

LINE ITEM AND BOILERPLATE SUMMARY

SCHOOL AID

**Fiscal Year 2018-19
Article I, Public Act 265 of 2018
House Bill 5579 as Enacted**



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September 2018

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September 2018

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2018-19 appropriation acts. Each **Summary** contains line-by-line appropriation and revenue source detail, and a brief explanation of each boilerplate section in the appropriation bill.

In this report, line item vetoes are presented in the following manner: appropriation amounts shown in ~~strikeout~~ are those that appear in the enrolled bill; amounts shown directly below ~~strikeout~~ amounts reflect the effect of the veto.

Line Item Summaries are available on the HFA website (www.house.mi.gov/hfa), or from Kathryn Bateson, Administrative Assistant (373-8080 or kbateson@house.mi.gov).

A handwritten signature in black ink that reads "Mary Ann Cleary". The signature is written in a cursive, flowing style.

Mary Ann Cleary, Director

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GLOSSARY

STATE BUDGET TERMS

Line Item

Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function.

Boilerplate

Specific language sections in an appropriation bill which direct, limit, or restrict line-item expenditures, express legislative intent, and/or require reports.

Lapse

Appropriated amounts that are unspent or unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project

Account authorized through statutory process which allows appropriated spending authorization from one fiscal year to be utilized for expenditures in a succeeding fiscal year or years for a specific project or purpose.

APPROPRIATIONS AND FUND SOURCES

Appropriations

Authority to expend funds for a particular purpose. An appropriation is not a mandate to spend.

Gross: Total of all applicable appropriations in an appropriation bill.

Adjusted Gross: Net amount of gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Interdepartmental Grant (IDG) Revenue

Funds received by one state department from another state department—usually for service(s) provided.

Intradepartmental Transfer (IDT) Revenue

Funds transferred from one appropriation unit to another within the same departmental budget.

Federal Revenue

Federal grant or match revenue; generally dedicated to specific programs or purposes.

Local Revenue

Revenue received from local units of government for state services.

Private Revenue

Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, or gifts and bequests.

State Restricted Revenue

State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue; at year-end, unused restricted revenue generally remains in the restricted fund.

General Fund/General Purpose (GF/GP) Revenue

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the Legislature; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

MAJOR STATE FUNDS

General Fund

The state's primary operating fund; receives state revenue not dedicated to another state fund.

School Aid Fund (SAF)

A restricted fund that serves as the primary state funding source for K-12 schools and Intermediate School Districts. Constitutionally, SAF revenue may also be used for postsecondary education.

Budget Stabilization Fund

The Countercyclical Economic and Budget Stabilization Fund (also known as the "rainy day fund"); the Management and Budget Act provides guidelines for making deposits into and withdrawals from the fund.

SCHOOL AID

The School Aid budget, Article I of the School Aid Act, provides funding for the state's local school districts, public school academies (PSAs) and intermediate school districts (ISDs). It also includes a limited number of grants to other entities.

Section 11j – School Bond Redemption Fund	\$125,500,000	Payment to School Bond Redemption Fund in the Department of Treasury to make debt service payments on behalf of districts that participate in the School Bond Qualification and Loan Program. Districts qualify for loans if the number of mills necessary to repay a district's capital bonds exceeds 7.
	Funding Source(s):	Restricted 125,500,000
		<i>Related Boilerplate Section(s): 11</i>
<hr/>		
Section 11m – Cash Flow Borrowing Costs	24,000,000	Pays interest costs incurred by the state associated with cash-flow borrowing on the part of the School Aid Fund due to the timing of revenue collections versus required state aid payments to districts and ISDs over the required 11 payments.
	Funding Source(s):	Restricted 24,000,000
		<i>Related Boilerplate Section(s): 11</i>
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Section 11s – Flint Declaration of Emergency	3,230,100	Provides \$3.2 million for nutrition programs (\$605,000) and school nurses, classroom aides, and social workers (\$2.6 million) in Flint schools.
	Funding Source(s):	Restricted 100 GF/GP 3,230,000
		<i>Related Boilerplate Section(s): 11</i>
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Section 20f – Categorical Offset Payments	18,000,000	Maintains \$6.0 million for FY 2013-14 per pupil allocations which guaranteed that no district received less than a \$5 per pupil increase for FY 2013-14 when adding together the increases in the foundation allowance and equity payment and the reductions in MPERS cost offsets that year. Maintains \$12.0 million to guarantee a minimum net increase of \$25 per pupil for FY 2015-16 when adding together the increases in foundation allowances and At-Risk funding and the elimination of Best Practices and District Performance grants.
	Funding Source(s):	Restricted 18,000,000
		<i>Related Boilerplate Section(s): 11</i>
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Section 21h – Partnership Model Districts	7,000,000	Provides funding for interventions in districts identified as needing additional academic supports. Target districts are those not yet under the authority of the School Reform Office. Districts must work with MDE and other stakeholders to complete a comprehensive needs assessment and develop an intervention plan. Funds may be used for professional development, increased instructional time, teacher mentors, and other expenditures that directly impact student achievement.
	Funding Source(s):	Restricted 7,000,000
		<i>Related Boilerplate Section(s): 11</i>
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Section 22a – Foundations: Proposal A Obligation Payment	5,107,000,000	Funding guarantees FY 1994-95 total state and local per pupil revenue for operating purposes as required by Michigan Constitution; payment is equal to a district's FY 1994-95 foundation allowance multiplied by the total number of general education and special education membership pupils in the district in FY 2018-19, minus the district's local revenue from nonhomestead millage revenue. Funding Source(s): Restricted 5,107,000,000 <i>Related Boilerplate Section(s): 6, 11, 20, 22b, 105, 105c</i>
Section 22b – Foundations: Discretionary Payment	4,324,000,000	Provides funds equal to the sum of amounts calculated under Sec. 20 (total foundation allowances) and under Sec. 51a(2) plus Sec. 51a(3) plus Sec. 51a(11) (total special education), minus amounts under Sec. 22a (Proposal A guaranteed portion of foundation allowance) and Sec. 51c (Headlee obligated special education reimbursements - <i>Durant v State of Michigan</i>). Funding Source(s): Restricted 4,313,722,200 GF/GP 10,277,800 <i>Related Boilerplate Section(s): 6, 11, 20, 22a, 51a, 51c, 76, 101, 105, 105c</i>
Section 22d – Isolated District Funding	6,000,000	Payment of \$957,300 to certain small, geographically isolated districts and \$5,042,700 to districts that have 7.7 or fewer pupils per square mile. Funding Source(s): Restricted 6,000,000 <i>Related Boilerplate Section(s): 6, 11</i>
Section 22m – Technology Regional Data Hubs	2,200,000	Provides funding for the Michigan Data Hub Network to upgrade school data infrastructure, promote data integration systems, ensure data security and privacy, provide actionable and consistent statewide reports and dashboards, create a governance model to facilitate a sustainable model for the future, and evaluate future data needs. Funding Source(s): Restricted 2,200,000 <i>Related Boilerplate Section(s): 11, 19</i>
Section 22n – High School Per Pupil Bonus	11,000,000	Provides districts with an additional \$25 per pupil in grades 9-12 to reflect the higher costs of high school instruction. Funding Source(s): Restricted 11,000,000 <i>Related Boilerplate Section(s): 11</i>
Section 24 – Court-Placed Pupils	7,150,000	Reimburses educating school district or ISD for on-grounds program for pupils under court jurisdiction placed in or assigned to attend a juvenile detention facility or child-caring institution. Funding Source(s): Restricted 7,150,000 <i>Related Boilerplate Section(s): 6, 11, 53a</i>
Section 24a – Juvenile Justice Facility Programs	1,355,700	Payments to ISDs for pupils placed in juvenile justice service facilities operated by Department of Health and Human Services (DHHS). Funding Source(s): Restricted 1,355,700 <i>Related Boilerplate Section(s): 11</i>

Section 24c – Youth ChalleNGe Program	1,625,400	Funds the Youth ChalleNGe Program, a boot camp program for at-risk youth administered by the Department of Military and Veterans Affairs with academic and vocational services provided by Marshall Public Schools.
		Funding Source(s): Restricted 1,625,400
		<i>Related Boilerplate Section(s): 11</i>
Section 25f – Strict Discipline Academy Added Costs	1,600,000	Provides for payments to strict discipline academies to reimburse for added instructional costs.
		Funding Source(s): Restricted 1,600,000
		<i>Related Boilerplate Section(s): 11, 25e,</i>
Section 25g – Dropout Recovery Programs	750,000	Provides additional payments to districts working with dropout recovery programs under Sec. 23a if participation in the program causes a pupil to be counted as more than 1.0 FTE.
		Funding Source(s): Restricted 750,000
		<i>Related Boilerplate Section(s): 11</i>
Section 25h – Dropout Prevention Grant	100,000	Provides funding to an eligible district for a program to reduce the number of high school dropouts that is aligned with MDE's Top Ten in Ten and the Career Pathway Alliance to increase graduation rates, attendance rates, and career readiness of at risk youth.
		Funding Source(s): Restricted 100,000
		<i>Related Boilerplate Section(s): 11</i>
Section 26a – Renaissance Zone Reimbursements	15,000,000	Reimburses school districts and ISDs for property tax revenue losses attributable to implementing the Michigan Renaissance Zone Act.
		Funding Source(s): Restricted 15,000,000
		<i>Related Boilerplate Section(s): 11</i>
Section 26b – Payment In Lieu of Taxes	4,405,100	Reimburses school districts, ISDs, and community colleges for payment in lieu of taxes obligations per 2004 PA 513.
		Funding Source(s): Restricted 4,405,100
		<i>Related Boilerplate Section(s): 11</i>
Section 26c – Promise Zone Funding	3,000,000	Provides funds to districts and ISDs with an approved Promise Zone development plan for the purposes of the local Promise Zone Authority under the Michigan Promise Zone Authority Act, 2008 PA 549.
		Funding Source(s): Restricted 3,000,000
		<i>Related Boilerplate Section(s): 11</i>

Section 32d – Great Start Readiness Program	243,900,000	Provides funds to ISDs to operate school readiness preschool programs for four-year-old children in low-income families; comprehensive program includes an age-appropriate curriculum, nutritional services, physical and dental health and developmental screening, and parental involvement. Each allocation is equal to \$7,250 per child for a full-day preschool program. \$10.0 million of the total funding is allocated for transportation reimbursements. Allocates \$1.0 million for professional development for educators in programs implementing new curricula. Allocates \$300,000 to continue a longitudinal evaluation of program.
		Funding Source(s): Restricted 243,600,000 GF/GP 300,000

Related Boilerplate Section(s): 11, 39

Section 32p – Early Childhood Block Grants	13,400,000	Provides grants to ISDs to provide early childhood programs, including local Great Start Collaboratives, Great Start Parent Coalitions, and \$2.5 million for home visiting programs to improve early literacy.
		Funding Source(s): Restricted 13,400,000

Related Boilerplate Section(s): 11

Section 32q – Early Learning Cooperative	175,000	Provides funding for an ISD partnering with an early childhood collaborative on a pilot program to evaluate the benefits of 2 years of preschool for vulnerable children. Intended as 3 rd of 3 years of funding.
		Funding Source(s): Restricted 175,000

Related Boilerplate Section(s): 11

Section 35a – Early Literacy Initiatives	29,900,000	Provides funding to districts and ISDs to improve early literacy with the goal that Michigan will be in the top ten most improved states in grade 4 reading proficiency by the 2019 National Assessment of Educational Progress (NAEP) and will be in the top ten states overall in grade 4 reading proficiency by 2025. Includes \$19.9 million for professional development, diagnostic tools, and added instructional time distributed to districts on an equal per-first-grade-pupil basis. Caps funding that may be used for professional development or diagnostic tools at 5% each. Also provides \$7.0 million for teacher coaches, \$2.5 million for the Michigan Education Corps, and \$500,000 for a summer reading program.
		Funding Source(s): Restricted 26,900,000 GF/GP 3,000,000

Related Boilerplate Section(s): 11

Section 35b –Dyslexia Center Collaboration Grant	250,000	Provides funding for a district to partner with a dyslexia center in piloting the use of multisensory structured language education to improve reading proficiency.
		Funding Source(s): Restricted 250,000

Related Boilerplate Section(s): 11

Section 54d – Early On	5,000,000	Provides funding to ISDs to provide state Early On services pilot programs for children birth to three years old with developmental delays or disabilities and their families as described in the Early On Michigan state plan. Funds distributed based on existing Federal Early On formula.
		Funding Source(s): Restricted 5,000,000
		<i>Related Boilerplate Section(s): 11</i>
Section 55 – Conductive Learning	250,000	Provides \$250,000 to the Conductive Learning Center at Aquinas College to support the operational costs of the conductive education model taught there to maximize the independence and mobility of children and adults with neuromotor disabilities.
		Funding Source(s): GF/GP 250,000
		<i>Related Boilerplate Section(s): 11</i>
Section 61a – Career and Technical Education Programs	37,711,300	Reimburses districts and secondary area vocational/technical centers for a portion of the added costs of career and technical education (CTE) programs; allocations prioritized on necessary capital and program expenditures, number of pupils, pupil advancement, postsecondary articulation agreements, job placement, job openings and wages, and length of training period. Allocations may not exceed 75% of the total added costs. Includes \$100,000 for a CTE program in culinary arts and restaurant management and \$1.0 million for grants to up to 3 ISDs that received funding in FY 2017-18 to hire CTE counselors.
		Funding Source(s): Restricted 37,611,300 GF/GP 100,000
		<i>Related Boilerplate Section(s): 6, 11, 20d, 107</i>
Section 61b – CTE Early/Middle College and Dual Enrollment Programs	8,000,000	Provides funding to expand CTE Middle College and dual enrollment programs statewide and for planning grants for the development or expansion of CTE Early Middle College Programs. Programs are intended to provide high school students with an opportunity to finish an associates' degree, finish technical certification, or earn college credit while taking high school courses. Allocates up to \$500,000 toward planning grants for new or expanded programs.
		Funding Source(s): Restricted 8,000,000
		<i>Related Boilerplate Section(s): 6, 11</i>
Section 61c – CTE Skilled Trades Initiative	2,500,000	Provides \$2.5 million GF/GP to career educational planning districts (CEPDs) for which at least 50% of the service area is located in an ISD that did not levy a CTE millage in 2018 and requires that at least 50% of the funding allocated to each eligible CEPD must be used to update CTE equipment for current CTE programs that have been identified in the highest 5 career cluster rankings.
		Funding Source(s): GF/GP 2,500,000
		<i>Related Boilerplate Section(s): 6, 11</i>
Section 61d – CTE Incentive Payment	5,000,000	Funds payments to districts equal to \$25 per pupil for pupils in grades 9 to 12 enrolled in CTE programs and an additional \$25 per pupil for those in CTE programs in critical skills and high-demand career fields with designated classification of instructional program (CIP) codes.
		Funding Source(s): GF/GP 5,000,000
		<i>Related Boilerplate Section(s): 11</i>

Section 62 – ISD Vocational/Technical Education Millage Equalization	9,190,000	Provides funding to support vocational/technical education in ISDs that levy vocational/technical education millages but have low property values. Caps an individual ISD's allocation at no more than 38.4% of the total appropriation, and provides that no ISD shall receive less than 75% of its prior year allocation.
		Funding Source(s): Restricted 9,190,000
		<i>Related Boilerplate Section(s): 6, 11, 121</i>
Section 64b – Dual Enrollment Incentive Payments	1,750,000	Funds payments to districts that provide dual enrollment options to students in grades 9-12 for courses taught in the district or ISD. Payments equal to \$10 per credit hour for up to 3 credits per student enrolled plus \$30 per pupil per course if the pupil successfully completes and is awarded both high school and post-secondary credit for the course.
		Funding Source(s): Restricted 1,750,000
		<i>Related Boilerplate Section(s): 11</i>
Section 64d – Information Technology Certifications	2,300,000	Appropriates funding for the 2 nd of 3 years of funding for a grant to provide information technology education opportunities to students attending districts, ISDs, PSAs, CTE programs, community colleges, or universities.
		Funding Source(s): GF/GP 2,300,000
		<i>Related Boilerplate Section(s): 11</i>
Section 65 – Detroit Area PreCollege Engineering Program	400,000	Provides funding for Detroit Area Pre-College Engineering Program (DAPCEP), which is a K-12 educational program focused on careers related to Science, Technology, Engineering, and Mathematics, with special attention to pupils who are at-risk or underrepresented in technical professions and careers.
		Funding Source(s): Restricted 400,000
		<i>Related Boilerplate Section(s): 11</i>
Section 67 – Career and College Readiness Tools	3,000,000	Appropriates funds administered through the Michigan College Access Network (MCAN) for programs to inform students about college and career options and provide outreach to increase the number of students prepared to make informed college and career decisions.
		Funding Source(s): GF/GP 3,000,000
		<i>Related Boilerplate Section(s): 11</i>
Section 74 – School Bus Driver Safety Instruction and School Bus Inspections	3,754,900	Provides \$2.0 million for bus driver safety instruction or evaluation and reimburses districts for non-special education auxiliary services transportation. Provides \$1.7 million to reimburse the Michigan State Police for the cost of school bus inspections.
		Funding Source(s): Restricted 3,754,900
		<i>Related Boilerplate Section(s): 11</i>
Section 81 – ISD General Operations Support	68,453,000	Supports general operations for ISDs. Each ISD will receive 102% of the allocation for general operations in FY 2018-19 it received in FY 2017-18.
		Funding Source(s): Restricted 68,453,000
		<i>Related Boilerplate Section(s): 6, 11</i>

Section 94 – Advanced Placement Incentive Program	1,000,000	Funds districts to pay for all or part of Advance Placement (AP), International Baccalaureate (IB), and College-Level Examination Program (CLEP) fees for low-income students. Pupils must pay at least \$5.00 toward the cost of the covered test.
		Funding Source(s): GF/GP 1,000,000
		<i>Related Boilerplate Section(s): 11</i>
Section 94a – Center for Educational Performance and Information	16,550,200	Funds the collection of education data and reporting requirements of state and federal law. Supports the longitudinal data system and the MI School data web portal.
		Funding Source(s): Federal 193,500 GF/GP 16,356,700
		<i>Related Boilerplate Section(s): 11, 18, 19</i>
Section 95b – Statewide Evaluation Tool	2,500,000	Supports adoption of a statewide value-added growth and projection analytics system that uses student assessments to measure student growth.
		Funding Source(s): GF/GP 2,500,000
		<i>Related Boilerplate Section(s): 11, 21f</i>
Section 98 – Michigan Virtual University (MVU)	7,387,500	Funds operation of the Michigan Virtual University and the Michigan Virtual Learning Research Institute to research best practices for technology-based instruction and virtual learning, to provide professional development on integrating digital learning into instruction, create a statewide catalog of all virtual courses and course syllabi provided by all Michigan public schools, and collaborate with key stakeholders to examine district-level accountability and teacher effectiveness issues related to virtual learning.
		Funding Source(s): GF/GP 7,387,500
		<i>Related Boilerplate Section(s): 11, 21f</i>
Section 99h – FIRST Robotics	3,300,000	Supports competitive grants to districts and ISDs to provide students in grades K-12 with expanded opportunities to improve mathematics, science and technology skills by participating in the FIRST (for inspiration and recognition of science and technology) Robotics program, Jr. Lego League, Lego League, and other competitive robotics programs. Provides coaching stipends and covers program expenses like event registrations, materials, and travel. Additionally, provides \$300,000 GF/GP for competitive grants to nonpublic schools for robotics or Science Olympiad programs.
		Funding Source(s): Restricted 3,000,000 GF/GP 300,000
		<i>Related Boilerplate Section(s): 11</i>
Section 99s – MiSTEM Initiatives	11,434,300	Includes funding for various statewide STEM initiatives, including \$300,000 to DTMB for the Executive Director and Executive Assistant for the MiSTEM Network, \$3.1 million for MiSTEM council grants, \$7.3 million for MiSTEM Network regional centers, and \$750,000 for implementing Michigan Merit Curriculum components for math and science.
		Funding Source(s): Federal 3,500,000 Restricted 7,634,300 GF/GP 300,000
		<i>Related Boilerplate Section(s): 11</i>

Section 99t – Online Algebra Tool	1,500,000	Provides funding for the statewide online algebra tool funded in FY 2018 (Algebra Nation) to provide algebra related videos, adaptive diagnostics, online supports, practice assessments, and professional development.
		Funding Source(s): GF/GP 1,500,000
		<i>Related Boilerplate Section(s): 11, 19b</i>
Section 99u – Online Mathematics/Spanish Tool	2,000,000	Provides \$1.5 million for an online mathematics tool funded in FY 2018 (Imagine Learning) for students statewide. Adds \$500,000 for Imagine Learning Español, an online Spanish language literacy program, for students in prekindergarten through 1 st grade.
		Funding Source(s): GF/GP 2,000,000
		<i>Related Boilerplate Section(s): 11, 19b</i>
Section 99v – Dana Center	25,000	Funds a grant to a provider that develops and scales effective innovations to create seamless transitions through the K-14 system for all students, especially the underserved.
		Funding Source(s): GF/GP 25,000
		<i>Related Boilerplate Section(s): 11</i>
Section 102d – Financial Data Analysis Tools	1,500,000	Appropriates funds to reimburse districts and ISDs for the cost of licensing school data analytical tools.
		Funding Source(s): Restricted 1,500,000
		<i>Related Boilerplate Section(s): 11</i>
Section 104 – Educational Assessments	38,759,400	Funds the costs of statewide education assessments including the Michigan Student Test of Educational Progress (M-STEP), the Michigan Merit Exam (MME), the English Language Proficiency Assessment (ELPA) and the MI-Access, an alternative assessment for students with learning disabilities. \$500,000 of the total is allocated to the maintenance of an online reporting tool to provide student data in a secure environment. Allocates \$1.5 million to continue a pilot of a Michigan kindergarten entry observation tool.
		Funding Source(s): Federal 6,250,000 Restricted 32,509,400
		<i>Related Boilerplate Section(s): 11, 104b, 104c</i>
Section 104d – Computer Adaptive Tests, Diagnostic/Screening Tools, Benchmark Assessments	9,200,000	Reimburses districts for the purchase of computer adaptive tests, as well as diagnostic and screening tools or benchmark assessments for K-8 pupils.
		Funding Source(s): Restricted 9,200,000
		<i>Related Boilerplate Section(s): 11</i>

Section 107 – Adult Education	30,500,000	Supports basic literacy, English as a second language (ESL), General Education Development (GED) test preparation, and high school completion courses for eligible adults. Funding received based on statewide allocation criteria including 3-year average enrollments, census data, and local needs; participant completion of education objectives and core indicators; and allowable expenditures. Allocates \$500,000 to reimburse funding recipients for expenses associated with commingling of Adult Ed and CTE programs. Allocates \$4.0 million for programs linking adult education programs with are CTE centers and employers.
		Funding Source(s): Restricted 30,500,000
		<i>Related Boilerplate Section(s): 6, 11</i>
Section 147a(1) – MPSERS Cost Offset	100,000,000	Offsets a portion of costs for school districts related to the Michigan Public School Employees Retirement System (MPSERS). Payments are distributed based on each district's share of the total statewide MPSERS payroll for the previous fiscal year.
		Funding Source(s): Restricted 100,000,000
		<i>Related Boilerplate Section(s): 11</i>
Section 147a(2) – MPSERS Normal Cost Offset	88,139,000	Reimburses districts, ISDs, and district libraries for the employer normal cost increases related to the assumed rate of return (AROR) reduction from 8.0% to 7.5%.
		Funding Source(s): Restricted 88,091,000 GF/GP 48,000
		<i>Related Boilerplate Section(s): 11</i>
Section 147c(1) – MPSERS State Share of Unfunded Liability Payments	1,032,700,000	Appropriates funds to districts, ISDs, and participating local libraries in an amount equal to the State's required share of the MPSERS contribution pursuant to Sec. 41 of the Public School Employees' Retirement Act. Districts, ISDs, and libraries must remit the funds to the MPSERS.
		Funding Source(s): Restricted 1,032,000,000 GF/GP 700,000
		<i>Related Boilerplate Section(s): 11</i>
Section 147e – MPSERS PA 92 Added Costs	37,600,000	Appropriates \$31.9 million from the MPSERS retirement obligation reform reserve fund and \$5.7 million SAF to reimburse districts, ISDs, and community colleges for the costs of a higher hybrid plan normal cost and a larger employer contribution for the new Defined Contribution plan under PA 92 of 2017.
		Funding Source(s): Restricted 37,600,000
		<i>Related Boilerplate Section(s): 11</i>
Section 152a – Adair Database Payments	38,000,500	Reimburses districts and ISDs for the costs of collecting, maintaining, and reporting data required by the State to satisfy <i>Adair v State of Michigan</i> .
		Funding Source(s): Restricted 38,000,500
		<i>Related Boilerplate Section(s): 11</i>

Section 152b – Nonpublic School Reimbursements	250,000	Reimburses nonpublic schools for the costs related in complying with any health, safety, or welfare requirements mandated by a law or administrative rule.
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Funding Source(s): GF/GP 250,000

Related Boilerplate Section(s): 11

GROSS APPROPRIATION \$14,765,468,800 Total of all applicable line item appropriations.

Federal revenue	1,724,743,500	Total other federal grant or matchable revenue.
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Community District Education Trust Fund	72,000,000	Fund statutorily dedicated to backfilling redirected local revenue for the Community District which replaced Detroit Public Schools.
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Water Emergency Reserve Fund	100	Fund created in Sec. 901 of PA 268 of 2016 for the drinking water declaration of emergency in Flint.
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MPSERS retirement obligation reform reserve fund	31,900,000	Fund created as a separate account in the School Aid Fund in Sec. 147b of the School Aid Act to fund a portion of the costs related to MPSERS reforms.
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School Aid Fund revenue	12,876,825,200	State revenue dedicated to School Aid Fund (SAF).
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STATE GENERAL FUND/ GENERAL PURPOSE \$60,000,000 Unrestricted state revenue from taxes and other sources.

BOILERPLATE INFORMATION SECTION

Sec. 2. Definitions

States that for the purposes of this act the words and phrases defined in Secs. 3 to 6 have the meanings ascribed to them in those sections.

Sec. 3. Definitions: A through D

Defines average daily attendance, board, center, community district, cooperative education program, department, district, district of residence, and district superintendent.

Sec. 4. Definitions: E through H

Defines elementary pupil, extended school year, fiscal year, high school equivalency certificate, high school equivalency test, high school equivalency test preparation program, and high school pupil.

Sec. 5. Definitions: I

Defines intermediate board, intermediate district, and intermediate superintendent.

Sec. 6. Additional Definitions

Defines center program, district and high school graduation rate, district and high school graduation report, membership, public school academy, pupil, pupil membership count day, pupils in grades K to 12 actually enrolled and in regular daily attendance, rule, Revised School Code, school district of the first class, school fiscal year, state board, superintendent, supplemental count day, tuition pupil, state school aid fund, taxable value, textbook, and total state aid.

Sec. 6a. Supplemental Pupil Count

Requires a supplemental pupil membership count day on the second Wednesday in February.

Sec. 6b. Nonresident Pupils

Describes the method for enrolling and counting in membership a nonresident pupil.

Sec. 7. Costs for School Operating Purposes

States that costs for school operating purposes include all expenditures necessary to carry out the powers and the financial obligations of the district or ISD under the revised school code.

Sec. 8b. Assignment of District Codes for Public School Academies

Requires MDE to assign district codes to public school academies within 30 days after contract is submitted to the department by the authorizer. Provides that for a cyber school that does not provide instruction in a single location, the ISD in which its administrative office is located must provide it with programs and services for as long as it operates.

Sec. 11. Total Appropriations

Contains totals of all line-item appropriations allocated in Secs. 11j through 152b.

Sec. 11a. School Aid Stabilization Fund

Establishes the school aid stabilization fund in the school aid act.

Sec. 11f. Cash Payments Pursuant to Nonplaintiff Districts Due to Durant v State of Michigan

Formerly appropriated cash payments pursuant to nonplaintiff districts due to *Durant v State of Michigan*.

Sec. 11g. Debt Service Payments to Nonplaintiff Districts Due to Durant v State of Michigan

Formerly appropriated debt service payments pursuant to nonplaintiff districts due to *Durant v State of Michigan*.

Sec. 11h. Amounts To Districts For Settlement of Durant v State of Michigan

Lists amount paid to each nonplaintiff district that formerly received payments under *Durant v State of Michigan*.

Sec. 11i. Borrowing Money and Issuing Bonds

Allows districts that formerly received funds under Sec. 11g to borrow from Michigan Finance Authority.

Sec. 11j. School Loan Bond Redemption Fund

Provides payments to School Loan Bond Redemption Fund on behalf of districts and ISDs.

Sec. 11k. School Loan Revolving Fund

Assigns school bond loan fund repayments to the Michigan Finance Authority.

BOILERPLATE INFORMATION SECTION

Sec. 11m. Cash Flow Borrowing Costs

Provides funds to pay the state interest costs for funds borrowed to make state aid payments due to the School Aid Fund's negative cash flow.

Sec. 11s. Flint Declaration of Emergency

Provides funds for early childhood services in Flint due to the drinking water declaration of emergency.

Sec. 13. Basis of Apportionments and Limitations of Apportionments

Provides that apportionments, except otherwise provided, shall be based on pupil memberships, number of teachers and other professionals and taxable values.

Sec. 14. Defective Data and Duties of Department

Allows MDE to withhold payments for certain defective paperwork.

Sec. 15. Apportionment of Deficiency or Deduction of Excess in Remaining Apportionment

Allows MDE to adjust apportioned amounts under certain circumstances. Provides for district repayment schedule if an audit or other information results in a reduction in a district's current or previous allocation.

Sec. 17a. Withholding Payments to Local or ISDs

Allows state aid to be withheld in order to repay debts upon which districts have defaulted.

Sec. 17b. Amounts to be Distributed in Installments to Districts

Provides for state aid to be made in 11 equal payments on the 20th of each month from October through August.

Sec. 17c. Grant Process Timeline

Requires that each year the MDE must place grants on the State Board agenda in August, open the grant application process by September 1, and publish grant awards by December 1.

Sec. 18. Application of Money Received Under Act and Financial Reporting

Describes allowable uses of unrestricted state aid received under this act; requires that annual audits, financial reports, and district budgets be made available on district websites. Districts and ISDs must also report expenses and personnel costs, salary and benefit information, deficit elimination plans, identification of all district credit cards, and costs of out-of-state travel by school administrators on their websites. Establishes reporting requirements for financial data, audits, pupil accounting reports, virtual courses provided under Sec. 21f or by cyber schools, and allocations made to associations.

Sec. 18a. Grant Funds to be Expended by End of State Fiscal Year

Requires grant funds to be spent by the end of the state fiscal year following the fiscal year in which they were awarded and requires return of non-expended funds.

Sec. 18b. Property of Public School Academy to be Transferred to State

Requires transfer of assets that are publicly purchased by public school academies to the state if an academy ceases operations.

Sec. 18c. Contract Between Public School Academy and Third Party

Exempts the state from liability for certain debts incurred by public school academies.

Sec. 19. State and Federal Reporting Requirements

Requires districts and ISDs to comply with all applicable state and federal reporting requirements including, most notably, annual graduation reports, accountability reports, educational personnel reports, and safety practices and criminal incident reports.

Sec. 19b. Grant Program Reports

Requires reporting on the efficacy and usefulness for certain designated programs in the School Aid Act, which currently apply to Secs. 99t and 99u.

Sec. 20. Foundation Allowances

Describes the calculation of districts' foundation allowances.

Sec. 20d. Requirements for Final Determination Under Sec. 20

States requirements for making the final determination of amounts calculated under Sec. 20 related to former Secs. 146 and 147 as they were in effect prior to Proposal A.

BOILERPLATE INFORMATION SECTION

Sec. 20f. *Categorical Offset Payments*

Provides funds so that no district received less than a \$5 increase for FY 2013-14 compared with FY 2012-13 when adding certain increases and decreases in other funding sections. Also provides funds so that no district received less than a \$25 increase for FY 2015-16 when compared with FY 2014-15 when adding certain increases and decreases in other funding sections.

Sec. 20m. *Foundation Calculations for Hold Harmless Districts*

Describes the calculation for districts with a foundation allowance above the state maximum foundation allowance when the foundation increase is greater than the rate of inflation.

Sec. 21b. *Postsecondary Tuition*

Requires districts to pay tuition and certain related fees for pupils at eligible postsecondary institutions under the Postsecondary Enrollment Options Act or the Career and Technical Preparation Act by paying eligible charges on behalf of the pupil as required under those acts.

Sec. 21f. *Virtual Courses*

Requires districts to allow students in at least grades 6 through 12 to take up to two virtual courses per semester provided by any public school or community college. A pupil may take more than two virtual courses per term if additional conditions are met.

Sec. 21h. *Partnership Model Districts*

Allows the state superintendent to assign districts to participate in partnerships to coordinate resources and improve student achievement through identifying district needs, developing intervention plans, and partnering with public, private, and nonprofit organizations. Provides funding to participating districts.

Sec. 22a. *Proposal A Obligation Payment*

Allocates funds to pay school districts an amount sufficient to guarantee an amount equal to FY 1994-95 total state and local per pupil revenue for school operating purposes as required by the State Constitution.

Sec. 22b. *Discretionary Payment*

Makes payments to districts using the foundation allowance and special education calculations in Secs. 20 and 51a.

Sec. 22d. *Isolated District Funding*

Allocates a portion of the funds to small, rural and Upper Peninsula or island districts with fewer than 250 students and with school buildings located at least 30 miles from any other school building, or located on an island not accessible by a bridge. Allocates a portion of the funds to districts that have 7.7 or fewer pupils per square mile.

Sec. 22m. *Technology Regional Data Hubs*

Provides funding for the integration of local data systems into the Michigan Data Hub Network based on common standards and applications.

Sec. 22n. *High School Per Pupil Bonus*

Provides additional payments to districts for the higher instructional costs for educating high school pupils.

Sec. 22p. *Partnership District Compliance Requirements*

Requires partnership districts to meet certain criteria in order to receive the discretionary portion of foundation allowance payments under Sec. 22b.

Sec. 23a. *Dropout Recovery Program*

Allows certain dropout recovery programs to count students based on an alternative definition of membership in Sec. 6 and with an exemption from the number of days and hours of instruction required under Sec. 101.

Sec. 24. *Court-Placed Pupils*

Provides funding to pay for the added costs related to educating pupils assigned by a court or the Department of Health and Human Services to reside in a juvenile detention facility or child caring institution.

Sec. 24a. *Pupils in Juvenile Justice Facilities*

Provides funding for educating pupils in juvenile justice facilities operated by the Department of Health and Human Services.

BOILERPLATE INFORMATION SECTION

Sec. 24b. Parents or Legal Guardian Residing in Different Districts

Allows students to enroll in a district in which either of the child's parents or legal guardian resides regardless of custody.

Sec. 24c. Youth ChalleNGe Program

Provides funding for the Youth ChalleNGe Program administered by the Department of Military and Veterans Affairs.

Sec. 25e. Pupil Transfer Process

Allows districts to report pupil transfers after the fall membership count day through a CEPI application and requires the MDE to adjust the membership count and funding to districts accordingly. Transfers must be completed before the supplemental count day in February.

Sec. 25f. Strict Discipline Academy Pupil Payments

Provides for payments to strict discipline academies for the added costs of instruction for SDA pupils.

Sec. 25g. Dropout Recovery Programs

Provides additional payments to districts working with dropout recovery programs under Sec. 23a if participation in the program causes a pupil to be counted as more than 1.0 FTE.

Sec. 25h. Dropout Prevention Programs

Provides funding to an eligible district for a high school dropout prevention program.

Sec. 26. Receipt of Funds Under Other Acts

Requires that the amount of funds received by a district or ISD from local finance authorities established under several acts be deducted from its payments under Secs. 22b, 56, or 62.

Sec. 26a. Renaissance Zone Reimbursement

Provides reimbursement to districts and ISDs for property tax revenue losses attributable to implementing the Michigan Renaissance Zone Act.

Sec. 26b. Payment in Lieu of Taxes (PILT) Reimbursement

Provides reimbursement funding to districts, ISDs and community colleges for PILT obligations.

Sec. 26c. Promise Zone Funding

Provides funding to districts and ISDs for promise zones established under the Michigan Promise Zone Authority Act.

Sec. 31a. At-Risk Pupil Support, School-based Health Centers, Hearing and Vision Screening

Provides funding for pupils at risk of academic failure to ensure that pupils are proficient in reading by the end of 3rd grade and in math by the end of 8th grade, that high school graduates are career and college ready, and that pupils are attending school regularly; also funds school-based health centers, mental health services, and hearing and vision screening administered by the Department of Health and Human Services.

Sec. 31b. Year-round Instructional Program

Provides competitive grant funding to districts for building modifications or other nonrecurring costs related to implementing a new year-round school.

Sec. 31d. School Lunch Program

Provides funds to reimburse districts for 6.0127% of the necessary costs of the state-mandated portion of school lunch programs and appropriates federal dollars.

Sec. 31f. School Breakfast Program

Provides funding for the school breakfast program.

Sec. 31j. Local Produce in School Meals

Provides funding for a pilot project to support districts in the purchase of locally grown fruits and vegetables for use in school lunches in prosperity regions 2, 4, 6, 8, and 9.

Sec. 31m. School Mental Health and Support Services Fund

Establishes the School Mental Health and Support Services Fund as a subaccount of the School Aid Fund and deposits \$30.0 million SAF into that fund.

BOILERPLATE INFORMATION SECTION

Sec. 32d. Great Start Readiness Program

Provides funds for school readiness programs for 4-year-old children from low-income families (primarily less than 250% of the federal poverty level), including children in foster care, who are homeless, or have an individual education plan recommending placement in an inclusive preschool program; lists requirements for districts to meet to receive funding; and defines teacher paraprofessionals and subcontracted employee qualifications to teach in the program. Requires 30% of ISD allocations to go to community-based organizations and defines steps MDE and ISDs must take to verify its efforts to meet this requirement.

Sec. 32p. Early Childhood Block Grants

Provides funds to ISDs for early childhood programs for children from birth to age 8 and supports creation of local great start collaboratives and parent coalitions. Provides funding for home visits to at-risk children and their families.

Sec. 32q. Early Learning Collaborative Partnership

Provides funds for an ISD partnering with an early childhood collaborative on a pilot program to evaluate the benefits of 2 years of preschool for vulnerable children.

Sec. 35a. Early Literacy Initiatives

Provides funding to districts and ISDs to improve early literacy with the goal that Michigan will be in the top ten most improved states in grade 4 reading proficiency by 2019 and in the top ten states in grade 4 reading proficiency by 2025.

Sec. 35b. District and Dyslexia Center Collaboration Grant

Provides funding for an eligible district to partner with a dyslexia center to pilot the use of multisensory structured language education to improve reading proficiency.

Sec. 39. Great Start School Readiness Program Funding Distribution Formula

Calculates of the number of children eligible in and the funding allocations awarded to each ISD. Establishes an initial goal, the statewide percentage benchmark, to provide additional funds to ISDs so that at least 60% of eligible children in each ISD are served.

Sec. 39a. Federal Funding

Appropriates federal Every Student Succeeds Act funds and other federal funds.

Sec. 41. Bilingual Education

Provides funds to districts to provide instruction to students with limited English-speaking ability.

Sec. 51a. Special Education Calculation

Provides funding for special education and describes the method for calculating funding.

Sec. 51b. School District and ISD Compliance With Rules

Requires districts and ISDs to comply with Article 3 (refers to Special Education) of Revised School Code.

Sec. 51c. Special Education Payment

Allocates funds to reimburse districts for special education services as required under *Durant v State of Michigan*. The state must reimburse 28.6138% of total approved costs of special education and 70.4165% of total approved costs of special education transportation.

Sec. 51d. Federally Funded Special Education Programs

Allocates funds for certain federally funded special education programs for individuals with disabilities, including funds for infants and toddlers and preschool students.

Sec. 52. Limit on Special Education Reimbursement

States reimbursement for special education programs and services shall not exceed 75% of total program cost.

Sec. 53a. Special Education Programs for Certain Pupils

Describes methods to calculate reimbursement for certain types of special education costs for pupils assigned to a district or ISD through a court or state-ordered placement program, residents of institutions operated by the Department of Health and Human Services, students with a developmental disability placed in a community setting, or residents of certain childcare institutions.

Sec. 54. Michigan Schools for the Deaf and Blind

Appropriates funds for education of pupils at the Michigan Schools for the Deaf and Blind.

BOILERPLATE INFORMATION SECTION

Sec. 54b. Special Education Reforms

Allocates funds for the implementation of recommendations of the Special Education Reform Task Force published in January 2016.

Sec. 54d. Early On

Provides funds for grants, based on federal formula, to ISDs to provide state Early On services for children from birth to age 3 who have developmental delays or disabilities.

Sec. 55. Conductive Learning Study

Provides funds to develop and implement an evaluation of the effectiveness of conductive education for children with cerebral palsy.

Sec. 56. ISD Special Education Millage Equalization

Allocates funds to reimburse certain ISDs with low taxable values per pupil levying millages for special education.

Sec. 58. Special Education Transportation Services

Requires reimbursement for special education transportation services to be based on data reported by districts.

Sec. 61a. Career and Technical Education (CTE) Programs

Appropriates funds for the added costs of career and technical education programming.

Sec. 61b. CTE Early/Middle College and Dual Enrollment Programs

Appropriates funds to expand CTE Early/Middle College and dual enrollment programs statewide.

Sec. 61c. CTE Skilled Trades Initiative

Appropriates funds for CTE skilled trades initiative using across-the-board formula funding for career educational planning districts (CEPDs) for which at least 50% of the service area is located in an intermediate district that does not levy a CTE millage to support the purchase of CTE program equipment.

Sec. 61d. CTE Incentive Payment

Provides \$25 per pupil to districts that have pupils in grades 9 to 12 enrolled in CTE programs and an additional payment of \$25 per pupil in CTE programs in critical skills and high-demand career fields with designated classification of instructional program (CIP) codes.

Sec. 62. ISD Vocational-Technical Education Millage Equalization

Appropriates funds to reimburse certain ISDs with low taxable values per pupil levying millages for vocational-technical education.

Sec. 64b. Dual Enrollment Incentive Payments

Appropriates funds for payments to districts that provide dual enrollment options to students in grades 9-12. Includes eligibility and payment criteria.

Sec. 64d. Information Technology Certifications

Provides funds for a grant providing certification in information technology education skills and competencies for grades K-12, career tech centers and academies, community colleges, and universities.

Sec. 65. Detroit Area PreCollege Engineering Program

Provides funds for the Detroit Area PreCollege Engineering program.

Sec. 67. Career and College Readiness Tools

Appropriates funds for the Michigan College Access Network (MCAN) for programs to inform students of college and career options and to provide outreach to increase the number of students prepared to make informed college and career decisions.

Sec. 74. School Bus Driver Safety Instruction and School Bus Inspections

Appropriates funds for the School Bus Driver Safety Instruction program and for school bus inspections provided by the Michigan State Police.

Sec. 76. Transporting Nonpublic School Students

Requires districts that received transportation funds prior to Proposal A that were rolled into foundation allowances to use those funds calculated under Sec. 20 to transport nonpublic school students.

BOILERPLATE INFORMATION SECTION

Sec. 77. Transportation for Students in Cooperative Education Agreement

Requires a district providing high school for another district through a cooperative agreement to provide transportation for the students of the other district.

Sec. 81. ISD General Operations Support

Appropriates funds for the general operations of ISDs.

Sec. 91a. Cessation of a Pilot ISD Schools of Choice Program

Requires districts to continue enrolling pupils enrolled in a district under a pilot ISD school of choice program under former Section 91 even if the program ceases to exist or if the school district ceases to participate.

Sec. 91c. Participation in Interscholastic Competition

Prohibits pupils enrolled in a district under a pilot ISD schools of choice program under former Sec. 91 from participating in interscholastic athletic competition for one semester.

Sec. 94. Advanced Placement Incentive Program

Appropriates funds to districts to pay for some or all of Advanced Placement (AP), International Baccalaureate (IB), and College-Level Examination Program (CLEP) test and registration fees for low income students.

Sec. 94a. Center for Educational Performance and Information (CEPI)

Appropriates funds for the CEPI and the state education data collection.

Sec. 95a. Educator and Administrator Evaluations

Creates an educator evaluation reserve fund to be expended if a spending plan is submitted and approved for implementing evaluation systems for public school teachers and school administrators.

Sec. 95b. Statewide Evaluation Tool

Provides funds for the department to adopt a model value-added growth and project analytics system and to incorporate that model into its reporting requirements under the Every Student Succeeds Act (ESSA).

Sec. 98. Michigan Virtual University

Appropriates funds for the Michigan Virtual University to operate the Michigan Virtual School and the Michigan Virtual Learning Research Institute and maintain a statewide catalog of virtual courses supported by Michigan public schools.

Sec. 99h. FIRST Robotics Grants

Appropriates funds to districts, ISDs, and nonpublic schools to provide students in grades K-12 with expanded opportunities to improve mathematics, science and technology skills by participating in the FIRST (for inspiration and recognition of science and technology) Robotics program, Jr. Lego League, Lego League, and other competitive robotics programs.

Sec. 99s. STEM Initiatives

Appropriates funds for various STEM initiatives including the MiSTEM Advisory Council, MiSTEM council grants, MISTEM Network regional centers, ISD transition costs, Math/Science Centers, and Van Andel Education Institute.

Sec. 99t. Online Algebra Tool

Allocates funds for a statewide online algebra tool that provides algebra related videos, adaptive diagnostics, online supports, practice assessments, and professional development.

Sec. 99u. Online Mathematics/Spanish Tool

Funds an online mathematics tool and an online Spanish language literacy program for students statewide.

Sec. 99v. Dana Center

Funds a grant to a provider that develops and scales effective innovations to create seamless transitions through the K-14 system for all students, especially the underserved.

Sec. 101. Eligibility to Receive State Aid

Describes requirements districts must meet in order to receive state aid, including providing a certain number of instructional days and hours. A district must provide at least 1,098 hours and at least 180 days. Allows for seat-time waivers for certain alternative instructional models.

BOILERPLATE INFORMATION SECTION

Sec. 102. Deficit and Enhanced Deficit Elimination Plans

Allows MDE and Treasury to withhold state aid payments to districts required to submit a deficit or enhanced deficit elimination plan if necessary to incentivize the elimination of a deficit, a budget amendment, or an approved deficit or enhanced deficit elimination plan.

Sec. 102d. Financial Analysis Tools

Appropriates funds to reimburse districts or intermediate districts for the cost of school data analytical tools for financial forecasting and transparency reporting.

Sec. 104. Educational Assessments

Provides state and federal funding for statewide educational assessments.

Sec. 104b. Michigan Merit Examination (MME)

Provides that the MME include a college entrance exam, work skills exam and a summative Michigan Student Test of Educational Progress (M-STEP). Requires districts to comply and administer the exam to all 11th graders.

Sec. 104c. State Student Assessments

Establishes requirements for state assessments. Requires MDE to develop and administer the M-STEP, the state summative exam, for grades 3-11. Also requires MDE to offer benchmark assessments in grades K-2.

Sec. 104d. Computer Adaptive Test

Reimburses districts for the purchase of computer adaptive tests as well as diagnostic and screening tools for K-3 pupils intended to increase reading proficiency by 4th grade or benchmark assessments for K-8 pupils.

Sec. 105. Schools of Choice Within ISDs

Provides requirements for schools of choice within ISDs.

Sec. 105b. ISD Pilot Schools of Choice Program

Exempts an ISD that operates a pilot school of choice program (and its constituent districts) from Sec. 105.

Sec. 105c. Schools of Choice Among Contiguous ISDs

Provides requirements for schools of choice among contiguous ISDs.

Sec. 106. Pupils Not Counted in Membership

Prohibits pupils enrolled in a program fully subsidized with federal/state funds from being counted in membership.

Sec. 107. Adult Education

Appropriates and outlines distribution of funds for adult education programs.

Sec. 109. Pupil Requiring Hospitalization or Confinement at Home

Requires districts to provide instruction to pupils who require hospitalization or confinement at home for more than five school days.

Sec. 111. Tuition Rates

Describes the requirements for determining tuition rates for nonresident pupils.

Sec. 112. Full-day Kindergarten Tuition Prohibition

Prohibits districts from charging tuition for a full-day kindergarten program.

Sec. 118. Requirement to Pay Tuition

Requires districts to pay tuition for residents of the district sent to be educated outside of the district's boundaries.

Sec. 121. Determination of a District's Property Value

Describes the determination of property values for the purposes of calculating state aid.

Sec. 122. Deducting Valuation of Property from Valuation of District

Allows value of certain properties to be deducted from district property valuation if taxes are not collected on them.

Sec. 124. Adjustments of a District's Property Value

Describes adjustments to property values for the purposes of calculating state aid.

Sec. 147. Allocations to Michigan Public School Employees' Retirement System (MPERS)

Reports the annual estimates of employer payroll contribution rates for MPERS.

BOILERPLATE INFORMATION SECTION

Sec. 147a. MPERS Cost Offset

Payment to districts to partially offset increases in MPERS employer contribution rates in 2012 and to offset normal cost increases related to the reduction in the assumed rate of return from 8.0% to 7.5%. Distributions are calculated based on each district's share of the statewide MPERS payroll.

Sec. 147b. MPERS Reserve for Retirement Obligation Reform

Establishes the MPERS retirement obligation reform reserve fund within the School Aid Fund.

Sec. 147c. MPERS State Contribution

Appropriates funds to pay for the required pension and retiree health care prefunding amounts that exceed the cap on the employer rate for unfunded accrued liabilities of 20.96% of payroll.

Sec. 147e. MPERS Employer Defined Contribution Match

Appropriates funds to reimburse districts, ISDs, and community colleges for the costs of a higher hybrid plan normal cost and a larger employer contribution for the new Defined Contribution plan under PA 92 of 2017.

Sec. 151. Statement of Taxable Value

Requires county treasurers to submit a statement of taxable value to the state; describes duties of tax tribunals.

Sec. 152. Reporting Requirements

Requires districts to submit certain reports to the MDE.

Sec. 152a. Reimbursements for Data Costs

Reimburses districts and ISDs for the costs of collecting, maintaining, and reporting data required by the State to satisfy *Adair v State of Michigan*.

Sec. 152b. Reimbursements to Nonpublic Schools

Allocates funds to reimburse nonpublic schools for actual costs incurred by nonpublic schools in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state.

Sec. 153. Furnishing Information to the Fiscal Agencies

Requires districts and ISDs to provide the fiscal agencies with any requested information relative to expenditure of school aid funds.

Sec. 160. Labor Day Waiver Hearing

Requires that if a district requests a waiver to begin school before Labor Day, the district must hold a joint hearing with the MDE to be held in the district before said waiver can be granted.

Sec. 161. School Board Member Responsibility

States that a school official or board member who violates the School Aid Act provisions is guilty of a misdemeanor.

Sec. 161a. False Report

Requires anyone making a false report of a crime under Sec. 6(6)(f) to pay the district of residence the amount it would have received if the pupil had been counted in membership.

Sec. 162. Failure to File Reports

States that a district that fails to file reports required by the School Aid Act will forfeit a day's worth of state aid for each day the reports are late.

Sec. 163. Educator Certification Requirements

Requires districts to hire educators and counselors who hold a valid certificate or a valid substitute authorization.

Sec. 163a. Enrollment of Homeless Children

Requires districts to enroll homeless children residing in the district.

Sec. 164. Expenditures for Chauffeurs and Automobiles

Requires districts to forfeit the amount of expenditures spent on chauffeurs or purchasing, leasing or renting cars for school board members or administrators.

Sec. 164a. Payment in Lieu of Vacation Time

Prohibits districts from paying school administrators in lieu of leave time to increase their retirement benefits.

BOILERPLATE INFORMATION SECTION

Sec. 164b. Reimbursement of Board Member Expenses

Describes requirements for reimbursement of board members.

Sec. 164c. Purchase of Foreign Goods or Services

Prohibits districts from purchasing foreign goods or services if competitively priced American goods or services of comparable quality are available. Gives preference to Michigan and veteran-owned businesses.

Sec. 164d. Discriminatory Rules

Prohibits districts from implementing policy or practices that discriminate against personnel solely because they have graduated from a particular state university.

Sec. 164e. Discrimination Against Student Teachers

Prohibits discrimination against a student teacher because the state university in which the person is enrolled serves as the authorizing body for one or more public school academies.

Sec. 164f. Diesel Fuel Procurement

Allows up to 25% of a district's diesel fuel budget to be procured by a swap, hedge, derivative, or similar agreement for diesel fuel procurement.

Sec. 164g. Legal Action Against the State

Establishes a penalty in an amount equal to the amount spent if a district or ISD uses funds appropriated under this act to pay for an expense relating to any legal action initiated by the district or ISD against the state.

Sec. 164h. Collective Bargaining Agreement Penalty

Establishes a penalty equal to 5% of total state aid if a district or ISD enters into a collective bargaining agreement that does any of the following: establishes racial and religious preferences for employees; automatically deducts union dues from employee compensation; is in conflict with any state or federal laws regarding district transparency; has a method of compensation that does not comply with the requirements of Sec. 1250 of the Revised School Code, MCL 380.1250.

Sec. 165. Reimbursement for Shared Time Agreement

Requires reimbursement for contractual shared time agreements under certain circumstances.

Sec. 166. Distributing Family Planning Drugs and Devices

Requires a district to adopt a disciplinary policy for school officials or staff for violations of MCL 380.1507 (regarding sex education and prohibits distribution of family planning drugs or devices) or for making abortion referrals. Includes a \$100,000 state aid penalty to a district for failing to adopt a disciplinary policy.

Sec. 166a. Requirements Related to Sex Education

Provides requirements related to the provision of reproductive health and sex education.

Sec. 166b. Shared-Time Instruction for Nonpublic or Home School Pupils

Establishes the rules under which a nonpublic or home-schooled pupil may be counted in membership in a public school through shared-time instruction for non-core classes.

Sec. 166d. Cyber School Disclosure

Prohibits a school of excellence that is a cyber school from forbidding an employee from disclosing salary or other compensation. Includes a state aid penalty.

Sec. 166e. Competitive Bid Process for Construction Projects

Requires districts to use competitive bidding for building construction and repair contracts.

Sec. 167. Immunization Process

Requires districts to report immunization status of pupils in grades K-12 to their local health department.

Sec. 167a. Expelled or Suspended Pupils

Requires a district to implement a plan to reduce expulsions and suspensions exceeding ten days, and provides legislative intent to reduce state aid in FY 2017-18 for districts that have not implemented a plan.

BOILERPLATE INFORMATION SECTION

Sec. 167b. School Violence Tip Line

Requires that a district or ISD operating a school violence tip line report annually to the Attorney General and provide the contact information for at least one, and not more than two, school officials who can be contacted on any day at any time.

Sec. 168. Access to Records and Audits

Requires districts to give the MDE access to certain records and to audit certain records for programs funded with state funds. Requires district to reimburse the state for any disallowances found in the audit.

Sec. 168a. Removing Asbestos

Prohibits removal of asbestos unless removal is required.

Sec. 169. Advertisement by Public School Academies

Requires public school academies to advertise their enrollment opportunities and application processes.

Sec. 169a. Information About the Michigan Schools for the Deaf and Blind

Requires information about the schools and services to be given to deaf and blind pupils and their parents. Includes a penalty equal to 5% of state aid for noncompliance.

Sec. 169b. Board Member Conflicts of Interest

Prohibits school board members from voting on any contract in which the board member has a conflict of interest.

Sec. 171. Repealer Section

Repeals certain sections in this act or a former act.

ARTICLE IV: GENERAL PROVISIONS

Sec. 296. School Aid Fund Proration

Provides for school aid appropriation amounts funded from School Aid Fund revenue to be reduced (along with Higher Education and Community College appropriations) if total School Aid Fund appropriations are greater than the revenue available in the fund.



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AREAS OF RESPONSIBILITY

Agriculture and Rural Development	William E. Hamilton
Attorney General	Michael Clossen
Auditor General	Benjamin Gielczyk
Bill Analysis	Rick Yuille
	Edith Best; Jennifer McInerney; Emily Smith; Sue Stutzky
Capital Outlay	Benjamin Gielczyk
Civil Rights	Michael Clossen
Community Colleges	Perry Zielak
Corrections	Robin R. Risko
Economic and Revenue Forecasting	Jim Stansell
Education (Department)	Samuel Christensen
Environmental Quality	Austin Scott
Executive Office	Benjamin Gielczyk
Fiscal Oversight, Audit, and Litigation	Mary Ann Cleary
Health and Human Services:	
Child Welfare, Child Support, Community Services	Viola Bay Wild
Medicaid, Physical and Behavioral Health	Kevin Koorstra
Public Assistance, Field Operations, Medicaid-backup	Kent Dell
Public Health and Aging	Susan Frey
Higher Education	Perry Zielak
Insurance and Financial Services	Marcus Coffin
Judiciary	Robin R. Risko
Legislature	Benjamin Gielczyk
Licensing and Regulatory Affairs	Marcus Coffin
Local Finance	Benjamin Gielczyk
Lottery	Benjamin Gielczyk
Michigan Strategic Fund	Benjamin Gielczyk
Military and Veterans Affairs	Michael Clossen
Natural Resources	Austin Scott
Natural Resources Trust Fund	Benjamin Gielczyk; Austin Scott
Retirement	Bethany Wicksall
Revenue Forecasting	Jim Stansell
Revenue Sharing	Jim Stansell; Benjamin Gielczyk
School Aid	Bethany Wicksall; Samuel Christensen; Jacqueline Mullen
State (Department)	Michael Clossen
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Tax Analysis	Jim Stansell; Benjamin Gielczyk
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