RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

JOHN S. ROBERTS
DIRECTOR

October 1, 2015

MEMORANDUM

TO: Governor Rick Snyder

FROM: John S. Roberts
State Budget Director

SUBJECT: Enrolled Senate Bill 134
Education Omnibus Supplemental for Fiscal Year 2016

OVERVIEW

Enrolled Senate Bill (ESB) 134 provides education omnibus supplemental appropriations for fiscal year 2016. Overall, total School Aid Fund spending is increased by $4.3 million. ESB 134 also includes several boilerplate revisions, most of which are technical in nature. ***I am recommending this bill be signed without vetoes as soon as possible upon presentation.***

FISCAL YEAR 2016 CHANGES

	FY16 Current Law	FY16 Revised ESB 134	Difference from Current Law
School Aid	$ 12,074,660.1	$ 12,078,985.1	$ 4,325.0
GF/GP	$ 45,900.0	$ 45,900.0	$ 0.0
Federal	$ 1,775,769.2	$ 1,775,769.2	$ 0.0
Gross	**$ 13,896,329.3**	**$ 13,900,654.3**	**$ 4,325.0**

Great Start Readiness Program (Sec. 32d) – ESB 134 provides an additional $4.325 million to eligible intermediate school districts (ISDs) to increase the number of available half-day slots for Great Start Readiness programs. Due to the increasing number of programs electing to offer full-day options (which utilize 2 half-day slots per child), some ISDs were allocated fewer slots in fiscal year 2016 than in the previous year. The additional funding will expand the number of slots

by nearly 1,200, bringing the total number of half-day preschool opportunities to over 64,800. This amount will impact 12 ISDs and represents the amount necessary to ensure all ISDs receive funding for at least the same number of slots as they did in the prior year.

BOILERPLATE CHANGES:

Cyber School Pupil Counts (Sec. 6) – For pupils enrolled in cyber schools, a pupil's "participation" must be demonstrated in order to be counted for state aid purposes. ESB 134 changes the definition of "participation" for students attending cyber schools by striking the condition that participation is "determined by the department in accordance with the pupil accounting manual." With this change, the term "participation" goes undefined. (House)

Special pupil count allowance for programs that focus on educating homeless pupils (Sec. 6) – The change would broaden the provision such that pupils not only have to be homeless to be counted, but also grandfathers in pupils who were enrolled and attended the program during fiscal year 2015, but may not be homeless in fiscal year 2016. (Hildenbrand)

OTHER TECHNICAL CHANGES:

- ESB 134 clarifies the definition of "primary district" for pupils in online learning environments to be "the district that enrolls the pupil and reports the pupil as a full-time equated pupil for membership purposes." Current law defines it as the "pupil's district of residence."

- In current law, districts receiving at-risk funding under Sec. 31a are required to spend the funds in a specific way if the district does not demonstrate proficiency or improvement on 3rd grade reading scores. ESB 134 states that that these spending requirements would begin in 2018-19, which is when 3 consecutive years of data will be available from the new M-STEP assessment.

- In current law, the expression "at least" is left off of the age eligibility criteria for adult education programs, effectively requiring that participants be exactly 20 years old. ESB 134 restores the "at least" provision, allowing people older than 20 to be eligible.

VETOES

I am recommending no items for your veto consideration.

Attachment

FY2016 STATE SCHOOL AID APPROPRIATIONS

Sec.	APPROPRIATIONS (In thousands):	PA 85 of 2015 HB 4115 6/17/2015	Supplemental Legislative Changes	Enrolled Senate Bill 134 10/1/15
11j	School Bond Loan Redemption Fund	126,500.0		126,500.0
11m	SAF Borrowing Costs	2,000.0		2,000.0
11r	Distressed District Rehabilitation Fund	0.0		0.0
20f	Categorical Offset Payments	18,000.0		18,000.0
20g	District Dissolution Transition Costs	2,200.0		2,200.0
22a	Proposal A Obligation Payment	5,281,700.0		5,281,700.0
22b	Discretionary Payment	3,728,000.0		3,728,000.0
22d	Isolated District Funding	5,000.0		5,000.0
22g	Consolidation Innovation Grants	5,000.0		5,000.0
22i	Technology Infrastructure Improvement Grants	23,500.0		23,500.0
24	Court-Placed Children	8,000.0		8,000.0
24a	Juvenile Detention Facility Programs	2,189.8		2,189.8
24c	ChalleNGe Program	1,497.4		1,497.4
25f	Strict Discipline Academies Pupil Transfers	2,000.0		2,000.0
26a	Renaissance Zone Reimbursement	26,300.0		26,300.0
26b	PILT Reimbursement	4,276.8		4,276.8
26c	Promise Zone Payments	610.0		610.0
31a	At-Risk Programs	378,988.2		378,988.2
31a	Adolescent Teen Health Centers	5,557.3		5,557.3
31a	Vision/Hearing Screening	5,150.0		5,150.0
31c	Gang Prevention and Intervention Programs - *NEW*	1,000.0		1,000.0
31d	School Lunch - State	22,495.1		22,495.1
31d	School Lunch - Federal	513,200.0		513,200.0
31f	School Breakfast	5,625.0		5,625.0
31h	Cooperative Education Grant - *NEW*	300.0		300.0
32d	Great Start Readiness	239,575.0	4,325.0	243,900.0
32p	Great Start Early Childhood Block Grants	13,400.0		13,400.0
35	Early Literacy Implementation - *NEW*	1,000.0		1,000.0
35a(2)	Early Literacy Parents University Pilot - *NEW*	1,000.0		1,000.0
35a(3)	Early Literacy professional Development - *NEW*	950.0		950.0
35c	Early Literacy Teacher Certification Test - *NEW*	500.0		500.0
35a(4)	Early Literacy Diagnostic Tools - *NEW*	1,450.0		1,450.0
35a(5)	Early Literacy Teacher Coaches - *NEW*	3,000.0		3,000.0
35a(6)	Early Literacy Targeted Instruction - *NEW*	17,500.0		17,500.0
35a(7)	Michigan Reading Corp - *NEW*	1,000.0		1,000.0
39a1	Federal "No Child Left Behind" Program	779,076.4		779,076.4
39a2	Other Federal Funding	30,800.0		30,800.0
41	Bilingual Education	1,200.0		1,200.0
43	Update Teacher Certification Tests	1,800.0		1,800.0
51c	Special Education Headlee	610,000.0		610,000.0
51a2	Special Education Foundations & Sped	251,800.0		251,800.0
51a3	Special Ed Hold Harmless Pmt. To ISD's	1,300.0		1,300.0
51a11	Special Ed Non Sec 52 to ISD's	3,300.0		3,300.0
51a6	Special Ed Rule Change	2,200.0		2,200.0
53a	Court Placed Special Ed FTE	10,500.0		10,500.0
54	MI School for Deaf and Blind	1,688.0		1,688.0
55	Conductive Learning Center Study - Aquinas - *NEW*	150.0		150.0
56	Special Ed Millage Equalization	37,758.1		37,758.1
51a	Special Education - Federal IDEA	370,000.0		370,000.0
51d	Special Education - Other Federal	71,000.0		71,000.0
61a	Vocational Education	36,611.3		36,611.3
61b	CTE Middle College Program - *NEW*	10,000.0		10,000.0
62	ISD Vocational Ed Millage Reimbursement	9,190.0		9,190.0
64b	Dual Enrollment Incentive Payments	1,750.0		1,750.0
64c	Career Readiness Study	0.0		0.0
65	Detroit Pre-College K-12 Engineering Program - *NEW*	340.0		340.0
67	College and Career Readiness Tools - *Transfer*	3,600.0		3,600.0
74	Bus Driver Safety	1,625.0		1,625.0
74	School Bus Inspection Program	1,690.7		1,690.7
81	ISD General Operations	67,108.0		67,108.0
94	Advanced Placement (AP) Incentive Program	250.0		250.0

Sec.	APPROPRIATIONS (In thousands):	PA 85 of 2015 HB 4115 6/17/2015	Supplemental Legislative Changes	Enrolled Senate Bill 134 10/1/15
94a	CEPI - State	11,967.0		11,967.0
94a	CEPI - Federal	193.5		193.5
98	Michigan Virtual University	7,387.5		7,387.5
99c	Civics Education - *NEW*	60.0		60.0
99h	First Robotics	2,000.0		2,000.0
99s(2)	MiSTEM Council - *NEW*	50.0		50.0
99s(3)	Math/Science Centers - State	3,225.0		3,225.0
99s(3)	Math/Science Centers - Federal	5,249.3		5,249.3
99s(5)	STEM Professional Development	250.0		250.0
99s(6)	Science Olympiad - *NEW*	250.0		250.0
99s(7)	Van Andel Education Institute - *NEW*	250.0		250.0
102d	Reimbursement of Financial Analytical Tools - *NEW*	1,500.0		1,500.0
104	Student Assessments - State	43,994.4		43,994.4
104	Student Assessments - Federal	6,250.0		6,250.0
104d	Computer Adaptive Tests - NEW	4,000.0		4,000.0
107	Adult Education	25,000.0		25,000.0
147a	MPSERS Cost Offset	100,000.0		100,000.0
147c	MPSERS UAAL Rate Stabilization Payment	893,500.0		893,500.0
152a	Data Collection and Reporting Costs	38,000.5	0.0	38,000.5
	TOTAL SCHOOL AID APPROPRIATIONS	**$13,896,329.3**	**$4,325.0**	**$13,900,654.3**
	REVENUES:			
	School Aid Fund	12,074,660.1	4,325.0	12,078,985.1
	General Fund	45,900.0	0.0	45,900.0
	Federal Funds	1,775,769.2	0.0	1,775,769.2
	TOTAL APPROPRIATED REVENUES	**$13,896,329.3**	**$4,325.0**	**$13,900,654.3**

HOUSE SUBSTITUTE FOR

SENATE BILL NO. 134

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979,"

by amending sections 6, 11, 21f, 31a, 32d, and 107 (MCL 388.1606, 388.1611, 388.1621f, 388.1631a, 388.1632d, and 388.1707), section 6 as amended by 2014 PA 196 and sections 11, 21f, 31a, 32d, and 107 as amended by 2015 PA 85.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 6. (1) "Center program" means a program operated by a district or by an intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple

impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

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

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

(4) "Membership", except as otherwise provided in this article, means for a district, a public school academy, the education achievement system, or an intermediate district the sum of the product of .90 times the number of full-time equated pupils

in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .10 times the final audited count from the supplemental count day for the immediately preceding school year. A district's, public school academy's, or intermediate district's membership shall be adjusted as provided under section 25e for pupils who enroll in the district, public school academy, or intermediate district after the pupil membership count day. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. For the purposes of this section and section 6a, for a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil's participation ~~, as determined by the department in accordance with the pupil accounting manual,~~ in the cyber school's educational program is considered regular daily attendance; for the education achievement system, a pupil's participation ~~, as determined by the department in accordance with the pupil accounting manual,~~ in an online educational program of the education achievement system or of an achievement school is considered regular daily attendance; and for a district a pupil's participation in an online course as defined in section 21f is considered regular daily attendance. The amount of the foundation allowance for a pupil in membership is determined under section 20.

In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, a public school academy, the education achievement system, or an intermediate district:

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

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

(c) A special education pupil educated by the intermediate district shall be counted in membership in the intermediate district.

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

program.

(e) A pupil enrolled in the Michigan schools for the deaf and blind shall be counted in membership in the pupil's intermediate district of residence.

(f) A pupil enrolled in a career and technical education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a public school academy shall be counted in membership in the public school academy.

(h) A pupil enrolled in an achievement school shall be counted in membership in the education achievement system.

(i) For a new district or public school academy beginning its operation after December 31, 1994, or for the education achievement system or an achievement school, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(*i*) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent,

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

(*ii*) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year.

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who were also counted in the district on the immediately preceding supplemental count day.

(k) In a district, a public school academy, the education achievement system, or an intermediate district operating an extended school year program approved by the superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a pupil membership count day, shall be counted.

(*l*) To be counted in membership, a pupil shall meet the minimum age requirement to be eligible to attend school under section 1147 of the revised school code, MCL 380.1147, or shall be enrolled under subsection (3) of that section, and shall be less

than 20 years of age on September 1 of the school year except as follows:

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

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

(A) Is enrolled in a public school academy or an alternative education high school diploma program, that is primarily focused on educating homeless pupils.

(B) Had dropped out of school for more than 1 year and has re-entered school.

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

(D) Is considered to be homeless under 42 USC 11302<<, OR WAS COUNTED IN MEMBERSHIP UNDER THIS SUBPARAGRAPH IN 2014-2015>>.

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

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a

general educational development (G.E.D.) certificate shall not be counted in membership unless the individual is a student with a disability as defined in R 340.1702 of the Michigan administrative code. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the Michigan strategic fund, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy or the education achievement system is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy or the education achievement system unless a written agreement signed by all parties designates the party or parties in which the pupil shall be counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district shall be included in the full-time equated membership determination under subdivision (q) and section 101. However, for pupils receiving instruction in both a public school academy or the education achievement system and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(*i*) If the public school academy or the education achievement system provides instruction for at least 1/2 of the class hours required under section 101, the public school academy or the education achievement system shall receive as its prorated share of the full-time equated membership for each of those pupils an amount

equal to 1 times the product of the hours of instruction the public school academy or the education achievement system provides divided by the number of hours required under section 101 for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(*ii*) If the public school academy or the education achievement system provides instruction for less than 1/2 of the class hours required under section 101, the district or intermediate district providing the remainder of the hours of instruction shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours required under section 101 for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy or the education achievement system.

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

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

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101. In determining full-time equated memberships for pupils who are

enrolled in a postsecondary institution, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of instructional hours scheduled and provided per year per kindergarten pupil by the same number used for determining full-time equated memberships for pupils in grades 1 to 12. However, to the extent allowable under federal law, for a district or public school academy that provides evidence satisfactory to the department that it used federal title I money in the 2 immediately preceding school fiscal years to fund full-time kindergarten, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12. The change in the counting of full-time equated memberships for pupils in kindergarten that took effect for 2012-2013 is not a mandate.

(s) For a district, a public school academy, or the education achievement system that has pupils enrolled in a grade level that was not offered by the district, the public school academy, or the education achievement system in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership

count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

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

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

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

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

(*iii*) Course content is comparable to that in the district's alternative education program.

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

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

(w) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .90 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .10 times the final audited count from the most recent

pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(x) If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square mile, as determined by the department, and if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall include the square mileage of both districts in determining the number of pupils per square mile for each of the districts for the purposes of this subdivision. The membership figure calculated under this subdivision is the greater of the following:

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

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

(y) Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan administrative

code shall be determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are receiving early childhood special education services under R 340.1755 or R 340.1862 of the Michigan administrative code shall be determined by dividing the number of hours of service scheduled and provided per year per-pupil by 180.

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

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

(bb) A district, a public school academy, or the education achievement system that educates a pupil who attends a United States Olympic Education Center may count the pupil in membership regardless of whether or not the pupil is a resident of this state.

(cc) A pupil enrolled in a district other than the pupil's

district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in the educating district or the education achievement system.

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

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

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

satisfactory monthly progress in the immediately preceding month and appropriate interventions are implemented within 10 school days after it is determined that the pupil does not meet that definition of satisfactory monthly progress.

(ee) A pupil participating in an online course under section 21f shall be counted in membership in the district enrolling the pupil.

(ff) If a public school academy that is not in its first or second year of operation closes at the end of a school year and does not reopen for the next school year, the department shall adjust the membership count of the district or the education achievement system in which a former pupil of the public school academy enrolls and is in regular daily attendance for the next school year to ensure that the district or the education achievement system receives the same amount of membership aid for the pupil as if the pupil were counted in the district or the education achievement system on the supplemental count day of the preceding school year.

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

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

(a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section 166b.

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

(c) A pupil enrolled in a public school academy or the education achievement system.

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

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

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

(*i*) "At school" means in a classroom, elsewhere on school

premises, on a school bus or other school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises.

(*ii*) "Serious assault" means an act that constitutes a felony violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90h, or that constitutes an assault and infliction of serious or aggravated injury under section 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

(i) A pupil enrolled in the Michigan virtual school, for the pupil's enrollment in the Michigan virtual school.

(j) A pupil who is the child of a person who works at the district or who is the child of a person who worked at the district

as of the time the pupil first enrolled in the district but who no longer works at the district due to a workforce reduction. As used in this subdivision, "child" includes an adopted child, stepchild, or legal ward.

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

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

(m) A pupil enrolled in a district other than the pupil's district of residence who attends a United States Olympic Education Center.

(n) A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148.

(o) A pupil who enrolls in a district other than the pupil's district of residence as a result of the pupil's school not making adequate yearly progress under the no child left behind act of 2001, Public Law 107-110.

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

those pupils in membership.

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

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

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

(*i*) Fourth Wednesday in July.

(*ii*) First Wednesday in October.

(*iii*) Second Wednesday in February.

(*iv*) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the

pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, an intermediate district, a public school academy, or the education achievement system before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, public school academy, or education achievement system within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

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

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

(11) "School district of the first class", "first class school district", and "district of the first class" mean, for the purposes

of this article only, a district that had at least 40,000 pupils in membership for the immediately preceding fiscal year.

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

(13) "State board" means the state board of education.

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

(15) "Supplemental count day" means the day on which the supplemental pupil count is conducted under section 6a.

(16) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged to the district of residence. Tuition pupil does not include a pupil who is a special education pupil, a pupil described in subsection (6)(c) to (p), or a pupil whose parent or guardian voluntarily enrolls the pupil in a district that is not the pupil's district of residence. A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

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

(18) "Taxable value" means the taxable value of property as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

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

(20) "Total state aid" or "total state school aid" means the total combined amount of all funds due to a district, intermediate district, or other entity under all of the provisions of this article.

Sec. 11. (1) For the fiscal year ending September 30, 2015, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $11,814,097,400.00 from the state school aid fund, the sum of $18,000,000.00 from the MPSERS retirement obligation reform reserve fund created under section 147b, and the sum of $33,700,000.00 from the general fund. For the fiscal year ending September 30, 2016, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of ~~$12,074,660,100.00~~ **$12,078,985,100.00** from the state school aid fund and the sum of $45,900,000.00 from the general fund. In addition, all other available federal funds are appropriated each fiscal year for the fiscal years ending September 30, 2015 and September 30, 2016.

(2) The appropriations under this section shall be allocated

as provided in this article. Money appropriated under this section from the general fund shall be expended to fund the purposes of this article before the expenditure of money appropriated under this section from the state school aid fund.

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

Sec. 21f. (1) A pupil enrolled in a district in any of grades 6 to 12 is eligible to enroll in an online course as provided for in this section.

(2) With the consent of the pupil's parent or legal guardian, a district shall enroll an eligible pupil in up to 2 online courses as requested by the pupil during an academic term, semester, or trimester. Unless the pupil is newly enrolled in the pupil's primary district, the request for online course enrollment must be made in the academic term, semester, trimester, or summer preceding the enrollment. A district may not establish additional requirements that would prohibit a pupil from taking an online course. If a pupil has demonstrated previous success with online courses and the school leadership and the pupil's parent or legal guardian determine that it is in the best interest of the pupil, a pupil may be enrolled in more than 2 online courses in a specific academic term, semester, or trimester. Consent of the pupil's parent or legal guardian is not required if the pupil is at least age 18 or is an emancipated minor.

(3) An eligible pupil may enroll in an online course published in the pupil's primary district's catalog of online courses

described in subsection (7)(a) or the statewide catalog of online courses maintained by the Michigan Virtual University pursuant to section 98.

(4) A providing district or community college shall determine whether or not it has capacity to accept applications for enrollment from nonresident applicants in online courses and may use that limit as the reason for refusal to enroll an applicant. If the number of nonresident applicants eligible for acceptance in an online course does not exceed the capacity of the providing district or community college to provide the online course, the providing district or community college shall accept for enrollment all of the nonresident applicants eligible for acceptance. If the number of nonresident applicants exceeds the providing district's or community college's capacity to provide the online course, the providing district or community college shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders.

(5) A pupil's primary district may deny the pupil enrollment in an online course if any of the following apply, as determined by the district:

(a) The pupil has previously gained the credits provided from the completion of the online course.

(b) The online course is not capable of generating academic credit.

(c) The online course is inconsistent with the remaining graduation requirements or career interests of the pupil.

(d) The pupil does not possess the prerequisite knowledge and

skills to be successful in the online course or has demonstrated failure in previous online coursework in the same subject.

(e) The online course is of insufficient quality or rigor. A district that denies a pupil enrollment for this reason shall make a reasonable effort to assist the pupil to find an alternative course in the same or a similar subject that is of acceptable rigor and quality.

(f) The cost of the online course exceeds the amount identified in subsection (10), unless the pupil's parent or legal guardian agrees to pay the cost that exceeds this amount.

(g) The online course enrollment request does not occur within the same timelines established by the primary district for enrollment and schedule changes for regular courses.

(6) If a pupil is denied enrollment in an online course by the pupil's primary district, the pupil may appeal the denial by submitting a letter to the superintendent of the intermediate district in which the pupil's primary district is located. The letter of appeal shall include the reason provided by the primary district for not enrolling the pupil and the reason why the pupil is claiming that the enrollment should be approved. The intermediate district superintendent or designee shall respond to the appeal within 5 days after it is received. If the intermediate district superintendent or designee determines that the denial of enrollment does not meet 1 or more of the reasons specified in subsection (5), the primary district shall allow the pupil to enroll in the online course.

(7) To provide an online course under this section, the

providing district or intermediate district shall do all of the following:

(a) Provide the Michigan Virtual University with the course syllabus in a form and method prescribed by the Michigan Virtual University for inclusion in a statewide online course catalog. The district or intermediate district shall also provide on its publicly accessible website a link to the course syllabi for all of the online courses offered by the district or intermediate district and a link to the statewide catalog of online courses maintained by the Michigan Virtual University.

(b) Assign to each pupil a teacher of record and provide the primary district with the personal identification code for the teacher of record.

(c) Offer the online course on an open entry and exit method, or aligned to a semester, trimester, or accelerated academic term format.

(d) Not later than October 1, 2015, provide the Michigan Virtual University with the number of enrollments in each online course the district or intermediate district provided to pupils pursuant to this section in the immediately preceding school year, and the number of enrollments in which the pupil earned 60% or more of the total course points for each online course.

(8) To provide an online course under this section, a community college shall do all of the following:

(a) Provide the Michigan Virtual University with the course syllabus in a form and method prescribed by the Michigan Virtual University for inclusion in a statewide online course catalog.

(b) Offer the online course on an open entry and exit method, or aligned to a semester, trimester, or accelerated academic term format.

(c) Ensure that each online course it provides under this section generates postsecondary credit.

(d) Beginning with October 1, 2016, and by October 1 of each year thereafter, provide the Michigan Virtual University with the number of enrollments in each online course the community college provided to pupils pursuant to this section in the immediately preceding school year, and the number of enrollments in which the pupil earned 60% or more of the total course points for each online course.

(e) Be taught by an instructor employed by or contracted through the community college.

(9) For any online course a pupil enrolls in under this section, the pupil's primary district must assign to the pupil a mentor to monitor the pupil's progress during the online course and shall supply the providing district with the mentor's contact information.

(10) For a pupil enrolled in 1 or more online courses published in the pupil's primary district's catalog of online courses under subsection (7) or in the statewide catalog of online courses maintained by the Michigan Virtual University, the primary district shall use foundation allowance or per-pupil funds calculated under section 20 to pay for the expenses associated with the online course or courses. A district is not required to pay toward the cost of an online course an amount that exceeds 6.67% of

the minimum foundation allowance for the current fiscal year as calculated under section 20.

(11) An online learning pupil shall have the same rights and access to technology in his or her primary district's school facilities as all other pupils enrolled in the pupil's primary district.

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

(13) The enrollment of a pupil in 1 or more online courses shall not result in a pupil being counted as more than 1.0 full-time equivalent pupils under this article.

(14) The portion of the full-time equated pupil membership for which a pupil is enrolled in 1 or more online courses under this section shall not be transferred under the pupil transfer process under section 25e.

(15) As used in this section:

(a) "Mentor" means a professional employee of the primary district who monitors the pupil's progress, ensures the pupil has access to needed technology, is available for assistance, and ensures access to the teacher of record. A mentor may also serve as the teacher of record if the mentor meets the requirements under subdivision (g).

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

(c) "Online course syllabus" means a document that includes all of the following:

(*i*) The state academic standards addressed in an online course.

(*ii*) The online course content outline.

(*iii*) The online course required assessments.

(*iv*) The online course prerequisites.

(*v*) Expectations for actual instructor contact time with the online learning pupil and other pupil-to-instructor communications.

(*vi*) Academic support available to the online learning pupil.

(*vii*) The online course learning outcomes and objectives.

(*viii*) The name of the institution or organization providing the online content.

(*ix*) The name of the institution or organization providing the online instructor.

(*x*) The course titles assigned by the district or intermediate

district and the course titles and course codes from the National Center for Education Statistics (NCES) school codes for the exchange of data (SCED).

(*xi*) The number of eligible nonresident pupils that will be accepted by the district or intermediate district in the online course.

(*xii*) The results of the online course quality review using the guidelines and model review process published by the Michigan Virtual University.

(d) "Online learning pupil" means a pupil enrolled in 1 or more online courses.

(e) "Primary district" means the ~~pupil's district of residence.~~**DISTRICT THAT ENROLLS THE PUPIL AND REPORTS THE PUPIL AS A FULL-TIME EQUATED PUPIL FOR PUPIL MEMBERSHIP PURPOSES.**

(f) "Providing district" means the district, intermediate district, or community college that the primary district pays to provide the online course.

(g) "Teacher of record" means a teacher who holds a valid Michigan teaching certificate; who, if applicable, is endorsed in the subject area and grade of the online course; and is responsible for providing instruction, determining instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2015-2016 an amount not to exceed $389,695,500.00 for payments to eligible

districts, eligible public school academies, and the education achievement system for the purposes of ensuring that pupils are proficient in reading by the end of grade 3 and that high school graduates are career and college ready and for the purposes under subsections (7) and (8).

(2) For a district or public school academy, or the education achievement system, to be eligible to receive funding under this section, other than funding under subsection (7) or (8), the sum of the district's or public school academy's or the education achievement system's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, must be less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

(3) For a district or public school academy that operates grades K to 3, or the education achievement system, to be eligible to receive funding under this section, other than funding under subsection (7) or (8), the district or public school academy, or the education achievement system, must implement, for at least grades K to 3, a multi-tiered system of supports that is an evidence-based model that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. This multi-tiered system of supports must provide at least all of the following essential elements:

(a) Implements effective instruction for all learners.

(b) Intervenes early.

(c) Provides a multi-tiered model of instruction and intervention that provides the following:

(*i*) A core curriculum and classroom interventions available to all pupils that meet the needs of most pupils.

(*ii*) Targeted group interventions.

(*iii*) Intense individual interventions.

(d) Monitors pupil progress to inform instruction.

(e) Uses data to make instructional decisions.

(f) Uses assessments including universal screening, diagnostics, and progress monitoring.

(g) Engages families and the community.

(h) Implements evidence-based, scientifically validated, instruction and intervention.

(i) Implements instruction and intervention practices with fidelity.

(j) Uses a collaborative problem-solving model.

(4) Except as otherwise provided in this subsection, an eligible district or eligible public school academy or the education achievement system shall receive under this section for each membership pupil in the district or public school academy or the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769, and as reported to the department in the form and manner prescribed by the department not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year and adjusted not later than December 31 of the

immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or the public school academy's or the education achievement system's per pupil amount calculated under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year. However, a public school academy that began operations as a public school academy, or an achievement school that began operations as an achievement school, after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy or in the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department not later than the fifth Wednesday after the pupil membership count day of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year.

(5) Except as otherwise provided in this section, a district or public school academy, or the education achievement system, receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical, mental health, or

counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (6), (7), (8), or (11). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (4), or the education achievement system if it meets this requirement, may use not more than 20% of the funds it receives under this section for school security. A district, the public school academy, or the education achievement system shall not use any of that money for administrative costs. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year.

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

(7) From the funds allocated under subsection (1), there is allocated for 2015-2016 an amount not to exceed $3,557,300.00 to support child and adolescent health centers. These grants shall be

awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of health and human services. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (12) for that fiscal year. In addition to the funds otherwise allocated under this subsection, from the money allocated in subsection (1), there is allocated an amount not to exceed $2,000,000.00 for 2015-2016 only for child and adolescent health centers to increase access to nurses and behavioral health services in schools, using 3 existing school clinics as hubs for services and using mobile teams to serve satellite school sites.

(8) From the funds allocated under subsection (1), there is

allocated for 2015-2016 an amount not to exceed $5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded in a form and manner approved jointly by the department and the department of health and human services. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(9) Each district or public school academy receiving funds under this section and the education achievement system shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy or the education achievement system of funds under this section, which report shall include a brief description of each program conducted or services performed by the district or public school academy or the education achievement system using funds under this section, the amount of funds under this section allocated to each of those programs or services, the total number of at-risk pupils served by each of those programs or services, and the data necessary for the department and the department of health and human services to verify matching funds for the temporary assistance for needy families program. If a district or public school academy or the education achievement system does not comply

with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy or the education achievement system complies with this subsection. If the district or public school academy or the education achievement system does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

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

(11) Subject to subsections (6), (7), and (8), a district may use up to 100% of the funds it receives under this section to implement schoolwide reform in schools with 40% or more of their pupils identified as at-risk pupils by providing supplemental instructional or noninstructional services consistent with the school improvement plan.

(12) If necessary, and before any proration required under section 296, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils

who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (4).

(13) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts were not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section. In addition, if a district is dissolved pursuant to section 12 of the revised school code, MCL 380.12, the intermediate district to which the dissolved school district was constituent shall determine the estimated number of pupils that meet the income eligibility criteria for free breakfast, lunch, or milk, as described under subsection (4), enrolled in each of the other districts within the intermediate district and provide that estimate to the department for the purposes of distributing funds under this section within 60 days after the school district is declared dissolved.

(14) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets any of the following criteria:

(a) Is a victim of child abuse or neglect.

(b) Is a pregnant teenager or teenage parent.

(c) Has a family history of school failure, incarceration, or

substance abuse.

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

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

(f) The pupil is enrolled in a priority or priority-successor school, as defined in the elementary and secondary education act of 2001 flexibility waiver approved by the United States Department of Education.

(g) In the absence of state or local assessment data, the pupil meets at least 2 of the following criteria, as documented in a form and manner approved by the department:

(*i*) The pupil is eligible for free or reduced price breakfast, lunch, or milk.

(*ii*) The pupil is absent more than 10% of enrolled days or 10 school days during the school year.

(*iii*) The pupil is homeless.

(*iv*) The pupil is a migrant.

(*v*) The pupil is an English language learner.

(*vi*) The pupil is an immigrant who has immigrated within the immediately preceding 3 years.

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

(15) ~~If~~ **BEGINNING IN 2018-2019, IF** a district, public school academy, or the education achievement system does not demonstrate to the satisfaction of the department that at least 50% of at-risk pupils are reading at grade level by the end of grade 3 as measured by the state assessment **FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR** and demonstrate to the satisfaction of the department improvement over ~~3 consecutive~~ **EACH OF THE 3 IMMEDIATELY PRECEDING SCHOOL** years in the percentage of at-risk pupils that are career- and college-ready as determined by proficiency on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g, the district, public school academy, or education achievement system shall ensure all of the following:

(a) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represents the number of pupils in grade 3 that are not reading at grade level by the end of grade 3, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other methods of improving grade 3 reading levels.

(b) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represent the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section

1279g(2)(a) of the revised school code, MCL 380.1279g, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.

(16) As used in subsection (15), "total at-risk pupils" means the sum of the number of pupils in grade 3 that are not reading at grade level by the end of third grade as measured on the state assessment and the number of pupils in grade 11 that are not career- and college-ready as measured by the student's score on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g.

(17) A district or public school academy that receives funds under this section or the education achievement system may use funds received under this section to provide an anti-bullying or crisis intervention program.

(18) The department shall collaborate with the department of health and human services to prioritize assigning Pathways to Potential Success coaches to elementary schools that have a high percentage of pupils in grades K to 3 who are not reading at grade level.

Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great start readiness programs an amount not to exceed ~~$239,275,000.00~~ **$243,600,000.00** for 2015-2016. Funds

allocated under this section for great start readiness programs shall be used to provide part-day, school-day, or GSRP/head start blended comprehensive free compensatory classroom programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children who meet the participant eligibility and prioritization guidelines as defined by the department. For a child to be eligible to participate in a program under this section, the child shall be at least 4, but less than 5, years of age as of the date specified for determining a child's eligibility to attend school under section 1147 of the revised school code, MCL 380.1147.

(2) Funds allocated under subsection (1) shall be allocated to intermediate districts or consortia of intermediate districts based on the formula in section 39. An intermediate district or consortium of intermediate districts receiving funding under this section shall act as the fiduciary for the great start readiness programs. In order to be eligible to receive funds allocated under this subsection from an intermediate district or consortium of intermediate districts, a district, a consortium of districts, or a public or private for-profit or nonprofit legal entity or agency shall comply with this section and section 39.

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed $300,000.00 for 2015-2016 for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs.

(4) To be eligible for funding under this section, a program

shall prepare children for success in school through comprehensive part-day, school-day, or GSRP/head start blended programs that contain all of the following program components, as determined by the department:

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

(b) An age-appropriate educational curriculum that is in compliance with the early childhood standards of quality for prekindergarten children adopted by the state board.

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

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

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

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

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

(h) Participation in a school readiness advisory committee convened as a workgroup of the great start collaborative that provides for the involvement of classroom teachers, parents or guardians of program participants, and community, volunteer, and

social service agencies and organizations, as appropriate. The advisory committee annually shall review and make recommendations regarding the program components listed in this subsection. The advisory committee also shall make recommendations to the great start collaborative regarding other community services designed to improve all children's school readiness.

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

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

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

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

(b) Except as otherwise provided in this subdivision, ensure that at least 90% of the children participating in an eligible great start readiness program for whom the intermediate district is receiving funds under this section are children who live with families with a household income that is equal to or less than 250% of the federal poverty level. If the intermediate district determines that all eligible children are being served and that there are no children on the waiting list under section 39(1)(d) who live with families with a household income that is equal to or less than 250% of the federal poverty level, the intermediate district may then enroll children who live with families with a household income that is equal to or less than 300% of the federal

poverty level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income.

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

(*i*) Teachers possessing proper training. A lead teacher must have a valid teaching certificate with an early childhood (ZA or ZS) endorsement or a bachelor's degree in child development or early child development with specialization in preschool teaching. However, if an applicant demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be used if the applicant provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.

(*ii*) Paraprofessionals possessing proper training in early childhood development, including an associate's degree in early

childhood education or child development or the equivalent, or a child development associate (CDA) credential. However, if an applicant demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the applicant may use paraprofessionals who have completed at least 1 course that earns college credit in early childhood education or child development if the applicant provides to the department, and the department approves, a plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses or 60 clock hours of training per calendar year.

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

(6) For a grant recipient that enrolls pupils in a school-day program funded under this section, each child enrolled in the school-day program shall be counted as 2 children served by the

program for purposes of determining the number of children to be served and for determining the amount of the grant award. A grant award shall not be increased solely on the basis of providing a school-day program.

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

(8) An intermediate district or consortium of intermediate districts receiving a grant under this section shall designate an early childhood coordinator, and may provide services directly or may contract with 1 or more districts or public or private for-profit or nonprofit providers that meet all requirements of subsection (4).

(9) Funds received under this section may be retained for administrative services as follows:

(a) For the portion of the total grant amount for which services are provided directly by an intermediate district or consortium of intermediate districts, the intermediate district or consortium of intermediate districts may retain an amount equal to not more than 7% of that portion of the grant amount.

(b) For the portion of the total grant amount for which services are contracted, the intermediate district or consortium of intermediate districts receiving the grant may retain an amount equal to not more than 4% of that portion of the grant amount and the subrecipients engaged by the intermediate district to provide

program services may retain for administrative services an amount equal to not more than 4% of that portion of the grant amount.

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

(11) Each grant recipient shall enroll children identified under subsection (5)(b) according to how far the child's household income is below 250% of the federal poverty level by ranking each applicant child's household income from lowest to highest and dividing the applicant children into quintiles based on how far the child's household income is below 250% of the federal poverty level, and then enrolling children in the quintile with the lowest household income before enrolling children in the quintile with the next lowest household income until slots are completely filled. If the grant recipient determines that all eligible children are being served and that there are no children on the waiting list under section 39(1)(d) who live with families with a household income that is equal to or less than 250% of the federal poverty level, the grant recipient may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income

equal to or less than 250% of the federal poverty level regardless of actual family income.

(12) An intermediate district or consortium of intermediate districts receiving a grant under this section shall allow parents of eligible children who are residents of the intermediate district or within the consortium to choose a program operated by or contracted with another intermediate district or consortium of intermediate districts and shall pay to the educating intermediate district or consortium the per-child amount attributable to each child enrolled pursuant to this sentence, as determined under section 39.

(13) An intermediate district or consortium of intermediate districts receiving a grant under this section shall conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers that meet all requirements of subsection (4) for at least 30% of its total slot allocation. The intermediate district or consortium shall report to the department, in a manner prescribed by the department, a detailed list of community-based providers by provider type, including private for-profit, private nonprofit, community college or university, head start grantee or delegate, and district or intermediate district, and the number and proportion of its total slot allocation allocated to each provider as subrecipient. If the intermediate district or consortium is not able to contract for at least 30% of its total slot allocation, the grant recipient shall notify the department and, if the department verifies that the intermediate district or consortium attempted to

contract for at least 30% of its total slot allocation and was not able to do so, then the intermediate district or consortium may retain and use all of its allocated slots as provided under this section. To be able to use this exemption, the intermediate district or consortium shall demonstrate to the department that the intermediate district or consortium increased the percentage of its total slot allocation for which it contracts with a community-based provider and the intermediate district or consortium shall submit evidence satisfactory to the department, and the department must be able to verify this evidence, demonstrating that the intermediate district or consortium took measures to contract for at least 30% of its total slot allocation as required under this subsection, including, but not limited to, at least all of the following measures:

(a) The intermediate district or consortium notified each licensed child care center located in the service area of the intermediate district or consortium at least twice regarding the center's eligibility to participate. One of these notifications may be made electronically, but at least 1 of these notifications shall be made via hard copy through the United States mail. At least 1 of these notifications shall be made within 7 days after the intermediate district or consortium receives notice from the department of its slot allocations.

(b) The intermediate district or consortium provided to each licensed child care center located in the service area of the intermediate district or consortium information regarding great start readiness program requirements and a description of the

application and selection process for community-based providers.

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

(14) If an intermediate district or consortium of intermediate districts receiving a grant under this section fails to submit satisfactory evidence to demonstrate its effort to contract for at least 30% of its total slot allocation, as required under subsection (1), the department shall reduce the slots allocated to the intermediate district or consortium by a percentage equal to the difference between the percentage of an intermediate district's or consortium's total slot allocation awarded to community-based providers and 30% of its total slot allocation.

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

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

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

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

(d) Not later than November 1 of each year, compile the results of the information reported by each intermediate district or consortium under subsection (10) and report to the legislature a list by intermediate district or consortium with the number and percentage of each intermediate district's or consortium's total slot allocation allocated to community-based providers by provider type, including private for-profit, private nonprofit, community college or university, head start grantee or delegate, and district or intermediate district.

(16) A recipient of funds under this section shall report to the department in a form and manner prescribed by the department the number of children participating in the program who meet the income eligibility criteria under subsection (5)(b) and the total number of children participating in the program. For children participating in the program who meet the income eligibility criteria specified under subsection (5)(b), a recipient shall also report whether or not a parent is available to provide care based on employment status. For the purposes of this subsection, "employment status" shall be defined by the department of health

and human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

(17) As used in this section:

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

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

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

(18) An intermediate district or consortium of intermediate districts receiving funds under this section shall establish a sliding scale of tuition rates based upon household income for children participating in an eligible great start readiness program who live with families with a household income that is more than 250% of the federal poverty level to be used by all of its providers, as approved by the department. A grant recipient shall charge tuition according to that sliding scale of tuition rates on a uniform basis for any child who does not meet the income eligibility requirements under this section.

(19) From the amount appropriated in subsection (1), there is

allocated an amount not to exceed $10,000,000.00 for reimbursement of transportation costs for children attending great start readiness programs funded under this section. To receive reimbursement under this subsection, not later than November 1, 2015, a program funded under this section that provides transportation shall submit to the intermediate district that is the fiscal agent for the program a projected transportation budget. The amount of the reimbursement for transportation under this subsection shall be no more than the projected transportation budget or $150.00 multiplied by the number of slots funded for the program under this section. If the amount allocated under this subsection is insufficient to fully reimburse the transportation costs for all programs that provide transportation and submit the required information, the reimbursement shall be prorated in an equal amount per slot funded. Payments shall be made to the intermediate district that is the fiscal agent for each program, and the intermediate district shall then reimburse the program provider for transportation costs as prescribed under this subsection.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed $25,000,000.00 for 2015-2016 for adult education programs authorized under this section. Except as otherwise provided under subsections (16) and (18), funds allocated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, an eligible

adult education provider shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, an individual shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job- or employment-related program, or a high school completion program, that meets the requirements of this section, and for which instruction is provided, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(*i*) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job- or employment-related program through a referral by an employer or by a Michigan workforce agency.

(*ii*) Is enrolled in an English as a second language program.

(*iii*) Is enrolled in a high school completion program.

(*iv*) Is **AT LEAST** 20 years of age on September 1 of the school year, is enrolled in an adult basic education program, and is determined by a department-approved assessment, in a form and manner prescribed by the department, to be below grade 9 level in reading or mathematics, or both.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(*i*) Is at least 20 years of age on September 1 of the school year.

(*ii*) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(4) By April 1 of each fiscal year, the intermediate districts within a prosperity region or subregion shall determine which intermediate district will serve as the prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify the department in a form and manner determined by the department. The department shall approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for adult education programs in each of the prosperity regions or subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administration costs for serving as the fiscal agent. Beginning in 2014-2015, 67% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the proportion of total funding formerly received by the adult education providers in that prosperity region or subregion in 2013-2014, and 33% shall be allocated based on the factors in subdivisions (a), (b), and (c). For 2016-2017, 33% of the allocation provided to each intermediate

district serving as a fiscal agent shall be based upon the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the factors in subdivisions (a), (b), and (c). Beginning in 2017-2018, 100% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the factors in subdivisions (a), (b), and (c). The funding factors for this section are as follows:

(a) Sixty percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals between the ages of 18 and 24 that are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census Bureau.

(b) Thirty-five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 25 or older who are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census Bureau.

(c) Five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 18 or older who lack basic English language proficiency that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census

Bureau.

(5) To be an eligible fiscal agent, an intermediate district must agree to do the following in a form and manner determined by the department:

(a) Distribute funds to adult education programs in a prosperity region or subregion as described in this section.

(b) Collaborate with the talent district career council, which is an advisory council of the workforce development boards located in the prosperity region or subregion, or its successor, to develop a regional strategy that aligns adult education programs and services into an efficient and effective delivery system for adult education learners, with special consideration for providing contextualized learning and career pathways.

(c) Collaborate with the talent district career council, which is an advisory council of the workforce development boards located in the prosperity region or subregion, or its successor, to create a local process and criteria that will identify eligible adult education providers to receive funds allocated under this section based on location, demand for services, past performance, quality indicators as identified by the department, and cost to provide instructional services. The fiscal agent shall determine all local processes, criteria, and provider determinations. However, the local processes, criteria, and provider services must be approved by the department before funds may be distributed to the fiscal agent.

(d) Provide oversight to its adult education providers throughout the program year to ensure compliance with the

requirements of this section.

(e) Report adult education program and participant data and information as prescribed by the department.

(6) The amount allocated under this section per full-time equated participant shall not exceed $2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(7) An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by a department-approved assessment, in a form and manner prescribed by the department, to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(*i*) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(*ii*) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to

subsection (11) until the participant meets 1 of the following:

(*i*) The participant is assessed as having attained basic English proficiency as determined by a department-approved assessment.

(*ii*) The participant fails to show progress on 2 successive department-approved assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(8) A general educational development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a pre-test approved by the department before enrolling an individual to determine the individual's literacy levels, shall administer a G.E.D. practice test to determine the individual's potential for success on the G.E.D. test, and shall administer a post-test upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (11) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(*i*) The participant obtains the G.E.D.

(*ii*) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take

the G.E.D. test after having completed at least 450 hours of instruction.

(9) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (11) for a participant in a course offered under this subsection until 1 of the following occurs:

(*i*) The participant passes the course and earns a high school diploma.

(*ii*) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(10) A job- or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills, and are not attending an institution of higher education.

(b) The program tests participants described in subdivision

(a) before enrollment and upon completion of the program in compliance with the department-approved assessment policy.

(c) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (11) until 1 of the following occurs:

(*i*) The individual achieves the requisite skills as determined by department-approved assessment instruments.

(*ii*) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(11) A funding recipient shall receive payments under this section in accordance with the following:

(a) Eighty percent for enrollment of eligible participants.

(b) Twenty percent for participant completion of the adult basic education objectives by achieving an educational gain as determined by the national reporting system levels; for achieving basic English proficiency, as determined by the department; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; for enrollment in a postsecondary institution, or for entry into or retention of employment, as applicable.

(12) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (7), (8), (9), or (10) may

continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(13) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(14) A funding recipient shall not commingle money received under this section or from another source for adult education purposes with any other funds and shall establish a separate ledger account for funds received under this section. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(15) A funding recipient receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A funding recipient may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A funding recipient may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States Department of Health and Human Services.

(16) In order to receive funds under this section, a funding recipient shall furnish to the department, in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow

the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department. In addition, a funding recipient shall agree to pay to a career and technical education program under section 61a the amount of funding received under this section in the proportion of career and technical education coursework used to satisfy adult basic education programming, as billed to the funding recipient by programs operating under section 61a.

(17) All intermediate district participant audits of adult education programs shall be performed pursuant to the adult education participant auditing and accounting manuals published by the department.

(18) From the amount appropriated in subsection (1), an amount not to exceed $500,000.00 shall be allocated for 2015-2016 to not more than 1 pilot program that is located in a prosperity region with 2 or more subregions and that connects adult education participants directly with employers by linking adult education, career and technical skills, and workforce development. To be eligible for funding under this subsection, a pilot program shall provide a collaboration linking adult education programs within the county, the area career/technical center, and local employers, and shall meet the additional criteria in subsections (19) and (20). Funding under this subsection for 2015-2016 is for the first of 3 years of funding.

(19) A pilot program funded under subsection (18) shall require adult education staff to work with Michigan Works! to

identify a cohort of participants who are most prepared to successfully enter the workforce. Participants identified under this subsection shall be dually enrolled in adult education programming and at least 1 technical course at the area career/technical center.

(20) A pilot program funded under subsection (18) shall have on staff an adult education navigator who will serve as a caseworker for each participant identified under subsection (19). The navigator shall work with adult education staff and potential employers to design an educational program best suited to the personal and employment needs of the participant, and shall work with human service agencies or other entities to address any barrier in the way of participant access.

(21) Not later than December 1, 2016, the pilot program funded under subsection (18) shall provide to the senate and house appropriations subcommittees on school aid and to the senate and house fiscal agencies a report detailing number of participants, graduation rates, and a measure of transitioning to employment.

(22) The department shall develop an application process for a pilot program to be funded under subsection (18) and shall award funding not later than November 1, 2015. Funding allocated under subsection (18) may be paid on a schedule other than that specified under section 17b.

(23) As used in this section:

(a) "Career pathway" means a combination of rigorous and high-quality education, training, and other services that comply with all of the following:

(*i*) Aligns with the skill needs of industries in the economy of this state or in the regional economy involved.

(*ii*) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the act of August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

(*iii*) Includes counseling to support an individual in achieving the individual's education and career goals.

(*iv*) Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.

(*v*) Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable.

(*vi*) Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least 1 recognized postsecondary credential.

(*vii*) Helps an individual enter or advance within a specific occupation or occupational cluster.

(b) "Department" means the department of talent and economic development.

(c) "Eligible adult education provider" means a district, intermediate district, a consortium of districts, a consortium of intermediate districts, or a consortium of districts and intermediate districts that is identified as part of the local

process described in subsection (5)(c) and approved by the department.

(d) "Participant" means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2015 PA 85 and this amendatory act for fiscal year 2015-2016 is estimated at $12,124,885,100.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2015-2016 are estimated at $11,967,255,600.00.

Enacting section 2. This amendatory act takes effect October 1, 2015.