leadership for the statewide
15 teacher network by November 30, 2021. The members serving as part
16 of the leadership system described in this subsection shall do all
17 of the following:

18 (a) Ensure that other statewide teacher network members are
19 able to effectively assemble.

20 (b) Produce goals to be pursued by all statewide teacher
21 network members that are focused on bettering the system of
22 education in this state.

23 (c) Ensure that the statewide teacher network tracks, reviews,
24 and comments on legislation, as interpreted by the department.

25 (d) Ensure that the statewide teacher network assesses the
26 effectiveness of the department.

27 (e) Ensure that the statewide teacher network shares best
28 practices.

29 (f) Partner with the intermediate district that receives



1 funding under subsection (7) in planning the statewide teacher
 2 network conference to ensure that the goals described in
 3 subdivision (b) are addressed.

4 (7) From the state school aid fund money allocated under
 5 subsection (1), there is allocated \$1,000,000.00 to 1 intermediate
 6 district to host a statewide teacher network conference.

7 (8) As used in this section, "statewide teacher network
 8 conference" means a conference hosted by the intermediate district
 9 that receives funding under subsection (7) at which all eligible
 10 teachers can gather.

11 Sec. 101. (1) To be eligible to receive state aid under this
 12 article, not later than the fifth Wednesday after the pupil
 13 membership count day and not later than the fifth Wednesday after
 14 the supplemental count day, each district superintendent shall
 15 submit and certify to the center and the intermediate
 16 superintendent, in the form and manner prescribed by the center,
 17 the number of pupils enrolled and in regular daily attendance, ~~or,~~
 18 ~~for 2020-2021 only, the number of pupils engaged in pandemic~~
 19 ~~learning for fall 2020 or the number of pupils engaged in pandemic~~
 20 ~~learning for spring 2021, as applicable, or, for a district that~~
 21 ~~operates as a cyber school, as that term is defined in section 551~~
 22 ~~of the revised school code, MCL 380.551, the number of pupils~~
 23 ~~enrolled and in regular daily attendance, including identification~~
 24 ~~of tuition-paying pupils, in the district as of the pupil~~
 25 ~~membership count day and as of the supplemental count day, as~~
 26 ~~applicable, for the current school year. In addition, a district~~
 27 ~~maintaining school during the entire year shall submit and certify~~
 28 ~~to the center and the intermediate superintendent, in the form and~~
 29 ~~manner prescribed by the center, the number of pupils enrolled and~~



1 in regular daily attendance in the district ~~or, for 2020-2021 only,~~
 2 ~~the number of pupils engaged in pandemic learning for fall 2020 or~~
 3 ~~the number of pupils engaged in pandemic learning for spring 2021,~~
 4 ~~as applicable, or, for a district that operates as a cyber school,~~
 5 ~~as that term is defined in section 551 of the revised school code,~~
 6 ~~MCL 380.551, the number of pupils enrolled and in regular daily~~
 7 ~~attendance,~~ for the current school year pursuant to rules
 8 promulgated by the superintendent. Not later than the sixth
 9 Wednesday after the pupil membership count day and not later than
 10 the sixth Wednesday after the supplemental count day, the district
 11 shall resolve any pupil membership conflicts with another district,
 12 correct any data issues, and recertify the data in a form and
 13 manner prescribed by the center and file the certified data with
 14 the intermediate superintendent. If a district fails to submit and
 15 certify the attendance data, as required under this subsection, the
 16 center shall notify the department and the department shall
 17 withhold state aid due to be distributed under this article from
 18 the defaulting district immediately, beginning with the next
 19 payment after the failure and continuing with each payment until
 20 the district complies with this subsection. If a district does not
 21 comply with this subsection by the end of the fiscal year, the
 22 district forfeits the amount withheld. A person who willfully
 23 falsifies a figure or statement in the certified and sworn copy of
 24 enrollment is subject to penalty as prescribed by section 161. ~~As~~
 25 ~~used in this subsection, "pupils engaged in pandemic learning for~~
 26 ~~spring 2021" means that term as defined in section 6a.~~

27 (2) To be eligible to receive state aid under this article,
 28 not later than the twenty-fourth Wednesday after the pupil
 29 membership count day and not later than the twenty-fourth Wednesday



1 after the supplemental count day, an intermediate district shall
2 submit to the center, in a form and manner prescribed by the
3 center, the audited enrollment and attendance data as described in
4 subsection (1) for the pupils of its constituent districts and of
5 the intermediate district. If an intermediate district fails to
6 submit the audited data as required under this subsection, the
7 department shall withhold state aid due to be distributed under
8 this article from the defaulting intermediate district immediately,
9 beginning with the next payment after the failure and continuing
10 with each payment until the intermediate district complies with
11 this subsection. If an intermediate district does not comply with
12 this subsection by the end of the fiscal year, the intermediate
13 district forfeits the amount withheld.

14 (3) Except as otherwise provided in subsections (11) ~~and~~
15 (12) ~~and (13)~~, all of the following apply to the provision of
16 pupil instruction:

17 (a) Except as otherwise provided in this section, each
18 district shall provide at least 1,098 hours and 180 days of pupil
19 instruction. If a collective bargaining agreement that provides a
20 complete school calendar was in effect for employees of a district
21 as of June 24, 2014, and if that school calendar is not in
22 compliance with this subdivision, then this subdivision does not
23 apply to that district until after the expiration of that
24 collective bargaining agreement. A district may apply for a waiver
25 under subsection (9) from the requirements of this subdivision.

26 (b) Except as otherwise provided in this article, a district
27 failing to comply with the required minimum hours and days of pupil
28 instruction under this subsection forfeits from its total state aid
29 allocation an amount determined by applying a ratio of the number



1 of hours or days the district was in noncompliance in relation to
2 the required minimum number of hours and days under this
3 subsection. Not later than **the first business day in** August, ~~1,~~ the
4 board of each district shall either certify to the department that
5 the district was in full compliance with this section regarding the
6 number of hours and days of pupil instruction in the previous
7 school year, or report to the department, in a form and manner
8 prescribed by the center, each instance of noncompliance. If the
9 district did not provide at least the required minimum number of
10 hours and days of pupil instruction under this subsection, the
11 department shall make the deduction of state aid in the following
12 fiscal year from the first payment of state school aid. A district
13 is not subject to forfeiture of funds under this subsection for a
14 fiscal year in which a forfeiture was already imposed under
15 subsection (6).

16 (c) Hours or days lost because of strikes or teachers'
17 conferences are not counted as hours or days of pupil instruction.

18 (d) Except as otherwise provided in subdivisions (e) ~~, and~~
19 (f), ~~and (h),~~ if a district does not have at least 75% of the
20 district's membership in attendance on any day of pupil
21 instruction, the department shall pay the district state aid in
22 that proportion of 1/180 that the actual percent of attendance
23 bears to 75%.

24 (e) If a district adds 1 or more days of pupil instruction to
25 the end of its instructional calendar for a school year to comply
26 with subdivision (a) because the district otherwise would fail to
27 provide the required minimum number of days of pupil instruction
28 even after the operation of subsection (4) due to conditions not
29 within the control of school authorities, then subdivision (d) does



1 not apply for any day of pupil instruction that is added to the end
2 of the instructional calendar. Instead, for any of those days, if
3 the district does not have at least 60% of the district's
4 membership in attendance on that day, the department shall pay the
5 district state aid in that proportion of 1/180 that the actual
6 percentage of attendance bears to 60%. For any day of pupil
7 instruction added to the instructional calendar as described in
8 this subdivision, the district shall report to the department the
9 percentage of the district's membership that is in attendance, in
10 the form and manner prescribed by the department.

11 (f) At the request of a district that operates a department-
12 approved alternative education program and that does not provide
13 instruction for pupils in all of grades K to 12, the superintendent
14 shall grant a waiver from the requirements of subdivision (d). The
15 waiver must provide that an eligible district is subject to the
16 proration provisions of subdivision (d) only if the district does
17 not have at least 50% of the district's membership in attendance on
18 any day of pupil instruction. In order to be eligible for this
19 waiver, a district must maintain records to substantiate its
20 compliance with the following requirements:

21 (i) The district offers the minimum hours of pupil instruction
22 as required under this section.

23 (ii) For each enrolled pupil, the district uses appropriate
24 academic assessments to develop an individual education plan that
25 leads to a high school diploma.

26 (iii) The district tests each pupil to determine academic
27 progress at regular intervals and records the results of those
28 tests in that pupil's individual education plan.

29 (g) All of the following apply to a waiver granted under



1 subdivision (f):

2 (i) If the waiver is for a blended model of delivery, a waiver
3 that is granted for the 2011-2012 fiscal year or a subsequent
4 fiscal year remains in effect unless it is revoked by the
5 superintendent.

6 (ii) If the waiver is for a 100% online model of delivery and
7 the educational program for which the waiver is granted makes
8 educational services available to pupils for a minimum of at least
9 1,098 hours during a school year and ensures that each pupil
10 participates in the educational program for at least 1,098 hours
11 during a school year, a waiver that is granted for the 2011-2012
12 fiscal year or a subsequent fiscal year remains in effect unless it
13 is revoked by the superintendent.

14 (iii) A waiver that is not a waiver described in subparagraph
15 (i) or (ii) is valid for 3 fiscal years, unless it is revoked by the
16 superintendent, and must be renewed at the end of the 3-year period
17 to remain in effect.

18 ~~(h) For the 2020-2021 school year only, subdivision (d) does~~
19 ~~not apply for any day of pupil instruction. However, for the 2020-~~
20 ~~2021 school year only, a district shall ensure that 1-2-way~~
21 ~~interaction occurs between a pupil enrolled in the district and the~~
22 ~~pupil's teacher or at least 1 of the pupil's teachers or another~~
23 ~~district employee who has responsibility for the pupil's learning,~~
24 ~~grade progression, or academic progress during each month of the~~
25 ~~school year for at least 75% of pupils enrolled in the district. As~~
26 ~~used in the immediately preceding sentence, "school year" means a~~
27 ~~period comprising at least 9 calendar months that are chosen by a~~
28 ~~district and that are designated as part of the district's 2020-~~
29 ~~2021 school year. If a district does not ensure that the~~



~~1 interactions required under this subdivision occur for at least 75%~~
~~2 of pupils enrolled in the district as required under this~~
~~3 subdivision, the department shall pay the district state aid in~~
~~4 that proportion of 1/9 that the actual percentage of interaction~~
~~5 during each month bears to 75%. As used in this subdivision, "2-way~~
~~6 interaction" means a communication that occurs between a pupil and~~
~~7 the pupil's teacher or at least 1 of the pupil's teachers or~~
~~8 another district employee who has responsibility for the pupil's~~
~~9 learning, grade progression, or academic progress, where 1 party~~
~~10 initiates communication and a response from the other party follows~~
~~11 that communication, and that is relevant to course progress or~~
~~12 course content for at least 1 of the courses in which the pupil is~~
~~13 enrolled or relevant to the pupil's overall academic progress or~~
~~14 grade progression. Responses, as described in this subdivision,~~
~~15 must be to communication initiated by the teacher, by another~~
~~16 district employee who has responsibility for the pupil's learning,~~
~~17 grade progression, or academic progress, or by the pupil, and not~~
~~18 some other action taken. The communication described in this~~
~~19 subdivision may occur through, but is not limited to, any of the~~
~~20 following means:~~

- ~~21 (i) Electronic mail.~~
- ~~22 (ii) Telephone.~~
- ~~23 (iii) Instant messaging.~~
- ~~24 (iv) Face-to-face conversation.~~

~~25 (h) (i) The superintendent shall promulgate rules for the~~
~~26 implementation of this subsection.~~

~~27 (4) Except as otherwise provided in this subsection **and**~~
~~28 **subject to section 31b**, the first 6 days or the equivalent number~~
~~29 of hours for which pupil instruction is not provided because of~~



1 conditions not within the control of school authorities, such as
 2 severe storms, fires, epidemics, utility power unavailability,
 3 water or sewer failure, or health conditions as defined by the
 4 city, county, or state health authorities, are counted as hours and
 5 days of pupil instruction. With the approval of the superintendent
 6 of public instruction, the department shall count as hours and days
 7 of pupil instruction for a fiscal year not more than 3 additional
 8 days or the equivalent number of additional hours for which pupil
 9 instruction is not provided in a district due to unusual and
 10 extenuating occurrences resulting from conditions not within the
 11 control of school authorities such as those conditions described in
 12 this subsection. Subsequent such hours or days are not counted as
 13 hours or days of pupil instruction.

14 (5) A district does not forfeit part of its state aid
 15 appropriation because it adopts or has in existence an alternative
 16 scheduling program for pupils in kindergarten if the program
 17 provides at least the number of hours required under subsection (3)
 18 for a full-time equated membership for a pupil in kindergarten as
 19 provided under section 6(4).

20 (6) In addition to any other penalty or forfeiture under this
 21 section, if at any time the department determines that 1 or more of
 22 the following have occurred in a district, the district forfeits in
 23 the current fiscal year beginning in the next payment to be
 24 calculated by the department a proportion of the funds due to the
 25 district under this article that is equal to the proportion below
 26 the required minimum number of hours and days of pupil instruction
 27 under subsection (3), as specified in the following:

28 (a) The district fails to operate its schools for at least the
 29 required minimum number of hours and days of pupil instruction



1 under subsection (3) in a school year, including hours and days
2 counted under subsection (4).

3 (b) The board of the district takes formal action not to
4 operate its schools for at least the required minimum number of
5 hours and days of pupil instruction under subsection (3) in a
6 school year, including hours and days counted under subsection (4).

7 (7) In providing the minimum number of hours and days of pupil
8 instruction required under subsection (3), a district shall use the
9 following guidelines, and a district shall maintain records to
10 substantiate its compliance with the following guidelines:

11 (a) Except as otherwise provided in this subsection, a pupil
12 must be scheduled for at least the required minimum number of hours
13 of instruction, excluding study halls, or at least the sum of 90
14 hours plus the required minimum number of hours of instruction,
15 including up to 2 study halls.

16 (b) The time a pupil is assigned to any tutorial activity in a
17 block schedule may be considered instructional time, unless that
18 time is determined in an audit to be a study hall period.

19 (c) Except as otherwise provided in this subdivision, a pupil
20 in grades 9 to 12 for whom a reduced schedule is determined to be
21 in the individual pupil's best educational interest must be
22 scheduled for a number of hours equal to at least 80% of the
23 required minimum number of hours of pupil instruction to be
24 considered a full-time equivalent pupil. A pupil in grades 9 to 12
25 who is scheduled in a 4-block schedule may receive a reduced
26 schedule under this subsection if the pupil is scheduled for a
27 number of hours equal to at least 75% of the required minimum
28 number of hours of pupil instruction to be considered a full-time
29 equivalent pupil.



1 (d) If a pupil in grades 9 to 12 who is enrolled in a
 2 cooperative education program or a special education pupil cannot
 3 receive the required minimum number of hours of pupil instruction
 4 solely because of travel time between instructional sites during
 5 the school day, that travel time, up to a maximum of 3 hours per
 6 school week, is considered to be pupil instruction time for the
 7 purpose of determining whether the pupil is receiving the required
 8 minimum number of hours of pupil instruction. However, if a
 9 district demonstrates to the satisfaction of the department that
 10 the travel time limitation under this subdivision would create
 11 undue costs or hardship to the district, the department may
 12 consider more travel time to be pupil instruction time for this
 13 purpose.

14 (e) In grades 7 through 12, instructional time that is part of
 15 a Junior Reserve Officer Training Corps (JROTC) program is
 16 considered to be pupil instruction time regardless of whether the
 17 instructor is a certificated teacher if all of the following are
 18 met:

19 (i) The instructor has met all of the requirements established
 20 by the United States Department of Defense and the applicable
 21 branch of the armed services for serving as an instructor in the
 22 Junior Reserve Officer Training Corps program.

23 (ii) The board of the district or intermediate district
 24 employing or assigning the instructor complies with the
 25 requirements of sections 1230 and 1230a of the revised school code,
 26 MCL 380.1230 and 380.1230a, with respect to the instructor to the
 27 same extent as if employing the instructor as a regular classroom
 28 teacher.

29 (8) Except as otherwise provided in subsections (11) ~~and~~



1 (12), ~~and (13)~~, the department shall apply the guidelines under
2 subsection (7) in calculating the full-time equivalency of pupils.

3 (9) Upon application by the district for a particular fiscal
4 year, the superintendent shall waive for a district the minimum
5 number of hours and days of pupil instruction requirement of
6 subsection (3) for a department-approved alternative education
7 program or another innovative program approved by the department,
8 including a 4-day school week. If a district applies for and
9 receives a waiver under this subsection and complies with the terms
10 of the waiver, the district is not subject to forfeiture under this
11 section for the specific program covered by the waiver. If the
12 district does not comply with the terms of the waiver, the amount
13 of the forfeiture is calculated based upon a comparison of the
14 number of hours and days of pupil instruction actually provided to
15 the minimum number of hours and days of pupil instruction required
16 under subsection (3). A district shall report pupils enrolled in a
17 department-approved alternative education program under this
18 subsection to the center in a form and manner determined by the
19 center. All of the following apply to a waiver granted under this
20 subsection:

21 (a) If the waiver is for a blended model of delivery, a waiver
22 that is granted for the 2011-2012 fiscal year or a subsequent
23 fiscal year remains in effect unless it is revoked by the
24 superintendent.

25 (b) If the waiver is for a 100% online model of delivery and
26 the educational program for which the waiver is granted makes
27 educational services available to pupils for a minimum of at least
28 1,098 hours during a school year and ensures that each pupil is on
29 track for course completion at proficiency level, a waiver that is



1 granted for the 2011-2012 fiscal year or a subsequent fiscal year
2 remains in effect unless it is revoked by the superintendent.

3 (c) A waiver that is not a waiver described in subdivision (a)
4 or (b) is valid for 3 fiscal years, unless it is revoked by the
5 superintendent, and must be renewed at the end of the 3-year period
6 to remain in effect.

7 (10) A district may count up to 38 hours of professional
8 development for teachers as hours of pupil instruction. All of the
9 following apply to the counting of professional development as
10 pupil instruction under this subsection:

11 (a) If the professional development exceeds 5 hours in a
12 single day, that day may be counted as a day of pupil instruction.

13 (b) At least 8 hours of the professional development counted
14 as hours of pupil instruction under this subsection must be
15 recommended by a districtwide professional development advisory
16 committee appointed by the district board. The advisory committee
17 must be composed of teachers employed by the district who represent
18 a variety of grades and subject matter specializations, including
19 special education; nonteaching staff; parents; and administrators.
20 The majority membership of the committee must be composed of
21 teaching staff.

22 (c) Professional development provided online is allowable and
23 encouraged, as long as the instruction has been approved by the
24 district. The department shall issue a list of approved online
25 professional development providers that must include the Michigan
26 Virtual School.

27 (d) Professional development may only be counted as hours of
28 pupil instruction under this subsection for the pupils of those
29 teachers scheduled to participate in the professional development.



1 (e) The professional development must meet all of the
2 following to be counted as pupil instruction under this subsection:

3 (i) Be aligned to the school or district improvement plan for
4 the school or district in which the professional development is
5 being provided.

6 (ii) Be linked to 1 or more criteria in the evaluation tool
7 developed or adopted by the district or intermediate district under
8 section 1249 of the revised school code, MCL 380.1249.

9 (iii) Has been approved by the department as counting for state
10 continuing education clock hours. The number of hours of
11 professional development counted as hours of pupil instruction
12 under this subsection may not exceed the number of state continuing
13 education clock hours for which the professional development was
14 approved.

15 (iv) Not more than a combined total of 10 hours of the
16 professional development takes place before the first scheduled day
17 of school for the school year ending in the fiscal year and after
18 the last scheduled day of school for that school year.

19 (v) Not more than 10 hours of the professional development
20 takes place in a single month.

21 (vi) At least 75% of teachers scheduled to participate in the
22 professional development are in attendance.

23 (11) Subsections (3) and (8) do not apply to a school of
24 excellence that is a cyber school, as that term is defined in
25 section 551 of the revised school code, MCL 380.551, and is in
26 compliance with section 553a of the revised school code, MCL
27 380.553a.

28 (12) Subsections (3) and (8) do not apply to eligible pupils
29 enrolled in a dropout recovery program that meets the requirements



1 of section 23a. As used in this subsection, "eligible pupil" means
2 that term as defined in section 23a.

3 ~~(13) For the 2020-2021 school year only, the minimum number of~~
4 ~~hours and days of pupil instruction requirement under subsection~~
5 ~~(3) is waived for each district that, at a minimum, provides pupil~~
6 ~~instruction for the 2020-2021 school year at school, at a different~~
7 ~~location, in person, online, digitally, by other remote means, in a~~
8 ~~synchronous or asynchronous format, or through any combination~~
9 ~~therein that results in an amount of hours and days necessary to~~
10 ~~deliver the educational or course content that would have been~~
11 ~~delivered in 180 days and 1,098 hours in a school year in which~~
12 ~~pandemic learning was not provided and that would have led to~~
13 ~~course completion. As used in this subsection, "pandemic learning"~~
14 ~~means a mode of pupil instruction provided as a result of the~~
15 ~~COVID-19 pandemic.~~

16 **(13)** ~~(14)~~ At least every 2 years the superintendent shall
17 review the waiver standards set forth in the pupil accounting and
18 auditing manuals to ensure that the waiver standards and waiver
19 process continue to be appropriate and responsive to changing
20 trends in online learning. The superintendent shall solicit and
21 consider input from stakeholders as part of this review.

22 Sec. 104. (1) In order to receive state aid under this
23 article, a district shall comply with sections 1249, 1278a, 1278b,
24 1279g, and 1280b of the revised school code, MCL 380.1249,
25 380.1278a, 380.1278b, 380.1279g, and 380.1280b, and 1970 PA 38, MCL
26 388.1081 to 388.1086. Subject to subsection (2), from the state
27 school aid fund money appropriated in section 11, there is
28 allocated for ~~2020-2021~~ **2021-2022** an amount not to exceed
29 ~~\$31,009,400.00~~ **\$29,009,500.00** for payments on behalf of districts



1 for costs associated with complying with those provisions of law.
 2 In addition, from the federal funds appropriated in section 11,
 3 there is allocated for ~~2020-2021~~**2021-2022** an amount estimated at
 4 \$6,250,000.00 funded from DED-OESE, title VI, state assessment
 5 funds, and from DED-OSERS, ~~section 504 of part B of the individuals~~
 6 ~~with disabilities education act, Public Law 94-142,~~**20 USC 1411 to**
 7 **1419**, plus any carryover federal funds from previous year
 8 appropriations, for the purposes of complying with the every
 9 student succeeds act, Public Law 114-95.

10 (2) The results of each test administered as part of the
 11 Michigan student test of educational progress (M-STEP), including
 12 tests administered to high school students, must include an item
 13 analysis that lists all items that are counted for individual pupil
 14 scores and the percentage of pupils choosing each possible
 15 response. The department shall work with the center to identify the
 16 number of students enrolled at the time assessments are given by
 17 each district. In calculating the percentage of pupils assessed for
 18 a district's scorecard, the department shall use only the number of
 19 pupils enrolled in the district at the time the district
 20 administers the assessments and shall exclude pupils who enroll in
 21 the district after the district administers the assessments.

22 (3) The department shall distribute federal funds allocated
 23 under this section in accordance with federal law and with
 24 flexibility provisions outlined in Public Law 107-116, and in the
 25 education flexibility partnership act of 1999, Public Law 106-25.

26 ~~(4) From the funds allocated in subsection (1), there is~~
 27 ~~allocated an amount not to exceed \$1,500,000.00 to an intermediate~~
 28 ~~district described in this subsection for, except as otherwise~~
 29 ~~provided in this subsection, statewide implementation of the~~



~~1 Michigan kindergarten entry observation tool (MKEO), utilizing the
 2 Maryland-Ohio observational tool, also referred to as the
 3 Kindergarten Readiness Assessment, as piloted under this subsection
 4 in 2017-2018 and implemented in 2018-2019 and 2019-2020. The
 5 funding in this subsection is allocated to an intermediate district
 6 in prosperity region 9 with at least 3,000 kindergarten pupils
 7 enrolled in its constituent districts. An intermediate district
 8 described in this subsection is not required to carry out the
 9 statewide implementation of the Michigan kindergarten entry
 10 observation tool (MKEO), as described in this subsection, for the
 11 fall of 2020. It is the intent of the legislature to account for
 12 health, safety, and welfare concerns related to the COVID-19
 13 pandemic by temporarily suspending the requirement for statewide
 14 implementation of the Michigan kindergarten entry observation tool
 15 (MKEO) under this subsection for the fall of 2020. All of the
 16 following apply to the implementation of the kindergarten entry
 17 observation tool under this subsection:~~

~~18 (a) The department, in collaboration with all intermediate
 19 districts, shall ensure that the Michigan kindergarten entry
 20 observation tool is administered in each kindergarten classroom to
 21 either the full census of kindergarten pupils enrolled in the
 22 classroom or to a representative sample of not less than 35% of the
 23 total kindergarten pupils enrolled in each classroom. If a district
 24 elects to administer the Michigan kindergarten entry observation
 25 tool to a random sample of pupils within each classroom, the
 26 district's intermediate district shall select the pupils who will
 27 receive the assessment based on the same random method. Beginning
 28 in 2021, the observation tool must be administered within 45 days
 29 after the start of the school year.~~



1 ~~(b) The intermediate district that receives funding under this~~
2 ~~subsection, in collaboration with all other intermediate districts,~~
3 ~~shall implement a "train the trainer" professional development~~
4 ~~model on the usage of the Michigan kindergarten entry observation~~
5 ~~tool. This training model must provide training to intermediate~~
6 ~~district staff so that they may provide similar training for staff~~
7 ~~of their constituent districts. This training model must also~~
8 ~~ensure that the tool produces reliable data and that there are a~~
9 ~~sufficient number of trainers to train all kindergarten teachers~~
10 ~~statewide.~~

11 ~~(c) By March 1, 2022, and each year thereafter, the department~~
12 ~~and the intermediate district that receives funding under this~~
13 ~~subsection shall report to the house and senate appropriations~~
14 ~~subcommittees on state school aid, the house and senate fiscal~~
15 ~~agencies, and the state budget director on the results of the~~
16 ~~statewide implementation, including, but not limited to, an~~
17 ~~evaluation of the demonstrated readiness of kindergarten pupils~~
18 ~~statewide and the effectiveness of state and federal early~~
19 ~~childhood programs that are designed for school readiness under~~
20 ~~this state's authority, including the great start readiness program~~
21 ~~and the great start readiness/Head Start blended program, as~~
22 ~~referenced under section 32d. By September 1, 2022, and each year~~
23 ~~thereafter, the department and the center shall provide a method~~
24 ~~for districts and public school academies with kindergarten~~
25 ~~enrollment to look up and verify their student enrollment data for~~
26 ~~pupils who were enrolled in a publicly funded early childhood~~
27 ~~program in the year before kindergarten, including the individual~~
28 ~~great start readiness program, individual great start~~
29 ~~readiness/Head Start blended program, individual title I preschool~~



1 ~~program, individual section 31a preschool program, individual early~~
 2 ~~childhood special education program, or individual developmental~~
 3 ~~kindergarten or program for young 5-year-olds in which each tested~~
 4 ~~child was enrolled. A participating district shall analyze the data~~
 5 ~~to determine whether high-performing children were enrolled in any~~
 6 ~~specific early childhood program and, if so, report that finding to~~
 7 ~~the department and to the intermediate district that receives~~
 8 ~~funding under this subsection.~~

9 ~~(d) The department shall approve the language and literacy~~
 10 ~~domain within the Kindergarten Readiness Assessment for use by~~
 11 ~~districts as an initial assessment that may be delivered to all~~
 12 ~~kindergarten pupils to assist with identifying any possible area of~~
 13 ~~concern for a pupil in English language arts.~~

14 ~~(e) As used in this subsection:~~

15 ~~(i) "Kindergarten" includes a classroom for young 5-year-olds,~~
 16 ~~commonly referred to as "young 5s" or "developmental kindergarten".~~

17 ~~(ii) "Representative sample" means a sample capable of~~
 18 ~~producing valid and reliable assessment information on all or major~~
 19 ~~subgroups of kindergarten pupils in a district.~~

20 ~~(4) (5) The department may recommend, but may not require,~~
 21 ~~districts to allow pupils to use an external keyboard with tablet~~
 22 ~~devices for online M-STEP testing, including, but not limited to,~~
 23 ~~open-ended test items such as constructed response or equation~~
 24 ~~builder items.~~

25 ~~(5) (6) Notwithstanding section 17b, the department shall make~~
 26 ~~payments on behalf of districts, intermediate districts, and other~~
 27 ~~eligible entities under this section on a schedule determined by~~
 28 ~~the department.~~

29 ~~(6) (7) From the allocation in subsection (1), there is~~



1 allocated an amount not to exceed ~~\$500,000.00~~ **\$100.00** for 2020-2021
2 **2021-2022** for the operation of an online reporting tool to provide
3 student-level assessment data in a secure environment to educators,
4 parents, and pupils immediately after assessments are scored. The
5 department and the center shall ensure that any data collected by
6 the online reporting tool do not provide individually identifiable
7 student data to the federal government.

8 ~~(8) In order to receive state aid under this article for 2020-~~
9 ~~2021, a district shall meet both of the following requirements:~~

10 ~~(a) Within the first 9 weeks of the 2020-2021 school year, the~~
11 ~~district shall administer 1 or more benchmark assessments provided~~
12 ~~by a provider approved under subsection (9), benchmark assessments~~
13 ~~described in subsection (10), or local benchmark assessments, or~~
14 ~~any combination thereof, to all pupils in grades K to 8 to measure~~
15 ~~proficiency in reading and mathematics.~~

16 ~~(b) In addition to the benchmark assessment or benchmark~~
17 ~~assessments administered under subdivision (a), by not later than~~
18 ~~the last day of the 2020-2021 school year, the district shall~~
19 ~~administer 1 or more benchmark assessments provided by a provider~~
20 ~~approved under subsection (9), benchmark assessments described in~~
21 ~~subsection (10), or local benchmark assessments, or any combination~~
22 ~~thereof, to all pupils in grades K to 8 to measure proficiency in~~
23 ~~reading and mathematics.~~

24 ~~(9) The department shall approve at least 4 but not more than~~
25 ~~5 providers of benchmark assessments for the purposes of subsection~~
26 ~~(8). The department shall inform districts of all of the providers~~
27 ~~approved under this subsection in an equitable manner. The~~
28 ~~benchmark assessments provided for the purposes of subsection (8)~~
29 ~~by approved providers under this subsection, with the exclusion of~~



1 ~~the benchmark assessment described in subsection (14), must meet~~
 2 ~~all of the following:~~

3 ~~(a) Be 1 of the most commonly administered benchmark~~
 4 ~~assessments in this state.~~

5 ~~(b) Be aligned to the content standards of this state.~~

6 ~~(c) Complement the state's summative assessment system.~~

7 ~~(d) Be internet-delivered and include a standards-based~~
 8 ~~remote, in person, or both remote and in person assessment using a~~
 9 ~~computer-adaptive model to target the instructional level of each~~
 10 ~~pupil.~~

11 ~~(e) Provide information on pupil achievement with regard to~~
 12 ~~learning content required in a given year or grade span.~~

13 ~~(f) Provide immediate feedback to pupils and teachers.~~

14 ~~(g) Be nationally normed.~~

15 ~~(h) Provide multiple measures of growth and provide for~~
 16 ~~multiple testing opportunities.~~

17 ~~(10) A district may administer 1 or more of the following~~
 18 ~~benchmark assessments toward meeting the requirement under~~
 19 ~~subsection (8):~~

20 ~~(a) A benchmark assessment in reading for students in grades K~~
 21 ~~to 9 that contains progress monitoring tools and enhanced~~
 22 ~~diagnostic assessments.~~

23 ~~(b) A benchmark assessment in math for students in grades K to~~
 24 ~~8 that contains progress monitoring tools.~~

25 ~~(11) To the extent practicable, if a district administers a~~
 26 ~~benchmark assessment or benchmark assessments under this section,~~
 27 ~~the district shall administer the same benchmark assessment or~~
 28 ~~benchmark assessments provided by a provider approved under~~
 29 ~~subsection (9), benchmark assessment or benchmark assessments~~



1 ~~described in subsection (10), or local benchmark assessment or~~
 2 ~~local benchmark assessments that it administered to pupils in~~
 3 ~~previous school years, as applicable.~~

4 ~~(12) By not later than June 30, 2021, a district shall send~~
 5 ~~the aggregate district-level data from a benchmark assessment or~~
 6 ~~benchmark assessments, excluding data from a local benchmark~~
 7 ~~assessment or local benchmark assessments, administered under this~~
 8 ~~section to a regional data hub that is part of the Michigan data~~
 9 ~~hub network that shall compile the data and send it to the center.~~
 10 ~~Not later than September 1, 2021, the department and the center~~
 11 ~~shall provide a report to the governor and the senate and house~~
 12 ~~standing committees responsible for education legislation~~
 13 ~~identifying the number and percentage of pupils in this state who~~
 14 ~~are significantly behind grade level as determined by the~~
 15 ~~department and the center based on the data provided to the center~~
 16 ~~under this subsection. The benchmark assessment data under this~~
 17 ~~subsection may also be used to measure pupils' growth based on~~
 18 ~~their performance on state summative assessments to identify~~
 19 ~~districts and schools where pupil achievement has increased or~~
 20 ~~decreased. However, the benchmark assessment data under this~~
 21 ~~subsection must not be utilized for the state accountability~~
 22 ~~system. It is the intent of the legislature that the benchmark~~
 23 ~~assessment data under this subsection be primarily utilized to~~
 24 ~~determine the loss of learning, if any, resulting from the COVID-19~~
 25 ~~pandemic. After the administration of statewide assessments~~
 26 ~~resumes, the department shall also provide a report to the governor~~
 27 ~~and the senate and house standing committees responsible for~~
 28 ~~education legislation identifying the specific pupil groups whose~~
 29 ~~expected trajectory toward grade level proficiency were most~~



1 ~~impacted by school closures that occurred pursuant to the COVID-19~~
2 ~~pandemic.~~

3 ~~(13) If a district administers a benchmark assessment or~~
4 ~~benchmark assessments under this section, the district shall~~
5 ~~provide each pupil's data from the benchmark assessment or~~
6 ~~benchmark assessments, as available, to the pupil's parent or legal~~
7 ~~guardian within 30 days of administering the benchmark assessment~~
8 ~~or benchmark assessments.~~

9 ~~(14) The department shall make 1 of the benchmark assessments~~
10 ~~provided by a provider approved under subsection (9) available to~~
11 ~~districts at no cost to the districts. The benchmark assessment~~
12 ~~described in this subsection must meet all of the following:~~

13 ~~(a) Be aligned to the content standards of this state.~~

14 ~~(b) Complement the state's summative assessment system.~~

15 ~~(c) Be internet delivered and include a standards based~~
16 ~~assessment.~~

17 ~~(d) Provide information on pupil achievement with regard to~~
18 ~~learning content required in a given year or grade span.~~

19 ~~(e) Provide timely feedback to pupils and teachers.~~

20 ~~(f) Be nationally normed.~~

21 ~~(g) Provide information to educators about student growth and~~
22 ~~allow for multiple testing opportunities.~~

23 ~~(15) If a local benchmark assessment or local benchmark~~
24 ~~assessments are administered under subsection (8), the district~~
25 ~~shall report to the department and the center, in a form and manner~~
26 ~~prescribed by the center, the local benchmark assessment or local~~
27 ~~benchmark assessments that were administered and how that~~
28 ~~assessment or those assessments measure changes, including any~~
29 ~~losses, as applicable, in learning, and the district's plan for~~



1 ~~addressing any losses in learning.~~

2 ~~(16) From the general fund money appropriated in section 11,~~
 3 ~~there is allocated for 2020-2021 an amount not to exceed~~
 4 ~~\$150,000.00 to a higher education institution or other entity that~~
 5 ~~is not a state governmental entity that has expertise in conducting~~
 6 ~~a study described in this subsection to conduct a study that, at a~~
 7 ~~minimum, accomplishes all of the following:~~

8 ~~(a) Provides for an assessment of the distance learning~~
 9 ~~programs utilized in this state that were effective at meeting~~
 10 ~~educational goals and attainment.~~

11 ~~(b) Provides for an assessment of how the programs described~~
 12 ~~in subdivision (a) operated.~~

13 ~~(c) Provides for an assessment of the best practices~~
 14 ~~implemented by the programs described in subdivision (a) that~~
 15 ~~should be replicated by schools engaged in distance learning.~~

16 ~~(d) Notes distance-learning models that were ineffective in~~
 17 ~~achieving educational goals.~~

18 ~~(7) (17) As used in this section:~~

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

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

22 ~~(c) "DED-OSERS" means the DED Office of Special Education and~~
 23 ~~Rehabilitative Services.~~

24 ~~Sec. 104c. (1) In order to receive state aid under this~~
 25 ~~article, a district shall administer the state assessments~~
 26 ~~described in this section.~~

27 ~~(2) For the purposes of this section, the department shall~~
 28 ~~develop and administer the Michigan student test of educational~~
 29 ~~progress (M-STEP) assessments in English language arts and~~



1 mathematics. These assessments shall be aligned to state standards.

2 (3) For the purposes of this section, the department shall
3 implement a summative assessment system that is proven to be valid
4 and reliable for administration to pupils as provided under this
5 subsection. The summative assessment system must meet all of the
6 following requirements:

7 (a) The summative assessment system must measure student
8 proficiency on the current state standards, must measure student
9 growth for consecutive grade levels in which students are assessed
10 in the same subject area in both grade levels, and must be capable
11 of measuring individual student performance.

12 (b) The summative assessments for English language arts and
13 mathematics must be administered to all public school pupils in
14 grades 3 to 11, including those pupils as required by the federal
15 individuals with disabilities education act, Public Law 108-446,
16 and by title I of the federal every student succeeds act (ESSA),
17 Public Law 114-95.

18 (c) The summative assessments for science must be administered
19 to all public school pupils in at least grades 5 and 8, including
20 those pupils as required by the federal individuals with
21 disabilities education act, Public Law 108-446, and by title I of
22 the federal every student succeeds act (ESSA), Public Law 114-95.

23 (d) The summative assessments for social studies must be
24 administered to all public school pupils in at least grades 5 and
25 8, including those pupils as required by the federal individuals
26 with disabilities education act, Public Law 108-446, and by title I
27 of the federal every student succeeds act (ESSA), Public Law 114-
28 95.

29 (e) The content of the summative assessments must be aligned



1 to state standards.

2 (f) The pool of questions for the summative assessments must
3 be subject to a transparent review process for quality, bias, and
4 sensitive issues involving educator review and comment. The
5 department shall post samples from tests or retired tests featuring
6 questions from this pool for review by the public.

7 (g) The summative assessment system must ensure that students,
8 parents, and teachers are provided with reports that convey
9 individual student proficiency and growth on the assessment and
10 that convey individual student domain-level performance in each
11 subject area, including representative questions, and individual
12 student performance in meeting state standards.

13 (h) The summative assessment system must be capable of
14 providing, and the department shall ensure that students, parents,
15 teachers, administrators, and community members are provided with,
16 reports that convey aggregate student proficiency and growth data
17 by teacher, grade, school, and district.

18 (i) The summative assessment system must ensure the capability
19 of reporting the available data to support educator evaluations.

20 (j) The summative assessment system must ensure that the
21 reports provided to districts containing individual student data
22 are available within 60 days after completion of the assessments.

23 (k) The summative assessment system must ensure that access to
24 individually identifiable student data meets all of the following:

25 (i) Is in compliance with 20 USC 1232g, commonly referred to as
26 the family educational rights and privacy act of 1974.

27 (ii) Except as may be provided for in an agreement with a
28 vendor to provide assessment services, as necessary to support
29 educator evaluations pursuant to subdivision (i), or for research



1 or program evaluation purposes, is available only to the student;
2 to the student's parent or legal guardian; and to a school
3 administrator or teacher, to the extent that he or she has a
4 legitimate educational interest.

5 (l) The summative assessment system must ensure that the
6 assessments are pilot tested before statewide implementation.

7 (m) The summative assessment system must ensure that
8 assessments are designed so that the maximum total combined length
9 of time that schools are required to set aside for a pupil to
10 answer all test questions on all assessments that are part of the
11 system for the pupil's grade level does not exceed that maximum
12 total combined length of time for the previous statewide assessment
13 system or 9 hours, whichever is less. This subdivision does not
14 limit the amount of time a district may allow a pupil to complete a
15 test.

16 (n) The total cost of executing the summative assessment
17 system statewide each year, including, but not limited to, the cost
18 of contracts for administration, scoring, and reporting, must not
19 exceed an amount equal to 2 times the cost of executing the
20 previous statewide assessment after adjustment for inflation.

21 (o) ~~Beginning with the 2017-2018 school year, the~~ **The**
22 summative assessment system must not require more than 3 hours in
23 duration, on average, for an individual pupil to complete the
24 combined administration of the math and English language arts
25 portions of the assessment for any 1 grade level.

26 (p) The summative assessments for English language arts and
27 mathematics for pupils in grades 8 to 10 must be aligned to the
28 college entrance test portion of the Michigan merit examination
29 required under section 104b.



1 (4) The department shall offer benchmark assessments in the
2 fall and spring of each school year to measure English language
3 arts and mathematics in each of grades K to 2. Full implementation
4 must occur not later than the 2019-2020 school year. These
5 assessments are necessary to determine a pupil's proficiency level
6 before grade 3. ~~and must meet the requirements under section~~
7 ~~104d(4).~~

8 (5) This section does not prohibit districts from adopting
9 interim assessments.

10 (6) As used in this section, "English language arts" means
11 that term as defined in section 104b.

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

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

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

25 (ii) That, in addition to the benchmark assessment or benchmark
26 assessments administered under subparagraph (i), by not later than
27 the last day of the 2022-2023 school year, the district shall
28 administer 1 or more benchmark assessments provided by a provider
29 approved under subsection (6), benchmark assessments described in



1 subdivision (b), or local benchmark assessments, or any combination
2 thereof, to all pupils in grades K to 8 to measure proficiency in
3 reading and mathematics.

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

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

10 (ii) A benchmark assessment in math for students in grades K to
11 8 that contains progress monitoring tools.

12 (c) The system must provide that, to the extent practicable,
13 if a district administers a benchmark assessment or benchmark
14 assessments under this section, the district shall administer the
15 same benchmark assessment or benchmark assessments provided by a
16 provider approved under subsection (6), benchmark assessment or
17 benchmark assessments described in subdivision (b), or local
18 benchmark assessment or local benchmark assessments that it
19 administered to pupils in previous school years, as applicable.

20 (d) The system must provide that, if a district administers a
21 benchmark assessment or benchmark assessments under this section,
22 the district shall provide each pupil's data from the benchmark
23 assessment or benchmark assessments, as available, to the pupil's
24 parent or legal guardian within 30 days of administering the
25 benchmark assessment or benchmark assessments.

26 (e) The system must provide that, if a local benchmark
27 assessment or local benchmark assessments are administered under
28 subdivision (a), the district shall report to the department and
29 the center, in a form and manner prescribed by the center, the



1 local benchmark assessment or local benchmark assessments that were
2 administered and how that assessment or those assessments measure
3 changes, including any losses, as applicable, in learning, and the
4 district's plan for addressing any losses in learning.

5 (f) The system must provide that, by not later than 30 days
6 after a benchmark assessment or benchmark assessments are
7 administered under subparagraph (1) (a) (ii), the district shall send
8 benchmark assessment data from all benchmark assessments
9 administered in the 2022-2023 school year, excluding data from a
10 local benchmark assessment, as applicable, aggregated by grade
11 level and demographic subgroup to the department. If available, the
12 data described in this subdivision must include information
13 concerning pupil growth from fall 2022 to spring 2023.

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

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

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

25 (a) Be aligned to the content standards of this state.

26 (b) Complement the state's summative assessment system.

27 (c) Be internet-delivered and include a standards-based
28 assessment.

29 (d) Provide information on pupil achievement with regard to



1 learning content required in a given year or grade span.

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

3 (f) Be nationally normed.

4 (g) Provide information to educators about student growth and
5 allow for multiple testing opportunities.

6 (5) By not later than June 15, 2023, the department shall
7 submit a report to the house and senate appropriations committees,
8 the house and senate appropriations subcommittees on school aid,
9 and the house and senate fiscal agencies regarding the benchmark
10 assessment data received under this section, disaggregated by grade
11 level and demographic subgroup for each district. If information
12 concerning pupil growth is included in the data described in this
13 subsection, it must be incorporated in the report described in this
14 subsection.

15 (6) The department shall approve providers of benchmark
16 assessments for the purposes of this section. The department shall
17 inform districts of all of the providers approved under this
18 subsection in an equitable manner. The benchmark assessments, with
19 the exclusion of the benchmark assessment described in subsection
20 (4), provided by approved providers under this subsection must meet
21 all of the following:

22 (a) Be 1 of the most commonly administered benchmark
23 assessments in this state.

24 (b) Be aligned to the content standards of this state.

25 (c) Complement the state's summative assessment system.

26 (d) Be internet-delivered and include a standards-based
27 remote, in-person, or both remote and in-person assessment using a
28 computer-adaptive model to target the instructional level of each
29 pupil.



1 (e) Provide information on pupil achievement with regard to
2 learning content required in a given year or grade span.

3 (f) Provide immediate feedback to pupils and teachers.

4 (g) Be nationally normed.

5 (h) Provide multiple measures of growth and provide for
6 multiple testing opportunities.

7 Sec. 105. (1) In order to avoid a penalty under this section,
8 and in order to count a nonresident pupil residing within the same
9 intermediate district in membership without the approval of the
10 pupil's district of residence, a district must comply with this
11 section.

12 (2) Except as otherwise provided in this section, a district
13 shall determine whether or not it will accept applications for
14 enrollment by nonresident applicants residing within the same
15 intermediate district for the next school year. If the district
16 determines to accept applications for enrollment of a number of
17 nonresidents, beyond those entitled to preference under this
18 section, the district shall use the following procedures for
19 accepting applications from and enrolling nonresidents:

20 (a) The district shall publish the grades, schools, and
21 special programs, if any, for which enrollment may be available to,
22 and for which applications will be accepted from, nonresident
23 applicants residing within the same intermediate district.

24 (b) If the district has a limited number of positions
25 available for nonresidents residing within the same intermediate
26 district in a grade, school, or program, all of the following apply
27 to accepting applications for and enrollment of nonresidents in
28 that grade, school, or program:

29 (i) The district shall do all of the following not later than



1 the second Friday in August:

2 (A) Provide notice to the general public that applications
3 will be taken for a period of at least 15 calendar days but not
4 more than 30 calendar days from nonresidents residing within the
5 same intermediate district for enrollment in that grade, school, or
6 program. The notice must identify the dates of the application
7 period and the place and manner for submitting applications.

8 (B) During the application period under sub-subparagraph (A),
9 accept applications from nonresidents residing within the same
10 intermediate district for enrollment in that grade, school, or
11 program.

12 (C) Within 15 calendar days after the end of the application
13 period under sub-subparagraph (A), ~~or, for 2020-2021 only, not~~
14 ~~later than October 13, 2020,~~ using the procedures and preferences
15 required under this section, determine which nonresident applicants
16 will be allowed to enroll in that grade, school, or program, using
17 the random draw system required under subsection ~~(14)~~ **(13)** as
18 necessary, and notify the parent or legal guardian of each
19 nonresident applicant of whether or not the applicant may enroll in
20 the district. The notification to parents or legal guardians of
21 nonresident applicants accepted for enrollment must contain
22 notification of the date by which the applicant must enroll in the
23 district and procedures for enrollment. The date for enrollment
24 must be no later than the end of the first week of school. ~~, or,~~
25 ~~for 2020-2021 only, not later than October 13, 2020.~~

26 (ii) Beginning on the third Monday in August and not later than
27 the end of the first week of school, ~~or, for 2020-2021 only, not~~
28 ~~later than October 13, 2020,~~ if any positions become available in a
29 grade, school, or program due to accepted applicants failing to



1 enroll or to more positions being added, the district may enroll
 2 nonresident applicants from the waiting list maintained under
 3 subsection ~~(14)~~, **(13)**, offering enrollment in the order that
 4 applicants appear on the waiting list. If there are still positions
 5 available after enrolling all applicants from the waiting list who
 6 desire to enroll, the district may not fill those positions until
 7 the second semester or trimester enrollment under subsection (3),
 8 as provided under that subsection, or until the next school year.

9 (c) For a grade, school, or program that has an unlimited
 10 number of positions available for nonresidents residing within the
 11 same intermediate district, all of the following apply to
 12 enrollment of nonresidents in that grade, school, or program:

13 (i) The district may accept applications for enrollment in that
 14 grade, school, or program, and may enroll nonresidents residing
 15 within the same intermediate district in that grade, school, or
 16 program until the end of the first week of school. ~~or, for 2020-~~
 17 ~~2021 only, the district may enroll nonresidents residing within the~~
 18 ~~same intermediate district in that grade, school, or program until~~
 19 ~~October 13, 2020 if the application was received by the end of the~~
 20 ~~first week of school.~~ The district shall provide notice to the
 21 general public of the place and manner for submitting applications
 22 and, if the district has a limited application period, the notice
 23 must include the dates of the application period. The application
 24 period shall be at least a 15-calendar-day period.

25 (ii) Not later than the end of the first week of school, ~~or,~~
 26 ~~for 2020-2021 only, not later than October 13, 2020,~~ the district
 27 shall notify the parent or legal guardian of each nonresident
 28 applicant who is accepted for enrollment that the applicant has
 29 been accepted for enrollment in the grade, school, or program and



1 of the procedures for enrollment. The date for enrollment must be
2 no later than the end of the first week of school. ~~or, for 2020-~~
3 ~~2021 only, not later than October 13, 2020.~~

4 (3) If a district determines during the first semester or
5 trimester of a school year that it has positions available for
6 enrollment of a number of nonresidents residing within the same
7 intermediate district, beyond those entitled to preference under
8 this section, for the second semester or trimester of the school
9 year, the district may accept applications from and enroll
10 nonresidents residing within the same intermediate district for the
11 second semester or trimester using the following procedures:

12 (a) Not later than 2 weeks before the end of the first
13 semester or trimester, the district shall publish the grades,
14 schools, and special programs, if any, for which enrollment for the
15 second semester or trimester may be available to, and for which
16 applications will be accepted from, nonresident applicants residing
17 within the same intermediate district.

18 (b) During the last 2 weeks of the first semester or
19 trimester, the district shall accept applications from nonresidents
20 residing within the same intermediate district for enrollment for
21 the second semester or trimester in the available grades, schools,
22 and programs.

23 (c) By the beginning of the second semester or trimester,
24 using the procedures and preferences required under this section,
25 the district shall determine which nonresident applicants will be
26 allowed to enroll in the district for the second semester or
27 trimester and notify the parent or legal guardian of each
28 nonresident applicant residing within the same intermediate
29 district of whether or not the applicant may enroll in the



1 district. The notification to parents or legal guardians of
2 nonresident applicants accepted for enrollment must contain
3 notification of the date by which the applicant must enroll in the
4 district and procedures for enrollment. The date for enrollment
5 must be no later than the end of the first week of school.

6 (4) If deadlines similar to those described in subsection (2)
7 or (3) have been established in an intermediate district, and if
8 those deadlines are not later than the deadlines under subsection
9 (2) or (3), the districts within the intermediate district may use
10 those deadlines.

11 (5) A district offering to enroll nonresident applicants
12 residing within the same intermediate district may limit the number
13 of nonresident pupils it accepts in a grade, school, or program, at
14 its discretion, and may use that limit as the reason for refusal to
15 enroll an applicant.

16 (6) A nonresident applicant residing within the same
17 intermediate district must not be granted or refused enrollment
18 based on intellectual, academic, artistic, or other ability,
19 talent, or accomplishment, or lack thereof, or based on a mental or
20 physical disability, except that a district may refuse to admit a
21 nonresident applicant if the applicant does not meet the same
22 criteria, other than residence, that an applicant who is a resident
23 of the district must meet to be accepted for enrollment in a grade
24 or a specialized, magnet, or intra-district choice school or
25 program to which the applicant applies.

26 (7) A nonresident applicant residing within the same
27 intermediate district must not be granted or refused enrollment
28 based on age, except that a district may refuse to admit a
29 nonresident applicant applying for a program that is not



1 appropriate for the age of the applicant.

2 (8) A nonresident applicant residing within the same
3 intermediate district must not be granted or refused enrollment
4 based upon religion, race, color, national origin, sex, height,
5 weight, marital status, or athletic ability, or, generally, in
6 violation of any state or federal law prohibiting discrimination.

7 (9) Subject to subsection (10), a district may refuse to
8 enroll a nonresident applicant if any of the following are met:

9 (a) The applicant is, or has been within the preceding 2
10 years, suspended from another school.

11 (b) The applicant, at any time before enrolling under this
12 section, has been expelled from another school.

13 (c) The applicant, at any time before enrolling under this
14 section, has been convicted of a felony.

15 (10) If a district has counted a pupil in membership on either
16 the pupil membership count day or the supplemental count day, the
17 district shall not refuse to enroll or refuse to continue to enroll
18 that pupil for a reason specified in subsection (9). This
19 subsection does not prohibit a district from expelling a pupil
20 described in this subsection for disciplinary reasons.

21 (11) A district shall continue to allow a pupil who was
22 enrolled in and attended the district under this section in the
23 school year or semester or trimester immediately preceding the
24 school year or semester or trimester in question to enroll in the
25 district until the pupil graduates from high school. This
26 subsection does not prohibit a district from expelling a pupil
27 described in this subsection for disciplinary reasons.

28 (12) A district shall give preference for enrollment under
29 this section over all other nonresident applicants residing within



1 the same intermediate district to other school-age children who
2 reside in the same household as a pupil described in subsection
3 (11).

4 ~~(13) If a nonresident pupil was enrolled in and attending~~
5 ~~school in a district as a nonresident pupil in the 1995-96 school~~
6 ~~year and continues to be enrolled continuously each school year in~~
7 ~~that district, the district shall allow that nonresident pupil to~~
8 ~~continue to enroll in and attend school in the district until high~~
9 ~~school graduation, without requiring the nonresident pupil to apply~~
10 ~~for enrollment under this section. This subsection does not~~
11 ~~prohibit a district from expelling a pupil described in this~~
12 ~~subsection for disciplinary reasons.~~

13 **(13)** ~~(14)~~—If the number of qualified nonresident applicants
14 eligible for acceptance in a school, grade, or program does not
15 exceed the positions available for nonresident pupils in the
16 school, grade, or program, the school district shall accept for
17 enrollment all of the qualified nonresident applicants eligible for
18 acceptance. If the number of qualified nonresident applicants
19 residing within the same intermediate district eligible for
20 acceptance exceeds the positions available in a grade, school, or
21 program in a district for nonresident pupils, the district shall
22 use a random draw system, subject to the need to abide by state and
23 federal antidiscrimination laws and court orders and subject to
24 preferences allowed by this section. The district shall develop and
25 maintain a waiting list based on the order in which nonresident
26 applicants were drawn under this random draw system.

27 **(14)** ~~(15)~~—If a district, or the nonresident applicant,
28 requests the district in which a nonresident applicant resides to
29 supply information needed by the district for evaluating the



1 applicant's application for enrollment or for enrolling the
 2 applicant, the district of residence shall provide that information
 3 on a timely basis.

4 **(15)** ~~(16)~~—If a district is subject to a court-ordered
 5 desegregation plan, and if the court issues an order prohibiting
 6 pupils residing in that district from enrolling in another district
 7 or prohibiting pupils residing in another district from enrolling
 8 in that district, this section is subject to the court order.

9 **(16)** ~~(17)~~—This section does not require a district to provide
 10 transportation for a nonresident pupil enrolled in the district
 11 under this section or for a resident pupil enrolled in another
 12 district under this section. However, at the time a nonresident
 13 pupil enrolls in the district, a district shall provide to the
 14 pupil's parent or legal guardian information on available
 15 transportation to and from the school in which the pupil enrolls.

16 **(17)** ~~(18)~~—A district may participate in a cooperative
 17 education program with 1 or more other districts or intermediate
 18 districts whether or not the district enrolls any nonresidents
 19 under this section.

20 **(18)** ~~(19)~~—A district that, under this section, enrolls a
 21 nonresident pupil who is eligible for special education programs
 22 and services according to statute or rule, or who is a child with
 23 disabilities, as defined under the individuals with disabilities
 24 education act, Public Law 108-446, is considered to be the resident
 25 district of the pupil for the purpose of providing the pupil with a
 26 free appropriate public education. Consistent with state and
 27 federal law, that district is responsible for developing and
 28 implementing an individualized education program annually for a
 29 nonresident pupil described in this subsection.



1 (19) ~~(20)~~—If a district does not comply with this section, the
2 district forfeits 5% of the total state school aid allocation to
3 the district under this act.

4 (20) ~~(21)~~—Upon application by a district, the superintendent
5 may grant a waiver for the district from a specific requirement
6 under this section for not more than 1 year.

7 Sec. 105c. (1) In order to avoid a penalty under this section,
8 and in order to count a nonresident pupil residing in a district
9 located in a contiguous intermediate district in membership without
10 the approval of the pupil's district of residence, a district must
11 comply with this section.

12 (2) Except as otherwise provided in this section, a district
13 shall determine whether or not it will accept applications for
14 enrollment by nonresident applicants residing in a district located
15 in a contiguous intermediate district for the next school year. If
16 the district determines to accept applications for enrollment of a
17 number of nonresidents under this section, beyond those entitled to
18 preference under this section, the district shall use the following
19 procedures for accepting applications from and enrolling
20 nonresidents under this section:

21 (a) The district shall publish the grades, schools, and
22 special programs, if any, for which enrollment may be available to,
23 and for which applications will be accepted from, nonresident
24 applicants residing in a district located in a contiguous
25 intermediate district.

26 (b) If the district has a limited number of positions
27 available for nonresidents residing in a district located in a
28 contiguous intermediate district in a grade, school, or program,
29 all of the following apply to accepting applications for and



1 enrollment of nonresidents under this section in that grade,
2 school, or program:

3 (i) The district shall do all of the following not later than
4 the second Friday in August:

5 (A) Provide notice to the general public that applications
6 will be taken for a period of at least 15 calendar days but not
7 more than 30 calendar days from nonresidents residing in a district
8 located in a contiguous intermediate district for enrollment in
9 that grade, school, or program. The notice must identify the dates
10 of the application period and the place and manner for submitting
11 applications.

12 (B) During the application period under sub-subparagraph (A),
13 accept applications from nonresidents residing in a district
14 located in a contiguous intermediate district for enrollment in
15 that grade, school, or program.

16 (C) Within 15 calendar days after the end of the application
17 period under sub-subparagraph (A), ~~or, for 2020-2021 only, not~~
18 ~~later than October 13, 2020,~~ using the procedures and preferences
19 required under this section, determine which nonresident applicants
20 will be allowed to enroll under this section in that grade, school,
21 or program, using the random draw system required under subsection
22 (14) as necessary, and notify the parent or legal guardian of each
23 nonresident applicant of whether or not the applicant may enroll in
24 the district. The notification to parents or legal guardians of
25 nonresident applicants accepted for enrollment under this section
26 must contain notification of the date by which the applicant must
27 enroll in the district and procedures for enrollment. The date for
28 enrollment must be no later than the end of the first week of
29 school. ~~or, for 2020-2021 only, not later than October 13, 2020.~~



1 (ii) Beginning on the third Monday in August and not later than
 2 the end of the first week of school, ~~or, for 2020-2021 only, not~~
 3 ~~later than October 13, 2020,~~ if any positions become available in a
 4 grade, school, or program due to accepted applicants failing to
 5 enroll or to more positions being added, the district may enroll
 6 nonresident applicants from the waiting list maintained under
 7 subsection (14), offering enrollment in the order that applicants
 8 appear on the waiting list. If there are still positions available
 9 after enrolling all applicants from the waiting list who desire to
 10 enroll, the district may not fill those positions until the second
 11 semester or trimester enrollment under subsection (3), as provided
 12 under that subsection, or until the next school year.

13 (c) For a grade, school, or program that has an unlimited
 14 number of positions available for nonresidents residing in a
 15 district located in a contiguous intermediate district, all of the
 16 following apply to enrollment of nonresidents in that grade,
 17 school, or program under this section:

18 (i) The district may accept applications for enrollment in that
 19 grade, school, or program, and may enroll nonresidents residing in
 20 a district located in a contiguous intermediate district in that
 21 grade, school, or program until the end of the first week of
 22 school. ~~or, for 2020-2021 only, the district may enroll~~
 23 ~~nonresidents residing in a district located in a contiguous~~
 24 ~~intermediate district in that grade, school, or program until~~
 25 ~~October 13, 2020 if the application was received by the end of the~~
 26 ~~first week of school.~~ The district shall provide notice to the
 27 general public of the place and manner for submitting applications
 28 and, if the district has a limited application period, the notice
 29 must include the dates of the application period. The application



1 period must be at least a 15-calendar-day period.

2 (ii) Not later than the end of the first week of school, ~~or,~~
3 ~~for 2020-2021 only, not later than October 13, 2020,~~ the district
4 shall notify the parent or legal guardian of each nonresident
5 applicant who is accepted for enrollment under this section that
6 the applicant has been accepted for enrollment in the grade,
7 school, or program and of the date by which the applicant must
8 enroll in the district and the procedures for enrollment. The date
9 for enrollment must be no later than the end of the first week of
10 school. ~~or, for 2020-2021 only, not later than October 13, 2020.~~

11 (3) If a district determines during the first semester or
12 trimester of a school year that it has positions available for
13 enrollment of a number of nonresidents residing in a district
14 located in a contiguous intermediate district, beyond those
15 entitled to preference under this section, for the second semester
16 or trimester of the school year, the district may accept
17 applications from and enroll nonresidents residing in a district
18 located in a contiguous intermediate district for the second
19 semester or trimester using the following procedures:

20 (a) Not later than 2 weeks before the end of the first
21 semester or trimester, the district shall publish the grades,
22 schools, and special programs, if any, for which enrollment for the
23 second semester or trimester may be available to, and for which
24 applications will be accepted from, nonresident applicants residing
25 in a district located in a contiguous intermediate district.

26 (b) During the last 2 weeks of the first semester or
27 trimester, the district shall accept applications from nonresidents
28 residing in a district located in a contiguous intermediate
29 district for enrollment for the second semester or trimester in the



1 available grades, schools, and programs.

2 (c) By the beginning of the second semester or trimester,
3 using the procedures and preferences required under this section,
4 the district shall determine which nonresident applicants will be
5 allowed to enroll under this section in the district for the second
6 semester or trimester and notify the parent or legal guardian of
7 each nonresident applicant residing in a district located in a
8 contiguous intermediate district of whether or not the applicant
9 may enroll in the district. The notification to parents or legal
10 guardians of nonresident applicants accepted for enrollment must
11 contain notification of the date by which the applicant must enroll
12 in the district and procedures for enrollment. The date for
13 enrollment must be no later than the end of the first week of
14 school.

15 (4) If deadlines similar to those described in subsection (2)
16 or (3) have been established in an intermediate district, and if
17 those deadlines are not later than the deadlines under subsection
18 (2) or (3), the districts within the intermediate district may use
19 those deadlines.

20 (5) A district offering to enroll nonresident applicants
21 residing in a district located in a contiguous intermediate
22 district may limit the number of those nonresident pupils it
23 accepts in a grade, school, or program, at its discretion, and may
24 use that limit as the reason for refusal to enroll an applicant
25 under this section.

26 (6) A nonresident applicant residing in a district located in
27 a contiguous intermediate district must not be granted or refused
28 enrollment based on intellectual, academic, artistic, or other
29 ability, talent, or accomplishment, or lack thereof, or based on a



1 mental or physical disability, except that a district may refuse to
2 admit a nonresident applicant under this section if the applicant
3 does not meet the same criteria, other than residence, that an
4 applicant who is a resident of the district must meet to be
5 accepted for enrollment in a grade or a specialized, magnet, or
6 intra-district choice school or program to which the applicant
7 applies.

8 (7) A nonresident applicant residing in a district located in
9 a contiguous intermediate district must not be granted or refused
10 enrollment under this section based on age, except that a district
11 may refuse to admit a nonresident applicant applying for a program
12 that is not appropriate for the age of the applicant.

13 (8) A nonresident applicant residing in a district located in
14 a contiguous intermediate district must not be granted or refused
15 enrollment under this section based upon religion, race, color,
16 national origin, sex, height, weight, marital status, or athletic
17 ability, or, generally, in violation of any state or federal law
18 prohibiting discrimination.

19 (9) Subject to subsection (10), a district may refuse to
20 enroll a nonresident applicant under this section if any of the
21 following are met:

22 (a) The applicant is, or has been within the preceding 2
23 years, suspended from another school.

24 (b) The applicant, at any time before enrolling under this
25 section, has been expelled from another school.

26 (c) The applicant, at any time before enrolling under this
27 section, has been convicted of a felony.

28 (10) If a district has counted a pupil in membership on either
29 the pupil membership count day or the supplemental count day, the



1 district shall not refuse to enroll or refuse to continue to enroll
2 that pupil for a reason specified in subsection (9). This
3 subsection does not prohibit a district from expelling a pupil
4 described in this subsection for disciplinary reasons.

5 (11) A district shall continue to allow a pupil who was
6 enrolled in and attended the district under this section in the
7 school year or semester or trimester immediately preceding the
8 school year or semester or trimester in question to enroll in the
9 district until the pupil graduates from high school. This
10 subsection does not prohibit a district from expelling a pupil
11 described in this subsection for disciplinary reasons.

12 (12) A district shall give preference for enrollment under
13 this section over all other nonresident applicants residing in a
14 district located in a contiguous intermediate district to other
15 school-age children who reside in the same household as a pupil
16 described in subsection (11).

17 (13) If a nonresident pupil was enrolled in and attending
18 school in a district as a nonresident pupil in the 1995-96 school
19 year and continues to be enrolled continuously each school year in
20 that district, the district shall allow that nonresident pupil to
21 continue to enroll in and attend school in the district until high
22 school graduation, without requiring the nonresident pupil to apply
23 for enrollment under this section. This subsection does not
24 prohibit a district from expelling a pupil described in this
25 subsection for disciplinary reasons.

26 (14) If the number of qualified nonresident applicants
27 eligible for acceptance under this section in a school, grade, or
28 program does not exceed the positions available for nonresident
29 pupils under this section in the school, grade, or program, the



1 school district shall accept for enrollment all of the qualified
2 nonresident applicants eligible for acceptance. If the number of
3 qualified nonresident applicants residing in a district located in
4 a contiguous intermediate district eligible for acceptance under
5 this section exceeds the positions available in a grade, school, or
6 program in a district for nonresident pupils, the district shall
7 use a random draw system, subject to the need to abide by state and
8 federal antidiscrimination laws and court orders and subject to
9 preferences allowed by this section. The district shall develop and
10 maintain a waiting list based on the order in which nonresident
11 applicants were drawn under this random draw system.

12 (15) If a district, or the nonresident applicant, requests the
13 district in which a nonresident applicant resides to supply
14 information needed by the district for evaluating the applicant's
15 application for enrollment or for enrolling the applicant under
16 this section, the district of residence shall provide that
17 information on a timely basis.

18 (16) If a district is subject to a court-ordered desegregation
19 plan, and if the court issues an order prohibiting pupils residing
20 in that district from enrolling in another district or prohibiting
21 pupils residing in another district from enrolling in that
22 district, this section is subject to the court order.

23 (17) This section does not require a district to provide
24 transportation for a nonresident pupil enrolled in the district
25 under this section or for a resident pupil enrolled in another
26 district under this section. However, at the time a nonresident
27 pupil enrolls in the district, a district shall provide to the
28 pupil's parent or legal guardian information on available
29 transportation to and from the school in which the pupil enrolls.



1 (18) A district may participate in a cooperative education
2 program with 1 or more other districts or intermediate districts
3 whether or not the district enrolls any nonresidents pursuant to
4 this section.

5 (19) In order for a district or intermediate district to
6 enroll under this section a nonresident pupil who resides in a
7 district located in a contiguous intermediate district and who is
8 eligible for special education programs and services according to
9 statute or rule, or who is a child with ~~disabilities,~~ **a disability,**
10 as **that term is** defined under the individuals with disabilities
11 education act, Public Law 108-446, the enrolling district shall
12 have a written agreement with the resident district of the pupil
13 for the purpose of providing the pupil with a free appropriate
14 public education. The written agreement must include, but is not
15 limited to, an agreement on the responsibility for the payment of
16 the added costs of special education programs and services for the
17 pupil. The written agreement must address how the agreement must be
18 amended in the event of significant changes in the costs or level
19 of special education programs or services required by the pupil.

20 (20) If a district does not comply with this section, the
21 district forfeits 5% of the total state school aid allocation to
22 the district under this act.

23 (21) Upon application by a district, the superintendent may
24 grant a waiver for the district from a specific requirement under
25 this section for not more than 1 year.

26 (22) This section is repealed if the final decision of a court
27 of competent jurisdiction holds that any portion of this section is
28 unconstitutional, ineffective, invalid, or in violation of federal
29 law.



1 (23) As used in this section, "district located in a
 2 contiguous intermediate district" means a district located in an
 3 intermediate district that is contiguous to the intermediate
 4 district in which a pupil's district of residence is located.

5 Sec. 107. (1) From the appropriation in section 11, there is
 6 allocated an amount not to exceed \$30,000,000.00 for ~~2020-2021~~
 7 **2021-2022** for adult education programs authorized under this
 8 section. Except as otherwise provided under subsections (14) and
 9 (15), funds allocated under this section are restricted for adult
 10 education programs as authorized under this section only. A
 11 recipient of funds under this section shall not use those funds for
 12 any other purpose.

13 (2) To be eligible for funding under this section, an eligible
 14 adult education provider shall employ certificated teachers and
 15 qualified administrative staff and shall offer continuing education
 16 opportunities for teachers to allow them to maintain certification.

17 (3) To be eligible to be a participant funded under this
 18 section, an individual must be enrolled in an adult basic education
 19 program, an adult secondary education program, an adult English as
 20 a second language program, a high school equivalency test
 21 preparation program, or a high school completion program, that
 22 meets the requirements of this section, and for which instruction
 23 is provided, and the individual must be at least 18 years of age **by**
 24 **July 1 of the program year** and the individual's graduating class
 25 must have graduated.

26 (4) By April 1 of each fiscal year, the intermediate districts
 27 within a prosperity region or subregion shall determine which
 28 intermediate district will serve as the prosperity region's or
 29 subregion's fiscal agent for the next fiscal year and shall notify



1 the department in a form and manner determined by the department.
2 The department shall approve or disapprove of the prosperity
3 region's or subregion's selected fiscal agent. From the funds
4 allocated under subsection (1), an amount as determined under this
5 subsection is allocated to each intermediate district serving as a
6 fiscal agent for adult education programs in each of the prosperity
7 regions or subregions identified by the department. An intermediate
8 district shall not use more than 5% of the funds allocated under
9 this subsection for administration costs for serving as the fiscal
10 agent. The allocation provided to each intermediate district
11 serving as a fiscal agent is an amount equal to what the
12 intermediate district received in 2018-2019.

13 (5) To be an eligible fiscal agent, an intermediate district
14 must agree to do the following in a form and manner determined by
15 the department:

16 (a) Distribute funds to adult education programs in a
17 prosperity region or subregion as described in this section.

18 (b) Collaborate with the career and educational advisory
19 council, which is an advisory council of the workforce development
20 boards located in the prosperity region or subregion, or its
21 successor, to develop a regional strategy that aligns adult
22 education programs and services into an efficient and effective
23 delivery system for adult education learners, with special
24 consideration for providing contextualized learning and career
25 pathways and addressing barriers to education and employment.

26 (c) Collaborate with the career and educational advisory
27 council, which is an advisory council of the workforce development
28 boards located in the prosperity region or subregion, or its
29 successor, to create a local process and criteria that will



1 identify eligible adult education providers to receive funds
2 allocated under this section based on location, demand for
3 services, past performance, quality indicators as identified by the
4 department, and cost to provide instructional services. The fiscal
5 agent shall determine all local processes, criteria, and provider
6 determinations. However, the local processes, criteria, and
7 provider services must be approved by the department before funds
8 may be distributed to the fiscal agent.

9 (d) Provide oversight to its adult education providers
10 throughout the program year to ensure compliance with the
11 requirements of this section.

12 (e) Report adult education program and participant data and
13 information as prescribed by the department.

14 (6) An adult basic education program, an adult secondary
15 education program, or an adult English as a second language program
16 operated on a year-round or school year basis may be funded under
17 this section, subject to all of the following:

18 (a) The program enrolls adults who are determined by a
19 department-approved assessment, in a form and manner prescribed by
20 the department, to be below twelfth grade level in reading or
21 mathematics, or both, or to lack basic English proficiency.

22 (b) The program tests individuals for eligibility under
23 subdivision (a) before enrollment and upon completion of the
24 program in compliance with the state-approved assessment policy.

25 (c) A participant in an adult basic education program is
26 eligible for reimbursement until 1 of the following occurs:

27 (i) The participant's reading and mathematics proficiency are
28 assessed at or above the ninth grade level.

29 (ii) The participant fails to show progress on 2 successive



1 assessments after having completed at least 450 hours of
2 instruction.

3 (d) A participant in an adult secondary education program is
4 eligible for reimbursement until 1 of the following occurs:

5 (i) The participant's reading and mathematics proficiency are
6 assessed above the twelfth grade level.

7 (ii) The participant fails to show progress on 2 successive
8 assessments after having at least 450 hours of instruction.

9 (e) A funding recipient enrolling a participant in an English
10 as a second language program is eligible for funding according to
11 subsection (9) until the participant meets 1 of the following:

12 (i) The participant is assessed as having attained basic
13 English proficiency as determined by a department-approved
14 assessment.

15 (ii) The participant fails to show progress on 2 successive
16 department-approved assessments after having completed at least 450
17 hours of instruction. The department shall provide information to a
18 funding recipient regarding appropriate assessment instruments for
19 this program.

20 (7) A high school equivalency test preparation program
21 operated on a year-round or school year basis may be funded under
22 this section, subject to all of the following:

23 (a) The program enrolls adults who do not have a high school
24 diploma or a high school equivalency certificate.

25 (b) The program administers a pre-test approved by the
26 department before enrolling an individual to determine the
27 individual's literacy levels, administers a high school equivalency
28 practice test to determine the individual's potential for success
29 on the high school equivalency test, and administers a post-test



1 upon completion of the program in compliance with the state-
2 approved assessment policy.

3 (c) A funding recipient receives funding according to
4 subsection (9) for a participant, and a participant may be enrolled
5 in the program until 1 of the following occurs:

6 (i) The participant achieves a high school equivalency
7 certificate.

8 (ii) The participant fails to show progress on 2 successive
9 department-approved assessments used to determine readiness to take
10 a high school equivalency test after having completed at least 450
11 hours of instruction.

12 (8) A high school completion program operated on a year-round
13 or school year basis may be funded under this section, subject to
14 all of the following:

15 (a) The program enrolls adults who do not have a high school
16 diploma.

17 (b) The program tests participants described in subdivision
18 (a) before enrollment and upon completion of the program in
19 compliance with the state-approved assessment policy.

20 (c) A funding recipient receives funding according to
21 subsection (9) for a participant in a course offered under this
22 subsection until 1 of the following occurs:

23 (i) The participant passes the course and earns a high school
24 diploma.

25 (ii) The participant fails to earn credit in 2 successive
26 semesters or terms in which the participant is enrolled after
27 having completed at least 900 hours of instruction.

28 (9) The department shall make payments to a funding recipient
29 under this section in accordance with all of the following:



1 (a) Statewide allocation criteria, including 3-year average
2 enrollments, census data, and local needs.

3 (b) Participant completion of the adult basic education
4 objectives by achieving an educational gain as determined by the
5 national reporting system levels; for achieving basic English
6 proficiency, as determined by the department; for achieving a high
7 school equivalency certificate or passage of 1 or more individual
8 high school equivalency tests; for attainment of a high school
9 diploma or passage of a course required for a participant to attain
10 a high school diploma; for enrollment in a postsecondary
11 institution, or for entry into or retention of employment, as
12 applicable.

13 (c) Participant completion of core indicators as identified in
14 the innovation and opportunity act.

15 (d) Allowable expenditures.

16 (10) A person who is not eligible to be a participant funded
17 under this section may receive adult education services upon the
18 payment of tuition. In addition, a person who is not eligible to be
19 served in a program under this section due to the program
20 limitations specified in subsection (6), (7), or (8) may continue
21 to receive adult education services in that program upon the
22 payment of tuition. The local or intermediate district conducting
23 the program shall determine the tuition amount.

24 (11) An individual who is an inmate in a state correctional
25 facility is not counted as a participant under this section.

26 (12) A funding recipient shall not commingle money received
27 under this section or from another source for adult education
28 purposes with any other funds and shall establish a separate ledger
29 account for funds received under this section. This subsection does



1 not prohibit a district from using general funds of the district to
2 support an adult education or community education program.

3 (13) A funding recipient receiving funds under this section
4 may establish a sliding scale of tuition rates based upon a
5 participant's family income. A funding recipient may charge a
6 participant tuition to receive adult education services under this
7 section from that sliding scale of tuition rates on a uniform
8 basis. The amount of tuition charged per participant must not
9 exceed the actual operating cost per participant minus any funds
10 received under this section per participant. A funding recipient
11 may not charge a participant tuition under this section if the
12 participant's income is at or below 200% of the federal poverty
13 guidelines published by the United States Department of Health and
14 Human Services.

15 (14) In order to receive funds under this section, a funding
16 recipient shall furnish to the department, in a form and manner
17 determined by the department, all information needed to administer
18 this program and meet federal reporting requirements; shall allow
19 the department or the department's designee to review all records
20 related to the program for which it receives funds; and shall
21 reimburse the state for all disallowances found in the review, as
22 determined by the department. In addition, a funding recipient
23 shall agree to pay to a career and technical education program
24 under section 61a the amount of funding received under this section
25 in the proportion of career and technical education coursework used
26 to satisfy adult basic education programming, as billed to the
27 funding recipient by programs operating under section 61a. In
28 addition to the funding allocated under subsection (1), there is
29 allocated for ~~2020-2021~~**2021-2022** an amount not to exceed



1 \$500,000.00 to reimburse funding recipients for administrative and
 2 instructional expenses associated with commingling programming
 3 under this section and section 61a. The department shall make
 4 payments under this subsection to each funding recipient in the
 5 same proportion as funding calculated and allocated under
 6 subsection (4).

7 (15) From the amount appropriated in subsection (1), an amount
 8 not to exceed \$4,000,000.00 is allocated for ~~2020-2021~~**2021-2022**
 9 for grants to adult education or state-approved career technical
 10 center programs that connect adult education participants with
 11 employers as provided under this subsection. The department shall
 12 determine the amount of the grant to each program under this
 13 subsection, not to exceed \$350,000.00. To be eligible for funding
 14 under this subsection, a program must provide a collaboration
 15 linking adult education programs within the county, the area career
 16 technical center, and local employers. To receive funding under
 17 this subsection, an eligible program must satisfy all of the
 18 following:

19 (a) Connect adult education participants directly with
 20 employers by linking adult education, career and technical skills,
 21 and workforce development.

22 (b) Require adult education staff to work with Michigan Works!
 23 agency to identify a cohort of participants who are most prepared
 24 to successfully enter the workforce. Except as otherwise provided
 25 under this subdivision, participants identified under this
 26 subsection must be dually enrolled in adult education programming
 27 and in at least 1 state-approved technical course at the area
 28 career and technical center. A program that links participants
 29 identified under this subsection with adult education programming



1 and commercial driver license courses does not need to enroll the
 2 participants in at least 1 state-approved technical course at the
 3 area career and technical center to be considered an eligible
 4 program under this subsection.

5 (c) Employ an individual staffed as an adult education
 6 navigator who will serve as a caseworker for each participant
 7 identified under subdivision (b). The navigator shall work with
 8 adult education staff and potential employers to design an
 9 educational program best suited to the personal and employment
 10 needs of the participant and shall work with human service agencies
 11 or other entities to address any barrier in the way of participant
 12 access.

13 (16) Each program funded under subsection (15) will receive
 14 funding for 3 years. After 3 years of operations and funding, a
 15 program must reapply for funding.

16 (17) Not later than December 1 of each year, a program funded
 17 under subsection (15) shall provide a report to the senate and
 18 house appropriations subcommittees on school aid, to the senate and
 19 house fiscal agencies, and to the state budget director identifying
 20 the number of participants, graduation rates, and a measure of
 21 transition to employment.

22 ~~(18) It is the intent of the legislature to implement a~~
 23 ~~phased-in cap on the percentage of adult education participants~~
 24 ~~under subsection (15) that may already have a high school diploma~~
 25 ~~or a high school equivalency certificate at the time of~~
 26 ~~enrollment.~~ **A program receiving funding under subsection (15) must**
 27 **give program enrollment priority for 75% of participants to those**
 28 **who are concurrently enrolled and actively working toward obtaining**
 29 **a high school diploma or a high school equivalency certificate.**



1 (19) The department shall approve at least 3 high school
2 equivalency tests and determine whether a high school equivalency
3 certificate meets the requisite standards for high school
4 equivalency in this state.

5 (20) As used in this section:

6 (a) "Career and educational advisory council" means an
7 advisory council to the local workforce development boards located
8 in a prosperity region consisting of educational, employer, labor,
9 and parent representatives.

10 (b) "Career pathway" means a combination of rigorous and high-
11 quality education, training, and other services that comply with
12 all of the following:

13 (i) Aligns with the skill needs of industries in the economy of
14 this state or in the regional economy involved.

15 (ii) Prepares an individual to be successful in any of a full
16 range of secondary or postsecondary education options, including
17 apprenticeships registered under the act of August 16, 1937,
18 ~~(commonly known as the "national apprenticeship act")~~, **commonly**
19 **referred to as the national apprenticeship act**, 29 USC 50 et seq.

20 (iii) Includes counseling to support an individual in achieving
21 the individual's education and career goals.

22 (iv) Includes, as appropriate, education offered concurrently
23 with and in the same context as workforce preparation activities
24 and training for a specific occupation or occupational cluster.

25 (v) Organizes education, training, and other services to meet
26 the particular needs of an individual in a manner that accelerates
27 the educational and career advancement of the individual to the
28 extent practicable.

29 (vi) Enables an individual to attain a secondary school diploma



1 or its recognized equivalent, and at least 1 recognized
2 postsecondary credential.

3 (vii) Helps an individual enter or advance within a specific
4 occupation or occupational cluster.

5 (c) "Department" means the department of labor and economic
6 opportunity.

7 (d) "Eligible adult education provider" means a district,
8 intermediate district, a consortium of districts, a consortium of
9 intermediate districts, or a consortium of districts and
10 intermediate districts that is identified as part of the local
11 process described in subsection (5)(c) and approved by the
12 department.

13 Sec. 147. (1) The allocation for ~~2020-2021-2021-2022~~ for the
14 public school employees' retirement system pursuant to the public
15 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
16 to 38.1437, is made using the individual projected benefit entry
17 age normal cost method of valuation and risk assumptions adopted by
18 the public school employees retirement board and the department of
19 technology, management, and budget.

20 (2) The annual level percentage of payroll contribution rates
21 for the ~~2020-2021-2021-2022~~ fiscal year, as determined by the
22 retirement system, are estimated as follows:

23 (a) ~~For~~ **Except as otherwise provided in this subdivision, for**
24 public school employees who first worked for a public school
25 reporting unit before July 1, 2010 and who are enrolled in the
26 health premium subsidy, the annual level percentage of payroll
27 contribution rate is estimated at ~~42.72%~~ **43.28%** with ~~28.21%~~ **28.23%**
28 paid directly by the employer. **For 2021-2022, if the retirement**
29 **system determines that the annual level percentage of payroll**



1 contribution rate estimated in the immediately preceding sentence,
 2 as impacted by the enactment of House Bill No. 4261 of the 101st
 3 Legislature, if House Bill No. 4261 of the 101st Legislature is
 4 enacted into law, needs to be adjusted, the annual level percentage
 5 of payroll contribution rate estimations under this subdivision are
 6 the estimations determined by the retirement system. If the
 7 retirement system makes a determination as described in the
 8 immediately preceding sentence, it shall issue its estimations
 9 publicly and describe the need for the adjustment described in the
 10 immediately preceding sentence.

11 (b) ~~For~~ Except as otherwise provided in this subdivision, for
 12 public school employees who first worked for a public school
 13 reporting unit on or after July 1, 2010 and who are enrolled in the
 14 health premium subsidy, the annual level percentage of payroll
 15 contribution rate is estimated at ~~39.76%~~ 40.36% with ~~25.25%~~ 25.31%
 16 paid directly by the employer. For 2021-2022, if the retirement
 17 system determines that the annual level percentage of payroll
 18 contribution rate estimated in the immediately preceding sentence,
 19 as impacted by the enactment of House Bill No. 4261 of the 101st
 20 Legislature, if House Bill No. 4261 of the 101st Legislature is
 21 enacted into law, needs to be adjusted, the annual level percentage
 22 of payroll contribution rate estimations under this subdivision are
 23 the estimations determined by the retirement system. If the
 24 retirement system makes a determination as described in the
 25 immediately preceding sentence, it shall issue its estimations
 26 publicly and describe the need for the adjustment described in the
 27 immediately preceding sentence.

28 (c) ~~For~~ Except as otherwise provided in this subdivision, for
 29 public school employees who first worked for a public school



1 reporting unit on or after July 1, 2010 and who participate in the
 2 personal healthcare fund, the annual level percentage of payroll
 3 contribution rate is estimated at ~~38.90%~~**39.50%** with ~~24.39%~~**24.45%**
 4 paid directly by the employer. **For 2021-2022, if the retirement**
 5 **system determines that the annual level percentage of payroll**
 6 **contribution rate estimated in the immediately preceding sentence,**
 7 **as impacted by the enactment of House Bill No. 4261 of the 101st**
 8 **Legislature, if House Bill No. 4261 of the 101st Legislature is**
 9 **enacted into law, needs to be adjusted, the annual level percentage**
 10 **of payroll contribution rate estimations under this subdivision are**
 11 **the estimations determined by the retirement system. If the**
 12 **retirement system makes a determination as described in the**
 13 **immediately preceding sentence, it shall issue its estimations**
 14 **publicly and describe the need for the adjustment described in the**
 15 **immediately preceding sentence.**

16 (d) ~~For~~**Except as otherwise provided in this subdivision, for**
 17 public school employees who first worked for a public school
 18 reporting unit on or after September 4, 2012, who elect defined
 19 contribution, and who participate in the personal healthcare fund,
 20 the annual level percentage of payroll contribution rate is
 21 estimated at ~~35.47%~~**36.01%** with 20.96% paid directly by the
 22 employer. **For 2021-2022, if the retirement system determines that**
 23 **the annual level percentage of payroll contribution rate estimated**
 24 **in the immediately preceding sentence, as impacted by the enactment**
 25 **of House Bill No. 4261 of the 101st Legislature, if House Bill No.**
 26 **4261 of the 101st Legislature is enacted into law, needs to be**
 27 **adjusted, the annual level percentage of payroll contribution rate**
 28 **estimations under this subdivision are the estimations determined**
 29 **by the retirement system. If the retirement system makes a**



1 determination as described in the immediately preceding sentence,
 2 it shall issue its estimations publicly and describe the need for
 3 the adjustment described in the immediately preceding sentence.

4 (e) ~~For~~ Except as otherwise provided in this subdivision, for
 5 public school employees who first worked for a public school
 6 reporting unit before July 1, 2010, who elect defined contribution,
 7 and who are enrolled in the health premium subsidy, the annual
 8 level percentage of payroll contribution rate is estimated at
 9 ~~36.33%~~ 36.87% with 21.82% paid directly by the employer. For 2021-
 10 2022, if the retirement system determines that the annual level
 11 percentage of payroll contribution rate estimated in the
 12 immediately preceding sentence, as impacted by the enactment of
 13 House Bill No. 4261 of the 101st Legislature, if House Bill No.
 14 4261 of the 101st Legislature is enacted into law, needs to be
 15 adjusted, the annual level percentage of payroll contribution rate
 16 estimations under this subdivision are the estimations determined
 17 by the retirement system. If the retirement system makes a
 18 determination as described in the immediately preceding sentence,
 19 it shall issue its estimations publicly and describe the need for
 20 the adjustment described in the immediately preceding sentence.

21 (f) ~~For~~ Except as otherwise provided in this subdivision, for
 22 public school employees who first worked for a public school
 23 reporting unit before July 1, 2010, who elect defined contribution,
 24 and who participate in the personal healthcare fund, the annual
 25 level percentage of payroll contribution rate is estimated at
 26 ~~35.47%~~ 36.01% with 20.96% paid directly by the employer. For 2021-
 27 2022, if the retirement system determines that the annual level
 28 percentage of payroll contribution rate estimated in the
 29 immediately preceding sentence, as impacted by the enactment of



1 House Bill No. 4261 of the 101st Legislature, if House Bill No.
 2 4261 of the 101st Legislature is enacted into law, needs to be
 3 adjusted, the annual level percentage of payroll contribution rate
 4 estimations under this subdivision are the estimations determined
 5 by the retirement system. If the retirement system makes a
 6 determination as described in the immediately preceding sentence,
 7 it shall issue its estimations publicly and describe the need for
 8 the adjustment described in the immediately preceding sentence.

9 (g) ~~For~~ Except as otherwise provided in this subdivision, for
 10 public school employees who first worked for a public school
 11 reporting unit before July 1, 2010 and who participate in the
 12 personal healthcare fund, the annual level percentage of payroll
 13 contribution rate is estimated at ~~41.86%~~ 42.42% with ~~27.35%~~ 27.37%
 14 paid directly by the employer. For 2021-2022, if the retirement
 15 system determines that the annual level percentage of payroll
 16 contribution rate estimated in the immediately preceding sentence,
 17 as impacted by the enactment of House Bill No. 4261 of the 101st
 18 Legislature, if House Bill No. 4261 of the 101st Legislature is
 19 enacted into law, needs to be adjusted, the annual level percentage
 20 of payroll contribution rate estimations under this subdivision are
 21 the estimations determined by the retirement system. If the
 22 retirement system makes a determination as described in the
 23 immediately preceding sentence, it shall issue its estimations
 24 publicly and describe the need for the adjustment described in the
 25 immediately preceding sentence.

26 (h) ~~For~~ Except as otherwise provided in this subdivision, for
 27 public school employees who first worked for a public school
 28 reporting unit after January 31, 2018 and who elect to become
 29 members of the MPSERS plan, the annual level percentage of payroll



1 contribution rate is estimated at ~~41.67%~~**42.21%** with 27.16% paid
 2 directly by the employer. **For 2021-2022, if the retirement system**
 3 **determines that the annual level percentage of payroll contribution**
 4 **rate estimated in the immediately preceding sentence, as impacted**
 5 **by the enactment of House Bill No. 4261 of the 101st Legislature,**
 6 **if House Bill No. 4261 of the 101st Legislature is enacted into**
 7 **law, needs to be adjusted, the annual level percentage of payroll**
 8 **contribution rate estimations under this subdivision are the**
 9 **estimations determined by the retirement system. If the retirement**
 10 **system makes a determination as described in the immediately**
 11 **preceding sentence, it shall issue its estimations publicly and**
 12 **describe the need for the adjustment described in the immediately**
 13 **preceding sentence.**

14 (3) In addition to the employer payments described in
 15 subsection (2), the employer shall pay the applicable contributions
 16 to the Tier 2 plan, as determined by the public school employees
 17 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

18 (4) The contribution rates in subsection (2) reflect an
 19 amortization period of ~~18~~**17** years for ~~2020-2021~~**2021-2022**. The
 20 public school employees' retirement system board shall notify each
 21 district and intermediate district by February 28 of each fiscal
 22 year of the estimated contribution rate for the next fiscal year.

23 Sec. 147a. ~~(1) From the appropriation~~**state school aid fund**
 24 **money appropriated** in section 11, there is allocated for ~~2020-2021~~
 25 **2021-2022** an amount not to exceed \$100,000,000.00 for payments to
 26 participating districts. A participating district that receives
 27 money under this subsection shall use that money solely for the
 28 purpose of offsetting a portion of the retirement contributions
 29 owed by the district for the fiscal year in which it is received.



1 The amount allocated to each participating district under this
 2 subsection is based on each participating district's percentage of
 3 the total statewide payroll for all participating districts for the
 4 immediately preceding fiscal year. As used in this subsection,
 5 "participating district" means a district that is a reporting unit
 6 of the Michigan public school employees' retirement system under
 7 the public school employees retirement act of 1979, 1980 PA 300,
 8 MCL 38.1301 to 38.1437, and that reports employees to the Michigan
 9 public school employees' retirement system for the applicable
 10 fiscal year.

11 ~~(2) In addition to the allocation under subsection (1), from~~
 12 ~~the state school aid fund money appropriated under section 11,~~
 13 ~~there is allocated an amount not to exceed \$155,136,000.00 for~~
 14 ~~2020-2021 for payments to participating districts and intermediate~~
 15 ~~districts and from the general fund money appropriated under~~
 16 ~~section 11, there is allocated an amount not to exceed \$70,000.00~~
 17 ~~for 2020-2021 for payments to participating district libraries. The~~
 18 ~~amount allocated to each participating entity under this subsection~~
 19 ~~is based on each participating entity's reported quarterly payroll~~
 20 ~~for members that became tier 1 prior to February 1, 2018 for the~~
 21 ~~current fiscal year. A participating entity that receives money~~
 22 ~~under this subsection shall use that money solely for the purpose~~
 23 ~~of offsetting a portion of the normal cost contribution rate. As~~
 24 ~~used in this subsection:~~

25 ~~(a) "District library" means a district library established~~
 26 ~~under the district library establishment act, 1989 PA 24, MCL~~
 27 ~~397.171 to 397.196.~~

28 ~~(b) "Participating entity" means a district, intermediate~~
 29 ~~district, or district library that is a reporting unit of the~~



1 ~~Michigan public school employees' retirement system under the~~
 2 ~~public school employees retirement act of 1979, 1980 PA 300, MCL~~
 3 ~~38.1301 to 38.1437, and that reports employees to the Michigan~~
 4 ~~public school employees' retirement system for the applicable~~
 5 ~~fiscal year.~~

6 Sec. 147c. From the state school aid fund money appropriated
 7 in section 11, there is allocated for ~~2020-2021-2021-2022~~ an amount
 8 not to exceed ~~\$1,219,300,000.00~~ **\$1,553,500,000.00** for payments to
 9 districts and intermediate districts that are participating
 10 entities of the Michigan public school employees' retirement
 11 system. In addition, from the general fund money appropriated in
 12 section 11, there is allocated for ~~2020-2021-2021-2022~~ an amount
 13 not to exceed \$500,000.00 for payments to district libraries that
 14 are participating entities of the Michigan public school employees'
 15 retirement system. All of the following apply to funding under this
 16 subsection:

17 (a) ~~For 2020-2021,~~ **Except as otherwise provided in this**
 18 **subdivision, for 2021-2022,** the amounts allocated under this
 19 subsection are estimated to provide an average MPSERS rate cap per
 20 pupil amount of ~~\$827.00~~ **\$911.00** and are estimated to provide a rate
 21 cap per pupil for districts ranging between \$5.00 and
 22 ~~\$4,000.00~~ **\$4,200.00. For 2021-2022, if the retirement system**
 23 **determines the average MPSERS rate cap per pupil amount and rate**
 24 **cap per pupil for districts estimated in the immediately preceding**
 25 **sentence, as impacted by the enactment of House Bill No. 4261 of**
 26 **the 101st Legislature, if House Bill No. 4261 of the 101st**
 27 **Legislature is enacted into law, need to be adjusted, the estimated**
 28 **average MPSERS rate cap per pupil amount and estimated rate cap per**
 29 **pupil for districts under this subdivision are the estimations**



1 determined by the retirement system. If the retirement system makes
 2 a determination as described in the immediately preceding sentence,
 3 it shall issue its estimations publicly and describe the need for
 4 the adjustment described in the immediately preceding sentence.

5 (b) Payments made under this subsection are equal to the
 6 difference between the unfunded actuarial accrued liability
 7 contribution rate as calculated pursuant to section 41 of the
 8 public school employees retirement act of 1979, 1980 PA 300, MCL
 9 38.1341, as calculated without taking into account the maximum
 10 employer rate of 20.96% included in section 41 of the public school
 11 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
 12 maximum employer rate of 20.96% included in section 41 of the
 13 public school employees retirement act of 1979, 1980 PA 300, MCL
 14 38.1341.

15 (c) The amount allocated to each participating entity under
 16 this subsection is based on each participating entity's proportion
 17 of the total covered payroll for the immediately preceding fiscal
 18 year for the same type of participating entities. A participating
 19 entity that receives funds under this subsection shall use the
 20 funds solely for the purpose of retirement contributions as
 21 specified in subdivision (d).

22 (d) Each participating entity receiving funds under this
 23 subsection shall forward an amount equal to the amount allocated
 24 under subdivision (c) to the retirement system in a form, manner,
 25 and time frame determined by the retirement system.

26 (e) Funds allocated under this subsection should be considered
 27 when comparing a district's growth in total state aid funding from
 28 1 fiscal year to the next.

29 (f) Not later than December 20, ~~2020~~, **2021**, the department



1 shall publish and post on its website an estimated MPERS rate cap
2 per pupil for each district.

3 (g) The office of retirement services shall first apply funds
4 allocated under this subsection to pension contributions and, if
5 any funds remain after that payment, shall apply those remaining
6 funds to other postemployment benefit contributions.

7 (h) As used in this section:

8 (i) "District library" means a district library established
9 under the district library establishment act, 1989 PA 24, MCL
10 397.171 to 397.196.

11 (ii) "MPERS rate cap per pupil" means an amount equal to the
12 quotient of the district's payment under this subsection divided by
13 the district's pupils in membership.

14 (iii) "Participating entity" means a district, intermediate
15 district, or district library that is a reporting unit of the
16 Michigan public school employees' retirement system under the
17 public school employees retirement act of 1979, 1980 PA 300, MCL
18 38.1301 to 38.1437, and that reports employees to the Michigan
19 public school employees' retirement system for the applicable
20 fiscal year.

21 (iv) "Retirement board" means the board that administers the
22 retirement system under the public school employees retirement act
23 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

24 (v) "Retirement system" means the Michigan public school
25 employees' retirement system under the public school employees
26 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

27 **Sec. 147d. (1) From the state school aid fund money**
28 **appropriated under section 11, there is allocated for 2021-2022 an**
29 **amount not to exceed \$250,000,000.00 to the retirement system.**



1 (2) The funds allocated under this section are not considered
 2 part of the unfunded actuarial accrued liability contribution sum
 3 due and payable under section 41 of the public school employees
 4 retirement act of 1979, 1980 PA 300, MCL 38.1341.

5 (3) As used in this section, "retirement system" means the
 6 Michigan public school employees' retirement system under the
 7 public school employees retirement act of 1979, 1980 PA 300, MCL
 8 38.1301 to 38.1437.

9 Sec. 147e. (1) From the appropriation in section 11, there is
 10 allocated for ~~2020-2021-2021-2022~~ an amount not to exceed
 11 ~~\$51,400,000.00~~ **\$65,300,000.00** from the state school aid fund for
 12 payments to participating entities.

13 (2) The payment to each participating entity under this
 14 section is the sum of the amounts under this subsection as follows:

15 (a) An amount equal to the contributions made by a
 16 participating entity for the additional contribution made to a
 17 qualified participant's Tier 2 account in an amount equal to the
 18 contribution made by the qualified participant not to exceed 3% of
 19 the qualified participant's compensation as provided for under
 20 section 131(6) of the public school employees retirement act of
 21 1979, 1980 PA 300, MCL 38.1431.

22 (b) Beginning October 1, 2017, an amount equal to the
 23 contributions made by a participating entity for a qualified
 24 participant who is only a Tier 2 qualified participant under
 25 section 81d of the public school employees retirement act of 1979,
 26 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning
 27 February 1, 2018, not to exceed 1%, of the qualified participant's
 28 compensation.

29 (c) An amount equal to the increase in employer normal cost



1 contributions under section 41b(2) of the public school employees
2 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member
3 that was hired after February 1, 2018 and chose to participate in
4 Tier 1, compared to the employer normal cost contribution for a
5 member under section 41b(1) of the public school employees
6 retirement act of 1979, 1980 PA 300, MCL 38.1341b.

7 (3) As used in this section:

8 (a) "Member" means that term as defined under the public
9 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
10 to 38.1437.

11 (b) "Participating entity" means a district, intermediate
12 district, or community college that is a reporting unit of the
13 Michigan public school employees' retirement system under the
14 public school employees retirement act of 1979, 1980 PA 300, MCL
15 38.1301 to 38.1437, and that reports employees to the Michigan
16 public school employees' retirement system for the applicable
17 fiscal year.

18 (c) "Qualified participant" means that term as defined under
19 section 124 of the public school employees retirement act of 1979,
20 1980 PA 300, MCL 38.1424.

21 Sec. 152a. (1) As required by the court in the consolidated
22 cases known as *Adair v State of Michigan*, 486 Mich 468 (2010), from
23 the state school aid fund money appropriated in section 11, there
24 is allocated for ~~2020-2021~~**2021-2022** an amount not to exceed
25 \$38,000,500.00 to be used solely for the purpose of paying
26 necessary costs related to the state-mandated collection,
27 maintenance, and reporting of data to this state.

28 (2) From the allocation in subsection (1), the department
29 shall make payments to districts and intermediate districts in an



1 equal amount per-pupil based on the total number of pupils in
 2 membership in each district and intermediate district. The
 3 department shall not make any adjustment to these payments after
 4 the final installment payment under section 17b is made.

5 Sec. 152b. (1) From the general fund money appropriated under
 6 section 11, there is allocated ~~an amount not to exceed~~
 7 ~~\$2,500,000.00 for 2017-2018~~ and an amount not to exceed ~~\$250,000.00~~
 8 **\$2,500,000.00** for ~~2018-2019~~ **2021-2022** to reimburse actual costs
 9 incurred by nonpublic schools in complying with a health, safety,
 10 or welfare requirement mandated by a law or administrative rule of
 11 this state.

12 (2) By January 1 of each applicable fiscal year, the
 13 department shall publish a form for reporting actual costs incurred
 14 by a nonpublic school in complying with a health, safety, or
 15 welfare requirement mandated under state law containing each
 16 health, safety, or welfare requirement mandated by a law or
 17 administrative rule of this state applicable to a nonpublic school
 18 and with a reference to each relevant provision of law or
 19 administrative rule for the requirement. The form shall be posted
 20 on the department's website in electronic form.

21 (3) By June 30 of each applicable fiscal year, a nonpublic
 22 school seeking reimbursement for actual costs incurred in complying
 23 with a health, safety, or welfare requirement under a law or
 24 administrative rule of this state during each applicable school
 25 year shall submit a completed form described in subsection (2) to
 26 the department. This section does not require a nonpublic school to
 27 submit a form described in subsection (2). A nonpublic school is
 28 not eligible for reimbursement under this section if the nonpublic
 29 school does not submit the form described in subsection (2) in a



1 timely manner.

2 (4) By August 15 of each applicable fiscal year, the
3 department shall distribute funds to each nonpublic school that
4 submits a completed form described under subsection (2) in a timely
5 manner. The superintendent shall determine the amount of funds to
6 be paid to each nonpublic school in an amount that does not exceed
7 the nonpublic school's actual costs in complying with a health,
8 safety, or welfare requirement under a law or administrative rule
9 of this state. The superintendent shall calculate a nonpublic
10 school's actual cost in accordance with this section.

11 (5) If the funds allocated under this section are insufficient
12 to fully fund payments as otherwise calculated under this section,
13 the department shall distribute funds under this section on a
14 prorated or other equitable basis as determined by the
15 superintendent.

16 (6) The department may review the records of a nonpublic
17 school submitting a form described in subsection (2) only for the
18 limited purpose of verifying the nonpublic school's compliance with
19 this section. If a nonpublic school does not allow the department
20 to review records under this subsection, the nonpublic school is
21 not eligible for reimbursement under this section.

22 (7) The funds appropriated under this section are for purposes
23 related to education, are considered to be incidental to the
24 operation of a nonpublic school, are noninstructional in character,
25 and are intended for the public purpose of ensuring the health,
26 safety, and welfare of the children in nonpublic schools and to
27 reimburse nonpublic schools for costs described in this section.

28 (8) Funds allocated under this section are not intended to aid
29 or maintain any nonpublic school, support the attendance of any



1 student at a nonpublic school, employ any person at a nonpublic
2 school, support the attendance of any student at any location where
3 instruction is offered to a nonpublic school student, or support
4 the employment of any person at any location where instruction is
5 offered to a nonpublic school student.

6 (9) For purposes of this section, "actual cost" means the
7 hourly wage for the employee or employees performing a task or
8 tasks required to comply with a health, safety, or welfare
9 requirement under a law or administrative rule of this state
10 identified by the department under subsection (2) and is to be
11 calculated in accordance with the form published by the department
12 under subsection (2), which shall include a detailed itemization of
13 costs. The nonpublic school shall not charge more than the hourly
14 wage of its lowest-paid employee capable of performing a specific
15 task regardless of whether that individual is available and
16 regardless of who actually performs a specific task. Labor costs
17 under this subsection shall be estimated and charged in increments
18 of 15 minutes or more, with all partial time increments rounded
19 down. When calculating costs under subsection (4), fee components
20 shall be itemized in a manner that expresses both the hourly wage
21 and the number of hours charged. The nonpublic school may not
22 charge any applicable labor charge amount to cover or partially
23 cover the cost of health or fringe benefits. A nonpublic school
24 shall not charge any overtime wages in the calculation of labor
25 costs.

26 (10) For the purposes of this section, the actual cost
27 incurred by a nonpublic school for taking daily student attendance
28 shall be considered an actual cost in complying with a health,
29 safety, or welfare requirement under a law or administrative rule



1 of this state. Training fees, inspection fees, and criminal
 2 background check fees are considered actual costs in complying with
 3 a health, safety, or welfare requirement under a law or
 4 administrative rule of this state.

5 (11) The funds allocated under this section for 2017-2018 are
 6 a work project appropriation, and any unexpended funds for 2017-
 7 2018 are carried forward into 2018-2019. The purpose of the work
 8 project is to continue to reimburse nonpublic schools for actual
 9 costs incurred in complying with a health, safety, or welfare
 10 requirement mandated by a law or administrative rule of this state.
 11 The estimated completion date of the work project is September 30,
 12 ~~2020-2022~~.

13 (12) The funds allocated under this section for 2018-2019 are
 14 a work project appropriation, and any unexpended funds for 2018-
 15 2019 are carried forward into 2019-2020. The purpose of the work
 16 project is to continue to reimburse nonpublic schools for actual
 17 costs incurred in complying with a health, safety, or welfare
 18 requirement mandated by a law or administrative rule of this state.
 19 The estimated completion date of the work project is September 30,
 20 ~~2020-2022~~.

21 (13) **The funds allocated under this section for 2021-2022 are**
 22 **a work project appropriation, and any unexpended funds for 2021-**
 23 **2022 are carried forward into 2022-2023. The purpose of the work**
 24 **project is to continue to reimburse nonpublic schools for actual**
 25 **costs incurred in complying with a health, safety, or welfare**
 26 **requirement mandated by a law or administrative rule of this state.**
 27 **The estimated completion date of the work project is September 30,**
 28 **2023.**

29 (14) **The department shall reimburse nonpublic schools for**



1 actual costs incurred in complying with health, safety, or welfare
 2 requirements under a law or administrative rule of this state from
 3 2018-2019 through 2020-2021 using work project funds or, if those
 4 funds are insufficient to fund reimbursements under this
 5 subsection, from the allocation under subsection (1).

6 Enacting section 1. In accordance with section 30 of article
 7 IX of the state constitution of 1963, total state spending on
 8 school aid under article I of the state school aid act of 1979,
 9 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory
 10 act, from state sources for fiscal year 2021-2022 is estimated at
 11 \$14,527,485,100.00 and state appropriations for school aid to be
 12 paid to local units of government for fiscal year 2021-2022 are
 13 estimated at \$14,010,757,500.00.

14 Enacting section 2. Sections 11p, 11q, 21h, 23c, 25j, 29a,
 15 31k, 35d, 35e, 35f, 55, 61c, 65, 67, 91a, 91c, 94b, 95b, 98d, 99i,
 16 99t, 99u, 99w, 99x, 99z, 104d, 104f, 104g, and 105b of the state
 17 school aid act of 1979, 1979 PA 94, MCL 388.1611p, 388.1611q,
 18 388.1621h, 388.1623c, 388.1625j, 388.1629a, 388.1631k, 388.1635d,
 19 388.1635e, 388.1635f, 388.1655, 388.1661c, 388.1665, 388.1667,
 20 388.1691a, 388.1691c, 388.1694b, 388.1695b, 388.1698d, 388.1699i,
 21 388.1699t, 388.1699u, 388.1699w, 388.1699x, 388.1699z, 388.1704d,
 22 388.1704f, 388.1704g, and 388.1705b, are repealed effective October
 23 1, 2021.

