



# HOUSE BILL No. 4436

February 16, 1995, Introduced by Reps. Oxender, Geiger, Middleton, Bankes, Gilmer, Johnson, LeTarte, Dolan, McBryde, McNutt and Bobier and referred to the Committee on Appropriations.

## EXECUTIVE BUDGET BILL

A bill to amend sections 3, 4, 5, 6, 6a, 11, 13, 15, 16, 17b, 18, 19, 20, 20c, 20d, 21b, 21d, 24, 31a, 36, 37, 38, 39, 41, 51, 52, 53, 54, 56, 57, 58, 61a, 62, 64, 74, 81, 95, 99, 101, 102, 104a, 111, 118, 121, 145, 147, 148, 149, 151, 152a, 155, 163, 166b, and 167 of Act No. 94 of the Public Acts of 1979, entitled as amended "The state school aid act of 1979," sections 3, 6, 20, 31a, 99, and 111 as amended and section 20d as added by Act No. 360 of the Public Acts of 1994, section 4 as amended by Act No. 110 of the Public Acts of 1985, sections 5, 15, 36, 39, 41, 52, 53, 54, 56, 62, 74, 104a, 145, 152a, and 167 as amended and sections 20c and 57 as added by Act No. 336 of the Public Acts of 1993, sections 6a,

11, 17b, 18, 19, 21b, 24, 37, 38, 51, 58, 61a, 81, 95, 101, 147, 149, and 151 as amended and sections 21d and 148 as added by Act No. 283 of the Public Acts of 1994, sections 13, 64, and 102 as amended and section 166b as added by Act No. 175 of the Public Acts of 1993, section 118 as amended by Act No. 276 of the Public Acts of 1982, section 121 as amended by Act No. 118 of the Public Acts of 1991, and section 163 as amended by Act No. 207 of the Public Acts of 1990, being sections 388.1603, 388.1604, 388.1605, 388.1606, 388.1606a[1], 388.1611, 388.1613, 388.1615, 388.1616, 388.1617b, 388.1618, 388.1619, 388.1620, 388.1620c, 388.1620d, 388.1621b, 388.1621d, 388.1624, 388.1631a, 388.1636, 388.1637, 388.1638, 388.1639, 388.1641, 388.1651, 388.1652, 388.1653, 388.1654, 388.1656, 388.1657, 388.1658, 388.1661a, 388.1662, 388.1664, 388.1674, 388.1681, 388.1695, 388.1699, 388.1701, 388.1702, 388.1704a, 388.1711, 388.1718, 388.1721, 388.1745, 388.1747, 388.1748, 388.1749, 388.1751, 388.1752a, 388.1755, 388.1763, 388.1766b, and 388.1767 of the Michigan Compiled Laws; to add sections 107f, 201, 202, 203, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, and 329; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Section 1. Sections 3, 4, 5, 6, 6a, 11, 13, 15, 16, 17b, 18, 19,  
2           20, 20c, 20d, 21b, 21d, 24, 31a, 36, 37, 38, 39, 41, 51, 52, 53, 54,  
3           56, 57, 58, 61a, 62, 64, 74, 81, 95, 99, 101, 102, 104a, 111, 118, 121,  
4           145, 147, 148, 149, 151, 152a, 155, 163, 166b, and 167 of Act No. 94 of  
5           the Public Acts of 1979, sections 3, 6, 20, 31a, 99, and 111 as amended  
6           and section 20d as added by Act No. 360 of the Public Acts of 1994,  
7           section 4 as amended by Act No. 110 of the Public Acts of 1985,  
8           sections 5, 15, 36, 39, 41, 52, 53, 54, 56, 62, 74, 104a, 145, 152a,  
9           and 167 as amended and sections 20c and 57 as added by Act No. 336 of  
10          the Public Acts of 1993, sections 6a, 11, 17b, 18, 19, 21b, 24, 37, 38,  
11          51, 58, 61a, 81, 95, 101, 147, 149, and 151 as amended and sections 21d

and 148 as added by Act No. 283 of the Public Acts of 1994, sections 13, 64, and 102 as amended and section 166b as added by Act No. 175 of the Public Acts of 1993, section 118 as amended by Act No. 276 of the Public Acts of 1982, section 121 as amended by Act No. 118 of the Public Acts of 1991, and section 163 as amended by Act No. 207 of the Public Acts of 1990, being sections 388.1603, 388.1604, 388.1605, 388.1606, 388.1606a[1], 388.1611, 388.1613, 388.1615, 388.1616, 388.1617b, 388.1618, 388.1619, 388.1620, 388.1620c, 388.1620d, 388.1621b, 388.1621d, 388.1624, 388.1631a, 388.1636, 388.1637, 388.1638, 388.1639, 388.1641, 388.1651, 388.1652, 388.1653, 388.1654, 388.1656, 388.1657, 388.1658, 388.1661a, 388.1662, 388.1664, 388.1674, 388.1681, 388.1695, 388.1699, 388.1701, 388.1702, 388.1704a, 388.1711, 388.1718, 388.1721, 388.1745, 388.1747, 388.1748, 388.1749, 388.1751, 388.1752a, 388.1755, 388.1763, 388.1766b, and 388.1767 of the Michigan Compiled Laws, are amended and sections 107f, 201, 202, 203, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, and 329 are added to read as follows:

Sec. 3. ~~(1) "Academy membership count day" means each of the following days or, if the public school academy is not scheduled to be in session on 1 of these days, the next succeeding day in the school fiscal year on which the public school academy is scheduled to be in session:~~

- ~~— (a) The first Friday in October.~~
- ~~— (b) The first Friday in December.~~
- ~~— (c) The second Friday in February.~~
- ~~— (d) The third Friday in April.~~

~~(2)~~ (1) "Average daily attendance", for the purposes of complying with section 1471 of subpart 5 of part 5 of chapter 1 of title I of the elementary and secondary education act, public law 89-10, 20 U.S.C.

2891, means 92% of the membership as defined in section 6(4).

~~(3)~~ (2) "Board" means the governing body of a district or public school academy.

~~(4)~~ (3) "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 EDUCATIONAL PROGRAMS TO BE PROVIDED AND THE ESTIMATED NUMBER OF PUPILS FROM EACH DISTRICT WHO WILL PARTICIPATE IN THE EDUCATIONAL PROGRAMS SHALL BE SPECIFIED IN THE WRITTEN AGREEMENT, WHICH SHALL BE APPROVED BY ALL AFFECTED DISTRICTS ANNUALLY.

~~(5)~~ (4) "Department" means the department of education.

~~(6)~~ (5) "District" means a local school district established under part 2, 3, 4, 5, or 6 of the school code of 1976, a local act school district, or, except in sections 6(4), 6(6), ~~6(7)~~, 13, 20, ~~23d~~, 31a, 163(1)(c), and 163(1)(d), ~~an alternative public school operated under section 23d or a public school academy. For 1994-95 only, district also includes an instructional program operated by a public university under section 23 that complies with the requirements of section 23.~~

(6) EXCEPT AS OTHERWISE SPECIFIED IN THIS SUBSECTION, "DISTRICT OF RESIDENCE" MEANS THE DISTRICT IN WHICH A PUPIL'S CUSTODIAL PARENT OR CUSTODIAL PARENTS OR LEGAL GUARDIAN RESIDES.

(A) FOR PUPILS IN MEMBERSHIP IN A PUBLIC SCHOOL ACADEMY, THE DISTRICT OF RESIDENCE SHALL BE THE DISTRICT IN WHICH THE PUBLIC SCHOOL ACADEMY IS LOCATED.

(B) FOR PUPILS UNDER COURT JURISDICTION WHO ARE PLACED OUTSIDE THE DISTRICT IN WHICH THE PUPIL'S PARENTS OR LEGAL GUARDIAN RESIDE, THE DISTRICT OF RESIDENCE SHALL BE THE DISTRICT PROVIDING EDUCATIONAL SERVICES.

(C) FOR SPECIAL EDUCATION PUPILS BEING EDUCATED BY THE INTERMEDIATE SCHOOL DISTRICT, THE DISTRICT OF RESIDENCE SHALL BE THE INTERMEDIATE

1 SCHOOL DISTRICT.

2 (D) FOR PUPILS PLACED BY A COURT OR STATE AGENCY IN AN ON-GROUNDS  
3 PROGRAM OF A JUVENILE DETENTION FACILITY, A CHILD CARING INSTITUTION,  
4 OR A MENTAL HEALTH INSTITUTION, THE DISTRICT OF RESIDENCE SHALL BE THE  
5 DISTRICT OR INTERMEDIATE DISTRICT APPROVED BY THE DEPARTMENT TO OPERATE  
6 THE PROGRAM.

7 (7) "District superintendent" means the superintendent of a  
8 district, or the chief administrator of a public school academy, ~~or the~~  
9 ~~chief administrator of an instructional program operated under section~~  
10 ~~23.~~

11 Sec. 4. (1) "Elementary pupil" means a pupil in membership in  
12 grades K to 8 in a district not maintaining classes above the eighth  
13 grade or in grades K to 6 in a district maintaining classes above the  
14 eighth grade.

15 (2) "Extended school year" means an educational program conducted  
16 by a district in which pupils must be enrolled but not necessarily in  
17 attendance on the pupil membership count day in an extended year  
18 program.

19 The mandatory days of student instruction and prescribed clock hours  
20 shall be completed by each pupil not more than 365 calendar days after  
21 the pupil's first day of classes for the school year prescribed. The  
22 department shall prescribe pupil, personnel, and other reporting  
23 requirements for the educational program.

24 (3) "Fiscal year" means the state fiscal year which commences  
25 October 1 and continues through September 30.

26 (4) "General educational development testing preparation program"  
27 means a program that has high school level courses in writing skills,  
28 social studies, science, reading skills, and mathematics and that  
29 prepares a person to SUCCESSFULLY complete ~~successfully~~ the general  
30 educational development (GED) test.

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

Sec. 5. (1) "Intermediate board" means the governing body of an intermediate district.

(2) "Intermediate district" means an intermediate school district established under part 7 of the school code of 1976.

(3) "Intermediate district weighted average FOUNDATION ALLOWANCE ~~allocation~~" means ~~103% of the average gross allowance~~ FOUNDATION ALLOWANCE per membership pupil ~~for 1993-94 under former section 21(1) of the intermediate district's constituent districts,~~ CALCULATED BY AVERAGING THE FOUNDATION ALLOWANCE PER MEMBERSHIP PUPIL OF THE INTERMEDIATE DISTRICT'S CONSTITUENT DISTRICTS, weighted as to membership.

(4) "Intermediate superintendent" means the superintendent of an intermediate district.

Sec. 6. (1) "Center program" means a program operated by a district or intermediate district for special education pupils from several districts in programs for the autistically impaired, trainable mentally impaired, severely mentally impaired, severely multiply impaired, hearing impaired, physically and otherwise health impaired, and visually impaired. Programs for emotionally impaired pupils housed in buildings that do not serve regular education pupils shall also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. ~~In addition, pupils approved by the department, who formerly would have been placed in a center program, placed in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, public law 91-230, 29~~

1 ~~U.S.C. 1412, may be counted under this section if all of the following~~  
2 ~~are met:~~

3 ~~— (a) The pupil is special education eligible and receiving special~~  
4 ~~education programs or services on the pupil count date.~~

5 ~~— (b) The pupil is eligible as autistically impaired, trainable~~  
6 ~~mentally impaired, severely mentally impaired, and severely multiply~~  
7 ~~impaired.~~

8 (2) "District pupil retention rate" means the proportion of pupils  
9 who have not dropped out of school in the immediately preceding school  
10 year and is equal to 1 minus the quotient of the number of pupils  
11 unaccounted for in the immediately preceding school year, as determined  
12 pursuant to subsection (3), divided by the pupils of the immediately  
13 preceding school year.

14 (3) "District pupil retention report" means a report of the number  
15 of pupils, excluding migrant and adult, in the district for the  
16 immediately preceding school year, adjusted for those pupils who have  
17 transferred into the district, transferred out of the district,  
18 transferred to alternative programs, and have graduated, to determine  
19 the number of pupils who are unaccounted for. The number of pupils  
20 unaccounted for shall be calculated as determined by the department.

21 (4) "Membership", except as otherwise provided in this act, means  
22 the average number of full-time equated pupils in grades K to 12 IN THE  
23 DISTRICT OF RESIDENCE actually enrolled and in regular daily attendance  
24 IN A PUBLIC SCHOOL on the pupil membership count day for the current  
25 school year and on the supplemental count day for the immediately  
26 preceding school year, as determined by the department and calculated  
27 by adding the ~~unaudited count completed by the department not later~~  
28 ~~than 45 days after the pupil membership count day of the number of~~  
29 pupils registered for attendance plus pupils received by transfer and  
30 minus pupils lost as defined by rules promulgated by the state board,

1 and as corrected by a subsequent department audit, plus the final  
2 audited count from the supplemental count day for the immediately  
3 preceding school year, and dividing that sum by 2. ~~For 1994-95 only,~~  
4 ~~for a public school academy, membership means the average number of~~  
5 ~~full-time equated pupils in grades K-12 actually enrolled and in~~  
6 ~~regular daily attendance in the public school academy on the academy~~  
7 ~~membership count days, as determined by the department and calculated~~  
8 ~~by averaging the unaudited count completed by the department not later~~  
9 ~~than 45 days after each academy membership count day for the public~~  
10 ~~school academy and as corrected by a subsequent department audit. If a~~  
11 ~~pupil counted in membership in a public school academy on the December~~  
12 ~~academy membership count day was previously counted in membership in a~~  
13 ~~district on the immediately preceding pupil membership count day, the~~  
14 ~~district's pupil membership count for that pupil membership count day~~  
15 ~~shall be reduced by 1/2 pupil. If a pupil counted in membership in a~~  
16 ~~public school academy on the April academy membership count day was~~  
17 ~~previously counted in membership in a district on the immediately~~  
18 ~~preceding supplemental count day, the district's supplemental~~  
19 ~~membership count for that supplemental count day shall be reduced by~~  
20 ~~1/2 pupil. In addition, all of the following apply to determining the~~  
21 ~~membership of a district, public school academy, or intermediate~~  
22 ~~district: FOR 1995-96 ONLY, THE SUPPLEMENTAL COUNT DAY FOR THE~~  
23 ~~IMMEDIATELY PRECEDING YEAR SHALL BE ADJUSTED FOR THE DEFINITION OF~~  
24 ~~"DISTRICT OF RESIDENCE" IN SEC. 3(6) FOR THE PURPOSES OF CALCULATING~~  
25 ~~THE MEMBERSHIP OF A DISTRICT AND INTERMEDIATE DISTRICT FOR 1995-96.~~

26 (A) FOR A PUBLIC SCHOOL ACADEMY, MEMBERSHIP MEANS THE AVERAGE  
27 NUMBER OF FULL-TIME EQUATED PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED  
28 AND IN REGULAR DAILY ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT DAY FOR  
29 THE CURRENT SCHOOL YEAR AND ON THE SUPPLEMENTAL COUNT DAY FOR THE  
30 IMMEDIATELY PRECEDING 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 STATE BOARD, AND AS CORRECTED BY A SUBSEQUENT DEPARTMENT AUDIT, PLUS THE FINAL AUDITED COUNT FROM THE SUPPLEMENTAL COUNT DAY FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR, AND DIVIDING THAT SUM BY 2. A PUPIL COUNTED IN A PUBLIC SCHOOL ACADEMY ON THE PUPIL MEMBERSHIP COUNT DAY OR THE SUPPLEMENTAL COUNT DAY MAY NOT BE COUNTED IN A DISTRICT OR INTERMEDIATE DISTRICT ON THE SAME COUNT DAY.

(i) FOR A NEW PUBLIC SCHOOL ACADEMY BEGINNING OPERATIONS IN 1995-96 BY THE PUPIL MEMBERSHIP COUNT DAY, MEMBERSHIP MEANS 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 STATE BOARD, 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) FOR A NEW PUBLIC SCHOOL ACADEMY BEGINNING OPERATIONS IN 1995-96 AFTER THE PUPIL MEMBERSHIP COUNT DAY AND BY THE SUPPLEMENTAL COUNT DAY, MEMBERSHIP MEANS 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.

(iii) FOR A PUBLIC SCHOOL ACADEMY THAT RECEIVED FUNDS UNDER FORMER SECTION 23 OR RECEIVED FUNDS FROM AN INTERMEDIATE DISTRICT PURSUANT TO FORMER SECTION 23D IN 1994-95, MEMBERSHIP MEANS THE AVERAGE NUMBER OF

1 FULL-TIME EQUATED PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN  
2 REGULAR DAILY ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE  
3 CURRENT SCHOOL YEAR AND THE MEMBERSHIP COUNT USED TO CALCULATE PAYMENTS  
4 UNDER FORMER SECTION 23 AND FORMER SECTION 23D IN 1994-95, AS  
5 DETERMINED BY THE DEPARTMENT AND CALCULATED BY ADDING THE NUMBER OF  
6 PUPILS REGISTERED FOR ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT DAY PLUS  
7 PUPILS RECEIVED BY TRANSFER AND MINUS PUPILS LOST AS DEFINED BY RULES  
8 PROMULGATED BY THE STATE BOARD, AND AS CORRECTED BY A SUBSEQUENT  
9 DEPARTMENT AUDIT, PLUS THE MEMBERSHIP COUNT USED TO CALCULATE PAYMENTS  
10 UNDER FORMER SECTION 23 AND FORMER SECTION 23D IN 1994-95, AND DIVIDING  
11 THAT SUM BY 2.

12 ~~(a)~~ (B) In a district, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE  
13 DISTRICT operating an extended school year program approved by the  
14 state board, a pupil enrolled, but not scheduled to be in regular daily  
15 attendance on a pupil membership count day, shall be counted.

16 ~~(b)~~ (C) Pupils to be counted in membership IN A DISTRICT, PUBLIC  
17 SCHOOL ACADEMY, OR INTERMEDIATE DISTRICT shall be not less than 5 years  
18 of age on December 1 and less than 20 years of age on September 1 of  
19 the school year except a special education pupil who is enrolled and  
20 receiving instruction in a special education program approved by the  
21 department and not having a high school diploma who is less than 26  
22 years of age as of September 1 of the current school year shall be  
23 counted in membership.

24 ~~(c)~~ (D) An individual who has obtained a high school diploma shall  
25 not be counted in membership IN A DISTRICT, PUBLIC SCHOOL ACADEMY, OR  
26 INTERMEDIATE DISTRICT. An individual who has obtained a general  
27 education development (G.E.D.) certificate shall not be counted in  
28 membership. AN INDIVIDUAL PARTICIPATING IN A JOB TRAINING PROGRAM  
29 FUNDED UNDER FORMER SECTION 107A OR A JOBS PROGRAM FUNDED UNDER FORMER  
30 SECTION 107B, BOTH ADMINISTERED BY THE MICHIGAN JOBS COMMISSION, OR ANY

SUCCESSOR OF EITHER OF THOSE 2 PROGRAMS, SHALL NOT BE COUNTED IN MEMBERSHIP.

~~(d)~~ (E) The department shall give a uniform interpretation of full-time and part-time memberships, ~~including an interpretation of full-time membership for kindergarten pupils for 1994-95.~~ BEGINNING IN 1995-96, FULL-TIME EQUATED MEMBERSHIPS FOR PUPILS IN KINDERGARTEN SHALL BE DETERMINED BY DIVIDING THE NUMBER OF CLASS HOURS SCHEDULED AND PROVIDED PER YEAR PER KINDERGARTEN PUPIL BY A NUMBER EQUAL TO 1/2 THE NUMBER OF CLASS HOURS USED FOR DETERMINING FULL-TIME EQUATED MEMBERSHIPS FOR PUPILS IN GRADES 1 TO 12.

~~(e) An intermediate district that operates a program under section 86 may count in its membership the number of full-time equated pupils who are enrolled and in regular daily attendance in the program under section 86 on the pupil membership count day in the current school year. A pupil counted in membership in an intermediate district under this subdivision shall not be counted in membership in a district.~~

(f) For the purposes of this subsection, full-time equated memberships for pupils IN A DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE DISTRICT in grades 1 to 12 shall be determined by dividing the number of class hours scheduled and provided per year per pupil by 900 for 1994-95, 990 for 1995-96 and 1996-97, 1,035 for 1997-98 and 1998-99, and 1,080 for 1999-2000 and succeeding fiscal years. In determining full-time equated memberships for pupils who are dually enrolled in a postsecondary institution under section 21b, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her dual enrollment on the number of class hours provided by the district to the pupil. ~~Beginning in 1995-96, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the~~

~~number used for determining full-time equated memberships for pupils in grades 1 to 12.~~

(g) For a district that has qualified currently migrant pupils enrolled in the district as of the pupil membership count day who were not counted in membership in the district on the supplemental count day for the immediately preceding school year, as determined by the department using the criteria used for eligibility for the migrant education program under the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 100-297, the number of those pupils counted in the district's membership is  $\frac{3}{4}$  of the number of those pupils counted on the pupil membership count day only.

~~(h) A pupil enrolled in a vocational education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the school code of 1976, being section 380.690 of the Michigan Compiled Laws, shall be counted only in the pupil's district of residence.~~

~~(i) For 1994-95 only, if a district has individuals at least age 16 as of December 1 and less than age 20 as of September 1 of the school year who are enrolled in the district in a department-approved alternative education program and who were not counted in membership in a district on the 1994 supplemental count day, the number of those individuals counted in the district's membership is the number of those individuals counted as pupils on the district's 1994 pupil membership count day only.~~

~~(j) For 1994-95 only, the membership of an instructional program operated by a public university under section 23 that is funded under this act as a district shall be considered to be the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the instructional program on the pupil~~

~~membership count day for the 1993-94 school year, adjusted by subtracting 16 membership pupils, and on the supplemental count day in the 1993-94 school year, as determined by the department and calculated by adding the final audited counts for those 2 count days, with the count for the 1993-94 pupil membership count day adjusted as provided in this subdivision, and dividing that sum by 2.~~

~~(k) For 1994-95 only, if there are individuals enrolled in an intermediate district in a special education program that is not a center program and those individuals were deducted from the intermediate district's count for the 1994 supplemental count day because of residency in a district that did not receive an allocation under section 21(1) in 1993-94, the number of those individuals counted in the intermediate district's membership is the number of those individuals counted as pupils on the 1994 pupil membership count day only.~~

(5) "Public school academy" means a public school academy operating under part 6a or 6b of the school code of 1976.

(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence shall not be required for nonpublic part-time pupils, ~~for pupils receiving 1/2 or less of their instruction in a district other than their district of residence, for pupils enrolled in a school operated under section 23 or 23d, or for those pupils who were enrolled and in regular daily attendance and remain enrolled and in regular daily attendance in the district other than their district of residence before April 1, 1981.~~

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

(a) The first FOURTH Friday in ~~October~~ SEPTEMBER each school year.

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

(i) Fourth Friday in July.

(ii) Fourth Friday in October.

(iii) Fourth Friday in January.

(iv) Fourth Friday in April.

(8) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(9) "The school code of 1976" means Act No. 451 of the Public Acts of 1976, as amended, being sections 380.1 to 380.1852 of the Michigan Compiled Laws.

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

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

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

(13) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence. Tuition pupil does not include a pupil who is a special education pupil, ~~a pupil served by a cooperative education program; a pupil served by a vocational education program supported by a millage levied over an area larger than a single school district or by an area vocational-technical education program established pursuant to section 690 of the school code of 1976; or a pupil served by an intermediate district schools of choice pilot program as described in former section 91.~~ 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.

(14) "State school aid fund" means the state school aid fund

1 established in section 11 of article IX of the state constitution of  
2 1963.

3 (15) "TAXABLE VALUE" MEANS THAT TERM AS DEFINED IN SECTION 211.27A  
4 OF THE MICHIGAN COMPILED LAWS.

5 ~~(15)~~ (16) "Total state aid" or "total state school aid" means the  
6 total combined amount of all funds due to a district, intermediate  
7 district, or other entity under all of the provisions of this act.

8 Sec. 6a. EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, in addition to  
9 the pupil membership count day, there shall be a supplemental pupil  
10 count of the number of full-time equated pupils in grades K-12 IN THE  
11 DISTRICT OF RESIDENCE actually enrolled and in regular daily attendance  
12 IN A PUBLIC SCHOOL on the second Friday in February or, for a district  
13 that is not in session on that day, the immediately preceding day on  
14 which the district is in session. For the purposes of this act, the day  
15 on which the supplemental pupil count is conducted is the supplemental  
16 count day. ~~This section does not apply to public school academies.~~

1        Sec. 11. (1) There is appropriated for the public schools of this  
 2        state and certain other state purposes relating to education ~~from the~~  
 3        ~~state school aid fund established by section 11 of article IX of the~~  
 4        ~~state constitution of 1963 the sum of \$7,396,151,800.00, and from the~~  
 5        ~~general fund the sum of \$439,414,900.00, for the fiscal year ending~~  
 6        September 30, ~~1995~~ 1996, ~~in addition, available federal funds and~~  
 7        ~~\$139,500,000.00 from the reserve for health benefits are appropriated.~~  
 8        FROM THE FOLLOWING FUNDS:

9        APPROPRIATIONS SUMMARY:

10        GROSS APPROPRIATION . . . . . \$ 8,326,277,000

11        INTERDEPARTMENTAL GRANT REVENUES:

12        TOTAL INTERDEPARTMENTAL GRANTS . . . . . 0

13        ADJUSTED GROSS APPROPRIATION . . . . . \$ 8,326,277,000

14        FEDERAL REVENUES:

15        DED-OSERS, SPECIAL EDUCATION, STATE GRANTS . . . . . 70,000,000

16        TOTAL FEDERAL . . . . . 70,000,000

17        SPECIAL REVENUE FUNDS:

18        TOTAL LOCAL REVENUES . . . . . 0

19        TOTAL PRIVATE REVENUES . . . . . 0

20        RESERVE FOR HEALTH BENEFITS . . . . . 35,000,000

21        SCHOOL AID FUND . . . . . 7,632,200,000

22        TOTAL RESTRICTED . . . . . 7,667,200,000

23        STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$ 589,077,000

24        (2) The appropriations under this ~~section~~ ACT shall be allocated a  
 25        provided in this act. If the maximum amount appropriated under this  
 26        ~~section~~ ACT from the state school aid fund for a fiscal year exceeds



1 the amount necessary to fully fund allocations under this act from the  
2 state school aid fund, that excess amount shall not be expended in that  
3 state fiscal year and shall not lapse to the general fund, but instead  
4 shall remain ~~in a separate account~~ in the state school aid fund to be  
5 used to augment funding under this act in a succeeding fiscal year in  
6 which the maximum amount appropriated under this section is not  
7 sufficient to fully fund allocations under this act from the state  
8 school aid fund.

9 ~~(3) In addition to the appropriations under subsection (1), for the~~  
10 ~~fiscal year ending September 30, 1995 there is appropriated from the~~  
11 ~~general fund to the state school aid fund the amount necessary to~~  
12 ~~reimburse the state school aid fund for the loss in state school aid~~  
13 ~~fund revenue for 1994-95 resulting from Act No. 3 of the Public Acts of~~  
14 ~~1994, as determined by the department of management and budget. The~~  
15 ~~estimated amount of the appropriation under this subsection is~~  
16 ~~\$228,500,000.00.~~

17  
18 Sec. 13. Except as otherwise provided in this act, the  
19 apportionments and limitations of the apportionments made under this  
20 act shall be made on the membership and number of teachers and other  
21 professionals approved by the superintendent of public instruction  
22 employed as of the pupil membership count day of each year, ~~on the cost~~  
23 ~~of pupil transportation for the preceding school year,~~ and on the  
24 TAXABLE VALUE ~~state equalized valuation~~ and the operating millage of  
25 each district for the calendar year. Apportionments shall be made under  
26 this act for teachers and other personnel approved by the  
27 superintendent of public instruction in special education programs and  
28 services initiated after the pupil membership count day pursuant to  
29 section 53. In addition, a district maintaining school during the  
30 entire year, as provided in section 1561 of the school code of 1976,  
31 being section 380.1561 of the Michigan Compiled Laws, shall count

1 memberships and teachers pursuant to rules promulgated by the state  
2 board.

3 Sec. 15. (1) If a district or intermediate district fails to  
4 receive its proper apportionment, the department, upon satisfactory  
5 proof that the district or intermediate district was entitled justly,  
6 shall apportion the deficiency in the next apportionment. Subject to  
7 subsections (2) and (3), if a district or intermediate district has  
8 received more than its proper apportionment, the department, upon  
9 satisfactory proof, shall deduct the excess in the next apportionment,  
10 except that a deduction due to an adjustment in the ~~equalized valuation~~  
11 TAXABLE VALUE of a district or intermediate district shall be made in  
12 the apportionment for the fiscal year following the fiscal year in  
13 which the valuation is finalized. Notwithstanding any other provision  
14 in this act, state aid overpayments to a district, other than  
15 overpayments in payments for special education or special education  
16 transportation, may be recovered from any payment made under this act  
17 other than a special education or special education transportation  
18 payment. State aid overpayments made in special education or special  
19 education transportation payments may be recovered from subsequent  
20 special education or special education transportation payments.

21 (2) If the result of an audit conducted by or for the department  
22 affects the current fiscal year membership, affected payments shall be  
23 adjusted in the current fiscal year. ~~Beginning in 1994-95, a A~~  
24 deduction due to an adjustment made as a result of an audit conducted  
25 by or for the department OR OTHER INFORMATION OBTAINED BY THE  
26 DEPARTMENT FROM RELIABLE SOURCES shall be deducted from the district's  
27 apportionments within the next fiscal year after the fiscal year in  
28 which the adjustment is finalized. At the request of the district and  
29 upon the district presenting evidence satisfactory to the department of  
30 the hardship, the department may grant up to an additional 2 years for

1 the adjustment if the district would otherwise experience a significant  
2 hardship.

3 (3) If, because of the receipt of new or updated data, the  
4 department determines during a fiscal year that the amount paid to a  
5 district or intermediate district under this act for a prior fiscal  
6 year was incorrect under the law in effect for that year, the  
7 department may make the appropriate deduction or payment in the  
8 district's or intermediate district's allocation for the fiscal year in  
9 which the determination is made. The deduction or payment shall be  
10 calculated according to the law in effect in the fiscal year in which  
11 the improper amount was paid.

12 (4) Expenditures made by the department under this act that are  
13 caused by the write-off of prior year accruals may be funded by revenue  
14 from the write-off of prior year accruals.

15 Sec. 16. ~~Notwithstanding the allowance for pupils attending school~~  
16 ~~in a district for tuition or transportation, or both, a~~ A district  
17 shall not receive a greater allowance than the actual amounts paid by  
18 the district. If a district receives in an apportionment more than was  
19 paid, the excess shall be deducted from the district's next  
20 apportionment.

21 Sec. 17b. (1) Not later than October 20, November 20, December 20,  
22 January 20, February 20, March 20, April 20, May 20, and June 20, the  
23 department shall prepare a statement of the amount to be distributed  
24 under this act in the installment to the districts and intermediate  
25 districts and deliver the statement to the state treasurer, and the  
26 state treasurer shall pay the installments on each of those dates or on  
27 the next business day following each of those dates. Except as  
28 otherwise provided in this act, the portion of the district's or  
29 intermediate district's state fiscal year entitlement to be included in  
30 each installment shall be 1/9. However, the payments due to a district

1 in ~~1994-95~~ 1995-96 on April 20, May 20, and June 20 pursuant to this  
2 section each shall be reduced by an amount equal to 1/3 of the  
3 district's total additional payments in ~~1993-94~~ 1994-95 under section  
4 20C. ~~11a(6), and the payments due to an intermediate district in~~  
5 ~~1994-95 on April 20, May 20, and June 20 pursuant to this section each~~  
6 ~~shall be reduced by an amount equal to 1/3 of the intermediate~~  
7 ~~district's total additional payments in 1993-94 under section 11a(7)).~~

8 (2) The state treasurer shall make payment under this section by  
9 drawing a warrant in favor of the treasurer of each district or  
10 intermediate district for the amount payable to the district or  
11 intermediate district according to the statement and delivering the  
12 warrant to the treasurer of each district or intermediate district, or  
13 if the state treasurer receives a written request by the treasurer of  
14 the district or intermediate district specifying an account, by  
15 electronic funds transfer to that account of the amount payable to the  
16 district or intermediate district according to the statement. The  
17 department may make adjustments in payments made under this section  
18 through additional payments when changes in law or errors in  
19 computation cause the regularly scheduled payment to be less than the  
20 amount to which the district or intermediate district is entitled  
21 pursuant to this act.

22 (3) Except as otherwise specified in this act, grant payments under  
23 this act shall be paid according to subsection (1).

24 (4) Upon the written request of a district or intermediate district  
25 ~~operating under an approved deficit reduction plan under section 102~~  
26 and the submission of proof satisfactory to the department of a need of  
27 a temporary and nonrecurring nature, the superintendent, with the  
28 written concurrence of the state treasurer and the director of  
29 management and budget, may authorize an advance release of funds due a  
30 district or intermediate district under this act. Such an advance shall

1 not cause funds to be paid to a district or intermediate district more  
2 than 30 days earlier than the established payment date for those funds.

3 Sec. 18. (1) Except as provided in another section of this act,  
4 each district or other entity shall apply the money received by the  
5 district or entity under this act to salaries AND OTHER COMPENSATION of  
6 teachers and other employees, tuition, transportation, lighting,  
7 heating, ventilation, water service, the purchase of textbooks which  
8 are designated by the board to be used in the schools under the board's  
9 charge, other supplies, and any other school operating expenditures  
10 defined in section 7. An amount equal to not more than 5% of the total  
11 amount received by a district under article 2 OR INTERMEDIATE DISTRICT  
12 UNDER ARTICLE 8 may be transferred by the board to either the building  
13 and site fund or to the debt retirement fund for debt service. The  
14 money shall not be applied or taken for a purpose other than as  
15 provided in this section. The department shall determine the  
16 reasonableness of expenditures and may withhold from a recipient of  
17 funds under this act the apportionment otherwise due for the fiscal  
18 year following the discovery by the department of a violation by the  
19 recipient.

20 (2) For the purpose of determining the reasonableness of  
21 expenditures and whether a violation of this act has occurred, the  
22 department shall require that each district AND INTERMEDIATE DISTRICT  
23 have an audit of the district's OR INTERMEDIATE DISTRICT'S financial  
24 and pupil accounting records conducted at least annually at the expense  
25 of the district OR INTERMEDIATE DISTRICT, AS APPROPRIATE, by a  
26 certified public accountant or by the intermediate district  
27 superintendent, as may be required by the department, or in the case of  
28 a district of the first class by a certified public accountant, the  
29 intermediate superintendent, or the auditor general of the city. The  
30 financial and pupil accounting records audits shall be accompanied by

1 the district's or intermediate district's annual financial audit AND  
2 COPIES OF ASSURANCE FORMS PREVIOUSLY FILED WITH THE DEPARTMENT PURSUANT  
3 TO SECTIONS 31A, 95 AND 99, which shall include an analysis of the  
4 financial and pupil accounting data used as the basis for distribution  
5 of state school aid. The audits and management letters are subject to  
6 requirements established in the auditing and accounting manuals  
7 approved and published by the department. ~~Except as otherwise provided~~  
8 ~~in this subsection, a copy of the report of each audit shall be filed,~~  
9 ~~as required by the department, not later than 120 days after the end of~~  
10 ~~each school fiscal year and~~ A DISTRICT SHALL FILE THE AUDIT REPORTS  
11 WITH THE INTERMEDIATE DISTRICT NOT LATER THAN 120 DAYS AFTER THE END OF  
12 EACH SCHOOL YEAR. AN INTERMEDIATE DISTRICT SHALL FORWARD THE AUDIT  
13 REPORTS FOR ITS CONSTITUENT DISTRICTS AND THE AUDIT REPORT FOR THE  
14 INTERMEDIATE DISTRICT TO THE DEPARTMENT BY NOVEMBER 15 OF EACH YEAR.  
15 THE AUDIT REPORTS shall be available to the public in compliance with  
16 the freedom of information act, Act No. 442 of the Public Acts of 1976,  
17 as amended, being sections 15.231 to 15.246 of the Michigan Compiled  
18 Laws. The report of the final audit of a district's supplemental pupil  
19 count under section 6a shall be filed, as required by the department,  
20 not later than 120 days after the ~~beginning of the next state fiscal~~  
21 ~~END OF EACH SCHOOL year.~~ Not later than December 1 of each year, the  
22 department shall notify the department of management and budget and the  
23 legislative appropriations subcommittees responsible for review of the  
24 school aid budget of districts AND INTERMEDIATE DISTRICTS that have not  
25 filed an audit required under this section for the school year ending  
26 in the immediately preceding fiscal year.

27 (3) Each district and intermediate district shall file with the  
28 department an annual comprehensive financial report TO BE KNOWN AS FORM  
29 B on a form and in the manner prescribed by the department. A district  
30 shall file the FORM B report with the intermediate district not later

1 than 120 days after the end of each school year. An intermediate  
2 district shall forward the FORM B reports for its constituent districts  
3 and the FORM B report for the intermediate district to the department  
4 by November 15 of each year.

5 (4) If a district that is a public school academy purchases  
6 property using money received under this act, the public school academy  
7 shall retain ownership of the property unless the public school academy  
8 sells the property at fair market value.

9 (5) If a district or intermediate district does not comply with  
10 subsection (2) or (3), the department shall withhold ALL STATE AID  
11 BEGINNING WITH THE NEXT PAYMENT ~~5% of the funds~~ due to the district or  
12 intermediate district under this act until the district or intermediate  
13 district complies with subsections (2) and (3). If the district or  
14 intermediate district does not comply with subsections (2) and (3) by  
15 the end of the fiscal year, the district or intermediate district  
16 forfeits the amount withheld.

17 Sec. 19. (1) A district shall comply with the requirements of  
18 sections 1204a, 1277, 1278, and 1280 of the school code of 1976, being  
19 sections 380.1204a, 380.1277, 380.1278, and 380.1280 of the Michigan  
20 Compiled Laws, commonly referred to as "public act 25 of 1990." ~~in~~  
21 ~~developing the annual education report described in section 1204a of~~  
22 ~~the school code of 1976, a district shall use data disaggregated by~~  
23 ~~gender.~~

24 (2) Each district and intermediate district shall provide to the  
25 department, in a form and manner prescribed by the department,  
26 information necessary for the development of an annual progress report  
27 on the implementation of sections 1204a, 1277, 1278, and 1280 of the  
28 school code of 1976, commonly referred to as "public act 25 of 1990,"  
29 and on the achievement of national education goals.

(3) If a district or intermediate district fails to meet the requirements of subsection (2) and sections 1204a, 1277, and 1278 of the school code of 1976, the department shall withhold 5% of the total funds for which the district or intermediate district qualifies under this act until the district or intermediate district complies with all of those sections. If the district or intermediate district does not comply with all of those sections by the end of the fiscal year, the department shall place the amount withheld in an escrow account until the district or intermediate district complies with all of those sections.

(4) If a school in a district is not accredited under section 1280 of the school code of 1976 or is not making satisfactory progress toward meeting the standards for that accreditation, the department shall withhold 5% of the total funds for which the district qualifies under this act that are attributable to pupils attending that school. The department shall place the amount withheld from a district under this subsection in an escrow account and shall not release the funds to the district until the district submits to the department a plan for achieving accreditation for each of the district's schools that are not accredited under section 1280 of the school code of 1976 or are not making satisfactory progress toward meeting the standards for that accreditation.

Sec. 20. (1) ~~Except as otherwise provided in this act, f~~From the appropriation in section 11 there is allocated for ~~1994-95~~ 1995-96 an amount not to exceed ~~\$7,245,000,000.00~~ \$7,588,400,000.00 to guarantee each district a foundation allowance per membership pupil and to make payments under this section to public school academies. The amount of each district's foundation allowance shall be calculated as provided in this section. ~~, using a basic foundation allowance for 1994-95 in the amount of \$5,000.00.~~ If the maximum amount allocated under this section



1 is not sufficient to fully fund payments under this section, the amount  
2 of each district's foundation allowance and the dollar amount  
3 prescribed in subsection ~~(10)~~ (7) shall be prorated as necessary. This  
4 proration shall be made by reducing by an equal percentage each  
5 district's foundation allowance, the \$6,500.00 figure, AS ADJUSTED,  
6 PURSUANT TO THE INDEX UNDER SUBSECTION (2), in subsection ~~(6)~~(4), and  
7 the \$5,500.00 figure, AS ADJUSTED PURSUANT TO THE INDEX UNDER SECTION  
8 (2), in subsection ~~(10)~~ (7).

9 (2) For 1995-96 and each succeeding fiscal year, the basic  
10 foundation allowance shall be determined by multiplying the amount of  
11 the basic foundation allowance for the immediately preceding state  
12 fiscal year by the final index calculated under this subsection. This  
13 result is the amount of the basic foundation allowance per membership  
14 pupil for the current state fiscal year. The final index to be used  
15 shall be determined as follows:

16 (a) The numerator of the fraction to be used in calculating the  
17 index is the total state school aid fund revenue for the current state  
18 fiscal year, adjusted for any change in the rate or base of a tax the  
19 proceeds of which are deposited in that fund.

20 (b) The denominator of the fraction to be used in calculating the  
21 index is the total state school aid fund revenue for the immediately  
22 preceding state fiscal year, adjusted for any change in the rate or  
23 base of a tax the proceeds of which are deposited in that fund.

24 (c) The resulting revenue adjustment factor derived under  
25 subdivisions (a) and (b) shall then be adjusted by a pupil membership  
26 adjustment factor. The pupil membership adjustment factor shall be  
27 computed by dividing the membership of DISTRICTS AND PUBLIC SCHOOL  
28 ACADEMIES for the school year ending in the immediately preceding state  
29 fiscal year by the membership OF DISTRICTS AND PUBLIC SCHOOL ACADEMIES  
30 for the school year ending in the current state fiscal year. This pupil

1 adjustment factor shall be multiplied by the fraction derived under  
2 subdivisions (a) and (b) to determine the final index.

3 (D) FOR 1995-96, THE BASIC FOUNDATION ALLOWANCE IS \$5,166.00, AS  
4 ADJUSTED BY A REVENUE ESTIMATING CONFERENCE, OR IF A REVENUE ESTIMATING  
5 CONFERENCE FAILS TO REACH A CONSENSUS ON THE ESTIMATE OF THE INDEX, AN  
6 ESTIMATE CERTIFIED BY THE STATE TREASURER.

7 ~~(3) Except as otherwise provided in this section, for the 1994-95~~  
8 ~~state fiscal year, the amount of a district's foundation allowance~~  
9 ~~shall be calculated as follows:~~

10 ~~----- (a) For a district that had combined state and local revenue per~~  
11 ~~membership pupil in the 1993-94 state fiscal year of less than~~  
12 ~~\$4,200.00, the district's foundation allowance for 1994-95 is \$4,200.00~~  
13 ~~or an amount equal to the sum of the district's combined state and~~  
14 ~~local revenue per membership pupil in the 1993-94 state fiscal year~~  
15 ~~plus \$250.00, whichever is greater.~~

16 ~~----- (b) For a district that had combined state and local revenue per~~  
17 ~~membership pupil in the 1993-94 state fiscal year of at least \$4,200.00~~  
18 ~~but less than \$6,500.00, the district's foundation allowance for~~  
19 ~~1994-95 is the sum of the district's combined state and local revenue~~  
20 ~~per membership pupil in the 1993-94 state fiscal year plus { \$250.00 +~~  
21 ~~{ \$90.00 times the ratio calculated by subtracting \$4,200.00 from the~~  
22 ~~district's combined state and local revenue per membership pupil in the~~  
23 ~~1993-94 state fiscal year and dividing that difference by 2,300 } }.~~

24 ~~----- (c) For a district that had combined state and local revenue per~~  
25 ~~membership pupil in the 1993-94 state fiscal year of \$6,500.00 or more,~~  
26 ~~the district's foundation allowance for 1994-95 is the sum of the~~  
27 ~~district's combined state and local revenue per membership pupil in~~  
28 ~~1993-94 plus \$160.00.~~

29 ~~----- (4) For 1994-95, that portion of a district's foundation allowance~~

~~that exceeds \$5,000.00 is considered to be a "supplemental allowance". For 1995-96 and succeeding state fiscal years, that portion of a district's foundation allowance that exceeds the sum of \$5,000.00 plus the dollar amount of all adjustments made since 1994-95 in the basic foundation allowance pursuant to the index under subsection (2) is considered to be a "supplemental allowance". For a district described in subsection (3)(c), the district's supplemental allowance shall not exceed \$1,500.00.~~

~~(5)~~ (3) Beginning in the 1995-96 state fiscal year, except as otherwise provided in this section, the amount of a district's foundation allowance shall be calculated as follows, using in all calculations the total amount of the district's foundation allowance as calculated before any proration:

(a) For a district that in the immediately preceding state fiscal year had a foundation allowance at least equal to the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts pursuant to the index under subsection (2), ~~but that did not qualify for a supplemental allowance described in subsection (4)~~ LESS THAN THE BASIC FOUNDATION ALLOWANCE in the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance pursuant to the index under subsection (2) and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance pursuant to the index under subsection (2) minus \$50.00) times (the difference between

1 the district's foundation allowance for the immediately preceding state  
2 fiscal year and the sum of \$4,200.00 plus the total dollar amount of  
3 all adjustments made from 1994-95 to the immediately preceding state  
4 fiscal year in the lowest foundation allowance among all districts  
5 pursuant to the index under subsection (2)) divided by the difference  
6 between the basic foundation allowance for the current state fiscal  
7 year and the sum of \$4,200.00 plus the total dollar amount of all  
8 adjustments made from 1994-95 to the immediately preceding state fiscal  
9 year in the lowest foundation allowance among all districts pursuant to  
10 the index under subsection (2)]. However, the foundation allowance for  
11 a district that ~~did not qualify for a supplemental allowance described~~  
12 ~~in subsection (4)~~ HAD LESS THAN THE BASIC FOUNDATION ALLOWANCE in the  
13 immediately preceding state fiscal year shall not exceed the basic  
14 foundation allowance for ~~that~~ THE CURRENT state fiscal year.

15 ~~(b) For a district that in the immediately preceding state fiscal~~  
16 ~~year had a foundation allowance of less than the sum of \$6,500.00 plus~~  
17 ~~the total dollar amount of all adjustments made since 1994-95 in the~~  
18 ~~basic foundation allowance pursuant to the index under subsection (2),~~  
19 ~~and that qualified for a supplemental allowance described in subsection~~  
20 ~~(4) in the immediately preceding state fiscal year, the district shall~~  
21 ~~receive a foundation allowance in an amount equal to the sum of the~~  
22 ~~district's foundation allowance for the immediately preceding state~~  
23 ~~fiscal year plus the dollar amount of the adjustment from the~~  
24 ~~immediately preceding state fiscal year to the current state fiscal~~  
25 ~~year made in the basic foundation allowance pursuant to the index under~~  
26 ~~subsection (2).~~

27 ~~(c)~~ (B) For a district that had combined state and local revenue  
28 per membership pupil in the 1994-95 state fiscal year of ~~\$6,500.00 or~~  
29 ~~more~~ AT LEAST THE BASIC FOUNDATION ALLOWANCE, the district shall  
30 receive a foundation allowance in an amount equal to the sum of the

1 district's foundation allowance for the immediately preceding state  
2 fiscal year plus the dollar amount of the adjustment from the  
3 immediately preceding state fiscal year to the current state fiscal  
4 year in the basic foundation allowance pursuant to the index under  
5 subsection (2).

6 ~~(6)~~ (4) ~~Subject to subsection (7), to~~ TO ensure that a district  
7 receives the district's foundation allowance, there is allocated to  
8 each district a state portion of the district's foundation allowance in  
9 an amount calculated under this subsection. The state portion of a  
10 district's foundation allowance is an amount equal to the district's  
11 foundation allowance or \$6,500.00, whichever is less, minus the  
12 difference between the product of the ~~state equalized valuation~~ TAXABLE  
13 VALUE per membership pupil of all property in the district that is not  
14 a homestead or qualified agricultural property times the lesser of 18  
15 mills or the number of mills of school operating taxes levied by the  
16 district in 1993-94 AND MINUS THE PORTION OF SCHOOL OPERATING TAXES  
17 LEVIED ON PROPERTY GRANTED AN EXEMPTION UNDER SECTION 7CC(14) OF THE  
18 GENERAL PROPERTY TAX ACT, ACT NO. 206 OF THE PUBLIC ACTS OF 1893, BEING  
19 SECTION 211.7CC(14) OF THE MICHIGAN COMPILED LAWS, IN EXCESS OF THE  
20 SCHOOL OPERATING TAXES THAT WOULD HAVE BEEN LEVIED ON THE PROPERTY HAD  
21 IT BEEN GRANTED A 1994 EXEMPTION UNDER SECTION 7CC(1) OF THE GENERAL  
22 PROPERTY TAX ACT, and the quotient of the ad valorem property tax  
23 revenue of the district captured under Act No. 197 of the Public Acts  
24 of 1975, being sections 125.1651 to 125.1681 of the Michigan Compiled  
25 Laws, the tax increment finance authority act, Act No. 450 of the  
26 Public Acts of 1980, being sections 125.1801 to 125.1830 of the  
27 Michigan Compiled Laws, or the local development financing act, Act No.  
28 281 of the Public Acts of 1986, being sections 125.2151 to 125.2174 of  
29 the Michigan Compiled Laws, divided by the district's membership. For a  
30 district that has a millage reduction required under section 31 of

1 article IX of the state constitution of 1963, the state portion of the  
2 district's foundation allowance shall be calculated as if that  
3 reduction did not occur. FOR 1995-96 AND EACH SUCCEEDING FISCAL YEAR,  
4 THE \$6,500.00 AMOUNT PRESCRIBED IN THIS SUBSECTION SHALL BE ADJUSTED BY  
5 AN AMOUNT EQUAL TO THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE  
6 IMMEDIATELY PRECEDING STATE FISCAL YEAR TO THE CURRENT STATE FISCAL  
7 YEAR IN THE BASIC FOUNDATION ALLOWANCE PURSUANT TO THE INDEX UNDER  
8 SUBSECTION (2).

9 ~~(7) Beginning in 1995-96, if a district's combined state and local~~  
10 ~~revenue per membership pupil is greater than twice the basic foundation~~  
11 ~~allowance for the current state fiscal year, as adjusted under~~  
12 ~~subsection (2), the payment of the state portion of the district's~~  
13 ~~foundation allowance, as calculated under subsection (6), shall be~~  
14 ~~reduced by 1/2 of the dollar amount by which the ratio of the~~  
15 ~~district's foundation allowance to the basic foundation allowance in a~~  
16 ~~fiscal year exceeds that same ratio in the 1994-95 fiscal year.~~

17 ~~(8)~~ (5) (A) The indices to be computed under this section for each  
18 state fiscal year shall be a topic of each revenue estimating  
19 conference conducted under section 367b of the management and budget  
20 act, Act No. 431 of the Public Acts of 1984, being section 18.1367b of  
21 the Michigan Compiled Laws. If a revenue estimating conference fails to  
22 reach a consensus on the estimate of an index, the state treasurer  
23 shall compute an estimated index and certify it to the director of the  
24 department of management and budget and the superintendent of public  
25 instruction.

26 (B) THE INDEX ESTIMATED AT THE LAST REVENUE ESTIMATING CONFERENCE  
27 HELD PRIOR TO JUNE 30 OF EACH FISCAL YEAR, OR CALCULATED BY THE STATE  
28 TREASURER IF THE REVENUE ESTIMATING CONFERENCE FAILS TO REACH A  
29 CONSENSUS ON THE ESTIMATE OF AN INDEX, SHALL BE THE INDEX FOR THE  
30 CURRENT FISCAL YEAR. The state treasurer also shall compute a final

1 index for each fiscal year, based upon available data, and certify the  
 2 final index to the director of the department of management and budget  
 3 and the superintendent of public instruction not later than 120 days  
 4 following the end of that fiscal year. ~~If the final certified index for~~  
 5 ~~a fiscal year differs from the estimated index used in the adoption of~~  
 6 ~~the state budget for the fiscal year and used during the fiscal year as~~  
 7 ~~the basis for making payments under this act, the department shall make~~  
 8 ~~any necessary payment adjustments to reflect the final certified index.~~  
 9 THE FINAL CERTIFIED INDEX SHALL BE THE INDEX USED FOR DETERMINING THE  
 10 BASIC FOUNDATION ALLOWANCE FOR THE PRIOR FISCAL YEAR IN THE CALCULATION  
 11 OF INDICES FOR THE SUCCEEDING FISCAL YEAR.

12 ~~(9) (6) Except as otherwise provided in this subsection, for a~~  
 13 ~~pupil in membership in a district other than the pupil's district of~~  
 14 ~~residence, the~~ THE allocation under this section shall be based on the  
 15 ~~lesser of the foundation allowance of the district of residence. or the~~  
 16 ~~foundation allowance of the district of enrollment.~~

17 ~~(10) (7) (A) Subject to subsection (11) (8), for pupils in membership~~  
 18 ~~in a public school academy or in membership in an instructional program~~  
 19 ~~operated by a public university under section 23 that is funded under~~  
 20 ~~this act as a district, there is allocated under this section for~~  
 21 ~~1994-95~~ 1995-96 to the authorizing body that is the fiscal agent for a  
 22 public school academy for forwarding to the public school academy, ~~or~~  
 23 ~~to the board of the public university operating the instructional~~  
 24 ~~program,~~ an amount per membership pupil in the public school academy ~~or~~  
 25 ~~instructional program~~ equal to the sum of the local school operating  
 26 revenue per membership pupil for the district in which the public  
 27 school academy ~~or instructional program~~ is located and the state  
 28 portion of that district's foundation allowance, or \$5,500.00,  
 29 whichever is less. For 1995-96 and each succeeding fiscal year, the  
 30 \$5,500.00 amount prescribed in this subsection shall be adjusted by an

1 amount equal to the dollar amount of the adjustment from the  
2 immediately preceding state fiscal year to the current state fiscal  
3 year in the basic foundation allowance pursuant to the index under  
4 subsection (2), ~~as determined by the department of treasury.~~

5 (B) NOTWITHSTANDING SECTION 101(2), FOR A PUBLIC SCHOOL ACADEMY  
6 THAT BEGINS OPERATIONS IN 1995-96 AFTER THE PUPIL MEMBERSHIP COUNT DAY,  
7 THE AMOUNT PER MEMBERSHIP PUPIL CALCULATED IN SUBSECTION (A) SHALL BE  
8 ADJUSTED BY MULTIPLYING THE AMOUNT PER MEMBERSHIP PUPIL CALCULATED IN  
9 SUBSECTION (A) BY THE NUMBER OF HOURS OF PUPIL INSTRUCTION PROVIDED BY  
10 THE PUBLIC SCHOOL ACADEMY AFTER IT BEGINS OPERATIONS, AS DETERMINED BY  
11 THE DEPARTMENT, DIVIDED BY 990. THE RESULT OF THIS CALCULATION SHALL  
12 NOT EXCEED THE AMOUNT PER MEMBERSHIP PUPIL CALCULATED IN SUBSECTION  
13 (A).

14 ~~(11)~~ (8) If more than 25% of the pupils residing within a district  
15 are in membership in a public school academy located in the district,  
16 then the amount per membership pupil allocated under this section to  
17 the authorizing body that is the fiscal agent for a public school  
18 academy located in the district for forwarding to the public school  
19 academy shall be reduced by an amount equal to the local school  
20 operating revenue per membership pupil in the school fiscal year ending  
21 in the current state fiscal year, calculated as if the resident pupils  
22 in membership in a public school academy located in the district were  
23 in membership in the district. In order to receive state school aid  
24 under this act, a district described in this subsection shall pay to  
25 the authorizing body that is the fiscal agent for a public school  
26 academy located in the district for forwarding to the public school  
27 academy an amount equal to that local school operating revenue per  
28 membership pupil for each resident pupil in membership in the public  
29 school academy, as determined by the department.

30 ~~(12)~~ (9) ~~If a district had combined state and local revenue per~~



~~membership pupil in the 1994-95 state fiscal year of more than~~  
~~\$6,500.00, the district may reduce the number of mills from which a~~  
~~homestead and qualified agricultural property are exempt and levy~~  
~~school operating taxes on a homestead and qualified agricultural~~  
~~property as provided in section 1211 of the school code of 1976, being~~  
~~section 380.1211 of the Michigan Compiled Laws. However, if the~~ IF A  
 district does not receive a payment under subsection ~~(13)~~(10) and, if  
 the number of mills a district described in this subsection may levy on  
 a homestead and qualified agricultural property AS PROVIDED IN SECTION  
 1211(1) OF THE SCHOOL CODE OF 1976, BEING SECTION 380.1211(1) OF THE  
 MICHIGAN COMPILED LAWS, PLUS THE NUMBER OF MILLS A DISTRICT DESCRIBED  
 IN THIS SUBSECTION MAY LEVY ON ALL PROPERTY AS PROVIDED IN SECTION  
 1211(2) OF THE SCHOOL CODE OF 1976, BEING SECTION 380.1211(2) OF THE  
 MICHIGAN COMPILED LAWS, is 0.5 mills or less, and if the district  
 elects not to levy those mills, the district instead shall receive a  
 separate supplemental payment under this subsection in an amount equal  
 to the amount the district would have received had it levied those  
 mills, as determined by the department of treasury. A district shall  
 not receive a separate supplemental payment under this subsection for a  
 fiscal year unless in the calendar year ending in the fiscal year the  
 district levies 18 mills or the number of mills of school operating  
 taxes levied by the district in 1993, whichever is less, on property  
 that is not a homestead or qualified agricultural property.

~~(13)~~ (10) For a district that had combined state and local revenue  
 per membership pupil in the 1993-94 state fiscal year of more than  
 \$6,500.00 and that had fewer than 350 pupils in membership, if the  
 district elects not to reduce the number of mills from which a  
 homestead and qualified agricultural property are exempt and not to  
 levy school operating taxes on a homestead and qualified agricultural  
 property as provided in section 1211(1) of the school code of 1976, AND

1 NOT TO LEVY SCHOOL OPERATING TAXES ON ALL PROPERTY AS PROVIDED IN  
2 SECTION 1211(2) OF THE SCHOOL CODE OF 1976, there is allocated under  
3 this subsection for 1994-95 and each succeeding fiscal year a separate  
4 supplemental payment in an amount equal to the amount the district  
5 would have received per membership pupil had it levied school operating  
6 taxes on a homestead and qualified agricultural property at the rate  
7 authorized for the district under section 1211 of the school code of  
8 1976, AND HAD IT LEVIED SCHOOL OPERATING TAXES ON ALL PROPERTY AT THE  
9 RATE AUTHORIZED FOR THE DISTRICT UNDER SECTION 1211(2) OF THE SCHOOL  
10 CODE OF 1976, as determined by the department of treasury. A district  
11 shall not receive a separate supplemental payment under this subsection  
12 for a fiscal year unless in the calendar year ending in the fiscal year  
13 the district levies 18 mills or the number of mills of school operating  
14 taxes levied by the district in 1993, whichever is less, on property  
15 that is not a homestead or qualified agricultural property.

16 ~~(14)~~ (11) A district or public school academy may use any funds  
17 allocated under this section in conjunction with any federal funds for  
18 which the district or public school academy otherwise would be  
19 eligible.

20 ~~(15) The legislature shall continue to work toward greater equity~~  
21 ~~among districts' foundation allowances.~~

22 ~~(16) For the purposes of calculating the amount of a district's~~  
23 ~~foundation allowance for 1994-95 under this section, if a district's~~  
24 ~~combined state and local revenue per membership pupil in the 1992-93~~  
25 ~~state fiscal year was greater than the district's combined state and~~  
26 ~~local revenue per membership pupil in the 1993-94 state fiscal year,~~  
27 ~~the amount of the district's combined state and local revenue per~~  
28 ~~membership pupil in the 1993-94 state fiscal year shall be considered~~  
29 ~~to be an amount equal to 1/2 of the sum of the district's combined~~  
30 ~~state and local revenue per membership pupil in the 1993-94 state~~

~~fiscal year plus the district's combined state and local revenue per membership pupil in the 1992-93 state fiscal year. In order to calculate a district's combined state and local revenue per membership pupil in the 1992-93 state fiscal year, all references in subsection (21) to "1993-94" shall be considered to read "1992-93" and all references in subsection (21) to an August payment for a particular year shall be considered to be the August payment for the immediately preceding year but the definition of membership to be used is the definition of membership in effect for 1993-94 under section 6.~~

~~(17)~~ (12) For a district that is formed or reconfigured after June 1, 1994 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 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 who reside in the geographic area of each of the original districts. If an affected district's foundation allowance is less than the basic foundation allowance, as adjusted under subsection (2), the amount of that district's foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the basic foundation allowance.

~~(20)~~ (13) All fractions used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in a foundation allowance shall be rounded to the nearest whole dollar.

~~(21)~~ (14) As used in this section:

(a) ~~"Combined "TOTAL state and local PER PUPIL revenue per membership pupil";~~ FOR SCHOOL OPERATING PURPOSES" AND "COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL" ~~except as provided in this~~

~~subsection, means the aggregate of the district's state school aid received by or paid on behalf of the district under this section, except for payments received because of an adjustment in the district's state school aid for a prior fiscal year, and the district's local school operating revenue, divided by the district's membership. For the purpose of calculating a district's combined state and local revenue per membership pupil in the 1994-95 state fiscal year only, combined state and local revenue per membership pupil does not include the payment received by the district under section 20c. For the purpose of calculating a district's combined state and local revenue per membership pupil in the 1993-94 state fiscal year only, combined state and local revenue per membership pupil means the aggregate of the following, divided by the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the 1993-94 pupil membership count day, as determined by the department using the unaudited count completed by the department not later than 60 days after the pupil membership count day or the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board, and as corrected by a subsequent department audit.~~

~~— (i) Total state school aid received by or paid on behalf of the district pursuant to this act in 1993-94, including the amount of a district's August 1994 payment delayed under section 17b and excluding payments received because of an adjustment in the district's state school aid for a prior fiscal year and all of the following received by the district for 1993-94:~~

~~— (A) Money received by the district under section 17b for restoring the delayed August 1993 payment.~~

~~— (B) Early childhood grants under section 36.~~

~~— (C) All special education payments under article 5.~~

~~(D) Special education transportation under former section 71, as calculated under former section 72.~~

~~(E) Federal impact aid adjustments under former section 21(3).~~

~~(F) Economic development job training grant payments under section 107a.~~

~~(G) Edge program payments under section 107b.~~

~~(H) Adult literacy grant payments under former section 107c.~~

~~(I) Adult education categorical payments under former section 107d.~~

~~(J) Payments under former section 28 to a district in which a federal military air base closed.~~

~~(K) Bilingual education payments under section 41.~~

~~(L) Payments for court placed pupils under section 24(2).~~

~~(M) Payments for grants under former section 98a.~~

~~(N) Mathematics and science center payments under section 99.~~

~~(O) Repayments attributable to the repeal of part 7a of the school code of 1976.~~

~~(P) Payments under section 145 for costs of court-ordered desegregation.~~

~~(Q) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of less than \$6,500.00 and that received payments under former section 27 in 1993-94, an amount equal to compensatory education payments under former section 31. For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of less than \$6,500.00 and that did not receive any payments under former section 27 in 1993-94, an amount equal to 40% of compensatory education payments under former section 31.~~

~~(R) Professional development payments under former section 98.~~

~~(S) Payments under former section 11a(6).~~

~~(T) For a district that had a deduction in 1993-94 under former section 21(5) that was greater than the district's deduction in 1992-93 under former section 21(5), an amount equal to 50% of the increase in the district's deduction from 1992-93 to 1993-94 under former section 21(5).~~

~~(U) Payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under article 5.~~

~~(V) Adjustments under sections 101 and 164.~~

~~(W) An amount equal to 50% of payments under former section 47(3).~~

~~(X) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, vocational education payments under former section 61.~~

~~(ii) Local school operating revenue for 1993-94.~~

~~(iii) Eligible fund equity expenditures for 1993-94.~~

~~(iv) The amount of transportation funding under article 7 paid to an intermediate district that is attributable to transportation services provided in 1993-94 by the intermediate district for the district's pupils within the district, based on a report submitted not later than May 15, 1994 to the department of treasury by the intermediate district detailing the number of pupils within each district for whom the intermediate district provided those transportation services.~~

~~(v) An amount equal to 50% of the amount of funding under former section 47(3) for gifted and talented programs paid to an intermediate~~

~~district that is attributable to services provided in 1993-94 by the intermediate district for the district's pupils within the district, based on a report submitted not later than May 27, 1994 to the department of treasury by the intermediate district detailing the number of pupils within each district for whom the intermediate district provided those services. However, the amount included under this subparagraph for a district shall be reduced by a percentage equal to the percentage of the district's deduction, if any, under former section 21(5) for 1993-94.~~

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

~~(c) "Eligible fund equity expenditures for 1993-94" means an amount, calculated by the department of treasury, equal to the district's budgeted expenditures from the district's fund equity for 1993-94, as provided for in the district's official board adopted budget as of December 31, 1993 and reported to the department of treasury not later than May 27, 1994, and as adjusted not later than June 6, 1994, prorated on an equal percentage basis so that the total statewide amount of eligible fund equity expenditures for 1993-94 does not exceed \$30,000,000.00.~~

~~(d)~~ (C) "Homestead" means that term as defined in section 1211 of the school code of 1976, being section 380.1211 of the Michigan Compiled Laws.

~~(e)~~ (D) "Immediately preceding state fiscal year" means the state fiscal year immediately preceding the current state fiscal year.

~~(f)~~ (E) "Local school operating revenue" means, ~~subject to subdivision (a),~~ school operating taxes levied under section 1211 of the school code of 1976. ~~For calculating a district's local school operating revenue for 1993-94, local school operating revenue includes~~

1 ~~school operating taxes for the 1993-94 school fiscal year, but does not~~  
2 ~~include a district's revenue from money received by the district in the~~  
3 ~~1993-94 school fiscal year from federal impact aid under section~~  
4 ~~3(c)(1) of title I of chapter 1124, 64 Stat. 1100, 20 U.S.C. 238, from~~  
5 ~~federal payments in lieu of taxes, or from penalties and interest on~~  
6 ~~delinquent property and specific taxes. For calculating a district's~~  
7 ~~local school operating revenue for 1993-94 only, local school operating~~  
8 ~~revenue includes all of the following specific tax revenue levied and~~  
9 ~~retained by the district for school operating purposes for the 1993-94~~  
10 ~~school fiscal year that was reported to the department of treasury not~~  
11 ~~later than February 1, 1994, as corrected by subsequent department of~~  
12 ~~treasury audit, prorated so that the total statewide amount of the~~  
13 ~~following specific tax revenue included in local school operating~~  
14 ~~revenue does not exceed \$85,000,000.00:~~

15 ~~— (i) Industrial facilities tax levied under section 11 of Act No.~~  
16 ~~198 of the Public Acts of 1974, being section 207.561 of the Michigan~~  
17 ~~Compiled Laws, and retained by the district.~~

18 ~~— (ii) Commercial facilities tax levied under section 12 of the~~  
19 ~~commercial redevelopment act, Act No. 255 of the Public Acts of 1978,~~  
20 ~~being section 207.662 of the Michigan Compiled Laws, and retained by~~  
21 ~~the district.~~

22 ~~— (iii) Commercial forest specific tax described in section 7a of Act~~  
23 ~~No. 94 of the Public Acts of 1925, being section 320.307a of the~~  
24 ~~Michigan Compiled Laws, retained by the district.~~

25 ~~— (iv) Technology park facilities tax levied under section 12 of the~~  
26 ~~technology park development act, Act No. 385 of the Public Acts of~~  
27 ~~1984, being section 207.712 of the Michigan Compiled Laws, and retained~~  
28 ~~by the district.~~

29 ~~— (v) Enterprise zone facilities tax levied under section 21 of the~~



1 ~~enterprise zone act, Act No. 224 of the Public Acts of 1985, being~~  
2 ~~section 125.2121 of the Michigan Compiled Laws, and retained by the~~  
3 ~~district.~~

4 ~~—— (vi) Neighborhood enterprise zone tax levied under section 9 of the~~  
5 ~~neighborhood enterprise zone act, Act No. 147 of the Public Acts of~~  
6 ~~1992, being section 207.779 of the Michigan Compiled Laws, and retained~~  
7 ~~by the district.~~

8 ~~—— (vii) Commercial housing facilities tax levied pursuant to Act No.~~  
9 ~~438 of the Public Acts of 1976, being sections 207.601 to 207.615 of~~  
10 ~~the Michigan Compiled Laws, and retained by the district.~~

11 ~~—— (viii) The specific tax relating to trailer coach parks levied~~  
12 ~~under section 41 of Act No. 243 of the Public Acts of 1959, being~~  
13 ~~section 125.1041 of the Michigan Compiled Laws, and retained by the~~  
14 ~~district.~~

15 ~~—— (ix) Revenue received by the district from fees or taxes on private~~  
16 ~~forest preserves pursuant to section 11 of Act No. 86 of the Public~~  
17 ~~Acts of 1917, being section 320.281 of the Michigan Compiled Laws.~~

18 ~~—— (x) Specific tax on low grade iron ore levied under Act No. 77 of~~  
19 ~~the Public Acts of 1951, being sections 211.621 to 211.626 of the~~  
20 ~~Michigan Compiled Laws, and retained by the district.~~

21 ~~—— (xi) Revenue received by the district from state payments in lieu~~  
22 ~~of taxes under section 1 of Act No. 116 of the Public Acts of 1917,~~  
23 ~~being section 211.581 of the Michigan Compiled Laws.~~

24 ~~—— (xii) Revenue received by the district from state payments in lieu~~  
25 ~~of taxes under section 7d of the general property tax act, Act No. 206~~  
26 ~~of the Public Acts of 1893, being section 211.7d of the Michigan~~  
27 ~~Compiled Laws.~~

28 ~~—— (xiii) Revenue received by the district from payments in lieu of~~  
29 ~~taxes under section 15a of the state housing development authority act~~

1 ~~of 1966, Act No. 346 of the Public Acts of 1966, being section~~  
2 ~~125.1415a of the Michigan Compiled Laws.~~

3 ~~(g)~~ (F) "Local school operating revenue per membership pupil" means  
4 a district's local school operating revenue divided by the district's  
5 membership.

6 ~~(h)~~ (G) "Membership" means, ~~except as otherwise provided in~~  
7 ~~subdivision (a),~~ the definition of that term under section 6(4) as in  
8 effect for the particular fiscal year for which a particular  
9 calculation is made.

10 ~~(i)~~ (H) "Qualified agricultural property" means that term as  
11 defined in section 1211 of the school code of 1976.

12 ~~(j)~~ (I) "School operating purposes" means the purposes included in  
13 the operation costs of the district as prescribed in section 7 AND  
14 SECTION 18.

15 ~~(k)~~ (J) "School operating taxes" means local ad valorem property  
16 taxes levied UNDER SECTION 1211 OF THE SCHOOL CODE OF 1976 and retained  
17 for school operating purposes. ~~For determining a district's school~~  
18 ~~operating taxes for 1993-94, school operating taxes does not include~~  
19 ~~any of the following:~~

20 ~~(i) The number of mills of property tax levied in 1993 by a~~  
21 ~~district for payment of principal or interest on notes or bonds issued~~  
22 ~~to fund an operating deficit pursuant to section 1356 of the school~~  
23 ~~code of 1976, being section 380.1356 of the Michigan Compiled Laws.~~

24 ~~(ii) The number of mills of property taxes levied in 1993 by a~~  
25 ~~district for operating a community college under part 25 of the school~~  
26 ~~code of 1976, being sections 380.1601 to 380.1607 of the Michigan~~  
27 ~~Compiled Laws, as reported by the district to the department for the~~  
28 ~~purpose of compiling the activity classification structure data under~~  
29 ~~section 204 of Act No. 163 of the Public Acts of 1993.~~

~~(iii) The number of mills of property taxes levied in 1993 by a district that is a school district of the first class that are attributable to payments by the district to a public library commission pursuant to section 11(d) of the property tax limitation act, Act No. 62 of the Public Acts of 1933, being section 211.211 of the Michigan Compiled Laws.~~

~~(iv) The number of mills of property taxes levied in 1993 by a district for the operation of a library established pursuant to Act No. 261 of the Public Acts of 1913, being sections 397.261 to 397.262 of the Michigan Compiled Laws, or levied in 1993 by a district for operation of a library under section 260 or 1451 of the school code of 1976, being sections 380.260 and 380.1451 of the Michigan Compiled Laws, that were not included in the operating millage reported by the district to the department as of April 1, 1993. However, a district may report to the department not later than April 1, 1994 the number of mills the district levied in 1993 for a purpose described in this subparagraph that the district does not want considered as operating millage and then that number of mills is excluded from school operating taxes for the purposes of this section but that exclusion shall not affect a district's 1993-94 allocation under this act.~~

~~(v) The number of mills of property taxes levied in 1993 by a district under section 1212 of the school code of 1976, being section 380.1212 of the Michigan Compiled Laws.~~

~~(vi) The number of mills levied in 1993 for operation of a community swimming pool for which the district had separate approval of the school electors before 1994. If a district included the millage it levied in 1993 for operation of a community swimming pool as part of its operating millage reported to the department for 1993, the district may report to the department not later than June 16, 1994 the number of mills it levied in 1993 for operation of a community swimming pool that~~

~~the district does not want considered as operating millage and then that number of mills is excluded from school operating taxes for the purposes of this section. Exclusion of millage under this subparagraph shall not affect a district's 1993-94 allocation under this act.~~

~~(i)~~ (K) "State equalized valuation TAXABLE VALUE per membership pupil" means ~~state equalized valuation TAXABLE VALUE~~, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district's membership for the school year ending in the current state fiscal year.

Sec. 20c. (1) From the appropriation in section 11, there is allocated for ~~1994-95~~ 1995-96 only an amount not to exceed ~~\$600,000,000.00~~ \$400,000,000.00 for making an additional payment to districts for ~~1994-95~~ 1995-96 only. The payment shall be made by the state treasurer in 2 equal installments on August 20, ~~1995~~ 1996, and on September 20, ~~1995~~ 1996, or on the next succeeding business day.

(2) The amount of the payment to a district under this section shall be calculated by dividing ~~\$600,000,000.00~~ \$400,000,000.00 by the total statewide membership of all districts and multiplying that quotient times the district's membership.

(3) The payments under this section are estimated advance payments of the state foundation allowance and supplemental payments under section 20 for the state fiscal year ending September 30, ~~1996~~ 1997. A district shall not accrue a payment under this section to the school fiscal year ending June 30, ~~1995~~ 1996.

Sec. 20d. In making the final determination required under FORMER section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and under section 20 of a district's 1994-95 millage rate, the department and the department of treasury shall comply with all of the following:

1 (a) The department and the department of treasury shall not  
2 consider, and shall not make any adjustment under section 121 to the  
3 valuation of a district because of, any state tax tribunal decision or  
4 order or court decision or order issued after the June 20, 1994  
5 certification date under FORMER section 20a unless the court decision  
6 or order modifies a state tax tribunal decision or order issued before  
7 June 20, 1994 that was included in making the determination of the  
8 district's combined state and local revenue per membership pupil in  
9 1994 under FORMER section 20a.

10 (b) The department and the department of treasury shall not  
11 consider, and shall not make any other adjustment TO A DISTRICT'S  
12 COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL IN 1993-94  
13 because of, any information submitted or audits completed after April  
14 30, 1995.

15 (C) THE DEPARTMENT OF TREASURY SHALL MAKE A FINAL CERTIFICATION OF  
16 THE NUMBER OF MILLS WHICH MAY BE LEVIED BY A SCHOOL DISTRICT IN 1994,  
17 PURSUANT TO SECTION 1211 OF THE SCHOOL CODE, BEING SECTION 380.1211 OF  
18 THE MICHIGAN COMPILED LAWS, NO LATER THAN THE FOURTH FRIDAY IN MAY,  
19 1995.

20 Sec. 21b. (1) Subject to subsection (2), a district shall use funds  
21 allocated under this act to support the attendance of a district pupil  
22 at a public or private degree-granting postsecondary institution that  
23 is located in this state or that is a party to a reciprocal agreement  
24 approved by the state board with a public or private degree-granting  
25 postsecondary institution located in this state, if all of the  
26 following conditions are met:

27 (a) The pupil has earned sufficient credits so that he or she is in  
28 at least grade ~~12~~ 10 and has qualified for a state endorsement in all  
29 of the subject areas specified in section 104a, but he or she has not  
30 yet completed all local graduation requirements.

1 (b) The pupil is enrolled in the district and is also enrolled in  
2 the postsecondary institution during the district's regular academic  
3 year.

4 ~~(2) A district shall pay tuition and fees under this section only~~  
5 ~~for a course that is not offered by the district and is an academic~~  
6 ~~course not ordinarily taken as an activity course.~~ AN ELIGIBLE PUPIL  
7 MAY ENROLL IN ANY COURSE AT A POSTSECONDARY INSTITUTION LEADING TO A  
8 POSTSECONDARY DEGREE OR CERTIFICATE. CREDITS EARNED BY A PUPIL DUALY  
9 ENROLLED AT A POSTSECONDARY INSTITUTION SHALL BE APPLIED BY THAT  
10 POSTSECONDARY INSTITUTION TOWARD COMPLETION OF THE APPROPRIATE DEGREE  
11 OR CERTIFICATE AND SHALL BE APPLIED BY THE DISTRICT TOWARD LOCAL  
12 GRADUATION REQUIREMENTS WHERE APPROPRIATE.

13 (3) Not later than ~~August~~ JUNE 15 of each year, a district shall  
14 provide to each pupil who ~~will be in grade 12 in the upcoming school~~  
15 ~~year~~ IS ELIGIBLE UNDER THIS SECTION a letter describing the conditions  
16 under which a pupil is eligible for tuition and fee support under the  
17 criteria specified in this section. Upon request by an eligible pupil  
18 or his or her parent or guardian, the district shall provide to the  
19 eligible pupil a letter signed by the pupil's principal indicating the  
20 pupil's eligibility.

21 (4) If the pupil provides the postsecondary institution with  
22 written proof of eligibility for tuition and fee support from the  
23 district, a postsecondary institution enrolling a pupil described in  
24 this section shall transmit to the district a bill detailing the  
25 tuition and fees for the dual-enrollment course of the dually-enrolled  
26 pupil. The district shall cause to be paid to the postsecondary  
27 institution on behalf of the pupil an amount not to exceed the lesser  
28 of the actual charge for tuition and fees or the sum of the district's  
29 local school operating revenue per membership pupil and the state  
30 portion of the district's foundation allowance under section 20,

adjusted for the proportion of the school year that the pupil attends the postsecondary institution. The pupil is responsible for payment of the remainder of the tuition and fees associated with his or her dual enrollment. As used in this subsection, "local school operating revenue per membership pupil" means that term as defined in section 20.

(5) Upon completion of the district's high school graduation requirements, a pupil is no longer eligible for tuition and fee support under this section.

(6) If a dually-enrolled pupil does not complete the postsecondary course, the postsecondary institution shall forward to the district any funds that are refundable due to noncompletion of the course.

~~(7) Each intermediate district shall collect from its constituent districts and provide to the department, at the same time as it submits the annual comprehensive financial report required under section 19(3), a report on the dollars expended for dually-enrolled pupils, the number of pupils eligible for dual enrollment, and the number of dually-enrolled pupils during the immediately preceding school year in each of its constituent districts. Not later than March 1 of each year, the department shall prepare and submit to the house and senate fiscal agencies and the department of management and budget a summary annual report based on the information received under this subsection.~~

~~(8)~~ (7) A district shall not restrict a pupil's attendance at a postsecondary institution described in subsection (1) based solely on whether or not the pupil is eligible for tuition and fee support under this section.

Sec. 21d. From the appropriation in section 11, there is allocated for ~~1994-95~~ 1995-96 an amount not to exceed \$100,000.00 for reorganization planning grants. Applications for reorganization planning grants shall be submitted to the department in the form and

1 manner prescribed by the department. A reorganization planning grant  
2 shall not exceed \$15,000.00.

3 Sec. 24. ~~(1) Subject to subsection (3), a pupil under court~~  
4 ~~jurisdiction who is placed in a private home or in a private or public~~  
5 ~~institution located outside the district in which the pupil's parents~~  
6 ~~or legal guardians reside, or an intermediate school district operating~~  
7 ~~a program in a home operated by the juvenile division of the probate~~  
8 ~~court under section 628 of the school code of 1976, being section~~  
9 ~~380.628 of the Michigan Compiled Laws, or by a county board of~~  
10 ~~commissioners under an agreement with the probate court that has a term~~  
11 ~~of at least 1 year and is unilaterally revocable by the probate court~~  
12 ~~may be counted as a resident of the district or intermediate district~~  
13 ~~of attendance if other than the district in which the pupil's parents~~  
14 ~~or legal guardian resides. The pupil shall be counted in membership by~~  
15 ~~the district or intermediate district of attendance. The total~~  
16 ~~full-time equated number of these pupils shall be computed by adding~~  
17 ~~the membership days attended by the pupils in the district or~~  
18 ~~intermediate district and dividing the total by the number of days in~~  
19 ~~the school year of the district or intermediate district. The number~~  
20 ~~thus obtained shall be certified by the district to the department,~~  
21 ~~which shall adjust the total membership of the district or intermediate~~  
22 ~~district accordingly in determining the school aid to be paid during~~  
23 ~~the fiscal year.~~

24 ~~(2)~~ (1) Subject to subsection ~~(3)~~ (2), ~~a pupil~~ THERE IS AN  
25 ALLOCATION FOR 100% OF THE ADDED COST FOR EDUCATING PUPILS under court  
26 jurisdiction ~~who is placed in a juvenile detention facility or child~~  
27 ~~caring institution licensed by the state department of social services~~  
28 ~~and approved by the department to provide an on-grounds education~~  
29 ~~program. may be counted in membership in the district or intermediate~~  
30 ~~district providing the instruction to the pupil. The pupil shall be~~



~~counted as 1-1/2 memberships. The total full-time equated number of~~  
~~pupils counted under this subsection shall be computed by adding the~~  
~~membership days attended by the pupils in the district or intermediate~~  
~~district and dividing the total by the number of days in the school~~  
~~year of the district or intermediate district. The number thus obtained~~  
~~shall be certified by the district providing the instruction to the~~  
~~department, which shall adjust the total membership of the district~~  
~~accordingly in determining the school aid to be paid during the fiscal~~  
~~year. The total amount to be paid for 1994-95 1995-96 for additional~~  
~~membership ADDED COST under this subsection shall not exceed~~  
~~\$5,800,000.00 \$7,000,000.00, and the department shall prorate the~~  
~~memberships accordingly. FOR THE PURPOSES OF THIS SECTION, "ADDED COST"~~  
~~SHALL BE COMPUTED BY DEDUCTING ALL REVENUE RECEIVED UNDER THIS ACT AND~~  
~~ALL APPLICABLE FEDERAL FUNDS FROM TOTAL COSTS AS APPROVED BY THE~~  
~~DEPARTMENT FOR THE ON-GROUNDS EDUCATIONAL PROGRAM.~~

~~(3) (2) Special education pupils funded under section 53 shall not~~  
~~be counted FUNDED under this section.~~

Sec. 31a. (1) From the appropriation in section 11, there is  
 allocated for ~~1994-95~~ 1995-96 an amount not to exceed \$230,000,000.00  
 for payments to eligible applicant districts and eligible applicant  
 public school academies under this section. ~~For 1994-95 only, the~~  
~~amount of the additional allowance to eligible districts and eligible~~  
~~public school academies under this section shall be based on the number~~  
~~of individuals enrolled in educational programs in the district or~~  
~~public school academy, whether or not an individual is counted as a~~  
~~pupil, who meet the income eligibility criteria for free lunch, as~~  
~~determined under the national school lunch act, chapter 281, 60 Stat.~~  
~~230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, and~~  
~~1769 to 1769e, and reported to the department by October 31. Beginning~~  
~~in 1995-96, the~~ The amount of the additional allowance under this

1 section shall be based on the number of actual pupils in membership in  
 2 the district or public school academy who met ~~those criteria~~ THE INCOME  
 3 ELIGIBILITY CRITERIA FOR FREE LUNCH in the immediately preceding fiscal  
 4 year, as determined under the national school lunch act, CHAPTER 281,  
 5 60 STAT. 230, 42 U.S.C. 1751 TO 1753, 1755 TO 1761, 1762A, 1765 TO  
 6 1766A, AND 1769 TO 1769E, and reported to the department by October 31  
 7 of the current fiscal year.

8 (2) To be eligible to receive funding under this section, a  
 9 district OR PUBLIC SCHOOL ACADEMY shall apply to the department, in a  
 10 form and manner prescribed by the department, and the district OR  
 11 PUBLIC SCHOOL ACADEMY must meet all of the following:

12 (a) The district's OR PUBLIC SCHOOL ACADEMY'S combined state and  
 13 local revenue per membership pupil in the 1995-96 state fiscal year, as  
 14 calculated under section 20, is less than \$6,500.00, AS ADJUSTED BY THE  
 15 INDEX CALCULATED PURSUANT TO SECTION 20(2).

16 (b) The district OR PUBLIC SCHOOL ACADEMY agrees to use the funding  
 17 only for purposes allowed under this section and to comply with the  
 18 program and accountability requirements under this section.

19 ~~(3) To be eligible to receive funding under this section, a public~~  
 20 ~~school academy shall apply to the department, in a form and manner~~  
 21 ~~prescribed by the department, and shall agree to use the funding only~~  
 22 ~~for purposes allowed under this section and to comply with the program~~  
 23 ~~and accountability requirements under this section.~~

24 ~~(4)~~ (3) An eligible district or eligible public school academy  
 25 shall receive under this section for each membership pupil in the  
 26 district or public school academy who meets the income eligibility  
 27 criteria for free lunch, as determined under the national school lunch  
 28 act and as reported to the department by October 31 and adjusted not  
 29 later than December 31, an amount per pupil equal to ~~11.5%~~ 11% of the

district's foundation allowance or of the public school academy's per membership pupil allocation under section 20~~(10)~~ for the current state fiscal year. ~~However, for 1994-95 only, an eligible district or eligible public school academy shall receive the amount specified under this subsection for each individual enrolled in an educational program in the district or public school academy, respectively, whether or not the individual is counted as a pupil, who meets those criteria. Until receipt of October 31, 1994~~ NATIONAL SCHOOL LUNCH ACT DATA FOR THE CURRENT FISCAL YEAR data, the department shall make estimated payments under this section using final adjusted data for ~~October 31, 1993~~ THE PRIOR FISCAL YEAR.

~~(5)~~ (4) Subject to subsections ~~(8)~~ (7) and ~~(9)~~ (8), a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils and for the purposes of subsection ~~(6)~~ (5) and shall not use any of that money for administrative costs or, ~~except as otherwise provided in this subsection,~~ to supplant funds, ~~except for funds received in 1993-94 under former section 27 or former section 31,~~ in excess of funds ALLOCATED TO A DISTRICT OR PUBLIC SCHOOL ACADEMY FROM THIS SECTION IN THE IMMEDIATELY PRECEDING FISCAL YEAR AND already being used by the district OR PUBLIC SCHOOL ACADEMY for at-risk pupils. ~~A district may use a percentage, determined by dividing the number of individuals for whom the district receives an allocation under subsection (4) by the district's membership, of the funds received under this section to replace sources of revenue dedicated to at-risk pupils in 1993-94. The~~ instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may be conducted using

1 a tutorial method, with paraprofessionals working under the supervision  
2 of a certificated teacher. The ratio of pupils to paraprofessionals  
3 shall be between 10:1 and 15:1. Only 1 certificated teacher is required  
4 to supervise instruction using a tutorial method.

5 (6) (5) A district or public school academy that receives funds  
6 under this section and that operates a school breakfast program under  
7 section 1272a of the school code of 1976, being section 380.1272a of  
8 the Michigan Compiled Laws, shall use from those funds an amount, not  
9 to exceed \$10.00 per pupil for whom the district or public school  
10 academy receives funds under this section, necessary to operate the  
11 school breakfast program.

12 ~~(7) A district or public school academy receiving funding under~~  
13 ~~this section shall provide accountability for the program by submitting~~  
14 ~~a report, not to exceed 10 pages, of the district's or public school~~  
15 ~~academy's expenditures under this section to the department. The report~~  
16 ~~shall specify the amount of funds received and expended under this~~  
17 ~~section, the amount of funds expended in 1993-94 for at-risk pupils,~~  
18 ~~the amount of funds received under this section expended by the~~  
19 ~~district or public school academy on migrant pupils, and the percentage~~  
20 ~~of the total amount of funds received under this section by the~~  
21 ~~district or public school academy that are expended by the district or~~  
22 ~~public school academy on migrant pupils.~~

23 (6) (A) IN ORDER TO PROVIDE ACCOUNTABILITY FOR THIS PROGRAM, THE  
24 SUPERINTENDENT OF A DISTRICT SHALL SUBMIT TO THE DEPARTMENT, IN A  
25 SUCCINCT FORM AND MANNER DETERMINED BY THE DEPARTMENT, A WRITTEN  
26 ASSURANCE OF COMPLIANCE WITH ALL PROVISIONS OF THIS SECTION BY MAY 20  
27 OF THE CURRENT FISCAL YEAR. FAILURE TO COMPLY WITH THIS SUBSECTION  
28 WILL RESULT IN THE WITHHOLDING OF AN AMOUNT EQUAL TO THE JUNE 20  
29 PAYMENT FOR THIS PROGRAM UNTIL THE GRANT RECIPIENT COMPLIES WITH THIS  
30 SUBSECTION. IF THE GRANT RECIPIENT DOES NOT COMPLY WITH THIS

1 SUBSECTION BY THE END OF THE STATE FISCAL YEAR, THE WITHHELD FUNDS  
2 SHALL BE FORFEITED TO THE SCHOOL AID FUND.

3 (B) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A GRANT RECIPIENT  
4 SHALL ALLOW ACCESS FOR THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE TO  
5 AUDIT ALL RECORDS RELATED TO THE PROGRAM FOR WHICH IT RECEIVES SUCH  
6 FUNDS. THE GRANT RECIPIENT SHALL REIMBURSE THE STATE FOR ALL  
7 DISALLOWANCES FOUND IN THE AUDIT.

8 ~~(8)~~ (7) Subject to subsection ~~(6)~~ (5), any district may use up to  
9 100% of the funds it receives under this section to reduce the ratio of  
10 pupils to teachers in grades K-6, or any combination of those grades,  
11 in school buildings in which the percentage of pupils described in  
12 subsection (1) exceeds the district's aggregate percentage of those  
13 pupils.

14 ~~(9)~~ (8) As a pilot project for a period of 3 fiscal years, a  
15 district that is located in a county with a population of more than  
16 350,000 and less than 480,000 and that has more than 10,000 pupils in  
17 membership shall expend funds received under this section, other than  
18 the amount described in subsection ~~(6)~~(5), attributable to pupils  
19 enrolled in grades K-3 for the purpose of reducing class size in grades  
20 K-3 in the district to an average of not more than 17 pupils per class,  
21 with not more than 19 pupils in any particular class, in each school  
22 building in the district in which pupils described in subsection (1)  
23 constitute a specified percentage of the total number of pupils in the  
24 building. That specified percentage is as follows:

25 (a) For the 1994-95 school year, 59%.

26 (b) For the 1995-96 school year, 50%.

27 (c) For the 1996-97 school year, 25%.

28 ~~(10)~~ (9) As used in this section, "at-risk pupil" means a pupil for  
29 whom the district has documentation that the pupil meets at least 2 of

1 the following criteria: is a victim of child abuse or neglect; is below  
2 grade level in English language and communication skills OR  
3 MATHEMATICS; is a pregnant teenager or teenage parent; ~~is eligible for~~  
4 ~~a federal free or reduced-price lunch subsidy~~; has atypical behavior or  
5 attendance patterns; or has a family history of school failure,  
6 incarceration, or substance abuse. For pupils for whom the results of  
7 at least the applicable MEAP test have been received, at-risk pupil  
8 also includes a pupil who does not meet the other criteria under this  
9 subsection but who has received less than category 2 on the most recent  
10 MEAP reading test for which results for the pupil have been received,  
11 less than 50% of the objectives on the most recent MEAP mathematics  
12 test for which results for the pupil have been received, or less than  
13 50% of the objectives on the most recent MEAP science test for which  
14 results for the pupil have been received.

15 Sec. 36. (1) From the appropriation in section 11, there is  
16 allocated an amount not to exceed \$42,564,700.00 for school readiness  
17 grants in ~~1994-95~~ 1995-96 to enable eligible districts, as determined  
18 under section 37, to develop or expand, in conjunction with whatever  
19 federal funds may be available, including, but not limited to, federal  
20 funds under title I of the elementary and secondary education act of  
21 1965, Public Law 89-10, 102 Stat. 140, chapter 1 of the  
22 Hawkins-Stafford elementary and secondary school improvement amendments  
23 of 1988, Public Law 100-297, and the head start act, subchapter B of  
24 chapter 8 of subtitle A of title VI of Public Law 97-35, 42 U.S.C. 9831  
25 to 9852, comprehensive compensatory programs designed to improve the  
26 readiness and subsequent achievement of educationally disadvantaged  
27 children as defined by the department who will be at least 4, but less  
28 than 5 years of age, as of December 1 of the school year in which the  
29 programs are offered, and who show evidence of 2 or more "at-risk"  
30 factors as defined in the state board report entitled "children at risk"

1 that was adopted by the state board on April 5, 1988. ~~Beginning in~~  
2 ~~1995-96, the total amount allocated under this section shall be~~  
3 ~~increased by \$15,000,000.00 each fiscal year until there is full~~  
4 ~~funding for all eligible children to participate in a comprehensive~~  
5 ~~compensatory program.~~ A comprehensive compensatory program funded under  
6 this section shall include an age-appropriate educational curriculum,  
7 nutritional services, health screening for participating children, a  
8 plan for parent and legal guardian involvement, and provision of  
9 referral services for families eligible for community social services.

10 (2) A district receiving a grant under this section may contract  
11 for the provision of the comprehensive compensatory program and MAY  
12 retain for administrative services an amount equal to not more than 5%  
13 of the grant amount.

14 Sec. 37. A district is eligible for an allocation under section 36  
15 if, ~~in a manner and on forms prescribed by the department,~~ all of the  
16 following apply:

17 (1) THE DISTRICT SUBMITS A PRE-APPLICATION, IN A MANNER AND ON  
18 FORMS PRESCRIBED BY THE DEPARTMENT, BY A DATE SPECIFIED BY THE  
19 DEPARTMENT IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, WHICH  
20 INCLUDES A COMPREHENSIVE NEEDS ASSESSMENT AND COMMUNITY COLLABORATION  
21 PLAN, AND WHICH IDENTIFIES ALL OF THE FOLLOWING:

22 (A) THE ESTIMATED TOTAL NUMBER OF CHILDREN IN THE COMMUNITY WHO  
23 MEET THE CRITERIA OF SECTION 36 AND HOW THAT CALCULATION WAS MADE.

24 (B) THE ESTIMATED NUMBER OF CHILDREN IN THE COMMUNITY WHO MEET THE  
25 CRITERIA OF SECTION 36 AND ARE BEING SERVED BY OTHER EARLY CHILDHOOD  
26 DEVELOPMENT PROGRAMS OPERATING IN THE COMMUNITY, AND HOW THAT  
27 CALCULATION WAS MADE.

28 (C) THE NUMBER OF CHILDREN THE DISTRICT WILL BE ABLE TO SERVE WHO  
29 MEET THE CRITERIA OF SECTION 36, INCLUDING A VERIFICATION OF PHYSICAL

1 FACILITY AND STAFF RESOURCES CAPACITY.

2 (D) THE ESTIMATED NUMBER OF CHILDREN WHO MEET THE CRITERIA OF  
3 SECTION 36 WHO WILL REMAIN UNSERVED AFTER THE DISTRICT AND COMMUNITY  
4 EARLY CHILDHOOD PROGRAMS HAVE MET THEIR FUNDED ENROLLMENTS. THE SCHOOL  
5 DISTRICT SHALL MAINTAIN A WAITING LIST OF IDENTIFIED UNSERVED ELIGIBLE  
6 CHILDREN WHO WOULD BE SERVED WHEN OPENINGS ARE AVAILABLE.

7 (E) IF A DISTRICT FAILS TO COMPLY WITH THIS SUBSECTION, THE  
8 DISTRICT SHALL FORFEIT ALL MONIES FOR SCHOOL READINESS GRANTS  
9 APPROPRIATED UNDER SECTION 36 TO WHICH IT WOULD OTHERWISE BE ENTITLED.

10 (2) THE DISTRICT SUBMITS A FINAL APPLICATION FOR APPROVAL, IN A  
11 MANNER AND ON FORMS PRESCRIBED BY THE DEPARTMENT ON A DATE SPECIFIED BY  
12 THE DEPARTMENT, INDICATING ALL OF THE FOLLOWING THAT APPLY:

13 (a) The district complies with the state board approved standards  
14 of quality and curriculum guidelines for early childhood programs for  
15 4-year-olds.

16 (b) The district provides for the active and continuous  
17 participation of parents or guardians of the children in the program,  
18 and describes the district's participation plan as part of the  
19 application.

20 (c) The district only employs for this program either of the  
21 following:

22 (i) Teachers possessing proper training, including, but not limited  
23 to, a valid teaching certificate and, ~~beginning September 1, 1995,~~ an  
24 early childhood (ZA) endorsement. This provision does not apply to a  
25 district that subcontracts with an eligible child development program.  
26 In that situation a teacher must have a valid teaching certificate and  
27 may have a child development associate credential (CDA) instead of an  
28 early childhood (ZA) endorsement.

29 (ii) Paraprofessionals possessing proper training in early



1 childhood development, including, but not limited to, a child  
2 development associate credential (CDA) or associate degree in child  
3 development or other similar program, as approved by the department.

4 ~~— (d) The district identifies in its application all of the~~  
5 ~~following:~~

6 ~~— (i) The estimated total number of children in the community who~~  
7 ~~meet the criteria of section 36.~~

8 ~~— (ii) The estimated number of children in the community who meet the~~  
9 ~~criteria of section 36 and are being served by other early childhood~~  
10 ~~development programs operating in the community.~~

11 ~~— (iii) The estimated number of children who meet the criteria of~~  
12 ~~section 36 who will remain unserved after the district and community~~  
13 ~~early childhood programs have met their funded enrollments. The school~~  
14 ~~district shall maintain a waiting list of identified unserved eligible~~  
15 ~~children who would be served when openings are available.~~

16 ~~— (iv) All collaborative activities between the district and other~~  
17 ~~operators of early childhood development programs.~~

18 ~~(e)~~ (D) The district has submitted for approval a program budget  
19 that includes only those costs not reimbursed or reimbursable by  
20 federal funding, that are clearly and directly attributable to the  
21 early childhood readiness program, and that would not be incurred if  
22 the program were not being offered. If children other than those  
23 determined to be educationally disadvantaged participate in the  
24 program, state reimbursement under section 36 shall be limited to the  
25 portion of approved costs attributable to educationally disadvantaged  
26 children.

27 ~~(f)~~ (E) The district has established a school readiness advisory  
28 committee consisting of, at a minimum, classroom teachers for  
29 prekindergarten, kindergarten, and first grade; parents or guardians of

1 program participants; representatives from appropriate community  
 2 agencies and organizations; the district curriculum director or  
 3 equivalent administrator; and, if feasible, a school psychologist,  
 4 school social worker, or school counselor. In addition, ~~at least 50% of~~  
 5 ~~the committee members shall be parents or guardians of program~~  
 6 ~~participants~~ ONE PARENT OR LEGAL GUARDIAN OF CURRENT OR FORMER PROGRAM  
 7 PARTICIPANTS SHALL PARTICIPATE AS A COMMITTEE MEMBER AT A RATIO OF ONE  
 8 PARENT OR LEGAL GUARDIAN FOR EVERY 18 ENROLLED CHILDREN, WITH A MINIMUM  
 9 OF TWO PARENT OR LEGAL GUARDIAN REPRESENTATIVES. The committee shall  
 10 do all of the following:

11 (i) Ensure the ongoing articulation of the early childhood,  
 12 kindergarten, and first grade programs offered by the district.

13 (ii) Review ~~all referrals for~~ THE MECHANISMS AND CRITERIA USED TO  
 14 DETERMINE participation in the early childhood program ~~and recommend~~  
 15 ~~children for placement.~~

16 (iii) Review the health screening program for all participants.

17 (iv) Review the nutritional services provided to program  
 18 participants.

19 (v) Review the mechanisms in place for the referral of families to  
 20 community social service agencies, as appropriate.

21 (vi) Review the collaboration with and the involvement of  
 22 appropriate community, volunteer, and social service agencies and  
 23 organizations in addressing all aspects of educational disadvantage.

24 (vii) Review, evaluate, and make recommendations TO GRANT  
 25 RECIPIENTS for changes to the school readiness program.

26 ~~tg~~ (F) The district has submitted for departmental approval a plan  
 27 to conduct and report annual school readiness program evaluations using  
 28 criteria approved by the department. At a minimum, the evaluations  
 29 shall include assessment of the gains in educational readiness and

1 progress through first grade of children participating in the school  
2 readiness program.

3 ~~(h)~~ (G) More than 50% of the children participating in the program  
4 meet the income eligibility criteria for free lunch OR REDUCED LUNCH,  
5 as determined under the national school lunch act, chapter 281, 60  
6 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a  
7 and 1769 to 1769e OR MEET INCOME AND ALL OTHER ELIGIBILITY CRITERIA FOR  
8 PARTICIPATING IN THE MICHIGAN DEPARTMENT OF SOCIAL SERVICES UNIFIED  
9 CHILD DAY CARE PROGRAM.

10 ~~(i)~~ (H) At least 18 of the district's resident children of the age  
11 group specified in section 36, as described in section 36 and  
12 calculated under section 38, are construed to be in need of special  
13 readiness assistance. A district is also eligible for an allocation  
14 under section 36 if at least 50 children, as described in section 36  
15 and calculated under section 38, are construed to be in need of special  
16 readiness assistance, regardless of the percentage they comprise of the  
17 district's resident children of the age group specified in section 36.  
18 In addition, a consortium of 2 or more districts shall be eligible for  
19 an allocation under section 36 if each of those districts has less than  
20 18 of its resident children of the age group specified in section 36,  
21 as described in section 36 and calculated under section 38, and in  
22 combination the districts' number of children who are construed to be  
23 in need of special readiness assistance equals or exceeds 18. A  
24 district or intermediate district may administer a consortium described  
25 in this subdivision.

26 (I) WITH THE FINAL APPLICATION, EACH APPLICANT DISTRICT SHALL  
27 SUBMIT TO THE DEPARTMENT A RESOLUTION ADOPTED BY ITS BOARD CERTIFYING  
28 THE NUMBER OF 4-YEAR-OLD CHILDREN WHO SHOW EVIDENCE OF "AT-RISK"  
29 FACTORS AS DESCRIBED IN SECTION 36, WHO MEET THE INCOME ELIGIBILITY  
30 CRITERIA FOR FREE OR REDUCED PRICE LUNCH, OR THE MICHIGAN DEPARTMENT OF

1 SOCIAL SERVICES UNIFIED CHILD DAY CARE PROGRAM AS DESCRIBED IN SECTION  
2 37(G), AND WHO WILL PARTICIPATE IN A SCHOOL READINESS PROGRAM FUNDED  
3 UNDER SECTION 36.

4  
5 Sec. 38. The maximum number of prekindergarten children construed  
6 to be in need of special readiness assistance under section 36 shall be  
7 calculated for each district in the following manner: one half of the  
8 percentage of the district's pupils in grades ~~K-5~~ K-5 who are eligible  
9 for free lunch, as determined by the district's October count in the  
10 immediately preceding school year under the national school lunch act,  
11 chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a,  
12 1765 to 1766a, and 1769 to 1769e shall be multiplied by the average  
13 kindergarten enrollment of the district on the pupil membership count  
14 day of the 2 immediately preceding years.

15 Sec. 39. (1) The tentative allocation in ~~1994-95~~ 1995-96 to each  
16 eligible district under section 36 shall be determined by multiplying  
17 the number of children determined in section 38 OR THE NUMBER OF  
18 CHILDREN THE DISTRICT INDICATES IT CAN SERVE UNDER SECTION 37 (1)(C),  
19 WHICHEVER IS LESS, by \$3,000.00 and shall be distributed among  
20 districts in decreasing order of concentration of eligible children as  
21 determined by section 38 until the money allocated in section 36 is  
22 distributed. ~~Beginning in 1995-96, the \$3,000.00 amount per child under~~  
23 ~~this section shall be adjusted for each fiscal year by the index used~~  
24 ~~to adjust the amount of the basic foundation allowance under section~~  
25 ~~20, except that the amount per child under this section shall not be~~  
26 ~~less than \$3,000.00. Not later than October 1, each eligible district~~  
27 ~~shall submit to the department a resolution adopted by its board~~  
28 ~~certifying the number of 4-year-old children who show evidence of~~  
29 ~~"at-risk" factors as described in section 36, who meet the income~~  
30 ~~eligibility criteria for free lunch as described in section 37(g), and~~  
31 ~~who will participate in a school readiness program funded under this~~

~~section. Any tentative allocation subsequently shall be adjusted by the department based in part on the number of children certified in the board resolution. Any funds unallocated shall be redistributed to eligible districts pursuant to this section.~~

(2) A district that has not less than 50 eligible children shall receive priority over other eligible districts other than those districts funded under subsection (3).

(3) A district that received funds under this section in at least 1 of the 2 immediately preceding fiscal years shall receive priority in funding over other eligible districts. However, funding beyond 3 state fiscal years is contingent upon the availability of funds and documented evidence satisfactory to the department of compliance with all operational, fiscal, administrative, and other program requirements.

(4) For any district with 315 or more eligible pupils, the number of eligible pupils shall be ~~55%~~ 65% of the number calculated under section 38. However, none of these districts may have less than 315 pupils for purposes of calculating the tentative allocation under section 36.

(5) If, taking into account the total amount to be allocated to the district as calculated under this section, a district determines that it is able to include additional eligible children in the school readiness program without additional funds under this section, the district may include additional eligible children but shall not receive additional funding under this section for those children.

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed \$4,212,000.00 for ~~1994-95~~ 1995-96 to applicant districts and intermediate districts offering programs of bilingual instruction for pupils of limited English-speaking ability as required

1 in section 1153 of the school code of 1976, being section 380.1153 of  
 2 the Michigan Compiled Laws. Reimbursement shall be on a per pupil basis  
 3 and shall be based on the number of pupils of limited English-speaking  
 4 ability in membership on the pupil membership count day. Funds  
 5 allocated under this section shall be used solely for the bilingual  
 6 instruction in speaking, reading, writing, or comprehension of pupils  
 7 of limited English-speaking ability. As required by section 1155 of the  
 8 school code of 1976, being section 380.1155 of the Michigan Compiled  
 9 Laws, a child of limited English-speaking ability residing in a school  
 10 district operating or participating in a bilingual instruction program  
 11 pursuant to section 1153 of the school code of 1976 shall be enrolled  
 12 in the bilingual instruction program for 3 years or until the child  
 13 achieves a level of proficiency in English language skills sufficient  
 14 to receive an equal educational opportunity in the regular school  
 15 program, whichever occurs first.

16 Sec. 51. (1) From the appropriation in section 11, there is  
 17 allocated ~~\$185,355,000.00~~ \$191,355,000.00 for ~~1994-95~~ 1995-96 to  
 18 consist of an amount not to exceed \$121,355,000.00 from state sources  
 19 and ~~\$64,000,000.00~~ \$70,000,000.00 in federal funding under sections 611  
 20 to 620 of part B of the individuals with disabilities education act,  
 21 title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, plus any  
 22 carryover federal funds from previous year appropriations, for the  
 23 purpose of reimbursing districts and intermediate districts for special  
 24 education programs, services, and special education personnel as  
 25 prescribed in article 3 of the school code of 1976, being sections  
 26 380.1701 to 380.1766 of the Michigan Compiled Laws; net tuition  
 27 payments made by intermediate districts to the Michigan school for the  
 28 blind and the Michigan school for the deaf; and programs for pupils  
 29 ~~handicapped by learning disabilities~~ WITH HANDICAPS as defined by the  
 30 department. For meeting the costs of special education programs and

1 services not reimbursed under this article, a district or intermediate  
2 district may use money in general funds or special education funds, not  
3 otherwise restricted, or contributions from districts to intermediate  
4 districts, tuition payments, gifts and contributions from individuals,  
5 or federal funds that may be available for this purpose, as determined  
6 by the intermediate district plan prepared pursuant to article 3 of the  
7 school code of 1976, being sections 380.1701 to 380.1766 of the  
8 Michigan Compiled Laws.

9 (2) State funds shall be allocated on ~~an added~~ A TOTAL APPROVED  
10 cost basis. Federal funds shall be allocated under applicable federal  
11 requirements, except that an amount not to exceed ~~\$4,000,000.00~~  
12 \$6,000,000.00 may be allocated by the department to districts or  
13 intermediate districts on a competitive grant basis for programs,  
14 equipment, and services that the department determines to be designed  
15 to benefit or improve special education on a statewide scale.

16 (3) From the amount allocated in subsection (1), there is allocated  
17 an amount not to exceed \$3,100,000.00 for ~~1994-95~~ 1995-96 to reimburse  
18 100% of the net increase in necessary costs incurred by a district or  
19 intermediate district in implementing the revisions in the  
20 administrative rules for special education that became effective on  
21 July 1, 1987. As used in this subsection, "net increase in necessary  
22 costs" means the necessary additional costs incurred solely because of  
23 new or revised requirements in the administrative rules minus cost  
24 savings permitted in implementing the revised rules. Net increase in  
25 necessary costs shall be determined in a manner specified by the  
26 department.

27 (4) For purposes of this article:

28 ~~(a) For a program operated by a district, "added costs" shall be~~  
29 ~~computed by deducting, from the total approved costs of special~~

~~education programs and services, an amount equal to the residence district's foundation allowance under section 20 or, for a nonresident pupil, the applicable foundation allowance under section 20(9) for each full-time equated special education pupil counted in membership in the district whose primary educational or training program, as determined by the department, is a special education program and service as defined in section 6(7) of the school code of 1976, being section 380.6 of the Michigan Compiled Laws. For a program operated by an intermediate district, "added costs" shall be computed by deducting, from total approved costs of special education programs and services, an amount equal to the intermediate district weighted average allocation for each full-time equated special education pupil counted in membership in the intermediate district whose primary educational or training program, as determined by the department, is a special education program and service as defined in section 6(7) of the school code of 1976.~~

(b) (A) ~~"Total approved costs of special education" programs and services~~ shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53 programs. Beginning in 1994-95, the total approved costs include salary and other compensation for all approved special education personnel for the program, including, ~~for a program operated by a district,~~ payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6(6) of the school code of 1976. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the



1 evaluation of students or in the delivery of special education  
2 programs, ancillary, and other related services shall be reimbursed  
3 under this section only for that portion of time actually spent  
4 providing these programs and services, with the exception of special  
5 education programs and services provided to youth placed in child  
6 caring institutions or juvenile detention programs approved by the  
7 department to provide an on-grounds education program. ~~For teacher~~  
8 ~~aides, salaries and other compensation paid to a teacher aide are~~  
9 ~~included only if the teacher aide is required in rules promulgated by~~  
10 ~~the department or is otherwise approved by the department.~~

11 ~~(c) This article does not relieve any insurer or other third party~~  
12 ~~provider or payer from an otherwise valid obligation to provide or to~~  
13 ~~pay for services for a pupil with a disability.~~ (B) REIMBURSEMENT FOR  
14 ANCILLARY AND OTHER RELATED SERVICES, AS DEFINED BY 340.1701 OF THE  
15 MICHIGAN ADMINISTRATIVE CODE, SHALL NOT BE PROVIDED WHEN THOSE SERVICES  
16 ARE COVERED BY AND AVAILABLE THROUGH PRIVATE GROUP HEALTH INSURANCE  
17 CARRIERS OR FEDERAL REIMBURSED PROGRAM SOURCES UNLESS THE DEPARTMENT  
18 AND DISTRICT OR INTERMEDIATE DISTRICT AGREE OTHERWISE AND THAT  
19 AGREEMENT IS APPROVED BY THE DEPARTMENT OF MANAGEMENT AND BUDGET.  
20 EXPENSES, OTHER THAN THE INCIDENTAL EXPENSE OF FILING, SHALL NOT BE  
21 BORNE BY THE PARENT. IN ADDITION, THE FILING OF CLAIMS SHALL NOT DELAY  
22 THE EDUCATION OF A PUPIL. A DISTRICT OR INTERMEDIATE DISTRICT SHALL BE  
23 RESPONSIBLE FOR PAYMENT OF A DEDUCTIBLE AMOUNT AND FOR AN ADVANCE  
24 PAYMENT REQUIRED UNTIL THE TIME A CLAIM IS PAID.

25 (5) From the appropriation in section 11, there is allocated an  
26 amount not to exceed ~~\$58,000,000.00~~ \$79,218,100.00 FOR 1995-96 for  
27 funding payments under this subsection for pupils counted in membership  
28 under this subsection. A pupil who is enrolled in a full-time special  
29 education program conducted or administered by an intermediate district  
30 or a pupil who is enrolled in the Michigan school for the blind or the

Michigan school for the deaf shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence. ~~A district operating a center program for pupils from several districts, pursuant to an approved intermediate district plan, may elect to have the pupils counted in membership in the intermediate district.~~ For each pupil, the intermediate district shall receive the intermediate district weighted average ~~allocation~~ FOUNDATION ALLOWANCE. A district operating a center program for pupils from several districts pursuant to an approved intermediate district plan that had the pupils counted in membership in the intermediate district in 1993-94 shall have the pupils counted in membership in the intermediate district in ~~1994-95~~ 1995-96.

(6) Special education personnel transferred from 1 district to another to implement the school code of 1976 shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(7) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

Sec. 52. (1) Reimbursement for the necessary costs of special education programs and services shall be a portion determined by the amount allocated under section 51(1), but not to exceed 75% of the ~~added~~ TOTAL APPROVED costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the school code of 1976, being sections 380.1701 to 380.1766 of the Michigan Compiled Laws, for

1 special education pupils other than those programs funded under section  
2 53, and of the costs of programs and services for trainable mentally  
3 impaired persons, day training programs, and services for severely  
4 mentally impaired persons, the added costs of summer programs and  
5 services, and the added costs of providing room and board for special  
6 education pupils, as approved by the department. If the state financed  
7 proportion of reimbursement of the necessary costs of a special  
8 education activity or service required by article 3 of the school code  
9 of 1976, which is in addition to or different from the special  
10 education activities or services required under sections 611 to 620 of  
11 part B of the individuals with disabilities education act, title VI of  
12 Public Law 91-230, 20 U.S.C. 1411 to 1420, is less than the state  
13 financed proportion of the necessary costs of that activity or service  
14 in 1978-79, the portion of the amount appropriated shall be increased  
15 to reimburse that activity or service accordingly.

16 (2) The ~~added~~ costs of transportation for special education pupils  
17 shall not be funded under this section but shall be reimbursed under  
18 section 58.

19 Sec. 53. (1) Reimbursement shall be 100% of the ~~added~~ TOTAL costs  
20 of operating special education programs and services approved by the  
21 department and included in the intermediate district plan adopted  
22 pursuant to article 3 of the school code of 1976, being sections  
23 380.1701 to 380.1766 of the Michigan Compiled Laws, LESS THE FOUNDATION  
24 ALLOWANCE CALCULATED PURSUANT TO SECTION 20 for the following special  
25 education pupils:

26 (a) Pupils assigned to a district or intermediate district through  
27 the community placement program of the courts or a state agency, if the  
28 pupil was a resident of another intermediate district at the time the  
29 pupil came under the jurisdiction of the court or a state agency.

30 (b) Pupils who are residents of institutions operated by the

1 department of mental health.

2 (c) Pupils who are former residents of department of mental health  
3 institutions for the developmentally disabled who are placed in  
4 community settings other than the pupil's home.

5 ~~(d) Pupils placed in a district by a parent for the purpose of~~  
6 ~~seeking a suitable home, and the parent does not reside in the same~~  
7 ~~intermediate district as the pupil's placement.~~

8 ~~(e) Pupils who are residents of nursing homes whose educational~~  
9 ~~programs are approved by the department.~~

10 ~~(f)~~ (D) Pupils who are residents of special placement homes  
11 approved by the department.

12 ~~(g)~~ (E) Pupils who are dependents of foreign diplomats who reside  
13 in this state and who are placed in a center program.

14 ~~(h)~~ (F) Pupils enrolled in a department-approved on-grounds  
15 educational program longer than 180 days, but not longer than 233 days,  
16 at a residential child care institution, if the child care institution  
17 offered in 1991-92 an on-grounds educational program longer than 180  
18 days but not longer than 233 days.

19 Only those costs that are clearly and directly attributable to  
20 educational programs for pupils described in this subsection, and that  
21 would not have been incurred if the pupils were not being educated in a  
22 district or intermediate district, are reimbursable under this section.

23 (2) The costs of transportation shall be funded under this section  
24 but shall not be reimbursed under section 58.

25 (3) Not more than \$24,000,000.00 for ~~1994-95~~ 1995-96 of the  
26 allocation in section 51(1) shall be allocated under this section.

27 Sec. 54. In addition to the aid received under section 52, each  
28 intermediate district shall receive an amount per pupil for each pupil

1 in attendance at the Michigan school for the blind or the Michigan  
2 school for the deaf. The amount shall be proportionate to the total  
3 instructional cost at each school. Not more than \$1,688,000.00 for  
4 ~~1994-95~~ 1995-96 of the allocation in section 51(1) shall be allocated  
5 under this section.

6 Sec. 56. (1) For the purposes of this section:

7 (a) "Membership" means the total membership in ~~1993-94~~ 1994-95 of  
8 the intermediate district and the districts constituent to the  
9 intermediate district.

10 (b) "Millage levied" means the millage levied for special education  
11 pursuant to part 30 of the school code of 1976, being sections 380.1711  
12 to 380.1743 of the Michigan Compiled Laws, including a levy for debt  
13 service obligations.

14 (c) ~~"State equalized valuation"~~ "TAXABLE VALUE" means the ~~total~~  
15 ~~state equalized valuation~~ TAXABLE VALUE of the districts constituent to  
16 an intermediate district, except that if a district has elected not to  
17 come under part 30 of the school code of 1976, membership and ~~state~~  
18 ~~equalized valuation~~ TAXABLE VALUE of the district shall not be included  
19 in the membership and ~~state equalized valuation~~ TAXABLE VALUE of the  
20 intermediate district.

21 (2) From the appropriation in section 11, there is allocated an  
22 amount not to exceed \$30,650,000.00 for ~~1994-95~~ 1995-96 to reimburse  
23 intermediate districts levying millages for special education pursuant  
24 to part 30 of the school code of 1976. The purpose, use, and  
25 expenditure of the reimbursement shall be limited as if the funds were  
26 generated by these millages and governed by the intermediate district  
27 plan adopted pursuant to article 3 of the school code of 1976, being  
28 sections 380.1701 to 380.1766 of the Michigan Compiled Laws. As a  
29 condition of receiving funds under this section, an intermediate

1 district distributing any portion of special education millage funds to  
2 its constituent districts shall submit for departmental approval and  
3 implement a distribution plan that utilizes at least a district's  
4 foundation allowance, as calculated under section 20, as a required  
5 local contribution.

6 (3) Reimbursement for those millages levied in ~~1993-94~~ 1994-95  
7 shall be made in ~~1994-95~~ 1995-96 at an amount per ~~1993-94~~ 1994-95  
8 membership pupil computed by subtracting from ~~\$89,500.00~~ \$93,500.00 the  
9 ~~1993-94 1994-95 state equalized valuation~~ TAXABLE VALUE behind each  
10 membership pupil, and multiplying the resulting difference by the  
11 ~~1993-94~~ 1994-95 millage levied.

12 Sec. 57. (1) From the appropriation in section 11, there is  
13 allocated an amount not to exceed \$600,000.00 for ~~1994-95~~ 1995-96 to  
14 applicant intermediate districts that provide support services for the  
15 education of gifted and talented pupils. An intermediate district is  
16 entitled to 75% of the actual salary, but not to exceed \$25,000.00  
17 reimbursement for an individual salary, of a support services teacher  
18 approved by the department, and not to exceed \$4,000.00 reimbursement  
19 for expenditures to support program costs, excluding in-county travel  
20 and salary, as approved by the department.

21 (2) From the appropriation in section 11, there is allocated an  
22 amount not to exceed \$400,000.00 for ~~1994-95~~ 1995-96 to support part of  
23 the cost of summer institutes for gifted and talented students. This  
24 amount shall be contracted to applicant intermediate districts in  
25 cooperation with a local institution of higher education and shall be  
26 coordinated by the department.

27 (3) From the appropriation in section 11, there is allocated an  
28 amount not to exceed \$4,000,000.00 for ~~1994-95~~ 1995-96 for the  
29 development and operation of comprehensive programs for gifted and  
30 talented pupils. An eligible district or consortium of districts shall

1 receive an amount not to exceed \$50.00 per K-12 pupil for up to 5% of  
2 the district's or consortium's K-12 membership with a minimum total  
3 grant of \$3,000.00. Funding shall be provided in the following order:  
4 the per pupil allotment, and then the minimum total grant of \$3,000.00  
5 to individual districts. An intermediate district may act as the fiscal  
6 agent for a consortium of districts. In order to be eligible for  
7 funding under this subsection, the district or consortium of districts  
8 shall submit each year a current 3-year plan for operating a  
9 comprehensive program for gifted and talented pupils and the district  
10 or consortium shall demonstrate to the department that the district or  
11 consortium will contribute matching funds of at least \$50.00 per K-12  
12 pupil. The plan or revised plan shall be developed in accordance with  
13 criteria established by the department and shall be submitted to the  
14 department for approval. Within the criteria, the department shall  
15 encourage the development of consortia among districts of less than  
16 5,000 memberships.

17 Sec. 58. (1) From the appropriation in section 11, there is  
18 allocated an amount not to exceed \$25,405,000.00 for ~~1994-95~~ 1995-96 to  
19 fund districts and intermediate districts for providing specialized  
20 transportation services, as determined by the department, for pupils in  
21 special education programs and services as defined in section 6(7) of  
22 the school code of 1976, being section 380.6 of the Michigan Compiled  
23 Laws, for which the district or intermediate district receives  
24 ~~added-cost~~ reimbursement under section 52. Allocations to districts and  
25 intermediate districts under this section shall be based on data  
26 reported by the districts and intermediate districts for the current  
27 school year.

28 (2) Transportation aid under subsection (1) is based upon an  
29 allowance for each vehicle used for transportation and calculated for  
30 each district and intermediate district by the department on the basis

of all of the following factors:

(a) An overhead allowance of \$200.00 per special education pupil transported.

(b) A regional allowance of between \$9,500.00 and \$15,000.00 per vehicle, depending on the region, based upon the following:

(i) Transportation staff salary.

(ii) Regional cost variation.

(c) An amortization cost per pupil of 100% of cost, ~~with a minimum of \$20.00 per pupil,~~ for pupil transportation fleet vehicles.

(d) An insurance cost per pupil of 100% of cost for pupil transportation vehicles.

(e) Authorized miles traveled per pupil of \$0.15 per mile.

(3) The rate of aid for contracted transportation services or transportation services provided through the use of public transit systems is comparable to the rate of aid for district-owned bus fleets.

(4) Districts and intermediate districts may apply to the department for exceptions to the district's or intermediate district's formula transportation allowance under this section regarding the costs of transporting pupils when exceptional conditions or circumstances impose unavoidably unusual expenses for transporting pupils to their regularly scheduled classes.

Sec. 61a. (1) From the ~~appropriation~~ GENERAL FUND/GENERAL PURPOSE APPROPRIATION in section 11, there is allocated an amount not to exceed \$28,560,000.00 for ~~1994-95~~ 1995-96 to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level vocational-technical education programs, including



1     parenthood education programs, according to state board rules.  
2     Applications for participation in the programs shall be submitted in  
3     the form prescribed by the department. The department shall determine  
4     the added cost for each vocational-technical program area. The  
5     allocation of added cost funds shall be based on the type of  
6     vocational-technical programs provided, the number of pupils enrolled,  
7     and the length of the training period provided, and shall not exceed  
8     75% of the added cost of any program. With the approval of the  
9     department, the board of a district maintaining a secondary  
10    vocational-technical education program may offer the program for the  
11    period from the close of the school year until September 1. The program  
12    shall use existing facilities and shall be operated as prescribed by  
13    rules promulgated by the state board.

14         (2) Except for a district that served as the fiscal agent for a  
15    vocational education consortium in the 1993-94 school year, districts  
16    and intermediate districts shall be reimbursed for local vocational  
17    administration, shared time vocational administration, and career  
18    education planning district vocational-technical administration. The  
19    definition of what constitutes administration and reimbursement shall  
20    be pursuant to guidelines adopted by the state board. Not more than  
21    \$800,000.00 of the allocation in subsection (1) shall be distributed  
22    under this subsection.

23         ~~(3) Districts that were designated as area vocational-technical~~  
24    ~~centers by the state board before January 1, 1971 may count in~~  
25    ~~membership, with permission of the district of residence, pupils~~  
26    ~~enrolled in vocational-technical education programs in any of the~~  
27    ~~districts in the designated service area if all of the following~~  
28    ~~conditions are met:~~

29         ~~(a) The district has been designated the fiscal agent for all area~~  
30    ~~vocational-technical education programs in each of the participating~~

~~districts in the designated service area.~~

~~(b) The designated service area has held at least 1 election to establish an area vocational-technical education program pursuant to section 681 of the school code of 1976, being section 380.681 of the Michigan Compiled Laws.~~

~~(c) The designated service area presently is not supported by area vocational-technical education millage passed pursuant to the provisions of section 681 of the school code of 1976.~~

~~(d) The fiscal conditions described in this subsection are included as a part of the career education planning district's annual vocational plan approved by the department.~~

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means the total membership in ~~1993-94~~ 1994-95 of the intermediate district and the districts constituent to the intermediate district or the total membership in ~~1993-94~~ 1994-95 of the area vocational-technical education program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the school code of 1976, being sections 380.681 to 380.690 of the Michigan Compiled Laws, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting building and site fund requirements of area vocational-technical education.

(c) ~~"State equalized valuation"~~ "TAXABLE VALUE" means the total ~~state equalized valuation~~ TAXABLE VALUE of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the school code of 1976, the membership and ~~state equalized valuation~~ TAXABLE VALUE of that district shall not be

1 included in the membership and ~~state equalized valuation~~ TAXABLE VALUE  
2 of the intermediate district.

3 (2) From the appropriation in section 11, there is allocated an  
4 amount not to exceed \$7,200,000.00 for ~~1994-95~~ 1995-96 to reimburse  
5 intermediate districts and area vocational-technical education programs  
6 established under section 690(3) of the school code of 1976, levying  
7 millages for area vocational-technical education pursuant to sections  
8 681 to 690 of the school code of 1976. The purpose, use, and  
9 expenditure of the reimbursement shall be limited as if the funds were  
10 generated by those millages.

11 (3) Reimbursement for the millages levied in ~~1993-94~~ 1994-95 shall  
12 be made in ~~1994-95~~ 1995-96 at an amount per ~~1993-94~~ 1994-95 membership  
13 pupil computed by subtracting from ~~\$89,500.00~~ \$93,500.00 the ~~1993-94~~  
14 1994-95 ~~state equalized valuation~~ TAXABLE VALUE behind each membership  
15 pupil, and multiplying the resulting difference by the ~~1993-94~~ 1994-95  
16 millage levied. However, the department shall prorate the allocations  
17 as necessary.

18 Sec. 64. (1) A district may provide vocational education training  
19 in partnership with a business entity PURSUANT TO A WRITTEN AGREEMENT.  
20 ~~Such a district may receive vocational education funds under this act~~  
21 ~~only if there is a contract between the district and the business~~  
22 ~~entity that includes at least all of the following terms and~~  
23 ~~conditions:~~

24 ~~(a) The basic competency skills curriculum will be established by~~  
25 ~~the district in consultation with the business partner.~~

26 ~~(b) The district will provide the basic competency skills training~~  
27 ~~and the business partner will provide the specified job-skills~~  
28 ~~training.~~

29 ~~(c) The identification of specific training objectives based on an~~

1 ~~objective level of attained skills proficiency that is required of each~~  
2 ~~partner providing the specified job-skills training, and agreement by~~  
3 ~~the partners on the skills levels that will satisfy the training~~  
4 ~~objectives.~~

5 ~~— (d) The business partner will guarantee a predetermined number of~~  
6 ~~specified jobs and bona fide offers of job placement that are directly~~  
7 ~~related to the pupil's area of training for partnership pupils. The~~  
8 ~~jobs shall be for a minimum period of 180 days. The business partner~~  
9 ~~will not be obligated to provide a job or an offer for a pupil who~~  
10 ~~completes a job-skills training program but is unable to attain the~~  
11 ~~specific training objectives described in subdivision (c) or for a~~  
12 ~~pupil who declines a bona fide offer of job placement.~~

13 ~~— (e) If the business partner fails to fulfill its contractual~~  
14 ~~obligations for job placement, the business partner will reimburse the~~  
15 ~~state for all state funds that it received under the contract.~~

16 ~~— (2) Not later than 30 days following agreement on a partnership~~  
17 ~~contract or any contract revision under this section, the district~~  
18 ~~shall submit to the department a copy of the contract or contract~~  
19 ~~revision.~~

20 ~~— (3) Not later than 15 days after a pupil completes a specified~~  
21 ~~job-skills training program, the business partner shall make an offer~~  
22 ~~to the pupil of employment or job placement starting within 30 days~~  
23 ~~after the offer.~~

24 ~~— (4) Not later than 30 days following completion of a specified~~  
25 ~~job-skills training program, the district shall provide to the~~  
26 ~~department a report listing the job placements of those persons who~~  
27 ~~completed the training program.~~

28 ~~— (5) If a pupil fails to complete a job-skills training program~~  
29 ~~under this section, the business partner shall reimburse the state for~~

1 ~~that portion of state funds proportional to the time remaining in the~~  
2 ~~training program for that pupil.~~

3 ~~(6) The department shall maintain a current record of all~~  
4 ~~partnership contracts and contract revisions, and shall require~~  
5 ~~districts to provide additional reports as necessary for the department~~  
6 ~~to administer this section. A district shall provide those reports to~~  
7 ~~the department.~~

8       Sec. 74. (1) From the amount appropriated in section 11, there is  
9 allocated an amount not to exceed ~~\$1,500,000.00~~ \$1,625,000.00 for THE  
10 PURPOSES DESCRIBED IN THIS SECTION for ~~1994-95~~ 1995-96.

11       (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED A SUM  
12 SUFFICIENT for payments to state supported colleges or universities and  
13 intermediate districts providing school bus driver safety instruction  
14 or driver skills road tests pursuant to section 51 of the pupil  
15 transportation act, Act No. 187 of the Public Acts of 1990, being  
16 section 257.1851 of the Michigan Compiled Laws. The payments shall be  
17 in an amount determined by the department not to exceed 75% of the  
18 actual cost of instruction and driver compensation for each public or  
19 nonpublic school bus driver attending a course of instruction. For the  
20 purpose of computing compensation, the hourly rate allowed each school  
21 bus driver shall not exceed the hourly rate received for driving a  
22 school bus. Reimbursement compensating the driver during the course of  
23 instruction or driver skills road tests shall be made by the department  
24 to the college or university or intermediate school district providing  
25 the course of instruction.

26       (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED A SUM  
27 SUFFICIENT TO PAY THE REASONABLE COSTS OF NONSPECIAL EDUCATION  
28 AUXILIARY SERVICES TRANSPORTATION PROVIDED PURSUANT TO SECTION 1323 OF  
29 THE SCHOOL CODE OF 1976, BEING SECTION 380.1323 OF THE MICHIGAN  
30 COMPILED LAWS. DISTRICTS FUNDED UNDER THIS SECTION SHALL NOT RECEIVE

1 FUNDING UNDER ANY OTHER SECTION OF THIS ACT FOR NONSPECIAL EDUCATION  
2 AUXILIARY SERVICES TRANSPORTATION.

3 Sec. 81. ~~(1) Subject to subsection (2), from the appropriation in~~  
4 ~~section 11, there is allocated for 1993-94 to the intermediate~~  
5 ~~districts the sum necessary, but not to exceed \$22,950,000.00 for~~  
6 ~~1993-94, to provide state aid to intermediate districts under this~~  
7 ~~subsection and subsection (2). Subject to subsection (6), there shall~~  
8 ~~be allocated to each intermediate district an amount obtained by adding~~  
9 ~~104% of the prior year's aid received under this subsection before~~  
10 ~~proration and 104% of the product of the prior year's state equalized~~  
11 ~~valuation and the prior year's operating millage, and subtracting from~~  
12 ~~that sum the product of the current year's state equalized valuation~~  
13 ~~and the prior year's operating millage. However, an intermediate~~  
14 ~~district shall not receive less than an amount equal to 100% of the~~  
15 ~~amount of aid received under this subsection for the immediately~~  
16 ~~preceding state fiscal year.~~

17 ~~(2) From the appropriation in section 11, there is allocated for~~  
18 ~~1993-94 to an intermediate district, formed by the consolidation or~~  
19 ~~annexation of 2 or more intermediate districts or the attachment of a~~  
20 ~~total intermediate district to another intermediate school district or~~  
21 ~~the annexation of all of the constituent K-12 districts of a previously~~  
22 ~~existing intermediate school district which has disorganized, an~~  
23 ~~additional allotment of \$3,500.00 each fiscal year for each~~  
24 ~~intermediate district included in the new intermediate district for 3~~  
25 ~~years following consolidation, annexation, or attachment.~~

26 ~~(3) In addition to the allocation under subsection (1), from the~~  
27 ~~appropriation under section 11, there is allocated for 1993-94 an~~  
28 ~~amount not to exceed \$1,212,800.00 for an additional payment to each~~  
29 ~~intermediate district that had a reduction in the immediately preceding~~  
30 ~~fiscal year in its allocation due to reductions in an intermediate~~

~~district's state equalized valuation resulting from the resolution of property tax assessment appeals in constituent districts that affected the state equalized valuation in a fiscal year before 1992-93. The additional payment under this subsection shall be in an amount equal to the reduction in the intermediate district's allocation and shall be included in the October payment. This subsection applies only for 1993-94.~~

~~(4)~~ (1) Subject to subsection ~~(5)~~(2), from the appropriation in section 11, there is allocated for ~~1994-95~~ 1995-96 to the intermediate districts the sum necessary, but not to exceed \$22,950,000.00 \$76,877,200.00 for ~~1994-95~~ 1995-96, to provide state aid to intermediate districts under this subsection and subsection ~~(5)~~ (2). Subject to subsection ~~(6)~~ (3), there shall be allocated to each intermediate district an amount obtained by ~~adding 103% of the prior year's aid received under this subsection before proration and 103% of the product of the prior year's state equalized valuation and the prior year's operating millage, and subtracting from that sum the product of the current year's state equalized valuation and the prior year's operating millage. However, an intermediate district shall not receive less than an amount per pupil equal to 100% of the amount of aid per pupil received under this subsection for the immediately preceding state fiscal year.~~ MULTIPLYING THE AMOUNT OF FUNDING ACTUALLY RECEIVED BY EACH INTERMEDIATE DISTRICT IN 1994-95 UNDER SECTIONS 81(4) AND 81(7) AND NINETY PERCENT OF THE FUNDING ACTUALLY RECEIVED BY EACH INTERMEDIATE DISTRICT IN 1994-95 UNDER SECTIONS 146a(1) AND 147(1) BY 103%. FUNDING PROVIDED UNDER THIS SECTION SHALL BE USED TO COMPLY WITH REQUIREMENTS OF THIS ACT AND THE SCHOOL CODE OF 1976 WHICH ARE APPLICABLE TO INTERMEDIATE DISTRICTS, AND FOR WHICH FUNDING IS NOT PROVIDED ELSEWHERE IN THIS ACT, AND TO PROVIDE TECHNICAL ASSISTANCE TO DISTRICTS AS AUTHORIZED BY THE INTERMEDIATE SCHOOL BOARD.

1           ~~(5)~~ (2) From the ~~appropriation~~ ALLOCATION in SUBsection ~~11~~ (1),  
2       there is allocated to an intermediate district, formed by the  
3       consolidation or annexation of 2 or more intermediate districts or the  
4       attachment of a total intermediate district to another intermediate  
5       school district or the annexation of all of the constituent K-12  
6       districts of a previously existing intermediate school district which  
7       has disorganized, an additional allotment of \$3,500.00 each fiscal year  
8       for each intermediate district included in the new intermediate  
9       district for 3 years following consolidation, annexation, or  
10      attachment.

11          ~~(6)~~ (3) During a fiscal year, the department shall not increase an  
12      intermediate district's allocation under subsection (1) ~~or (4)~~ because  
13      of an adjustment made by the department during the fiscal year in the  
14      intermediate district's ~~state equalized valuation~~ TAXABLE VALUE for a  
15      prior year. Instead, the department shall report the adjustment and the  
16      estimated amount of the increase to the house and senate fiscal  
17      agencies not later than June 1 of the fiscal year, and the legislature  
18      shall appropriate money for the adjustment in the next succeeding  
19      fiscal year.

20           (4) IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION, AN INTERMEDIATE  
21      DISTRICT SHALL HAVE AT LEAST ONE INDIVIDUAL EMPLOYED WHO IS TRAINED IN  
22      PUPIL COUNTING PROCEDURES, RULES AND REGULATIONS.

23           (5) THE DEPARTMENT SHALL PRORATE PAYMENTS AS NECESSARY.

24          ~~(7) From the appropriation in section 11, there is allocated for~~  
25      ~~1994-95 an amount not to exceed \$6,762,000.00 for payments by the~~  
26      ~~department to intermediate districts for any combination of the~~  
27      ~~following:~~

28      ~~----- (a) Providing technical assistance to districts for implementation~~  
29      ~~of school quality improvement measures under the school code of 1976,~~



1 ~~including, but not limited to, implementation of sections 1204a, 1277,~~  
2 ~~1278, and 1280 of the school code of 1976, being sections 380.1204a,~~  
3 ~~380.1277, 380.1278, and 380.1280 of the Michigan Compiled Laws.~~

4 ~~(b) Operating regional education media centers under section 671 of~~  
5 ~~the school code of 1976, being section 380.671 of the Michigan Compiled~~  
6 ~~Laws.~~

7 ~~(c) Providing other technical assistance to districts.~~

8 ~~(8) The money allocated to intermediate districts under subsection~~  
9 ~~(7) shall be allocated on the same basis as formerly distributed to~~  
10 ~~intermediate districts under former sections 21a, 22, 23b, 46, 48, 83,~~  
11 ~~91, and 93, and shall be prorated as necessary. Not later than 60 days~~  
12 ~~after the end of a fiscal year in which an intermediate district~~  
13 ~~receives funds under subsection (7), the intermediate district shall~~  
14 ~~submit to the house and senate K-12 appropriations subcommittees, the~~  
15 ~~house and senate fiscal agencies, the department, and the department of~~  
16 ~~management and budget a report of not more than 15 pages listing and~~  
17 ~~describing the intermediate district's expenditures of funds allocated~~  
18 ~~under subsection (7) and the activities for which the funds were~~  
19 ~~expended.~~

20  
21 Sec. 95. (1) From the appropriations in section 11, there is  
22 allocated \$8,000,000.00 from the state school aid fund appropriation  
23 and \$2,000,000.00 from the general fund appropriation for ~~1994-95~~ 1995-  
24 96 for professional development for teachers and others within the  
25 educational community. The total allocation under this section shall be  
26 distributed as follows:

27 (a) \$6,500,000.00 is allocated from the state school aid fund to  
28 districts on a per pupil basis, with each district receiving the same  
29 amount per pupil.

30 (b) \$1,500,000.00 is allocated from the state school aid fund to

1 intermediate districts on a per pupil basis for each pupil in  
2 membership in the intermediate district or in a constituent district,  
3 with each intermediate district receiving the same amount per pupil.

4 (c) \$2,000,000.00 is allocated from the general fund to the  
5 department for statewide professional development initiatives.

6 (2) The professional development funds allocated under this section  
7 may be used for any of the following:

8 (a) Advancement of the initiatives under sections 1204a, 1277,  
9 1278, and 1280 of the school code of 1976, being sections 380.1204a,  
10 380.1277, 380.1278, and 380.1280 of the Michigan Compiled Laws,  
11 commonly referred to as "Public Act 25 of 1990".

12 (b) Improving instructional and support staff skills.

13 (c) Other areas of professional development identified in the  
14 school code of 1976.

15 ~~(3) Not later than 60 days after the end of each fiscal year, an~~  
16 ~~intermediate district, in cooperation with its constituent districts,~~  
17 ~~shall prepare and submit to the house and senate K-12 appropriations~~  
18 ~~subcommittees, the house and senate fiscal agencies, the department,~~  
19 ~~and the department of management and budget a report of not more than~~  
20 ~~15 pages listing and describing the intermediate district's and its~~  
21 ~~constituent districts' expenditures of funds allocated under this~~  
22 ~~section and the activities for which the funds were expended.~~

23 (3) (A) IN ORDER TO PROVIDE ACCOUNTABILITY FOR THIS PROGRAM, THE  
24 SUPERINTENDENT OF A DISTRICT SHALL SUBMIT TO THE DEPARTMENT, IN A FORM  
25 AND MANNER DETERMINED BY THE DEPARTMENT, A WRITTEN ASSURANCE OF  
26 COMPLIANCE WITH ALL PROVISIONS OF THIS SECTION BY MAY 20 OF THE CURRENT  
27 FISCAL YEAR. FAILURE TO COMPLY WITH THIS SUBSECTION WILL RESULT IN THE  
28 WITHHOLDING OF AN AMOUNT EQUAL TO THE JUNE 20 PAYMENT FOR THIS PROGRAM  
29 UNTIL THE GRANT RECIPIENT COMPLIES WITH THIS SUBSECTION. IF THE GRANT

1 RECIPIENT DOES NOT COMPLY WITH THIS SUBSECTION BY THE END OF THE STATE  
2 FISCAL YEAR, THE WITHHELD FUNDS SHALL BE FORFEITED TO THE SCHOOL AID  
3 FUND.

4 (B) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A GRANT RECIPIENT  
5 SHALL ALLOW ACCESS FOR THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE TO  
6 AUDIT ALL RECORDS RELATED TO THE PROGRAM FOR WHICH IT RECEIVES SUCH  
7 FUNDS. THE GRANT RECIPIENT SHALL REIMBURSE THE STATE FOR ALL  
8 DISALLOWANCES FOUND IN THE AUDIT.

9 Sec. 99. (1) From the general fund/general purpose appropriation in  
10 section 11, there is allocated an amount not to exceed \$6,240,000.00  
11 for ~~1994-95~~ 1995-96 for implementing the comprehensive master plan for  
12 mathematics and science centers developed by the department and  
13 approved by the state board on February 17, 1993.

14 (2) Within a service area designated locally, approved by the  
15 department, and consistent with the master plan described in subsection  
16 (1), an established mathematics and science center ~~described in~~  
17 ~~subsection (6) (a)~~ shall address 2 or more of the following 6 basic  
18 services, as described in the master plan, to constituent districts and  
19 communities: LEADERSHIP, pupil services, curriculum support, community  
20 involvement measures, professional development, AND resource  
21 clearinghouse services, ~~and leadership.~~

22 ~~(3) A district, an intermediate district, a state board-approved~~  
23 ~~institution of higher education, or a nonprofit science or~~  
24 ~~technological museum acting in conjunction with a district or~~  
25 ~~intermediate district is eligible for funding from this section. In~~  
26 ~~order to receive funds under this section, a district, an intermediate~~  
27 ~~district, a state board-approved institution of higher education, or a~~  
28 ~~science or technological museum acting in conjunction with a district~~  
29 ~~or intermediate district shall submit to the department an application~~  
30 ~~on a form and in a manner prescribed by the department. An application~~

1 ~~for funding under this section shall include at least all of the~~  
2 ~~following:~~

3 ~~— (a) A description of how 2 or more of the basic service areas will~~  
4 ~~be equitably and effectively delivered to constituent districts and~~  
5 ~~communities, which shall include an assurance that access will be made~~  
6 ~~available to all qualified pupils and professional staff of schools~~  
7 ~~formally participating in center programs, including those from~~  
8 ~~nonpublic schools in the designated service area.~~

9 ~~— (b) A statement of the working relationships that have been or will~~  
10 ~~be established with the department, other mathematics and science~~  
11 ~~centers, and leaders of existing programs of professional development~~  
12 ~~and curriculum reform.~~

13 ~~— (c) A statement of the projected impact of the mathematics and~~  
14 ~~science center on mathematics and science outcomes contained in the~~  
15 ~~core curriculum.~~

16 ~~— (d) An explanation of how the mathematics and science center will~~  
17 ~~be involved in and contribute to systemic change in its designated~~  
18 ~~service area.~~

19 ~~— (e) A detailed plan describing how the applicant will evaluate~~  
20 ~~programs, activities, and operations.~~

21 ~~— (f) A commitment to participate fully in the mathematics and~~  
22 ~~science centers network.~~

23 ~~(4)~~ (3) The department shall not award a grant under this section  
24 to more than 1 mathematics and science center located in a particular  
25 intermediate district unless each of the grants serves a distinct  
26 target population or provides a service that does not duplicate another  
27 program in the intermediate district.

28 ~~(5)~~ (4) As part of the ~~application or~~ technical assistance process,  
29 the department shall provide minimum standard guidelines that may be

1 used by ~~an applicant or~~ THE mathematics and science centers for  
2 providing fair access for qualified pupils and professional staff as  
3 prescribed in this section.

4 ~~(6) Allocations under this section to support the activities and~~  
5 ~~programs of mathematics and science centers shall be made as follows:~~

6 ~~— (a) Continuing support grants shall be awarded to all established~~  
7 ~~mathematics and science centers. An established mathematics and science~~  
8 ~~center is one that has completed the planning/start-up/development~~  
9 ~~stages and received a grant under this section in the immediately~~  
10 ~~preceding fiscal year. Each established mathematics and science center~~  
11 ~~shall receive an amount equal to the greater of its adjusted funding~~  
12 ~~level, as specified in the master plan, or the amount it received under~~  
13 ~~this section for 1993-94.~~

14 ~~— (b) From the balance of the allocation, and to promote equal access~~  
15 ~~to mathematics and science centers by all districts and communities in~~  
16 ~~Michigan, the department shall award grants to 5 other mathematics and~~  
17 ~~science centers identified in the master plan, in the amounts specified~~  
18 ~~in the master plan. Grants under this subsection may be prorated as~~  
19 ~~necessary. These mathematics and science centers will serve regions~~  
20 ~~that are currently unrepresented in the mathematics and science centers~~  
21 ~~program.~~

22 ~~— (c) From the balance of the allocation, the department shall award~~  
23 ~~grants to establish satellites in areas that cannot support a~~  
24 ~~mathematics and science center, are a considerable distance from an~~  
25 ~~existing mathematics and science center, and have unique local needs.~~  
26 ~~The locations of these satellites shall be as specified in the master~~  
27 ~~plan.~~

28 ~~— (7) Each recipient of a grant under this section shall submit an~~  
29 ~~annual report of activities, accomplishments, and expenditures, not to~~

1 ~~exceed 15 pages, by October 30 of the fiscal year to the department,~~  
2 ~~the house and senate fiscal agencies, and the department of management~~  
3 ~~and budget.~~

4 (5) ALLOCATIONS UNDER THIS SECTION TO SUPPORT THE ACTIVITIES AND  
5 PROGRAMS OF MATHEMATICS AND SCIENCE CENTERS SHALL BE CONTINUING SUPPORT  
6 GRANTS TO ALL TWENTY-FIVE ESTABLISHED MATHEMATICS AND SCIENCE CENTERS  
7 AND THE EIGHT SATELLITE EXTENSIONS WHICH WERE FUNDED IN THE IMMEDIATELY  
8 PRECEDING FISCAL YEAR. EACH ESTABLISHED MATHEMATICS AND SCIENCE CENTER  
9 SHALL RECEIVE AN AMOUNT EQUAL TO THE AMOUNT IT RECEIVED UNDER THIS  
10 SECTION IN 1994-95. THE DEPARTMENT SHALL DETERMINE, WITH THE ADVICE OF  
11 THE MATHEMATICS AND SCIENCE CENTERS NETWORK, HOW TO DISTRIBUTE THE  
12 REMAINDER OF THE ALLOCATION FOR FISCAL YEAR 1995-96.

13 (6) AN ESTABLISHED MATHEMATICS AND SCIENCE CENTER SHALL SUBMIT TO  
14 THE DEPARTMENT, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE  
15 DEPARTMENT OF MANAGEMENT AND BUDGET BY MAY 20 OF THE FISCAL YEAR A  
16 SIGNED ASSURANCE OF:

17 (A) HAVING ADDRESSED THE SIX BASIC SERVICE AREAS AS DESCRIBED IN  
18 THE MASTER PLAN;

19 (B) COLLABORATION WITH THE DEPARTMENT, OTHER MATHEMATICS AND  
20 SCIENCE CENTERS, AND LEADERS OF PROGRAMS OF PROFESSIONAL DEVELOPMENT  
21 AND CURRICULUM REFORM;

22 (C) COMMITMENT TO SUPPORT THE IMPLEMENTATION OF THE MATHEMATICS AND  
23 SCIENCE OUTCOMES OF THE CORE ACADEMIC CURRICULUM AND THE ASSOCIATED  
24 SYSTEMIC CHANGE OF ITS DESIGNATED SERVICE AREA;

25 (D) FULL PARTICIPATION IN THE MATHEMATICS AND SCIENCE CENTERS  
26 NETWORK;

27 (E) HAVING ON FILE A DETAILED PLAN DESCRIBING HOW THE MATHEMATICS  
28 AND SCIENCE CENTER EVALUATED PROGRAMS, ACTIVITIES, AND OPERATIONS;

29 (F) VERIFICATION OF ACHIEVEMENT OF DEFINED ANNUAL OUTCOMES FROM THE

1 STRATEGIC PLAN BY AN INDEPENDENT EVALUATOR OR EVALUATION AGENCY; AND

2 (G) ADHERENCE TO THE MASTER PLAN APPROVED BY THE STATE BOARD ON  
3 FEBRUARY 17, 1993.

4 (7) FAILURE TO COMPLY WITH THE REPORTING REQUIREMENTS OF SUBSECTION  
5 (6) WILL RESULT IN THE WITHHOLDING OF THE JUNE 30 PAYMENT AMOUNT TO THE  
6 MATHEMATICS AND SCIENCE CENTER.

7 (8) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A GRANT RECIPIENT  
8 SHALL ALLOW ACCESS FOR THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE TO  
9 AUDIT ALL RECORDS RELATED TO THE PROGRAM FOR WHICH IT RECEIVES SUCH  
10 FUNDS. THE GRANT RECIPIENT SHALL REIMBURSE THE STATE FOR ALL  
11 DISALLOWANCES FOUND IN THE AUDIT.

12 Sec. 101. (1) NOTWITHSTANDING ANY ADMINISTRATIVE RULE, to be  
13 eligible to receive state aid under this act, not later than the ~~fourth~~  
14 SECOND Friday after the pupil membership count day and not later than  
15 the ~~fourth~~ SECOND Friday after the supplemental count day, each  
16 district superintendent through the secretary of the district's board  
17 shall file with the intermediate superintendent a certified and sworn  
18 copy of the district's enrollment for the current school year as of the  
19 pupil membership count day and as of the supplemental count day, as  
20 applicable. In addition, a district maintaining school during the  
21 entire year, as provided under section 1561 of the school code of 1976,  
22 being section 380.1561 of the Michigan Compiled Laws, shall file with  
23 the intermediate superintendent a certified and sworn copy of the  
24 enrollment for the current school year pursuant to rules promulgated by  
25 the state board. Not later than ~~20 calendar days after~~ the fifth Friday  
26 after the pupil membership count day and not later than ~~20 calendar~~  
27 ~~days after~~ the fifth Friday after the supplemental count day, the  
28 intermediate district shall transmit to the department the data filed  
29 by each of its constituent districts. If a district fails to file the  
30 sworn and certified copy as required under this subsection ~~or if an~~

~~intermediate district fails to transmit the data in its possession as required under this subsection,~~ TO THE INTERMEDIATE DISTRICT IN A TIMELY MANNER, THE INTERMEDIATE DISTRICT SHALL NOTIFY THE DEPARTMENT AND state aid due to be distributed under this act shall be withheld from the defaulting district ~~or intermediate district~~ IMMEDIATELY beginning with the next payment after the failure and continuing with each payment until the district ~~or intermediate district~~ complies with this subsection. IF AN INTERMEDIATE DISTRICT FAILS TO TRANSMIT THE DATA IN ITS POSSESSION IN A TIMELY AND ACCURATE MANNER TO THE DEPARTMENT, STATE AID DUE TO BE DISTRIBUTED UNDER THIS ACT SHALL BE WITHHELD FROM THE DEFAULTING INTERMEDIATE DISTRICT, IMMEDIATELY BEGINNING WITH THE NEXT PAYMENT AFTER THE FAILURE AND CONTINUING WITH EACH PAYMENT UNTIL THE INTERMEDIATE DISTRICT COMPLIES WITH THIS SUBSECTION. If a district or intermediate district does not comply with this subsection by the end of the fiscal year, the district or intermediate district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by ~~the laws of this state~~ SECTION 161 OF THIS ACT.

(2) Each district shall provide a minimum of 180 days and the required minimum number of hours of pupil instruction. The required minimum number of hours of pupil instruction is as follows: in 1994-95, each district shall provide a minimum of 900 hours of pupil instruction; in 1995-96 and 1996-97, each district shall provide a minimum of 990 hours of pupil instruction; in 1997-98 and 1998-99, each district shall provide a minimum of 1,035 hours of pupil instruction; and, beginning in 1999-2000, each district shall provide a minimum of 1,080 hours of pupil instruction. Except as otherwise provided in this section, a district failing to hold 180 days of pupil instruction shall forfeit 1/180 of its total state aid appropriation for each day of



1 failure. Except as otherwise provided in this section, a district  
2 failing to comply with the required minimum hours of pupil instruction  
3 shall forfeit from its total state aid allocation an amount determined  
4 by applying a ratio of the time duration the district was in  
5 noncompliance in relation to the required minimum number of hours. A  
6 district failing to meet both the minimum 180 days of pupil instruction  
7 requirement and the minimum number of hours requirement of pupil  
8 instruction requirement shall be penalized only the higher of the 2  
9 amounts calculated under the forfeiture provisions of this subsection.  
10 Not later than August 1, the board of each district shall certify to  
11 the department the number of days and hours of pupil instruction in the  
12 previous school year. If the district did not hold at least 180 days  
13 and the required minimum number of hours of pupil instruction, the  
14 deduction of state aid shall be made in the following fiscal year from  
15 the first payment of state school aid. A district is not subject to  
16 forfeiture of funds under this subsection for a fiscal year in which a  
17 forfeiture was already imposed under subsection (7). Days lost because  
18 of strikes or teachers' conferences shall not be counted as days of  
19 pupil instruction. A district not having 75% of the district's  
20 membership in attendance on any day shall receive state aid in that  
21 proportion of 1/180 that the actual percent of attendance bears to the  
22 specified percentage. The state board shall promulgate rules for the  
23 implementation of this subsection.

24 (3) The first 2 days for which pupil instruction is not provided  
25 because of conditions not within the control of school authorities,  
26 such as severe storms, fires, epidemics, or health conditions as  
27 defined by the city, county, or state health authorities, shall be  
28 counted as days of pupil instruction. Subsequent such days shall not be  
29 counted as days of pupil instruction.

30 (4) A district shall not be allotted or paid a sum under this act

1 in a fiscal year if the department determines that at the end of the  
2 preceding school fiscal year the amount of funds on hand in the  
3 district available for the payment of the operation cost in the  
4 district exceeded the amount of money expended for operation cost in  
5 the district during the preceding school fiscal year.

6 (5) A district shall not forfeit part of its state aid  
7 appropriation if it adopts or has in existence an alternative  
8 scheduling program for pupils in kindergarten, which ~~program~~ is  
9 approved by the state board.

10 (6) Upon application by the district for a particular fiscal year,  
11 the state board may waive the 180-day requirement of subsection (2) for  
12 a district if the district has adopted an experimental school year  
13 schedule in 1 or more buildings in the district if the experimental  
14 school year schedule provides the required minimum number or more hours  
15 of pupil instruction and is consistent with all state board policies on  
16 school improvement and restructuring. If a district applies for and  
17 receives a waiver under this subsection and complies with the terms of  
18 the waiver, for the fiscal year covered by the waiver the district is  
19 not subject to forfeiture under this section of part of its state aid  
20 allocation for the specific building or program covered by the waiver.

21 (7) Not later than January 31 of each fiscal year, the board of  
22 each district shall certify to the department the planned number of  
23 days and hours of pupil instruction in the district for the school year  
24 ending in the fiscal year. In addition to any other penalty or  
25 forfeiture under this section, if at any time the department determines  
26 that 1 or more of the following has occurred in a district, the  
27 district shall forfeit in the current fiscal year beginning in the next  
28 payment to be calculated by the department a proportion of the funds  
29 due to the district under this act that is equal to the proportion  
30 below 180 days and the required minimum number of hours, as specified

1 in the following:

2 (a) The district fails to operate its schools for a minimum of 180  
3 days and the required minimum number of hours of pupil instruction in a  
4 school year, including days counted under subsection (3).

5 (b) The board of the district takes formal action not to operate  
6 its schools for a minimum of 180 days and the required minimum number  
7 of hours of pupil instruction in a school year, including days counted  
8 under subsection (3).

9 (8) Upon application by the district for a particular fiscal year,  
10 the state board may waive for a district the 180-day requirement of  
11 subsection (2) for a department-approved alternative education program  
12 ~~operated through an adult education program~~. If a district applies for  
13 and receives a waiver under this subsection and complies with the terms  
14 of the waiver, for the fiscal year covered by the waiver the district  
15 is not subject to forfeiture under this section for the specific  
16 program covered by the waiver.

17 Sec. 102. (1) A district OR INTERMEDIATE DISTRICT receiving money  
18 under this act shall not adopt or operate under a deficit budget, and a  
19 district OR INTERMEDIATE DISTRICT shall not incur an operating deficit  
20 in a fund during a school fiscal year. A district OR INTERMEDIATE  
21 DISTRICT having an existing deficit or which incurs a deficit shall not  
22 be allotted or paid a further sum under this act until the district OR  
23 INTERMEDIATE DISTRICT submits to the department for approval a budget  
24 for the current school fiscal year and a plan to eliminate the  
25 district's OR INTERMEDIATE DISTRICT'S deficit not later than the end of  
26 the second school fiscal year after the deficit was incurred. Withheld  
27 state aid payments shall be released after the department approves the  
28 deficit reduction plan and ensures that the budget for the current  
29 school fiscal year is balanced.

1           (2) Not later than December 1 of each year, the department shall  
2 prepare a report of deficits incurred by districts AND INTERMEDIATE  
3 DISTRICTS in the immediately preceding fiscal year and the progress  
4 made in reducing those deficits and submit the report to the standing  
5 committees of the legislature responsible for K-12 education  
6 legislation, the appropriations subcommittees of the legislature  
7 responsible for K-12 education appropriations, the house and senate  
8 fiscal agencies, the state treasurer, and the department of management  
9 and budget. The department shall also submit interim reports concerning  
10 district AND INTERMEDIATE DISTRICTS deficits as necessary.

11           (3) The amount of the permissible deficit for each school fiscal  
12 year shall not exceed the amount of state aid reduced by an executive  
13 order during that school fiscal year.

14           (4) A district OR INTERMEDIATE DISTRICT with an existing deficit or  
15 which incurs a deficit shall submit a monthly ~~expenditure~~ MONITORING  
16 report ON REVENUES AND EXPENDITURES IN A FORM AND MANNER PRESCRIBED BY  
17 to the department.

18           (5) If a district is not able to comply with the provisions of this  
19 section, a district OR INTERMEDIATE DISTRICT shall submit to the  
20 department a plan to eliminate its deficit. Upon approval of the plan  
21 submitted, the superintendent of public instruction may continue  
22 allotment and payment of funds under this act, extend the period of  
23 time in which a district OR INTERMEDIATE DISTRICT has to eliminate its  
24 deficit, and set special conditions that the district OR INTERMEDIATE  
25 DISTRICT must meet during the period of the extension.

26           (6) For the purposes of this section, a district OR INTERMEDIATE  
27 DISTRICT is considered to have incurred an operating deficit if the  
28 district incurs any withholding of or financial penalty, other than a  
29 temporary delay, against any portion of its total state school aid  
30 allocation under this act.

1           Sec. 104a. (1) In order to receive state aid under this act in  
 2           1993-94, 1994-95, or 1995-96, a district shall comply with this section  
 3           and shall award a state-endorsed high school diploma to an eligible  
 4           graduate as provided in this section. For a pupil scheduled to graduate  
 5           in 1994, 1995, or 1996 to be eligible for a state-endorsement in 1 or  
 6           more of the subject areas of communication arts, mathematics, or  
 7           science, the pupil must achieve at least 1 of the following:

8           (a) A passing score on locally-adopted and state-approved basic  
 9           proficiency tests measuring proficiency in 1 or more of the subject  
 10          areas specified in this subsection.

11          (b) If the pupil is eligible to take the general education  
 12          development (G.E.D.) test, a passing score in 1 or more of the subject  
 13          areas specified in this subsection and tested in the G.E.D. test.

14          (c) For a state endorsement in communications arts, at least  
 15          ~~category 2 on the~~ A SCORE OF SATISFACTORY ON EITHER THE STORY OR  
 16          INFORMATIONAL reading portion of the Michigan educational assessment  
 17          program (MEAP) grade 10 test; for a state endorsement in mathematics,  
 18          ~~at least 50% of the objectives~~ A SCORE OF MODERATE on the mathematics  
 19          portion of the MEAP grade 10 test; and, for a state endorsement in  
 20          science, at least 50% of the objectives on the science portion of the  
 21          MEAP grade 11 test.

22          (2) Beginning with pupils scheduled to graduate in 1997, if a pupil  
 23          achieves the outcomes required by the state board, as measured by an  
 24          assessment instrument developed ~~under subsection (8)~~, for a  
 25          state-endorsed high school diploma in 1 or more of the subject areas of  
 26          communications skills, mathematics, and science, the pupil's district  
 27          shall award a state endorsement on the pupil's diploma in each of the  
 28          subject areas in which the pupil demonstrated the required proficiency.  
 29          A district shall not award a state endorsement to a pupil unless the

1 pupil meets the applicable requirements for the endorsement, as  
2 described in this subsection. A school district may award a high school  
3 diploma to a pupil who successfully completes local district  
4 requirements established in accordance with state law for high school  
5 graduation, regardless of whether the pupil is eligible for any state  
6 endorsement.

7 (3) A district that offers a pupil the opportunity to pass a basic  
8 proficiency test described in subsection (1)(a) as 1 means to obtain a  
9 state-endorsed diploma in 1994, 1995, or 1996 may submit the district's  
10 own basic proficiency test to the department for approval to be used by  
11 the district to assess proficiency.

12 (4) A pupil who does not achieve at least 1 of the requirements  
13 listed in subsection (1) or the requirements of subsection (2), as  
14 applicable, may be reevaluated each school year until the pupil  
15 achieves an applicable requirement for a state-endorsed diploma. In  
16 addition, the board of the district in which the pupil is enrolled  
17 shall provide that there be at least 1 meeting attended by at least the  
18 pupil and a member of the district's staff or a local or intermediate  
19 district consultant who is proficient in the measurement and evaluation  
20 of pupils. The district may provide the meeting as a group meeting for  
21 pupils in similar circumstances. If the pupil is a minor, the district  
22 shall invite and encourage the pupil's parent, legal guardian, or  
23 person in loco parentis to attend the meeting and shall mail a notice  
24 of the meeting to the pupil's parent, legal guardian, or person in loco  
25 parentis. The purpose of this meeting and any subsequent meeting under  
26 this subsection shall be to determine an educational program for the  
27 pupil designed to have the pupil reach proficiency in each subject or  
28 skill area in which he or she was assessed by the testing as not  
29 proficient. In addition, a district may provide for subsequent meetings  
30 with the pupil conducted by a high school counselor or teacher

1 designated by the pupil's high school principal, and shall invite and  
2 encourage the pupil's parent, legal guardian, or person in loco  
3 parentis to attend the subsequent meetings. The board may provide  
4 special programs for the pupil or may develop a program using the  
5 educational programs regularly provided by the district. A pupil may be  
6 reevaluated at any time the district administers an applicable  
7 assessment instrument.

8 (5) For a state-endorsed diploma, a pupil must achieve at least 1  
9 of the requirements listed in subsection (1) or the requirements of  
10 subsection (2), as applicable, in addition to any other requirements  
11 established by law or by the board of a district for a high school  
12 diploma. If the board of a district determines that a pupil qualifies  
13 for a state-endorsed diploma, the board shall indicate on the pupil's  
14 high school diploma and transcript that the pupil achieved the  
15 proficiency necessary for receipt of a state-endorsed diploma.

16 (6) An individual may repeat any of the tests or assessment  
17 instruments specified in subsection (1) or subsection (2), as  
18 applicable, at any time the district regularly offers the test or  
19 assessment or, for the MEAP tests described in subsection (1)(c),  
20 during the month of April or first 2 weeks of May, and, upon achieving  
21 at least 1 of the requirements listed in subsection (1) or the  
22 requirements of subsection (2), as applicable, and completing all other  
23 applicable requirements for a high school diploma, shall be awarded a  
24 state-endorsed diploma.

25 (7) A district shall provide accommodations to a pupil with  
26 disabilities for the proficiency testing or assessment required under  
27 this section, as provided under section 504 of title V of the  
28 rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 794; subtitle  
29 A of title II of the Americans with disabilities act of 1990, Public  
30 Law 101-336, 42 U.S.C. 12131 to 12134; and the implementing regulations

1 for those statutes. A special education pupil scheduled to graduate in  
2 1994, 1995, or 1996 who has passed an alternative form of assessment  
3 permitted under this section as it was in effect for 1992-93 shall  
4 receive the applicable endorsement under this section.

5 ~~(8) Not later than July 31, 1993, for the purposes of this section,~~  
6 ~~the state board shall develop or select and approve assessment~~  
7 ~~instruments to determine pupil proficiency in communications skills,~~  
8 ~~mathematics, and science. The assessment instruments shall be based on~~  
9 ~~the state board model core curriculum outcomes.~~

10 ~~(9)~~ (8) Not later than July 31, 1995, the state board shall develop  
11 or select and approve assessment instruments for the purpose of  
12 awarding state endorsements of advanced mastery in specified subject  
13 areas.

14 SEC. 107F. (1) FROM THE GENERAL FUND/GENERAL PURPOSE MONEY  
15 APPROPRIATED IN SECTION 11 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED  
16 \$185,000,000.00 FOR 1995-96 FOR ADULT EDUCATION COMPETITIVE GRANTS, AS  
17 PROVIDED IN THIS SECTION. THESE GRANTS ARE FOR OPERATION OF ADULT  
18 BASIC EDUCATION PROGRAMS, GENERAL EDUCATION DEVELOPMENT (G.E.D.) TEST  
19 PREPARATION PROGRAMS AND HIGH SCHOOL PROFICIENCY TEST PREPARATION  
20 PROGRAMS.

21 (2) AN APPLICANT MAY BE A DISTRICT, INTERMEDIATE DISTRICT,  
22 COMMUNITY COLLEGE, OR CONSORTIUM CONSISTING OF ANY COMBINATION OF  
23 DISTRICTS, INTERMEDIATE DISTRICTS, OR COMMUNITY COLLEGES.

24 (3) APPLICATIONS SHALL BE SUBMITTED TO THE COMMISSION NOT LATER  
25 THAN A DATE TO BE DETERMINED BY THE COMMISSION. APPLICATIONS SHALL BE  
26 SUBMITTED IN A FORM AND MANNER AS PRESCRIBED BY THE COMMISSION.

27 (4) APPLICATIONS SHALL CONTAIN ALL OF THE FOLLOWING:

28 (A) AN ADULT EDUCATION PROGRAM PLAN THAT INCLUDES AT A MINIMUM:

29 (i) THE ADULT EDUCATION STANDARDS OF QUALITY APPROVED BY THE STATE



1 BOARD.

2 (ii) COURSE DESCRIPTIONS FOR ALL ADULT BASIC EDUCATION, HIGH SCHOOL  
3 PROFICIENCY TEST PREPARATION, AND G.E.D. TEST PREPARATION PROGRAMS.

4 (iii) A PLAN FOR IDENTIFYING A PARTICIPANT'S NEED FOR ADULT  
5 EDUCATION AND DEVELOPING A PLANNED PROGRAM FOR EACH PARTICIPANT  
6 ENROLLED IN AN ADULT EDUCATION PROGRAM.

7 (iv) A PLAN FOR PROVIDING TECHNICAL, VOCATIONAL AND JOB RELATED  
8 SKILLS AND COUNSELING FOR PARTICIPANTS WHO ARE IN NEED OF THOSE  
9 SERVICES, THROUGH THE SDA OR OTHER JOB TRAINING PROVIDERS WITH FUNDS  
10 OTHER THAN THOSE PROVIDED IN THIS SECTION.

11 (v) A PLAN TO MAINTAIN PARTICIPANT RECORDS IN A MANNER WHICH WILL  
12 ALLOW THE DEPARTMENT TO DETERMINE COMPLIANCE WITH THIS SECTION.

13 (B) A BUDGET THAT INDICATES THE NUMBER OF PARTICIPANTS WHO WILL BE  
14 SERVED BY THE GRANT APPLICANT. ALLOWABLE COSTS SHALL INCLUDE ACTUAL  
15 REASONABLE COSTS OF CONDUCTING ADULT EDUCATION PROGRAMS, INCLUDING, BUT  
16 NOT LIMITED TO, NECESSARY CHILD CARE AND NECESSARY TRANSPORTATION FOR  
17 PARTICIPANTS. BUDGETS SHALL INCLUDE REVENUES FROM ALL SOURCES OF  
18 FUNDING, TOTAL COSTS, AND COSTS PER PARTICIPANT.

19 (C) EVIDENCE THAT THE GRANT WILL NOT SUPPLANT OTHER AVAILABLE  
20 PUBLIC OR PRIVATE JOB TRAINING FUNDS.

21 (5) THE ADULT EDUCATION PLAN SHALL BE APPROVED BY THE SDA IN WHICH  
22 THE GRANT APPLICANT IS GEOGRAPHICALLY LOCATED. IF SUCH AN APPROVAL  
23 CANNOT BE SECURED, THE APPLICANT MAY RECEIVE APPROVAL FROM AN ADULT  
24 EDUCATION PLAN REVIEW TEAM NAMED BY THE COMMISSION.

25 (6) PRIORITY IN THE COMMISSION'S AWARDING OF GRANTS SHALL BE BASED  
26 UPON THE FOLLOWING CRITERIA:

27 (A) AVAILABILITY OF APPROPRIATE CLASSROOM SPACE, MATERIALS AND  
28 EQUIPMENT.

1 (B) QUALIFICATIONS OF THE PROGRAM DIRECTOR AND KEY PERSONNEL WHO  
2 WILL BE INVOLVED IN THE PROGRAM.

3 (C) THE GEOGRAPHICAL DISTRIBUTION OF GRANT RECIPIENTS TO ENSURE  
4 THAT ADULT EDUCATION PROGRAMS ARE AVAILABLE TO ALL ELIGIBLE MICHIGAN  
5 CITIZENS.

6 (D) OTHER CRITERIA DETERMINED BY THE COMMISSION TO BE IMPORTANT IN  
7 ACHIEVING THE OBJECTIVES OF ADULT EDUCATION PROGRAMS.

8 (E) IF THE TOTAL AMOUNT OF THE GRANTS AWARDED BY THE COMMISSION ARE  
9 LESS THAN THE AMOUNT APPROPRIATED UNDER THIS SECTION, UP TO  
10 \$25,000,000.00 OF THE REMAINING UNALLOCATED FUNDS MAY BE AWARDED BY THE  
11 COMMISSION ON A COMPETITIVE BASIS TO SUPPORT EFFECTIVE AND INNOVATIVE  
12 ADULT EDUCATION PROGRAMS UNDER GUIDELINES ESTABLISHED BY THE  
13 COMMISSION.

14 (7) EXCEPT AS PROVIDED IN THIS SUBSECTION, PAYMENTS UNDER THIS  
15 SECTION SHALL BE MADE ON A PARTICIPANT BASIS, NOT TO EXCEED \$3,500.00  
16 PER FULL-TIME-EQUATED PARTICIPANT. A DISTRICT, INTERMEDIATE DISTRICT,  
17 COMMUNITY COLLEGE, OR CONSORTIUM THAT RECEIVES FUNDING FOR ADULT  
18 EDUCATION PARTICIPANTS UNDER THIS SECTION AND COMPLIES WITH THE  
19 REQUIREMENTS OF THIS SECTION SHALL RECEIVE REGULARLY SCHEDULED PAYMENTS  
20 AS PROVIDED IN SECTION 17B FOR WHICH THE DISTRICT, INTERMEDIATE  
21 DISTRICT OR CONSORTIUM QUALIFIES UNDER THIS SECTION, AS ADJUSTED BY THE  
22 FOLLOWING PROVISIONS, UP TO A MAXIMUM OF 100%:

23 (A) TWENTY PERCENT OF THE PAYMENT SHALL BE FOR ENROLLMENT OF  
24 ELIGIBLE PARTICIPANTS.

25 (B) FORTY PERCENT OF THE PAYMENT SHALL BE FOR CLASSROOM ATTENDANCE.

26 (C) FORTY PERCENT OF THE PAYMENT SHALL BE FOR PASSAGE OF THE HIGH  
27 SCHOOL PROFICIENCY TEST; FOR PASSAGE OF THE G.E.D. TEST; FOR COMPLETION  
28 OF THE ADULT BASIC EDUCATION OBJECTIVES BY ACHIEVING AN EIGHTH GRADE  
29 LEVEL IN READING, ENGLISH, OR MATHEMATICS; OR FOR COMPLETION OF THE

1 CLASS AND DEMONSTRATED PROFICIENCY IN THE ACADEMIC OR VOCATIONAL SKILLS  
2 TO BE LEARNED IN THE CLASS.

3 (8) A RECIPIENT OF A GRANT UNDER THIS SECTION SHALL NOT CHARGE  
4 TUITION OR FEES TO PARTICIPANTS IN ADULT EDUCATION PROGRAMS FUNDED  
5 UNDER THIS SECTION WHO ARE LESS THAN TWENTY-FIVE YEARS OF AGE ON  
6 SEPTEMBER 1 OF THE SCHOOL YEAR. A RECIPIENT OF A GRANT UNDER THIS  
7 SECTION SHALL CHARGE TUITION NOT TO EXCEED THE ACTUAL PER PUPIL COST OF  
8 THE PROGRAM TO PARTICIPANTS WHO ARE TWENTY-FIVE YEARS OF AGE OR OLDER  
9 ON SEPTEMBER 1 OF THE SCHOOL YEAR.

10 (9) AS USED IN THIS SECTION, "COMMISSION" MEANS THE STATE ADULT  
11 EDUCATION ADVISORY COMMISSION. MEMBERSHIP OF THE COMMISSION SHALL  
12 CONSIST OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION, OR A DESIGNEE; THE  
13 DIRECTOR OF THE MICHIGAN JOBS COMMISSION, OR A DESIGNEE; A  
14 REPRESENTATIVE OF THE BUSINESS COMMUNITY; A REPRESENTATIVE OF SCHOOL  
15 DISTRICTS; A REPRESENTATIVE OF INTERMEDIATE DISTRICTS; AND A  
16 REPRESENTATIVE OF PUBLIC COMMUNITY COLLEGES. THE REPRESENTATIVES OF  
17 THE BUSINESS COMMUNITY, THE SCHOOL DISTRICTS, INTERMEDIATE DISTRICTS,  
18 AND PUBLIC COMMUNITY COLLEGES SHALL BE NAMED JOINTLY BY THE  
19 SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE DIRECTOR OF THE MICHIGAN  
20 JOBS COMMISSION AND SHALL SERVE FOR THE DURATION OF THE FISCAL YEAR,  
21 AND MAY BE ELIGIBLE FOR APPOINTMENT EACH YEAR. THE DEPARTMENT AND  
22 MICHIGAN JOBS COMMISSION SHALL ALLOCATE SUFFICIENT STAFF AND RESOURCES  
23 TO IMPLEMENT THIS SECTION.

24 (10) AS USED IN THIS SECTION, "PARTICIPANT" MEANS THE AVERAGE  
25 NUMBER OF FULL-TIME-EQUATED INDIVIDUALS AGE 16 OR OLDER ENROLLED IN AND  
26 ATTENDING A DEPARTMENT-APPROVED ADULT BASIC EDUCATION PROGRAM, A G.E.D.  
27 PREPARATION PROGRAM OR A HIGH SCHOOL PROFICIENCY TEST PREPARATION  
28 PROGRAM. THE PRORATED ALLOCATION FOR AN ADULT EDUCATION PARTICIPANT  
29 UNDER THIS SECTION SHALL BE COMPUTED BY APPLYING A RATIO THAT IS THE  
30 RELATION BETWEEN THE NUMBER OF HOURS OF PARTICIPANT INSTRUCTION

1 RECEIVED AND 900 CLOCK HOURS OF CLASSROOM INSTRUCTION. EXCEPT FOR AN  
2 INDIVIDUAL WHO IS ENROLLED FOR A MAXIMUM OF 1 YEAR IN AN ENGLISH AS A  
3 SECOND LANGUAGE PROGRAM, AN INDIVIDUAL WHO HAS OBTAINED A HIGH SCHOOL  
4 DIPLOMA OR A GENERAL EDUCATION DEVELOPMENT (G.E.D.) CERTIFICATE SHALL  
5 NOT BE COUNTED AS A PARTICIPANT UNDER THIS SECTION. A PARTICIPANT  
6 FUNDED UNDER THIS SECTION SHALL NOT BE COUNTED IN MEMBERSHIP IN A  
7 DISTRICT OR INTERMEDIATE DISTRICT.

8 (11) AS USED IN THIS SECTION, "SDA" MEANS SERVICE DELIVERY AREA AS  
9 THAT TERM IS DEFINED IN THE FEDERAL JOB TRAINING PARTNERSHIP ACT,  
10 PUBLIC LAW 97-300, 96 STAT. 1322.

11 (12) A DISTRICT, INTERMEDIATE DISTRICT, COMMUNITY COLLEGE, OR  
12 CONSORTIUM THAT RECEIVES FUNDING FOR ADULT EDUCATION PARTICIPANTS UNDER  
13 THIS SECTION SHALL ALLOW ACCESS FOR THE DEPARTMENT OR THE DEPARTMENT'S  
14 DESIGNEE TO AUDIT ALL RECORDS RELATED TO THE ADULT EDUCATION PROGRAM  
15 FOR ALL ENTITIES THAT RECEIVE MONEY, EITHER DIRECTLY OR INDIRECTLY  
16 THROUGH A CONTRACT, FROM THE FUNDING PROVIDED UNDER THIS SECTION. THE  
17 RECIPIENT OR CONTRACTOR, IF ANY, SHALL REIMBURSE THE STATE FOR ALL  
18 DISALLOWANCES FOUND IN THE AUDIT.

19 (13) THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION AS  
20 NECESSARY IN A MANNER TO BE DETERMINED BY THE COMMISSION.

21 Sec. 111. (1) ~~Except as provided in section 113, a~~ A district  
22 having tuition pupils enrolled on the pupil membership count day of  
23 each year may charge the district in which the tuition pupils reside an  
24 amount for tuition that does not exceed the tuition rate computed under  
25 section 1401 of the school code of 1976, being section 380.1401 of the  
26 Michigan Compiled Laws. ~~The resulting tuition rates shall be reduced by~~  
27 ~~the district's foundation allowance provided under section 20.~~ The  
28 rate charged by a district for tuition shall be uniform within each  
29 category of tuition pupils enrolled in the district.

~~(2) A pupil for whom the full per capita operating cost, as determined under section 1401 of the school code of 1976, is charged as tuition under subsection (1) shall not be counted in membership in the receiving district for purposes of calculating that district's foundation allowance under section 20. A pupil for whom the full per capita operating cost, as determined under section 1401 of the school code of 1976, is paid by the pupil's district of residence under subsection (1) shall be counted in membership in the pupil's district of residence solely for purposes of calculating that district's foundation allowance under section 20.~~

~~--- (3) An additional allowance for nonpublic, nonresident pupils in part-time membership shall be made to the district receiving nonpublic, nonresident pupils in an amount equal to the difference between the per capita cost as determined under section 1401 of the school code of 1976 and the district's foundation allowance calculated under section 20.~~

Sec. 118. (1) A district shall not be allotted or paid a sum under this act ~~after April 1 of each year unless that district pays the legal amount~~ AGREED UPON AMOUNT of tuition for tuition pupils EDUCATED OUTSIDE THE GEOGRAPHIC BOUNDARIES OF THE DISTRICT OF RESIDENCE. ~~on or before the date to the districts in which the tuition pupils are in school membership on the preceding pupil membership count day of each year and has certified that fact to the department.~~

(2) A district which sends tuition pupils to 1 or more districts, which is legally liable for the payment of the tuition, and which fails to pay its tuition assessment in full before April 1 of each year, shall remit the full amount of tuition owed to the receiving district before making any other financial expenditure or commitment for the next school fiscal year.

Sec. 121. (1) The valuation of a whole or fractional district shall be the total ~~state equalized valuation~~ TAXABLE VALUE of the property

1 contained in the whole or fractional district as last determined by the  
2 state tax commission and placed on the ad valorem tax roll. For  
3 purposes of computations made under this act, except as provided in  
4 section 26, the ~~state equalized valuation~~ TAXABLE VALUE of a district  
5 or intermediate district shall include the value of property used to  
6 calculate the tax imposed on lessees or users of tax-exempt property  
7 under Act No. 189 of the Public Acts of 1953, being sections 211.181 to  
8 211.182 of the Michigan Compiled Laws. Adjustments to this ~~state~~  
9 ~~equalized valuation~~ TAXABLE VALUE shall be made for all of the  
10 following:

11 (a) State tax tribunal decisions.

12 (b) Court decisions.

13 (c) Local board of review adjustments made after the state tax  
14 commission determination.

15 (d) Lands deeded to the state for jurisdictions without delinquent  
16 tax revolving funds or for jurisdictions that have required repayment  
17 to the delinquent tax revolving funds.

18 (e) The requirements of this act.

19 (2) Adjustments under subsection (1) shall not be made for more  
20 than the 6 state fiscal years immediately preceding the state fiscal  
21 year in which the adjustment is made, except that an adjustment  
22 pursuant to a state tax tribunal decision or court decision shall be  
23 made for the tax years involved in the decision and any subsequent  
24 years affected by the decision.

25 Sec. 145. From the amount appropriated in section 11, there is  
26 allocated for ~~1994-95~~ 1995-96 an amount not to exceed \$3,920,000.00 to  
27 pay the state share of desegregation costs mandated by the federal  
28 court before June 1, 1983, in Berry v school district of the city of  
29 Benton Harbor, United States district court for the western district of

Michigan, docket no. C.A. 9.

Sec. 147. ~~(1) From the appropriation in section 11, there is allocated for 1994-95 \$27,673,700.00 from federal retirement contribution pass-through funds, and there is allocated, in addition to the funds credited under subsection (4), an amount not to exceed \$29,500,000.00 for 1994-95 from the state school aid fund for funding the intermediate district retirement cost, for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, Act No. 300 of the Public Acts of 1980, being sections 38.1361 to 38.1408 of the Michigan Compiled Laws.~~

~~(2)~~ (1) The allocations for ~~1994-95~~ 1995-96 for the public school employees' retirement system pursuant to Act No. 300 of the Public Acts of 1980 shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of management and budget. The annual level percentage of payroll contribution rate ~~assumed~~ ESTIMATED for the ~~1994-95~~ 1995-96 state fiscal year is ~~14.21%~~ 14.35%. The portion of the contribution rate assigned to ~~total~~ districts AND INTERMEDIATE DISTRICTS for the ~~1994-95~~ 1995-96 state fiscal year is all of the total ~~14.21~~ 14.35% percentage points. ~~The portion of the contribution rate assigned to intermediate districts for the 1994-95 state fiscal year is 5.0 percentage points of the total 14.21 percentage points.~~ THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM BOARD SHALL NOTIFY EACH DISTRICT AND INTERMEDIATE DISTRICT BY FEBRUARY 28 OF EACH FISCAL YEAR REGARDING THE ESTIMATED CONTRIBUTION RATE FOR THE FOLLOWING FISCAL YEAR.

~~(3) Adjustments are made to reflect the difference between the estimated and actual 1988-89 contribution requirements, the estimated and actual 1989-90 contribution requirements, the estimated and actual 1990-91 contribution requirements, the estimated and actual 1991-92 contribution requirements, and the estimated and actual 1992-93~~

~~contribution requirements for the public school employees' retirement system as required in section 41 of the public school employees retirement act of 1979, Act No. 300 of the Public Acts of 1980, being section 38.1341 of the Michigan Compiled Laws. The net amount of these adjustments shall be applied proportionately to the reserve for employer contributions created by section 30 of Act No. 300 of the Public Acts of 1980, being section 38.1330 of the Michigan Compiled Laws, and the reserve for health benefits created by section 34 of Act No. 300 of the Public Acts of 1980, being section 38.1334 of the Michigan Compiled Laws.~~

(4) (2) The health benefits reserve is the account to which appropriations of the state for public school employees retirement system health benefits and reporting unit payments are credited in addition to payments from retiree's and interest earnings. Benefits payable pursuant to section 91 of Act No. 300 of the Public Acts of 1980, being section 38.1391 of the Michigan Compiled Laws, shall be paid from the health benefits reserve. However, for the ~~1994-95~~ 1995-96 fiscal year, any payments for health benefits made on behalf of a district or intermediate district that are supported by payments from the balance in the health benefits reserve, not to exceed an aggregate of ~~\$139,500,000.00~~ \$35,000,000.00, shall be credited toward the required payment of each district or intermediate district and shall reduce the amount otherwise due from that district or intermediate district. A payment from the balance in the health benefits reserve made on behalf of a district or intermediate district shall be considered to be payments on behalf of the district or intermediate district for the purposes of calculating payments made under section 20. The credit provided under this subsection for a particular district or intermediate district shall be determined based on the district's or intermediate district's percentage of the total statewide nonfederal



1 payroll for all districts or all intermediate districts, respectively,  
2 for the calendar year ending September 30, ~~1993~~ 1994.

3 ~~(5) From the appropriation in section 11, there is allocated for~~  
4 ~~1994-95 an amount not to exceed \$10,634,000.00 to intermediate~~  
5 ~~districts for funding the intermediate district retirement cost for~~  
6 ~~local district employees providing services in a special education~~  
7 ~~center program, as defined in section 6, operated by a local district~~  
8 ~~for the intermediate district under article 5, for the public school~~  
9 ~~employees' retirement system pursuant to Act No. 300 of the Public Acts~~  
10 ~~of 1980.~~

11 Sec. 148. From the general fund/general purpose money appropriated  
12 in section 11, there is allocated an amount not to exceed \$450,000.00  
13 for ~~1994-95~~ 1995-96 for a grant to the Detroit compact for a  
14 comprehensive school, business, government, and community partnership  
15 designed to improve the economic success of Detroit public school  
16 graduates.

17 Sec. 149. (1) From the general fund/general purpose appropriation  
18 in section 11, there is allocated ~~\$5,000,000.00~~ \$2,500,000.00 for  
19 ~~1994-95~~ 1995-96 for the final year of a grant to Michigan state  
20 university for the Michigan partnership for new education. The payments  
21 shall be made in 2 equal installments on October 20 and December 20.  
22 During each state fiscal year, the Michigan partnership and its partner  
23 institutions shall raise or contribute matching funds totaling at least  
24 1/2 of the amount allocated in this section for the partnership. The  
25 Michigan partnership for new education shall use resources of the state  
26 and federal government, corporations, foundations, districts,  
27 intermediate districts, community colleges, and state universities to  
28 assist in the development and operation of a coordinated statewide  
29 educational innovation system, including, but not limited to, all of  
30 the following:

1 (a) Professional development schools in which K-12, intermediate  
2 district, community college, and university educators collaborate.

3 (b) Alliances between professional development schools and  
4 community organizations, business and industrial firms, health and  
5 human service organizations, and local government.

6 (c) New and strengthened collaborative programs to develop  
7 educational and community leadership.

8 (d) Dissemination of new knowledge, skills, and strategies to local  
9 schools, universities, and communities in cooperation with the state  
10 board, intermediate districts, community colleges, and professional  
11 education organizations and associations. Dissemination activities  
12 shall use telecommunications infrastructure as available and  
13 appropriate.

14 (e) New research-based strategies, instruments, and standards of  
15 accountability to assess student and educator learning, school and  
16 university performance, and community contributions to student learning  
17 and development.

18 (f) Coalition building at the state and local levels among key  
19 partners in government, business, and education.

20 (g) Educational improvement policy studies.

21 (2) The funds allocated under this section may be expended for  
22 purposes including, but not limited to, all of the following:

23 (a) Released time for teachers and administrators to collaborate on  
24 educational innovation with university faculty and community partners.

25 (b) Compensation for university faculty, teachers, and  
26 administrators to collaborate on educational innovation activities such  
27 as course planning, materials development, professional development,  
28 research, and dissemination.

1 (c) Compensation for staff necessary to facilitate the  
2 participation of teachers, administrators, university faculty, and  
3 community partners.

4 (d) Research reports, books, and other materials related to  
5 curriculum, instruction, organization, and management of schools.

6 (e) Evaluation of the work of the partnership, including  
7 professional development schools, community partnerships, university  
8 professional education preparation, product development, and  
9 dissemination networks.

10 (f) Meeting and travel expenses.

11 (3) Not later than ~~March 1, 1995~~ DECEMBER 30, the Michigan  
12 partnership for new education shall submit to the senate and house  
13 appropriations subcommittees responsible for the department's budget,  
14 the senate and house fiscal agencies, the governor, THE DEPARTMENT OF  
15 MANAGEMENT AND BUDGET, and the state board a report on its activities  
16 and accomplishments for the ~~1993-94~~ PRIOR fiscal year, including  
17 evaluation results, and matching funds raised or contributed, AND  
18 EXPENDITURES. ~~Not later than October 1, 1994, the Michigan partnership~~  
19 ~~for new education shall submit to each of those entities a detailed~~  
20 ~~work plan for the 1994-95 fiscal year. Not later than November 30 of~~  
21 ~~the 1994-95 and 1995-96 fiscal years, the Michigan partnership shall~~  
22 ~~submit to each of those entities a report on expenditures for the~~  
23 ~~immediately preceding fiscal year.~~

24 (4) THE FUNDS APPROPRIATED IN THIS SECTION ARE THE FINAL PHASEOUT  
25 OF STATE CONTRIBUTIONS.

26 Sec. 151. (1) Annually, the treasurer of each county shall furnish  
27 to the department, before August 1 following the receipt of assessment  
28 rolls, a statement of the ~~state equalized valuation~~ TAXABLE VALUE of  
29 each district and fraction of a district within the county, and shall

1 furnish to the department on October 1 or the next business day of each  
2 year a statement of the ~~state equalized valuation~~ TAXABLE VALUE of each  
3 class of property of each district and fraction of a district within  
4 the county, on forms furnished by the department.

5 (2) The tax tribunal created by the tax tribunal act, Act No. 186  
6 of the Public Acts of 1973, being sections 205.701 to 205.779 of the  
7 Michigan Compiled Laws, shall accumulate any changes in ~~state equalized~~  
8 ~~valuation~~ TAXABLE VALUE of each district and intermediate district and  
9 report the cumulative change in ~~state equalized valuation~~ TAXABLE VALUE  
10 before the fourth Friday of each month to the department, the  
11 department of treasury, the department of management and budget, and  
12 the house and senate fiscal agencies.

13 Sec. 152a. In order to receive funds under this act, not later than  
14 May 15 of each state fiscal year, each district shall furnish to the  
15 department, on a form and in a manner prescribed by the department,  
16 estimates of the district's full-time equated K-12 membership ~~and~~  
17 ~~part-time membership~~ for the next school fiscal year.

18 Sec. 155. The secretary of the board of each district enrolling  
19 nonresident pupils shall certify to the department on forms furnished  
20 by the department, the number of nonresident pupils enrolled in each  
21 grade on the pupil membership count day AND SUPPLEMENTAL COUNT DAY of  
22 each year, the districts in which the nonresident pupils reside, ~~the~~  
23 ~~amount of tuition charged for the current year,~~ and other information  
24 required by the department.

25 Sec. 163. (1) Except as provided in the school code of 1976, the  
26 board of a district or intermediate district shall not permit any of  
27 the following:

28 (a) A ~~noncertificated~~ NONCERTIFIED teacher to teach in an  
29 elementary or secondary school or in an adult basic education or high

1 school completion program.

2 (b) A ~~noncertificated~~ NONCERTIFIED counselor to provide counseling  
3 services to pupils in an elementary or secondary school or in an adult  
4 basic education or high school completion program.

5 (c) A ~~noncertificated~~ NONCERTIFIED administrator to be employed as  
6 a superintendent, principal, or assistant principal, or in any other  
7 position in which the primary responsibility of the administrator is  
8 supervising instructional programs.

9 (d) A ~~noncertificated~~ NONCERTIFIED chief business official to be  
10 employed as a chief business official.

11 (2) Except as provided in the school code of 1976, a district or  
12 intermediate district employing teachers, counselors, or administrators  
13 not legally ~~certificated~~ CERTIFIED shall have deducted the sum equal to  
14 the amount paid the teachers, counselors, or administrators for the  
15 period of ~~noncertificated~~ NONCERTIFIED or illegal employment. Each  
16 intermediate superintendent shall notify the department of the name of  
17 the ~~noncertificated~~ NONCERTIFIED teacher, counselor, or administrator  
18 and the district employing that individual and the amount of salary the  
19 ~~noncertificated~~ NONCERTIFIED teacher, counselor, or administrator was  
20 paid within a constituent district.

21 (3) If a school official is notified by the department that he or  
22 she is employing a nonapproved ~~noncertificated~~ NONCERTIFIED teacher,  
23 counselor, or administrator in violation of this section and knowingly  
24 continues to employ that teacher, counselor, or administrator, the  
25 school official is guilty of a misdemeanor, punishable by a fine of  
26 \$1,500.00 for each incidence.

27 Sec. 166b. This act does not prohibit a parent or legal guardian of  
28 a minor who is enrolled in a nonpublic school or who is being  
29 home-schooled from also enrolling the minor in a district or

1 intermediate district in any curricular offering available to pupils in  
2 the minor's grade level or age group, subject to compliance with the  
3 same requirements that apply to a full-time pupil's participation in  
4 the offering. A minor enrolled as described in this section is a  
5 part-time pupil for purposes of state school aid under this act. FOR  
6 MINORS FROM NONPUBLIC SCHOOLS OR HOME SCHOOLS, STATE SCHOOL AID SHALL  
7 BE PROVIDED ONLY FOR CURRICULAR OFFERINGS WHICH ARE OFFERED TO THE  
8 PUBLIC SCHOOL PUPILS.

9 Sec. 167. (1) The department in cooperation with the department of  
10 public health shall develop plans to assist local school districts and  
11 local county health departments to comply with section 1177 of the  
12 school code of 1976, being section 380.1177 of the Michigan Compiled  
13 Laws, and section 9209 of the public health code, Act No. 368 of the  
14 Public Acts of 1978, being section 333.9209 of the Michigan Compiled  
15 Laws, for each school year.

16 (2) In ~~1994-95~~ 1995-96, each district shall report the immunization  
17 status of each entering pupil in grades K through 12 to the local  
18 health department in which it is located by November 1, ~~1994~~ 1995 in a  
19 manner prescribed by the department of public health. Not later than  
20 December 31, ~~1994~~ 1995, the department of public health shall notify  
21 the department by district of the percentage of entering pupils who do  
22 not have a completed, waived, or provisional immunization record in  
23 accordance with section 1177 of the school code of 1976. If a district  
24 does not have a completed, waived, or provisional immunization record  
25 in accordance with section 1177 of the school code of 1976 for at least  
26 90% of the district's entering pupils as recorded in the November 1  
27 reports required under this subsection, the district is subject to  
28 subsection (4) until the district has such an immunization record for  
29 at least 90% of its pupils.

30 (3) In ~~1994-95~~ 1995-96, each district shall again report the

1 immunization status of each entering pupil in grades K through 12 to  
2 the local health department in which it is located by February 1, ~~1995~~  
3 1996, in a manner prescribed by the department of public health. Not  
4 later than March 31, ~~1995~~ 1996, the department of public health shall  
5 notify the department by district of the percentage of entering pupils  
6 who do not have a completed, waived, or provisional immunization record  
7 in accordance with section 1177 of the school code of 1976. If a  
8 district does not have a completed, waived, or provisional immunization  
9 record in accordance with section 1177 of the school code of 1976 for  
10 at least 95% of the district's entering pupils as recorded in the  
11 February 1, ~~1995~~ 1996 reports required under this subsection, the  
12 district is subject to subsection (4) until the district has such an  
13 immunization record for at least 95% of its pupils. If the department  
14 of public health is not able to report to the department by March 31,  
15 ~~1995~~ 1996, because a district fails to submit a report as required in  
16 this subsection, or submits an incomplete, inaccurate, or late report,  
17 the district is subject to subsection (4) until the report is  
18 submitted in a complete and accurate form.

19 (4) If a district does not comply with this section, the department  
20 shall withhold 5% of the total funds due to the district under this act  
21 after the date the department of public health reports a district's  
22 noncompliance with this section to the department until the district  
23 complies with this section. If the district does not comply with this  
24 section by the end of the fiscal year, the district forfeits the total  
25 amount withheld.

1 SEC. 201. (1) THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS  
2 STATE AND CERTAIN OTHER STATE PURPOSES RELATED TO EDUCATION, FOR THE  
3 FISCAL YEAR ENDING SEPTEMBER 30, 1996, FROM THE FOLLOWING FUNDS:

4 **EDUCATION GRANTS**

5 APPROPRIATIONS SUMMARY:

6 GROSS APPROPRIATION . . . . . \$ 709,929,200

7 INTERDEPARTMENTAL GRANT REVENUES:

8 TOTAL INTERDEPARTMENTAL GRANTS . . . . . 0

9 FEDERAL REVENUES:

10 TOTAL FEDERAL REVENUES . . . . . 694,919,000

11 SPECIAL REVENUE FUNDS:

12 TOTAL LOCAL REVENUES . . . . . 0

13 TOTAL PRIVATE REVENUES . . . . . 0

14 TOTAL OTHER STATE RESTRICTED REVENUES . . . . . 8,194,300

15 STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$ 6,815,900

16 FEDERAL PROGRAMS:

17 ADULT BASIC EDUCATION . . . . . \$ 8,024,100

18 AIDS EDUCATION GRANTS . . . . . 150,000

19 COMPETITIVE CHILD CARE AND DEVELOPMENT . . . . . 480,000

20 IASA, TITLE I, EVEN START . . . . . 3,990,000

21 DRUG FREE SCHOOLS GRANT . . . . . 14,000,000

22 IASA, TITLE I, COMPENSATORY EDUCATION . . . . . 313,500,000

23 IASA, TITLE I, MIGRANT . . . . . 12,000,000

24 IASA, TITLE VI, GRANTS . . . . . 13,480,900



1	FOREIGN LANGUAGE GRANTS . . . . .	593,600
2	EMERGENCY IMMIGRANT . . . . .	300,000
3	GOALS 2000 GRANTS . . . . .	23,900,000
4	HANDICAPPED INFANTS AND TODDLERS . . . . .	16,000,000
5	HOMELESS CHILDREN AND YOUTH . . . . .	833,000
6	MATHEMATICS AND SCIENCE GRANTS . . . . .	9,356,000
7	MIGRANT EVEN START . . . . .	282,300
8	PRE-SCHOOL GRANTS (IDEA) . . . . .	12,136,800
9	SCHOOL AGE CHILD CARE GRANTS . . . . .	349,600
10	SCHOOL LUNCH PROGRAM-FEDERAL SHARE . . . . .	216,000,000
11	SERVE AMERICA GRANTS . . . . .	680,000
12	SPECIAL EDUCATION (IDEA) . . . . .	10,189,800
13	TRAINING PERSONNEL FOR EDUCATION OF THE	
14	HANDICAPPED . . . . .	253,600
15	VOCATIONAL EDUCATION ACT OF 1963 . . . . .	38,507,200
16	STATE PROGRAMS:	
17	DRIVER EDUCATION . . . . .	7,250,000
18	MOTORCYCLE SAFETY EDUCATION . . . . .	750,000
19	OFF ROAD VEHICLE SAFETY TRAINING GRANT . . . . .	194,300
20	SCHOOL LUNCH PROGRAM - STATE SHARE . . . . .	2,275,600
21	SCHOOL LUNCH PROGRAM - SUPPLEMENTAL	
22	STATE GRANTS . . . . .	2,032,100
23	STATE BREAKFAST PROGRAM . . . . .	<u>2,420,300</u>
24	GROSS APPROPRIATION . . . . . \$	709,929,200
25	APPROPRIATED FROM:	

## 1 FEDERAL REVENUES:

2 TOTAL FEDERAL REVENUES . . . . . 694,919,000

## 3 SPECIAL REVENUE FUNDS:

4 DRIVER FEES . . . . . 7,250,000

5 MOTORCYCLE LICENSE FEES . . . . . 750,000

6 SAFETY EDUCATION FUND . . . . . 194,300

7 STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$ 6,815,900

8 (2) AS USED IN SECTIONS 201 THROUGH 203:

9 (A) "AIDS" MEANS ACQUIRED IMMUNODEFICIENCY SYNDROME.

10 (B) "DAG" MEANS THE UNITED STATES DEPARTMENT OF AGRICULTURE.

11 (C) "DISTRICT" MEANS A LOCAL SCHOOL DISTRICT ESTABLISHED UNDER PART  
12 2, 3, 4, 5, OR 6 OF THE SCHOOL CODE OF 1976, A LOCAL ACT SCHOOL  
13 DISTRICT, OR A PUBLIC SCHOOL ACADEMY.

14 (D) "IASA" MEANS IMPROVING AMERICA'S SCHOOLS ACT

15 (E) "IDEA" MEANS THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

16 SEC. 202. AS A CONDITION OF RECEIVING A GRANT FROM THE  
17 APPROPRIATION IN SECTION 201 FOR THE CARL D. PERKINS VOCATIONAL AND  
18 APPLIED TECHNOLOGY EDUCATION ACT, PUBLIC LAW 88-210, 98 STAT. 2435, A  
19 LOCAL SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT SHALL REPORT ALL  
20 OF THE FOLLOWING TO THE DEPARTMENT WITHIN 30 DAYS AFTER AN AUDIT  
21 EXCEPTION OCCURS:

22 (A) THE NAME OF THE INTERMEDIATE DISTRICT OR DISTRICT HAVING THE  
23 AUDIT EXCEPTION.

24 (B) THE AMOUNT IN CONTROVERSY.

25 (C) THE STEPS THAT ARE BEING TAKEN TO RECOVER ANY LOSSES.

26 (D) THE CORRECTIVE MEASURES THAT ARE BEING TAKEN.

(E) ANY OTHER INFORMATION RELATIVE TO AN AUDIT EXCEPTION THAT THE DEPARTMENT CONSIDERS NECESSARY.

SEC. 203. THE FUNDS APPROPRIATED IN SECTION 201 FOR SCHOOL BREAKFAST PROGRAMS SHALL BE MADE AVAILABLE TO ALL ELIGIBLE APPLICANT DISTRICTS AND PUBLIC SCHOOL ACADEMIES AS FOLLOWS:

(A) THE DISTRICT OR PUBLIC SCHOOL ACADEMY PARTICIPATES IN THE FEDERAL SCHOOL BREAKFAST PROGRAM AND MEETS ALL STANDARDS AS PRESCRIBED BY 7 C.F.R. PARTS 220 AND 245 OF THE DAG REGULATIONS.

(B) PAYMENT IS MADE FOR EACH BREAKFAST SERVED MEETING STANDARDS PRESCRIBED IN SUBDIVISION (A).

(C) THE PAYMENT FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY IS AT A PER MEAL RATE EQUAL TO THE LESSER OF THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S ACTUAL COST, OR 100% OF THE COST OF A BREAKFAST SERVED BY AN EFFICIENTLY OPERATED BREAKFAST PROGRAM AS DETERMINED BY THE DEPARTMENT, LESS FEDERAL REIMBURSEMENT, PARTICIPANT PAYMENTS, AND OTHER STATE REIMBURSEMENT. DETERMINATION OF EFFICIENT COST BY THE DEPARTMENT SHALL BE DETERMINED BY USING A STATISTICAL SAMPLING OF STATEWIDE AND REGIONAL COSTS AS REPORTED IN A MANNER APPROVED BY THE DEPARTMENT FOR THE PRECEDING SCHOOL YEAR.

(D) THE PAYMENT DETERMINED UNDER SUBDIVISION (C) IS PRORATED IF THE APPROPRIATION FOR THE STATE BREAKFAST PROGRAM IN SECTION 201 IS NOT SUFFICIENT TO FUND ALL PAYMENTS DETERMINED UNDER THIS SECTION.

SEC. 301. THERE IS APPROPRIATED FOR THE DEPARTMENT OF EDUCATION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1996, FROM THE FOLLOWING FUNDS:

**DEPARTMENT OF EDUCATION**

**APPROPRIATIONS SUMMARY:**

UNCLASSIFIED EMPLOYEES . . . . . 6.0

PERMANENT CAREER FTE EMPLOYEES . . . . . 737.0

1	GROSS APPROPRIATION . . . . .	\$	131,706,600
2	INTERDEPARTMENTAL GRANT REVENUES:		
3	TOTAL INTERDEPARTMENTAL GRANTS AND		
4	INTRADEPARTMENTAL TRANSFERS . . . . .		858,000
5	ADJUSTED GROSS APPROPRIATION . . . . .	\$	130,848,600
6	FEDERAL REVENUES:		
7	TOTAL FEDERAL REVENUES . . . . .		79,768,800
8	SPECIAL REVENUE FUNDS:		
9	TOTAL LOCAL REVENUES . . . . .		9,190,300
10	TOTAL PRIVATE REVENUES . . . . .		332,700
11	TOTAL OTHER STATE RESTRICTED REVENUES . . . . .		4,398,500
12	STATE GENERAL FUND/GENERAL PURPOSE . . . . .	\$	37,158,300
13	STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT		
14	STATE BOARD OF EDUCATION, PER DIEM PAYMENTS . . . . .	\$	19,400
15	STATE BOARD OF EDUCATION . . . . .		459,200
16	UNCLASSIFIED POSITIONS . . . . .		471,200
17	EXECUTIVE DIRECTOR PROGRAMS . . . . .		<u>1,725,900</u>
18	GROSS APPROPRIATION . . . . .	\$	2,675,700
19	APPROPRIATED FROM:		
20	FEDERAL REVENUES:		
21	TOTAL FEDERAL REVENUES . . . . .		746,200
22	STATE GENERAL FUND/GENERAL PURPOSE . . . . .	\$	1,929,500
23	FINANCE, PERSONNEL, AND TENURE ACTIVITIES		
24	FINANCE, PERSONNEL, AND TENURE OPERATIONS . . . . .	\$	4,413,200
25	STATE TENURE COMMISSION, PER DIEM . . . . .		<u>11,100</u>

1 GROSS APPROPRIATION . . . . . \$ 4,424,300

2 APPROPRIATED FROM:

3 FEDERAL REVENUES:

4 TOTAL FEDERAL REVENUES . . . . . 1,029,700

5 SPECIAL REVENUE FUNDS:

6 CERTIFICATION FEES . . . . . 57,100

7 SCHOOL LOAN EXCEPTION FEES . . . . . 51,000

8 STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$ 3,286,500

9 CENTRAL SUPPORT

10 WORKERS' COMPENSATION . . . . . \$ 449,100

11 EDUCATION COMMISSION OF THE STATES . . . . . 82,000

12 RENT . . . . . 7,100

13 TRAINING AND ORIENTATION WORKSHOPS . . . . . 100,000

14 BUILDING OCCUPANCY CHARGES - PROPERTY

15 MANAGEMENT SERVICES . . . . . 2,021,300

16 GROSS APPROPRIATION . . . . . \$ 2,659,500

17 APPROPRIATED FROM:

18 INTERDEPARTMENTAL GRANT REVENUES:

19 IDG-MDCS . . . . . 6,200

20 FEDERAL REVENUES:

21 TOTAL FEDERAL REVENUES . . . . . 1,468,500

22 SPECIAL REVENUE FUNDS:

23 LOCAL-VOCATIONAL REHABILITATION MATCH . . . . . 2,100

24 REHABILITATION SERVICE FEES . . . . . 500

1	SAFETY EDUCATION FUND . . . . .	1,000
2	SCHOOL LOAN EXCEPTION FEES . . . . .	500
3	CERTIFICATION FEES . . . . .	81,200
4	DRIVER FEES . . . . .	12,900
5	MOTORCYCLE LICENSE FEES . . . . .	4,100
6	PRIVATE OCCUPATIONAL SCHOOL LICENSE FEES . . . . .	5,100
7	TRAINING AND ORIENTATION WORKSHOP FEES . . . . .	100,000
8	STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$	977,400
9	SCHOOL MANAGEMENT SERVICES	
10	SCHOOL MANAGEMENT OPERATIONS . . . . . \$	3,345,600
11	NATIONAL HIGHWAY SAFETY . . . . .	90,000
12	OFF ROAD VEHICLE SAFETY TRAINING . . . . .	111,900
13	CHILD CARE AUDIT . . . . .	410,000
14	SURPLUS COMMODITY DISTRIBUTION EXPENSE . . . . .	<u>121,200</u>
15	GROSS APPROPRIATION . . . . . \$	4,078,700
16	APPROPRIATED FROM:	
17	FEDERAL REVENUES:	
18	TOTAL FEDERAL REVENUES . . . . .	3,056,100
19	SPECIAL REVENUE FUNDS:	
20	COMMODITY DISTRIBUTION FEES . . . . .	40,100
21	DRIVER FEES . . . . .	456,700
22	MOTORCYCLE LICENSE FEES . . . . .	132,700
23	SAFETY EDUCATION FUND . . . . .	111,900
24	STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$	281,200
25	OFFICE OF GRANTS AND TECHNOLOGY	

1 GRANTS AND TECHNOLOGY OPERATIONS . . . . . \$ 1,277,100

2 GROSS APPROPRIATION . . . . . \$ 1,277,100

3 APPROPRIATED FROM:

4 FEDERAL REVENUES:

5 TOTAL FEDERAL REVENUES . . . . . 1,272,400

6 STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$ 4,700

7 INFORMATION MANAGEMENT SERVICES

8 INFORMATION MANAGEMENT SERVICES

9 OPERATIONS . . . . . \$ 1,111,200

10 GROSS APPROPRIATION . . . . . \$ 1,111,200

11 APPROPRIATED FROM:

12 FEDERAL REVENUES:

13 TOTAL FEDERAL REVENUES . . . . . 651,000

14 STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$ 460,200

15 OFFICE OF ENRICHMENT AND COMMUNITY SERVICES

16 ENRICHMENT AND COMMUNITY SERVICES . . . . . \$ 2,807,900

17 GROSS APPROPRIATION . . . . . \$ 2,807,900

18 APPROPRIATED FROM:

19 FEDERAL REVENUES:

20 TOTAL FEDERAL REVENUES . . . . . 2,397,000

21 STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$ 410,900

22 SCHOOL PROGRAM QUALITY SERVICES

23 COMPREHENSIVE SCHOOL HEALTH . . . . . \$ 955,800

24 MICHIGAN ACCREDITATION PROGRAM . . . . . 723,600

25 MICHIGAN EDUCATIONAL ASSESSMENT PROGRAM . . . . . 1,480,800

1	MICHIGAN EDUCATIONAL ASSESSMENT PROGRAM TESTS .	1,500,300
2	SCHOOL PROGRAM QUALITY OPERATIONS . . . . .	3,640,200
3	ENDORSED DIPLOMA RETEST . . . . .	1,160,000
4	EARLY CHILDHOOD EDUCATION . . . . .	1,737,900
5	TEST DEVELOPMENT . . . . .	500,000
6	PROFICIENCY TEST ADMINISTRATION . . . . .	<u>2,380,000</u>
7	GROSS APPROPRIATION . . . . . \$	14,078,600
8	APPROPRIATED FROM:	
9	FEDERAL REVENUES:	
10	TOTAL FEDERAL REVENUES . . . . .	4,235,900
11	SPECIAL REVENUE FUNDS:	
12	LOCAL-ACCREDITATION ASSISTANCE CHARGES . . . . .	200,000
13	PRIVATE-SCOTT FOUNDATION . . . . .	10,000
14	PRIVATE-COUNCIL OF STATE SCIENCE SUPERVISORS . .	3,200
15	PRIVATE-NATIONAL COUNCIL OF TEACHERS	
16	OF MATHEMATICS . . . . .	3,300
17	PRIVATE-WILLIAM RANDOLPH HEARST FOUNDATION . . .	3,000
18	STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$	9,623,200
19	SPECIAL EDUCATION SERVICES	
20	SPECIAL EDUCATION OPERATIONS . . . . . \$	<u>4,155,100</u>
21	GROSS APPROPRIATION . . . . . \$	4,155,100
22	APPROPRIATED FROM:	
23	FEDERAL REVENUES:	
24	TOTAL FEDERAL REVENUES . . . . .	3,876,800
25	SPECIAL REVENUE FUNDS:	



1	CERTIFICATION FEES . . . . .	19,000
2	STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$	259,300
3	MICHIGAN SCHOOL FOR THE BLIND	
4	SCHOOL FOR THE BLIND OPERATION . . . . . \$	5,159,900
5	CORRECTIONS ACADEMY LEASE . . . . .	304,300
6	CORRECTIONS FOOD SERVICE . . . . .	274,300
7	MICHIGAN DEAF/BLIND CENTER . . . . .	249,900
8	PRIVATE GIFTS . . . . .	103,200
9	CAMP TUHSMEHETA . . . . .	114,000
10	STATE EMPLOYEE CHILD CARE CENTER . . . . .	<u>90,000</u>
11	GROSS APPROPRIATION . . . . . \$	6,295,600
12	APPROPRIATED FROM:	
13	INTERDEPARTMENTAL GRANT REVENUES:	
14	IDG-MDOC, ACADEMY FOOD SERVICE . . . . .	274,300
15	IDG-MDOC, ACADEMY LEASE . . . . .	304,300
16	FEDERAL REVENUES:	
17	TOTAL FEDERAL REVENUES . . . . .	542,700
18	SPECIAL REVENUE FUNDS:	
19	LOCAL-COST SHARING (SCHOOLS FOR BLIND/DEAF) . .	2,858,200
20	PRIVATE-GIFTS, BEQUESTS, AND DONATIONS . . . . .	217,200
21	LIVING AND LEARNING RESOURCE CENTER - RENT . . .	6,000
22	STATE EMPLOYEE CHILD CARE CENTER . . . . .	90,000
23	STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$	2,002,900
24	MICHIGAN SCHOOL FOR THE DEAF	
25	SCHOOL FOR THE DEAF OPERATIONS . . . . . \$	7,604,900

1	PRIVATE GIFTS . . . . .		<u>50,000</u>
2	GROSS APPROPRIATION . . . . .	\$	7,654,900
3	APPROPRIATED FROM:		
4	FEDERAL REVENUES:		
5	TOTAL FEDERAL REVENUES . . . . .		549,700
6	SPECIAL REVENUE FUNDS:		
7	LOCAL-COST SHARING (SCHOOLS FOR BLIND/DEAF) . .		4,630,000
8	PRIVATE-GIFTS, BEQUESTS, AND DONATIONS . . . . .		50,000
9	STATE GENERAL FUND/GENERAL PURPOSE . . . . .	\$	2,425,200
10	CAREER AND TECHNICAL EDUCATION		
11	CAREER AND TECHNICAL EDUCATION OPERATIONS . .	\$	2,791,400
12	MICHIGAN COUNCIL ON VOCATIONAL EDUCATION . . . .		340,500
13	OPERATION GRADUATION OVERSIGHT . . . . .		<u>118,300</u>
14	GROSS APPROPRIATION . . . . .	\$	3,250,200
15	APPROPRIATED FROM:		
16	FEDERAL REVENUES:		
17	TOTAL FEDERAL REVENUES . . . . .		2,328,600
18	STATE GENERAL FUND/GENERAL PURPOSE . . . . .	\$	921,600
19	HIGHER EDUCATION MANAGEMENT SERVICES		
20	HIGHER EDUCATION MANAGEMENT OPERATIONS . . . .	\$	3,301,300
21	OFFICE OF EQUITY . . . . .		<u>959,900</u>
22	GROSS APPROPRIATION . . . . .	\$	4,261,200
23	APPROPRIATED FROM:		
24	FEDERAL REVENUES:		
25	TOTAL FEDERAL REVENUES . . . . .		3,212,900

## 1 SPECIAL REVENUE FUNDS:

2	CERTIFICATION FEES . . . . .	106,500
3	PRIVATE OCCUPATIONAL SCHOOL LICENSE FEES . . . . .	143,000
4	STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$	798,800

## 5 TEACHER PREPARATION AND CERTIFICATION SERVICES

6	TEACHER CERTIFICATION OPERATIONS . . . . . \$	1,858,500
7	TEACHER PREPARATION OPERATIONS . . . . .	487,400
8	DEPARTMENT OF ATTORNEY GENERAL . . . . .	40,000
9	MATHEMATICS AND SCIENCE PROGRAM . . . . .	<u>172,800</u>
10	GROSS APPROPRIATION . . . . . \$	2,558,700

## 11 APPROPRIATED FROM:

## 12 FEDERAL REVENUES:

13	TOTAL FEDERAL REVENUES . . . . .	190,400
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## 14 SPECIAL REVENUE FUNDS:

15	CERTIFICATION FEES . . . . .	2,110,900
16	TEACHER TESTING FEES . . . . .	257,400
17	STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$	0

## 18 STUDENT FINANCIAL ASSISTANCE SERVICES

19	STUDENT FINANCIAL ASSISTANCE OPERATIONS . . . \$	21,097,900
20	DEPARTMENT OF ATTORNEY GENERAL . . . . .	396,300
21	DEPARTMENT OF TREASURY . . . . .	5,500,000
22	STATE DIRECT LOAN PROGRAM . . . . .	<u>10,834,400</u>
23	GROSS APPROPRIATION . . . . . \$	37,828,600

## 24 APPROPRIATED FROM:

## 25 FEDERAL REVENUES:

1	TOTAL FEDERAL REVENUES . . . . .	36,373,000
2	SPECIAL REVENUE FUNDS:	
3	PRIVATE-COLLEGE WORK STUDY . . . . .	46,000
4	MI-CASHE FEES . . . . .	354,400
5	STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$	1,055,200
6	ADULT EXTENDED LEARNING SERVICES	
7	ADULT EXTENDED LEARNING OPERATIONS . . . . . \$	<u>2,114,200</u>
8	GROSS APPROPRIATION . . . . . \$	2,114,200
9	APPROPRIATED FROM:	
10	FEDERAL REVENUES:	
11	TOTAL FEDERAL REVENUES . . . . .	1,972,600
12	STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$	141,600
13	INFORMATION SERVICE CENTER	
14	INFORMATION SERVICE CENTER OPERATIONS . . . . \$	<u>3,903,700</u>
15	GROSS APPROPRIATION . . . . . \$	3,903,700
16	APPROPRIATED FROM:	
17	INTERDEPARTMENTAL GRANT REVENUES:	
18	IDG-MDCOM, ADP . . . . .	179,200
19	FEDERAL REVENUES:	
20	TOTAL FEDERAL REVENUES . . . . .	1,453,700
21	SPECIAL REVENUE FUNDS:	
22	CERTIFICATION FEES . . . . .	246,100
23	DRIVER FEES . . . . .	10,400
24	STATE GENERAL FUND/GENERAL PURPOSE . . . . . \$	2,014,300
25	GRANTS AND DISTRIBUTIONS	

## FEDERAL PROGRAMS:

CHRISTA MCAULIFFE GRANTS . . . . .	\$	77,600
FRAMEWORK GRANTS . . . . .		1,136,900
JOB TRAINING PARTNERSHIP ACT . . . . .		7,952,700
NATIONAL MATH AND SCIENCE EDUCATION . . . . .		150,000
STATE LITERACY RESOURCE CENTER . . . . .		263,600
STATEWIDE SYSTEMIC INITIATIVE GRANT . . . . .		1,900,000
SURPLUS COMMODITY . . . . .		2,506,000
SYSTEMS CHANGE FOR INCLUSIVE EDUCATION . . . . .		266,400
TEACHER CORPS SCHOLARSHIPS . . . . .		158,400

## STATE PROGRAMS:

COMMUNITIES FIRST PILOT PROJECTS . . . . .		95,000
SCHOOL READINESS GRANTS . . . . .		10,528,000
NATIONAL GEOGRAPHIC ALLIANCE . . . . .		36,800
ACCREDITATION ASSISTANCE . . . . .		<u>1,500,000</u>
GROSS APPROPRIATION . . . . .	\$	26,571,400

## APPROPRIATED FROM:

## INTERDEPARTMENTAL GRANT REVENUES:

IDG-MDSS . . . . .		94,000
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## FEDERAL REVENUES:

TOTAL FEDERAL REVENUES . . . . .		14,411,600
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## SPECIAL REVENUE FUNDS:

LOCAL-ACCREDITATION ASSISTANCE CHARGES . . . . .		1,500,000
STATE GENERAL FUND/GENERAL PURPOSE . . . . .	\$	10,565,800

## GENERAL SECTIONS

1           SEC. 302. (1) THE AMOUNTS APPROPRIATED FROM ONE FUND TO ANOTHER  
2 FUND SHALL BE AUTHORIZED PURSUANT TO ANNUAL APPROPRIATIONS WITHIN THE  
3 DEPARTMENTS RESPONSIBLE FOR EACH FUND'S APPROPRIATIONS.

4           (2) FUNDS FOR WHICH THE STATE IS ACTING AS THE CUSTODIAN OR AGENT  
5 ARE NOT SUBJECT TO ANNUAL APPROPRIATION.

6           SEC. 303. (1) THE NUMBER OF PERMANENT CAREER FTE EMPLOYEES SHALL  
7 NOT EXCEED THE NUMBER LISTED IN SECTION 301 OF THIS ACT UNLESS AN  
8 EXCEPTION HAS BEEN GRANTED BY THE DIRECTOR OF THE DEPARTMENT OF  
9 MANAGEMENT AND BUDGET. EXCEPTIONS SHALL ONLY BE GIVEN IF FAILURE TO  
10 FILL THE POSITIONS WILL RESULT IN RENDERING THE DEPARTMENT UNABLE TO  
11 DELIVER BASIC SERVICES, CAUSE A LOSS OF REVENUE TO THE STATE, OR  
12 NECESSITATE ADDITIONAL EXPENDITURES THAT EXCEED SAVINGS FROM  
13 MAINTAINING A VACANCY. ON THE FIFTEENTH OF EACH MONTH, THE DEPARTMENT  
14 OF MANAGEMENT AND BUDGET SHALL REPORT TO THE HOUSE AND SENATE  
15 APPROPRIATIONS COMMITTEES AND THE GOVERNOR ANY EXCEPTIONS THAT HAVE  
16 BEEN GRANTED IN THE PRECEDING MONTH.

17           (2) PERMANENT CAREER APPOINTMENTS SHALL BE USED AS DEFINED BY THE  
18 CIVIL SERVICE COMMISSION.

19           (3) THE NUMBER OF FTE'S TO BE FUNDED BY EACH INDIVIDUAL LINE ITEM  
20 AMOUNT SHALL BE DETERMINED BY THE DEPARTMENT WITHIN THE OVERALL LIMIT  
21 ON PERMANENT CAREER FTE'S FOR THE DEPARTMENT.

22           SEC. 304. (1) ANY FEDERAL, LOCAL, PRIVATE, OR STATE RESTRICTED  
23 FUNDS RECEIVED BY A DEPARTMENT IN ADDITION TO THE AMOUNT APPROPRIATED  
24 IN SECTION 301, ARE APPROPRIATED.

25           (2) FUNDS APPROPRIATED IN SUBSECTION (1) TALLING LESS THAN  
26 \$50,000.00 DURING THE FISCAL YEAR FROM ANY ONE SOURCE MAY BE EXPENDED  
27 FOR THE PURPOSES FOR WHICH THE FUNDS WERE MADE AVAILABLE. RECEIPT OF  
28 THESE FUNDS SHALL BE REPORTED TO THE SENATE AND HOUSE APPROPRIATIONS  
29 COMMITTEES AND THE HOUSE AND SENATE FISCAL AGENCIES WITHIN THIRTY DAYS

AFTER THE CLOSE OF EACH FISCAL QUARTER.

(3) FUNDS APPROPRIATED IN SUBSECTION (1) TALLING \$50,000.00 OR MORE DURING THE FISCAL YEAR ARE NOT AVAILABLE FOR EXPENDITURE UNTIL THEY HAVE BEEN TRANSFERRED TO ANOTHER LINE ITEM IN THIS ACT THROUGH AN ADMINISTRATIVE TRANSFER AS DEFINED IN SECTION 393(1) OF ACT NO. 431 OF THE PUBLIC ACTS OF 1984, AS AMENDED, BEING SECTION 18.1393(1) OF THE MICHIGAN COMPILED LAWS.

SEC. 305. FROM THE FUNDS APPROPRIATED IN SECTION 301 SUCH PAYMENTS OF WAGES AND SALARIES AS ARE MADE FOR CLASSIFIED STATE EMPLOYEES SHALL BE MADE IN ACCORDANCE WITH APPLICABLE LAWS, RULES, AND REGULATIONS OF THE CIVIL SERVICE COMMISSION. THE FUNDS IDENTIFIED IN SECTION 301 FOR UNCLASSIFIED EMPLOYEES ARE BASED UPON PRIOR YEAR LEVELS ADJUSTED CONSISTENT WITH PAY PLAN RECOMMENDATIONS FOR NON-EXCLUSIVELY REPRESENTED EMPLOYEES (NERES) OF THE CIVIL SERVICE COMMISSION, EXCEPT IN THE CASE OF DEPARTMENT DIRECTORS AND HEADS OF TYPE I AGENCIES, WHERE THE FUNDS PROVIDED ARE IN AN AMOUNT EQUAL THE STANDARDS ESTABLISHED BY THE CIVIL SERVICE COMMISSION AS THE MAXIMUM PAY FOR STATE EXECUTIVE SERVICE CLASSIFICATION 20 AND STATE EXECUTIVE SERVICE CLASSIFICATION 18 EMPLOYEES, RESPECTIVELY. ALTHOUGH THE FUNDS IDENTIFIED IN SECTION 301 FOR UNCLASSIFIED EMPLOYEES ARE BASED UPON THE STANDARDS SET FORTH ABOVE, THE EXACT SALARIES OF INDIVIDUAL UNCLASSIFIED EMPLOYEES SHALL BE SET BY THE APPOINTING AUTHORITY, NOT TO EXCEED THE STATE EXECUTIVE SERVICE CLASSIFICATION 20 MAXIMUM PAYMENT IN THE CASE OF A DEPARTMENT DIRECTOR, OR THE STATE EXECUTIVE SERVICE CLASSIFICATION 18 MAXIMUM PAYMENT IN THE CASE OF A HEAD OF A TYPE I AGENCY. THE SALARIES OF INDIVIDUAL UNCLASSIFIED EMPLOYEES SHALL BE A MATTER OF PUBLIC RECORD.

SEC. 306. THE DEPARTMENT OF CIVIL SERVICE SHALL BILL DEPARTMENTS AND/OR AGENCIES AT THE END OF THE FIRST FISCAL QUARTER FOR THE 1% CHARGES AUTHORIZED BY SECTION 5 OF ARTICLE XI OF THE STATE CONSTITUTION OF 1963. PAYMENTS SHALL BE MADE FOR THE TOTAL AMOUNT OF THE BILLING BY

1 THE END OF THE SECOND FISCAL QUARTER.

2 SEC. 307. AS USED IN SECTIONS 301 TO 328:

3 (1) "ADP" MEANS AUTOMATED DATA PROCESSING.

4 (2) "DED" MEANS THE UNITED STATES DEPARTMENT OF EDUCATION.

5 (3) "DED-OVAE" MEANS THE DED OFFICE OF VOCATIONAL AND ADULT  
6 EDUCATION.

7 (4) "DEPARTMENT" MEANS THE MICHIGAN DEPARTMENT OF EDUCATION.

8 (5) "IDG" MEANS INTERDEPARTMENT GRANT.

9 (6) "MDOC" MEANS THE MICHIGAN DEPARTMENT OF CORRECTIONS.

10 (7) "MDCOM" MEANS THE MICHIGAN DEPARTMENT OF COMMERCE.

11 (8) "MDCS" MEANS THE MICHIGAN DEPARTMENT OF CIVIL SERVICE.

12 (9) "MDSS" MEANS THE MICHIGAN DEPARTMENT OF SOCIAL SERVICES.

13 (10) "MI-CASHE" MEANS THE MICHIGAN COLLEGE AID SOURCES FOR HIGHER  
14 EDUCATION.

15 SEC. 308. THE DEPARTMENT MAY CARRY INTO THE SUCCEEDING FISCAL YEAR  
16 UNEXPENDED FEDERAL PASS-THROUGH FUNDS TO LOCAL INSTITUTIONS AND  
17 GOVERNMENTS THAT DO NOT REQUIRE ADDITIONAL STATE MATCHING FUNDS.  
18 FEDERAL PASS-THROUGH FUNDS TO LOCAL INSTITUTIONS AND GOVERNMENTS THAT  
19 ARE RECEIVED IN AMOUNTS IN ADDITION TO THOSE INCLUDED IN SECTIONS 201  
20 AND 301 AND THAT DO NOT REQUIRE ADDITIONAL STATE MATCHING FUNDS ARE  
21 APPROPRIATED FOR THE PURPOSES INTENDED.

22 SEC. 309. NOTWITHSTANDING THE PAYMENT SCHEDULE ESTABLISHED IN  
23 SECTION 17B, THE APPROPRIATIONS CONTAINED IN SECTIONS 201 AND 301 SHALL  
24 BE EXPENDED IN ACCORDANCE WITH APPLICABLE GRANT PROVISIONS AND THE  
25 ANNUAL ALLOTMENT PROCESS.

26 SEC. 310. THE DEPARTMENT SHALL PROVIDE THE DEPARTMENT OF  
27 MANAGEMENT AND BUDGET AND THE SENATE AND HOUSE FISCAL AGENCIES WITH



COPIES OF THE STATE BOARD OF EDUCATION AGENDA AND ALL SUPPORTING DOCUMENTS AT THE TIME THE AGENDA AND SUPPORTING DOCUMENTS ARE PROVIDED TO STATE BOARD OF EDUCATION MEMBERS.

**STATE BOARD/OFFICE OF THE SUPERINTENDENT**

SEC. 311. (1) THE APPROPRIATIONS IN SECTION 301 MAY BE USED FOR PER DIEM PAYMENTS TO MEMBERS OF BOARDS, COMMITTEES, AND COMMISSIONS FOR EACH DAY'S BOARD, COMMITTEE, OR COMMISSION WORK AT WHICH A QUORUM IS PRESENT; FOR ATTENDING A HEARING AS AUTHORIZED BY THE RESPECTIVE BOARD, COMMITTEE, OR COMMISSION; OR FOR PERFORMING OFFICIAL BUSINESS AS AUTHORIZED BY THE RESPECTIVE BOARD, COMMITTEE, OR COMMISSION. THE PER DIEM PAYMENTS SHALL BE AT A RATE AS FOLLOWS:

(A) STATE BOARD OF EDUCATION - PRESIDENT \$110.00 PER DAY

(B) STATE BOARD OF EDUCATION - MEMBER OTHER THAN PRESIDENT \$100.00 PER DAY.

(C) STATE TENURE COMMISSION - MEMBERS \$50.00 PER DAY.

(2) A STATE BOARD OF EDUCATION MEMBER SHALL NOT BE PAID A PER DIEM FOR MORE THAN 24 DAYS PER YEAR.

SEC. 312. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 301 TO THE STATE BOARD OF EDUCATION, NOT MORE THAN \$27,500.00 SHALL BE EXPENDED FOR TRAVEL.

(2) THE STATE BOARD OF EDUCATION SHALL NOT EXPEND AMOUNTS APPROPRIATED FROM DED-OVAE, BASIC GRANTS TO STATES FOR TRAVEL.

**FINANCE, PERSONNEL, AND TENURE ACTIVITIES**

SEC. 313. FROM THE FUNDS APPROPRIATED IN SECTION 301 FOR FINANCE, PERSONNEL, AND TENURE ACTIVITIES OPERATIONS, THERE IS ALLOCATED AN AMOUNT SUFFICIENT TO REVIEW SCHOOL DISTRICT FEDERAL SINGLE AUDITS IN COMPLIANCE WITH OMB CIRCULAR A-128.

**SCHOOL PROGRAM QUALITY SERVICES**

1 SEC. 314. 1) FROM THE GENERAL FUND APPROPRIATIONS IN SECTION 301,  
2 THE DEPARTMENT MAY PROVIDE TESTS TO NONPUBLIC SCHOOLS. THE DEPARTMENT  
3 SHALL NOTIFY NONPUBLIC SCHOOLS THAT THEY ARE ELIGIBLE TO RECEIVE THE  
4 TESTS WITHOUT COST TO THEM.

5 (2) THE DEPARTMENT SHALL RELEASE THE RESULTS OF THE TESTS AT THE  
6 SAME TIME TO ALL PRIVATE SCHOOLS AND PUBLIC SCHOOL DISTRICTS TAKING THE  
7 TESTS AT THE SAME TIME.

8 SEC. 315. THE DEPARTMENT SHALL PROVIDE A PROGRESS REPORT TO THE  
9 CHAIRPERSONS OF THE HOUSE AND SENATE EDUCATION APPROPRIATIONS  
10 SUBCOMMITTEES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE DEPARTMENT  
11 OF MANAGEMENT AND BUDGET NO LATER THAN MAY 15 OF EACH YEAR DESCRIBING  
12 THE ACTIVITIES OF THE DEPARTMENT DURING THE PREVIOUS FISCAL YEAR AND  
13 THE CURRENT STATUS RELATIVE TO THE IMPLEMENTATION OF SECTIONS 1204A,  
14 1277, 1278, AND 1280 OF THE SCHOOL CODE OF 1976, ACT NO. 451 OF THE  
15 PUBLIC ACTS OF 1976, BEING SECTIONS 380.1204A, 380.1277, 380.1278, AND  
16 380.1280 OF THE MICHIGAN COMPILED LAWS.

17 **SPECIAL EDUCATION SERVICES/MSB/MSD PROGRAMS**

18 SEC. 316. THE EMPLOYEES AT THE MICHIGAN SCHOOL FOR THE BLIND AND  
19 THE MICHIGAN SCHOOL FOR THE DEAF WHO WORK ON A SCHOOL YEAR BASIS SHALL  
20 BE CONSIDERED ANNUAL EMPLOYEES FOR PURPOSES OF SERVICE CREDITS,  
21 RETIREMENT, AND INSURANCE BENEFITS.

22 SEC. 317. FOR EACH STUDENT ENROLLED AT THE MICHIGAN SCHOOL FOR THE  
23 BLIND AND THE MICHIGAN SCHOOL FOR THE DEAF, THE DEPARTMENT SHALL ASSESS  
24 THE INTERMEDIATE SCHOOL DISTRICT OF RESIDENCE 100% OF THE COST OF  
25 OPERATING THE STUDENT'S INSTRUCTIONAL PROGRAM. THE AMOUNT SHALL EXCLUDE  
26 ROOM AND BOARD RELATED COSTS AND THE COST OF WEEKEND TRANSPORTATION  
27 BETWEEN THE SCHOOL AND THE STUDENT'S HOME.

28 SEC. 318. (1) THE DEPARTMENT MAY ASSESS RENT TO THE DEPARTMENT OF  
29 CORRECTIONS FOR MICHIGAN SCHOOL FOR THE BLIND SPACE OCCUPIED BY THE

1 CORRECTIONS STAFF TRAINING ACADEMY. THE RENTAL RATES AND ALL LEASING  
2 ARRANGEMENTS SHALL BE SUBJECT TO THE APPROVAL OF THE DEPARTMENT OF  
3 MANAGEMENT AND BUDGET. AMOUNTS RECEIVED UNDER SECTION 301 FOR THE  
4 CORRECTIONS ACADEMY LEASE PROGRAM MAY BE EXPENDED BY THE DEPARTMENT FOR  
5 OPERATION, MAINTENANCE, AND RENOVATION EXPENSES ASSOCIATED WITH THE  
6 LEASE SPACE. IF THERE ARE ANY UNEXPENDED AND UNENCUMBERED FUNDS  
7 REMAINING ON SEPTEMBER 30, 1996, FROM THE AMOUNTS APPROPRIATED IN  
8 SECTION 301 FOR THE CORRECTIONS ACADEMY LEASE PROGRAM, AN AMOUNT NOT TO  
9 EXCEED \$20,000.00 SHALL BE AVAILABLE FOR EXPENDITURE FOR THE 1996-97  
10 FISCAL YEAR FOR EQUIPMENT, MAINTENANCE, AND RENOVATION AT OTHER  
11 MICHIGAN SCHOOL FOR THE BLIND FACILITIES. THE BALANCE OF THE UNEXPENDED  
12 AND UNENCUMBERED FUNDS SHALL REVERT TO THE GENERAL FUND.

13 (2) IN ADDITION, THE DEPARTMENT MAY RECEIVE AND EXPEND FUNDS IN  
14 ADDITION TO THOSE AUTHORIZED IN SECTION 301 FOR THE RENTAL OF  
15 FACILITIES AT THE MICHIGAN SCHOOL FOR THE BLIND TO PRIVATE OR PUBLICLY  
16 FUNDED ORGANIZATIONS.

17 SEC. 319. THE DEPARTMENT SHALL ASSESS RENT TO THE STATE EMPLOYEE  
18 CHILD CARE CENTER FOR THE RENTAL OF SPACE IT OCCUPIES AT THE MICHIGAN  
19 SCHOOL FOR THE BLIND. THE RENTAL RATES AND ALL LEASING ARRANGEMENTS  
20 SHALL BE SUBJECT TO THE APPROVAL OF THE DEPARTMENT OF MANAGEMENT AND  
21 BUDGET. AMOUNTS RECEIVED UNDER SECTION 301 FOR THE CHILD CARE CENTER  
22 MAY BE EXPENDED BY THE DEPARTMENT FOR THE OPERATION, MAINTENANCE, AND  
23 RENOVATION OF THE LEASED SPACE.

24 SEC. 320. PROCEEDS FROM THE SALE OF SURPLUS PROPERTY AND FACILITIES  
25 AT THE MICHIGAN SCHOOL FOR THE DEAF ARE HEREBY APPROPRIATED FOR THE  
26 PURPOSES OF REPAIRS, RENOVATIONS, AND MAINTENANCE OF THE SCHOOL'S  
27 CAMPUS. ANY UNEXPENDED AND UNENCUMBERED FUNDS REMAINING ON SEPTEMBER  
28 30, 1996, FROM SUCH PROCEEDS SHALL BE CARRIED FORWARD AS A WORK PROJECT  
29 FOR THE PURPOSES OF REPAIRS, RENOVATIONS, AND MAINTENANCE OF THE  
30 SCHOOL'S CAMPUS AT A TOTAL ESTIMATED COST NOT TO EXCEED THE PROCEEDS OF

1 THE SALES. THE WORK IS TO BE COMPLETED BY SEPTEMBER 30, 1997.

2 SEC. 321. THE DEPARTMENT MAY ASSIST THE DEPARTMENT OF SOCIAL  
3 SERVICES, OTHER STATE DEPARTMENTS, AND LOCAL AND INTERMEDIATE SCHOOL  
4 DISTRICTS TO SECURE REIMBURSEMENT FOR ELIGIBLE SERVICES PROVIDED IN  
5 MICHIGAN SCHOOLS FROM THE FEDERAL MEDICAID PROGRAM. THE DEPARTMENT MAY  
6 SUBMIT REPORTS OF DIRECT EXPENSES RELATED TO THIS EFFORT TO THE  
7 DEPARTMENT OF SOCIAL SERVICES FOR REIMBURSEMENT.

8 SEC. 322. FROM THE FUNDS APPROPRIATED IN SECTION 301 FOR PRIVATE  
9 GIFTS, THE DEPARTMENT MAY EXPEND AN AMOUNT FOR A READING PROGRAM FOR  
10 THE BLIND.

11 **TEACHER PREPARATION AND CERTIFICATION SERVICES**

12 SEC. 323. FROM THE FUNDS APPROPRIATED IN SECTION 301 FOR TEACHER  
13 PREPARATION AND CERTIFICATION SERVICES, THE DEPARTMENT SHALL MAINTAIN  
14 THE PROFESSIONAL PERSONNEL REGISTER AND CERTIFICATE REVOCATION/FELONY  
15 CONVICTION FILES.

16 SEC. 324. NOT LATER THAN NOVEMBER 30, 1995, THE DEPARTMENT SHALL  
17 SUBMIT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES RESPONSIBLE  
18 FOR THE DEPARTMENT'S BUDGET, THE SENATE AND HOUSE FISCAL AGENCIES, AND  
19 THE DEPARTMENT OF MANAGEMENT AND BUDGET, A REPORT ON THE STATUS OF  
20 ACTIVITIES TO MEET THE REQUIREMENTS OF SECTION 1531 OF THE SCHOOL CODE  
21 OF 1976, ACT NO. 451 OF THE PUBLIC ACTS OF 1976, BEING SECTION 380.1531  
22 OF THE MICHIGAN COMPILED LAWS, RELATING TO TEACHER TEST DEVELOPMENT,  
23 VALIDATION, AND IMPLEMENTATION.

24 **INFORMATION SERVICE CENTER/HIGHER EDUCATION MANAGEMENT SERVICES**

25 SEC. 325. INCLUDED IN THE APPROPRIATION FOR INFORMATION SERVICE  
26 CENTER OPERATIONS IN SECTION 301 IS \$50,000.00 TO PUBLISH AND  
27 DISTRIBUTE THE MICHIGAN SCHOOL REPORT.

28 SEC. 326. IN ADDITION TO THE FUNDS APPROPRIATED IN SECTION 301, THE  
29 DEPARTMENT MAY UTILIZE COLLECTIONS FROM DEFAULTED LOANS IN THE MARTIN

1 LUTHER KING, JR.-CESAR CHAVEZ-ROSA PARKS PROGRAM TO OFFSET THE  
2 ASSOCIATED ADMINISTRATIVE COSTS OF ADMINISTERING THE COLLECTION  
3 PROGRAM.

4 **GRANTS AND DISTRIBUTIONS**

5 SEC. 327. THE DEPARTMENT SHALL DISBURSE GENERAL FUND GRANTS  
6 APPROPRIATED IN SECTIONS 201 AND 301 TO A GRANTEE IN ACCORDANCE WITH  
7 THE SAME STANDARDS OF TIMING AND AMOUNT THAT APPLY TO DISBURSEMENTS  
8 MADE BY THE DEPARTMENT TO A FEDERAL FUND GRANTEE. THE DISBURSEMENT  
9 SHALL BE RESTRICTED TO THE MINIMUM AMOUNT NEEDED FOR IMMEDIATE  
10 DISBURSEMENT BY THE GRANTEE. THE DEPARTMENT MAY WAIVE THIS SECTION IF  
11 EXTENUATING CIRCUMSTANCES WARRANT AND ARE SUBSTANTIATED IN THE  
12 GRANTEE'S APPLICATION OR OTHER APPROPRIATE DOCUMENTATION.

13 SEC. 328. (1) THE FUNDS APPROPRIATED IN SECTION 301 FOR SCHOOL  
14 READINESS PROGRAMS SHALL BE MADE AVAILABLE THROUGH A COMPETITIVE  
15 APPLICATION PROCESS AS FOLLOWS:

16 (A) AN APPLICANT MAY BE ANY PUBLIC OR PRIVATE NONPROFIT LEGAL  
17 ENTITY OR AGENCY OTHER THAN A LOCAL OR INTERMEDIATE SCHOOL DISTRICT  
18 EXCEPT A LOCAL OR INTERMEDIATE SCHOOL DISTRICT ACTING AS A FISCAL AGENT  
19 FOR A CHILD CARING ORGANIZATION REGULATED UNDER ACT NO. 116 OF THE  
20 PUBLIC ACTS OF 1973, BEING SECTIONS 722.111 TO 722.128 OF THE MICHIGAN  
21 COMPILED LAWS.

22 (B) APPLICATIONS SHALL BE SUBMITTED IN A FORM AND MANNER AS  
23 REQUIRED BY THE DEPARTMENT.

24 (C) APPLICATIONS SHALL BE REVIEWED BY A DIVERSE INTERAGENCY  
25 COMMITTEE COMPOSED OF REPRESENTATIVES OF THE DEPARTMENT, APPROPRIATE  
26 COMMUNITY, VOLUNTEER, SOCIAL SERVICE AGENCIES AND ORGANIZATIONS, AND  
27 PARENTS.

28 (D) PRIORITY IN THE RECOMMENDATION FOR AWARDED OF GRANTS BY THE  
29 STATE BOARD OF EDUCATION TO APPLICANTS SHALL BE BASED UPON THE

1 FOLLOWING CRITERIA:

2 (i) COMPLIANCE WITH STANDARDS FOR EARLY CHILDHOOD DEVELOPMENT  
3 CONSISTENT WITH PROGRAMS FOR 4-YEAR-OLDS, AS APPROVED BY THE STATE  
4 BOARD OF EDUCATION.

5 (ii) ACTIVE AND CONTINUOUS INVOLVEMENT OF THE PARENTS OR GUARDIANS  
6 OF THE CHILDREN PARTICIPATING IN THE PROGRAM.

7 (iii) EMPLOYMENT OF TEACHERS POSSESSING PROPER TRAINING IN EARLY  
8 CHILDHOOD DEVELOPMENT, INCLUDING AN EARLY CHILDHOOD (ZA) ENDORSEMENT OR  
9 CHILD DEVELOPMENT ASSOCIATE, AND TRAINED SUPPORT STAFF.

10 (iv) EVIDENCE OF COLLABORATION WITH THE COMMUNITY OF PROVIDERS IN  
11 EARLY CHILDHOOD DEVELOPMENT PROGRAMS INCLUDING DOCUMENTATION OF THE  
12 TOTAL NUMBER OF CHILDREN IN THE COMMUNITY WHO WOULD MEET THE CRITERIA  
13 ESTABLISHED IN SUBPARAGRAPH (VI), AND WHO ARE BEING SERVED BY OTHER  
14 PROVIDERS, AND THE NUMBER OF CHILDREN WHO WILL REMAIN UNSERVED BY OTHER  
15 COMMUNITY EARLY CHILDHOOD PROGRAMS IF THIS PROGRAM IS FUNDED.

16 (v) THE EXTENT TO WHICH THESE FUNDS WILL SUPPLEMENT OTHER FEDERAL,  
17 STATE, LOCAL, OR PRIVATE FUNDS.

18 (vi) THE EXTENT TO WHICH THESE FUNDS WILL BE TARGETED TO CHILDREN  
19 WHO WILL BE AT LEAST 4, BUT LESS THAN 5, YEARS OF AGE AS OF DECEMBER 1  
20 OF THE YEAR IN WHICH THE PROGRAMS ARE OFFERED AND WHO SHOW EVIDENCE OF  
21 2 OR MORE "AT RISK" FACTORS AS DEFINED IN THE STATE BOARD OF EDUCATION  
22 REPORT ENTITLED, "CHILDREN AT RISK" THAT WAS ADOPTED BY THE STATE BOARD  
23 ON APRIL 5, 1988.

24 (E) APPLICATIONS SHALL CONTAIN A COMPREHENSIVE EVALUATION PLAN THAT  
25 INCLUDES IMPLEMENTATION OF ALL PROGRAM COMPONENTS REQUIRED AND AN  
26 ASSESSMENT OF THE GAINS OF CHILDREN PARTICIPATING IN AN EARLY CHILDHOOD  
27 DEVELOPMENT PROGRAM.

28 (F) APPLICATIONS SHALL PROVIDE FOR THE ESTABLISHMENT OF A SCHOOL  
29 READINESS ADVISORY COMMITTEE THAT SHALL BE INVOLVED IN THE PLANNING AND

1 EVALUATION OF THE PROGRAM AND PROVIDES FOR THE INVOLVEMENT OF PARENTS  
2 AND APPROPRIATE COMMUNITY, VOLUNTEER, AND SOCIAL SERVICE AGENCIES AND  
3 ORGANIZATIONS. ONE PARENT OR LEGAL GUARDIAN OF CURRENT OF FORMER  
4 PROGRAM PARTICIPANTS SHALL PARTICIPATE AS A COMMITTEE MEMBER AT A RATIO  
5 OF ONE PARENT OR LEGAL GUARDIAN FOR EVERY 18 ENROLLED CHILDREN, WITH A  
6 MINIMUM OF TWO PARENT OR LEGAL GUARDIAN REPRESENTATIVES. THE COMMITTEE  
7 SHALL DO ALL OF THE FOLLOWING:

8 (i) REVIEW THE MECHANISMS AND CRITERIA USED TO DETERMINE REFERRALS  
9 FOR PARTICIPATION IN THE SCHOOL READINESS PROGRAM.

10 (ii) REVIEW THE HEALTH SCREENING PROGRAM FOR ALL PARTICIPANTS.

11 (iii) REVIEW THE NUTRITIONAL SERVICES PROVIDED TO ALL PARTICIPANTS.

12 (iv) REVIEW THE MECHANISMS IN PLACE FOR THE REFERRAL OF FAMILIES TO  
13 COMMUNITY SOCIAL SERVICE AGENCIES, AS APPROPRIATE.

14 (v) REVIEW THE COLLABORATION WITH AND THE INVOLVEMENT OF  
15 APPROPRIATE COMMUNITY, VOLUNTEER, AND SOCIAL SERVICE AGENCIES AND  
16 ORGANIZATIONS IN ADDRESSING ALL ASPECTS OF EDUCATION DISADVANTAGE.

17 (vi) REVIEW, EVALUATE, AND MAKE RECOMMENDATIONS TO GRANT RECIPIENTS  
18 FOR CHANGES IN THE SCHOOL READINESS PROGRAM.

19 (G) MORE THAN 50% OF THE CHILDREN PARTICIPATING IN THE PROGRAM  
20 SHALL MEET THE INCOME ELIGIBILITY CRITERIA FOR FREE OR REDUCED PRICE  
21 LUNCH, AS DETERMINED UNDER THE NATIONAL SCHOOL LUNCH ACT, CHAPTER 281,  
22 60 STAT. 230, 42 U.S.C. 1751 TO 1753, 1755 TO 1761, 1762A, 1765 TO  
23 1766A, AND 1769 TO 1769E OR MEET INCOME AND ALL OTHER ELIGIBILITY  
24 CRITERIA FOR PARTICIPATION IN THE MICHIGAN DEPARTMENT OF SOCIAL  
25 SERVICES UNIFIED CHILD DAY CARE PROGRAM.

26 (2) GRANT AWARDS BY THE STATE BOARD OF EDUCATION MAY BE AT WHATEVER  
27 LEVEL THE BOARD DETERMINES APPROPRIATE. A GRANT, WHEN COMBINED WITH  
28 OTHER SOURCES OF STATE REVENUE FOR THIS PROGRAM, SHALL NOT EXCEED  
29 \$3,000.00 PER CHILD OR THE COST OF THE PROGRAM, WHICHEVER IS LESS.

(3) AN APPLICANT THAT RECEIVED A GRANT UNDER THIS SECTION IN THE 1994-95 FISCAL YEAR SHALL RECEIVE PRIORITY FOR FUNDING IN 1995-96. HOWEVER, CONTINUATION OF FUNDING IS CONTINGENT ON THE AVAILABILITY OF FUNDS AND DOCUMENTED EVIDENCE OF GRANTEE COMPLIANCE WITH STANDARDS FOR EARLY CHILDHOOD DEVELOPMENT CONSISTENT WITH PROGRAMS FOR 4-YEAR-OLDS, AS APPROVED BY THE STATE BOARD OF EDUCATION, AND WITH ALL OPERATIONAL, FISCAL, ADMINISTRATIVE, AND OTHER PROGRAM REQUIREMENTS. AFTER THREE YEARS OF FUNDING, A PROGRAM MAY REAPPLY FOR FUNDING, BUT WILL COMPETE FOR AVAILABLE FUNDS WITH OTHER NEW PROJECTS AND OTHER PROJECTS ALSO COMPLETING THEIR THIRD YEAR OF FUNDING.

SEC. 329. SUBJECT TO THE PROVISIONS OF APPLICABLE FEDERAL LAW, IN ORDER TO MORE FULLY INTEGRATE ALL JOB TRAINING PROGRAMS FOR THE STATE, THE MICHIGAN JOBS COMMISSION SHALL BE THE LEAD AGENCY RESPONSIBLE FOR PROGRAMS FUNDED UNDER THE FEDERAL JOB TRAINING PARTNERSHIP ACT, 29 U.S.C. 1501 ET SEQ, AND GRANTS DISTRIBUTED UNDER THIS ACT SHALL BE SUBJECT TO THE APPROVAL OF THE MICHIGAN JOBS COMMISSION. CHANGES IN FEDERAL LAW OR REGULATION PERMITTING, THE MICHIGAN JOBS COMMISSION SHALL BE THE STATE AGENCY RESPONSIBLE FOR ADMINISTERING THIS FEDERAL PROGRAM.

Section 2. Sections 6b, 11c, 17c, 20a, 21e, 23, 23d, 23e, 24a, 28a, 37a, 65, 75, 86, 96, 107a, 107b, 107e, 113, 117, 146a, 158a, 158c, and 167a of Act No. 94 of the Public Acts of 1979, being sections 388.1606b, 388.1611c, 388.1617c, 388.1620a, 388.1621e, 388.1623, 388.1623d, 388.1623e, 388.1624a, 388.1628a, 388.1637a, 388.1665, 388.1675, 388.1686, 388.1696, 388.1707a, 388.1707b, 388.1707e, 388.1713, 388.1717, 388.1746a, 388.1758a, 388.1758c, and 388.1767a of the Michigan Compiled Laws, are repealed.

Section 3. The expenditures and funding sources authorized under this bill are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the



1 Michigan Compiled Laws.

2 Section 4. This amendatory act shall take effect October 1, 1995.