

**SUBSTITUTE FOR
HOUSE BILL NO. 4577**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 6, 11, 11a, 11j, 11k, 11m, 11x, 11z, 15,
19, 20, 20d, 21f, 22a, 22b, 22k, 22p, 24, 24a, 25f, 25g, 26a, 26b,
26c, 26d, 27d, 27e, 27h, 27k, 27p, 27r, 29, 30e, 31a, 31d, 32d, 39,
39a, 51a, 51c, 51d, 51e, 53a, 54, 54d, 55, 74, 81, 94a, 97g, 98,
99, 101, 104, 104b, 111, 147, 147a, 147b, 147c, 147e, 147g, 152a,
152b, and 161a (MCL 388.1603, 388.1606, 388.1611, 388.1611a,
388.1611j, 388.1611k, 388.1611m, 388.1611x, 388.1611z, 388.1615,
388.1619, 388.1620, 388.1620d, 388.1621f, 388.1622a, 388.1622b,
388.1622k, 388.1622p, 388.1624, 388.1624a, 388.1625f, 388.1625g,
388.1626a, 388.1626b, 388.1626c, 388.1626d, 388.1627d, 388.1627e,
388.1627h, 388.1627k, 388.1627p, 388.1627r, 388.1629, 388.1630e,

388.1631a, 388.1631d, 388.1632d, 388.1639, 388.1639a, 388.1651a, 388.1651c, 388.1651d, 388.1651e, 388.1653a, 388.1654, 388.1654d, 388.1655, 388.1674, 388.1681, 388.1694a, 388.1697g, 388.1698, 388.1699, 388.1701, 388.1704, 388.1704b, 388.1711, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1747e, 388.1747g, 388.1752a, 388.1752b, and 388.1761a), sections 3, 11x, 19, 21f, and 147b as amended and sections 22k, 27h, and 30e as added by 2023 PA 103, sections 6 and 97g as amended by 2023 PA 320, section 11 as amended by 2024 PA 148, sections 11a, 11j, 11k, 11m, 11z, 15, 20, 20d, 22a, 22b, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 26d, 27d, 27k, 27p, 29, 31a, 31d, 32d, 39, 39a, 51a, 51c, 51d, 51e, 53a, 54, 54d, 74, 81, 94a, 98, 104, 147, 147a, 147c, 147e, 152a, and 152b as amended and sections 27r, 55, 99, and 147g as added by 2024 PA 120, section 27e as added by 2022 PA 144, section 101 as amended by 2025 PA 5, section 104b as amended by 2018 PA 265, section 111 as amended by 1997 PA 93, and section 161a as amended by 2006 PA 342, and by adding sections 16, 22f, 22h, 32y, 95b, and 164k; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Average daily attendance", for the purposes of
2 complying with federal law, means 92% of the pupils counted in
3 membership on the pupil membership count day, as defined in section
4 6(7).

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

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

9 (4) "Community district" means a school district organized
10 under part 5b of the revised school code, MCL 380.381 to 380.396.

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

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

10 (7) "District" means, except as otherwise specifically
11 provided in this act, a local school district established under the
12 revised school code or, except in sections 6(4), 6(6), ~~11x~~, 11y,
13 11aa, 12c, 13, 20, 22a, 22p, 27l, 31a, 51a(14), 105, 105c, and 166b,
14 a public school academy. Except in section 20, district also
15 includes a community district.

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

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

1 Sec. 6. (1) "Center program" means a program operated by a
2 district or by an intermediate district for special education
3 pupils from several districts in programs for pupils with autism
4 spectrum disorder, pupils with severe cognitive impairment, pupils
5 with moderate cognitive impairment, pupils with severe multiple
6 impairments, pupils with hearing impairment, pupils with visual
7 impairment, and pupils with physical impairment or other health
8 impairment. Programs for pupils with emotional impairment housed in
9 buildings that do not serve regular education pupils also qualify.
10 Unless otherwise approved by the department, a center program
11 either serves all constituent districts within an intermediate
12 district or serves several districts with less than 50% of the
13 pupils residing in the operating district. In addition, special
14 education center program pupils placed part-time in noncenter
15 programs to comply with the least restrictive environment
16 provisions of section 1412 of the individuals with disabilities
17 education act, 20 USC 1412, may be considered center program pupils
18 for pupil accounting purposes for the time scheduled in either a
19 center program or a noncenter program.

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

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

29 (4) "Membership", except as otherwise provided in this

1 article, means for a district, a public school academy, or an
2 intermediate district the sum of the product of .90 times the
3 number of full-time equated pupils in grades K to 12 actually
4 enrolled and in regular daily attendance in the district, public
5 school academy, or intermediate district on the pupil membership
6 count day for the current school year, plus the product of .10
7 times the final audited count from the supplemental count day of
8 full-time equated pupils in grades K to 12 actually enrolled and in
9 regular daily attendance in the district, public school academy, or
10 intermediate district for the immediately preceding school year. A
11 district's, public school academy's, or intermediate district's
12 membership is adjusted as provided under section 25e for pupils who
13 enroll after the pupil membership count day in a strict discipline
14 academy operating under sections 1311b to 1311m of the revised
15 school code, MCL 380.1311b to 380.1311m. All pupil counts used in
16 this subsection are as determined by the department and calculated
17 by adding the number of pupils registered for attendance plus
18 pupils received by transfer and minus pupils lost as defined by
19 rules promulgated by the superintendent, and as corrected by a
20 subsequent department audit. The amount of the foundation allowance
21 for a pupil in membership is determined under section 20. In making
22 the calculation of membership, all of the following, as applicable,
23 apply to determining the membership of a district, a public school
24 academy, or an intermediate district:

25 (a) Except as otherwise provided in this subsection, and
26 pursuant to subsection (6), a pupil is counted in membership in the
27 pupil's educating district or districts. Except as otherwise
28 provided in this subsection, an individual pupil must not be
29 counted for more than a total of 1.0 full-time equated membership.

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

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

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

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

21 (f) A pupil enrolled in a career and technical education
22 program supported by a millage levied over an area larger than a
23 single district or in an area vocational-technical education
24 program established under section 690 of the revised school code,
25 MCL 380.690, is counted in membership only in the pupil's district
26 of residence.

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

29 (h) For the purposes of this section and section 6a, for a

1 cyber school, as that term is defined in section 551 of the revised
2 school code, MCL 380.551, that is in compliance with section 553a
3 of the revised school code, MCL 380.553a, a pupil's participation
4 in the cyber school's educational program is considered regular
5 daily attendance, and for a district or public school academy, a
6 pupil's participation in a virtual course as that term is defined
7 in section 21f is considered regular daily attendance. Beginning
8 July 1, 2021, this subdivision is subject to section 8c. It is the
9 intent of the legislature that the immediately preceding sentence
10 apply retroactively and is effective July 1, 2021. For the purposes
11 of this subdivision, for a pupil enrolled in a cyber school, all of
12 the following apply with regard to the participation requirement as
13 described in this subdivision:

14 (i) Except as otherwise provided in this subdivision, the pupil
15 shall participate in each scheduled course on pupil membership
16 count day or supplemental count day, as applicable. If the pupil is
17 absent on pupil membership count day or supplemental count day, as
18 applicable, the pupil must attend and participate in class during
19 the next 10 consecutive school days if the absence was unexcused,
20 or during the next 30 calendar days if the absence was excused.

21 (ii) For a pupil who is not learning sequentially, 1 or more of
22 the following must be met on pupil membership count day or
23 supplemental count day, as applicable, for each scheduled course to
24 satisfy the participation requirement under this subdivision:

25 (A) The pupil attended a live lesson from the teacher.

26 (B) The pupil logged into a lesson or lesson activity and the
27 login can be documented.

28 (C) The pupil and teacher engaged in a subject-oriented
29 telephone conversation.

1 (D) There is documentation of an email dialogue between the
2 pupil and teacher.

3 (E) There is documentation of activity or work between the
4 learning coach and pupil.

5 (F) An alternate form of attendance as determined and agreed
6 upon by the cyber school and the pupil membership auditor was met.

7 (iii) For a pupil using sequential learning, the participation
8 requirement under this subdivision is satisfied if either of the
9 following occurs:

10 (A) Except as otherwise provided in this sub-subparagraph, the
11 pupil and the teacher of record or mentor complete a 2-way
12 interaction for 1 course during the week on which pupil membership
13 count day or supplemental count day, as applicable, occurs, and the
14 3 consecutive weeks following that week. However, if a school break
15 is scheduled during any of the weeks described in this sub-
16 subparagraph that is 4 or more days in length or instruction has
17 been canceled districtwide during any of the weeks described in
18 this sub-subparagraph for 3 or more school days, the district is
19 not required to ensure that the pupil and the teacher of record or
20 mentor completed a 2-way interaction for that week. As used in this
21 sub-subparagraph:

22 (I) "2-way interaction" means the communication that occurs
23 between the teacher of record or mentor and pupil, where 1 party
24 initiates communication and a response from the other party follows
25 that communication. Responses as described in this sub-sub-
26 subparagraph must be to the communication initiated by the teacher
27 of record or mentor, and not some other action taken. This
28 interaction may occur through, but is not limited to, means such as
29 email, telephone, instant messaging, or face-to-face conversation.

1 A parent- or legal-guardian-facilitated 2-way interaction is
2 considered a 2-way interaction if the pupil is in any of grades K
3 to 5 and does not yet possess the skills necessary to participate
4 in 2-way interactions unassisted. The interactions described in
5 this sub-sub-subparagraph must relate to a virtual course on the
6 pupil's schedule and pertain to course content or progress.

7 (II) "Mentor" means a professional employee of the district
8 who monitors the pupil's progress, ensures the pupil has access to
9 needed technology, is available for assistance, and ensures access
10 to the teacher of record. A mentor may also be the teacher of
11 record if the mentor meets the definition of a teacher of record
12 under this sub-subparagraph and the district is the provider for
13 the course.

14 (III) "Teacher of record" means a teacher to whom all of the
15 following apply:

16 (1) The teacher is responsible for providing instruction,
17 determining instructional methods for each pupil, diagnosing
18 learning needs, assessing pupil learning, prescribing intervention
19 strategies and modifying lessons, reporting outcomes, and
20 evaluating the effects of instruction and support strategies. The
21 teacher of record may coordinate the distribution and assignment of
22 the responsibilities described in this sub-sub-sub-subparagraph
23 with other teachers participating in the instructional process for
24 a course.

25 (2) The teacher is certified for the grade level or is working
26 under a valid substitute permit, authorization, or approval issued
27 by the department.

28 (3) The teacher has a personnel identification code provided
29 by the center.

1 (IV) "Week" means a period that starts on Wednesday and ends
2 the following Tuesday.

3 (B) The pupil completes a combination of 1 or more of the
4 following activities for each scheduled course on pupil membership
5 count day or supplemental count day, as applicable:

6 (I) Documented attendance in a virtual course where
7 synchronous, live instruction occurred with the teacher.

8 (II) Documented completion of a course assignment.

9 (III) Documented completion of a course lesson or lesson
10 activity.

11 (IV) Documented pupil access to an ongoing lesson, which does
12 not include a login.

13 (V) Documented physical attendance on pupil membership count
14 day or supplemental count day, as applicable, in each scheduled
15 course, if the pupil will attend at least 50% of the instructional
16 time for each scheduled course on-site, face-to-face with the
17 teacher of record. As used in this sub-sub-subparagraph, "teacher
18 of record" means that term as defined in subparagraph (iii) (A).

19 (iv) For purposes of subparagraph (iii), each scheduled course
20 currently being attempted by the pupil, rather than every course on
21 the pupil's schedule for the entire term, is considered a part of
22 each scheduled course for the pupil.

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

26 (i) If operations begin before the pupil membership count day
27 for the fiscal year, membership is the average number of full-time
28 equated pupils in grades K to 12 actually enrolled and in regular
29 daily attendance on the pupil membership count day for the current

1 school year and on the supplemental count day for the current
2 school year, as determined by the department and calculated by
3 adding the number of pupils registered for attendance on the pupil
4 membership count day plus pupils received by transfer and minus
5 pupils lost as defined by rules promulgated by the superintendent,
6 and as corrected by a subsequent department audit, plus the final
7 audited count from the supplemental count day for the current
8 school year, and dividing that sum by 2.

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

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

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

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

1 of the revised school code, MCL 380.1147, and must be less than 20
2 years of age on September 1 of the school year except as follows:

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

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

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

14 (B) Had dropped out of school.

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

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

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

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

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

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

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

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

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

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

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

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

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 are 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 or a public school academy that has pupils enrolled in a grade level that was not offered by the district or public school academy 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. Membership is 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 is 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

1 within 45 days after the pupil membership count day, the department
2 shall adjust the district's pupil count for the pupil membership
3 count day to include the pupil in the count.

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

14 (x) If a district's membership for a particular fiscal year,
15 as otherwise calculated under this subsection, would be less than
16 1,550 pupils ~~and~~ the district has 4.5 or fewer pupils per square
17 mile, as determined by the department, ~~and the district does not~~
18 ~~receive funding under section 22d(2),~~ the district's membership is
19 considered to be the membership figure calculated under this
20 subdivision. If a district educates and counts in its membership
21 pupils in grades 9 to 12 who reside in a contiguous district that
22 does not operate grades 9 to 12 and if 1 or both of the affected
23 districts request the department to use the determination allowed
24 under this sentence, the department shall include the square
25 mileage of both districts in determining the number of pupils per
26 square mile for each of the districts for the purposes of this
27 subdivision. If a district has established a community engagement
28 advisory committee in partnership with the department of treasury,
29 is required to submit a deficit elimination plan or an enhanced

1 deficit elimination plan under section 1220 of the revised school
2 code, MCL 380.1220, and is located in a city with a population
3 between 9,000 and 11,000, as determined by the department, that is
4 in a county with a population between 150,000 and 160,000, as
5 determined by the department, the district's membership is
6 considered to be the membership figure calculated under this
7 subdivision. The membership figure calculated under this
8 subdivision is the greater of the following:

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

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

16 (y) Full-time equated memberships for special education pupils
17 who are not enrolled in kindergarten but are enrolled in a
18 classroom program under R 340.1754 of the Michigan Administrative
19 Code are determined by dividing the number of class hours scheduled
20 and provided per year by 450. Full-time equated memberships for
21 special education pupils who are not enrolled in kindergarten but
22 are receiving early childhood special education services under R
23 340.1755 or R 340.1862 of the Michigan Administrative Code are
24 determined by dividing the number of hours of service scheduled and
25 provided per year per pupil by 180.

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

1 attended by the pupil before Labor Day.

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

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

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

19 (dd) For a pupil enrolled in a dropout recovery program that
20 meets the requirements of section 23a, the pupil is counted as 1/12
21 of a full-time equated membership for each month that the district
22 operating the program reports that the pupil was enrolled in the
23 program and was in full attendance **or based on the number of**
24 **successfully completed courses by the pupil with each course**
25 **equivalent to 1/12 of a full-time equated membership. A district**
26 **may claim more than 1/12 of a full-time equated membership within a**
27 **month for an enrolled pupil who was in full attendance and**
28 **successfully completed more than 1 required course.** However, if the
29 special membership counting provisions under this subdivision and

1 the operation of the other membership counting provisions under
2 this subsection result in a pupil being counted as more than 1.0
3 FTE in a fiscal year, the payment made for the pupil under sections
4 22a and 22b must not be based on more than 1.0 FTE for that pupil,
5 and any portion of an FTE for that pupil that exceeds 1.0 is
6 instead paid under section 25g. The district operating the program
7 shall report to the center the number of pupils who were enrolled
8 in the program and were in full attendance for a month not later
9 than 30 days after the end of the month. A district shall not
10 report a pupil as being in full attendance for a month unless both
11 of the following are met:

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

15 (ii) Either of the following is met:

16 (A) The pupil meets the district's definition under section
17 23a of satisfactory monthly progress for that month or, if the
18 pupil does not meet that definition of satisfactory monthly
19 progress for that month, the pupil did meet that definition of
20 satisfactory monthly progress in the immediately preceding month
21 and appropriate interventions, as defined by the district, are
22 implemented within 10 school days after it is determined that the
23 pupil does not meet that definition of satisfactory monthly
24 progress.

25 (B) For the first 2 months that the pupil participates in the
26 program, the pupil earns 0.25 credit by the end of the second
27 month. A pupil described in this sub-subparagraph may be
28 retroactively reported as being in full attendance for the first
29 month that the pupil participated in the program.

1 (ee) A pupil participating in a virtual course under section
2 21f is counted in membership in the district enrolling the pupil.

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

13 (gg) If a special education pupil is expelled under section
14 1311 or 1311a of the revised school code, MCL 380.1311 and
15 380.1311a, and is not in attendance on the pupil membership count
16 day because of the expulsion, and if the pupil remains enrolled in
17 the district and resumes regular daily attendance during that
18 school year, the district's membership is adjusted to count the
19 pupil in membership as if the pupil had been in attendance on the
20 pupil membership count day.

21 (hh) A pupil enrolled in a community district is counted in
22 membership in the community district.

23 (ii) A part-time pupil enrolled in a nonpublic school in
24 grades K to 12 in accordance with section 166b must not be counted
25 as more than 0.75 of a full-time equated membership.

26 (jj) A district that borders another state or a public school
27 academy that operates at least grades 9 to 12 and is located within
28 20 miles of a border with another state may count in membership a
29 pupil who is enrolled in a course at a college or university that

1 is located in the bordering state and within 20 miles of the border
2 with this state if all of the following are met:

3 (i) The pupil would meet the definition of an eligible student
4 under the postsecondary enrollment options act, 1996 PA 160, MCL
5 388.511 to 388.524, if the course were an eligible course under
6 that act.

7 (ii) The course in which the pupil is enrolled would meet the
8 definition of an eligible course under the postsecondary enrollment
9 options act, 1996 PA 160, MCL 388.511 to 388.524, if the course
10 were provided by an eligible postsecondary institution under that
11 act.

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

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

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

28 (kk) A pupil enrolled in a middle college program may be
29 counted for more than a total of 1.0 full-time equated membership

for any of the school years in which the pupil is enrolled in the middle college program, but the total full-time equated membership for that pupil for all of the school years in which the pupil is enrolled in high school must not be greater than 5.00 full-time equated membership if the pupil is enrolled in more than the minimum number of instructional days and hours required under section 101 and the pupil is expected to complete the 5-year program with both a high school diploma and at least 60 transferable college credits or is expected to earn an associate's degree in fewer than 5 years. A pupil who graduates with both a high school diploma and at least 60 transferable college credits or an associate degree at least 1 semester early is considered to have completed the middle college program in fewer than 5 years.

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

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

~~(ii) If the district's or public school academy's membership for pupils counted under section 166b is less than 5% of the district's or public school academy's membership for pupils not counted in membership under section 166b in the immediately~~

~~preceding fiscal year, then the district's or public school academy's membership for pupils counted under section 166b must not exceed the greater of the following:~~

~~(A) Five percent of the district's or public school academy's membership for pupils not counted in membership under section 166b.~~

~~(B) Ten percent more than the district's or public school academy's membership for pupils counted under section 166b in the immediately preceding fiscal year.~~

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

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

(6) "Pupil" means an individual 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 K to 12 in accordance with section 166b.

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

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

(d) 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.

(e) A pupil who has made an official written complaint or

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

14 (i) "At school" means in a classroom, elsewhere on school
15 premises, on a school bus or other school-related vehicle, or at a
16 school-sponsored activity or event whether or not it is held on
17 school premises.

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

23 (f) A pupil whose district of residence changed after the
24 pupil membership count day and before the supplemental count day
25 and who continues to be enrolled on the supplemental count day as a
26 nonresident in the district in which the pupil was enrolled as a
27 resident on the pupil membership count day of the same school year.

28 (g) A pupil enrolled in an alternative education program
29 operated by a district other than the pupil's district of residence

1 who meets 1 or more of the following:

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

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

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

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

9 (h) A pupil enrolled in the Michigan Virtual School, for the
10 pupil's enrollment in the Michigan Virtual School.

11 (i) A pupil who is the child of a person who works at the
12 district or who is the child of a person who worked at the district
13 as of the time the pupil first enrolled in the district but who no
14 longer works at the district due to a workforce reduction. As used
15 in this subdivision, "child" includes an adopted child, stepchild,
16 or legal ward.

17 (j) An expelled pupil who has been denied reinstatement by the
18 expelling district and is reinstated by another school board under
19 section 1311 or 1311a of the revised school code, MCL 380.1311 and
20 380.1311a.

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

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

28 (m) A pupil enrolled in a district other than the pupil's
29 district of residence under section 1148(2) of the revised school

1 code, MCL 380.1148.

2 (n) A pupil who enrolls in a district other than the pupil's
3 district of residence as a result of the pupil's school not making
4 adequate yearly progress under the no child left behind act of
5 2001, Public Law 107-110, or the every student succeeds act, Public
6 Law 114-95.

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

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

15 (a) Except as provided in subdivision (b) or (c), either of
16 the following:

17 (i) The first Wednesday in October each school year.

18 (ii) For a district or building in which school is not in
19 session on the Wednesday described in subparagraph (i) due to
20 conditions not within the control of school authorities, with the
21 approval of the superintendent, the immediately following day on
22 which school is in session in the district or building.

23 (b) Except as otherwise provided in subdivision (c), for a
24 district or intermediate district maintaining school during the
25 entire school year, the following days:

26 (i) Fourth Wednesday in July.

27 (ii) First Wednesday in October.

28 (iii) Second Wednesday in February.

29 (iv) Fourth Wednesday in April.

1 (c) If a date listed in subdivision (a) or (b) is on a day of
2 religious or cultural significance, as determined by the district
3 or intermediate district, the immediately following day on which
4 school is in session in the district or building.

5 (8) "Pupils in grades K to 12 actually enrolled and in regular
6 daily attendance" means, except as otherwise provided in this
7 section, pupils in grades K to 12 in attendance and receiving
8 instruction in all classes for which they are enrolled on the pupil
9 membership count day or the supplemental count day, as applicable.

10 Except as otherwise provided in this section and subsection, a
11 pupil who is absent from any of the classes in which the pupil is
12 enrolled on the pupil membership count day or supplemental count
13 day and who does not attend each of those classes during the 10
14 consecutive school days immediately following the pupil membership
15 count day or supplemental count day, except for a pupil who has
16 been excused by the district, is not counted as 1.0 full-time
17 equated membership. Except as otherwise provided in this section, a
18 pupil who is excused from attendance on the pupil membership count
19 day or supplemental count day and who fails to attend each of the
20 classes in which the pupil is enrolled within 30 calendar days
21 after the pupil membership count day or supplemental count day is
22 not counted as 1.0 full-time equated membership. Except as
23 otherwise provided in this section, in addition, a pupil who was
24 enrolled and in attendance in a district, intermediate district, or
25 public school academy before the pupil membership count day or
26 supplemental count day of a particular year but was expelled or
27 suspended on the pupil membership count day or supplemental count
28 day is only counted as 1.0 full-time equated membership if the
29 pupil resumed attendance in the district, intermediate district, or

public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. Except as otherwise provided in this section, a pupil not counted as 1.0 full-time equated membership due to an absence from a class is counted as a prorated membership for the classes the pupil attended. For purposes of this subsection:

(a) "Appropriately placed" means holding a valid Michigan educator credential with the required grade range and discipline or subject area for the assignment, as defined by the superintendent of public instruction.

(b) "Class" means either of the following, as applicable:

(i) A period of time in 1 day when pupils and an individual who is appropriately placed under a valid certificate, substitute permit, authorization, or approval issued by the department, are together and instruction is taking place. This subdivision does not apply for the ~~2020-2021, 2021-2022, 2022-2023, and 2023-2024 school years.~~ **2024-2025 and 2025-2026 school years.**

(ii) For the ~~2020-2021, 2021-2022, 2022-2023, and 2023-2024~~ **2024-2025 and 2025-2026** school years only, a period of time in 1 day when pupils and a certificated teacher, a teacher engaged to teach under section 1233b of the revised school code, MCL 380.1233b, or an individual working under a valid substitute permit, authorization, or approval issued by the department 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 the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

1 (11) "School district of the first class", "first class school
2 district", and "district of the first class" mean, for the purposes
3 of this article only, a district that had at least 40,000 pupils in
4 membership for the immediately preceding fiscal year.

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

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

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

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

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

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

27 (18) "Taxable value" means, except as otherwise provided in
28 this article, the taxable value of property as determined under
29 section 27a of the general property tax act, 1893 PA 206, MCL

1 211.27a.

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

9 (20) "Total state aid" or "total state school aid", except as
10 otherwise provided in this article, means the total combined amount
11 of all funds due to a district, intermediate district, or other
12 entity under this article.

13 Sec. 11. (1) For the fiscal year ending September 30, 2025,
14 there is appropriated for the public schools of this state and
15 certain other state purposes relating to education the sum of
16 ~~\$17,769,551,300.00~~ **\$17,691,251,300.00** from the state school aid
17 fund, the sum of \$78,830,600.00 from the general fund, an amount
18 not to exceed \$41,000,000.00 from the community district education
19 trust fund created under section 12 of the Michigan trust fund act,
20 2000 PA 489, MCL 12.262, an amount not to exceed \$125,000,000.00
21 from the school transportation fund created under section 22k, an
22 amount not to exceed \$71,000,000.00 from the enrollment
23 stabilization fund created under section 29, an amount not to
24 exceed \$30,000,000.00 from the school meals reserve fund created
25 under section 30e, an amount not to exceed \$18,000,000.00 from the
26 great start readiness program reserve fund created under section
27 32e, an amount not to exceed \$334,100,000.00 from the MPSERS
28 retirement obligation reform reserve fund created under section
29 147b, and an amount not to exceed \$30,000,000.00 from the educator

1 fellowship public provider fund created in section 27d. **For the**
 2 **fiscal year ending September 30, 2026, there is appropriated for**
 3 **the public schools of this state and certain other state purposes**
 4 **relating to education the sum of \$19,111,272,000.00 from the state**
 5 **school aid fund, the sum of \$71,980,600.00 from the general fund,**
 6 **an amount not to exceed \$28,000,000.00 from the great start**
 7 **readiness program reserve fund created under section 32e, and an**
 8 **amount equal to the full amount in the school consolidation and**
 9 **infrastructure fund created under section 11x, estimated at**
 10 **\$286,500,000.00.** In addition, all available federal funds are only
 11 appropriated as allocated in this article for the fiscal ~~year~~**years**
 12 ending September 30, 2025 **and September 30, 2026.**

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

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

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

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

27 (a) Unexpended and unencumbered state school aid fund revenue
 28 for a fiscal year that remains in the state school aid fund as of
 29 the bookclosing for that fiscal year.

1 (b) Money statutorily dedicated to the school aid
2 stabilization fund.

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

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

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

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

17 (6) If the maximum amount appropriated under section 11 from
18 the state school aid fund for a fiscal year exceeds the amount
19 available for expenditure from the state school aid fund for that
20 fiscal year, there is appropriated from the school aid
21 stabilization fund to the state school aid fund an amount equal to
22 the projected shortfall as determined by the department of
23 treasury, but not to exceed available money in the school aid
24 stabilization fund. If the money in the school aid stabilization
25 fund is insufficient to fully fund an amount equal to the projected
26 shortfall, the state budget director shall notify the legislature
27 as required under section 296(2) and state payments in an amount
28 equal to the remainder of the projected shortfall must be prorated
29 in the manner provided under section 296(3).

(7) For ~~2024-2025~~, **2025-2026**, in addition to the appropriations in section 11, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this article.

Sec. 11j. From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$23,000,000.00 for ~~2024-2025~~**2025-2026** for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 296 or any other provision of this act, funds allocated under this section are not subject to proration and must be paid in full.

Sec. 11k. For ~~2024-2025~~, **2025-2026**, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the state school aid fund money appropriated in section 11, there is allocated for ~~2024-2025~~**2025-2026** an amount not to exceed ~~\$1,000,000.00~~**\$5,000,000.00** for fiscal year cash-flow borrowing costs solely related to the state school aid fund established under section 11 of article IX of the state constitution of 1963.

Sec. 11x. (1) The school consolidation and infrastructure fund is created as a separate account within the state school aid fund for the purpose of improving student academic outcomes, increasing the efficiency of the state's public education system, and creating a healthy and safe space for students in this state.

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

8 ~~(3) Money in the school consolidation and infrastructure fund~~
9 ~~at the close of the fiscal year remains in the school consolidation~~
10 ~~and infrastructure fund and does not lapse to the state school aid~~
11 ~~fund or the general fund.~~

12 **(3)** ~~(4)~~ The department of treasury is the administrator of the
13 school consolidation and infrastructure fund for auditing purposes.

14 **(4)** ~~(5)~~ Money available in the school consolidation and
15 infrastructure fund must not be expended without a specific
16 appropriation.

17 ~~(6) From the state school aid fund money appropriated under~~
18 ~~section 11, there is allocated for 2022-2023 only an amount not to~~
19 ~~exceed \$5,000,000.00 for grants to districts and intermediate~~
20 ~~districts to support the cost of a feasibility study or analysis of~~
21 ~~consolidation or the consolidation of services among 1 or more~~
22 ~~buildings within a district, among 1 or more districts, or among 1~~
23 ~~or more intermediate districts. Districts and intermediate~~
24 ~~districts may apply for a grant under this subsection to the~~
25 ~~department on a first-come, first-serve basis. The maximum amount~~
26 ~~of a grant to be distributed under this subsection may not exceed~~
27 ~~\$250,000.00. Notwithstanding section 17b, the department shall make~~
28 ~~payments under this subsection on a schedule determined by the~~
29 ~~department.~~

~~(7) To be eligible for a grant under subsection (6), a district or intermediate district must demonstrate to the department, in the manner prescribed by the department, that it will conduct a feasibility study or analysis and that all of the following will be met:~~

~~(a) Within 30 days after completion of the study or analysis, the district or intermediate district will make the results of the study or analysis available to all districts and intermediate districts included in the study or analysis. Within 60 days after the completion of the study or analysis, the district or intermediate district will make the results available on a publicly available website.~~

~~(b) The study or analysis may include, but is not limited to, consolidation opportunities in the following areas:~~

~~(i) Financial services, which may include, but is not limited to, the following:~~

~~(A) Budgeting and staffing.~~

~~(B) Payroll.~~

~~(C) Employee benefits.~~

~~(D) State reporting.~~

~~(E) Software consolidation to achieve common software throughout the intermediate district.~~

~~(ii) Human resources, which may include, but is not limited to, the following:~~

~~(A) Onboarding.~~

~~(B) Title IX administration.~~

~~(C) Hiring.~~

~~(D) Software consolidation to achieve common software throughout the intermediate district.~~

~~(iii) Information technology, which may include, but is not limited to, the following:~~

~~(A) Software consolidation to achieve common software throughout the intermediate district.~~

~~(B) Fiber projects.~~

~~(C) Cybersecurity.~~

~~(D) One-to-one device management.~~

~~(iv) Grant management and reporting, which may include, but is not limited to, the following:~~

~~(A) Management of all state grant sites and databases.~~

~~(B) Grant reporting.~~

~~(v) Cash management, which may include, but is not limited to, the opportunities for intermediate districts and districts to contract on cash flow management to maximize interest earnings.~~

~~(vi) Debt issuance and management, including at least all of the following:~~

~~(A) Refunding opportunities.~~

~~(B) New bond issue analysis.~~

~~(vii) School facility consolidation.~~

~~(viii) Consolidation of transportation-related activities.~~

~~(ix) The physical consolidation of districts.~~

~~(8) An intermediate district that receives a grant under this section shall meet with its constituent districts located within the intermediate district to discuss the results of the study or analysis and to implement changes where feasible. The application for an intermediate district must include a brief description of how the intermediate district will conduct these meetings.~~

~~(9) To be eligible for the receipt of funding for infrastructure-related projects appropriated from the school~~

~~consolidation and infrastructure fund created under this section, a district must allow for the facility condition assessments described in section 11y to be conducted in the district. It is the intent of the legislature that money in the school consolidation and infrastructure fund will not be appropriated for infrastructure projects until the completion of the facility condition assessments described in section 11y.~~

(5) From the school consolidation and infrastructure fund money appropriated under section 11, there is allocated for 2025-2026 only an amount equal to the full amount in the school consolidation and infrastructure fund, estimated at \$286,500,000.00, for the following purposes:

(a) Competitive grants to districts and intermediate districts for infrastructure projects. The department shall prioritize infrastructure needs related to roofing or HVAC systems that were included in the statewide school facilities study completed under section 11y. The department shall award grants through a first-come, first-served application process that must be opened by not later than January 1, 2026. Grants described in this subdivision must be awarded by not later than February 1, 2026.

(b) Competitive grants to districts and intermediate districts for consolidation or the consolidation of services among 1 or more buildings within a district, among 1 or more districts, or among 1 or more intermediate districts. The department shall award grants through a first-come, first-served application process that must be opened by not later than January 1, 2026. Grants described in this subdivision must be awarded by not later than February 1, 2026.

(c) A per-pupil incentive for districts to address increasing class sizes and utilize best practices to reduce class size.

1 Districts must apply for funding to the department in a form and
2 manner determined by the department. The department shall provide
3 districts with best practices to reduce class sizes and shall
4 develop a method to measure the outcomes of grants provided under
5 this subdivision.

6 (d) A per-pupil incentive for districts to implement a Read by
7 Grade 3 program. The department shall develop the application
8 process and develop criteria for the Read by Grade 3 program. The
9 criteria developed by the department must require that districts do
10 all of the following:

11 (i) Pledge to support at least 1 literacy coach for the fiscal
12 year.

13 (ii) Select reading assessments and systems from a list
14 approved by the department to accomplish reading proficiency.

15 (iii) Base a third grade student's promotion to grade 4 on that
16 student's reading proficiency as determined by the assessment
17 system selected by the district.

18 (iv) Spend not less than 35% of the district's allocation under
19 this subdivision on direct literacy costs.

20 (6) Notwithstanding section 17b, and unless otherwise
21 specified in this section, the department shall make payments under
22 this section on a schedule determined by the department.

23 (7) As used in this section, "consolidation or the
24 consolidation of services" may include, but is not limited to, the
25 following areas:

26 (a) Financial services, which may include, but is not limited
27 to, the following:

28 (i) Budgeting and staffing.

29 (ii) Payroll.

1 (iii) Employee benefits.

2 (iv) State reporting.

3 (v) Software consolidation to achieve common software
4 throughout the district or intermediate district.

5 (b) Human resources, which may include, but is not limited to,
6 the following:

7 (i) Onboarding.

8 (ii) Title IX administration.

9 (iii) Hiring.

10 (iv) Software consolidation to achieve common software
11 throughout the district or intermediate district.

12 (c) Information technology, which may include, but is not
13 limited to, the following:

14 (i) Software consolidation to achieve common software
15 throughout the district or intermediate district.

16 (ii) Fiber projects.

17 (iii) Cybersecurity.

18 (iv) One-to-one device management.

19 (d) Grant management and reporting, which may include, but is
20 not limited to, the following:

21 (i) Management of all state grant sites and databases.

22 (ii) Grant reporting.

23 (e) Cash management, which may include, but is not limited to,
24 the opportunities for districts and intermediate districts to
25 contract on cash flow management to maximize interest earnings.

26 (f) Debt issuance and management, including at least all of
27 the following:

28 (i) Refunding opportunities.

1 **(ii) New bond issue analysis.**

2 **(iii) School facility consolidation.**

3 **(iv) Consolidation of transportation-related activities.**

4 **(g) The physical consolidation of buildings, districts, or**
5 **intermediate districts.**

6 Sec. 11z. (1) The school aid countercyclical budget and
7 foundation stabilization fund is created as a separate account in
8 the state school aid fund.

9 (2) The state treasurer may receive money or other assets from
10 any source for deposit into the school aid countercyclical budget
11 and foundation stabilization fund.

12 (3) The state treasurer shall direct the investment of the
13 school aid countercyclical budget and foundation stabilization
14 fund. The state treasurer shall credit to the school aid
15 countercyclical budget and foundation stabilization fund interest
16 and earnings from fund investments.

17 (4) Money in the school aid countercyclical budget and
18 foundation stabilization fund at the close of a fiscal year remains
19 in the school aid countercyclical budget and foundation
20 stabilization fund and does not lapse to the state school aid fund
21 or the general fund.

22 (5) Except as provided in subsections (6) and (7), money
23 available in the school aid countercyclical budget and foundation
24 stabilization fund may not be expended without a specific
25 appropriation from the school aid countercyclical budget and
26 foundation stabilization fund.

27 (6) If, for a given fiscal year, the department of treasury
28 determines that proration of payments under this article will be
29 required under section 296, the amount necessary to avoid

proration, or an amount necessary to reduce proration, may be deposited from the school aid countercyclical budget and foundation stabilization fund into the state school aid fund. The state budget director shall notify the legislature of a deposit under this subsection at least 30 calendar days or 6 legislative session days, whichever is more, before a deposit is made. Funds deposited into the state school aid fund under this subsection must be used only to eliminate or reduce proration under this article, as required under section 296. If, after making final calculations under section 296, the amount deposited into the state school aid fund under this section exceeds the amount actually necessary to eliminate or reduce proration, the excess amount must be deposited back into the school aid countercyclical budget and foundation stabilization fund.

(7) If year-over-year revenues for the state school aid fund are projected to decline, as determined during the final revenue estimating conference of a given fiscal year, the gross year-over-year decline in state school aid fund revenue may be deposited from the school aid countercyclical budget and foundation stabilization fund into the state school aid fund. The state budget director shall notify the legislature of a deposit under this subsection at least 30 calendar days or 6 legislative session days, whichever is more, before a deposit is made.

(8) Funds deposited into the state school aid fund under this section must be appropriated only for purposes under article I.

(9) ~~For the fiscal year ending September 30, 2025 only,~~
~~\$25,000,000.00 from the state school aid fund is deposited into the~~
~~school aid countercyclical budget and foundation stabilization~~
~~fund.~~ **For 2025-2026, \$265,800,000.00 from the school aid**

1 **countercyclical budget and foundation stabilization fund must be**
2 **deposited into the state school aid fund.**

3 (10) As used in this section:

4 (a) "Revenue estimating conference" means a revenue estimating
5 conference occurring in May as described in section 367b of the
6 management and budget act, MCL 18.1367b.

7 (b) "Year-over-year" means a comparison of the fiscal year in
8 which calculations are being made to the fiscal year immediately
9 preceding the fiscal year in which calculations are being made.

10 Sec. 15. (1) If a district or intermediate district fails to
11 receive its proper apportionment, the department, upon satisfactory
12 proof that the district or intermediate district was entitled
13 justly, shall apportion the deficiency in the next apportionment.
14 Subject to subsections (2) and (3), if a district or intermediate
15 district has received more than its proper apportionment, the
16 department, upon satisfactory proof, shall deduct the excess in the
17 next apportionment. Notwithstanding any other provision in this
18 article, state aid overpayments to a district, other than
19 overpayments in payments for special education or special education
20 transportation, may be recovered from any payment made under this
21 article other than a special education or special education
22 transportation payment, from the proceeds of a loan to the district
23 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
24 141.942, or from the proceeds of millage levied or pledged under
25 section 1211 of the revised school code, MCL 380.1211. State aid
26 overpayments made in special education or special education
27 transportation payments may be recovered from subsequent special
28 education or special education transportation payments, from the
29 proceeds of a loan to the district under the emergency municipal

1 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
2 of millage levied or pledged under section 1211 of the revised
3 school code, MCL 380.1211.

4 (2) If the result of an audit conducted by or for the
5 department affects the current fiscal year membership, the
6 department shall adjust affected payments in the current fiscal
7 year. A deduction due to an adjustment made as a result of an audit
8 conducted by or for the department, or as a result of information
9 obtained by the department from the district, an intermediate
10 district, the department of treasury, or the office of auditor
11 general, must be deducted from the district's apportionments when
12 the adjustment is finalized. At the request of the district and
13 upon the district presenting evidence satisfactory to the
14 department of the hardship, the department may grant up to an
15 additional 4 years for the adjustment and may advance payments to
16 the district otherwise authorized under this article if the
17 district would otherwise experience a significant hardship in
18 satisfying its financial obligations. However, a district that
19 presented satisfactory evidence of hardship and was undergoing an
20 extended adjustment during 2018-2019 may continue to use the period
21 of extended adjustment as originally granted by the department.

22 (3) If, based on an audit by the department or the
23 department's designee or because of new or updated information
24 received by the department, the department determines that the
25 amount paid to a district or intermediate district under this
26 article for the current fiscal year or a prior fiscal year was
27 incorrect, the department shall make the appropriate deduction or
28 payment in the district's or intermediate district's allocation in
29 the next apportionment after the adjustment is finalized. The

1 department shall calculate the deduction or payment according to
2 the law in effect in the fiscal year in which the incorrect amount
3 was paid. If the district does not receive an allocation for the
4 fiscal year or if the allocation is insufficient to pay the amount
5 of any deduction, the amount of any deduction otherwise applicable
6 must be satisfied from the proceeds of a loan to the district under
7 the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
8 141.942, or from the proceeds of millage levied or pledged under
9 section 1211 of the revised school code, MCL 380.1211, as
10 determined by the department.

11 (4) If the department makes an adjustment under this section
12 based in whole or in part on a membership audit finding that a
13 district or intermediate district employed an educator in violation
14 of certification requirements under the revised school code and
15 rules promulgated by the department, the department shall prorate
16 the adjustment according to the period of noncompliance with the
17 certification requirements.

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

23 (6) Expenditures made by ~~the department~~ **departments** under this
24 article that are caused by the write-off of prior year accruals may
25 be funded by revenue from the write-off of prior year accruals.

26 (7) In addition to funds appropriated in section 11 for all
27 programs and services, there is appropriated for ~~2024-2025~~ **2025-**
28 **2026** for obligations in excess of applicable appropriations an
29 amount equal to the collection of overpayments, but not to exceed

1 amounts available from overpayments.

2 Sec. 16. (1) The curriculum used by a district must not, in
3 any way, include the promotion of any form of race or gender
4 stereotyping or anything that could be understood as implicit race
5 or gender stereotyping. As used in this subsection, "race or gender
6 stereotyping" means a set of statements, beliefs, or ideas that
7 conform wholly or in part with the following general or particular
8 statements:

9 (a) That all individuals comprising a racial or ethnic group
10 or gender hold a collective quality or belief.

11 (b) That individuals act in certain ways or hold certain
12 opinions because of their race or gender.

13 (c) That individuals are born racist or sexist by accident of
14 their race or gender.

15 (d) That individuals bear collective guilt for historical
16 wrongs committed by their race or gender.

17 (e) That cultural norms or practices of a racial or ethnic
18 group or gender are flawed and must be eliminated or changed to
19 conform with those of another racial or ethnic group or gender.

20 (f) That racism is inherent in individuals from a particular
21 race or ethnic group or that sexism is inherent in individuals from
22 a particular gender.

23 (g) That a racial or ethnic group or gender is in need of
24 deconstruction, elimination, or criticism.

25 (h) That the actions of individuals serve as an indictment
26 against the race or gender of those individuals.

27 (2) State funding must not be used for diversity, equity, and
28 inclusion (DEI) initiatives or programs as outlined in Executive
29 Order No. 14190, "Ending Racial Indoctrination in K-12 Schooling".

1 (3) The board of a district or board of directors of a public
2 school academy that participates in interscholastic athletic
3 activities shall designate interscholastic athletic teams and
4 sports based on the sex of the participants, with separate teams
5 for participants of the female sex within female sports divisions,
6 separate teams for participants of the male sex within male sports
7 divisions, and, if applicable, co-ed teams for participants of the
8 female and male sexes within co-ed sports divisions. A district
9 shall not knowingly allow individuals of the male sex to
10 participate on athletic teams or in athletic competitions
11 designated for only participants of the female sex. This subsection
12 must not be construed to restrict the eligibility of any student to
13 participate on any interscholastic athletic teams or in
14 interscholastic athletic activities that are designated as male or
15 co-ed. As used in this subsection:

16 (a) "Female" means an individual of the sex characterized by a
17 reproductive system with the biological function of producing eggs
18 (ova).

19 (b) "Male" means an individual of the sex characterized by a
20 reproductive system with the biological function of producing
21 sperm.

22 (c) "Sex" means an individual's immutable biological
23 classification as male or female.

24 (4) A district must not provide multistall unisex bathrooms
25 for students.

26 (5) If a district fails to meet the requirements of this
27 section, the department shall withhold 20% of the district's
28 allocation under section 22b until the district complies with this
29 section. If the district does not comply with this section by the

1 **end of the fiscal year, the department shall place the amount**
2 **withheld in an escrow account until the district complies with this**
3 **section.**

4 Sec. 19. (1) A district or intermediate district shall comply
5 with all applicable reporting requirements specified in state and
6 federal law. Data provided to the center, in a form and manner
7 prescribed by the center, must be aggregated and disaggregated as
8 required by state and federal law. In addition, a district or
9 intermediate district shall cooperate with all measures taken by
10 the center to establish and maintain a statewide P-20 longitudinal
11 data system.

12 (2) Each district shall furnish to the center not later than 5
13 weeks after the pupil membership count day and by the last business
14 day in June of the school fiscal year ending in the fiscal year, in
15 a manner prescribed by the center, the information necessary for
16 the preparation of the district and high school graduation report,
17 information regarding completion of early middle college
18 credentials obtained and postsecondary credits obtained in any
19 college acceleration program, and information necessary for the
20 preparation of the state and federal accountability reports. This
21 information must meet requirements established in the pupil
22 auditing manual approved and published by the department. The
23 center shall calculate an annual graduation and pupil dropout rate
24 for each high school, each district, and this state, in compliance
25 with nationally recognized standards for these calculations. The
26 center shall report all graduation and dropout rates to the senate
27 and house education committees and appropriations committees, the
28 state budget director, and the department not later than 30 days
29 after the publication of the list described in subsection (5).

1 Before reporting these graduation and dropout rates, the department
2 shall allow a school or district to appeal the calculations. The
3 department shall consider and act upon the appeal within 30 days
4 after it is submitted and shall not report these graduation and
5 dropout rates until after all appeals have been considered and
6 decided.

7 (3) By the first business day in December and by the last
8 business day in June of each year, ~~and within 30 days of any~~
9 ~~changes in employment or assignment status,~~ a district shall
10 furnish to the center, in a manner prescribed by the center,
11 information related to educational personnel ~~and personnel~~
12 ~~vacancies~~ as necessary for reporting required by state and federal
13 law. For the purposes of this subsection, the center shall only
14 require districts and intermediate districts to report information
15 that is not already available from the office of retirement
16 services in the department of technology, management, and budget. ~~7~~
17 ~~including, but not limited to, information concerning vacancy start~~
18 ~~and end dates and reasons for vacancies and vacancy terminations.~~

19 (4) If a district or intermediate district fails to meet the
20 requirements of this section, the department shall withhold 5% of
21 the total funds for which the district or intermediate district
22 qualifies under this article until the district or intermediate
23 district complies with this section. If the district or
24 intermediate district does not comply with this section by the end
25 of the fiscal year, the department shall place the amount withheld
26 in an escrow account until the district or intermediate district
27 complies with this section.

28 (5) Before publishing a list of school or district
29 accountability designations as required by the no child left behind

1 act of 2001, Public Law 107-110, or the every student succeeds act,
2 Public Law 114-95, and utilizing data that were certified as
3 accurate and complete after districts and intermediate districts
4 adhered to deadlines, data quality reviews, and correction
5 processes leading to local certification of final student data in
6 subsection (2), the department shall allow a school or district to
7 appeal any calculation errors used in the preparation of
8 accountability metrics. The department shall consider and act upon
9 the appeal within 30 days after it is submitted and shall not
10 publish the list until after all appeals have been considered and
11 decided.

12 (6) The department shall implement statewide standard
13 reporting requirements for education data approved by the
14 department in conjunction with the center. The department shall
15 work with the center, intermediate districts, districts, and other
16 interested stakeholders to implement this policy change. A district
17 or intermediate district shall implement the statewide standard
18 reporting requirements not later than 2017-2018 or when a district
19 or intermediate district updates its education data reporting
20 system, whichever is later.

21 (7) A district or intermediate district shall collect and
22 submit to the center tribal affiliation data for all students and
23 staff and the identification of student participation in federal
24 programs funded under 20 USC 7401 to 7546 and participation in
25 federal programs funded under the Johnson-O'Malley Supplemental
26 Indian Education Program Modernization Act, Public Law 115-404. The
27 data must be reported in a form and manner prescribed by the center
28 in consultation with the federally recognized Indian tribes in this
29 state and the department in adherence to the department's tribal

1 consultation policy. A district or intermediate district shall
2 begin completion of the reporting requirement under this subsection
3 by not later than the 2024-2025 fiscal year.

4 Sec. 20. (1) For ~~2024-2025,~~ **2025-2026**, the target foundation
5 allowance is ~~\$9,608.00.~~ **\$10,025.00.**

6 (2) The department shall calculate the amount of each
7 district's foundation allowance as provided in this section, using
8 a target foundation allowance in the amount specified in subsection
9 (1).

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

15 (a) For a district that had a foundation allowance for the
16 immediately preceding fiscal year that was equal to the target
17 foundation allowance for the immediately preceding fiscal year, the
18 district receives a foundation allowance in an amount equal to the
19 target foundation allowance described in subsection (1) for the
20 current fiscal year.

21 (b) For a district that had a foundation allowance for the
22 immediately preceding fiscal year that was greater than the target
23 foundation allowance for the immediately preceding fiscal year, the
24 district's foundation allowance is an amount equal to the lesser of
25 (the sum of the district's foundation allowance for the immediately
26 preceding fiscal year plus any per pupil amount calculated under
27 section 20m(2) in the immediately preceding fiscal year plus the
28 increase in the target foundation allowance for the current fiscal
29 year, as compared to the immediately preceding fiscal year) or (the

1 product of the district's foundation allowance for the immediately
2 preceding fiscal year times the percentage increase in the United
3 States Consumer Price Index in the calendar year ending in the
4 immediately preceding fiscal year as reported by the May revenue
5 estimating conference conducted under section 367b of the
6 management and budget act, 1984 PA 431, MCL 18.1367b).

7 (c) For a district that had a foundation allowance in the
8 immediately preceding fiscal year that was less than the target
9 foundation allowance in effect for that fiscal year, the district's
10 foundation allowance is an amount equal to the lesser of (the sum
11 of district's foundation allowance for the immediately preceding
12 fiscal year plus any per pupil amount calculated under section
13 20m(2) in the immediately preceding fiscal year plus the increase
14 in the target foundation allowance for the current fiscal year, as
15 compared to the immediately preceding fiscal year) or (the product
16 of the district's foundation allowance for the immediately
17 preceding fiscal year times the percentage increase in the United
18 States Consumer Price Index in the calendar year ending in the
19 immediately preceding fiscal year as reported by the May revenue
20 estimating conference conducted under section 367b of the
21 management and budget act, 1984 PA 431, MCL 18.1367b).

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

25 (4) Except as otherwise provided in this subsection, the state
26 portion of a district's foundation allowance is an amount equal to
27 the district's foundation allowance or the target foundation
28 allowance for the current fiscal year, whichever is less, minus the
29 local portion of the district's foundation allowance. Except as

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

26 (5) The allocation calculated under this section for a pupil
27 is based on the foundation allowance of the pupil's district of
28 residence. For a pupil enrolled under section 105 or 105c in a
29 district other than the pupil's district of residence, the

1 allocation calculated under this section is based on the lesser of
2 the foundation allowance of the pupil's district of residence or
3 the foundation allowance of the educating district. For a pupil in
4 membership in a K-5, K-6, or K-8 district who is enrolled in
5 another district in a grade not offered by the pupil's district of
6 residence, the allocation calculated under this section is based on
7 the foundation allowance of the educating district if the educating
8 district's foundation allowance is greater than the foundation
9 allowance of the pupil's district of residence. The calculation
10 under this subsection must take into account a district's per-pupil
11 allocation under section 20m.

12 (6) Except as otherwise provided in this subsection, for
13 pupils in membership, other than special education pupils, in a
14 public school academy, the allocation calculated under this section
15 is an amount per membership pupil other than special education
16 pupils in the public school academy equal to the target foundation
17 allowance specified in subsection (1), or, for a public school
18 academy that was issued a contract under section 552 of the revised
19 school code, MCL 380.552, to operate as a school of excellence that
20 is a cyber school, ~~\$9,150.00.~~ **\$10,025.00.** Notwithstanding section
21 101, for a public school academy that begins operations after the
22 pupil membership count day, the amount per membership pupil
23 calculated under this subsection must be adjusted by multiplying
24 that amount per membership pupil by the number of hours of pupil
25 instruction provided by the public school academy after it begins
26 operations, as determined by the department, divided by the minimum
27 number of hours of pupil instruction required under section 101(3).
28 The result of this calculation must not exceed the amount per
29 membership pupil otherwise calculated under this subsection.

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

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

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

27 (10) State payments related to payment of the foundation
28 allowance for a special education pupil are not calculated under
29 this section but are instead calculated under section 51e.

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

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

17 (b) The revenue adjustment factor is computed by dividing the
18 sum of the estimated total state school aid fund revenue for the
19 subsequent fiscal year plus the estimated total state school aid
20 fund revenue for the current fiscal year, adjusted for any change
21 in the rate or base of a tax the proceeds of which are deposited in
22 that fund and excluding money transferred into that fund from the
23 countercyclical budget and economic stabilization fund under the
24 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, by
25 the sum of the estimated total school aid fund revenue for the
26 current fiscal year plus the estimated total state school aid fund
27 revenue for the immediately preceding fiscal year, adjusted for any
28 change in the rate or base of a tax the proceeds of which are
29 deposited in that fund. If a consensus revenue factor is not

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

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

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

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

22 (14) As used in this section:

23 (a) "Certified mills" means the lesser of 18 mills or the
24 number of mills of school operating taxes levied by the district in
25 1993-94.

26 (b) "Current fiscal year" means the fiscal year for which a
27 particular calculation is made.

28 (c) "Dissolved district" means a district that loses its
29 organization, has its territory attached to 1 or more other

1 districts, and is dissolved as provided under section 12 of the
2 revised school code, MCL 380.12.

3 (d) "Immediately preceding fiscal year" means the fiscal year
4 immediately preceding the current fiscal year.

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

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

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

24 (h) "Principal residence", "qualified agricultural property",
25 "qualified forest property", "supportive housing property",
26 "industrial personal property", and "commercial personal property"
27 mean those terms as defined in section 1211 of the revised school
28 code, MCL 380.1211.

29 (i) "Receiving district" means a district to which all or part

1 of the territory of a dissolved district is attached under section
2 12 of the revised school code, MCL 380.12.

3 (j) "School operating purposes" means the purposes included in
4 the operation costs of the district as prescribed in sections 7 and
5 18 and purposes authorized under section 1211 of the revised school
6 code, MCL 380.1211.

7 (k) "School operating taxes" means local ad valorem property
8 taxes levied under section 1211 of the revised school code, MCL
9 380.1211, and retained for school operating purposes.

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

14 (m) "Taxable value per membership pupil" means taxable value,
15 as certified by the county treasurer and reported to the
16 department, for the calendar year ending in the current state
17 fiscal year divided by the district's membership excluding special
18 education pupils for the school year ending in the current state
19 fiscal year.

20 Sec. 20d. In making the final determination required under
21 former section 20a of a district's combined state and local revenue
22 per membership pupil in 1993-94 and in making calculations under
23 section 20 for ~~2024-2025~~, **2025-2026**, the department and the
24 department of treasury shall comply with all of the following:

25 (a) For a district that had combined state and local revenue
26 per membership pupil in the 1994-95 fiscal year of \$6,500.00 or
27 more and served as a fiscal agent for a state board designated area
28 vocational education center in the 1993-94 school year, total state
29 school aid received by or paid on behalf of the district under this

1 act in 1993-94 excludes payments made under former section 146 and
2 under section 147 on behalf of the district's employees who
3 provided direct services to the area vocational education center.
4 Not later than June 30, 1996, the department shall make an
5 adjustment under this subdivision to the district's combined state
6 and local revenue per membership pupil in the 1994-95 fiscal year
7 and the department of treasury shall make a final certification of
8 the number of mills that may be levied by the district under
9 section 1211 of the revised school code, MCL 380.1211, as a result
10 of the adjustment under this subdivision.

11 (b) If a district had an adjustment made to its 1993-94 total
12 state school aid that excluded payments made under former section
13 146 and under section 147 on behalf of the district's employees who
14 provided direct services for intermediate district center programs
15 operated by the district under former section 51 and sections 51a
16 to 56, if nonresident pupils attending the center programs were
17 included in the district's membership for purposes of calculating
18 the combined state and local revenue per membership pupil for 1993-
19 94, and if there is a signed agreement by all constituent districts
20 of the intermediate district agreeing to an adjustment under this
21 subdivision, the department shall calculate the foundation
22 allowances for 1995-96 and 1996-97 of all districts that had pupils
23 attending the intermediate district center program operated by the
24 district that had the adjustment as if their combined state and
25 local revenue per membership pupil for 1993-94 included resident
26 pupils attending the center program and excluded nonresident pupils
27 attending the center program.

28 Sec. 21f. (1) A primary district shall enroll an eligible
29 pupil in virtual courses in accordance with the provisions of this

1 section. A primary district shall not offer a virtual course to an
2 eligible pupil unless the virtual course is published in the
3 primary district's catalog of board-approved courses or in the
4 statewide catalog of virtual courses maintained by the Michigan
5 Virtual University pursuant to section 98. The primary district
6 shall also provide on its publicly accessible website a link to the
7 statewide catalog of virtual courses maintained by the Michigan
8 Virtual University. Unless the pupil is at least age 18 or is an
9 emancipated minor, a pupil must not be enrolled in a course that
10 meets virtually for more than ~~15~~7 days in a school year without
11 the consent of the pupil's parent or legal guardian.

12 (2) Subject to subsection (3), a primary district shall enroll
13 an eligible pupil in up to 2 virtual courses as requested by the
14 pupil during an academic term, semester, or trimester.

15 (3) A pupil may be enrolled in more than 2 virtual courses in
16 a specific academic term, semester, or trimester if both of the
17 following conditions are met:

18 (a) The primary district has determined that it is in the best
19 interest of the pupil.

20 (b) The pupil agrees with the recommendation of the primary
21 district.

22 (4) If the number of applicants eligible for acceptance in a
23 virtual course does not exceed the capacity of the provider to
24 provide the virtual course, the provider shall accept for
25 enrollment all of the applicants eligible for acceptance. If the
26 number of applicants exceeds the provider's capacity to provide the
27 virtual course, the provider shall use a random draw system,
28 subject to the need to abide by state and federal
29 antidiscrimination laws and court orders. A primary district that

1 is also a provider shall determine whether or not it has the
2 capacity to accept applications for enrollment from nonresident
3 applicants in virtual courses and may use that limit as the reason
4 for refusal to enroll a nonresident applicant.

5 (5) A primary district may not establish additional
6 requirements beyond those specified in this subsection that would
7 prohibit a pupil from taking a virtual course. A pupil's primary
8 district may deny the pupil enrollment in a virtual course if any
9 of the following apply, as determined by the district:

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

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

13 (c) The virtual course is not capable of generating academic
14 credit.

15 (d) The virtual course is inconsistent with the remaining
16 graduation requirements or career interests of the pupil.

17 (e) The pupil has not completed the prerequisite coursework
18 for the requested virtual course or has not demonstrated
19 proficiency in the prerequisite course content.

20 (f) The pupil has failed a previous virtual course in the same
21 subject during the 2 most recent academic years.

22 (g) The virtual course is of insufficient quality or rigor. A
23 primary district that denies a pupil enrollment request for this
24 reason shall enroll the pupil in a virtual course in the same or a
25 similar subject that the primary district determines is of
26 acceptable rigor and quality.

27 (h) The cost of the virtual course exceeds the amount
28 identified in subsection (10), unless the pupil or the pupil's
29 parent or legal guardian agrees to pay the cost that exceeds this

1 amount.

2 (i) The request for a virtual course enrollment did not occur
3 within the same timelines established by the primary district for
4 enrollment and schedule changes for regular courses.

5 (j) The request for a virtual course enrollment was not made
6 in the academic term, semester, trimester, or summer preceding the
7 enrollment. This subdivision does not apply to a request made by a
8 pupil who is newly enrolled in the primary district.

9 (6) If a pupil is denied enrollment in a virtual course by the
10 pupil's primary district, the primary district shall provide
11 written notification to the pupil of the denial, the reason or
12 reasons for the denial under subsection (5), and a description of
13 the appeal process. The pupil may appeal the denial by submitting a
14 letter to the superintendent of the intermediate district in which
15 the pupil's primary district is located. The letter of appeal must
16 include the reason provided by the primary district for not
17 enrolling the pupil and the reason why the pupil is claiming that
18 the enrollment should be approved. The intermediate district
19 superintendent or designee shall respond to the appeal within 5
20 days after it is received. If the intermediate district
21 superintendent or designee determines that the denial of enrollment
22 does not meet 1 or more of the reasons specified in subsection (5),
23 the primary district shall enroll the pupil in the virtual course.

24 (7) To provide a virtual course to an eligible pupil under
25 this section, a provider must do all of the following:

26 (a) Ensure that the virtual course has been published in the
27 pupil's primary district's catalog of board-approved courses or
28 published in the statewide catalog of virtual courses maintained by
29 the Michigan Virtual University.

1 (b) Assign to each pupil a teacher of record and provide the
2 primary district with the personnel identification code assigned by
3 the center for the teacher of record. If the provider is a
4 community college, the virtual course must be taught by an
5 instructor employed by or contracted through the providing
6 community college.

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

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

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

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

23 (8) To provide a virtual course under this section, a
24 community college shall ensure that each virtual course it provides
25 under this section generates postsecondary credit.

26 (9) For any virtual course a pupil enrolls in under this
27 section, the pupil's primary district must assign to the pupil a
28 mentor and shall supply the provider with the mentor's contact
29 information.

1 (10) For a pupil enrolled in 1 or more virtual courses, the
2 primary district shall use foundation allowance or per-pupil funds
3 calculated under section 20 to pay for the expenses associated with
4 the virtual course or courses. A primary district is not required
5 to pay toward the cost of a virtual course an amount that exceeds
6 6.67% of the target foundation allowance for the current fiscal
7 year as calculated under section 20.

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

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

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

1 (14) Subject to the requirements in this subsection, a
2 district may provide instruction under this section for not more
3 than ~~15~~7 days in a school year. If a district plans to provide
4 instruction under this section to pupils for not more than ~~15~~7
5 days during a school year, the district's plan must be approved by
6 the board of the district and the district must provide notice of
7 the plan to impacted pupils and their parents or legal guardians
8 before enactment of the plan. Days of instruction under this
9 subsection may only be used for the following purposes, as defined
10 by the department:

11 (a) Emergency closures.

12 (b) Student testing days.

13 (c) Professional development purposes, not to exceed a total
14 of 30 hours during a school year.

15 (15) As used in this section:

16 (a) "Instructor" means an individual who is employed by or
17 contracted through a community college.

18 (b) "Mentor" means a professional employee of the primary
19 district who monitors the pupil's progress, ensures the pupil has
20 access to needed technology, is available for assistance, and
21 ensures access to the teacher of record. A mentor may also serve as
22 the teacher of record if the primary district is the provider for
23 the virtual course and the mentor meets the requirements under
24 subdivision (e).

25 (c) "Primary district" means the district that enrolls the
26 pupil and reports the pupil for pupil membership purposes.

27 (d) "Provider" means the district, intermediate district,
28 community college, or other third-party vendor that the primary
29 district pays to provide the virtual course or the Michigan Virtual

1 University if it is providing the virtual course.

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

4 (i) Is appropriately placed under a valid Michigan teaching
5 certificate or a teaching permit, authorization, or approval issued
6 by the department. As used in this subparagraph, "appropriately
7 placed" means holding a valid Michigan educator credential with the
8 required grade range and discipline or subject area for the
9 assignment, as defined by the superintendent of public instruction.

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

15 (iii) Has a personnel identification code provided by the
16 center.

17 (iv) If the provider is a community college, is an instructor
18 employed by or contracted through the providing community college.

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

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

27 (i) An alignment document detailing how the course meets
28 applicable state standards or, if the state does not have state
29 standards, nationally recognized standards.

(ii) The virtual course content outline.

(iii) The virtual course required assessments.

(iv) The virtual course prerequisites.

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

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

(vii) The virtual course learning outcomes and objectives.

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

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

(x) The course titles assigned by the provider 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 pupils that will be accepted by the provider in the virtual course. A primary district that is also the provider may limit the enrollment to those pupils enrolled in the primary district.

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

(h) "Virtual learning pupil" means a pupil enrolled in 1 or more virtual courses.

Sec. 22a. (1) From the state school aid fund money appropriated in section 11, ~~there is allocated an amount not to exceed \$4,144,000,000.00 for 2023-2024 and there is allocated an amount not to exceed \$3,993,000,000.00~~ **\$3,927,000,000.00** for 2024-

2025 **and there is allocated an amount not to exceed**
\$3,785,000,000.00 for 2025-2026 for payments to districts and
qualifying public school academies to guarantee each district and
qualifying public school academy an amount equal to its 1994-95
total state and local per-pupil revenue for school operating
purposes under section 11 of article IX of the state constitution
of 1963. Pursuant to section 11 of article IX of the state
constitution of 1963, this guarantee does not apply to a district
in a year in which the district levies a millage rate for school
district operating purposes less than it levied in 1994. However,
subsection (2) applies to calculating the payments under this
section. Funds allocated under this section that are not expended
in the fiscal year for which they were allocated, as determined by
the department, may be used to supplement the allocations under
sections 22b and 51c to fully fund those allocations for the same
fiscal year.

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

(a) Except as otherwise provided in this subsection, the state
portion of a district's 1994-95 foundation allowance is an amount
equal to the district's 1994-95 foundation allowance or \$6,500.00,
whichever is less, minus the difference between the sum of the
product of the taxable value per membership pupil of all property
in the district that is nonexempt property times the district's
certified mills and, for a district with certified mills exceeding
12, the product of the taxable value per membership pupil of

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

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

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

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

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

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

(7) As used in this section:

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

(a) ~~(b)~~ "Certified mills" means the lesser of 18 mills or the

1 number of mills of school operating taxes levied by the district in
2 1993-94.

3 **(b)** ~~(e)~~—"Current fiscal year" means the fiscal year for which
4 a particular calculation is made.

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

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

20 **(e)** ~~(f)~~—"Hold harmless millage" means, for a district with a
21 1994-95 foundation allowance greater than \$6,500.00, the number of
22 mills by which the exemption from the levy of school operating
23 taxes on a principal residence, qualified agricultural property,
24 qualified forest property, supportive housing property, industrial
25 personal property, commercial personal property, and property
26 occupied by a public school academy could be reduced as provided in
27 section 1211 of the revised school code, MCL 380.1211, and the
28 number of mills of school operating taxes that could be levied on
29 all property as provided in section 1211(2) of the revised school

code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.

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

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

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

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

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

(k) "Receiving district" means a district to which all or part

1 of the territory of a dissolved district is attached under section
2 12 of the revised school code, MCL 380.12.

3 (l) "School operating taxes" means local ad valorem property
4 taxes levied under section 1211 of the revised school code, MCL
5 380.1211, and retained for school operating purposes as defined in
6 section 20.

7 (m) "Tax increment financing acts" means parts 2, 3, 4, and 6
8 of the recodified tax increment financing act, 2018 PA 57, MCL
9 125.4201 to 125.4420 and 125.4602 to 125.4629, or the brownfield
10 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

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

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

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

Sec. 22b. (1) Except as otherwise provided in this section, for discretionary nonmandated payments to districts under this section, ~~there is allocated for 2023-2024 an amount not to exceed \$6,219,000,000.00 from the state school aid fund and general fund appropriations in section 11 and an amount not to exceed \$72,000,000.00 from the community district education trust fund appropriation in section 11, and there is allocated for 2024-2025 an amount not to exceed \$6,213,000,000.00~~ **\$6,220,000,000.00** from the state school aid fund and general fund appropriations in section 11 and an amount not to exceed \$41,000,000.00 from the community district education trust fund appropriation in section 11, ~~. For 2023-2024, \$33,700,000.00 must be deposited from the general fund into the state school aid fund to reimburse the state school aid fund for community district education trust fund costs in excess of \$72,000,000.00, as required under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262. and there is allocated for 2025-2026 an amount not to exceed \$6,661,000,000.00 from the state school aid fund and general fund appropriations in~~

section 11. For 2024-2025, the amount necessary, estimated at ~~\$70,200,000.00~~ **\$77,700,000.00** must be deposited from the general fund into the state school aid fund to reimburse the state school aid fund for community district education trust fund costs in excess of \$41,000,000.00, as required under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262. ~~If~~ **For 2024-2025 only, if** the amount allocated under this subsection from the community district education trust fund appropriation under section 11 is insufficient to pay for an increase under this section, any amount exceeding that allocation may be paid from other allocations under this subsection. Except for money allocated under this section from the community district education trust fund appropriation in section 11, funds allocated under this section that are not expended in the fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c to fully fund those allocations for the same fiscal year.

(2) Subject to subsection (3) and section 296, the allocation to a district under this section is an amount equal to the sum of the amounts calculated under sections 20, 20m, 51a(2), 51a(3), 51a(11), and 51e, minus the sum of the allocations to the district under sections 22a and 51c. For a community district, the allocation as otherwise calculated under this section is increased by an amount equal to the amount of local school operating tax revenue that would otherwise be due to the community district if not for the operation of section 386 of the revised school code, MCL 380.386, and this increase must be paid from the community district education trust fund allocation in subsection (1) to offset the absence of local school operating revenue in a community

1 district in the funding of the state portion of the foundation
2 allowance under section 20(4).

3 (3) To receive an allocation under subsection (1), each
4 district must do all of the following:

5 (a) Comply with section 1280b of the revised school code, MCL
6 380.1280b.

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

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

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

14 (e) Comply with section 21f.

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

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

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

27 (6) From the allocation in subsection (1), the department
28 shall pay up to \$1,000,000.00 in litigation costs incurred by this
29 state associated with lawsuits filed by 1 or more districts or

1 intermediate districts against this state. If the allocation under
2 this section is insufficient to fully fund all payments required
3 under this section, the payments under this subsection must be made
4 in full before any proration of remaining payments under this
5 section.

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

21 (8) If the local claims review board or a court of competent
22 jurisdiction makes a final determination that this state is in
23 violation of section 29 of article IX of the state constitution of
24 1963 regarding state payments to districts, the state budget
25 director shall use work project funds under subsection (7) or
26 allocate from the discretionary funds for nonmandated payments
27 under this section the amount as may be necessary to satisfy the
28 amount owed to districts before making any payments to districts
29 under subsection (2).

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

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

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

1 payments to districts if the amount or allocation of reimbursed
2 funds is challenged in the lawsuit. As used in this subsection,
3 "title XIX" means title XIX of the social security act, 42 USC 1396
4 to 1396w-6.

5 (12) As used in this section:

6 (a) "Dissolved district" means that term as defined in section
7 20.

8 (b) "Local school operating revenue" means school operating
9 taxes levied under section 1211 of the revised school code, MCL
10 380.1211. For a receiving district, if school operating taxes are
11 to be levied on behalf of a dissolved district that has been
12 attached in whole or in part to the receiving district to satisfy
13 debt obligations of the dissolved district under section 12 of the
14 revised school code, MCL 380.12, local school operating revenue
15 does not include school operating taxes levied within the
16 geographic area of the dissolved district.

17 (c) "Receiving district" and "school operating taxes" mean
18 those terms as defined in section 20.

19 **Sec. 22f. (1) From the state school aid fund money**
20 **appropriated under section 11, there is allocated for 2025-2026 an**
21 **amount not to exceed \$3,034,908,900.00, and from the general fund**
22 **money appropriated under section 11, there is allocated for 2025-**
23 **2026 an amount not to exceed \$40,775,000.00, for per-pupil payments**
24 **as described in this section.**

25 **(2) From the state school aid fund money allocated in**
26 **subsection (1), there is allocated an amount not to exceed**
27 **\$2,720,531,500.00 for 2025-2026 to districts in an equal amount per**
28 **pupil, estimated at \$1,975.00 per pupil. In order to receive**
29 **funding under this subsection, a district must do all of the**

1 following:

2 (a) Pledge to support at least 1 school resource officer for
3 the fiscal year.

4 (b) Pledge to support at least 1 staff member dedicated to
5 supporting mental health for the fiscal year.

6 (c) Pledge to provide an annual report to the department
7 detailing how the funds under this subsection were spent.

8 (3) From the state school aid fund money allocated in
9 subsection (1), there is allocated an amount not to exceed
10 \$314,377,400.00 for 2025-2026 to intermediate districts in an equal
11 amount per pupil enrolled in the districts constituent to the
12 intermediate district, estimated at \$228.00 per constituent
13 district pupil. In order to receive funding under this subsection,
14 an intermediate district must pledge to provide an annual report to
15 the department detailing how funds under this subsection were
16 spent.

17 (4) From the general fund money allocated in subsection (1),
18 there is allocated an amount not to exceed \$40,775,000.00 for 2025-
19 2026 to nonpublic schools in an equal amount per pupil. A nonpublic
20 school receiving funds under this subsection must pledge to support
21 at least 1 school resource officer for the fiscal year. Nonpublic
22 schools in the same geographic boundary of an intermediate district
23 may coordinate to support 1 school resource officer for multiple
24 nonpublic schools. A nonpublic school may coordinate with the
25 district in which the nonpublic school is located to support 1
26 school resource officer for both the district and the nonpublic
27 school. A nonpublic school receiving funds under this subsection
28 may also use the funds for the following purposes:

29 (a) Mental health support and school safety.

1 (b) Universal breakfast and lunch.

2 (c) Student teacher stipends. Funds used for this purpose must
3 be distributed to institutions of higher education in coordination
4 with a nonpublic school. Eligible educator preparation programs
5 shall pay funds received under this section, in entirety, to the
6 eligible student teacher.

7 (d) Robotics programs and competitions, including Science
8 Olympiad programs.

9 (e) Literacy professional development.

10 (5) The department shall provide notice to nonpublic schools
11 of their eligibility to receive funds under subsection (4).

12 (6) Notwithstanding section 17b, the department shall make
13 payments under this section on a schedule determined by the
14 department. The department shall distribute funds for a nonpublic
15 school under subsection (4) within 60 days of request by the
16 nonpublic school.

17 Sec. 22h. From the state school aid fund money appropriated
18 under section 11, there is allocated for 2025-2026 an amount not to
19 exceed \$138,800,000.00 to districts and intermediate districts in
20 an amount needed to ensure the district or intermediate district is
21 held harmless, to the extent calculable by the department, from the
22 removal in 2025-2026 of sections with ongoing funding in 2024-2025,
23 after also accounting for increases or decreases in allocations
24 under sections 22a, 22b, 51e, 147c, and 22f.

25 Sec. 22k. (1) The school transportation fund is created as a
26 separate account within the state school aid fund for the purpose
27 of supporting district transportation costs.

28 (2) The state treasurer may receive money or other assets from
29 any source for deposit into the school transportation fund. The

1 state treasurer shall direct the investment of the school
 2 transportation fund. The state treasurer shall credit to the school
 3 transportation fund interest and earnings from school
 4 transportation fund investments.

5 ~~(3) Money in the school transportation fund at the close of~~
 6 ~~the fiscal year remains in the school transportation fund and does~~
 7 ~~not lapse to the state school aid fund or the general fund.~~

8 **(3)** ~~(4)~~ The department of treasury is the administrator of the
 9 school transportation fund for auditing purposes.

10 **(4)** ~~(5)~~ Money available in the school transportation fund must
 11 not be expended without a specific appropriation.

12 ~~(6) For the fiscal year ending September 30, 2023 only,~~
 13 ~~\$350,000,000.00 from the state school aid fund must be deposited~~
 14 ~~into the school transportation fund.~~

15 **(5) For 2025-2026, the full amount of the school**
 16 **transportation fund, estimated at \$120,250,000.00, must be**
 17 **deposited into the state school aid fund.**

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

23 (a) Measurable academic outcomes that the district or public
 24 school academy will achieve for each school operated by the
 25 district or public school academy that is subject to the
 26 partnership agreement after 18 months and after 36 months from the
 27 date the agreement was originally signed. Measurable academic
 28 outcomes under this subdivision must include all of the following:

29 (i) Outcomes that put pupils on track to meet or exceed grade

1 level proficiency and that are based on district or public school
2 academy needs. ~~identified as required under section 21h.~~

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

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

6 (B) At least 1 proficiency or growth outcome based on a
7 benchmark assessment. ~~described in section 104h.~~

8 (iii) Outcomes that are intended to measure improved high school
9 graduation rates, as applicable.

10 (iv) Outcomes that measure attendance rates.

11 (b) Accountability measures to be imposed if the district or
12 public school academy does not achieve the measurable academic
13 outcomes described in subdivision (a) for each school operated by
14 the district or public school academy that is subject to the
15 partnership agreement. For a district assigned as a partnership
16 district as described in this subsection, accountability measures
17 under this subdivision must include the reconstitution of the
18 school. For a public school academy assigned as a partnership
19 district as described in this subsection, accountability measures
20 under this subdivision may include the reconstitution of the
21 school.

22 (c) For a public school academy assigned as a partnership
23 district as described in this subsection, a requirement that, if
24 reconstitution is imposed on a school that is operated by the
25 public school academy and that is subject to the partnership
26 agreement, the school must be reconstituted as described in section
27 507, 528, or 561, as applicable, of the revised school code, MCL
28 380.507, 380.528, and 380.561.

29 (d) For a district assigned as a partnership district as

1 described in this subsection, a provision that, if reconstitution
2 is imposed on a school that is operated by the district and that is
3 subject to the partnership agreement, reconstitution may require
4 closure of the school building, but, if the school building remains
5 open, reconstitution must include, but is not limited to, all of
6 the following:

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

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

13 (iii) The reconstitution plan for the school must require the
14 adoption of goals similar to the goals included in the partnership
15 agreement, with a limit of 3 years to achieve the goals. If the
16 goals are not achieved within 3 years, the superintendent of public
17 instruction shall impose a second reconstitution plan.

18 (2) If a district or public school academy is assigned as a
19 partnership district as described in subsection (1) during the
20 current fiscal year, it shall ensure that it has a signed
21 partnership agreement as described in subsection (1) in place by
22 not later than 90 days after the date that it is assigned as a
23 partnership district. If a district or public school academy
24 described in this subsection does not comply with this subsection,
25 the department shall withhold funding under section 22b for that
26 district or public school academy until the district or public
27 school academy has a signed partnership agreement as described in
28 subsection (1) in place.

29 Sec. 24. (1) From the state school aid fund money appropriated

1 in section 11, there is allocated for ~~2024-2025~~**2025-2026** an amount
2 not to exceed \$7,650,000.00 for payments to the educating district
3 or intermediate district for educating pupils assigned by a court
4 or the department of health and human services to reside in or to
5 attend a juvenile detention facility or child caring institution
6 licensed by the department of health and human services and
7 approved by the department to provide an on-grounds education
8 program. The amount of the payment under this section to a district
9 or intermediate district is calculated as prescribed under
10 subsection (2).

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

17 (a) "Added cost" means 100% of the added cost each fiscal year
18 for educating all pupils assigned by a court or the department of
19 health and human services to reside in or to attend a juvenile
20 detention facility or child caring institution licensed by the
21 department of health and human services or the department of
22 licensing and regulatory affairs and approved by the department to
23 provide an on-grounds education program. Added cost is computed by
24 deducting all other revenue received under this article for pupils
25 described in this section from total costs, as approved by the
26 department, in whole or in part, for educating those pupils in the
27 on-grounds education program or in a program approved by the
28 department that is located on property adjacent to a juvenile
29 detention facility or child caring institution. Costs reimbursed by

1 federal funds are not included.

2 (b) "Department's approved per-pupil allocation" for a
3 district or intermediate district is determined by dividing the
4 total amount allocated under this section for a fiscal year by the
5 full-time equated membership total for all pupils approved by the
6 department to be funded under this section for that fiscal year for
7 the district or intermediate district.

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

17 (4) Special education pupils funded under section 53a are not
18 funded under this section.

19 Sec. 24a. From the state school aid fund money appropriated in
20 section 11, there is allocated an amount not to exceed
21 \$1,355,700.00 for ~~2024-2025~~**2025-2026** for payments to intermediate
22 districts for pupils who are placed in juvenile justice service
23 facilities operated by the department of health and human services.
24 The amount of the payment to each intermediate district is an
25 amount equal to the state share of those costs that are clearly and
26 directly attributable to the educational programs for pupils placed
27 in facilities described in this section that are located within the
28 intermediate district's boundaries. The intermediate districts
29 receiving payments under this section shall cooperate with the

1 department of health and human services to ensure that all funding
 2 allocated under this section is utilized by the intermediate
 3 district and department of health and human services for
 4 educational programs for pupils described in this section. Pupils
 5 described in this section are not eligible to be funded under
 6 section 24. However, a program responsibility or other fiscal
 7 responsibility associated with these pupils must not be transferred
 8 from the department of health and human services to a district or
 9 intermediate district unless the district or intermediate district
 10 consents to the transfer.

11 Sec. 25f. (1) From the state school aid fund money
 12 appropriated in section 11, there is allocated an amount not to
 13 exceed \$1,600,000.00 for ~~2024-2025~~**2025-2026** for payments to strict
 14 discipline academies and qualified districts, as provided under
 15 this section.

16 (2) To receive funding under this section, a strict discipline
 17 academy or qualified district must first comply with section 25e
 18 and use the pupil transfer process described in that section for
 19 changes in enrollment as prescribed under that section and apply
 20 annually for funding under section 24.

21 (3) The total amount allocated to a strict discipline academy
 22 or qualified district under this section is equal to the strict
 23 discipline academy's or qualified district's pupil membership in
 24 the immediately preceding year multiplied by an amount calculated
 25 by dividing the total allocation under this section by the total
 26 pupil membership for eligible strict discipline academies and
 27 qualified districts in the immediately preceding year. However, the
 28 sum of the amounts received by a strict discipline academy or
 29 qualified district under this section and under section 24 must not

1 exceed the product of the strict discipline academy's or qualified
2 district's per-pupil allocation calculated under section 20
3 multiplied by the strict discipline academy's or qualified
4 district's full-time equated membership. The department shall
5 allocate funds to strict discipline academies and qualified
6 districts under this section on a monthly basis.

7 (4) Special education pupils funded under section 53a are not
8 funded under this section.

9 (5) The department shall make payments to strict discipline
10 academies and qualified districts under this section according to
11 the payment schedule under section 17b.

12 (6) For purposes of this section, the pupil membership for the
13 current fiscal year for a qualified district is the actual number
14 of pupils that are in the custody of a county juvenile agency as
15 described in subsection (7) (a).

16 (7) As used in this section:

17 (a) "Qualified district" means a public school academy that is
18 not a strict discipline academy that enrolls individuals who are in
19 the custody of a county juvenile agency to which both of the
20 following are applicable:

21 (i) The agency had custody of individuals who were enrolled in
22 a strict discipline academy in the 2020-2021 school year.

23 (ii) The strict discipline academy that the individuals
24 described in subparagraph (i) were enrolled in subsequently closed.

25 (b) "Strict discipline academy" means a public school academy
26 established under sections 1311b to 1311m of the revised school
27 code, MCL 380.1311b to 380.1311m.

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

1 exceed ~~\$3,050,000.00~~ **\$750,000.00** for ~~2024-2025~~ **2025-2026** for the
 2 purposes of this section. Except as otherwise provided in this
 3 section, if the operation of the special membership counting
 4 provisions under section 6(4)(dd) and the other membership counting
 5 provisions under section 6(4) result in a pupil being counted as
 6 more than 1.0 FTE in a fiscal year, the payment made for the pupil
 7 under sections 22a and 22b must not be based on more than 1.0 FTE
 8 for that pupil, and that portion of the FTE that exceeds 1.0 is
 9 paid under this section in an amount equal to that portion
 10 multiplied by the educating district's foundation allowance or per-
 11 pupil payment calculated under section 20. ~~It is the intent of the~~
 12 ~~legislature that, for 2025-2026, the allocation from the state~~
 13 ~~school aid fund money appropriated in section 11 for the purposes~~
 14 ~~described in this section will be \$750,000.00.~~

15 (2) Special education pupils funded under section 53a are not
 16 funded under this section.

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

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

23 Sec. 26a. From the state school aid fund money appropriated in
 24 section 11, there is allocated an amount not to exceed
 25 \$14,000,000.00 for ~~2024-2025~~ **2025-2026** to reimburse districts and
 26 intermediate districts under section 12 of the Michigan renaissance
 27 zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2024. The
 28 department shall pay the allocations by not later than 60 days
 29 after the department of treasury certifies to the department and to

1 the state budget director that the department of treasury has
 2 received all necessary information to properly determine the
 3 amounts due to each eligible recipient.

4 Sec. 26b. (1) From the state school aid fund money
 5 appropriated in section 11, there is allocated an amount not to
 6 exceed ~~\$5,284,000.00~~ **\$5,549,000.00** for ~~2024-2025~~ **2025-2026** for
 7 payments to districts, intermediate districts, and community
 8 college districts for the portion of the payment in lieu of taxes
 9 obligation that is attributable to districts, intermediate
 10 districts, and community college districts under section 2154 of
 11 the natural resources and environmental protection act, 1994 PA
 12 451, MCL 324.2154.

13 (2) If the amount appropriated under this section is
 14 insufficient to fully pay obligations under this section, payments
 15 are prorated on an equal basis among all eligible districts,
 16 intermediate districts, and community college districts.

17 Sec. 26c. (1) From the state school aid fund money
 18 appropriated under section 11, there is allocated an amount not to
 19 exceed ~~\$28,300,000.00~~ **\$37,700,000.00** for ~~2023-2024~~ **2024-2025** and
 20 there is allocated an amount not to exceed ~~\$34,500,000.00~~
 21 **\$43,300,000.00** for ~~2024-2025~~ **2025-2026** to the promise zone fund
 22 created in subsection (3). The funds allocated under this section
 23 reflect the amount of revenue from the collection of the state
 24 education tax captured under section 17 of the Michigan promise
 25 zone authority act, 2008 PA 549, MCL 390.1677.

26 (2) Funds allocated to the promise zone fund under this
 27 section must be used solely for payments to eligible districts and
 28 intermediate districts, in accordance with section 17 of the
 29 Michigan promise zone authority act, 2008 PA 549, MCL 390.1677,

1 that have a promise zone development plan approved by the
2 department of treasury under section 7 of the Michigan promise zone
3 authority act, 2008 PA 549, MCL 390.1667. Eligible districts and
4 intermediate districts shall use payments made under this section
5 for reimbursement for qualified educational expenses as that term
6 is defined in section 3 of the Michigan promise zone authority act,
7 2008 PA 549, MCL 390.1663.

8 (3) The promise zone fund is created as a separate account
9 within the state school aid fund to be used solely for the purposes
10 of the Michigan promise zone authority act, 2008 PA 549, MCL
11 390.1661 to 390.1679. All of the following apply to the promise
12 zone fund:

13 (a) The state treasurer shall direct the investment of the
14 promise zone fund. The state treasurer shall credit to the promise
15 zone fund interest and earnings from fund investments.

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

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

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

27 Sec. 26d. (1) From the state school aid fund money
28 appropriated under section 11, there is allocated an amount not to
29 exceed \$14,400,000.00 for ~~2024-2025~~**2025-2026** for reimbursements to

1 intermediate districts as required under section 15b of the
2 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665b.

3 (2) The amounts reimbursed under subsection (1) must be used
4 by the intermediate district only for the purposes for which the
5 property taxes were originally levied.

6 (3) The Michigan strategic fund and the Michigan economic
7 development corporation shall work with the department of treasury
8 in identifying the amount of tax revenues that are to be reimbursed
9 under subsection (1).

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

13 Sec. 27d. (1) The educator fellowship public provider fund is
14 created as a separate account within the state school aid fund for
15 the purpose of improving the educator workforce through recruitment
16 efforts for students attending public educator preparation
17 programs.

18 (2) The state treasurer may receive money or other assets from
19 any source for deposit into the educator fellowship public provider
20 fund. The state treasurer shall direct the investment of the
21 educator fellowship public provider fund. The state treasurer shall
22 credit to the educator fellowship public provider fund interest and
23 earnings from educator fellowship public provider fund investments.

24 ~~(3) Money in the educator fellowship public provider fund at~~
25 ~~the close of the fiscal year remains in the educator fellowship~~
26 ~~public provider fund and does not lapse to the state school aid~~
27 ~~fund.~~

28 **(3)** ~~(4)~~ The department of treasury is the administrator of the
29 educator fellowship public provider fund for auditing purposes.

~~(5) The department of treasury shall expend money from the educator fellowship public provider fund, upon appropriation, for the purposes described in section 27a for students admitted to public educator preparation programs and for the purposes described in section 27e.~~

(4) For 2025-2026, the full amount of the educator fellowship public provider fund, estimated at \$235,240,000.00, must be deposited into the state school aid fund.

Sec. 27e. (1) The educator fellowship private provider fund is created within the department of treasury for the purpose of improving the educator workforce through recruitment efforts for students attending private educator preparation programs.

(2) The state treasurer may receive money or other assets from any source for deposit into the educator fellowship private provider fund. The state treasurer shall direct the investment of the educator fellowship private provider fund. The state treasurer shall credit to the educator fellowship private provider fund interest and earnings from educator fellowship private provider fund investments.

~~(3) Money in the educator fellowship private provider fund at the close of the fiscal year remains in the educator fellowship private provider fund and does not lapse to the general fund or state school aid fund.~~

(3) ~~(4)~~ The department of treasury is the administrator of the educator fellowship private provider fund for auditing purposes.

~~(5) The department of treasury shall expend money from the educator fellowship private provider fund, upon appropriation, for the purposes described in section 27a(10) for students admitted to private educator preparation programs.~~

~~(6) For the fiscal year ending September 30, 2022 only,~~
~~\$45,000,000.00 from the general fund is deposited into the educator~~
~~fellowship private programs fund.~~

(4) For 2025-2026, the full amount of the educator fellowship
private provider fund, estimated at \$50,830,000.00, must be
deposited into the state school aid fund.

Sec. 27h. (1) ~~From~~ **Subject to the provisions of this**
subsection, in addition to the money appropriated in section 11,
~~from the state school aid fund money appropriated in section 11,~~
there is ~~allocated~~ **appropriated** for ~~2023-2024~~ **2024-2025** only for
the purposes of this section an amount not to exceed
~~\$50,000,000.00.~~ **\$49,418,800.00.** Programs funded under this section
are intended to expand support for new teachers, school counselors,
and administrators; improve their instructional practices; and
improve teacher retention. **The appropriation and allocations in**
this section are conditional on the effective issuance of a
directive by the state budget director, pursuant to section 451a of
the management and budget act, 1984 PA 431, MCL 18.451a, to lapse
all remaining funding from a work project that was established
under this section in 2023-2024. The amount appropriated and
allocated under this section may not exceed the amount lapsed from
the work project as described in the immediately preceding
sentence.

(2) ~~From the allocation~~ **appropriation** under subsection (1),
the department shall provide grants to districts for mentor
~~stipends to support and retain quality teachers, school counselors,~~
~~and administrators in this state.~~ **services for teachers and school**
administrators as required under sections 1249b and 1526 of the
revised school code, MCL 380.1249b and 380.1526.

(3) To receive a grant under this section, a district must apply for the grant in a form and manner prescribed by the department, **and must ensure that mentoring services funded under this section align with the research-based mentor standards developed by the department under subsection (6) as determined by the department.**

(4) Districts that receive grants under subsection (2) may use the funding for any of the following allowable expenditures:

(a) Stipends for any of the following individuals:

(i) Veteran teachers who serve as mentor teachers of teachers participating in grow your own programs.

(ii) Veteran teachers who serve as mentor teachers for teachers who are within their first 3 years of teaching.

~~(b) Stipends for any of the following individuals:~~

~~(i) Veteran school counselors who serve as mentor school counselors of school counselors participating in grow your own programs.~~

~~(ii) Veteran school counselors who serve as mentor school counselors for school counselors who are within their first 3 years of serving as school counselors.~~

~~(c) Stipends for any of the following individuals:~~

~~(i) Veteran school administrators who serve as mentor school administrators of school administrators participating in grow your own programs.~~

~~(ii) Veteran school administrators who serve as mentor school administrators for school administrators who are within their first 3 years of serving as school administrators.~~

(b) (d) Training for mentor teachers. , mentor school counselors, and mentor administrators.

1 **(c)** ~~(e)~~ Books, materials, professional learning expenses, and
 2 other resources necessary for mentoring and onboarding new
 3 teachers. Professional learning expenses under this subdivision
 4 must be in addition to professional learning requirements described
 5 under section 1526 of the revised school code, MCL 380.1526.

6 **(d)** ~~(f)~~ Staffing costs to cover time spent by both new and
 7 mentor teachers ~~, school counselors, and administrators~~ dedicated
 8 to mentoring and onboarding rather than being in the classroom or
 9 performing other job duties.

10 **(e)** ~~(g)~~ Contracting with 1 or more established state
 11 professional organizations to provide mentoring services to school
 12 administrators. ~~Only~~ **An amount equal to \$3,000.00 per administrator**
 13 **per year** or the actual program cost, whichever is lesser, of the
 14 costs described in this subdivision may be reimbursed from grant
 15 funding under subsection (2). **The department shall develop a list**
 16 **of approved providers of mentoring activities for school**
 17 **administrators. Programs on the list must align with the research-**
 18 **based mentor standards developed under subsection (6).**

19 **(5) From the appropriation under subsection (1), there is**
 20 **allocated \$1,500,000.00 per year to provide mentoring services for**
 21 **school administrators subject to subsections (3) and (4). Grants**
 22 **under this subsection must be awarded in the amount of \$3,000.00**
 23 **per eligible school administrator per year or the actual program**
 24 **cost, whichever is lesser. If funding under this subsection is not**
 25 **sufficient to fully fund all eligible applicants, the department**
 26 **shall not prorate awards. If funding remains unspent under this**
 27 **subsection after grants to all eligible applicants have been**
 28 **awarded, the department may reallocate those funds to other**
 29 **approved mentoring activities under this section.**

1 **(6)** ~~(5)~~—From the ~~allocation~~**appropriation** under subsection
 2 (1), there is allocated \$500,000.00 for a competitive grant to
 3 assist the department with the development of research-based mentor
 4 standards, curricula, and professional learning to ensure mentors
 5 are prepared to support new teachers. Intermediate districts and
 6 other educational entities are eligible to apply for this grant in
 7 a form and manner determined by the department.

8 **(7)** ~~(6)~~—From the ~~allocation~~**appropriation** under subsection
 9 (1), there is allocated \$500,000.00 for a competitive grant to
 10 conduct a program evaluation of activities funded under this
 11 section. The evaluation must identify recommendations to strengthen
 12 the program. Qualified evaluators are eligible to apply for this
 13 grant in a form and manner prescribed by the department. The funds
 14 allocated under this subsection for ~~2023-2024~~**2024-2025** are a work
 15 project appropriation, and any unexpended funds for ~~2023-2024~~**2024-**
 16 **2025** are carried forward into ~~2024-2025~~**2025-2026**. The purpose of
 17 the work project is to evaluate the activities under this section.
 18 The estimated completion date of the work project is September 30,
 19 ~~2027~~**2028**.

20 **(8)** ~~(7)~~—Notwithstanding section 17b, the department shall make
 21 payments under this section on a schedule determined by the
 22 department.

23 **(9)** ~~(8)~~—Subject to subsection ~~(6)~~**(7)**, the funds allocated
 24 under this section for ~~2023-2024~~**2024-2025** are a work project
 25 appropriation, and any unexpended funds for ~~2023-2024~~**2024-2025** are
 26 carried forward into ~~2024-2025~~**2025-2026**. The purpose of the work
 27 project is to continue support for grants for mentor stipends. The
 28 estimated completion date of the work project is September 30,
 29 ~~2028~~**2029**. It is the intent of the legislature that up to

1 \$10,000,000.00 be expended each year. **If the annual expenditures**
2 **described in this subdivision total less than \$10,000,000.00 after**
3 **grants to all eligible applicants have been awarded, the department**
4 **may reallocate those funds to support mentoring services for other**
5 **certified educators not otherwise permitted under subsection (2).**

6 Sec. 27k. (1) From the state school aid fund money
7 appropriated in section 11, \$225,000,000.00 is allocated for 2023-
8 2024 and \$24,400,000.00 is allocated for 2024-2025 only to
9 districts and intermediate districts for the purposes under this
10 section. From the general fund money appropriated in section 11,
11 \$600,000.00 is allocated for 2024-2025 only to the department to
12 contract with a vendor and for administrative costs related to this
13 section.

14 (2) For 2023-2024, to receive funding under this section, a
15 district or intermediate district must apply for the funding in a
16 form and manner prescribed by the department.

17 (3) For 2023-2024, a district or intermediate district that
18 receives funding under this section shall use the funding only to
19 implement a student loan repayment program in accordance with
20 guidelines issued by the department. The guidelines must include
21 all of the following criteria:

22 (a) A system through which the district or intermediate
23 district verifies all of the following:

24 (i) That each eligible participant owes federal student loans.

25 (ii) That each eligible participant is eligible for the federal
26 public service loan forgiveness program and is under, pursuant to
27 federal law, a payment plan that makes eligible payments toward
28 federal public service loan forgiveness.

29 (iii) That each eligible participant is enrolled in an income-

1 driven repayment plan. Participants may be exempt from this
2 requirement if their loan is not eligible for income-driven
3 repayment.

4 (b) A requirement that each eligible participant shall receive
5 up to \$200.00 per month, or, if the eligible participant is
6 employed in a district that is assigned to band 6 in the
7 opportunity index, as described in section 31a, up to \$400.00 per
8 month, for the duration of the program or the total amount of the
9 eligible participant's monthly federal student loan payment, as
10 verified under subdivision (a), whichever is less. As used in this
11 subdivision, "band 6" means the district has an opportunity index,
12 as calculated under section 31a, that is greater than or equal to
13 85.

14 (c) A requirement that payments to eligible participants
15 through the program must be made in equal amounts on a monthly
16 basis.

17 (d) A requirement that an eligible participant must only
18 receive funding through the program if the eligible participant
19 continues to meet the criteria of an eligible participant.

20 (e) A requirement that an eligible participant annually, or,
21 if the participant leaves the program, on the date the participant
22 leaves the program, certifies to the district or intermediate
23 district that the eligible participant made payments toward the
24 eligible participant's federal student loan with the funding
25 received under this section.

26 (f) A requirement that the eligible participant certifies to
27 the district or intermediate district any increases or decreases in
28 the participant's monthly payment toward the eligible participant's
29 federal student loan.

1 (4) By not later than October 1, 2024, the department shall
2 contract with a vendor to implement an online portal that allows
3 eligible participants to apply to participate in a student loan
4 repayment program. The portal described in this subsection must be
5 made available at no cost to each applicant and must require each
6 applicant to submit and verify all of the following information:

7 (a) That the applicant owes federal student loans.

8 (b) The monthly payment amount of the applicant's eligible
9 federal student loan.

10 (c) That the applicant is eligible for the federal public
11 service loan forgiveness program and is under, pursuant to federal
12 law, a payment plan that makes eligible payments toward federal
13 public service loan forgiveness.

14 (d) That the applicant is enrolled in an income-driven
15 repayment plan. Applicants may be exempt from this requirement if
16 their loan is not eligible for income-driven repayment.

17 (e) A certification that the applicant understands that the
18 applicant may receive funding through the student loan repayment
19 program only if the applicant continues to meet the criteria of an
20 eligible participant.

21 (f) An annual certification, or, if an eligible participant
22 leaves the program, a certification on the date the eligible
23 participant leaves the program, to the department that the eligible
24 participant made payments toward the eligible participant's federal
25 student loans with the funding received under this section.

26 (g) A certification to the department of any increases or
27 decreases in the eligible participant's monthly payment toward the
28 eligible participant's federal student loans. The eligible
29 participant must recertify the eligible participant's monthly

1 payment amount annually if the monthly payment amount does not
2 change.

3 (h) A certification that the applicant has not received
4 funding under this section during the fiscal year in which the
5 applicant is applying.

6 (5) For 2024-2025, except as otherwise provided in this
7 subsection, the application in subsection (4) must be submitted
8 directly by the individual who is applying to participate in a
9 student loan repayment program or by that individual's bargaining
10 unit. If the individual who is applying to participate in a student
11 loan repayment program is unable to submit the application due to a
12 disability, another individual may submit the application on the
13 applicant's behalf.

14 (6) For 2024-2025, each eligible participant shall receive up
15 to \$200.00 per month, or, if the eligible participant is employed
16 in a district that is assigned to band 6 in the opportunity index,
17 as described in section 31a, up to \$400.00 per month, for the
18 duration of the program, or the total amount of the eligible
19 participant's monthly federal student loan payment, as verified
20 under subsection (4), whichever is less. As used in this
21 subdivision, "band 6" means the district has an opportunity index,
22 as calculated under section 31a, that is greater than or equal to
23 85.

24 (7) The department shall make payments to the district or
25 intermediate district that employs each eligible participant. For
26 2023-2024, the department shall provide to each district or
27 intermediate district the eligible payment amounts for each
28 eligible participant in the district or intermediate district. For
29 2024-2025, the eligible vendor described in subsection (4) shall

1 provide the department and each district or intermediate district
2 the eligible payment amounts for each eligible participant in the
3 district or intermediate district. The district or intermediate
4 district that receives payments under this section shall certify
5 that the district or intermediate district will make payments to
6 eligible participants in the amounts provided by the department or
7 the eligible vendor described in subsection (4) under this
8 subsection on a monthly basis, in the amounts specified.

9 (8) An eligible participant remains eligible, unless otherwise
10 provided under federal law or other state laws, for student loans
11 even though the eligible participant receives funding from the
12 money allocated under this section.

13 (9) Payments to an eligible participant by districts or
14 intermediate districts under this section must be made for no more
15 than 10 years or until the eligible participant's federal student
16 loan is paid off, whichever occurs earlier.

17 (10) The funds allocated under this section for 2023-2024 are
18 a work project appropriation, and any unexpended funds for 2023-
19 2024 are carried forward into 2024-2025. The purpose of the work
20 project is to continue support for federal student loan repayment
21 programs as described in this section. The estimated completion
22 date of the work project is December 31, 2026.

23 (11) For 2023-2024, if the amount allocated under this section
24 is insufficient to fully make payments to all eligible participants
25 as required under this section, the department shall prorate the
26 amount paid to districts and intermediate districts to distribute
27 to all eligible participants on an equal basis. For 2024-2025, if
28 the amount allocated under this section is insufficient to fully
29 make payments to all eligible participants as required under this

1 section, the department shall do both of the following:

2 (a) Make full payments to eligible participants for as many
3 months as possible given the remaining funds.

4 (b) Prorate the amount paid to all eligible participants on an
5 equal basis.

6 (12) ~~At the close of each fiscal year, unspent funds from~~
7 ~~state sources allocated under this section must be deposited into~~
8 ~~the student loan repayment assistance reserve fund created in~~
9 ~~section 27j.~~ **All remaining funding from a work project established**
10 **under this section in 2023-2024 is lapsed to the state school aid**
11 **fund.**

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

15 (14) As used in this section:

16 (a) "At-risk pupil" means that term as defined in section 31a.

17 (b) "Eligible participant" means either of the following, as
18 applicable:

19 (i) For 2023-2024, an individual who is participating in a
20 federal student loan repayment program described in subsection (3)
21 and who is working 32 hours or more per week at a district or
22 intermediate district in a role in which the individual works
23 directly with pre-K to 12 students, including, but not limited to,
24 educators, counselors, social workers, psychologists, reading
25 specialists, librarians, and school administrators who work
26 directly with students.

27 (ii) For 2024-2025, an individual who is participating in a
28 federal student loan repayment program described in subsection (4),
29 who is working 32 hours or more per week at a district or

1 intermediate district, and who works not less than 50% of the
2 individual's weekly scheduled hours in a role in which the
3 individual works directly with pre-K to 12 students, including, but
4 not limited to, educators, counselors, social workers,
5 psychologists, reading specialists, librarians, and school
6 administrators who work directly with students.

7 Sec. 27p. (1) From the state school aid fund money
8 appropriated in section 11, there is allocated for 2024-2025 only
9 an amount not to exceed \$12,500,000.00 to Marquette-Alger RESA for
10 an apprenticeship model grow your own program as part of a
11 consortia of at least 45 intermediate districts.

12 (2) The intermediate district receiving funding under this
13 section shall use the funding to implement a grow your own program.
14 A grow your own program described in this section must be
15 implemented to improve the teacher talent pipeline and provide a
16 no-cost pathway for support staff members to become certified
17 teachers. Allowable expenses for grow your own programs under this
18 section include, but are not limited to, all of the following:

19 (a) Tuition and fees for an accelerated degree, for a
20 traditional bachelor's degree for current candidates who are not
21 teachers, or for an advanced degree. **As used in this subdivision,**
22 **"advanced degree" includes, but is not limited to, a**
23 **postbaccalaureate credential or certificate.**

24 (b) Books.

25 (c) Testing fees.

26 (d) Travel to and from coursework.

27 (e) Substitute employee salary and wages for the duration of
28 the educator preparation program attended by the recipient staff of
29 the district or intermediate district.

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

7 (3) An intermediate district may not concurrently receive
8 funding under this section and receive funding under section 27b
9 for 2022-2023, unless already awarded by the department under
10 section 27b before July 1, 2024. An intermediate district receiving
11 funding under this section shall not give funding received under
12 this section to a constituent district that is receiving funding
13 under section 27b.

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

17 (5) The funds allocated under this section for 2024-2025 are a
18 work project appropriation, and any unexpended funds for 2024-2025
19 are carried forward into 2025-2026. The purpose of the work project
20 is to continue support for the grow your own programs under this
21 section. The estimated completion date of the work project is
22 September 30, 2027.

23 Sec. 27r. (1) From the state school aid fund money
24 appropriated in section 11, there is allocated for 2024-2025 only
25 an amount not to exceed \$7,000,000.00 to Kent ISD for the West
26 Michigan Teacher Collaborative as a part of a consortium of at
27 least 3 intermediate districts. The West Michigan Teacher
28 Collaborative shall use the funding to implement a grow your own
29 program.

1 (2) A grow your own program described in this section must be
2 implemented to improve the teacher talent pipeline and provide a
3 no-cost pathway for support staff members to become certified
4 teachers. Allowable expenses for grow your own programs under this
5 section include, but are not limited to, all of the following:

6 (a) Tuition and fees for an accelerated degree, for a
7 traditional bachelor's degree for current candidates who are not
8 teachers, or for an advanced degree. **As used in this subdivision,**
9 **"advanced degree" includes, but is not limited to, a**
10 **postbaccalaureate credential or certificate.**

11 (b) Books and supplies.

12 (c) Testing fees.

13 (d) Travel to and from coursework.

14 (e) Substitute employee salary and wages for the duration of
15 the educator preparation program attended by the recipient staff of
16 the district or intermediate district.

17 (f) Costs for curriculum, materials, professional development,
18 and hands-on learning experiences to implement a program within the
19 district or intermediate district to encourage students in grades 6
20 to 12 to consider a career in education. Not more than 10% of the
21 funding may be used for this purpose.

22 (3) In addition to the allowable uses in subsection (2), the
23 West Michigan Teacher Collaborative may use the money received
24 under this section for any of the following purposes:

25 (a) Recruiting, retaining, and developing teachers to ensure
26 greater efficacy, satisfaction, and outcomes.

27 (b) Serving as a convener and model for other local and
28 intermediate school districts interested in developing and
29 improving grow your own programs.

1 (c) Engaging in rigorous program evaluation and research so
 2 that this state can learn from its investments and innovations and
 3 become a top state for educators.

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

7 (5) The funds allocated under this section for 2024-2025 are a
 8 work project appropriation, and any unexpended funds for 2024-2025
 9 are carried forward into 2025-2026. The purpose of the work project
 10 is to continue support for the grow your own programs under this
 11 section. The estimated completion date of the work project is
 12 September 30, 2028.

13 Sec. 29. (1) The enrollment stabilization fund is created as a
 14 separate account in the state school aid fund for the purpose of
 15 stabilizing the effects of declining enrollment.

16 (2) The state treasurer may receive money or other assets from
 17 any source for deposit into the enrollment stabilization fund. The
 18 state treasurer shall direct the investment of the enrollment
 19 stabilization fund. The state treasurer shall credit to the
 20 enrollment stabilization fund interest and earnings from enrollment
 21 stabilization fund investments.

22 ~~(3) Money in the enrollment stabilization fund at the close of~~
 23 ~~the fiscal year remains in the enrollment stabilization fund and~~
 24 ~~does not lapse to the state school aid fund or the general fund.~~

25 **(3)** ~~(4)~~ The department of treasury is the administrator of the
 26 enrollment stabilization fund for auditing purposes.

27 **(4)** ~~(5)~~ Money available in the enrollment stabilization fund
 28 must not be expended without a specific appropriation.

29 ~~(6) From the enrollment stabilization fund money appropriated~~

~~under section 11, there is allocated an amount not to exceed \$71,000,000.00 for 2024-2025 for districts and intermediate districts for which membership in the immediately preceding fiscal year, as calculated under section 6 in the immediately preceding fiscal year, exceeds membership in the current fiscal year, as calculated under section 6 in the current fiscal year.~~

~~(7) The allocation under subsection (6) must be an amount equal to the sum of the product of .50 and the district's or intermediate district's membership for the immediately preceding fiscal year, as calculated under section 6 of the immediately preceding fiscal year, and the product of .50 and the district's or intermediate district's membership in the current fiscal year, as calculated under section 6 of the current fiscal year, minus the district's or intermediate district's membership in the current fiscal year, as calculated under section 6 of the current fiscal year, multiplied by the target foundation allowance for the current fiscal year.~~

(5) For 2025-2026, the full amount of the enrollment stabilization fund, estimated at \$193,560,000.00, must be deposited into the state school aid fund.

Sec. 30e. (1) The school meals reserve fund is created as a separate account in the state school aid fund for the purpose of covering the cost of student school meals.

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

~~(3) Money in the school meals reserve fund at the close of the fiscal year remains in the school meals reserve fund and does not lapse to the state school aid fund or the general fund.~~

~~(3)~~ (4) The department of treasury is the administrator of the school meals reserve fund for auditing purposes.

~~(4)~~ (5) Money available in the school meals reserve fund must not be expended without a specific appropriation.

~~(6) For the fiscal year ending September 30, 2023 only, \$245,000,000.00 from the state school aid fund is deposited into the school meals reserve fund.~~

~~(7) At the close of each fiscal year, unspent funds from state sources allocated in sections 30d, 31d, and 31f must be deposited into the school meals reserve fund.~~

(5) For 2025-2026, the full amount of the school meals reserve fund, estimated at \$138,640,000.00 must be deposited into the state school aid fund.

Sec. 31a. (1) There is allocated for ~~2023-2024~~ an amount not to exceed ~~\$1,035,150,000.00~~ from the state school aid fund money appropriated in section 11 and an amount not to exceed ~~\$1,500,000.00~~ from the general fund money appropriated in section 11, and there is allocated for ~~2024-2025~~ **2025-2026** an amount not to exceed ~~\$1,078,074,000.00~~ **\$1,034,924,000.00** from the state school aid fund money appropriated in section 11 and an amount not to exceed ~~\$1,500,000.00~~ from the general fund money appropriated in section 11 for payments to eligible districts and eligible public school academies for the purposes of ensuring that pupils are proficient in English language arts by the end of grade 3, that pupils are proficient in mathematics by the end of grade 8, that pupils are attending school regularly, **and** that high school

graduates are career and college ready. ~~, and for the purposes under subsections (7), (8), (23), and (24).~~

(2) For a district or public school academy to be eligible to receive funding under this section, ~~other than funding under subsection (7), (8), (23), or (24),~~ the district or public school academy, for grades K to 12, must comply with the requirements under section 1280f of the revised school code, MCL 380.1280f, and must use resources to address early literacy and numeracy, and for at least grades K to 12 or, if the district or public school academy does not operate all of grades K to 12, for all of the grades it operates, must implement a multi-tiered system of supports that is an evidence-based framework 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. The multi-tiered system of supports described in this subsection must provide at least all of the following essential components:

(a) Team-based leadership.

(b) A tiered delivery system.

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

(d) A comprehensive screening and assessment system.

(e) Continuous data-based decision making.

(3) ~~From the state school aid fund money allocated under subsection (1), there is allocated for 2023-2024 an amount not to exceed \$952,000,000.00, and there is allocated for 2024-2025 an amount not to exceed \$1,034,924,000.00~~ **The funds allocated under this section must be used** to continue a weighted foundation per pupil payment for districts and public school academies enrolling

1 economically disadvantaged pupils. The department shall pay under
2 this subsection to each eligible district or eligible public school
3 academy an amount per pupil equal to a percentage calculated under
4 subsection (4) multiplied by the target foundation allowance for
5 the following, as applicable:

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

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

13 (ii) If the district or public school academy is in the
14 community eligibility program, the number of pupils determined to
15 be eligible based on the product of the identified student
16 percentage multiplied by the total number of pupils in the district
17 or public school academy, as reported to the center in the form and
18 manner prescribed by the center not later than the fifth Wednesday
19 after the pupil membership count day of the immediately preceding
20 fiscal year. These calculations must be made at the building level.
21 This subparagraph only applies to an eligible district or eligible
22 public school academy for the fiscal year immediately following the
23 first fiscal year in which it is in the community eligibility
24 program. As used in this subparagraph, "identified student
25 percentage" means the quotient of the number of pupils in an
26 eligible district or eligible public school academy who are
27 determined to be economically disadvantaged, as reported to the
28 center in a form and manner prescribed by the center, not later
29 than the fifth Wednesday after the pupil membership count day in

1 the fiscal year preceding the first fiscal year in which the
2 eligible district or eligible public school academy is in the
3 community eligibility program, divided by the total number of
4 pupils counted in an eligible district or eligible public school
5 academy on the pupil membership count day in the fiscal year
6 preceding the first fiscal year in which the eligible district or
7 eligible public school academy is in the community eligibility
8 program.

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

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

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

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

11 (4) Each district or public school academy must be assigned an
12 opportunity index score each fiscal year, the value of which is the
13 quotient of the number of economically disadvantaged pupils as
14 determined under ~~subsection (3)~~ **this section** for the district or
15 public school academy and the total number of pupils in the
16 district or public school academy in the immediately preceding
17 fiscal year, multiplied by 100 and rounded up to the nearest whole
18 number. Each district or public school academy must be assigned an
19 opportunity index band as follows:

20 (a) A district or public school academy with an opportunity
21 index score greater than or equal to 0 but less than 20 must be
22 assigned to band 1 and shall receive reimbursement under ~~subsection~~
23 ~~(3)~~ **this section** at a rate of at least 35.0% and less than 36.0%.
24 The reimbursement rate under this subdivision must be an amount
25 equal to the district's opportunity index score minus 1, multiplied
26 by the band adjustment factor applicable to this subdivision, plus
27 35.0%.

28 (b) A district or public school academy with an opportunity
29 index score greater than or equal to 20 but less than 44 must be

1 assigned to band 2 and shall receive reimbursement under ~~subsection~~
2 ~~(3)-this section~~ at a rate of at least 36.0% and less than 37.5%.
3 The reimbursement rate under this subdivision must be an amount
4 equal to the district's opportunity index score minus 20,
5 multiplied by the band adjustment factor applicable to this
6 subdivision, plus 36.0%.

7 (c) A district or public school academy with an opportunity
8 index score greater than or equal to 44 but less than 59 must be
9 assigned to band 3 and shall receive reimbursement under ~~subsection~~
10 ~~(3)-this section~~ at a rate of at least 37.5% and less than 39.0%.
11 The reimbursement rate under this subdivision must be an amount
12 equal to the district's opportunity index score minus 44,
13 multiplied by the band adjustment factor applicable to this
14 subdivision, plus 37.5%.

15 (d) A district or public school academy with an opportunity
16 index score greater than or equal to 59 but less than 73 must be
17 assigned to band 4 and shall receive reimbursement under ~~subsection~~
18 ~~(3)-this section~~ at a rate of at least 39.0% and less than 42.0%.
19 The reimbursement rate under this subdivision must be an amount
20 equal to the district's opportunity index score minus 59,
21 multiplied by the band adjustment factor applicable to this
22 subdivision, plus 39.0%.

23 (e) A district or public school academy with an opportunity
24 index score greater than or equal to 73 but less than 85 must be
25 assigned to band 5 and shall receive reimbursement under ~~subsection~~
26 ~~(3)-this section~~ at a rate of at least 42.0% and less than 47.0%.
27 The reimbursement rate under this subdivision must be an amount
28 equal to the district's opportunity index score minus 73,
29 multiplied by the band adjustment factor applicable to this

1 subdivision, plus 42.0%.

2 (f) A district or public school academy with an opportunity
3 index score greater than or equal to 85 must be assigned to band 6
4 and shall receive reimbursement under ~~subsection (3)~~ **this section**
5 at a rate of 47.0%.

6 (g) As used in this subsection, "band adjustment factor" means
7 an amount equal to the difference between the lowest and highest
8 reimbursement bounds for each band, divided by the number of
9 possible opportunity index scores in that band.

10 (5) Except as otherwise provided in this section, a district
11 or public school academy receiving funding under this section shall
12 use that money only to provide instructional programs and direct
13 noninstructional services, including, but not limited to, medical,
14 mental health, or counseling services, for at-risk pupils; **and** for
15 school health clinics. ~~; and for the purposes of subsection (6),~~
16 ~~(7), (8), (23), or (24).~~ In addition, a district that is a school
17 district of the first class or a district or public school academy
18 in which at least 50% of the pupils in membership were determined
19 to be economically disadvantaged in the immediately preceding state
20 fiscal year, as determined and reported as described in ~~subsection~~
21 ~~(3),~~ **this section**, may use the funds it receives under this section
22 for school security or school parent liaison personnel. The uses of
23 the funds described in the immediately preceding sentence must
24 align to the needs assessment and the multi-tiered system of
25 supports model and, for funds spent on parent liaison personnel,
26 must connect parents to the school community. A district or public
27 school academy shall not use any of the money received under this
28 section for administrative costs. The instruction or direct
29 noninstructional services provided under this section may be

1 conducted before or after regular school hours or by adding extra
2 school days to the school year.

3 (6) A district or public school academy that receives funds
4 under this section and that operates a school breakfast program
5 under section 1272a of the revised school code, MCL 380.1272a,
6 shall use from the funds received under this section an amount, not
7 to exceed \$10.00 per pupil for whom the district or public school
8 academy receives funds under this section, necessary to pay for
9 costs associated with the operation of the school breakfast
10 program.

11 ~~(7) From the state school aid fund money allocated under~~
12 ~~subsection (1), there is allocated for 2023-2024 an amount not to~~
13 ~~exceed \$33,000,000.00, and there is allocated for 2024-2025 an~~
14 ~~amount not to exceed \$33,000,000.00 to support primary health care~~
15 ~~services provided to children and adolescents up to age 21. These~~
16 ~~funds must be expended in a form and manner determined jointly by~~
17 ~~the department and the department of health and human services.~~
18 ~~When making funding decisions for new adolescent health centers~~
19 ~~under this subsection, the department and department of health and~~
20 ~~human services shall prioritize support for primary health care~~
21 ~~services in unserved and underserved counties as determined by the~~
22 ~~department of health and human services. For 2023-2024, an amount~~
23 ~~not to exceed 4% of the funds allocated for 2023-2024 under this~~
24 ~~subsection, and for 2024-2025, an amount equal to 4% of the funds~~
25 ~~allocated for 2024-2025 under this subsection must be made~~
26 ~~available for technical support and coordination services from a~~
27 ~~nonprofit organization exclusively dedicated to serving adolescent~~
28 ~~health centers in this state and that has a membership that~~
29 ~~includes federally qualified health centers, local public health~~

1 ~~departments, hospital systems, and public school districts. As a~~
2 ~~requirement of being awarded the funds under this subsection as~~
3 ~~prescribed under this subsection, a nonprofit organization~~
4 ~~described in this subsection shall make readily available technical~~
5 ~~support and coordination services to all child and adolescent~~
6 ~~health centers in this state. Funds appropriated under this~~
7 ~~subsection for 2023-2024 only are a work project appropriation and~~
8 ~~any unexpended funds for 2023-2024 are carried forward into 2024-~~
9 ~~2025. The purpose of the work project is to continue to improve~~
10 ~~child and adolescent health center program sites and improve~~
11 ~~delivery of patient care. The estimated completion date of the work~~
12 ~~project is September 30, 2025.~~

13 ~~(8) From the state school aid fund money allocated under~~
14 ~~subsection (1), there is allocated for 2023-2024 an amount not to~~
15 ~~exceed \$5,150,000.00 and for 2024-2025 an amount not to exceed~~
16 ~~\$10,150,000.00 for the state portion of the hearing and vision~~
17 ~~screenings as described in part 93 of the public health code, 1978~~
18 ~~PA 368, MCL 333.9301 to 333.9329, and, from the general fund money~~
19 ~~allocated under subsection (1), there is allocated for 2023-2024 an~~
20 ~~amount not to exceed \$1,500,000.00 and for 2024-2025 an amount not~~
21 ~~to exceed \$1,500,000.00 for the state portion of the dental~~
22 ~~screenings as described in part 93 of the public health code, 1978~~
23 ~~PA 368, MCL 333.9301 to 333.9329. A local public health department~~
24 ~~shall pay at least 50% of the total cost of the screenings. The~~
25 ~~frequency of the vision screenings must be as required under R~~
26 ~~325.13091 to R 325.13096 of the Michigan Administrative Code and~~
27 ~~the frequency of the hearing screenings must be as required under R~~
28 ~~325.3271 to R 325.3276 of the Michigan Administrative Code. Funds~~
29 ~~must be awarded in a form and manner approved jointly by the~~

1 ~~department and the department of health and human services.~~
2 ~~Notwithstanding section 17b, the department shall make payments to~~
3 ~~eligible entities under this subsection on a schedule determined by~~
4 ~~the department.~~

5 **(7)** ~~(9)~~ Each district or public school academy receiving funds
6 under this section shall submit to the department by July 15 of
7 each fiscal year a report, in the form and manner prescribed by the
8 department, that includes a brief description of each program
9 conducted or services performed by the district or public school
10 academy using funds under this section, the amount of funds under
11 this section allocated to each of those programs or services, the
12 total number of at-risk pupils served by each of those programs or
13 services, and the data necessary for the department and the
14 department of health and human services to verify matching funds
15 for the temporary assistance for needy families program. In
16 prescribing the form and manner of the report, the department shall
17 ensure that districts are allowed to expend funds received under
18 this section on any activities that are permissible under this
19 section. If a district or public school academy does not comply
20 with this subsection, the department shall withhold an amount equal
21 to the August payment due under this section until the district or
22 public school academy complies with this subsection. If the
23 district or public school academy does not comply with this
24 subsection by the end of the fiscal year, the withheld funds are
25 forfeited to the school aid fund.

26 **(8)** ~~(10)~~ To receive funds under this section, a district or
27 public school academy must allow access for the department or the
28 department's designee to audit all records related to the program
29 for which it receives those funds. The district or public school

1 academy shall reimburse the state for all disallowances found in
2 the audit.

3 **(9)** ~~(11) Subject to subsections (6), (7), (8), (23), and (24),~~
4 ~~for~~**For** schools in which more than 40% of pupils are identified as
5 at-risk, a district or public school academy may use the funds it
6 receives under this section to implement tier 1, evidence-based
7 practices in schoolwide reforms that are guided by the district's
8 comprehensive needs assessment and are included in the district
9 improvement plan. Schoolwide reforms must include parent and
10 community supports, activities, and services, that may include the
11 pathways to potential program created by the department of health
12 and human services or the communities in schools program. As used
13 in this subsection, "tier 1, evidence-based practices" means
14 research based instruction and classroom interventions that are
15 available to all learners and effectively meet the needs of most
16 pupils.

17 **(10)** ~~(12)~~A district or public school academy that receives
18 funds under this section may use those funds to provide research
19 based professional development and to implement a coaching model
20 that supports the multi-tiered system of supports framework.
21 Professional development may be provided to district and school
22 leadership and teachers and must be aligned to professional
23 learning standards; integrated into district, school building, and
24 classroom practices; and solely related to the following:

25 (a) Implementing the multi-tiered system of supports required
26 in subsection (2) with fidelity and utilizing the data from that
27 system to inform curriculum and instruction.

28 (b) Implementing section 1280f of the revised school code, MCL
29 380.1280f, as required under subsection (2), with fidelity.

1 **(11)** ~~(13)~~ A district or public school academy ~~that receives~~
 2 ~~funds under subsection (3)~~ may use funds received under ~~subsection~~
 3 ~~(3)~~ **this section** for support staff providing services to at-risk
 4 pupils.

5 **(12)** ~~(14)~~ ~~Beginning in 2024-2025, a~~ **A** district or public
 6 school academy may use up to 60% of the funds it receives under
 7 this section for the following purposes:

8 (a) Up to 30% to reduce the teacher to pupil ratio in grades K
 9 to 3 in schools for which the percentage of pupils in membership
 10 who were determined to be economically disadvantaged in the
 11 immediately preceding fiscal year is equal to or greater than the
 12 minimum percentage for a district or public school academy to be
 13 assigned to opportunity index band 5.

14 (b) Up to 30% to support retention and recruitment efforts
 15 that help reduce staff turnover and vacancies of instructional and
 16 support staff if the district or public school academy is assigned
 17 to opportunity index band 5 or 6.

18 **(13)** ~~(15)~~ Funds used as described in subsection ~~(14)~~ **(12)** must
 19 align with the needs assessment and the multi-tiered system of
 20 supports model. A district or public school academy shall not use
 21 any of the money described in subsection ~~(14)~~ **(12)** for
 22 administrative costs or to supplant existing funding, including,
 23 but not limited to, maintaining existing salaries or costs. A
 24 district or public school academy shall report its intent to use
 25 funds described in subsection ~~(14)~~ **(12)** to the department by not
 26 later than November 1 of the current fiscal year.

27 **(14)** ~~(16)~~ A district or public school academy determined to be
 28 eligible to use a portion of funds received under ~~subsection (3)~~
 29 **this section** for the purposes described in subsection ~~(14)~~ **(12)**

1 retains the ability to use funding for the purposes described in
 2 subsection ~~(14)~~ **(12)** for the fiscal year in which eligibility was
 3 determined plus 2 additional fiscal years beyond that fiscal year.

4 **(15)** ~~(17)~~ By August 1 of each fiscal year, the department ~~must~~
 5 **shall** provide a report to districts and public school academies
 6 that lists the eligible schools under subsection ~~(14) (a)~~ **(12) (a)**
 7 for the upcoming fiscal year.

8 **(16)** ~~(18)~~ A district or public school academy that receives
 9 funds under this section may use up to 10% of the funds received
 10 under this section to provide evidence-based instruction for pre-
 11 kindergarten instructional and noninstructional services to
 12 children who meet at least 1 of the criteria in subsection
 13 ~~(25) (a) (i)~~ **(21) (a) (i)** to (x).

14 **(17)** ~~(19)~~ Except as otherwise provided in this subsection, if
 15 necessary, the department shall prorate payments under this section
 16 ~~, except payments under subsection (7), (8), (23), or (24), by~~
 17 reducing the amount of the allocation as otherwise calculated under
 18 this section by an equal percentage per district. Subject to the
 19 availability of funds, if proration is necessary under this
 20 subsection, the department ~~must~~ **shall** ensure that no district
 21 receives an amount less than 11.5% of the target foundation for
 22 each economically disadvantaged pupil enrolled in the district.

23 **(18)** ~~(20)~~ If a district is dissolved pursuant to section 12 of
 24 the revised school code, MCL 380.12, the intermediate district to
 25 which the dissolved district was constituent shall determine the
 26 estimated number of pupils that are economically disadvantaged and
 27 that are enrolled in each of the other districts within the
 28 intermediate district and provide that estimate to the department
 29 for the purposes of distributing funds under this section within 60

1 days after the district is declared dissolved.

2 **(19)** ~~(21)~~ A district or public school academy that receives
3 funds under this section may use funds received under this section
4 to provide an anti-bullying or crisis intervention program.

5 **(20)** ~~(22)~~ The department shall collaborate with the department
6 of health and human services to prioritize assigning Pathways to
7 Potential success coaches to elementary schools that have a high
8 percentage of pupils in grades K to 3 who are not proficient in
9 English language arts, based upon state assessments for pupils in
10 those grades.

11 ~~(23) From the state school aid fund money allocated under~~
12 ~~subsection (1), there is allocated for 2023-2024 only an amount not~~
13 ~~to exceed \$35,000,000.00 to support primary health care services~~
14 ~~provided to children and adolescents up to age 21 and for the~~
15 ~~provision of space upgrades in child and adolescent health center~~
16 ~~programs. All of the following apply to this allocation:~~

17 ~~(a) The funds must be used for only the following purposes:~~

18 ~~(i) Modernizing antiquated medical equipment.~~

19 ~~(ii) Improving security and patient safety measures.~~

20 ~~(iii) Investing in new patient-centered technologies.~~

21 ~~(iv) Renovating physical spaces to improve patient privacy and~~
22 ~~the care setting.~~

23 ~~(b) The funds must be expended in a form and manner determined~~
24 ~~jointly by the department and the department of health and human~~
25 ~~services.~~

26 ~~(c) To be eligible to receive funding under this subsection, a~~
27 ~~child and adolescent health center program that serves students in~~
28 ~~the current fiscal year must submit an application in a form and~~
29 ~~manner determined by the department and the department of health~~

1 ~~and human services.~~

2 ~~(d) An amount equal to 4% of the funds allocated for 2023-2024~~
3 ~~under this subsection must be made available for technical support~~
4 ~~and coordination services from a nonprofit organization exclusively~~
5 ~~dedicated to serving adolescent health centers in this state and~~
6 ~~that has a membership that includes federally qualified health~~
7 ~~centers, local public health departments, hospital systems, and~~
8 ~~public school districts. As a requirement of being awarded the~~
9 ~~funds under this subsection as prescribed under this subsection, a~~
10 ~~nonprofit organization described in this subsection shall make~~
11 ~~readily available technical support and coordination services to~~
12 ~~all child and adolescent health centers in this state.~~

13 ~~(e) Funds appropriated under this subsection are a work~~
14 ~~project appropriation and any unexpended funds for 2023-2024 are~~
15 ~~carried forward into 2024-2025. The purpose of the work project is~~
16 ~~to continue to improve child and adolescent health center program~~
17 ~~sites and improve delivery of patient care. The estimated~~
18 ~~completion date of the work project is September 30, 2025.~~

19 ~~(24) From the state school aid fund money appropriated under~~
20 ~~section 11, there is allocated for 2023-2024 only an amount not to~~
21 ~~exceed \$10,000,000.00 for an electronic patient data and health~~
22 ~~care analytic system to be made available to each child and~~
23 ~~adolescent health center program. The department of health and~~
24 ~~human services shall collaborate on system implementation with a~~
25 ~~nonprofit organization exclusively dedicated to serving child and~~
26 ~~adolescent health center programs in this state and that has a~~
27 ~~membership that includes federally qualified health centers, local~~
28 ~~public health departments, hospital systems, and public school~~
29 ~~districts, including, but not limited to, technology assessment,~~

~~design, coordination, and system implementation with child and adolescent health center programs. Funds appropriated under this subsection are a work project appropriation and any unexpended funds for 2023-2024 are carried forward into 2024-2025. The purpose of the work project is to continue to implement an electronic patient data and health care analytic system. The estimated completion date of the work project is September 30, 2028.~~

(21) ~~(25)~~ As used in this section:

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

(i) The pupil is economically disadvantaged.

(ii) The pupil is an English language learner.

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

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

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

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

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

(viii) 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.

(ix) 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.

(x) Is a pupil who is at risk of not meeting the district's or

1 public school academy's core academic curricular objectives in
2 English language arts or mathematics, as demonstrated on local
3 assessments.

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

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

15 Sec. 31d. (1) From the state school aid fund money
16 appropriated in section 11, there is allocated an amount not to
17 exceed \$29,553,400.00 for ~~2024-2025~~ **2025-2026** for the purpose of
18 making payments to districts and other eligible entities under this
19 section.

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

28 (3) The payments made under this section include all state
29 payments made to districts so that each district receives at least

1 6.0127% of the necessary costs of operating the state mandated
2 portion of the lunch program in a fiscal year.

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

9 (5) From the federal funds appropriated in section 11, there
10 is allocated for ~~2024-2025-2025-2026~~ all available federal funding,
11 estimated at \$901,400,000.00 for child nutrition programs and, for
12 ~~2024-2025, 2025-2026~~, all available federal funding, estimated at
13 ~~\$15,000,000.00, \$22,000,000.00~~, for food distribution programs.

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

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

21 Sec. 32d. (1) From the state school aid fund money
22 appropriated in section 11, there is allocated to eligible
23 intermediate districts and consortia of intermediate districts for
24 great start readiness programs an amount not to exceed
25 \$609,720,000.00 **for 2024-2025 and \$559,720,000.00 for 2024-2025-**
26 **2025-2026, from the general fund money appropriated under section**
27 **11, there is allocated \$600,000.00 for 2024-2025 and \$350,000.00**
28 **for 2025-2026, and from the great start readiness reserve fund**
29 **money appropriated in section 11, there is allocated \$18,000,000.00**

1 **for 2024-2025 and \$28,000,000.00 for 2025-2026.** It is the intent of
 2 the legislature that this section will support universal great
 3 start readiness programs in a future fiscal year. ~~An~~**For 2024-2025,**
 4 **an** intermediate district or consortium shall use funds allocated
 5 under this section for great start readiness programs to provide
 6 part-day programs, school-day programs, GSRP extended programs,
 7 GSRP/Head Start school-day blended programs, or GSRP/Head Start
 8 extended blended programs that are comprehensive, free,
 9 compensatory classroom programs designed to improve the readiness
 10 and subsequent achievement of children who meet the participant
 11 eligibility and prioritization guidelines as defined by the
 12 department of lifelong education, advancement, and potential. **For**
 13 **2025-2026, an intermediate district or consortium shall use funds**
 14 **allocated under this section for eligible great start readiness**
 15 **program options.** For a child to be eligible to participate in a
 16 program under this section, the child must be at least 4, but less
 17 than 5, years of age as of September 1 of the school year in which
 18 the program is offered and must meet those eligibility and
 19 prioritization guidelines. After eligible children who will be 4
 20 years of age as of September 1 are enrolled, a child who is not 4
 21 years of age as of September 1, but who will be 4 years of age by
 22 not later than December 1, is eligible to participate if both of
 23 the following are met:

24 (a) The child's parent or legal guardian seeks a waiver from
 25 the September 1 eligibility date by submitting a request for
 26 enrollment in a program to the responsible intermediate district.

27 (b) The child meets eligibility and prioritization guidelines.

28 (2) From the state school aid fund money allocated under
 29 subsection (1), an amount not to exceed ~~\$607,720,000.00~~

1 **\$597,720,000.00 for 2024-2025 and \$557,720,000.00 for 2024-2025**
 2 **2025-2026** is allocated to intermediate districts or consortia of
 3 intermediate districts based on the formula in section 39. An
 4 intermediate district or consortium of intermediate districts
 5 receiving funding under this section shall act as the fiduciary for
 6 the great start readiness programs. An intermediate district or
 7 consortium of intermediate districts receiving funding under this
 8 section may collaborate with local governments to identify children
 9 eligible for programs funded under this section and may contract
 10 with local governments to provide services. To be eligible to
 11 receive funds allocated under this subsection from an intermediate
 12 district or consortium of intermediate districts, a district, a
 13 consortium of districts, a local government, or a public or private
 14 for-profit or nonprofit legal entity or agency must comply with
 15 this section and section 39. If, due to the number of GSRP extended
 16 program or GSRP/Head Start extended blended program slots awarded,
 17 the amount allocated in this subsection is insufficient to award at
 18 least the same number of part-day program and school-day program
 19 slots as awarded in the immediately preceding fiscal year, there is
 20 appropriated from the great start readiness program reserve fund
 21 the amount necessary to fully award the same number of part-day
 22 program and full-day program slots as awarded in the immediately
 23 preceding fiscal year.

24 (3) ~~In addition to the allocation under subsection (1), from~~
 25 **From** the general fund money ~~appropriated~~ **allocated** under ~~section~~
 26 ~~11, subsection (1),~~ there is allocated an amount not to exceed
 27 **\$600,000.00 for 2024-2025 and \$350,000.00 for 2024-2025-2025-2026**
 28 for a competitive grant to continue a longitudinal evaluation of
 29 children who have participated in great start readiness programs.

~~It is the intent of the legislature that the allocation under this subsection will be \$350,000.00 for 2025-2026.~~

(4) Except as otherwise provided in subsection (5), to be eligible for funding under this section, a program must prepare children for success in school through, **for 2024-2025,** comprehensive part-day programs, school-day programs, GSRP extended programs, GSRP/Head Start school-day blended programs, ~~or~~ GSRP/Head Start extended blended programs, **and, beginning in 2025-2026,** **eligible great start readiness program options,** that contain all of the following program components, as determined by the department of lifelong education, advancement, and potential:

(a) Participation in a collaborative recruitment and enrollment process to ensure that each child is enrolled in the program most appropriate to the child's needs and to maximize the use of federal, state, and local funds. **For 2025-2026, as part of this requirement, programs receiving funding under this section must provide current enrollment data, including slots open for enrollment and slots filled, to the intermediate district or consortium of intermediate districts from which funding is received for that program.**

(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, including, at least, the Connect4Learning curriculum.

(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

1 community social service agencies, including mental health
2 services, as appropriate.

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

5 (g) A plan to conduct and report annual great start readiness
6 program evaluations and continuous improvement plans using criteria
7 approved by the department of lifelong education, advancement, and
8 potential.

9 (h) Participation in a school readiness advisory committee
10 convened as a workgroup of the great start collaborative that
11 provides for the involvement of classroom teachers, parents or
12 guardians of program participants, and community, volunteer, and
13 social service agencies and organizations, as appropriate. The
14 advisory committee shall annually review and make recommendations
15 regarding the program components listed in this subsection. The
16 advisory committee also shall make recommendations to the great
17 start collaborative regarding other community services designed to
18 improve all children's school readiness.

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

21 (j) Participation in this state's great start to quality
22 process with a ~~rating-level~~ of at least enhancing quality level.

23 (5) To help expand access to great start readiness programs,
24 the department of lifelong education, advancement, and potential
25 may waive the requirements under ~~subsection~~ **subsections** (4) **and**
26 **(8) (c)** and a program may be eligible for funding under this section
27 for new or expanding programs if the program demonstrates to the
28 satisfaction of the department of lifelong education, advancement,
29 and potential that the program meets all of the following:

1 (a) Is a licensed **group or** child care center or is a licensed
2 program.

3 (b) Provides the minimum instructional time as required by the
4 department of lifelong education, advancement, and potential.

5 (c) Participates in this state's quality ~~rating~~**improvement**
6 system at a level determined by the department of lifelong
7 education, advancement, and potential.

8 (d) Implements a professional educator preparation plan, as
9 defined by the department of lifelong education, advancement, and
10 potential, for educators not meeting teacher credentialing
11 standards described in subsection (8) **or (9)**.

12 (e) Uses a developmentally appropriate curriculum, as
13 determined by the department of lifelong education, advancement,
14 and potential.

15 (f) Conducts a developmental screening and referral process,
16 as determined by the department of lifelong education, advancement,
17 and potential.

18 (g) Commits to participating in program financial review and
19 monitoring, as determined by the department of lifelong education,
20 advancement, and potential.

21 (h) Provides a plan to implement an approved great start
22 readiness program curriculum and meet additional great start
23 readiness program standards, as determined by the department of
24 lifelong education, advancement, and potential.

25 (6) A waiver under subsection (5) may be granted for up to 3
26 years for requirements related to program credentialing and may be
27 granted for up to 2 years for all other requirements, as determined
28 by the department of lifelong education, advancement, and
29 potential.

1 (7) The department of lifelong education, advancement, and
2 potential shall provide a report to the house and senate
3 appropriations subcommittees on school aid, the state budget
4 director, and the house and senate fiscal agencies that summarizes
5 the number and types of exemptions granted under subsection (5) and
6 progress made by programs granted waivers under subsection (5) by
7 September 30 of each fiscal year. It is the intent of the
8 legislature to review the waiver allowability under subsection (5)
9 before the fiscal year ending September 30, 2027.

10 (8) ~~An~~**For applications submitted before September 30, 2025,**
11 **an** application for funding under this section must provide for the
12 following, in a form and manner determined by the department of
13 lifelong education, advancement, and potential:

14 (a) Ensure either of the following:

15 (i) That the applicant complies with all program components
16 described in subsection (4).

17 (ii) That the applicant meets the requirements of a waiver
18 under subsection (5).

19 (b) Except as otherwise provided in this subdivision, ensure
20 that children participating in an eligible great start readiness
21 program for whom the intermediate district is receiving funds under
22 this section are children who live with families with a household
23 income that is equal to or less than 400% of the federal poverty
24 guidelines. If the intermediate district determines that all
25 eligible children are being served and that there are no children
26 on the waiting list who live with families with a household income
27 that is equal to or less than 400% of the federal poverty
28 guidelines, the intermediate district may then enroll children who
29 live with families with a household income that is greater than

1 400% of the federal poverty guidelines. The enrollment process must
2 consider income and risk factors, such that children determined
3 with higher need are enrolled before children with lesser need. For
4 purposes of this subdivision, all age-eligible children served in
5 foster care or who are experiencing homelessness or who have
6 individualized education programs recommending placement in an
7 inclusive preschool setting are considered to live with families
8 with household income equal to or less than 400% of the federal
9 poverty guidelines regardless of actual family income and are
10 prioritized for enrollment within the lowest quintile. The
11 department of lifelong education, advancement, and potential shall
12 publish the household income thresholds under this subdivision in a
13 clear manner on its website and the great start to quality website.

14 (c) ~~Ensure~~ **Except as provided in subsection (5), ensure** that
15 the applicant ~~only~~ **uses only** qualified personnel for this program,
16 as follows:

17 (i) Teachers possessing proper training. A lead teacher must
18 have a valid Michigan teaching certificate with an early childhood
19 or lower elementary endorsement or a bachelor's or higher degree in
20 child development or early childhood education with specialization
21 in preschool teaching. However, except as otherwise provided in
22 this subparagraph, if an applicant demonstrates to the department
23 of lifelong education, advancement, and potential that it is unable
24 to fully comply with this subparagraph after making reasonable
25 efforts to comply, teachers or paraprofessionals with at least 5
26 years of experience as a paraprofessional in a great start
27 readiness program, Head Start, or licensed child care center
28 classroom who have significant but incomplete training in early
29 childhood education or child development may be used if the

1 applicant provides to the department of lifelong education,
2 advancement, and potential, and the department of lifelong
3 education, advancement, and potential approves, a plan for each
4 teacher to come into compliance with the standards in this
5 subparagraph. Individuals may qualify with at least 3 years of
6 experience and significant training in early childhood education or
7 child development, based on the recommendation of the intermediate
8 district after a classroom observation. A teacher's compliance plan
9 must be completed within 3 years of the date of employment.
10 Progress toward completion of the compliance plan consists of at
11 least 2 courses per calendar year.

12 (ii) Paraprofessionals possessing proper training in early
13 childhood education, including an associate degree in early
14 childhood education or child development or the equivalent, or a
15 child development associate (CDA) credential. However, if an
16 applicant demonstrates to the department of lifelong education,
17 advancement, and potential that it is unable to fully comply with
18 this subparagraph after making reasonable efforts to comply, the
19 applicant may use paraprofessionals who have completed at least 1
20 course that earns college credit in early childhood education or
21 child development or enroll in a child development associate
22 credential with at least 6 months of verified experience in early
23 education and care, if the applicant provides to the department of
24 lifelong education, advancement, and potential, and the department
25 of lifelong education, advancement, and potential approves, a plan
26 for each paraprofessional to come into compliance with the
27 standards in this subparagraph. A paraprofessional's compliance
28 plan must be completed within 3 years of the date of employment.
29 Progress toward completion of the compliance plan consists of at

1 least 2 courses, 60 clock hours, or an equivalent of training per
2 calendar year.

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

14 **(9) Beginning in 2025-2026, applications for funding under**
15 **this section must be submitted to the department of lifelong**
16 **education, advancement, and potential in a form and manner**
17 **determined by the department of lifelong education, advancement,**
18 **and potential. The application must do all of the following:**

19 (a) Ensure compliance with program requirements described in
20 subsection (4) or (5), as applicable.

21 (b) Except as otherwise provided in this subdivision, ensure
22 that children participating in an eligible great start readiness
23 program for whom the intermediate district is receiving funds under
24 this section are children who live with families with a household
25 income that is equal to or less than 400% of the federal poverty
26 guidelines. If the intermediate district determines that all
27 eligible children are being served and that there are no children
28 on the waiting list who live with families with a household income
29 that is equal to or less than 400% of the federal poverty

guidelines, the intermediate district may then enroll children who live with families with a household income that is greater than 400% of the federal poverty guidelines. The enrollment process must 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 who are in foster care, who are experiencing homelessness, or who have individualized education programs recommending placement in an inclusive preschool setting, are considered to live with families with household income equal to or less than 400% of the federal poverty guidelines regardless of actual family income and are prioritized for enrollment within the lowest quintile. The department of lifelong education, advancement, and potential shall publish the household income thresholds described in this subdivision in a clear manner on the department of lifelong education, advancement, and potential's website and the great start to quality website.

(c) Ensure that the applicant uses only qualified personnel, as determined by the department of lifelong education, advancement, and potential, for eligible great start readiness program options.

(10) ~~(9)~~—For a grant recipient that enrolls pupils in a school-day program or GSRP extended program funded under this section, each child enrolled in the school-day program or GSRP extended program is counted as described in section 39 for purposes of determining the amount of the grant award. **This subsection does not apply after September 30, 2025.**

(11) ~~(10)~~—For a grant recipient that enrolls pupils in, **for 2024-2025**, a GSRP/Head Start school-day blended program or GSRP/Head Start extended blended program, **or for 2025-2026**, an

1 **eligible great start readiness program option that blends GSRP and**
 2 **Head Start programming,** the grant recipient shall ensure that all
 3 Head Start and GSRP policies and regulations are applied to the
 4 blended slots, with adherence to the highest standard from either
 5 program, to the extent allowable under federal law. A grant
 6 recipient may request a waiver from the department of lifelong
 7 education, advancement, and potential to align GSRP policies and
 8 regulations with Head Start national standards for quality,
 9 including ratios, and the department of lifelong education,
 10 advancement, and potential may approve the waiver. Not later than
 11 March 1 of each year, the department of lifelong education,
 12 advancement, and potential will report to the legislature and post
 13 on a publicly available website a list by intermediate district or
 14 consortium with the number and type of each waiver requested and
 15 approved.

16 **(12) ~~(11)~~**—To help expand access to great start readiness
 17 programs, the department **of lifelong education, advancement, and**
 18 **potential** may allow great start readiness programs to implement
 19 Head Start national performance standards for quality as an
 20 alternative to great start readiness program policies and
 21 regulations if the great start readiness program demonstrates to
 22 the satisfaction of the department **of lifelong education,**
 23 **advancement, and potential** that the great start readiness program
 24 is meeting the requirements of the Head Start national performance
 25 standards.

26 **(13) Beginning in 2025-2026, an intermediate district or**
 27 **consortium of intermediate districts that receives funding under**
 28 **this section must publish on an easily accessible website a data**
 29 **dashboard containing the number of allocations requested from this**

1 state, a list of great start readiness programs in their
 2 boundaries, and current enrollment data for each subrecipient,
 3 including total slots open for enrollment, slots filled, and
 4 waitlist information, if applicable. A link to this website must be
 5 provided to families on waitlists for any great start readiness
 6 programs in their boundaries.

7 (14) ~~(12)~~ An intermediate district or consortium of
 8 intermediate districts receiving a grant under this section shall
 9 designate an early childhood coordinator, and may provide services
 10 directly or may contract with 1 or more districts or public or
 11 private for-profit or nonprofit providers that meet all
 12 requirements of subsections (4) ~~and (5)~~, (8), and (9), as
 13 applicable.

14 (15) ~~(13)~~ An intermediate district or consortium of
 15 intermediate districts may retain for administrative services
 16 provided by the intermediate district or consortium of intermediate
 17 districts an amount not to exceed 4% of the grant amount. Expenses
 18 incurred by subrecipients engaged by the intermediate district or
 19 consortium of intermediate districts for directly running portions
 20 of the program are considered program costs or a contracted program
 21 fee for service. Subrecipients operating ~~with a federally approved~~
 22 ~~indirect rate for other~~ early childhood programs may include
 23 indirect costs, not to exceed the federal ~~10%~~ de minimis.

24 (16) ~~(14)~~ An intermediate district or consortium of
 25 intermediate districts may expend not more than 2% of the total
 26 grant amount for outreach, recruiting, and public awareness of the
 27 program, if the intermediate district or consortium of intermediate
 28 districts also participates in related statewide marketing and
 29 outreach efforts.

1 **(17)** ~~(15)~~—Each grant recipient shall enroll children
2 identified under subsection (8)(b) **or (9)(b), as applicable,**
3 according to how far the child's household income is below 400% of
4 the federal poverty guidelines by ranking each applicant child's
5 household income from lowest to highest and dividing the applicant
6 children into quintiles based on how far the child's household
7 income is below 400% of the federal poverty guidelines, and then
8 enrolling children in the quintile with the lowest household income
9 before enrolling children in the quintile with the next lowest
10 household income until slots are completely filled. If the grant
11 recipient determines that all eligible children are being served
12 and that there are no children on the waiting list who live with
13 families with a household income that is equal to or less than 400%
14 of the federal poverty guidelines, the grant recipient may then
15 enroll children who live with families with a household income that
16 is greater than 400% of the federal poverty guidelines. The
17 enrollment process must consider income and risk factors, such that
18 children determined with higher need are enrolled before children
19 with lesser need. For purposes of this subsection, all age-eligible
20 children served in foster care or who are experiencing homelessness
21 or who have individualized education programs recommending
22 placement in an inclusive preschool setting are considered to live
23 with families with household income equal to or less than 400% of
24 the federal poverty guidelines regardless of actual family income
25 and are prioritized for enrollment within the lowest quintile.

26 **(18)** ~~(16)~~—An intermediate district or consortium of
27 intermediate districts receiving a grant under this section shall
28 allow parents of eligible children who are residents of the
29 intermediate district or within the consortium to choose a program

1 operated by or contracted with another intermediate district or
2 consortium of intermediate districts and shall enter into a written
3 agreement regarding payment, in a manner prescribed by the
4 department of lifelong education, advancement, and potential.

5 **(19) ~~(17)~~**—An intermediate district or consortium of
6 intermediate districts receiving a grant under this section shall
7 conduct a local process to contract with interested and eligible
8 public and private for-profit and nonprofit community-based
9 providers that meet all requirements of subsection (4) for at least
10 30% of its total allocation. For the purposes of this 30%
11 allocation, an intermediate district or consortium of intermediate
12 districts may count children served by, **for 2024-2025**, a Head Start
13 grantee or delegate in a GSRP/Head Start school-day blended
14 program, GSRP/Head Start extended blended program, GSRP extended
15 program, ~~and or~~ great start readiness school-day program, **and for**
16 **2025-2026, an eligible great start readiness program option that is**
17 **at least a school-day program, including Head Start blended**
18 **programs.** Children served in a program funded only through Head
19 Start are not counted toward this 30% allocation. An intermediate
20 district or consortium shall report to the department of lifelong
21 education, advancement, and potential, in a manner prescribed by
22 the department of lifelong education, advancement, and potential, a
23 detailed list of community-based providers by provider type,
24 including private for-profit, private nonprofit, community college
25 or university, Head Start grantee or delegate, and district or
26 intermediate district, and the number and proportion of its total
27 allocation allocated to each provider as subrecipient. If the
28 intermediate district or consortium is not able to contract for at
29 least 30% of its total allocation, the intermediate district or

1 consortium shall notify the department of lifelong education,
2 advancement, and potential and, if the department of lifelong
3 education, advancement, and potential verifies that the
4 intermediate district or consortium attempted to contract for at
5 least 30% of its total allocation and was not able to do so, the
6 intermediate district or consortium may retain and use all of its
7 allocation as provided under this section. To be able to use this
8 exemption, the intermediate district or consortium shall
9 demonstrate to the department of lifelong education, advancement,
10 and potential that the intermediate district or consortium
11 increased the percentage of its total allocation for which it
12 contracts with a community-based provider and the intermediate
13 district or consortium shall submit evidence satisfactory to the
14 department of lifelong education, advancement, and potential, and
15 the department of lifelong education, advancement, and potential
16 must be able to verify this evidence, demonstrating that the
17 intermediate district or consortium took measures to contract for
18 at least 30% of its total allocation as required under this
19 subsection, including, but not limited to, at least all of the
20 following measures:

21 (a) The intermediate district or consortium notified each
22 nonparticipating licensed child care center located in the service
23 area of the intermediate district or consortium regarding the
24 center's eligibility to participate, in a manner prescribed by the
25 department of lifelong education, advancement, and potential.

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

1 description of the application and selection process for community-
2 based providers.

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

7 **(20)** ~~(18)~~—If an intermediate district or consortium of
8 intermediate districts receiving a grant under this section fails
9 to submit satisfactory evidence to demonstrate its effort to
10 contract for at least 30% of its total allocation, as required
11 under subsection ~~(17)~~, **(19)**, the department of lifelong education,
12 advancement, and potential shall reduce the allocation to the
13 intermediate district or consortium by a percentage equal to the
14 difference between the percentage of an intermediate district's or
15 consortium's total allocation awarded to community-based providers
16 and 30% of its total allocation.

17 **(21)** ~~(19)~~—To assist intermediate districts and consortia in
18 complying with the requirement to contract with community-based
19 providers, for at least 30% of their total allocation, the
20 department of lifelong education, advancement, and potential shall
21 do all of the following:

22 (a) Ensure that a great start resource center or the
23 department of lifelong education, advancement, and potential
24 provides each intermediate district or consortium receiving a grant
25 under this section with the contact information for each licensed
26 child care center located in the service area of the intermediate
27 district or consortium by March 1 of each year.

28 (b) Provide, or ensure that an organization with which the
29 department of lifelong education, advancement, and potential

1 contracts provides, a community-based provider with a validated
2 great start to quality rating within 90 days of the provider's
3 having submitted a request and self-assessment. **This subdivision**
4 **does not apply after September 30, 2025.**

5 (c) Ensure that all intermediate district, district, community
6 college or university, Head Start grantee or delegate, private for-
7 profit, and private nonprofit providers are subject to a single
8 great start to quality ~~rating~~ **continuous quality improvement**
9 system. The ~~rating~~ **continuous quality improvement** system must
10 ensure that regulators process all prospective providers at the
11 same pace on a first-come, first-served basis and must not allow 1
12 type of provider to receive a great start to quality ~~rating~~ **level**
13 ahead of any other type of provider.

14 (d) By not later than March 1 of each year, compile the
15 results of the information reported by each intermediate district
16 or consortium under subsection ~~(17)~~ **(19)** and report to the
17 legislature and post on a publicly available website a list by
18 intermediate district or consortium with the number and percentage
19 of each intermediate district's or consortium's total allocation
20 allocated to community-based providers by provider type, including
21 private for-profit, private nonprofit, community college or
22 university, Head Start grantee or delegate, and district or
23 intermediate district.

24 (e) Allow intermediate districts and consortia and eligible
25 community-based providers to utilize materials and supplies
26 purchased for great start readiness programs within their
27 facilities for other early care and education activities, in the
28 following order of priority:

29 (i) Early care and education activities under a federal award.

1 (ii) Early care and education activities under other state
2 awards.

3 (iii) Early care and education activities under local or
4 regional awards.

5 **(22)** ~~(20)~~—A recipient of funds under this section shall report
6 to the center in a form and manner prescribed by the center the
7 information necessary to derive the number of children
8 participating in the program who meet the program eligibility
9 criteria under subsection (8)(b) **or (9)(b), as applicable,** the
10 number of eligible children not participating in the program and on
11 a waitlist, and the total number of children participating in the
12 program by various demographic groups and eligibility factors
13 necessary to analyze equitable and priority access to services for
14 the purposes of subsection (3).

15 **(23)** ~~(21)~~—As used in this section:

16 **(a) "Child care center" means that term as defined in section**
17 **1 of 1973 PA 116, MCL 722.111.**

18 **(b) "Eligible great start readiness program options" means a**
19 **program option that operates on a school-day, part-day, or extended**
20 **schedule length, as determined by the department of lifelong**
21 **education, advancement, and potential. The department of lifelong**
22 **education, advancement, and potential must maintain and publish on**
23 **its website requirements for each eligible schedule length,**
24 **including the minimum day length, the minimum number of days per**
25 **week, and the minimum number of weeks per year. These programs may**
26 **be blended with Head Start programs, if allowable by federal rules**
27 **and regulations.**

28 **(c)** ~~(a)~~—"Federal poverty guidelines" means the guidelines
29 published annually in the Federal Register by the United States

1 Department of Health and Human Services under its authority to
2 revise the poverty line under 42 USC 9902.

3 **(d)** ~~(b)~~—"GSRP extended program" means a program that operates
4 for at least the same length of day as a district's first grade
5 program for a minimum of 5 days per week, 36 weeks per year.

6 **(e)** ~~(e)~~—"GSRP/Head Start extended blended program" means a
7 program funded under this section and a Head Start program that are
8 combined for an extended program.

9 **(f)** ~~(d)~~—"GSRP/Head Start school-day blended program" means a
10 part-day program funded under this section and a Head Start
11 program, which are combined for a school-day program.

12 **(g) "Licensed child care center" means a child care center**
13 **that has been issued a license under 1973 PA 116, MCL 722.111 to**
14 **722.128, to operate a child care center.**

15 **(h)** ~~(e)~~—"Part-day program" means a program that operates at
16 least 4 days per week, 30 weeks per year, for at least 3 hours of
17 teacher-child contact time per day but for fewer hours of teacher-
18 child contact time per day than a school-day program.

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

24 **(24)** ~~(22)~~—From the amount allocated in subsection (2), there
25 is allocated for 2024-2025 an amount not to exceed \$10,000,000.00
26 and, from the **state school aid fund money allocated in subsection**
27 **(1), there is allocated an amount not to exceed \$10,000,000.00 for**
28 **2024-2025 and from the** great start readiness program reserve fund
29 ~~appropriated in section 11, money allocated in subsection (1),~~

1 there is allocated ~~for 2024-2025~~ an amount not to exceed
2 \$18,000,000.00 **for 2024-2025 and \$28,000,000.00 for 2025-2026** for
3 reimbursement of transportation costs for children attending great
4 start readiness programs funded under this section. To receive
5 reimbursement under this subsection, by not later than November 1
6 of each year, a program funded under this section that provides
7 transportation shall submit to the intermediate district that is
8 the fiscal agent for the program a projected transportation budget.
9 The amount of the reimbursement for transportation under this
10 subsection is no more than the projected transportation budget or
11 \$500.00 multiplied by the number of children funded for the program
12 under this section. If the amount allocated under this subsection
13 is insufficient to fully reimburse the transportation costs for all
14 programs that provide transportation and submit the required
15 information, the department of lifelong education, advancement, and
16 potential shall prorate the reimbursement in an equal amount per
17 child funded. The department of lifelong education, advancement,
18 and potential shall make payments to the intermediate district that
19 is the fiscal agent for each program, and the intermediate district
20 shall then reimburse the program provider for transportation costs
21 as prescribed under this subsection.

22 **(25)** ~~(23)~~ Subject to, and from the funds allocated under,
23 subsection ~~(22)~~, **(24)**, the department of lifelong education,
24 advancement, and potential shall reimburse a program for
25 transportation costs related to parent- or guardian-accompanied
26 transportation provided by transportation service companies, buses,
27 or other public transportation services. To be eligible for
28 reimbursement under this subsection, a program must submit to the
29 intermediate district or consortia of intermediate districts all of

1 the following:

2 (a) The names of families provided with transportation support
3 along with a documented reason for the need for transportation
4 support and the type of transportation provided.

5 (b) Financial documentation of actual transportation costs
6 incurred by the program, including, but not limited to, receipts
7 and mileage reports, as determined by the department of lifelong
8 education, advancement, and potential.

9 (c) Any other documentation or information determined
10 necessary by the department of lifelong education, advancement, and
11 potential.

12 **(26)** ~~(24)~~—The department of lifelong education, advancement,
13 and potential shall implement a process to review and approve age-
14 appropriate comprehensive classroom level quality assessments for
15 GSRP grantees that support the early childhood standards of quality
16 for prekindergarten children adopted by the state board. The
17 department of lifelong education, advancement, and potential shall
18 make available to intermediate districts at least 2 classroom level
19 quality assessments that were approved in 2018.

20 **(27)** ~~(25)~~—An intermediate district that is a GSRP grantee may
21 approve the use of a supplemental curriculum that aligns with and
22 enhances the age-appropriate educational curriculum in the
23 classroom. If the department of lifelong education, advancement,
24 and potential objects to the use of a supplemental curriculum
25 approved by an intermediate district, the director of the
26 department of lifelong education, advancement, and potential shall
27 establish a review committee independent of the department of
28 lifelong education, advancement, and potential. The review
29 committee shall meet within 60 days of the department of lifelong

1 education, advancement, and potential registering its objection in
 2 writing and provide a final determination on the validity of the
 3 objection within 60 days of the review committee's first meeting.

4 **(28)** ~~(26)~~—The department of lifelong education, advancement,
 5 and potential shall implement a process to evaluate and approve
 6 age-appropriate educational curricula that are in compliance with
 7 the early childhood standards of quality for prekindergarten
 8 children adopted by the state board.

9 **(29)** ~~(27)~~—From the ~~funds~~ **state school aid fund money** allocated
 10 under subsection (1), there is allocated for 2024-2025 **and 2025-**
 11 **2026** an amount not to exceed \$2,000,000.00 for payments to
 12 intermediate districts or consortia of intermediate districts for
 13 professional development and training materials for educators in
 14 programs implementing new curricula or child assessment tools
 15 approved for use in the great start readiness program.

16 **(30)** ~~(28)~~ ~~A~~ **For 2024-2025, a** great start readiness program, a
 17 GSRP extended program, a GSRP/Head Start school-day blended
 18 program, or a GSRP/Head Start extended blended program funded under
 19 this section is permitted to utilize AmeriCorps Pre-K Reading Corps
 20 members in classrooms implementing research-based early literacy
 21 intervention strategies. **For 2025-2026, an eligible great start**
 22 **readiness program funded under this section is permitted to utilize**
 23 **AmeriCorps Pre-K Reading Corps members in classrooms implementing**
 24 **research-based early literacy intervention strategies.**

25 **(31)** ~~(29)~~—In addition to the allocation under subsection (1),
 26 from the state school aid fund money appropriated under section 11,
 27 there is allocated an amount not to exceed \$25,000,000.00 for 2024-
 28 2025 only for classroom start up grants to intermediate districts
 29 and consortia of intermediate districts for new or expanding great

1 start readiness classrooms. All of the following apply to funding
2 allocated under this subsection:

3 (a) To receive funding under this subsection, intermediate
4 districts and consortia of intermediate districts must apply for
5 the funding in a form and manner prescribed by the department of
6 lifelong education, advancement, and potential.

7 (b) The department of lifelong education, advancement, and
8 potential shall pay an amount not to exceed \$50,000.00 for each new
9 or expanded classroom. If funding is insufficient to fully fund all
10 eligible applicants, the department of lifelong education,
11 advancement, and potential must prorate the per-classroom amount on
12 an equal basis. If the allocation is not fully paid in the current
13 fiscal year, the department of lifelong education, advancement, and
14 potential may award any remaining funding during fiscal year 2025-
15 2026 for each new or expanded classroom at an equal amount per
16 classroom, based on remaining available funds, not to exceed
17 \$50,000.00 per classroom.

18 (c) Funds received under this subsection by intermediate
19 districts and consortia of intermediate districts must be paid in
20 full to the entity operating the classroom and may be used for 1 or
21 more of the following purposes:

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

25 (ii) Supporting facility improvements or purchasing facility
26 space **or modular classroom units** necessary to provide a safe, high-
27 quality learning environment for children in each new or expanded
28 classroom, **and for costs to become a licensed facility, including,**
29 **but not limited to, architectural drawings, permits, and other**

1 **prelicensure inspection fees.**

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

6 (iv) Supporting costs in each new or expanded classroom
7 associated with improving a provider's great start to quality
8 ~~rating level.~~

9 ~~(d) The funds allocated under this subsection for 2022-2023~~
10 ~~are a work project appropriation, and any unexpended funds for~~
11 ~~2022-2023 do not lapse to the state school aid fund and are carried~~
12 ~~forward into 2023-2024. The purpose of the work project is to~~
13 ~~continue support for new or expanded great start readiness~~
14 ~~classrooms. The estimated completion date of the work project is~~
15 ~~September 30, 2024.~~

16 **(d)** ~~(e)~~ The funds allocated under this subsection for 2024-
17 2025 are a work project appropriation, and any unexpended funds for
18 2024-2025 do not lapse to the state school aid fund and are carried
19 forward into 2025-2026. The purpose of the work project is to
20 continue support for new or expanded great start readiness
21 classrooms. The estimated completion date of the work project is
22 September 30, 2026.

23 **(e) Notwithstanding section 17b, the department of lifelong**
24 **education, advancement, and potential shall make payments under**
25 **this subsection on a schedule determined by the department of**
26 **lifelong education, advancement, and potential.**

27 **(32)** ~~(30)~~ In addition to the funds allocated in subsection
28 (1), there is allocated from the general fund money appropriated
29 under section 11 for 2024-2025 only an amount not to exceed

\$1,950,000.00 for an intermediate district or a consortium of intermediate districts to partner with the department of lifelong education, advancement, and potential and community-based organizations to continue implementing statewide outreach and enrollment campaign activities to raise awareness about the availability of services through the great start readiness program and to promote enrollment.

(33) ~~(31)~~—The funds allocated under subsection ~~(30)~~—**(32)** for 2024-2025 are a work project appropriation, and any unexpended funds for 2024-2025 are carried forward into 2025-2026. The purpose of the work project is to raise awareness of and participation in great start readiness programming. The estimated completion date of the work project is September 30, 2027.

(34) ~~(32)~~—Notwithstanding section 17b, the department of lifelong education, advancement, and potential shall make payments under subsection ~~(30)~~—**(32)** on a schedule determined by the department of lifelong education, advancement, and potential.

~~(33) As used in this section:~~

~~(a) "Child care center" means that term as defined in section 1 of 1973 PA 116, MCL 722.111.~~

~~(b) "Licensed child care center" means a child care center that has been issued a license under 1973 PA 116, MCL 722.111 to 722.128, to operate a child care center.~~

Sec. 32y. Notwithstanding section 18a, funds allocated under former section 32x for 2023-2024 may be available for expenditure until September 30, 2029. A recipient of funding under that section must return any unexpended funds to the department in the manner prescribed by the department not later than October 30, 2029.

Sec. 39. (1) An eligible applicant receiving funds under

1 section 32d shall submit an application, in a form and manner
 2 prescribed by the department of lifelong education, advancement,
 3 and potential, by a date specified by the department of lifelong
 4 education, advancement, and potential in the immediately preceding
 5 fiscal year. An eligible applicant is not required to amend the
 6 applicant's current accounting cycle or adopt this state's fiscal
 7 year accounting cycle in accounting for financial transactions
 8 under this section. The application must include all of the
 9 following:

10 (a) The estimated total number of children in the community
 11 who meet the criteria of section 32d and the total number of age-
 12 eligible children in the community, as provided to the applicant by
 13 the department of lifelong education, advancement, and potential
 14 utilizing the most recent population data available from the
 15 American Community Survey conducted by the United States Census
 16 Bureau. The department of lifelong education, advancement, and
 17 potential shall ensure that it provides updated American Community
 18 Survey population data at least once every 3 years.

19 (b) The estimated number of children in the community who meet
 20 the criteria of section 32d and are being served exclusively by
 21 Head Start programs operating in the community.

22 (c) The number of children whom the applicant ~~has~~**will have**
 23 the capacity to serve **in each eligible great start readiness**
 24 **program option** who meet the criteria of section 32d. ~~including a~~
 25 ~~verification of physical facility and staff resources capacity.~~

26 **(2) The great start readiness foundation amount for 2025-2026**
 27 **is \$10,185.00.**

28 **(3)** ~~(2)~~ After notification of funding allocations, an
 29 applicant receiving funds under section 32d shall also submit an

1 implementation plan for approval, in a form and manner prescribed
2 by the department of lifelong education, advancement, and
3 potential, by a date specified by the department of lifelong
4 education, advancement, and potential, that details how the
5 applicant complies with the program components established by the
6 department of lifelong education, advancement, and potential under
7 section 32d.

8 **(4) ~~(3) The Subject to subsection (5), the~~** initial allocation
9 to each eligible applicant under section 32d is ~~the lesser equal to~~
10 **the sum** of the following:

11 ~~(a) The sum of the number of children served in a school-day~~
12 ~~program in the preceding school year multiplied by \$10,185.00, the~~
13 ~~number of children served in a GSRP extended program in the~~
14 ~~preceding school year multiplied by \$12,222.00, the number of~~
15 ~~children served in a GSRP/Head Start school-day blended program or~~
16 ~~a part-day program in the preceding school year multiplied by~~
17 ~~\$5,093.00, and the number of children served in a GSRP/Head Start~~
18 ~~extended blended program in the preceding school year multiplied by~~
19 ~~\$6,111.00.~~

20 ~~(b) The sum of the number of children the applicant has the~~
21 ~~capacity to serve in the current school year in a school-day~~
22 ~~program multiplied by \$10,185.00, the number of children served in~~
23 ~~a GSRP extended program the applicant has the capacity to serve in~~
24 ~~the current school year multiplied by \$12,222.00, the number of~~
25 ~~children served in a GSRP/Head Start school-day blended program or~~
26 ~~a part-day program the applicant has the capacity to serve in the~~
27 ~~current school year multiplied by \$5,093.00, and the number of~~
28 ~~children served in a GSRP/Head Start extended blended program the~~
29 ~~applicant has the capacity to serve in the current school year~~

1 multiplied by \$6,111.00.

2 ~~(4) If funds remain after the allocations under subsection~~
3 ~~(3), the department of lifelong education, advancement, and~~
4 ~~potential shall distribute the remaining funds to each intermediate~~
5 ~~district or consortium of intermediate districts that serves less~~
6 ~~than the state percentage benchmark determined under subsection~~
7 ~~(5). The department of lifelong education, advancement, and~~
8 ~~potential shall distribute these remaining funds to each eligible~~
9 ~~applicant based upon each applicant's proportionate share of the~~
10 ~~remaining unserved children necessary to meet the statewide~~
11 ~~percentage benchmark in intermediate districts or consortia of~~
12 ~~intermediate districts serving less than the statewide percentage~~
13 ~~benchmark. When all applicants have been given the opportunity to~~
14 ~~reach the statewide percentage benchmark, the statewide percentage~~
15 ~~benchmark may be reset, as determined by the department of lifelong~~
16 ~~education, advancement, and potential, until greater equity of~~
17 ~~opportunity to serve eligible children across all intermediate~~
18 ~~school districts has been achieved.~~

19 ~~(5) For the purposes of subsection (4), the department of~~
20 ~~lifelong education, advancement, and potential shall calculate a~~
21 ~~percentage of children served by each intermediate district or~~
22 ~~consortium of intermediate districts by adding the number of~~
23 ~~children served in the immediately preceding year by that~~
24 ~~intermediate district or consortium with the number of eligible~~
25 ~~children under section 32d served exclusively by Head Start, as~~
26 ~~reported in a form and manner prescribed by the department of~~
27 ~~lifelong education, advancement, and potential, within the~~
28 ~~intermediate district or consortia service area and dividing that~~
29 ~~total by the total number of children within the intermediate~~

~~district or consortium of intermediate districts who meet the
criteria of section 32d as determined by the department of lifelong
education, advancement, and potential utilizing the most recent
population data available from the American Community Survey
conducted by the United States Census Bureau. The department of
lifelong education, advancement, and potential shall compare the
resulting percentage of eligible children served to a statewide
percentage benchmark to determine if the intermediate district or
consortium is eligible for additional funds under subsection (4).
The statewide percentage benchmark is 100%.~~

(a) The number of children in the current school year served
in a program determined by the department of lifelong education,
advancement, and potential to be a school-day program multiplied by
the great start readiness foundation amount.

(b) The number of children in the current school year served
in a program determined by the department of lifelong education,
advancement, and potential to be a part-day program or a school-day
program blended with Head Start multiplied by the great start
readiness foundation amount divided by 2.

(c) The number of children in the current school year served
in a program determined by the department of lifelong education,
advancement, and potential to be an extended program multiplied by
the great start readiness foundation amount multiplied by 1.2.

(d) The number of children in the current school year served
in a program determined by the department of lifelong education,
advancement, and potential to be an extended program blended with
Head Start or a part-day extended program multiplied by the great
start readiness foundation amount multiplied by 0.6.

(5) Subject to subsection (6), if the calculations under

1 subsection (4) result in a total allocation exceeding the amount
2 available as allocated or appropriated under section 32d(2),
3 initial allocations to each eligible applicant under section 32d
4 are calculated as the sum of the following:

5 (a) An amount equal to the calculations described in
6 subsection (4) but using for those calculations the lesser of the
7 number of children served in the immediately preceding fiscal year
8 or the number of children the applicant has the capacity to serve
9 in the current fiscal year instead of the number of children served
10 in the current fiscal year.

11 (b) An amount equal to the remaining available dollars after
12 calculations in subdivision (a) distributed proportionately to
13 eligible applicants where calculations under subdivision (a) are
14 less than the amount originally calculated under subsection (4).

15 (6) If the calculations under subsection (5) result in a total
16 allocation exceeding the amount available as allocated or
17 appropriated under section 32d(2), the initial allocation to each
18 eligible applicant is the amount calculated under subsection (4)
19 prorated on an equal percentage basis.

20 (7) ~~(6)~~—If, taking into account the total amount to be
21 allocated to the applicant as calculated under this section, an
22 applicant determines that it is able to include additional eligible
23 children in the great start readiness program without additional
24 funds under section 32d, the applicant may include additional
25 eligible children but does not receive additional funding under
26 section 32d for those children.

27 (8) ~~(7)~~—The department of lifelong education, advancement, and
28 potential shall review the program components under section 32d and
29 under this section at least biennially. The department of lifelong

1 education, advancement, and potential also shall convene a
 2 committee of internal and external stakeholders at least once every
 3 5 years to ensure that the funding structure under this section
 4 reflects current system needs under section 32d.

5 ~~(8) As used in this section, "GSRP/Head Start blended~~
 6 ~~program", "GSRP extended program", "part-day program", and "school-~~
 7 ~~day program" mean those terms as defined in section 32d.~~

8 Sec. 39a. (1) From the federal funds appropriated in section
 9 11, there is allocated for ~~2024-2025~~**2025-2026** to districts,
 10 intermediate districts, and other eligible entities all available
 11 federal funding, estimated at ~~\$754,700,000.00,~~**\$824,700,000.00**, for
 12 the federal programs under the no child left behind act of 2001,
 13 Public Law 107-110, or the every student succeeds act, Public Law
 14 114-95. These funds are allocated as follows:

15 (a) An amount estimated at \$1,200,000.00 for ~~2024-2025~~**2025-**
 16 **2026** to provide students with drug- and violence-prevention
 17 programs and to implement strategies to improve school safety,
 18 funded from DED-OESE, drug-free schools and communities funds.

19 (b) An amount estimated at \$100,000,000.00 for ~~2024-2025~~**2025-**
 20 **2026** for the purpose of preparing, training, and recruiting high-
 21 quality teachers and class size reduction, funded from DED-OESE,
 22 improving teacher quality funds.

23 (c) An amount estimated at \$13,000,000.00 for ~~2024-2025~~**2025-**
 24 **2026** for programs to teach English to limited English proficient
 25 (LEP) children, funded from DED-OESE, language acquisition state
 26 grant funds.

27 (d) An amount estimated at \$2,800,000.00 for ~~2024-2025~~**2025-**
 28 **2026** for rural and low-income schools, funded from DED-OESE, rural
 29 and low income school funds.

1 (e) An amount estimated at ~~\$535,000,000.00~~ **\$585,000,000.00** for
2 ~~2024-2025-2025-2026~~ to provide supplemental programs to enable
3 educationally disadvantaged children to meet challenging academic
4 standards, funded from DED-OESE, title I, disadvantaged children
5 funds.

6 (f) An amount estimated at \$9,200,000.00 for ~~2024-2025-2025-~~
7 **2026** for the purpose of identifying and serving migrant children,
8 funded from DED-OESE, title I, migrant education funds.

9 (g) An amount estimated at \$40,400,000.00 for ~~2024-2025-2025-~~
10 **2026** for the purpose of providing high-quality extended learning
11 opportunities, after school and during the summer, for children in
12 low-performing schools, funded from DED-OESE, twenty-first century
13 community learning center funds.

14 (h) An amount estimated at \$14,000,000.00 for ~~2024-2025-2025-~~
15 **2026** to help support local school improvement efforts, funded from
16 DED-OESE, title I, local school improvement grants.

17 (i) An amount estimated at ~~\$35,000,000.00~~ **\$55,000,000.00** for
18 ~~2024-2025-2025-2026~~ to improve the academic achievement of
19 students, funded from DED-OESE, title IV, student support and
20 academic enrichment grants.

21 (j) An amount estimated at \$3,100,000.00 for ~~2024-2025-2025-~~
22 **2026** for literacy programs that advance literacy skills for
23 students from birth through grade 12, including, but not limited
24 to, English-proficient students and students with disabilities,
25 funded from DED-OESE, striving readers comprehensive literacy
26 program.

27 (k) An amount estimated at \$1,000,000.00 for ~~2024-2025-2025-~~
28 **2026** for grants to support and demonstrate innovative partnerships
29 to train school-based mental health service providers, funded from

1 DED-OESE, mental health service professional demonstration grant
2 program.

3 (2) From the federal funds appropriated in section 11, there
4 is allocated to districts, intermediate districts, and other
5 eligible entities all available federal funding, estimated at
6 ~~\$60,500,000.00~~ **\$66,715,000.00** for ~~2024-2025~~ **2025-2026** for the
7 following programs that are funded by federal grants:

8 (a) An amount estimated at \$3,000,000.00 for ~~2024-2025~~ **2025-**
9 **2026** to provide services to homeless children and youth, funded
10 from DED-OVAE, homeless children and youth funds.

11 (b) An amount estimated at ~~\$24,000,000.00~~ **\$30,000,000.00** for
12 ~~2024-2025~~ **2025-2026** for providing career and technical education
13 services to pupils, funded from DED-OVAE, basic grants to states.

14 (c) An amount estimated at \$14,000,000.00 for ~~2024-2025~~ **2025-**
15 **2026** for the Michigan charter school subgrant program, funded from
16 DED-OII, public charter schools program funds.

17 (d) An amount estimated at \$18,000,000.00 for ~~2024-2025~~ **2025-**
18 **2026** for the purpose of promoting and expanding high-quality
19 preschool services, funded from HHS-OCC, preschool development
20 funds.

21 (e) An amount estimated at ~~\$1,500,000.00~~ **\$1,715,000.00** for
22 ~~2024-2025~~ **2025-2026** for the purpose of addressing priority
23 substance abuse treatment, prevention, and mental health needs,
24 funded from HHS-SAMHSA.

25 (3) The department, or, for subsections (1)(g) and (2)(d), the
26 department of lifelong education, advancement, and potential, shall
27 distribute all federal funds allocated under this section in
28 accordance with federal law and with flexibility provisions
29 outlined in Public Law 107-116, and in the education flexibility

1 partnership act of 1999, Public Law 106-25. Notwithstanding section
2 17b, the department or the department of lifelong education,
3 advancement, and potential, as applicable, shall make payments of
4 federal funds to districts, intermediate districts, and other
5 eligible entities under this section on a schedule determined by
6 the department.

7 (4) For the purposes of applying for federal grants
8 appropriated under this article, the department, or, for
9 subsections (1)(g) and (2)(d), the department of lifelong
10 education, advancement, and potential, shall allow an intermediate
11 district to submit a consortium application on behalf of 2 or more
12 districts with the agreement of those districts as appropriate
13 according to federal rules and guidelines.

14 (5) For the purposes of funding federal title I grants under
15 this article, in addition to any other federal grants for which the
16 strict discipline academy is eligible, the department, or, for
17 subsections (1)(g) and (2)(d), the department of lifelong
18 education, advancement, and potential, shall allocate to a strict
19 discipline academy out of title I, part A an amount equal to what
20 the strict discipline academy would have received if included and
21 calculated under title I, part D, or what it would receive under
22 the formula allocation under title I, part A, whichever is greater.

23 (6) As used in this section:

24 (a) "DED" means the United States Department of Education.

25 (b) "DED-OESE" means the DED Office of Elementary and
26 Secondary Education.

27 (c) "DED-OII" means the DED Office of Innovation and
28 Improvement.

29 (d) "DED-OVAE" means the DED Office of Vocational and Adult

1 Education.

2 (e) "HHS" means the United States Department of Health and
3 Human Services.

4 (f) "HHS-OCC" means the HHS Office of Child Care.

5 (g) "HHS-SAMHSA" means the HHS Substance Abuse and Mental
6 Health Services Project.

7 Sec. 51a. (1) From the state school aid fund money in section
8 11, ~~there is allocated an amount not to exceed \$1,822,546,100.00~~
9 ~~for 2023-2024 and there is allocated an amount not to exceed~~
10 ~~\$2,064,096,100.00~~ **\$2,028,696,100.00** for 2024-2025 **and there is**
11 **allocated an amount not to exceed \$2,142,088,000.00 for 2025-2026**
12 from state sources and all available federal funding under sections
13 1411 to 1419 of part B of the individuals with disabilities
14 education act, 20 USC 1411 to 1419, estimated at ~~\$390,000,000.00~~
15 ~~for 2023-2024 and \$450,000,000.00 for 2024-2025~~ **and \$500,000,000.00**
16 **for 2025-2026**, plus any carryover federal funds from previous year
17 appropriations. ~~In addition, from the state school aid fund money~~
18 ~~in section 11, there is allocated an amount not to exceed~~
19 ~~\$76,150,000.00 for 2023-2024 only to supplement the allocations in~~
20 ~~this section.~~ The allocations under this subsection are for the
21 purpose of reimbursing districts and intermediate districts for
22 special education programs, services, and special education
23 personnel as prescribed in article 3 of the revised school code,
24 MCL 380.1701 to 380.1761; net tuition payments made by intermediate
25 districts to the Michigan Schools for the Deaf and Blind; and
26 special education programs and services for pupils who are eligible
27 for special education programs and services according to statute or
28 rule. For meeting the costs of special education programs and
29 services not reimbursed under this article, a district or

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

11 (2) From the funds allocated under subsection (1), there is
12 allocated the amount necessary, ~~estimated at \$404,200,000.00 for~~
13 ~~2023-2024 and estimated at \$456,800,000.00~~ **\$441,400,000.00** for
14 2024-2025 **and estimated at \$492,400,000.00 for 2025-2026**, for
15 payments toward reimbursing districts and intermediate districts
16 for 28.6138% of total approved costs of special education,
17 excluding costs reimbursed under section 53a, and 70.4165% of total
18 approved costs of special education transportation.

19 (3) If the department determines that the amount allocated for
20 a fiscal year to a district or intermediate district under
21 subsection (2) is insufficient to fulfill the specified percentages
22 in subsection (2), the department shall pay the shortfall to the
23 district or intermediate district during the fiscal year beginning
24 on the October 1 following the determination. If the department
25 determines that the amount allocated for a fiscal year to a
26 district or intermediate district under subsection (2) exceeds the
27 sum of the amount necessary to fulfill the specified percentages in
28 subsection (2), the department shall deduct the amount of the
29 excess from the district's or intermediate district's payments

1 under this article for the fiscal year beginning on the October 1
2 following the determination.

3 (4) State funds are allocated on a total approved cost basis.
4 Federal funds are allocated under applicable federal requirements.

5 (5) From the amount allocated in subsection (1), ~~there is~~
6 ~~allocated an amount not to exceed \$3,200,000.00 for 2023-2024 and~~
7 there is allocated an amount not to exceed \$3,200,000.00 for 2024-
8 2025 **and there is allocated an amount not to exceed \$3,200,000.00**
9 **for 2025-2026** to reimburse 100% of the net increase in necessary
10 costs incurred by a district or intermediate district in
11 implementing the revisions in the administrative rules for special
12 education that became effective on July 1, 1987. As used in this
13 subsection, "net increase in necessary costs" means the necessary
14 additional costs incurred solely because of new or revised
15 requirements in the administrative rules minus cost savings
16 permitted in implementing the revised rules. The department shall
17 determine net increase in necessary costs in a manner specified by
18 the department.

19 (6) For purposes of this section and sections 51b to 58, all
20 of the following apply:

21 (a) "Total approved costs of special education" are determined
22 in a manner specified by the department and may include indirect
23 costs, but must not exceed 115% of approved direct costs for
24 section 52 and section 53a programs. The total approved costs
25 include salary and other compensation for all approved special
26 education personnel for the program, including payments for Social
27 Security and Medicare and public school employee retirement system
28 contributions. The total approved costs do not include salaries or
29 other compensation paid to administrative personnel who are not

1 special education personnel as that term is defined in section 6 of
2 the revised school code, MCL 380.6. Costs reimbursed by federal
3 funds, other than those federal funds included in the allocation
4 made under this article, are not included. Special education
5 approved personnel not utilized full time in the evaluation of
6 students or in the delivery of special education programs,
7 ancillary, and other related services are reimbursed under this
8 section only for that portion of time actually spent providing
9 these programs and services, with the exception of special
10 education programs and services provided to youth placed in child
11 caring institutions or juvenile detention programs approved by the
12 department to provide an on-grounds education program.

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

25 (c) If an intermediate district purchases a special education
26 pupil transportation service from a constituent district that was
27 previously purchased from a private entity; if the purchase from
28 the constituent district is at a lower cost, adjusted for changes
29 in fuel costs; and if the cost shift from the intermediate district

1 to the constituent does not result in any net change in the revenue
2 the constituent district receives from payments under sections 22b
3 and 51c, then upon application by the intermediate district, the
4 department shall direct the intermediate district to continue to
5 report the cost associated with the specific identified special
6 education pupil transportation service and shall adjust the costs
7 reported by the constituent district to remove the cost associated
8 with that specific service.

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

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

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

25 (10) From the funds allocated in subsection (1), there is
26 allocated the amount necessary, ~~estimated at \$1,700,000.00 for~~
27 ~~2023-2024 and estimated at \$1,700,000.00~~ **\$1,600,000.00** for 2024-
28 **2025 and estimated at \$1,600,000.00 for 2025-2026**, to pay the
29 foundation allowances for pupils described in this subsection. The

1 department shall calculate the allocation to a district under this
2 subsection by multiplying the number of pupils described in this
3 subsection who are counted in membership in the district times the
4 sum of the foundation allowance under section 20 of the pupil's
5 district of residence, plus the amount of the district's per-pupil
6 allocation under section 20m, not to exceed the target foundation
7 allowance for the current fiscal year, or, for a pupil described in
8 this subsection who is counted in membership in a district that is
9 a public school academy, times an amount equal to the amount per
10 membership pupil under section 20(6). The department shall
11 calculate the allocation to an intermediate district under this
12 subsection in the same manner as for a district, using the
13 foundation allowance under section 20 of the pupil's district of
14 residence not to exceed the target foundation allowance for the
15 current fiscal year and that district's per-pupil allocation under
16 section 20m. This subsection applies to all of the following
17 pupils:

18 (a) Pupils described in section 53a.

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

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

26 (11) If it is determined that funds allocated under subsection
27 (2) or (10) or under section 51c will not be expended, funds up to
28 the amount necessary and available may be used to supplement the
29 allocations under subsection (2) or (10) or under section 51c to

1 fully fund those allocations. After payments under subsections (2)
2 and (10) and section 51c, the department shall expend the remaining
3 funds from the allocation in subsection (1) in the following order:

4 (a) One hundred percent of the reimbursement required under
5 section 53a.

6 (b) One hundred percent of the reimbursement required under
7 subsection (5).

8 (c) One hundred percent of the payment required under section
9 54.

10 (d) One hundred percent of the payments under section 56.

11 (12) The allocations under subsections (2) and (10) are
12 allocations to intermediate districts only and are not allocations
13 to districts, but instead are calculations used only to determine
14 the state payments under section 22b.

15 (13) If a public school academy that is not a cyber school, as
16 that term is defined in section 551 of the revised school code, MCL
17 380.551, enrolls under this section a pupil who resides outside of
18 the intermediate district in which the public school academy is
19 located and who is eligible for special education programs and
20 services according to statute or rule, or who is a child with a
21 disability, as that term is defined under the individuals with
22 disabilities education act, Public Law 108-446, the intermediate
23 district in which the public school academy is located and the
24 public school academy shall enter into a written agreement with the
25 intermediate district in which the pupil resides for the purpose of
26 providing the pupil with a free appropriate public education, and
27 the written agreement must include at least an agreement on the
28 responsibility for the payment of the added costs of special
29 education programs and services for the pupil. If the public school

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

14 (14) For the purpose of receiving its federal allocation under
15 part B of the individuals with disabilities education act, Public
16 Law 108-446, a public school academy that is a cyber school, as
17 that term is defined in section 551 of the revised school code, MCL
18 380.551, and is in compliance with section 553a of the revised
19 school code, MCL 380.553a, directly receives the federal allocation
20 under part B of the individuals with disabilities education act,
21 Public Law 108-446, from the intermediate district in which the
22 cyber school is located, as the subrecipient. If the intermediate
23 district does not distribute the funds described in this subsection
24 to the cyber school by the part B application due date of July 1,
25 the department may distribute the funds described in this
26 subsection directly to the cyber school according to the formula
27 prescribed in 34 CFR 300.705 and 34 CFR 300.816. Beginning July 1,
28 2021, this subsection is subject to section 8c. It is the intent of
29 the legislature that the immediately preceding sentence apply

1 retroactively and is effective July 1, 2021.

2 (15) For a public school academy that is a cyber school, as
 3 that term is defined in section 551 of the revised school code, MCL
 4 380.551, and is in compliance with section 553a of the revised
 5 school code, MCL 380.553a, that enrolls a pupil under this section,
 6 the intermediate district in which the cyber school is located
 7 shall ensure that the cyber school complies with sections 1701a,
 8 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code,
 9 MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756,
 10 and 380.1757; applicable rules; and the individuals with
 11 disabilities education act, Public Law 108-446. Beginning July 1,
 12 2021, this subsection is subject to section 8c. It is the intent of
 13 the legislature that the immediately preceding sentence apply
 14 retroactively and is effective July 1, 2021.

15 (16) For the purposes of this section, the department or the
 16 center shall only require a district or intermediate district to
 17 report information that is not already available from the financial
 18 information database maintained by the center.

19 Sec. 51c. As required by the court in the consolidated cases
 20 known as *Durant v State of Michigan*, 456 Mich 175 (1997), from the
 21 allocation under section 51a(1), there is allocated for ~~2023-2024~~
 22 ~~and for 2024-2025~~ **and for 2025-2026**, the amount necessary,
 23 estimated at ~~\$903,300,000.00 for 2023-2024 and \$1,016,400,000.00~~
 24 **\$993,100,000.00 for 2024-2025 and \$1,107,900,000.00 for 2025-2026**,
 25 for payments to reimburse districts for 28.6138% of total approved
 26 costs of special education excluding costs reimbursed under section
 27 53a, and 70.4165% of total approved costs of special education
 28 transportation. Funds allocated under this section that are not
 29 expended in the fiscal year for which they were allocated, as

1 determined by the department, may be used to supplement the
2 allocations under sections 22a and 22b to fully fund those
3 allocations for the same fiscal year.

4 Sec. 51d. (1) From the federal funds appropriated in section
5 ~~11, there is allocated for 2023-2024 all available federal funding,~~
6 ~~estimated at \$72,000,000.00, and there is allocated for 2024-2025~~
7 ~~all available federal funding, estimated at \$83,000,000.00, 2025-~~
8 **2026 all available federal funding, estimated \$83,000,000.00,** for
9 special education programs and services that are funded by federal
10 grants. The department shall distribute all federal funds allocated
11 under this section in accordance with federal law. Notwithstanding
12 section 17b, the department shall make payments of federal funds to
13 districts, intermediate districts, and other eligible entities
14 under this section on a schedule determined by the department.

15 (2) From the federal funds allocated under subsection (1), the
16 following amounts are allocated:

17 (a) ~~For 2023-2024, an amount estimated at \$15,000,000.00 and~~
18 ~~for 2024-2025, 2025-2026,~~ an amount estimated at \$14,000,000.00 for
19 handicapped infants and toddlers, funded from DED-OSERS,
20 handicapped infants and toddlers funds.

21 (b) ~~For 2023-2024, an amount estimated at \$14,000,000.00 and~~
22 ~~for 2024-2025, 2025-2026,~~ an amount estimated at \$14,000,000.00 for
23 preschool grants under Public Law 94-142, funded from DED-OSERS,
24 handicapped preschool incentive funds.

25 (c) ~~For 2023-2024, an amount estimated at \$43,000,000.00 and~~
26 ~~for 2024-2025, 2025-2026,~~ an amount estimated at \$55,000,000.00 for
27 special education programs funded by DED-OSERS, handicapped
28 program, individuals with disabilities act funds.

29 (3) As used in this section, "DED-OSERS" means the United

1 States Department of Education Office of Special Education and
2 Rehabilitative Services.

3 Sec. 51e. (1) From the allocation under section 51a(1), there
4 is allocated for the amount necessary, estimated at ~~\$499,900,000.00~~
5 ~~for 2023-2024 and \$499,600,000.00~~ **\$503,000,000.00** for 2024-2025 **and**
6 **\$524,800,000.00 for 2025-2026**, for payments to districts and
7 intermediate districts for 100% of foundation allowance costs
8 associated with special education pupils.

9 (2) The department shall calculate the amount allocated to a
10 district under this section by multiplying the district's special
11 education pupil membership, excluding pupils described in section
12 51a(11), times 100% of the foundation allowance under section 20 of
13 the pupil's district of residence, plus 100% of the amount of the
14 district's per-pupil allocation under section 20m, not to exceed
15 100% of the target foundation allowance for the current fiscal
16 year, or, for a special education pupil in membership in a district
17 that is a public school academy, times an amount equal to 100% of
18 the amount per membership pupil calculated under section 20(6). For
19 an intermediate district, the amount allocated under this
20 subsection is an amount per special education membership pupil,
21 excluding pupils described in section 51a(11), and is calculated in
22 the same manner as for a district, using 100% of the foundation
23 allowance under section 20 of the pupil's district of residence,
24 not to exceed 100% of the target foundation allowance for the
25 current fiscal year, and 100% of that district's per-pupil
26 allocation under section 20m.

27 Sec. 53a. (1) For districts, reimbursement for pupils
28 described in subsection (2) is 100% of the total approved costs of
29 operating special education programs and services approved by the

1 department and included in the intermediate district plan adopted
2 under article 3 of the revised school code, MCL 380.1701 to
3 380.1761, minus the district's foundation allowance calculated
4 under section 20 and minus the district's per-pupil allocation
5 under section 20m. For intermediate districts, the department shall
6 calculate reimbursement for pupils described in subsection (2) in
7 the same manner as for a district, using the foundation allowance
8 under section 20 of the pupil's district of residence, not to
9 exceed the target foundation allowance under section 20 for the
10 current fiscal year plus the amount of the district's per-pupil
11 allocation under section 20m.

12 (2) Reimbursement under subsection (1) is for the following
13 special education pupils:

14 (a) Pupils assigned to a district or intermediate district
15 through the community placement program of the courts or a state
16 agency, if the pupil was a resident of another intermediate
17 district at the time the pupil came under the jurisdiction of the
18 court or a state agency.

19 (b) Pupils who are residents of institutions operated by the
20 department of health and human services.

21 (c) Pupils who are former residents of department of community
22 health institutions for the developmentally disabled who are placed
23 in community settings other than the pupil's home.

24 (d) Pupils enrolled in a department-approved on-grounds
25 educational program longer than 180 days, but not longer than 233
26 days, at a residential child care institution, if the child care
27 institution offered in 1991-92 an on-grounds educational program
28 longer than 180 days but not longer than 233 days.

29 (e) Pupils placed in a district by a parent for the purpose of

1 seeking a suitable home, if the parent does not reside in the same
2 intermediate district as the district in which the pupil is placed.

3 (3) Only those costs that are clearly and directly
4 attributable to educational programs for pupils described in
5 subsection (2), and that would not have been incurred if the pupils
6 were not being educated in a district or intermediate district, are
7 reimbursable under this section.

8 (4) The costs of transportation are funded under this section
9 and are not reimbursed under section 58.

10 (5) The department shall not allocate more than \$10,500,000.00
11 of the allocation for ~~2024-2025~~**2025-2026** in section 51a(1) under
12 this section.

13 Sec. 54. Each intermediate district receives an amount per
14 pupil for each pupil in attendance at the Michigan Schools for the
15 Deaf and Blind. The amount is proportionate to the total
16 instructional cost at each school. The department shall not
17 allocate more than \$1,688,000.00 of the allocation for ~~2024-2025~~
18 **2025-2026** in section 51a(1) under this section.

19 Sec. 54d. (1) From the state school aid fund money
20 appropriated in section 11, there is allocated an amount not to
21 exceed \$23,670,700.00 for ~~2024-2025~~**2025-2026** to intermediate
22 districts for the purpose of providing state early on services
23 programs for children from birth to 3 years of age with a
24 developmental delay or a disability, or both, and their families,
25 as described in the early on Michigan state plan, as approved by
26 the department of lifelong education, advancement, and potential.

27 (2) To be eligible to receive grant funding under this
28 section, each intermediate district must apply in a form and manner
29 determined by the department of lifelong education, advancement,

1 and potential.

2 (3) The grant funding allocated under this section must be
3 used to increase early on services and resources available to
4 children that demonstrate developmental delays to help prepare them
5 for success as they enter school. State early on services include
6 evaluating and providing early intervention services for eligible
7 infants and toddlers and their families to address developmental
8 delays, including those affecting physical, cognitive,
9 communication, adaptive, social, or emotional development. Grant
10 funds must not be used to supplant existing services that are
11 currently being provided.

12 (4) The department of lifelong education, advancement, and
13 potential shall distribute the funds allocated under subsection (1)
14 to intermediate districts according to the department of lifelong
15 education, advancement, and potential's early on funding formula
16 utilized to distribute the federal award to Michigan under part C
17 of the individuals with disabilities education act, Public Law 108-
18 446. Funds received under this section must not supplant existing
19 funds or resources allocated for early on early intervention
20 services. An intermediate district receiving funds under this
21 section shall maximize the capture of Medicaid funds to support
22 early on early intervention services to the extent possible.

23 (5) Each intermediate district that receives funds under this
24 section shall report data and other information to the department
25 of lifelong education, advancement, and potential in a form,
26 manner, and frequency prescribed by the department of lifelong
27 education, advancement, and potential to allow for monitoring and
28 evaluation of the program and to ensure that the children described
29 in subsection (1) received appropriate levels and types of services

1 delivered by qualified personnel, based on the individual needs of
2 the children and their families.

3 (6) Notwithstanding section 17b, the department of lifelong
4 education, advancement, and potential shall make payments under
5 this section on a schedule determined by the department of lifelong
6 education, advancement, and potential.

7 (7) Grant funds awarded and allocated to an intermediate
8 district under this section must be expended by the grant recipient
9 before June 30 of the fiscal year immediately following the fiscal
10 year in which the funds were received.

11 Sec. 55. (1) From the ~~state school aid~~ **general** fund money
12 appropriated in section 11, there is allocated an amount not to
13 exceed \$500,000.00 for 2024-2025 only to ~~Grand Valley State~~
14 ~~University to collaborate with the~~ Conductive Learning Center
15 **operating in cooperation with Grand Valley State University**. This
16 funding must be used to support the operational costs of the
17 conductive education model taught at the Conductive Learning Center
18 to maximize the independence and mobility of children and adults
19 with neuromotor disabilities. The conductive education model funded
20 under this section must be based on the concept of neuroplasticity
21 and the ability of people to learn and improve when they are
22 motivated, regardless of the severity of their disability.

23 (2) Notwithstanding section 17b, the department shall
24 ~~distribute the funding allocated under this section to Grand Valley~~
25 ~~State University by not later than December 1, 2024.~~ **make payments**
26 **under this section on a schedule determined by the department.**

27 Sec. 74. (1) From the state school aid fund money appropriated
28 in section 11, there is allocated an amount not to exceed
29 ~~\$3,842,700.00 for 2023-2024 and \$3,913,500.00 for 2024-2025~~ **2025-**

1 **2026** for the purposes of this section.

2 (2) From the allocation in subsection (1), there is allocated
3 for ~~2023-2024 and 2024-2025~~ **2025-2026** the amount necessary for
4 payments to state supported colleges or universities and
5 intermediate districts providing school bus driver safety
6 instruction under section 51 of the pupil transportation act, 1990
7 PA 187, MCL 257.1851. The department shall make payments in an
8 amount determined by the department not to exceed the actual cost
9 of instruction and driver compensation for each public or nonpublic
10 school bus driver attending a course of instruction. For the
11 purpose of computing compensation, the hourly rate allowed each
12 school bus driver must not exceed the hourly rate received for
13 driving a school bus. The department shall make reimbursement
14 compensating the driver during the course of instruction to the
15 college or university or intermediate district providing the course
16 of instruction.

17 (3) From the allocation in subsection (1), there is allocated
18 for ~~2023-2024 and 2024-2025~~ **2025-2026** the amount necessary to pay
19 the reasonable costs of nonspecial education auxiliary services
20 transportation provided under section 1323 of the revised school
21 code, MCL 380.1323. Districts funded under this subsection do not
22 receive funding under any other section of this article for
23 nonspecial education auxiliary services transportation.

24 (4) From the funds allocated in subsection (1), there is
25 allocated an amount not to exceed ~~\$1,817,700.00 for 2023-2024 and~~
26 ~~an amount not to exceed \$1,888,500.00 for 2024-2025~~ **2025-2026** for
27 the inspection of school buses and pupil transportation vehicles by
28 the department of state police as required under section 715a of
29 the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section

39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs and submit it to the department and to an intermediate district serving as fiduciary in a time and manner determined jointly by the department and the department of state police. Upon review and approval of the statement of cost, the department shall forward to the designated intermediate district serving as fiduciary the amount detailed on the statement within 45 days after receipt of the statement. The designated intermediate district fiduciary shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection must not exceed the amount allocated under this subsection. Notwithstanding section 17b, the department shall make payments to eligible entities under this subsection on a schedule prescribed by the department.

Sec. 81. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2024-2025~~**2025-2026** to the intermediate districts the sum necessary, but not to exceed \$79,424,700.00 to provide state aid to intermediate districts under this section.

(2) The amount allocated under this section for ~~2024-2025~~**2025-2026** to each intermediate district is an amount equal to 100% of the amount allocated to the intermediate district under this section for ~~2023-2024~~**2024-2025**. An intermediate district shall use funding provided under this section to comply with requirements of this article and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this article, and to provide technical assistance to

1 districts as authorized by the intermediate school board.

2 (3) Intermediate districts receiving funds under this section
3 shall collaborate with the department to develop expanded
4 professional development opportunities for teachers to update and
5 expand their knowledge and skills needed to support the Michigan
6 merit curriculum.

7 (4) From the allocation in subsection (1), there is allocated
8 to an intermediate district, formed by the consolidation or
9 annexation of 2 or more intermediate districts or the attachment of
10 a total intermediate district to another intermediate district or
11 the annexation of all of the constituent K to 12 districts of a
12 previously existing intermediate district which has disorganized,
13 an additional allotment of \$3,500.00 each fiscal year for each
14 intermediate district included in the new intermediate district for
15 3 years following consolidation, annexation, or attachment.

16 (5) To receive funding under this section, an intermediate
17 district shall do all of the following:

18 (a) Demonstrate to the satisfaction of the department that the
19 intermediate district employs at least 1 person who is trained in
20 pupil accounting and auditing procedures, rules, and regulations.

21 (b) Demonstrate to the satisfaction of the department that the
22 intermediate district employs at least 1 person who is trained in
23 rules, regulations, and district reporting procedures for the
24 individual-level student data that serves as the basis for the
25 calculation of the district and high school graduation and dropout
26 rates.

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

29 (d) Furnish data and other information required by state and

1 federal law to the center and the department in the form and manner
2 specified by the center or the department, as applicable.

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

5 (f) **Ensure that all districts located within its geographic**
6 **boundaries have equitable access to the intermediate district's**
7 **coordination activities and services, intermediate district-wide or**
8 **regional meetings, regularly scheduled superintendent meetings,**
9 **programming, events, email distribution lists, listservs, or other**
10 **coordination or collaboration activities organized by or hosted at**
11 **the intermediate district. In ensuring that all districts located**
12 **within the geographic boundaries of the intermediate district have**
13 **equitable access to the services, meetings, programming, events,**
14 **email distribution lists, listservs, or activities as described in**
15 **the immediately preceding sentence, the intermediate district shall**
16 **ensure that districts that are public school academies and that are**
17 **located within its geographic boundaries are not excluded from the**
18 **services, meetings, programming, events, email distribution lists,**
19 **listservs, or activities organized by or hosted at the intermediate**
20 **district if districts that are not public school academies and that**
21 **are located within the geographic boundaries of the intermediate**
22 **district are not excluded.**

23 Sec. 94a. (1) There is created within the state budget office
24 in the department of technology, management, and budget the center
25 for educational performance and information. The center shall do
26 all of the following:

27 (a) Coordinate the collection of all data required by state
28 and federal law from districts, intermediate districts, and
29 postsecondary institutions.

1 (b) Create, maintain, and enhance this state's P-20
2 longitudinal data system and ensure that it meets the requirements
3 of subsection (4).

4 (c) Collect data in the most efficient manner possible to
5 reduce the administrative burden on reporting entities, including,
6 but not limited to, electronic transcript services.

7 (d) Create, maintain, and enhance this state's web-based
8 educational portal to provide information to school leaders,
9 teachers, researchers, and the public in compliance with all
10 federal and state privacy laws. Data must include, but are not
11 limited to, all of the following:

12 (i) Data sets that link teachers to student information,
13 allowing districts to assess individual teacher impact on student
14 performance and consider student growth factors in teacher and
15 principal evaluation systems.

16 (ii) Data access or, if practical, data sets, provided for
17 regional data hubs that, in combination with local data, can
18 improve teaching and learning in the classroom.

19 (iii) Research-ready data sets for researchers to perform
20 research that advances this state's educational performance.

21 (e) Provide data in a useful manner to allow state and local
22 policymakers to make informed policy decisions.

23 (f) Provide public reports to the residents of this state to
24 allow them to assess allocation of resources and the return on
25 their investment in the education system of this state.

26 (g) Other functions as assigned by the state budget director.

27 (2) Each state department, officer, or agency that collects
28 information from districts, intermediate districts, or
29 postsecondary institutions as required under state or federal law

1 shall make arrangements with the center to ensure that the state
2 department, officer, or agency is in compliance with subsection
3 (1). This subsection does not apply to information collected by the
4 department of treasury under the uniform budgeting and accounting
5 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
6 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
7 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
8 388.1939; or section 1351a of the revised school code, MCL
9 380.1351a.

10 (3) The center may enter into any interlocal agreements
11 necessary to fulfill its functions.

12 (4) The center shall ensure that the P-20 longitudinal data
13 system required under subsection (1)(b) meets all of the following:

14 (a) Includes data at the individual student level from
15 preschool through postsecondary education and into the workforce.

16 (b) Supports interoperability by using standard data
17 structures, data formats, and data definitions to ensure linkage
18 and connectivity in a manner that facilitates the exchange of data
19 among agencies and institutions within the state and between
20 states.

21 (c) Enables the matching of individual teacher and student
22 records so that an individual student may be matched with those
23 teachers providing instruction to that student.

24 (d) Enables the matching of individual teachers with
25 information about their certification and the institutions that
26 prepared and recommended those teachers for state certification.

27 (e) Enables data to be easily generated for continuous
28 improvement and decision-making, including timely reporting to
29 parents, teachers, and school leaders on student achievement.

1 (f) Ensures the reasonable quality, validity, and reliability
2 of data contained in the system.

3 (g) Provides this state with the ability to meet federal and
4 state reporting requirements.

5 (h) For data elements related to preschool through grade 12
6 and postsecondary, meets all of the following:

7 (i) Contains a unique statewide student identifier that does
8 not permit a student to be individually identified by users of the
9 system, except as allowed by federal and state law.

10 (ii) Contains student-level enrollment, demographic, and
11 program participation information, including data associated with
12 students who have been identified as having an affiliation to 1 or
13 more federally recognized Indian tribes and student participation
14 in federal programs funded under 20 USC 7401 to 7546 and
15 participation in federal programs funded under the Johnson-O'Malley
16 Supplemental Indian Education Program Modernization Act, Public Law
17 115-404. **Any reports or data access related specifically to tribal**
18 **affiliation must be done through ongoing consultation with the**
19 **federally recognized tribes in this state with the expectation that**
20 **the center, the department, and the tribes will work iteratively**
21 **toward meaningful reports, access, and use of those records to**
22 **improve shared education interests and outcomes.**

23 (iii) Contains student-level information about the points at
24 which students exit, transfer in, transfer out, drop out, or
25 complete education programs.

26 (iv) Has the capacity to communicate with higher education data
27 systems.

28 (i) For data elements related to preschool through grade 12
29 only, meets all of the following:

(i) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.

(ii) Contains student-level transcript information, including information on courses completed and grades earned.

(iii) Contains student-level college readiness test scores.

(j) For data elements related to postsecondary education only:

(i) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:

(A) Enrollment in remedial coursework.

(B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.

(ii) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

(5) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$19,219,200.00 for ~~2024-~~ ~~2025-2025-2026~~ to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2024-2025-2025-2026~~ the amount necessary, estimated at ~~\$193,500.00,~~ **\$2,193,500.00**, to support the operations of the center and to establish a P-20 longitudinal data system necessary for state and federal reporting purposes. The center shall cooperate with the department to ensure that this state is in compliance with

1 federal law and is maximizing opportunities for increased federal
2 funding to improve education in this state.

3 (6) From the funds allocated in subsection (5), the center may
4 use an amount determined by the center for competitive grants for
5 ~~2024-2025~~**2025-2026** to support collaborative efforts on the P-20
6 longitudinal data system. All of the following apply to grants
7 awarded under this subsection:

8 (a) The center shall award competitive grants to eligible
9 intermediate districts or a consortium of intermediate districts
10 based on criteria established by the center.

11 (b) Activities funded under the grant must support the P-20
12 longitudinal data system portal and may include portal hosting,
13 hardware and software acquisition, maintenance, enhancements, user
14 support and related materials, and professional learning tools and
15 activities aimed at improving the utility of the P-20 longitudinal
16 data system.

17 (c) An applicant that received a grant under this subsection
18 for the immediately preceding fiscal year has priority for funding
19 under this section. However, after 3 fiscal years of continuous
20 funding, an applicant is required to compete openly with new
21 applicants.

22 (7) Funds allocated under this section that are not expended
23 in the fiscal year in which they were allocated may be carried
24 forward to a subsequent fiscal year and are appropriated for the
25 purposes for which the funds were originally allocated.

26 (8) The center may bill departments as necessary to fulfill
27 reporting requirements of state and federal law. The center may
28 also enter into agreements to supply custom data, analysis, and
29 reporting to other principal executive departments, state agencies,

1 local units of government, and other individuals and organizations.
2 The center may receive and expend funds in addition to those
3 authorized in subsection (5) to cover the costs associated with
4 salaries, benefits, supplies, materials, and equipment necessary to
5 provide such data, analysis, and reporting services.

6 (9) As used in this section, "DED-OESE" means the United
7 States Department of Education Office of Elementary and Secondary
8 Education.

9 **Sec. 95b. (1) From the general fund money appropriated under**
10 **section 11, there is allocated an amount not to exceed**
11 **\$2,000,000.00 for 2025-2026 only for the model value-added growth**
12 **and projection analytics system. The department shall continue the**
13 **model value-added growth and projection analytics system and**
14 **incorporate that model into its reporting requirements under the**
15 **every student succeeds act, Public Law 114-95. The model described**
16 **in this subsection must do at least all of the following:**

17 (a) Utilize existing assessments and any future assessments
18 that are suitable for measuring student growth.

19 (b) Report student growth measures at the district, school,
20 teacher, and subgroup levels.

21 (c) Recognize the growth of tested students, including those
22 who may have missing assessment data.

23 (d) Include all available prior standardized assessment data
24 that meet inclusion criteria across grades, subjects, and state and
25 local assessments.

26 (e) Allow student growth results to be disaggregated.

27 (f) Provide individual student projections showing the
28 probability of a student reaching specific performance levels on
29 future assessments. Given school closures and extended

1 cancellations related to COVID-19, the data under this subdivision
2 may be used to inform decisions about student placement or students
3 that could benefit from additional supports or interventions.

4 (g) Demonstrate any prior success with this state's
5 assessments through the Michigan council of educator effectiveness
6 teacher evaluation pilot.

7 (h) Demonstrate prior statewide implementation in at least 2
8 other states for at least 10 years.

9 (i) Have a native roster verification system built into the
10 value-added reporting platform that has been implemented statewide
11 in at least 2 other states.

12 (j) Have a "help/contact us" ticketing system built into the
13 value-added reporting platform.

14 (k) Given school closures that have occurred pursuant to an
15 executive order issued by the governor, the value-added reporting
16 platform must provide continued hosting and delivery of reporting
17 and offer the department additional supports in the areas of
18 research, analysis, web reporting, and training.

19 (l) The department and the platform vendor shall provide
20 statewide training for educators to understand the reporting that
21 details the impact to student learning and growth.

22 (2) The department shall provide internet-based electronic
23 student growth and projection reporting based on the model under
24 subsection (1) to educators at the school, district, and state
25 levels. The model must include role-based permissions that allow
26 educators to access information about the performance of the
27 students within their immediate responsibility in accordance with
28 applicable privacy laws.

29 (3) The model under subsection (1) must not be a mandatory

1 part of teacher evaluation or educator pay-for-performance systems.

2 (4) The model under subsection (1) must be a model that
3 received funding under this section in 2018-2019.

4 (5) By March 31 of each fiscal year for which funding is
5 allocated under this section, the department shall work with the
6 center to make data publicly available on an external website that
7 provides student growth metrics provided by the value-added
8 reporting platform at the district and school level by grade and
9 subject.

10 Sec. 97g. (1) From the state school aid fund money
11 appropriated in section 11, there is allocated for 2023-2024 only,
12 \$9,000,000.00 to an intermediate district with K to 12 pupil
13 membership between 37,500 and 42,500, as reported in the 2021-2022
14 MI School Data Student Enrollment Counts Report school year final
15 student count, to establish and operate a statewide Security
16 Operations Center (SOC) in partnership with a statewide educational
17 organization. The SOC will provide a Managed Detection and Response
18 (MDR) solution, including SOC staff, to monitor and assist in
19 responding to threats and attacks on critical technology
20 infrastructure for districts and intermediate districts.

21 (2) The intermediate district receiving funds under this
22 section shall contract with a nonprofit educational organization
23 that maintains a statewide educational technology collaborative to
24 establish the statewide SOC. This statewide SOC will operate under
25 the guidance of an advisory board, comprising educational
26 technology leaders, with regional statewide representation. Other K
27 to 12 stakeholders may be invited to participate in the advisory.

28 (3) The nonprofit educational organization that the
29 intermediate district contracted with in subsection (2) shall use

1 the funds to do all of the following:

2 (a) Establish a statewide advisory.

3 (b) Establish a statewide SOC security team.

4 (c) Establish statewide MDR service.

5 (d) Train district technology staff in the deployment and use
6 of MDR software and services.

7 (e) Purchase and distribute MDR licensing to districts and
8 intermediate districts for installation on critical technology
9 infrastructure.

10 (f) Train, monitor, and track district utilization of a
11 toolkit to be identified by the SOC such as MISecure Quick Self-
12 Assessment.

13 (g) Not later than January 1, 2025 and each subsequent fiscal
14 year, prepare a summary report that includes measurable outcomes
15 including participation, detection, prevention, and response to
16 cybersecurity incidents in order to evaluate the effectiveness of
17 the project. The report must be submitted to the house and senate
18 appropriations subcommittees on school aid and to the house and
19 senate fiscal agencies.

20 (4) After the nonprofit educational organization that the
21 intermediate district contracted with in subsection (2) uses funds
22 as required under subsection (3), the nonprofit educational
23 organization may use any remaining funds to do any of the
24 following:

25 (a) Supply additional cybersecurity services as technologies
26 evolve and budget allows.

27 (b) Partner with K to 12 statewide connectivity partners to
28 install and monitor intrusion detection systems.

29 (5) Districts receiving software and service under this

1 project shall do both of the following:

2 (a) Complete the assessment identified in subsection (3)(f)
3 annually.

4 (b) Install and maintain statewide SOC MDR software on
5 critical infrastructure as described in this section, provide
6 access to the software to the statewide SOC, and coordinate
7 responses with the statewide SOC and the district's intermediate
8 district.

9 (6) For districts that have MDR solutions in place as of
10 October 1, 2023, a licensing cost allocation equal to the cost of
11 the statewide SOC provided license may be provided until the end of
12 the local contract or the end of the funding period, whichever
13 comes first. Funds allocated under this subsection must be used to
14 offset local MDR costs, cybersecurity assessment, or further
15 cybersecurity investment.

16 (7) The funds allocated under this section for 2023-2024 are a
17 work project appropriation, and any unexpended funds for 2023-2024
18 are carried forward and may be expended in subsequent years until
19 the end of the 2027-2028 state fiscal year. The purpose of the work
20 project is to increase stable and reliable cybersecurity in
21 districts and intermediate districts. The estimated completion date
22 of the work project is September 30, 2028.

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

26 **(9) Notwithstanding section 18a, funds allocated under this**
27 **section may be available for expenditure until September 30, 2028.**
28 **A recipient of funding under this section must return any**
29 **unexpended funds to the department in the manner prescribed by the**

1 **department by not later than October 30, 2028.**

2 Sec. 98. (1) From the general fund money appropriated in
3 section 11, there is allocated an amount not to exceed
4 ~~\$9,800,000.00~~ **\$8,000,000.00** for ~~2024-2025~~ **2025-2026** for the
5 purposes described in this section. ~~It is the intent of the~~
6 ~~legislature that, for 2025-2026, the allocation from the general~~
7 ~~fund money appropriated in section 11 for purposes described in~~
8 ~~this section will be \$8,000,000.00.~~ The Michigan Virtual University
9 shall provide a report to the legislature not later than November 1
10 of each fiscal year for which funding is allocated under this
11 section that includes its mission, its plans, and proposed
12 benchmarks it must meet, including a plan to achieve the
13 organizational priorities identified in this section, to receive
14 full funding for the next fiscal year for which funding is
15 allocated under this section. By not later than March 1 of each
16 fiscal year for which funding is allocated under this section, the
17 Michigan Virtual University shall provide an update to the house
18 and senate appropriations subcommittees on school aid to show the
19 progress being made to meet the benchmarks identified.

20 (2) The Michigan Virtual University shall operate the Michigan
21 Virtual Learning Research Institute. The Michigan Virtual Learning
22 Research Institute shall do all of the following:

23 (a) Support and accelerate innovation in education through the
24 following activities:

25 (i) Test, evaluate, and recommend as appropriate new
26 technology-based instructional tools and resources.

27 (ii) Research, design, and recommend virtual education delivery
28 models for use by pupils and teachers that include age-appropriate
29 multimedia instructional content.

1 (iii) Research, develop, and recommend annually to the
2 department criteria by which cyber schools and virtual course
3 providers should be monitored and evaluated to ensure a quality
4 education for their pupils.

5 (iv) Based on pupil completion and performance data reported to
6 the department or the center from cyber schools and other virtual
7 course providers operating in this state, analyze the effectiveness
8 of virtual learning delivery models in preparing pupils to be
9 college- and career-ready and publish a report that highlights
10 enrollment totals, completion rates, and the overall impact on
11 pupils. The Michigan Virtual Learning Research Institute shall
12 submit the report to the house and senate appropriations
13 subcommittees on school aid, the state budget director, the house
14 and senate fiscal agencies, the department, districts, and
15 intermediate districts by not later than March 31 of each fiscal
16 year for which funding is allocated under this section.

17 (v) Provide an extensive professional development program to
18 at least 30,000 educational personnel, including teachers, school
19 administrators, and school board members, that focuses on the
20 effective integration of virtual learning into curricula and
21 instruction. The Michigan Virtual Learning Research Institute is
22 encouraged to work with the MiSTEM council ~~described in section 99s~~
23 to coordinate professional development of teachers in applicable
24 fields. In addition, the Michigan Virtual Learning Research
25 Institute and external stakeholders are encouraged to coordinate
26 with the department for professional development in this state,
27 including professional development for employees in child care
28 facilities, early childhood facilities, and after-school programs.
29 By not later than December 1 of each fiscal year for which funding

1 is allocated under this section, the Michigan Virtual Learning
2 Research Institute shall submit a report to the house and senate
3 appropriations subcommittees on school aid, the state budget
4 director, the house and senate fiscal agencies, and the department
5 on the number of teachers, school administrators, and school board
6 members who have received professional development services from
7 the Michigan Virtual University. The report must also include both
8 of the following:

9 (A) The identification of barriers and other opportunities to
10 encourage the adoption of virtual learning in the public education
11 system.

12 (B) A link to, and explanation of, the Michigan Virtual
13 University's online course standards for professional development
14 programming. The standards described in this sub-subparagraph must
15 inform learners how to file a complaint about course content and
16 detail the steps that will be taken for the review and resolution
17 of complaints.

18 (vi) Identify and share best practices for planning,
19 implementing, and evaluating virtual and blended education delivery
20 models with intermediate districts, districts, and public school
21 academies to accelerate the adoption of innovative education
22 delivery models statewide.

23 (b) Provide leadership for this state's system of virtual
24 learning education by doing the following activities:

25 (i) Develop and report policy recommendations to the governor
26 and the legislature that accelerate the expansion of effective
27 virtual learning in this state's schools.

28 (ii) Provide a clearinghouse for research reports, academic
29 studies, evaluations, and other information related to virtual

1 learning.

2 (iii) Promote and distribute the most current instructional
3 design standards and guidelines for virtual teaching.

4 (iv) In collaboration with the department and interested
5 colleges and universities in this state, support implementation and
6 improvements related to effective virtual learning instruction.

7 (v) Pursue public/private partnerships that include districts
8 to study and implement competency-based technology-rich virtual
9 learning models.

10 (vi) Create a statewide network of school-based mentors serving
11 as liaisons between pupils, virtual instructors, parents, and
12 school staff, as provided by the department or the center, and
13 provide mentors with research-based training and technical
14 assistance designed to help more pupils be successful virtual
15 learners.

16 (vii) Convene focus groups and conduct annual surveys of
17 teachers, administrators, pupils, parents, and others to identify
18 barriers and opportunities related to virtual learning.

19 (viii) Produce an annual consumer awareness report for schools
20 and parents about effective virtual education providers and
21 education delivery models, performance data, cost structures, and
22 research trends.

23 (ix) Provide an internet-based platform that educators can use
24 to create student-centric learning tools and resources for sharing
25 in the state's open educational resource repository and facilitate
26 a user network that assists educators in using the content creation
27 platform and state repository for open educational resources. As
28 part of this initiative, the Michigan Virtual University shall work
29 collaboratively with districts and intermediate districts to

1 establish a plan to make available virtual resources that align to
2 Michigan's K to 12 curriculum standards for use by students,
3 educators, and parents.

4 (x) Create and maintain a public statewide catalog of virtual
5 learning courses being offered by all public schools and community
6 colleges in this state. The Michigan Virtual Learning Research
7 Institute shall identify and develop a list of nationally
8 recognized best practices for virtual learning and use this list to
9 support reviews of virtual course vendors, courses, and
10 instructional practices. The Michigan Virtual Learning Research
11 Institute shall also provide a mechanism for intermediate districts
12 to use the identified best practices to review content offered by
13 constituent districts. The Michigan Virtual Learning Research
14 Institute shall review the virtual course offerings of the Michigan
15 Virtual University, and make the results from these reviews
16 available to the public as part of the statewide catalog. The
17 Michigan Virtual Learning Research Institute shall ensure that the
18 statewide catalog is made available to the public on the Michigan
19 Virtual University website and shall allow the ability to link it
20 to each district's website as provided for in section 21f. The
21 statewide catalog must also contain all of the following:

22 (A) The number of enrollments in each virtual course in the
23 immediately preceding school year.

24 (B) The number of enrollments that earned 60% or more of the
25 total course points for each virtual course in the immediately
26 preceding school year.

27 (C) The pass rate for each virtual course.

28 (xi) Support registration, payment services, and transcript
29 functionality for the statewide catalog and train key stakeholders

1 on how to use new features.

2 (xii) Collaborate with key stakeholders to examine district
3 level accountability and teacher effectiveness issues related to
4 virtual learning under section 21f and make findings and
5 recommendations publicly available.

6 (xiii) Provide a report on the activities of the Michigan
7 Virtual Learning Research Institute.

8 (3) To further enhance its expertise and leadership in virtual
9 learning, the Michigan Virtual University shall continue to operate
10 the Michigan Virtual School as a statewide laboratory and quality
11 model of instruction by implementing virtual and blended learning
12 solutions for Michigan schools in accordance with the following
13 parameters:

14 (a) The Michigan Virtual School must maintain its
15 accreditation status from recognized national and international
16 accrediting entities.

17 (b) The Michigan Virtual University shall use no more than
18 \$1,000,000.00 of the amount allocated under this section to
19 subsidize the cost paid by districts for virtual courses.

20 (c) In providing educators responsible for the teaching of
21 virtual courses as provided for in this section, the Michigan
22 Virtual School shall follow the requirements to request and assess,
23 and the department of state police shall provide, a criminal
24 history check and criminal records check under sections 1230 and
25 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
26 the same manner as if the Michigan Virtual School were a school
27 district under those sections.

28 (4) From the funds allocated under subsection (1), the
29 Michigan Virtual University shall ~~allocate up to \$500,000.00 to~~

1 support the expansion of new online and blended educator
2 professional development programs.

3 (5) From the funds allocated under subsection (1), the
4 Michigan Virtual University shall ~~allocate up to \$500,000.00 to~~
5 operate a comprehensive statewide laboratory designed to function
6 as a hub for cutting-edge research, the identification and
7 dissemination of best practices, rigorous experimentation, policy
8 formulation, and proactive efforts to enhance awareness about the
9 responsible utilization of artificial intelligence in schools.

10 (6) If the course offerings are included in the statewide
11 catalog of virtual courses under subsection (2)(b)(x), the Michigan
12 Virtual School operated by the Michigan Virtual University may
13 offer virtual course offerings, including, but not limited to, all
14 of the following:

15 (a) Information technology courses.

16 (b) College level equivalent courses, as that term is defined
17 in section 1471 of the revised school code, MCL 380.1471.

18 (c) Courses and dual enrollment opportunities.

19 (d) Programs and services for at-risk pupils.

20 (e) High school equivalency test preparation courses for
21 adjudicated youth.

22 (f) Special interest courses.

23 (g) Professional development programs for teachers, school
24 administrators, other school employees, and school board members.

25 (7) If a home-schooled or nonpublic school student is a
26 resident of a district that subscribes to services provided by the
27 Michigan Virtual School, the student may use the services provided
28 by the Michigan Virtual School to the district without charge to
29 the student beyond what is charged to a district pupil using the

1 same services.

2 (8) By not later than December 1 of each fiscal year for which
3 funding is allocated under this section, the Michigan Virtual
4 University shall provide a report to the house and senate
5 appropriations subcommittees on school aid, the state budget
6 director, the house and senate fiscal agencies, and the department
7 that includes at least all of the following information related to
8 the Michigan Virtual School for the preceding fiscal year:

9 (a) A list of the districts served by the Michigan Virtual
10 School.

11 (b) A list of virtual course titles available to districts.

12 (c) The total number of virtual course enrollments and
13 information on registrations and completions by course.

14 (d) The overall course completion rate percentage.

15 (9) In addition to the information listed in subsection (8),
16 the report under subsection (8) must also include a plan to serve
17 at least 600 schools with courses from the Michigan Virtual School
18 or with content available through the internet-based platform
19 identified in subsection (2) (b) (ix).

20 (10) The governor may appoint an advisory group for the
21 Michigan Virtual Learning Research Institute established under
22 subsection (2). The members of the advisory group serve at the
23 pleasure of the governor and without compensation. The purpose of
24 the advisory group is to make recommendations to the governor, the
25 legislature, and the president and board of the Michigan Virtual
26 University that will accelerate innovation in this state's
27 education system in a manner that will prepare elementary and
28 secondary students to be career and college ready and that will
29 promote the goal of increasing the percentage of residents of this

1 state with high-quality degrees and credentials to at least 60% by
2 ~~2025~~.**2030**.

3 (11) By not later than November 1 of each fiscal year for
4 which funding is allocated under this section, the Michigan Virtual
5 University shall submit to the house and senate appropriations
6 subcommittees on school aid, the state budget director, and the
7 house and senate fiscal agencies a detailed budget for that fiscal
8 year that includes a breakdown on its projected costs to deliver
9 virtual educational services to districts and a summary of the
10 anticipated fees to be paid by districts for those services. By not
11 later than March 1 each fiscal year for which funding is allocated
12 under this section, the Michigan Virtual University shall submit to
13 the house and senate appropriations subcommittees on school aid,
14 the state budget director, and the house and senate fiscal agencies
15 a breakdown on its actual costs to deliver virtual educational
16 services to districts and a summary of the actual fees paid by
17 districts for those services based on audited financial statements
18 for the immediately preceding fiscal year.

19 (12) As used in this section:

20 (a) "Blended learning" means a hybrid instructional delivery
21 model where pupils are provided content, instruction, and
22 assessment, in part at a supervised educational facility away from
23 home where the pupil and a teacher with a valid Michigan teaching
24 certificate are in the same physical location and in part through
25 internet-connected learning environments with some degree of pupil
26 control over time, location, and pace of instruction.

27 (b) "Cyber school" means a full-time instructional program of
28 virtual courses for pupils that may or may not require attendance
29 at a physical school location.

1 (c) "Virtual course" means a course of study that is capable
2 of generating a credit or a grade and that is provided in an
3 interactive learning environment in which the majority of the
4 curriculum is delivered using the internet and in which pupils are
5 separated from their instructor or teacher of record by time or
6 location, or both.

7 Sec. 99. (1) From the state school aid fund money appropriated
8 in section 11, there is allocated an amount not to exceed
9 \$500,000.00 for 2023-2024 only to Kentwood Public Schools and Oak
10 Park Schools for a plant-based school meals pilot grant program.
11 Grants shall be used for developing and implementing plant-based
12 meal options in school cafeterias, training school food service
13 staff in the preparation of plant-based meals, and purchasing
14 necessary kitchen equipment to facilitate the preparation of plant-
15 based meals. Recipients of grants under this program shall submit a
16 report to the department detailing the use of funds and the impact
17 of the program on student meal choices and environmental
18 sustainability.

19 (2) From the general fund money appropriated in section 11,
20 there is allocated an amount not to exceed \$500,000.00 for 2024-
21 2025 only for a virtual reality youth peace literacy initiative
22 pilot program.

23 (3) From the general fund money appropriated in section 11,
24 there is allocated an amount not to exceed \$1,000,000.00 for 2024-
25 2025 only to the American Lightweight Materials Manufacturing
26 Innovation Institute, in partnership with the Michigan
27 Manufacturers Association, Amatrol, and the ATS LAB Midwest. Funds
28 received under this subsection must be used to provide high schools
29 and intermediate districts in this state with competency-based,

1 technology infused talent development programs that provide
2 curricula, e-learning, hands-on e-learning systems, curricula-
3 specific training equipment, installation, orientation, teacher
4 training, industry-recognized skill certifications, and connections
5 to local manufacturers for students in high schools and
6 intermediate districts in this state.

7 (4) From the state school aid fund money appropriated in
8 section 11, there is allocated an amount not to exceed
9 \$2,500,000.00 for 2024-2025 only to the Dearborn City School
10 District for costs to expand the career and technical education
11 program for the district, including, but not limited to, expansion
12 of a cybersecurity certificate program. Costs in this subsection
13 may include both operational and capital costs.

14 (5) From the state school aid fund money appropriated in
15 section 11, there is allocated an amount not to exceed
16 \$1,500,000.00 for 2024-2025 only to the Dearborn City School
17 District to support the construction of outdoor classrooms and
18 other green space for Salina Intermediate School in the Dearborn
19 City School District.

20 (6) From the state school aid fund money appropriated in
21 section 11, there is allocated an amount not to exceed
22 \$2,000,000.00 for 2024-2025 only to the School District of the City
23 of Harper Woods to support the costs for construction and operation
24 of the daily life skills training center, an educational and skills
25 development program with individualized training to improve a
26 child's abilities to independently perform routine daily activities
27 and effectively use community resources.

28 (7) From the state school aid fund money appropriated in
29 section 11, there is allocated an amount not to exceed

1 \$2,500,000.00 for 2024-2025 only to the Lansing Public School
2 District for development and infrastructure improvements.

3 (8) From the state school aid fund money appropriated in
4 section 11, there is allocated for 2024-2025 only an amount not to
5 exceed \$700,000.00 to Clintondale Community Schools for safety and
6 security upgrades.

7 (9) From the ~~state school aid~~ **general** fund money appropriated
8 in section 11, there is allocated for 2024-2025 only an amount not
9 to exceed \$500,000.00 to ~~Algonac Community School District~~ **the city**
10 **of Algonac in St. Clair County** to support asbestos remediation and
11 redevelopment **in a former school building**.

12 (10) From the state school aid fund money appropriated in
13 section 11, there is allocated for 2024-2025 only an amount not to
14 exceed \$700,000.00 to South Lyon Community Schools for student
15 mental health services.

16 (11) From the state school aid fund money appropriated in
17 section 11, there is allocated for 2024-2025 only an amount not to
18 exceed \$200,000.00 to Farmington Public School District for high-
19 intensity tutoring.

20 (12) From the general fund money appropriated in section 11,
21 there is allocated for 2024-2025 only an amount not to exceed
22 \$2,100,000.00 to the Marygrove Conservancy for the creation of the
23 Marygrove Film School.

24 (13) From the general fund money appropriated in section 11,
25 there is allocated for 2024-2025 only an amount not to exceed
26 ~~\$3,900,000.00, \$2,900,000.00~~, and from the state school aid fund
27 money appropriated in section 11, there is allocated for 2024-2025
28 only an amount not to exceed ~~\$2,100,000.00~~ **\$3,100,000.00** to Rudyard
29 Area Schools for infrastructure.

1 (14) From the general fund money appropriated in section 11,
2 there is allocated for 2024-2025 only an amount not to exceed
3 \$250,000.00 to Brookview Montessori School for structural updates,
4 including, but not limited to, electrical and HVAC.

5 (15) From the general fund money appropriated in section 11,
6 there is allocated for 2024-2025 only an amount not to exceed
7 \$100,000.00 for Okemos Public Montessori at Central for district
8 lead abatement.

9 (16) From the general fund money appropriated in section 11,
10 there is allocated for 2024-2025 only an amount not to exceed
11 \$500,000.00 to Wellspring Detroit to support the academic and youth
12 development program.

13 (17) From the state school aid fund money appropriated in
14 section 11, there is allocated for 2024-2025 only an amount not to
15 exceed \$500,000.00 to a district or intermediate district to
16 support the implementation of the MI Student Voice Perception
17 Survey.

18 (18) From the general fund money appropriated in section 11,
19 there is allocated for 2024-2025 only an amount not to exceed
20 \$3,700,000.00 to the recipients identified in this subsection to
21 support capital costs to increase safety of student pedestrians.

22 (a) A recipient of a grant under this subsection shall use the
23 funds to increase the safety of student pedestrians through capital
24 improvements. A grant recipient may enter into agreements with
25 other units of local government to complete eligible projects.
26 Improvements may include, but are not limited to, all of the
27 following:

28 (i) Signage and painting for crosswalks.

29 (ii) Installing or repairing sidewalks.

1 (iii) Adding turning lanes.

2 (iv) Installing or repairing traffic signal lights.

3 (b) From the allocation in this subsection, \$3,000,000.00 is
4 allocated to Macomb Township in Macomb County for road, signal, and
5 pedestrian crossing improvements at the intersection of 21 Mile
6 Road and Heydenreich Road. The purpose of the improvements is to
7 increase safety for student pedestrians at nearby schools.

8 (c) From the allocation in this subsection, \$250,000.00 is
9 allocated to the Woodhaven-Brownstown School District to construct
10 sidewalks to connect nearby residential areas to schools in the
11 district.

12 (d) From the allocation in this subsection, \$450,000.00 is
13 allocated to the Village of Brooklyn to partner with the Columbia
14 Charter School District and Columbia Charter Township to improve
15 student pedestrian safety.

16 (e) The funds allocated under this subsection for 2024-2025
17 are a work project appropriation, and any unexpended funds for
18 2024-2025 are carried forward into 2025-2026. The purpose of the
19 work project is to continue to provide support for capital costs to
20 increase safety of student pedestrians. The estimated completion
21 date of the work project is September 30, 2029.

22 (19) From the state school aid fund money appropriated in
23 section 11, there is allocated for 2024-2025 only an amount not to
24 exceed \$7,000,000.00 to Detroit Public Schools Community District
25 to offset the cost of relocating the Davis Aerospace Technical High
26 School to the Coleman A. Young International Airport.
27 Notwithstanding section 18a, funds allocated under this subsection
28 may be available for expenditure until September 30, 2027. A
29 recipient of funding under this subsection must return any

1 unexpended funds to the department in a manner prescribed by the
2 department by not later than October 30, 2027.

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

6 Sec. 101. (1) To be eligible to receive state aid under this
7 article, not later than the fifth Wednesday after the pupil
8 membership count day and not later than the fifth Wednesday after
9 the supplemental count day, each district superintendent shall
10 submit and certify to the center and the intermediate
11 superintendent, in the form and manner prescribed by the center,
12 the number of pupils enrolled and in regular daily attendance,
13 including identification of tuition-paying pupils, in the district
14 as of the pupil membership count day and as of the supplemental
15 count day, as applicable, for the current school year. In addition,
16 a district maintaining school during the entire year shall submit
17 and certify to the center and the intermediate superintendent, in
18 the form and manner prescribed by the center, the number of pupils
19 enrolled and in regular daily attendance in the district for the
20 current school year pursuant to rules promulgated by the
21 superintendent. Not later than the sixth Wednesday after the pupil
22 membership count day and not later than the sixth Wednesday after
23 the supplemental count day, the district shall resolve any pupil
24 membership conflicts with another district, correct any data
25 issues, and recertify the data in a form and manner prescribed by
26 the center and file the certified data with the intermediate
27 superintendent. If a district fails to submit and certify the
28 attendance data, as required under this subsection, the center
29 shall notify the department and the department shall withhold state

1 aid due to be distributed under this article from the defaulting
2 district immediately, beginning with the next payment after the
3 failure and continuing with each payment until the district
4 complies with this subsection. If a district does not comply with
5 this subsection by the end of the fiscal year, the district
6 forfeits the amount withheld. A person who willfully falsifies a
7 figure or statement in the certified and sworn copy of enrollment
8 is subject to penalty as prescribed by section 161.

9 (2) To be eligible to receive state aid under this article,
10 not later than the twenty-fourth Wednesday after the pupil
11 membership count day and not later than the twenty-fourth Wednesday
12 after the supplemental count day, an intermediate district shall
13 submit to the center, in a form and manner prescribed by the
14 center, the audited enrollment and attendance data as described in
15 subsection (1) for the pupils of its constituent districts and of
16 the intermediate district. If an intermediate district fails to
17 submit the audited data as required under this subsection, the
18 department shall withhold state aid due to be distributed under
19 this article from the defaulting intermediate district immediately,
20 beginning with the next payment after the failure and continuing
21 with each payment until the intermediate district complies with
22 this subsection. If an intermediate district does not comply with
23 this subsection by the end of the fiscal year, the intermediate
24 district forfeits the amount withheld.

25 (3) Except as otherwise provided in subsections (11) and (12)
26 all of the following apply to the provision of pupil instruction:

27 (a) Except as otherwise provided in this section, each
28 district shall provide at least 1,098 hours and 180 days of pupil
29 instruction. If a collective bargaining agreement that provides a

1 complete school calendar was in effect for employees of a district
2 as of June 24, 2014, and if that school calendar is not in
3 compliance with this subdivision, then this subdivision does not
4 apply to that district until after the expiration of that
5 collective bargaining agreement. A district may apply for a waiver
6 under subsection (9) from the requirements of this subdivision.

7 (b) Except as otherwise provided in this article, a district
8 failing to comply with the required minimum hours and days of pupil
9 instruction under this subsection forfeits from its total state aid
10 allocation an amount determined by applying a ratio of the number
11 of hours or days the district was in noncompliance in relation to
12 the required minimum number of hours and days under this
13 subsection. Not later than the first business day in August, the
14 board of each district shall either certify to the department that
15 the district was in full compliance with this section regarding the
16 number of hours and days of pupil instruction in the previous
17 school year, or report to the department, in a form and manner
18 prescribed by the center, each instance of noncompliance. If the
19 district did not provide at least the required minimum number of
20 hours and days of pupil instruction under this subsection, the
21 department shall make the deduction of state aid in the following
22 fiscal year from the first payment of state school aid. A district
23 is not subject to forfeiture of funds under this subsection for a
24 fiscal year in which a forfeiture was already imposed under
25 subsection (6).

26 (c) Hours or days lost because of strikes or teachers'
27 conferences are not counted as hours or days of pupil instruction.

28 (d) Except as otherwise provided in subdivisions (e) and (f),
29 if a district does not have at least 75% of the district's

1 membership in attendance on any day of pupil instruction, the
2 department shall pay the district state aid in that proportion of
3 1/180 that the actual percent of attendance bears to 75%.

4 (e) If a district adds 1 or more days of pupil instruction to
5 the end of its instructional calendar for a school year to comply
6 with subdivision (a) because the district otherwise would fail to
7 provide the required minimum number of days of pupil instruction
8 even after the operation of subsection (4) due to conditions not
9 within the control of school authorities, then subdivision (d) does
10 not apply for any day of pupil instruction that is added to the end
11 of the instructional calendar. Instead, for any of those days, if
12 the district does not have at least 60% of the district's
13 membership in attendance on that day, the department shall pay the
14 district state aid in that proportion of 1/180 that the actual
15 percentage of attendance bears to 60%. For any day of pupil
16 instruction added to the instructional calendar as described in
17 this subdivision, the district shall report to the department the
18 percentage of the district's membership that is in attendance, in
19 the form and manner prescribed by the department.

20 (f) At the request of a district that operates a department-
21 approved alternative education program and that does not provide
22 instruction for pupils in all of grades K to 12, the superintendent
23 shall grant a waiver from the requirements of subdivision (d). The
24 waiver must provide that an eligible district is subject to the
25 proration provisions of subdivision (d) only if the district does
26 not have at least 50% of the district's membership in attendance on
27 any day of pupil instruction. In order to be eligible for this
28 waiver, a district must maintain records to substantiate its
29 compliance with the following requirements:

1 (i) The district offers the minimum hours of pupil instruction
2 as required under this section.

3 (ii) For each enrolled pupil, the district uses appropriate
4 academic assessments to develop an individual education plan that
5 leads to a high school diploma.

6 (iii) The district tests each pupil to determine academic
7 progress at regular intervals and records the results of those
8 tests in that pupil's individual education plan.

9 (g) All of the following apply to a waiver granted under
10 subdivision (f):

11 (i) If the waiver is for a blended model of delivery, a waiver
12 that is granted for the 2011-2012 fiscal year or a subsequent
13 fiscal year remains in effect unless it is revoked by the
14 superintendent.

15 (ii) If the waiver is for a 100% online model of delivery and
16 the educational program for which the waiver is granted makes
17 educational services available to pupils for a minimum of at least
18 1,098 hours during a school year and ensures that each pupil
19 participates in the educational program for at least 1,098 hours
20 during a school year, a waiver that is granted for the 2011-2012
21 fiscal year or a subsequent fiscal year remains in effect unless it
22 is revoked by the superintendent.

23 (iii) A waiver that is not a waiver described in subparagraph
24 (i) or (ii) is valid for 3 fiscal years, unless it is revoked by the
25 superintendent, and must be renewed at the end of the 3-year period
26 to remain in effect.

27 (h) For the 2024-2025 school year only, a district does not
28 need to meet the minimum number of hours and days of pupil
29 instruction requirement under subdivision (a) if that district

1 meets all of the following requirements:

2 (i) The district is located wholly or partially in a county
3 that is covered by a state of emergency declared by the governor.

4 (ii) A majority of the district board votes to exempt the
5 district from the minimum number of hours and days of pupil
6 instruction required under subdivision (a).

7 (iii) The vote by the district board under subparagraph (ii)
8 exempts the district from providing only the hours and days of
9 pupil instruction actually missed due to the state of emergency.

10 (iv) The vote by the district board under subparagraph (ii)
11 exempts the district from not more than 15 days of pupil
12 instruction required under subdivision (a). The amount that may be
13 exempted under this subdivision is in addition to any days counted
14 as pupil instruction under subsection (4).

15 (i) The superintendent shall promulgate rules for the
16 implementation of this subsection.

17 (4) All of the following apply to the counting of days and
18 hours of pupil instruction under this section:

19 (a) Except as otherwise provided in this subsection, the first
20 6 days or the equivalent number of hours for which pupil
21 instruction is not provided because of conditions not within the
22 control of school authorities, such as severe storms, fires,
23 epidemics, utility power unavailability, water or sewer failure, or
24 health conditions as defined by the city, county, or state health
25 authorities, are counted as hours and days of pupil instruction.

26 (b) With the approval of the superintendent of public
27 instruction, the department shall count as hours and days of pupil
28 instruction for a fiscal year not more than 3 additional days or
29 the equivalent number of additional hours for which pupil

1 instruction is not provided in a district due to unusual and
2 extenuating occurrences resulting from conditions not within the
3 control of school authorities such as those conditions described in
4 this subsection.

5 (c) A district that counts hours or days of professional
6 development for teachers as hours or days of pupil instruction, as
7 provided under subsection (10), is eligible to have additional
8 hours or days counted as hours and days of pupil instruction as
9 provided under subdivision (b) to the same extent as a district
10 that does not count hours or days of professional development for
11 teachers as hours or days of pupil instruction.

12 (d) In deciding whether to approve the counting of additional
13 hours or days of pupil instruction under subdivision (b) for a
14 district, the superintendent of public instruction shall not take
15 into account whether the district counts hours or days of
16 professional development for teachers as hours or days of pupil
17 instruction, as provided under subsection (10).

18 (e) Subsequent hours or days beyond those described in
19 subdivisions (a) and (b) are not counted as hours or days of pupil
20 instruction.

21 (5) A district does not forfeit part of its state aid
22 appropriation because it adopts or has in existence an alternative
23 scheduling program for pupils in kindergarten if the program
24 provides at least the number of hours required under subsection (3)
25 for a full-time equated membership for a pupil in kindergarten as
26 provided under section 6(4).

27 (6) In addition to any other penalty or forfeiture under this
28 section, if at any time the department determines that 1 or more of
29 the following have occurred in a district, the district forfeits in

1 the current fiscal year beginning in the next payment to be
2 calculated by the department a proportion of the funds due to the
3 district under this article that is equal to the proportion below
4 the required minimum number of hours and days of pupil instruction
5 under subsection (3), as specified in the following:

6 (a) The district fails to operate its schools for at least the
7 required minimum number of hours and days of pupil instruction
8 under subsection (3) in a school year, including hours and days
9 counted under subsection (4).

10 (b) The board of the district takes formal action not to
11 operate its schools for at least the required minimum number of
12 hours and days of pupil instruction under subsection (3) in a
13 school year, including hours and days counted under subsection (4).

14 (7) In providing the minimum number of hours and days of pupil
15 instruction required under subsection (3), a district shall use the
16 following guidelines, and a district shall maintain records to
17 substantiate its compliance with the following guidelines:

18 (a) Except as otherwise provided in this subsection, a pupil
19 must be scheduled for at least the required minimum number of hours
20 of instruction, excluding study halls, or at least the sum of 90
21 hours plus the required minimum number of hours of instruction,
22 including up to 2 study halls.

23 (b) The time a pupil is assigned to any tutorial activity in a
24 block schedule may be considered instructional time, unless that
25 time is determined in an audit to be a study hall period.

26 (c) Except as otherwise provided in this subdivision, a pupil
27 in grades 9 to 12 for whom a reduced schedule is determined to be
28 in the individual pupil's best educational interest, **or a pupil in**
29 **grades 6 to 8 for whom a reduced schedule is determined to be in**

1 **the pupil's best educational interest due to the pupil's**
2 **participation in an advanced curriculum,** must be scheduled for a
3 number of hours equal to at least 80% of the required minimum
4 number of hours of pupil instruction to be considered a full-time
5 equivalent pupil. A pupil in grades ~~9-6~~ to 12 who is scheduled in a
6 4-block schedule may receive a reduced schedule under this
7 subsection if the pupil is scheduled for a number of hours equal to
8 at least 75% of the required minimum number of hours of pupil
9 instruction to be considered a full-time equivalent pupil.

10 (d) ~~If~~ **For** a pupil in grades 9 to 12 ~~who is enrolled in a~~
11 cooperative education program or **for** a special education pupil,
12 ~~cannot receive the required minimum number of hours of pupil~~
13 ~~instruction solely because of travel time between instructional~~
14 ~~sites during the school day, that travel time, up to a maximum of 3~~
15 ~~hours per school week, is considered to be pupil instruction time~~
16 ~~for the purpose of determining whether the pupil is receiving the~~
17 ~~required minimum number of hours of pupil instruction. However, if~~
18 ~~a district demonstrates to the satisfaction of the department that~~
19 ~~the travel time limitation under this subdivision would create~~
20 ~~undue costs or hardship to the district, the department may~~
21 ~~consider more travel time to be pupil instruction time for this~~
22 ~~purpose.~~ **in determining full-time equated membership for that pupil,**
23 **the pupil is not considered less than a full-time equated pupil**
24 **solely because of the effect of the pupil's enrollment in the**
25 **cooperative education program or special education program,**
26 **including necessary travel time, on the number of class hours**
27 **provided by the district to the pupil.**

28 (e) In grades 7 through 12, instructional time that is part of
29 a Junior Reserve Officer Training Corps (JROTC) program is

1 considered to be pupil instruction time regardless of whether the
2 instructor is a certificated teacher if all of the following are
3 met:

4 (i) The instructor has met all of the requirements established
5 by the United States Department of Defense and the applicable
6 branch of the armed services for serving as an instructor in the
7 Junior Reserve Officer Training Corps program.

8 (ii) The board of the district or intermediate district
9 employing or assigning the instructor complies with the
10 requirements of sections 1230 and 1230a of the revised school code,
11 MCL 380.1230 and 380.1230a, with respect to the instructor to the
12 same extent as if employing the instructor as a regular classroom
13 teacher.

14 (8) Except as otherwise provided in subsections (11) and (12),
15 the department shall apply the guidelines under subsection (7) in
16 calculating the full-time equivalency of pupils.

17 (9) Upon application by the district for a particular fiscal
18 year, the superintendent shall waive for a district the minimum
19 number of hours and days of pupil instruction requirement of
20 subsection (3) for a department-approved alternative education
21 program or another innovative program approved by the department,
22 including a 4-day school week. If a district applies for and
23 receives a waiver under this subsection and complies with the terms
24 of the waiver, the district is not subject to forfeiture under this
25 section for the specific program covered by the waiver. If the
26 district does not comply with the terms of the waiver, the amount
27 of the forfeiture is calculated based upon a comparison of the
28 number of hours and days of pupil instruction actually provided to
29 the minimum number of hours and days of pupil instruction required

1 under subsection (3). A district shall report pupils enrolled in a
2 department-approved alternative education program under this
3 subsection to the center in a form and manner determined by the
4 center. All of the following apply to a waiver granted under this
5 subsection:

6 (a) If the waiver is for a blended model of delivery, a waiver
7 that is granted for the 2011-2012 fiscal year or a subsequent
8 fiscal year remains in effect unless it is revoked by the
9 superintendent.

10 (b) If the waiver is for a 100% online model of delivery and
11 the educational program for which the waiver is granted makes
12 educational services available to pupils for a minimum of at least
13 1,098 hours during a school year and ensures that each pupil is on
14 track for course completion at proficiency level, a waiver that is
15 granted for the 2011-2012 fiscal year or a subsequent fiscal year
16 remains in effect unless it is revoked by the superintendent.

17 (c) A waiver that is not a waiver described in subdivision (a)
18 or (b) is valid for 3 fiscal years, unless it is revoked by the
19 superintendent, and must be renewed at the end of the 3-year period
20 to remain in effect.

21 (10) A district may count up to 38 hours of professional
22 development for teachers as hours of pupil instruction. All of the
23 following apply to the counting of professional development as
24 pupil instruction under this subsection:

25 (a) If the professional development exceeds 5 hours in a
26 single day, that day may be counted as a day of pupil instruction.

27 (b) At least 8 hours of the professional development counted
28 as hours of pupil instruction under this subsection must be
29 recommended by a districtwide professional development advisory

1 committee appointed by the district board. The advisory committee
2 must be composed of teachers employed by the district who represent
3 a variety of grades and subject matter specializations, including
4 special education; nonteaching staff; parents; and administrators.
5 The majority membership of the committee must be composed of
6 teaching staff.

7 (c) Professional development provided online is allowable and
8 encouraged, as long as the instruction has been approved by the
9 district. The department shall issue a list of approved online
10 professional development providers that must include the Michigan
11 Virtual School.

12 (d) Professional development may only be counted as hours of
13 pupil instruction under this subsection for the pupils of those
14 teachers scheduled to participate in the professional development.

15 (e) The professional development must meet all of the
16 following to be counted as pupil instruction under this subsection:

17 (i) Be aligned to the school or district improvement plan for
18 the school or district in which the professional development is
19 being provided.

20 (ii) Be linked to 1 or more criteria in the evaluation tool
21 developed or adopted by the district or intermediate district under
22 section 1249 of the revised school code, MCL 380.1249.

23 (iii) Has been approved by the department as counting for state
24 continuing education clock hours. The number of hours of
25 professional development counted as hours of pupil instruction
26 under this subsection may not exceed the number of state continuing
27 education clock hours for which the professional development was
28 approved.

29 (iv) Not more than a combined total of 10 hours of the

1 professional development takes place before the first scheduled day
2 of school for the school year ending in the fiscal year and after
3 the last scheduled day of school for that school year.

4 (v) Not more than 10 hours of the professional development
5 takes place in a single month.

6 (vi) At least 75% of teachers scheduled to participate in the
7 professional development are in attendance.

8 (11) Subsections (3) and (8) do not apply to a school of
9 excellence that is a cyber school, as that term is defined in
10 section 551 of the revised school code, MCL 380.551, and is in
11 compliance with section 553a of the revised school code, MCL
12 380.553a. Beginning July 1, 2021, this subsection is subject to
13 section 8c. It is the intent of the legislature that the
14 immediately preceding sentence apply retroactively and is effective
15 July 1, 2021.

16 (12) Subsections (3) and (8) do not apply to eligible pupils
17 enrolled in a dropout recovery program that meets the requirements
18 of section 23a. As used in this subsection, "eligible pupil" means
19 that term as defined in section 23a.

20 (13) At least every 2 years the superintendent shall review
21 the waiver standards set forth in the pupil accounting and auditing
22 manuals to ensure that the waiver standards and waiver process
23 continue to be appropriate and responsive to changing trends in
24 online learning. The superintendent shall solicit and consider
25 input from stakeholders as part of this review.

26 Sec. 104. (1) ~~To receive state aid under this article, a~~
27 ~~district shall comply with sections 1249, 1278a, 1278b, 1279g, and~~
28 ~~1280b of the revised school code, MCL 380.1249, 380.1278a,~~
29 ~~380.1278b, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081~~

1 ~~to 388.1086. Subject to subsection (2), from the state school aid~~
2 ~~fund money appropriated in section 11, there is allocated for 2024-~~
3 ~~2025 an amount not to exceed \$37,509,400.00 for payments on behalf~~
4 ~~of districts for costs associated with complying with those~~
5 ~~provisions of law. In addition, from~~ **From** the federal funds
6 appropriated in section 11, there is allocated for ~~2024-2025~~ **2025-**
7 **2026** an amount estimated at \$8,000,000.00 funded from DED-OESE,
8 title VI, state assessment funds, and from DED-OSERS, part B of the
9 individuals with disabilities education act, 20 USC 1411 to 1419,
10 plus any carryover federal funds from previous year appropriations,
11 for the purposes of complying with the every student succeeds act,
12 Public Law 114-95.

13 (2) The results of each test administered as part of the
14 Michigan student test of educational progress (M-STEP), including
15 tests administered to high school students, must include an item
16 analysis that lists all items that are counted for individual pupil
17 scores and the percentage of pupils choosing each possible
18 response. The department shall work with the center to identify the
19 number of students enrolled at the time assessments are given by
20 each district. In calculating the percentage of pupils assessed for
21 a district's scorecard, the department shall use only the number of
22 pupils enrolled in the district at the time the district
23 administers the assessments and shall exclude pupils who enroll in
24 the district after the district administers the assessments.

25 (3) The department shall distribute federal funds allocated
26 under this section in accordance with federal law and with
27 flexibility provisions outlined in Public Law 107-116, and in the
28 education flexibility partnership act of 1999, Public Law 106-25.

29 (4) The department may recommend, but may not require,

1 districts to allow pupils to use an external keyboard with tablet
2 devices for online M-STEP testing, including, but not limited to,
3 open-ended test items such as constructed response or equation
4 builder items.

5 (5) Notwithstanding section 17b, the department shall make
6 payments on behalf of districts, intermediate districts, and other
7 eligible entities under this section on a schedule determined by
8 the department.

9 ~~(6) From the allocation in subsection (1), there is allocated~~
10 ~~an amount not to exceed \$500,000.00 for 2024-2025 for the operation~~
11 ~~of an online reporting tool to provide student-level assessment~~
12 ~~data in a secure environment to educators, parents, and pupils~~
13 ~~immediately after assessments are scored. The department and the~~
14 ~~center shall ensure that any data collected by the online reporting~~
15 ~~tool do not provide individually identifiable student data to the~~
16 ~~federal government.~~

17 (6) ~~(7)~~ As used in this section:

18 (a) "DED" means the United States Department of Education.

19 (b) "DED-OESE" means the DED Office of Elementary and
20 Secondary Education.

21 (c) "DED-OSERS" means the DED Office of Special Education and
22 Rehabilitative Services.

23 Sec. 104b. (1) In order to receive state aid under this
24 article, a district shall comply with this section and shall
25 administer the Michigan merit examination to pupils in grade 11,
26 and to pupils in grade 12 who did not take the complete Michigan
27 merit examination in grade 11, as provided in this section. The
28 Michigan merit examination consists of a college entrance test,
29 work skills test, and the summative assessment known as the

1 Michigan student test of educational progress (M-STEP).

2 (2) For the purposes of this section, the department of
3 technology, management, and budget shall contract with 1 or more
4 providers to develop, supply, and score the Michigan merit
5 examination. The Michigan merit examination shall consist of all of
6 the following:

7 (a) Assessment instruments that measure English language arts,
8 mathematics, reading, and science, and are used by the majority of
9 colleges and universities in this state for entrance purposes. This
10 may include 1 or more writing components. In selecting assessment
11 instruments to fulfill the requirements of this subdivision, the
12 department may consider the degree to which those assessment
13 instruments are aligned to this state's content standards.

14 (b) One or more tests from 1 or more test developers that
15 assess a pupil's ability to apply at least reading and mathematics
16 skills in a manner that is intended to allow employers to use the
17 results in making employment decisions. The department of
18 technology, management, and budget and the superintendent shall
19 ensure that any test or tests selected under this subdivision have
20 all the components necessary to allow a pupil to be eligible to
21 receive the results of a nationally recognized evaluation of
22 workforce readiness if the pupil's test performance is adequate.

23 (c) A social studies component.

24 (d) Any other component that is necessary to obtain the
25 approval of the United States Department of Education to use the
26 Michigan merit examination for the purposes of the no child left
27 behind act of 2001, Public Law 107-110, or the every student
28 succeeds act, Public Law 114-95.

29 (3) In addition to all other requirements of this section, all

1 of the following apply to the Michigan merit examination:

2 (a) The department of technology, management, and budget and
3 the superintendent shall ensure that any contractor used for
4 scoring the Michigan merit examination supplies an individual
5 report for each pupil that will identify for the pupil's parents
6 and teachers whether the pupil met expectations or failed to meet
7 expectations for each standard, to allow the pupil's parents and
8 teachers to assess and remedy problems before the pupil moves to
9 the next grade.

10 (b) The department of technology, management, and budget and
11 the superintendent shall ensure that any contractor used for
12 scoring, developing, or processing the Michigan merit examination
13 meets quality management standards commonly used in the assessment
14 industry, including at least meeting level 2 of the capability
15 maturity model developed by the Software Engineering Institute of
16 Carnegie Mellon University for the first year the Michigan merit
17 examination is offered to all grade 11 pupils and at least meeting
18 level 3 of the capability maturity model for subsequent years.

19 (c) The department of technology, management, and budget and
20 the superintendent shall ensure that any contract for scoring,
21 administering, or developing the Michigan merit examination
22 includes specific deadlines for all steps of the assessment
23 process, including, but not limited to, deadlines for the correct
24 testing materials to be supplied to schools and for the correct
25 results to be returned to schools, and includes penalties for
26 noncompliance with these deadlines.

27 (d) The superintendent shall ensure that the Michigan merit
28 examination meets all of the following:

29 (i) Is designed to test pupils on this state's content

standards in all subjects tested.

(ii) Complies with requirements of the no child left behind act of 2001, Public Law 107-110 or the every student succeeds act, Public Law 114-95.

(iii) Is consistent with the code of fair testing practices in education prepared by the Joint Committee on Testing Practices of the American Psychological Association.

(iv) Is factually accurate. If the superintendent determines that a question is not factually accurate and should be excluded from scoring, the state board and the superintendent shall ensure that the question is excluded from scoring.

(4) A district shall include on each pupil's high school transcript all of the following:

(a) For each high school graduate who has completed the Michigan merit examination under this section, the pupil's scaled score on each subject area component of the Michigan merit examination.

(b) The number of school days the pupil was in attendance at school each school year during high school and the total number of school days in session for each of those school years.

(5) The superintendent shall work with the provider or providers of the Michigan merit examination to produce Michigan merit examination subject area scores for each pupil participating in the Michigan merit examination. To the extent that the department determines that additional test items beyond those included in the college entrance component of the Michigan merit examination are required in a particular subject area, the department shall ensure that all test items in that subject area are scaled and merged for the purposes of producing a Michigan

1 merit examination subject area score. The superintendent shall
2 design and distribute to districts, intermediate districts, and
3 nonpublic schools a simple and concise document that describes the
4 scoring for each subject area and indicates the scaled score ranges
5 for each subject area.

6 (6) The Michigan merit examination shall be administered in
7 each district during the last 12 weeks of the district's school
8 year. The superintendent shall ensure that the Michigan merit
9 examination is scored and the scores are returned to pupils, their
10 parents or legal guardians, and districts not later than the
11 beginning of the pupil's first semester of grade 12. The returned
12 scores shall indicate at least the pupil's scaled score for each
13 subject area component and the range of scaled scores for each
14 subject area. In reporting the scores to pupils, parents, and
15 schools, the superintendent shall provide standards-specific,
16 meaningful, and timely feedback on the pupil's performance on the
17 Michigan merit examination.

18 (7) A district shall administer the complete Michigan merit
19 examination to a pupil only once and shall not administer the
20 complete Michigan merit examination to the same pupil more than
21 once. If a pupil does not take the complete Michigan merit
22 examination in grade 11, the district shall administer the complete
23 Michigan merit examination to the pupil in grade 12. If a pupil
24 chooses to retake the college entrance examination component of the
25 Michigan merit examination, as described in subsection (2)(a), the
26 pupil may do so through the provider of the college entrance
27 examination component and the cost of the retake is the
28 responsibility of the pupil unless all of the following are met:

29 (a) The pupil has taken the complete Michigan merit

1 examination.

2 (b) The pupil meets the income eligibility criteria for free
3 breakfast, lunch, or milk, as determined under the Richard B.
4 Russell national school lunch act, 42 USC 1751 to 1769i.

5 (c) The pupil has applied to the provider of the college
6 entrance examination component for a scholarship or fee waiver to
7 cover the cost of the retake and that application has been denied.

8 (d) After taking the complete Michigan merit examination, the
9 pupil has not already received a free retake of the college
10 entrance examination component paid for either by this state or
11 through a scholarship or fee waiver by the provider.

12 (8) The superintendent shall ensure that the length of the
13 Michigan merit examination and the combined total time necessary to
14 administer all of the components of the Michigan merit examination
15 are the shortest possible that will still maintain the degree of
16 reliability and validity of the Michigan merit examination results
17 determined necessary by the superintendent. The superintendent
18 shall ensure that the maximum total combined length of time that
19 schools are required to set aside for pupils to answer all test
20 questions on the Michigan merit examination does not exceed 8 hours
21 if the superintendent determines that sufficient alignment to
22 applicable Michigan merit curriculum content standards can be
23 achieved within that time limit.

24 (9) A district shall provide accommodations to a pupil with
25 disabilities for the Michigan merit examination, as provided under
26 section 504 of title V of the rehabilitation act of 1973, 29 USC
27 794; subtitle A of title II of the Americans with disabilities act
28 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
29 education act amendments of 1997, Public Law 105-17; and the

1 implementing regulations for those statutes. The provider or
2 providers of the Michigan merit examination and the superintendent
3 shall mutually agree upon the accommodations to be provided under
4 this subsection.

5 (10) To the greatest extent possible, the Michigan merit
6 examination shall be based on this state's content standards, as
7 appropriate. Annually, after each administration of the Michigan
8 merit examination, the department shall provide a report of the
9 points per standard so that teachers will know what content will be
10 covered within the Michigan merit examination. The department may
11 augment the college entrance and work skills components of the
12 Michigan merit examination to develop the assessment, depending on
13 the alignment of those components to this state's content
14 standards. If these components do not align to these standards, the
15 department shall produce additional components as required by law,
16 while minimizing the amount of time needed for assessments.

17 (11) A child who is a student in a nonpublic school or home
18 school may take the Michigan merit examination under this section.
19 To take the Michigan merit examination, a child who is a student in
20 a home school shall contact the district in which the child
21 resides, and that district shall administer the Michigan merit
22 examination, or the child may take the Michigan merit examination
23 at a nonpublic school if allowed by the nonpublic school. Upon
24 request from a nonpublic school, the superintendent shall direct
25 the provider or providers to supply the Michigan merit examination
26 to the nonpublic school and the nonpublic school may administer the
27 Michigan merit examination. If a district administers the Michigan
28 merit examination under this subsection to a child who is not
29 enrolled in the district, the scores for that child are not

1 considered for any purpose to be scores of a pupil of the district.

2 (12) In contracting under subsection (2), the department of
3 technology, management, and budget shall consider a contractor that
4 provides electronically-scored essays with the ability to score
5 constructed response feedback in multiple languages and provide
6 ongoing instruction and feedback.

7 (13) The purpose of the Michigan merit examination is to
8 assess pupil performance in mathematics, science, social studies,
9 and English language arts for the purpose of improving academic
10 achievement and establishing a statewide standard of competency.
11 The assessment under this section provides a common measure of data
12 that will contribute to the improvement of Michigan schools'
13 curriculum and instruction by encouraging alignment with Michigan's
14 curriculum framework standards and promotes pupil participation in
15 higher level mathematics, science, social studies, and English
16 language arts courses. These standards are based upon the
17 expectations of what pupils should learn through high school and
18 are aligned with national standards.

19 (14) For a pupil enrolled in a middle college program, other
20 than a middle college operated as a shared educational entity or a
21 specialized shared educational entity, if the pupil receives at
22 least 50% of his or her instruction at the high school while in
23 grade 11, the Michigan merit examination shall be administered to
24 the pupil at the high school at which the pupil receives high
25 school instruction, and the department shall include the pupil's
26 scores on the Michigan merit examination in the scores for that
27 high school for all purposes for which a school's or district's
28 results are reported. The department shall allow the middle college
29 program to use a 5-year graduation rate for determining adequate

1 yearly progress. As used in this subsection, "middle college" means
2 a program consisting of a series of courses and other requirements
3 and conditions, including an early college or other program created
4 under a memorandum of understanding, that allows a pupil to
5 graduate from high school with both a high school diploma and a
6 certificate or degree from a community college or state public
7 university.

8 (15) As used in this section:

9 (a) "English language arts" means reading and writing.

10 (b) "Social studies" means United States history, world
11 history, world geography, economics, and American government.

12 ~~(16) For each report made by the department that includes the~~
13 ~~statewide assessment results for a school building, the department~~
14 ~~shall include the scores for the statewide assessment and the~~
15 ~~graduation rate for consortium pupils with the scores for the~~
16 ~~school building in the participating district in which the~~
17 ~~consortium pupil is enrolled or would otherwise attend. The~~
18 ~~statewide assessment for a consortium pupil may be administered~~
19 ~~either at the consortium location or at the school building in the~~
20 ~~participating district in which the consortium pupil is enrolled or~~
21 ~~would otherwise attend. For the purposes of this subsection, a~~
22 ~~consortium pupil is a pupil who is enrolled or participating in a~~
23 ~~participating district in a school or program operated as a~~
24 ~~consortium or under a cooperative arrangement formed by 2 or more~~
25 ~~districts or intermediate districts, including, but not limited to,~~
26 ~~a consortium or cooperative arrangement operated as a program, a~~
27 ~~shared educational entity, a specialized educational entity, or a~~
28 ~~special education center program.~~

29 Sec. 111. A district having tuition pupils enrolled on the

pupil membership count day of each year may charge the district of residence an amount for tuition that does not exceed the tuition rate computed under section 1401 of the revised school code, MCL 380.1401. The rate charged by a district shall be uniform within each category of tuition pupils enrolled in the district. However, for a tuition pupil who resides in a K-5, K-6, or K-8 district and who is enrolled in a grade not offered by the pupil's district of residence, the tuition rate charged to the pupil's district of residence shall not exceed the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district, whichever is greater. **A district receiving funds under this act shall not charge tuition to a parent or custodian of a pupil enrolled in the district as a nonresident pupil.**

Sec. 147. (1) The allocation for ~~2024-2025~~**2025-2026** for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, is made using the individual projected benefit entry age normal cost method of valuation and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget.

(2) The annual level percentage of payroll contribution rates for the ~~2024-2025~~**2025-2026** fiscal year, as determined by the retirement system, are estimated as follows:

(a) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 41.94% with 31.36% paid directly by the employer.

(b) For public school employees who first worked for a public

1 school reporting unit on or after July 1, 2010 and who are enrolled
2 in the health premium subsidy, the annual level percentage of
3 payroll contribution rate is estimated at 38.10% with 27.52% paid
4 directly by the employer.

5 (c) For public school employees who first worked for a public
6 school reporting unit on or after July 1, 2010 and who participate
7 in the personal healthcare fund, the annual level percentage of
8 payroll contribution rate is estimated at 36.85% with 26.27% paid
9 directly by the employer.

10 (d) For public school employees who first worked for a public
11 school reporting unit on or after September 4, 2012, who elect
12 defined contribution, and who participate in the personal
13 healthcare fund, the annual level percentage of payroll
14 contribution rate is estimated at 31.54% with 20.96% paid directly
15 by the employer.

16 (e) For public school employees who first worked for a public
17 school reporting unit before July 1, 2010, who elect defined
18 contribution, and who are enrolled in the health premium subsidy,
19 the annual level percentage of payroll contribution rate is
20 estimated at 32.79% with 22.21% paid directly by the employer.

21 (f) For public school employees who first worked for a public
22 school reporting unit before July 1, 2010, who elect defined
23 contribution, and who participate in the personal healthcare fund,
24 the annual level percentage of payroll contribution rate is
25 estimated at 31.54% with 20.96% paid directly by the employer.

26 (g) For public school employees who first worked for a public
27 school reporting unit before July 1, 2010 and who participate in
28 the personal healthcare fund, the annual level percentage of
29 payroll contribution rate is estimated at 40.69% with 30.11% paid

1 directly by the employer.

2 (h) For public school employees who first worked for a public
3 school reporting unit after January 31, 2018 and who elect to
4 become members of the MPSERS plan, the annual level percentage of
5 payroll contribution rate is estimated at 37.74% with 27.16% paid
6 directly by the employer.

7 (3) In addition to the employer payments described in
8 subsection (2), the employer shall pay the applicable contributions
9 to the Tier 2 plan, as determined by the public school employees
10 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

11 (4) The contribution rates in subsection (2) reflect an
12 amortization period of ~~14-13~~ years for ~~2024-2025~~. **2025-2026**. The
13 public school employees' retirement system board shall notify each
14 district and intermediate district by February 28 of each fiscal
15 year of the estimated contribution rate for the next fiscal year.

16 Sec. 147a. (1) From the state school aid fund money
17 appropriated in section 11, there is allocated for ~~2023-2024~~ **2024-**
18 **2025** an amount not to exceed \$100,000,000.00 and for ~~2024-2025~~
19 **2025-2026** an amount not to exceed \$100,000,000.00 for payments to
20 participating districts. A participating district that receives
21 money under this subsection shall use that money solely for the
22 purpose of offsetting a portion of the retirement contributions
23 owed by the district for the fiscal year in which it is received.
24 The amount allocated to each participating district under this
25 subsection is based on each participating district's percentage of
26 the total statewide payroll for all participating districts for the
27 immediately preceding fiscal year. As used in this subsection,
28 "participating district" means a district that is a reporting unit
29 of the Michigan public school employees' retirement system under

the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(2) In addition to the allocation under subsection (1), from the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed ~~\$384,642,000.00~~ **\$414,999,900.00** for ~~2023-2024-2024-2025~~ and an amount not to exceed ~~\$365,100,000.00~~ **\$336,200,000.00** for ~~2024-2025, and from the MPSERS retirement obligation reform reserve fund money appropriated in~~ section 11, there is allocated an amount not to exceed ~~\$24,850,000.00 for 2023-2024 only,~~ **2025-2026** for payments to participating districts and intermediate districts and from the general fund money appropriated under section 11, there is allocated an amount not to exceed ~~\$108,000.00 for 2023-2024 and an~~ amount not to exceed ~~\$100,000.00 for 2024-2025~~ **and 2025-2026** for payments to participating district libraries. The amount allocated to each participating entity under this subsection is based on each participating entity's reported quarterly payroll for members that became tier 1 before February 1, 2018 for the current fiscal year. A participating entity that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the normal cost contribution rate. As used in this subsection:

(a) "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

(b) "Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the

1 public school employees retirement act of 1979, 1980 PA 300, MCL
2 38.1301 to 38.1437, and that reports employees to the Michigan
3 public school employees' retirement system for the applicable
4 fiscal year.

5 (3) In addition to the allocations under subsections (1) and
6 (2), from the state school aid fund money appropriated in section
7 11, there is allocated for ~~2023-2024 and 2024-2025~~ only an amount
8 not to exceed \$11,939,000.00 for payments to participating
9 intermediate districts and participating district libraries. A
10 participating intermediate district or participating district
11 library shall use that money solely for the purpose of offsetting a
12 portion of the retirement contributions owed by the participating
13 intermediate district or participating district library for the
14 fiscal year in which it is received. The amount allocated to each
15 participating intermediate district or participating district
16 library under this subsection is calculated as follows:

17 (a) For each participating intermediate district,
18 \$11,912,000.00 multiplied by each participating intermediate
19 district's percentage of the total statewide payroll for all
20 participating intermediate districts for the immediately preceding
21 fiscal year.

22 (b) For each participating district library, \$27,000.00
23 multiplied by each participating district library's percentage of
24 the total statewide payroll for all participating district
25 libraries for the immediately preceding fiscal year.

26 (c) As used in this subsection:

27 (i) "Participating district library" means a district library
28 that is a reporting unit of the Michigan public school employees'
29 retirement system under the public school employees retirement act

1 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports
 2 employees to the Michigan public school employees' retirement
 3 system for the applicable fiscal year.

4 (ii) "Participating intermediate district" means an
 5 intermediate district that is a reporting unit of the Michigan
 6 public school employees' retirement system under the public school
 7 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
 8 38.1437, and that reports employees to the Michigan public school
 9 employees' retirement system for the applicable fiscal year.

10 (4) In addition to the allocations under subsections (1), (2),
 11 and (3), from the state school aid fund money appropriated in
 12 section 11, there is allocated for 2024-2025 an amount not to
 13 exceed \$598,000,000.00 for payments to participating entities. The
 14 amount allocated to each participating entity under this subsection
 15 is based on each participating entity's percentage of the total
 16 statewide payroll for all participating entities for the
 17 immediately preceding fiscal year. The amount allocated in this
 18 subsection represents an amount to effectively reduce each
 19 participating entity's unfunded actuarial accrued liability from
 20 20.96% to an estimated 15.21% of covered payroll. It is the intent
 21 of the legislature that the allocation under this subsection be
 22 used to support student mental health, school safety, the educator
 23 workforce, and academic interventions.

24 ~~(a)~~ As used in this subsection:

25 (a) ~~(i)~~ "District library" means a district library established
 26 under the district library establishment act, 1989 PA 24, MCL
 27 397.171 to 397.196.

28 (b) ~~(ii)~~ "Participating entity" means a district, intermediate
 29 district, district library, or community college that is a

1 reporting unit of the Michigan public school employees' retirement
2 system under the public school employees retirement act of 1979,
3 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to
4 the Michigan public school employees' retirement system for the
5 applicable fiscal year.

6 Sec. 147b. (1) The MPSERS retirement obligation reform reserve
7 fund is created as a separate account within the state school aid
8 fund.

9 (2) The state treasurer may receive money or other assets from
10 any source for deposit into the MPSERS retirement obligation reform
11 reserve fund. The state treasurer shall direct the investment of
12 the MPSERS retirement obligation reform reserve fund. The state
13 treasurer shall credit to the MPSERS retirement obligation reform
14 reserve fund interest and earnings from the MPSERS retirement
15 obligation reform reserve fund.

16 (3) Money available in the MPSERS retirement obligation reform
17 reserve fund must not be expended without a specific appropriation.

18 ~~(4) Money in the MPSERS retirement obligation reform reserve~~
19 ~~fund at the close of the fiscal year remains in the MPSERS~~
20 ~~retirement obligation reform reserve fund and does not lapse to the~~
21 ~~state school aid fund or to the general fund. The department of~~
22 ~~treasury is the administrator of the MPSERS retirement obligation~~
23 ~~reform reserve fund for auditing purposes.~~

24 ~~(5) For 2022-2023, \$825,000,000.00 from the state school aid~~
25 ~~fund is deposited into the MPSERS retirement obligation reform~~
26 ~~reserve fund. It is the intent of the legislature that~~
27 ~~\$425,000,000.00 of the funds deposited under this subsection for~~
28 ~~2022-2023 are used to offset costs associated with accelerating the~~
29 ~~reduction of the payroll growth assumption for reporting units that~~

1 ~~are not university reporting units until that rate is zero by~~
 2 ~~October 1, 2026.~~ **For 2025-2026, the full amount of the MPSERS**
 3 **retirement obligation reform reserve fund, estimated at**
 4 **\$147,350,000.00, must be deposited into the state school aid fund.**

5 Sec. 147c. (1) From the state school aid fund money
 6 appropriated in section 11, there is allocated for ~~2024-2025~~ **2025-**
 7 **2026** an amount not to exceed ~~\$955,000,000.00~~ and from the MPSERS
 8 ~~retirement obligation reform reserve fund money appropriated in~~
 9 ~~section 11, there is allocated for 2024-2025 only an amount needed,~~
 10 ~~estimated at \$84,100,000.00~~ **\$914,200,000.00** for payments to
 11 districts and intermediate districts that are participating
 12 entities of the Michigan public school employees' retirement
 13 system. In addition, from the general fund money appropriated in
 14 section 11, there is allocated for ~~2024-2025~~ **2025-2026** an amount
 15 not to exceed \$300,000.00 for payments to district libraries that
 16 are participating entities of the Michigan public school employees'
 17 retirement system. ~~It is the intent of the legislature that money~~
 18 ~~allocated from the MPSERS retirement obligation reform reserve fund~~
 19 ~~under this subsection for 2024-2025 represents the amount necessary~~
 20 ~~to reduce the payroll growth assumption to 0.25%. All of the~~
 21 following apply to funding under this subsection:

22 (a) Except as otherwise provided in this subdivision, for
 23 ~~2024-2025,~~ **2025-2026**, the amounts allocated under this subsection
 24 are estimated to provide an average MPSERS rate cap per pupil
 25 amount of \$740.00 and are estimated to provide a rate cap per pupil
 26 for districts ranging between \$2.00 and \$2,650.00.

27 (b) Payments made under this subsection are equal to the
 28 difference between the unfunded actuarial accrued liability
 29 contribution rate as calculated under section 41 of the public

1 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
2 as calculated without taking into account the maximum employer rate
3 of 20.96% included in section 41 of the public school employees
4 retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum
5 employer rate of 20.96% included in section 41 of the public school
6 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

7 (c) The amount allocated to each participating entity under
8 this subsection is based on each participating entity's proportion
9 of the total covered payroll for the immediately preceding fiscal
10 year for the same type of participating entities. A participating
11 entity that receives funds under this subsection shall use the
12 funds solely for the purpose of retirement contributions as
13 specified in subdivision (d).

14 (d) Each participating entity receiving funds under this
15 subsection shall forward an amount equal to the amount allocated
16 under subdivision (c) to the retirement system in a form, manner,
17 and time frame determined by the retirement system.

18 (e) Funds allocated under this subsection should be considered
19 when comparing a district's growth in total state aid funding from
20 1 fiscal year to the next.

21 (f) By not later than December 20 of each fiscal year for
22 which funding is allocated under this subsection, the department
23 shall publish and post on its website an estimated MPSERS rate cap
24 per pupil for each district.

25 ~~(2) In addition to the funds allocated under subsection (1),~~
26 ~~from the MPSERS retirement obligation reform reserve fund money~~
27 ~~appropriated in section 11, there is allocated for 2024-2025 only~~
28 ~~\$250,000,000.00 for payments to participating entities of the~~
29 ~~Michigan public school employees' retirement system. The amount~~

~~allocated to each participating entity under this subsection must be based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year. A participating entity that receives funds under this subsection shall use the funds solely for purposes of this subsection. Each participating entity receiving funds under this subsection shall forward an amount equal to the amount allocated under this subsection to the retirement system in a form, manner, and time frame determined by the retirement system. The retirement system shall recognize funds received under this subsection as additional assets being contributed to the system and shall not categorize them as unfunded actuarial liability contributions or normal cost contributions.~~

(2) ~~(3)~~ As used in this section:

(a) ~~"Community college" means a community college created under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195.~~

~~(b)~~ "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

(b) ~~(c)~~ "MPSERS rate cap per pupil" means an amount equal to the quotient of the district's payment under this section divided by the district's pupils in membership.

(c) ~~(d)~~ "Participating entity" means ~~, except as otherwise provided in this subdivision,~~ a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school

employees' retirement system for the applicable fiscal year. ~~As used in subsection (2) only, "participating entity" also means a community college that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.~~

(d) ~~(e)~~—"Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

Sec. 147e. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2023-2024 an amount not to exceed \$64,400,000.00, and there is allocated for 2024-2025~~ **an amount not to exceed \$67,800,000.00 and there is allocated for 2025-2026** an amount not to exceed ~~\$104,700,000.00~~ **\$118,400,000.00** for payments to participating entities.

(2) The payment to each participating entity under this section is the sum of the amounts under this subsection as follows:

(a) An amount equal to the contributions made by a participating entity for the additional contribution made to a qualified participant's Tier 2 account in an amount equal to the contribution made by the qualified participant not to exceed 3% of the qualified participant's compensation as provided for under section 131(6) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1431.

(b) Beginning October 1, 2017, an amount equal to the contributions made by a participating entity for a qualified participant who is only a Tier 2 qualified participant under section 81d of the public school employees retirement act of 1979,

1 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning
2 February 1, 2018, not to exceed 1%, of the qualified participant's
3 compensation.

4 (c) An amount equal to the increase in employer normal cost
5 contributions under section 41b(2) of the public school employees
6 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member
7 that was hired after February 1, 2018 and chose to participate in
8 Tier 1, compared to the employer normal cost contribution for a
9 member under section 41b(1) of the public school employees
10 retirement act of 1979, 1980 PA 300, MCL 38.1341b.

11 (3) As used in this section:

12 (a) "Member" means that term as defined under the public
13 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
14 to 38.1437.

15 (b) "Participating entity" means a district, intermediate
16 district, or community college that is a reporting unit of the
17 Michigan public school employees' retirement system under the
18 public school employees retirement act of 1979, 1980 PA 300, MCL
19 38.1301 to 38.1437, and that reports employees to the Michigan
20 public school employees' retirement system for the applicable
21 fiscal year.

22 (c) "Qualified participant" means that term as defined under
23 section 124 of the public school employees retirement act of 1979,
24 1980 PA 300, MCL 38.1424.

25 Sec. 147g. (1) From the state school aid fund money
26 appropriated in section 11, there is allocated for 2024-2025 only
27 an amount not to exceed \$181,519,700.00 for payments to
28 participating entities to reimburse employees for costs associated
29 with the health care premium subsidy benefit **for the time period**

1 **between October 1, 2024 and September 30, 2025.**

2 (2) The amount allocated to each participating entity under
3 this section must be based on the participating entity's members'
4 proportion of the total required contributions by all members for
5 the health care premium subsidy benefit under section 43e of the
6 public school employees retirement act of 1979, 1980 PA 300, MCL
7 38.1343e, for the ~~immediately preceding fiscal year.~~**time period**
8 **between October 1, 2024 and September 30, 2025.**

9 (3) Payments to participating entities must be paid to members
10 required to contribute a percentage of their compensation under
11 section 43e of the public school employees retirement act of 1979,
12 1980 PA 300, MCL 38.1343e, to reimburse the amount deducted from
13 their pay under section 43e of the public school employees
14 retirement act of 1979, 1980 PA 300, MCL 38.1343e. ~~If the~~
15 ~~requirement in section 43e for employees to contribute 3% of~~
16 ~~compensation is removed through legislation, the participating~~
17 ~~entity retains the funding distributed under this section as an~~
18 ~~offset for normal costs associated with retiree health benefits.~~

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

22 **(5)** ~~(4)~~As used in this section, "participating entity" means
23 a district, intermediate district, district library, or community
24 college that is a reporting unit of the Michigan public school
25 employees' retirement system under the public school employees
26 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and
27 that reports employees to the Michigan public school employees'
28 retirement system for the applicable fiscal year.

29 Sec. 152a. (1) As required by the court in the consolidated

1 cases known as *Adair v State of Michigan*, 486 Mich 468 (2010), from
2 the state school aid fund money appropriated in section 11, there
3 is allocated for ~~2024-2025-2025-2026~~ an amount not to exceed
4 \$41,000,500.00 to be used solely for the purpose of paying
5 necessary costs related to the state-mandated collection,
6 maintenance, and reporting of data to this state. From this
7 allocation, \$3,000,000.00 is allocated for costs associated with
8 collecting data necessary to provide reporting to tribal
9 governments on the status of students affiliated with their
10 particular tribe and data necessary to determine student
11 participation in federal programs funded under 20 USC 7401 to 7546
12 and participation in federal programs funded under the Johnson-
13 O'Malley Supplemental Indian Education Program Modernization Act,
14 Public Law 115-404.

15 (2) From the allocation in subsection (1), the department
16 shall make payments to districts and intermediate districts in an
17 equal amount per pupil based on the total number of pupils in
18 membership in each district and intermediate district. The
19 department shall not make any adjustment to these payments after
20 the final installment payment under section 17b is made.

21 Sec. 152b. (1) From the general fund money appropriated under
22 section 11, there is allocated an amount not to exceed
23 \$1,000,000.00 for ~~2024-2025-2025-2026~~ to reimburse actual costs
24 incurred by nonpublic schools in complying with a health, safety,
25 or welfare requirement mandated by a law or administrative rule of
26 this state.

27 (2) By January 1 of each applicable fiscal year, the
28 department shall publish a form for reporting actual costs incurred
29 by a nonpublic school in complying with a health, safety, or

1 welfare requirement mandated under state law containing each
2 health, safety, or welfare requirement mandated by a law or
3 administrative rule of this state applicable to a nonpublic school
4 and with a reference to each relevant provision of law or
5 administrative rule for the requirement. The form must be posted on
6 the department's website in electronic form.

7 (3) By June 30 of each applicable fiscal year, a nonpublic
8 school seeking reimbursement for actual costs incurred in complying
9 with a health, safety, or welfare requirement under a law or
10 administrative rule of this state during each applicable school
11 year must submit a completed form described in subsection (2) to
12 the department. This section does not require a nonpublic school to
13 submit a form described in subsection (2). A nonpublic school is
14 not eligible for reimbursement under this section if the nonpublic
15 school does not submit the form described in subsection (2) in a
16 timely manner.

17 (4) By August 15 of each applicable fiscal year, the
18 department shall distribute funds to each nonpublic school that
19 submits a completed form described under subsection (2) in a timely
20 manner. The superintendent shall determine the amount of funds to
21 be paid to each nonpublic school in an amount that does not exceed
22 the nonpublic school's actual costs in complying with a health,
23 safety, or welfare requirement under a law or administrative rule
24 of this state. The superintendent shall calculate a nonpublic
25 school's actual cost in accordance with this section.

26 (5) If the funds allocated under this section are insufficient
27 to fully fund payments as otherwise calculated under this section,
28 the department shall distribute funds under this section on a
29 prorated or other equitable basis as determined by the

1 superintendent.

2 (6) The department may review the records of a nonpublic
3 school submitting a form described in subsection (2) only for the
4 limited purpose of verifying the nonpublic school's compliance with
5 this section. If a nonpublic school does not allow the department
6 to review records under this subsection, the nonpublic school is
7 not eligible for reimbursement under this section.

8 (7) The funds appropriated under this section are for purposes
9 that are incidental to teaching and the provision of educational
10 services to nonpublic school students; that are noninstructional in
11 nature; that do not constitute a primary function or element
12 necessary for a nonpublic school's existence, operation, and
13 survival; that do not involve or result in excessive religious
14 entanglement; and that are intended for the public purpose of
15 ensuring the health, safety, and welfare of the children in
16 nonpublic schools and to reimburse nonpublic schools for costs
17 described in this section.

18 (8) Funds allocated under this section are not intended to aid
19 or maintain any nonpublic school, support the attendance of any
20 student at a nonpublic school, employ any person at a nonpublic
21 school, support the attendance of any student at any location where
22 instruction is offered to a nonpublic school student, or support
23 the employment of any person at any location where instruction is
24 offered to a nonpublic school student.

25 (9) For purposes of this section, "actual cost" means the
26 hourly wage for the employee or employees performing a task or
27 tasks required to comply with a health, safety, or welfare
28 requirement under a law or administrative rule of this state
29 identified by the department under subsection (2) and is to be

calculated in accordance with the form published by the department under subsection (2), which must include a detailed itemization of costs. The nonpublic school shall not charge more than the hourly wage of its lowest-paid employee capable of performing a specific task regardless of whether that individual is available and regardless of who actually performs a specific task. Labor costs under this subsection must be estimated and charged in increments of 15 minutes or more, with all partial time increments rounded down. When calculating costs under subsection (4), fee components must be itemized in a manner that expresses both the hourly wage and the number of hours charged. The nonpublic school may not charge any applicable labor charge amount to cover or partially cover the cost of health or fringe benefits. A nonpublic school shall not charge any overtime wages in the calculation of labor costs.

(10) Training fees, inspection fees, and criminal background check fees are considered actual costs in complying with a health, safety, or welfare requirement under a law or administrative rule of this state.

(11) The funds allocated under this section for ~~2024-2025~~ **2025-2026** are a work project appropriation, and any unexpended funds for ~~2024-2025-2025-2026~~ are carried forward into ~~2025-2026-~~ **2026-2027**. The purpose of the work project is to continue to reimburse nonpublic schools for actual costs incurred in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state. The estimated completion date of the work project is September 30, ~~2026-2027~~.

~~(12) The department shall reimburse nonpublic schools for actual costs incurred in complying with health, safety, or welfare~~

~~requirements under a law or administrative rule of this state from 2017-2018 through 2022-2023 using work project funds or, if those funds are insufficient to fund reimbursements under this subsection, from the allocation under subsection (1).~~

Sec. 161a. If a court determines that a person intentionally violated section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, by making a false report of the commission of a crime described in section ~~6(6)(f)~~ **6(6)(e)** knowing the report to be false for the purpose of having a pupil counted in membership in a district under section ~~6(6)(f)~~ **6(6)(e)**, as part of the restitution ordered under section 30 of chapter XIIA of 1939 PA 288, MCL 712A.30, section 16, 44, or 76 of the crime victim's rights act, 1985 PA 87, MCL 780.766, 780.794, and 780.826, or section 1a of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.1a, the court may order the person to pay the pupil's district of residence an amount that is not more than the state school aid that district would have received attributable to the pupil if the pupil had been counted in membership in ~~his or her~~ **the pupil's** district of residence.

Sec. 164k. The department shall withhold any payment a district or intermediate district is eligible to receive under this act for as long as the district or intermediate district is out of compliance with any of the following requirements:

(a) A district or intermediate district shall not make available to a student a food in the breakfast or lunch program that contains any of the following:

(i) Brominated vegetable oil.

(ii) Potassium bromate.

(iii) Propylparaben.

1 (iv) Titanium dioxide.

2 (v) Any of the following dyes:

3 (A) Red 40.

4 (B) Green 3.

5 (C) Blue 1.

6 (D) Blue 2.

7 (E) Yellow 6.

8 (b) A district or intermediate district shall require each
9 student household to complete the child nutrition and education
10 benefits application, as provided by the department, for free and
11 reduced-price school meals regardless of whether the district or
12 intermediate district opts to provide universal breakfast or lunch.

13 (c) A district or intermediate district that provides waivers
14 shall ensure the waiver is opt in. The district or intermediate
15 district shall allow parents and legal guardians not less than 7
16 days to complete the respective waiver. After 7 days, the waiver is
17 automatically considered opt out for the student.

18 (d) A district or intermediate district shall not provide a
19 financial incentive for students to complete the FAFSA or any other
20 student financial aid application.

21 (e) A district or intermediate district shall not provide a
22 financial incentive for students for attending pupil membership
23 count day.

24 (f) A district or intermediate district shall ensure that
25 student survey questions and results are made available to the
26 public and posted on the district's or intermediate district's
27 website. Parents and legal guardians must be notified of the survey
28 and opt in for student participation. This subdivision does not
29 apply to student surveys with questions related to human sexuality.

1 **As used in this subsection, "survey" includes any survey from the**
 2 **district or intermediate district or from the local, state, or**
 3 **federal government.**

4 Enacting section 1. In accordance with section 30 of article
 5 IX of the state constitution of 1963, total state spending on
 6 school aid under article I of the state school aid act of 1979,
 7 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2024 PA 120,
 8 2024 PA 148, and this amendatory act, from state sources for fiscal
 9 year 2024-2025 is estimated at \$18,419,181,900.00 and state
 10 appropriations for school aid to be paid to local units of
 11 government for fiscal year 2024-2025 are estimated at
 12 \$16,978,093,900.00. In accordance with section 30 of article IX of
 13 the state constitution of 1963, total state spending on school aid
 14 under article I of the state school aid act of 1979, 1979 PA 94,
 15 MCL 388.1601 to 388.1772, as amended by this amendatory act, from
 16 state sources for fiscal year 2025-2026 is estimated at
 17 \$19,497,752,600.00 and state appropriations for school aid to be
 18 paid to local units of government for fiscal year 2025-2026 are
 19 estimated at \$17,873,686,700.00.

20 Enacting section 2. Sections 11s, 12c, 19b, 20f, 21h, 22c,
 21 22d, 22e, 22m, 23h, 27c, 27g, 27l, 27n, 27o, 27s, 28, 30d, 31f, 31j,
 22 31n, 31aa, 32n, 32p, 35a, 35d, 35j, 41, 41b, 51g, 51h, 54b, 56,
 23 61a, 61b, 61d, 61j, 61s, 62, 65, 67, 67a, 67b, 67d, 67f, 94, 94e,
 24 97a, 97h, 97j, 97k, 97m, 98d, 99c, 99d, 99g, 99h, 99i, 99s, 99t,
 25 99u, 99x, 99ee, 99ff, 99hh, 99ii, 99jj, 104f, 104h, and 107 of the
 26 state school aid act of 1979, 1979 PA 94, MCL 388.1611s, 399.1612c,
 27 388.1619b, 388.1620f, 388.1621h, 388.1622c, 388.1622d, 388.1622e,
 28 388.1622m, 388.1623h, 388.1627c, 388.1627g, 388.1627l, 388.1627n,
 29 388.1627o, 388.1627s, 388.1628, 388.1630d, 388.1631f, 388.1631j,

388.1631n, 388.1631aa, 388.1632n, 388.1632p, 388.1635a, 388.1635d,
 388.1635j, 388.1641, 388.1641b, 388.1651g, 388.1651h, 388.1654b,
 388.1656, 388.1661a, 388.1661b, 388.1661d, 388.1661j, 388.1661s,
 388.1662, 388.1665, 388.1667, 388.1667a, 388.1667b, 388.1667d,
 388.1667f, 388.1694, 388.1694e, 388.1697a, 388.1697h, 388.1697j,
 388.1697k, 388.1697m, 388.1698d, 388.1699c, 388.1699d, 388.1699g,
 388.1699h, 388.1699i, 388.1699s, 388.1699t, 388.1699u, 388.1699x,
 388.1699ee, 388.1699ff, 388.1699hh, 388.1699ii, 388.1699jj,
 388.1704f, 388.1704h, and 388.1707, are repealed.

Enacting section 3. (1) Sections 11, 15, 22a, 22b, 26c, 27h,
 27k, 27p, 27r, 32d, 51a, 51c, 51e, 55, 97g, 99, 147a, 147e, and
 147g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611,
 388.1615, 388.1622a, 388.1622b, 388.1626c, 388.1627h, 388.1627k,
 388.1627p, 388.1627r, 388.1632d, 388.1651a, 388.1651c, 388.1651e,
 388.1655, 388.1697g, 388. 1699, 388.1747a, 388.1747e, and
 388.1747g, as amended and section 32y of the state school aid act
 of 1979, 1979 PA 94, as added by this amendatory act, if granted
 immediate effect pursuant to section 27 of article IV of the state
 constitution of 1963, take effect on enactment of this amendatory
 act.

(2) Except as otherwise provided for those sections listed in
 subsection (1), the remaining sections of this amendatory act take
 effect October 1, 2025.