A bill to amend 1979 PA 94, entitled "The state school aid act of 1979,"

by amending sections 3, 6, 18, 23a, and 104 (MCL 388.1603, 388.1606, 388.1618, 388.1623a, and 388.1704), section 3 as amended by 2017 PA 108, sections 6, 18, and 104 as amended by 2019 PA 58, and section 23a as amended by 2020 PA 22.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 3. (1) "Attendance" means, except as otherwise provided in this article, pupil engagement in instruction that is provided under the direction of a certificated teacher or an individual who is teaching pursuant to applicable state law or a rule and that is intended to lead to the pupil's mastery of academic standards established by the department. Instruction, as described in this
subsection, may be provided at school or a different location or in
person, online, digitally, or by other remote means in a
synchronous or asynchronous format. Instruction, as described in
this subsection, may occur remotely from a school facility.

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

(3) “Board” means the governing body of a district or
public school academy.

(4) “Center” means the center for educational performance
and information created in section 94a.

(5) “Community district” means a school district organized
under part 5b of the revised school code, MCL 380.381 to 380.396.

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

(7) “Department”, except in section 107, means the
department of education.

(8) “District” means a local school district established
under the revised school code or, except in sections 6(4), 6(6),
13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school
academy. Except in section 20, district also includes a community
district.

(9) “District of residence”, except as otherwise provided
in this subsection, means the district in which a pupil's custodial
parent or parents or legal guardian resides. For a pupil described
in section 24b, the pupil's district of residence is the district
in which the pupil enrolls under that section. For a pupil
described in section 6(4)(d), the pupil's district of residence
shall be is considered to be the district or intermediate district
in which the pupil is counted in membership under that section. For
a pupil under court jurisdiction who is placed outside the district
in which the pupil's custodial parent or parents or legal guardian
resides, the pupil's district of residence shall be is considered
to be the educating district or educating intermediate district.

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

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

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

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

(4) "Membership", except as otherwise provided in this
article, means for a district, a public school academy, or an
intermediate district the sum of the product of .90 times the
number of full-time equated pupils in grades K to 12 actually
enrolled and in regular daily attendance on the pupil membership
count day for the current school year, plus the product of .10
times the final audited count from the supplemental count day for
the immediately preceding school year. A district's, public school
academy's, or intermediate district's membership is adjusted as
provided under section 25e for pupils who enroll after the pupil
membership count day in a strict discipline academy operating under
sections 1311b to 1311m of the revised school code, MCL 380.1311b
to 380.1311m. However, for a district that is a community district,
"membership" means the sum of the product of .90 times the number
of full-time equated pupils in grades K to 12 actually enrolled and
in regular daily attendance in the community district on the pupil
membership count day for the current school year, plus the product
of .10 times the sum of the final audited count from the supplemental count day of pupils in grades K to 12 actually enrolled and in regular daily attendance in the community district for the immediately preceding school year. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, a public school academy, or an intermediate district:

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

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

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

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

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

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

(h) For the purposes of this section and section 6a, for a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, that is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil's participation in the cyber school's educational program is considered regular daily attendance, and for a district or public school academy, a pupil's participation in a virtual course as defined in section 21f is considered regular daily attendance. For the purposes of this subdivision, for a pupil enrolled in a cyber school and utilizing sequential learning, participation means that term as defined in the pupil accounting manual, section 5-o-d: requirements for counting pupils in membership-subsection 10.
(i) For a new district or public school academy beginning its operation after December 31, 1994, membership for the first 2 full or partial fiscal years of operation is determined as follows:

(i) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

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

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

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

(l) To be counted in membership, a pupil must meet the minimum age requirement to be eligible to attend school under section 1147 of the revised school code, MCL 380.1147, or must be enrolled under subsection (3) of that section, and must be less than 20 years of age on September 1 of the school year except as follows:

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

(ii) A pupil who is determined by the department to meet all of the following may be counted in membership:
   (A) Is enrolled in a public school academy or an alternative education high school diploma program, that is primarily focused on educating pupils with extreme barriers to education, such as being homeless as defined under 42 USC 11302.
   (B) Had dropped out of school.
   (C) Is less than 22 years of age as of September 1 of the current school year.

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

(m) An individual who has achieved a high school diploma is not counted in membership. An individual who has achieved a high school equivalency certificate is not counted in membership unless the individual is a student with a disability as defined in R 340.1702 of the Michigan Administrative Code. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the department of labor and economic opportunity, or participating in any successor of either of those 2 programs, is not counted in membership.

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

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

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

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

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

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

(r) Full-time equated memberships for pupils in kindergarten are determined by dividing the number of instructional hours scheduled and provided per year per kindergarten pupil by the same number used for determining full-time equated memberships for pupils in grades 1 to 12. However, to the extent allowable under federal law, for a district or public school academy that provides evidence satisfactory to the department that it used federal title I money in the 2 immediately preceding school fiscal years to fund full-time kindergarten, full-time equated memberships for pupils in kindergarten 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, as determined by the department. 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 within 45 days after the pupil membership count day, the department shall adjust the district's pupil count for the pupil membership count day to include the pupil in the count.

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

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

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

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

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

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

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

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

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

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

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

(ii) The pupil meets the district's definition under section 23a of satisfactory monthly progress for that month or, if the pupil does not meet that definition of satisfactory monthly progress for that month, the pupil did meet that definition of satisfactory monthly progress in the immediately preceding month and appropriate interventions are implemented within 10 school days after it is determined that the pupil does not meet that definition of satisfactory monthly progress.

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

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

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

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

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

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

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

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

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

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

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

(kk) A pupil enrolled in a middle college program may be counted for more than a total of 1.0 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.

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

(B) 10% 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 subdivisions (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.

(mm) A pupil receiving remote instruction that exposes the
pupil to the academic standards that apply for the pupil's grade
level or courses in the same scope and sequence as the district or
public school academy that provides the pupil the remote
instruction provides for in-person instruction because the pupil's
parent or legal guardian requested the remote instruction or the
district or public school academy that provides the pupil the
remote instruction determines the remote instruction is necessary
due to health, safety, and welfare concerns related to the COVID-19 pandemic is counted in membership in the district or public school academy that provides the pupil the remote instruction.

(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 his or her 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 under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(o) A pupil who enrolls in a district other than the pupil's district of residence as a result of the pupil's school not making adequate yearly progress under the no child left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public
Law 114-95. However, if a district educates pupils who reside in another district and if the primary instructional site for those pupils is established by the educating district after 2009-2010 and is located within the boundaries of that other district, the educating district must have the approval of that other district to count those pupils in membership.

(p) A pupil receiving remote instruction that exposes the pupil to the academic standards that apply for the pupil's grade level or courses in the same scope and sequence as the district or public school academy that provides the pupil the remote instruction provides for in-person instruction because the pupil's parent or legal guardian requested the remote instruction or the district or public school academy that provides the pupil the remote instruction determines the remote instruction is necessary due to health, safety, and welfare concerns related to the COVID-19 pandemic.

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

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

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

(i) Fourth Wednesday in July.

(ii) First Wednesday in October.

(iii) Second Wednesday in February.
(iv) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, is not counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day is not counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day is only counted as 1.0 full-time equated membership if the 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. 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, "class" means 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 virtually, in-person, or by some other means 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.

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

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

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

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

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

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

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

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

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

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

Sec. 18. (1) Except as provided in another section of this
article, each district or other entity shall apply the money
received by the district or entity under this article to salaries
and other compensation of teachers and other employees, tuition,
transportation, lighting, heating, ventilation, water service, the
purchase of textbooks, other supplies, and any other school
operating expenditures defined in section 7. However, not more than
20% of the total amount received by a district under sections 22a
27

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

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

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

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

      (A) Salaries and wages.

      (B) Employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care
benefits.
(C) Retirement benefit costs.
(D) All other personnel costs.
(ii) A chart of all district expenditures, broken into the following subcategories:
(A) Instruction.
(B) Support services.
(C) Business and administration.
(D) Operations and maintenance.
(c) Links to all of the following:
(i) The current collective bargaining agreement for each bargaining unit.
(ii) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee in the district.
(iii) The audit report of the audit conducted under subsection (4) for the most recent fiscal year for which it is available.
(iv) The bids required under section 5 of the public employees health benefit act, 2007 PA 106, MCL 124.75.
(v) The district's written policy governing procurement of supplies, materials, and equipment.
(vi) The district's written policy establishing specific categories of reimbursable expenses, as described in section 1254(2) of the revised school code, MCL 380.1254.
(vii) Either the district's accounts payable check register for the most recent school fiscal year or a statement of the total amount of expenses incurred by board members or employees of the district that were reimbursed by the district for the most recent
school fiscal year.

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

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

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

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

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

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

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

(4) For the purposes of determining the reasonableness of expenditures, whether a district or intermediate district has received the proper amount of funds under this article, and whether
a violation of this article has occurred, all of the following apply:

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

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

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

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

(e) All of the following shall be done not later than November 1 each year for reporting the prior fiscal year data:

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

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

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

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

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

(5) By November 1 each fiscal year, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data
consistent with the district's or intermediate district's audited financial statements and consistent with accounting manuals and charts of accounts approved and published by the department. For an intermediate district, the report must also contain the website address where the department can access the report required under section 620 of the revised school code, MCL 380.620. The department shall ensure that the prescribed Michigan public school accounting manual chart of accounts includes standard conventions to distinguish expenditures by allowable fund function and object. The functions must include at minimum categories for instruction, pupil support, instructional staff support, general administration, school administration, business administration, transportation, facilities operation and maintenance, facilities acquisition, and debt service; and must include object classifications of salary, benefits, including categories for active employee health expenditures, purchased services, supplies, capital outlay, and other. A district shall report the required level of detail consistent with the manual as part of the comprehensive annual financial report.

(6) By September 30 of each year, each district and intermediate district shall file with the center the special education actual cost report, known as "SE-4096", on a form and in the manner prescribed by the center. An intermediate district shall certify the audit of a district's report.

(7) By October 7 of each year, each district and intermediate district shall file with the center the audited transportation expenditure report, known as "SE-4094", on a form and in the manner prescribed by the center. An intermediate district shall certify the audit of a district's report.
(8) All of the following apply:

(a) By not later than August 1, 2020, the pupil accounting and pupil auditing manual oversight committee is created within the department. The committee described in this subdivision must consist of the following 11 members appointed as follows:

(i) One member appointed by the governor.

(ii) One member appointed by the governor and selected from a list of 2 or more nominees submitted by the senate majority leader, in consultation with the chairperson of the senate standing committee responsible for education legislation.

(iii) One member appointed by the governor and selected from a list of 2 or more nominees submitted by the speaker of the house of representatives, in consultation with the chairperson of the house standing committee responsible for education legislation.

(iv) The superintendent of public instruction, or his or her designee.

(v) Two members appointed by the superintendent of public instruction and selected from a list of 2 or more nominees submitted by statewide organizations representing school administrators working in districts.

(vi) Two members appointed by the superintendent of public instruction and selected from a list of 2 or more nominees submitted by statewide organizations representing public school academies. One of the members appointed under this subparagraph must represent districts that are schools of excellence that operate as cyber schools.

(vii) One member appointed by the superintendent of public instruction and selected from a list of 2 or more nominees submitted by statewide organizations representing school
administrators working in intermediate districts.

(viii) One member appointed by the superintendent of public instruction and selected from a list of 2 or more nominees submitted by the authorizing bodies of public school academies.

(ix) One member appointed by the superintendent of public instruction and selected from a list of 2 or more nominees submitted by individuals who represent the interests of special education students.

(b) The members first appointed to the pupil accounting and pupil auditing manual oversight committee described in subdivision (a) must be appointed within 14 days after the effective date of the amendatory act that added this sentence.

(c) Members of the pupil accounting and pupil auditing manual oversight committee described in subdivision (a) serve for terms of 3 years or until a successor is appointed, whichever is later.

(d) If a vacancy occurs on the pupil accounting and pupil auditing manual oversight committee described in subdivision (a), the appointment for the unexpired term must be made in the same manner as the original appointment.

(e) The governor may remove a member of the pupil accounting and pupil auditing manual oversight committee described in subdivision (a) for incompetence, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause.

(f) The first meeting of the pupil accounting and pupil auditing manual oversight committee described in subdivision (a) must be called by August 31, 2020. At the first meeting, the pupil accounting and pupil auditing manual oversight committee shall elect from among its members a chairperson and other officers as it considers necessary or appropriate. After the first meeting, the
pupil accounting and pupil auditing manual oversight committee shall meet at least quarterly, or more frequently at the call of the chairperson or if requested by a majority of the members.

(g) A majority of the members of the pupil accounting and pupil auditing manual oversight committee described in subdivision (a) constitute a quorum for the transaction of business at a meeting of the pupil accounting and pupil auditing manual oversight committee. A majority of the members present and serving are required for official action of the pupil accounting and pupil auditing manual oversight committee.

(h) The business that the pupil accounting and pupil auditing manual oversight committee described in subdivision (a) may perform must be conducted at a public meeting of the pupil accounting and pupil auditing manual oversight committee held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(i) A writing prepared, owned, used, in the possession of, or retained by the pupil accounting and pupil auditing manual oversight committee described in subdivision (a) in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(j) Members of the pupil accounting and pupil auditing manual oversight committee described in subdivision (a) serve without compensation. However, members of the pupil accounting and pupil auditing manual oversight committee described in subdivision (a) may be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as members of the pupil accounting and pupil auditing manual oversight committee.

(9) (8) The department pupil accounting and pupil auditing manual oversight committee described in subsection (8) shall review
the department's pupil accounting and pupil auditing manuals at least annually and shall periodically update recommend updates to those manuals to reflect changes in this article. The department shall adopt all of the recommendations by the committee under this subsection.

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

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

(12) If a district or intermediate district does not comply with subsection (2), the department may withhold up to 10% of the total state school aid due to the district or intermediate district under this article, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsection (2). If the district or intermediate district does not comply with subsection (2) by the
end of the fiscal year, the district or intermediate district
forfeits the amount withheld.

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

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

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

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

(b) Virtual courses provided by a school of excellence that is
a cyber school, as that term is defined in section 551 of the
revised school code, MCL 380.551.

(c) Virtual courses provided by third party vendors not affiliated with a Michigan public school.

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

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

Sec. 23a. (1) A dropout recovery program operated by a district qualifies for the special membership counting provisions of section 6(4)(dd) and the hours and days of pupil instruction exemption under section 101(12)—101(14) if the dropout recovery program meets all of the following:

(a) Enrolls only eligible pupils.

(b) Provides an advocate and teacher of record. An advocate may serve in that role for more than 1 pupil but not more than 50 pupils. An advocate or teacher of record may be employed by the district or may be provided by an education management organization that is partnering with the district. Before an individual is assigned to be an advocate or teacher of record for a pupil in the dropout recovery program, the district must comply with sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to that individual.

(c) Develops a written learning plan.

(d) Monitors the pupil's progress against the written learning plan.

(e) Requires each pupil to make satisfactory monthly progress, as defined by the district under subsection (2).

(f) Reports the pupil's progress results to the partner
(g) The program may be operated on or off a district school campus, but may be operated using distance learning online only if the program provides a computer and internet access for each eligible pupil participating in the program.

(h) Is operated throughout the entire calendar year.

(i) If the district partners with an education management organization for the program, the education management organization has a dropout recovery program partnership relationship with at least 1 other district.

(2) A district operating a dropout recovery program under this section shall adopt a definition of satisfactory monthly progress that is consistent with the definition of that term under subsection (3).

(3) As used in this section:

(a) "Advocate" means an adult available to meet in person with assigned pupils, as needed, to conduct social interventions, to proctor final examinations, and to provide academic and social support to pupils enrolled in the district's dropout recovery program.

(b) "Education management organization" means a private provider that operates 1 or more other dropout recovery programs that meet the requirements of this section in partnership with 1 or more districts.

(c) "Eligible pupil" means a pupil who has been expelled from school under the mandatory expulsion provisions in section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a, a pupil who has been suspended or expelled from school under a local policy, a pupil who is referred by a court, a pupil who is pregnant
or is a parent, a pupil who was previously a dropout, or a pupil who is determined by the district to be at risk of dropping out.

(d) "Satisfactory monthly progress" means an amount of progress that is measurable on a monthly basis and that, if continued for a full 12 months, would result in the same amount of academic credit being awarded to the pupil as would be awarded to a general education pupil completing a full school year. Satisfactory monthly progress may include a lesser required amount of progress for the first 2 months a pupil participates in the program.

(e) "Teacher of record" means a teacher who holds a valid Michigan teaching certificate; who, if applicable, is endorsed in the subject area and grade of the course; and is responsible for providing instruction, determining instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies, reporting outcomes, and evaluating the effects of instruction and support strategies. If the district partners with an education management organization for the program, the teacher of record may be employed by or contracted through the education management organization.

(f) "Written learning plan" means a written plan developed in conjunction with the advocate that includes the plan start and end dates, courses to be taken, credit to be earned for each course, teacher of record for each course, and advocate name and contact information.

Sec. 104. (1) In order to receive state aid under this article, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection
(2), from the state school aid fund money appropriated in section 11, there is allocated for 2019-2020 an amount not to exceed $32,009,400.00 for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for 2019-2020 an amount estimated at $6,250,000.00, funded from DED-OESE, title VI, state assessment funds, and from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the every student succeeds act, Public Law 114-95.

(2) The results of each test administered as part of the Michigan student test of educational progress (M-STEP), including tests administered to high school students, must include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response. The department shall work with the center to identify the number of students enrolled at the time assessments are given by each district. In calculating the percentage of pupils assessed for a district’s scorecard, the department shall use only the number of pupils enrolled in the district at the time the district administers the assessments and shall exclude pupils who enroll in the district after the district administers the assessments.

(3) The department shall distribute federal funds allocated under this section in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) From the funds allocated in subsection (1), there is
allocated an amount not to exceed $2,500,000.00 to an intermediate
district described in this subsection for statewide implementation
of the Michigan kindergarten entry observation tool (MKCEO)
beginning in the fall of 2019, utilizing the Maryland-Ohio
observational tool, also referred to as the Kindergarten Readiness
Assessment, as piloted under this subsection in 2017-2018 and
implemented in 2018-2019 and 2019-2020. The funding in this
subsection is allocated to an intermediate district in prosperity
region 9 with at least 3,000 kindergarten pupils enrolled in its
constituent districts. All of the following apply to the
implementation of the kindergarten entry observation tool under
this subsection:

(a) The department, in collaboration with all intermediate
districts, shall ensure that the Michigan kindergarten entry
observation tool is administered in each kindergarten classroom to
either the full census of kindergarten pupils enrolled in the
classroom or to a representative sample of not less than 35% of the
total kindergarten pupils enrolled in each classroom. If a district
elects to administer the Michigan kindergarten entry observation
tool to a random sample of pupils within each classroom, the
district's intermediate district shall select the pupils who will
receive the assessment based on the same random method. Beginning
in 2020, the observation tool must be administered within 45 days
after the start of the school year.

(b) The intermediate district that receives funding under this
subsection, in collaboration with all other intermediate districts,
shall implement a "train the trainer" professional development
model on the usage of the Michigan kindergarten entry observation
tool. This training model must provide training to intermediate
district staff so that they may provide similar training for staff of their constituent districts. This training model must also ensure that the tool produces reliable data and that there are a sufficient number of trainers to train all kindergarten teachers statewide.

(c) By March 1, 2021, and each year thereafter, the department and the intermediate district that receives funding under this subsection shall report to the house and senate appropriations subcommittees on school aid, the house and senate fiscal agencies, and the state budget director on the results of the statewide implementation, including, but not limited to, an evaluation of the demonstrated readiness of kindergarten pupils statewide and the effectiveness of state and federal early childhood programs that are designed for school readiness under this state's authority, including the great start readiness program and the great start readiness/Head Start blended program, as referenced under section 32d. By September 1, 2021, and each year thereafter, the department and the center shall provide a method for districts and public school academies with kindergarten enrollment to look up and verify their student enrollment data for pupils who were enrolled in a publicly funded early childhood program in the year before kindergarten, including the individual great start readiness program, individual great start readiness/Head Start blended program, individual title I preschool program, individual section 31a preschool program, individual early childhood special education program, or individual developmental kindergarten or program for young 5-year-olds in which each tested child was enrolled. A participating district shall analyze the data to determine whether high-performing children were enrolled in any specific early
childhood program and, if so, report that finding to the department and to the intermediate district that receives funding under this subsection.

(d) The department shall approve the language and literacy domain within the Kindergarten Readiness Assessment for use by districts as an initial assessment that may be delivered to all kindergarten pupils to assist with identifying any possible area of concern for a pupil in English language arts.

(e) As used in this subsection:

(i) "Kindergarten" includes a classroom for young 5-year-olds, commonly referred to as "young 5s" or "developmental kindergarten".

(ii) "Representative sample" means a sample capable of producing valid and reliable assessment information on all or major subgroups of kindergarten pupils in a district.

(5) The department may recommend, but may not require, districts to allow pupils to use an external keyboard with tablet devices for online M-STEP testing, including, but not limited to, open-ended test items such as constructed response or equation builder items.

(6) Notwithstanding section 17b, the department shall make payments on behalf of districts, intermediate districts, and other eligible entities under this section on a schedule determined by the department.

(7) From the allocation in subsection (1), there is allocated an amount not to exceed $500,000.00 for 2019-2020 for the operation of an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored. The department and the center shall ensure that any data collected by the online reporting
tool do not provide individually identifiable student data to the federal government.

(8) In order to receive state aid under this article, if full-time, in-person instruction resumes for the 2020-2021 school year, a district shall comply with this section and shall administer at least 1 benchmark assessment approved under subsection (9) or described in subsection (10) to all pupils in grades K to 8 within the first 30 days of the 2020-2021 school year to measure proficiency in reading and mathematics. If full-time, in-person instruction does not resume for some or all pupils for the first semester, trimester, or quarter of the 2020-2021 school year, then, in order to receive state aid under this article, a district must administer at least 1 benchmark assessment approved under subsection (9) or described in subsection (10) to all pupils in grades K to 8 within 30 days after the halfway point of the 2020-2021 school year to measure proficiency in reading and mathematics.

(9) The department shall approve at least 4 but not more than 5 benchmark assessments for administration by a district as described in subsection (8). The department shall inform districts of all of the benchmark assessments approved under this subsection in an equitable manner. The benchmark assessments approved under this subsection, with the exclusion of the benchmark assessment described in subsection (14), must meet all of the following:

(a) Be 1 of the most commonly administered benchmark assessments in this state.
(b) Be aligned to the content standards of this state.
(c) Complement the state's summative assessment system.
(d) Be internet-delivered and include a standards-based assessment using a computer-adaptive model to target the
(e) Provide information on pupil achievement with regard to learning content required in a given year or grade span.
(f) Provide immediate feedback to pupils and teachers.
(g) Be nationally normed.
(h) Provide multiple measures of growth and provide for multiple testing opportunities.

(10) A district may administer 1 or more of the following benchmark assessments toward meeting the requirement under subsection (8):

(a) A benchmark assessment in reading for students in grades K to 9 that contains progress monitoring tools and enhanced diagnostic assessments.
(b) A benchmark assessment in math for students in grades K to 8 that contains progress monitoring tools.

(11) To the extent practicable, if a district administers a benchmark assessment under this section, the district shall administer the same benchmark assessment approved under subsection (9) or described in subsection (10) that it administered to pupils in previous school years, as applicable.

(12) A district shall enter into an agreement with the department to provide the department with access to pupil-level data from a benchmark assessment administered under this section. Not later than December 1, 2020, the department shall provide a report to the house and senate appropriations subcommittees on state school aid and the house and senate fiscal agencies identifying the number and percentage of pupils in each district who are significantly behind grade level as determined by the department based on the data provided to the department under this
subsection. The benchmark assessment data under this subsection may also be used to measure students' growth based on their performance on state summative assessments to identify districts and schools where student achievement has increased or decreased. After the administration of statewide assessments resumes, the department shall also provide a report to the house and senate appropriations subcommittees on state school aid and the house and senate fiscal agencies identifying the specific student groups whose expected trajectory towards grade-level proficiency were most impacted by school closures.

(13) If a district administers a benchmark assessment under this section, the district shall provide each pupil's mathematics and English language arts proficiency data from the benchmark assessment, as available, to the pupil's parent or legal guardian within 30 days of administering the benchmark assessment.

(14) The department shall make 1 of the benchmark assessments approved under subsection (9) available to districts at no cost to the districts. The benchmark assessment described in this subsection must meet all of the following:

(a) Be 1 of the most commonly administered assessment systems in this state.
(b) Be aligned to the content standards of this state.
(c) Complement the state's summative assessment system.
(d) Be internet-delivered and include a standards-based assessment.
(e) Provide information on pupil achievement with regard to learning content required in a given year or grade span.
(f) Provide timely feedback to pupils and teachers.
(g) Be nationally normed.
(h) Provide information to educators about student growth and allow for multiple testing opportunities.

(15) (a) "DED" means the United States Department of Education.
(b) "DED-OESE" means the DED Office of Elementary and Secondary Education.
(c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative Services.

(16) The amendatory act that added this subsection must not be construed as imposing mandates on nonpublic schools.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 100th Legislature are enacted into law:
(a) House Bill No. 5910.
(b) House Bill No. 5911.
(c) House Bill No. 5912.