

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1044**

[A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 6, 8, 11, 11f, 11g, 17b, 19, 20, 20j,
21b, 24, 25, 26a, 31a, 31d, 32, 39, 40, 41, 51a,
53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91c, 94, 99, 101,
102, 105, 105b, 105c, 107, 147, 151, 152, and 163 (MCL 388.1603,
388.1606, 388.1608, 388.1611, 388.1611f, 388.1611g, 388.1617b,
388.1619, 388.1620, 388.1620j, 388.1621b, 388.1624, 388.1625,
388.1626a, 388.1631a, 388.1631d, 388.1632,
388.1639, 388.1640, 388.1641, 388.1651a, 388.1653a,
388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663,
388.1667, 388.1668, 388.1674, 388.1681, 388.1691c, 388.1694,
388.1699, 388.1701, 388.1702, 388.1705, 388.1705b, 388.1705c,
388.1707, 388.1747, 388.1751, 388.1752, and 388.1763), sections
6, 11, 11f, 11g, 17b, 20, 24, 26a, 31a, 41, 51a,

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53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 94, 99, 101, 105, 107, and 147 as amended and sections 20j, 31d, 32, and 105c as added by 1999 PA 119, sections 3, 25, and 151 as amended by 1997 PA 93, sections 8 and 39 as amended by 1997 PA 142, sections 19, 21b, 102, and 163 as amended by 1996 PA 300, section 40 as amended by 1991 PA 118, section 91c as added by 1995 PA 130, section 105b as added by 1997 PA 24, and section 152 as amended by 1993 PA 175, and by adding sections 11j, 11k, 18b, 18c, 20k, 20l, 22a, 22c, 25b, 32a, 32b, 32c, 32d, 32e, 32f, 32g, 35, 51c, 51d, 84, 94a, 95, 96, 97, 97a, 98, 98a, 98b, 108, and 169c; and to repeal acts and parts of acts.]

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

6 (3) "Cooperative education program" means a written volun-
7 tary agreement between and among districts to provide certain
8 educational programs for pupils in certain groups of districts.
9 The written agreement shall be approved by all affected districts
10 at least annually and shall specify the educational programs to
11 be provided and the estimated number of pupils from each district
12 who will participate in the educational programs.

13 (4) "Department", EXCEPT IN SECTIONS 67, 68, 104A, 107, AND
14 108, means the department of education.

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1 (5) "District" means a local school district established
2 under the revised school code, a local act school district, or,
3 except in sections 6(4), 6(6), 13, 20, 22A, 23, 31a, ~~and~~ 105,
4 AND 105C, a public school academy. Except in sections 6(4),
5 6(6), 13, 20, ~~and~~ 22A, 105, AND 105C, district also includes a
6 university school.

7 (6) "District of residence", except as otherwise provided in
8 this subsection, means the district in which a pupil's custodial
9 parent or parents or legal guardian resides. For a pupil
10 described in section 24b, the pupil's district of residence is
11 the district in which the pupil enrolls under that section. For
12 a pupil described in section 6(4)(d), the pupil's district of
13 residence shall be considered to be the district or intermediate
14 district in which the pupil is counted in membership under that
15 section. For a pupil under court jurisdiction who is placed out-
16 side the district in which the pupil's custodial parent or par-
17 ents or legal guardian resides, the pupil's district of residence
18 shall be considered to be the educating district or educating
19 intermediate district.

20 (7) "District superintendent" means the superintendent of a
21 district, the chief administrator of a public school academy, or
22 the chief administrator of a university school.

23 Sec. 6. (1) "Center program" means a program operated by a
24 district or intermediate district for special education pupils
25 from several districts in programs for the autistically impaired,
26 trainable mentally impaired, severely mentally impaired, severely
27 multiply impaired, hearing impaired, physically and otherwise

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1 health impaired, and visually impaired. Programs for emotionally
2 impaired pupils housed in buildings that do not serve regular
3 education pupils also qualify. Unless otherwise approved by the
4 department, a center program either shall serve all constituent
5 districts within an intermediate district or shall serve several
6 districts with less than 50% of the pupils residing in the oper-
7 ating district. In addition, special education center program
8 pupils placed part-time in noncenter programs to comply with the
9 least restrictive environment provisions of section 612 of part B
10 of the individuals with disabilities education act, title VI of
11 Public Law 91-230, 20 U.S.C. 1412, may be considered center pro-
12 gram pupils for pupil accounting purposes for the time scheduled
13 in either a center program or a noncenter program.

14 (2) "District pupil retention rate" means the proportion of
15 pupils who have not dropped out of school in the immediately pre-
16 ceding school year and is equal to 1 minus the quotient of the
17 number of pupils unaccounted for in the immediately preceding
18 school year, as determined pursuant to subsection (3), divided by
19 the pupils of the immediately preceding school year.

20 (3) "District pupil retention report" means a report of the
21 number of pupils, excluding migrant and adult, in the district
22 for the immediately preceding school year, adjusted for those
23 pupils who have transferred into the district, transferred out of
24 the district, transferred to alternative programs, and have grad-
25 uated, to determine the number of pupils who are unaccounted
26 for. The number of pupils unaccounted for shall be calculated as
27 determined by the department.

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1 (4) "Membership", except as otherwise provided in this act,
2 means for ~~1998-99~~ for a district, public school academy, univer=
3 sity school, or intermediate district the sum of the product of
4 ~~.6~~ times the number of full-time equated pupils in grades K to 12
5 actually enrolled and in regular daily attendance on the pupil
6 membership count day for the current school year, plus the pro=
7 duct of ~~.4~~ times the final audited count from the supplemental
8 count day for the immediately preceding school year. For
9 ~~1999-2000~~, membership means 1999-2000 for a district, public
10 school academy, university school, or intermediate district the
11 sum of the product of .75 times the number of full-time equated
12 pupils in grades K to 12 actually enrolled and in regular daily
13 attendance on the pupil membership count day for the current
14 school year, plus the product of .25 times the final audited
15 count from the supplemental count day for the immediately preced=
16 ing school year. ~~For~~ BEGINNING IN 2000-2001, membership means
17 for a district, public school academy, university school, or
18 intermediate district the sum of the product of .8 times the
19 number of full-time equated pupils in grades K to 12 actually
20 enrolled and in regular daily attendance on the pupil membership
21 count day for the current school year, plus the product of .2
22 times the final audited count from the supplemental count day for
23 the immediately preceding school year. All pupil counts used in
24 this subsection are as determined by the department and calcu=
25 lated by adding the number of pupils registered for attendance
26 plus pupils received by transfer and minus pupils lost as defined
27 by rules promulgated by the superintendent, and as corrected by a

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1 subsequent department audit. The amount of the foundation
2 allowance for a pupil in membership is determined under section
3 20. In making the calculation of membership, all of the follow-
4 ing, as applicable, apply to determining the membership of a dis-
5 trict, public school academy, university school, or intermediate
6 district:

7 (a) Except as otherwise provided in this subsection, AND
8 PURSUANT TO SUBSECTION (6), a pupil shall be counted in member-
9 ship in the pupil's educating district or districts. An individ-
10 ual pupil shall not be counted for more than a total of 1.0
11 full-time equated membership.

12 (b) If a pupil is educated in a district other than the
13 pupil's district of residence and the educating district is not
14 in the same intermediate district as the pupil's district of res-
15 idence, if the pupil is not being educated as part of a coopera-
16 tive education program, if the pupil's district of residence does
17 not give the educating district its approval to count the pupil
18 in membership in the educating district, and if the pupil is not
19 covered by an exception specified in subsection (6) to the
20 requirement that the educating district must have the approval of
21 the pupil's district of residence to count the pupil in member-
22 ship, the pupil shall not be counted in membership in any
23 district.

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

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

7 (e) A pupil enrolled in the Michigan schools for the deaf
8 and blind shall be counted in membership in the pupil's interme-
9 diate district of residence.

10 (f) A pupil enrolled in a vocational education program sup-
11 ported by a millage levied over an area larger than a single dis-
12 trict or in an area vocational-technical education program estab-
13 lished pursuant to section 690 of the revised school code,
14 MCL 380.690, shall be counted only in the pupil's district of
15 residence.

16 (g) A pupil enrolled in a university school shall be counted
17 in membership in the university school.

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

20 (i) For a new district, university school, or public school
21 academy beginning its operation after December 31, 1994, member-
22 ship for the first 2 full or partial fiscal years of operation
23 shall be determined as follows:

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

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

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

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

24 (k) In a district, public school academy, university school,
25 or intermediate district operating an extended school year pro-
26 gram approved by the superintendent, a pupil enrolled, but not

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1 scheduled to be in regular daily attendance on a pupil membership
2 count day, shall be counted.

3 (l) Pupils to be counted in membership shall be not less
4 than 5 years of age on December 1 and less than 20 years of age
5 on September 1 of the school year except a special education
6 pupil who is enrolled and receiving instruction in a special edu-
7 cation program approved by the department and not having a high
8 school diploma who is less than 26 years of age as of September 1
9 of the current school year shall be counted in membership.

10 (m) An individual who has obtained a high school diploma
11 shall not be counted in membership. An individual who has
12 obtained a general education development (G.E.D.) certificate
13 shall not be counted in membership. An individual participating
14 in a job training program funded under former section 107a or a
15 jobs program funded under former section 107b, administered by
16 the Michigan strategic fund or the department of career develop-
17 ment, or participating in any successor of either of those 2 pro-
18 grams, shall not be counted in membership.

19 (n) If a pupil counted in membership in a public school
20 academy is also educated by a district or intermediate district
21 as part of a cooperative education program, the pupil shall be
22 counted in membership only in the public school academy, and the
23 instructional time scheduled for the pupil in the district or
24 intermediate district shall be included in the full-time equated
25 membership determination under subdivision (q). However, for
26 pupils receiving instruction in both a public school academy and

1 in a district or intermediate district but not as a part of a
2 cooperative education program, the following apply:

3 (i) If the public school academy provides instruction for at
4 least 1/2 of the class hours specified in subdivision (q), the
5 public school academy shall receive as its prorated share of the
6 full-time equated membership for each of those pupils an amount
7 equal to 1 times the product of the hours of instruction the
8 public school academy provides divided by the number of hours
9 specified in subdivision (q) for full-time equivalency, and the
10 remainder of the full-time membership for each of those pupils
11 shall be allocated to the district or intermediate district pro-
12 viding the remainder of the hours of instruction.

13 (ii) If the public school academy provides instruction for
14 less than 1/2 of the class hours specified in subdivision (q),
15 the district or intermediate district providing the remainder of
16 the hours of instruction shall receive as its prorated share of
17 the full-time equated membership for each of those pupils an
18 amount equal to 1 times the product of the hours of instruction
19 the district or intermediate district provides divided by the
20 number of hours specified in subdivision (q) for full-time equiv-
21 alency, and the remainder of the full-time membership for each of
22 those pupils shall be allocated to the public school academy.

23 (o) An individual less than 16 years of age as of September
24 1 of the current school year who is being educated in an alterna-
25 tive education program shall not be counted in membership if
26 there are also adult education participants being educated in the
27 same program or classroom.

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

3 (q) The number of class hours used to calculate full-time
4 equated memberships shall be consistent with section 1284 of the
5 revised school code, MCL 380.1284. In determining full-time
6 equated memberships for pupils who are enrolled in a postsecond-
7 ary institution, a pupil shall not be considered to be less than
8 a full-time equated pupil solely because of the effect of his or
9 her postsecondary enrollment, including necessary travel time, on
10 the number of class hours provided by the district to the pupil.

11 (r) Full-time equated memberships for pupils in kindergarten
12 shall be determined by dividing the number of class hours sched-
13 uled and provided per year per kindergarten pupil by a number
14 equal to 1/2 the number used for determining full-time equated
15 memberships for pupils in grades 1 to 12.

16 ~~(s) For a district that has qualified currently migrant~~
17 ~~pupils enrolled in the district as of the pupil membership count~~
18 ~~day who were not counted in membership in the district on the~~
19 ~~supplemental count day for the immediately preceding school year,~~
20 ~~as determined by the department using the criteria used for eli-~~
21 ~~gibility for the migrant education program under the improving~~
22 ~~America's schools act of 1994, Public Law 103-382, 108~~
23 ~~Stat. 3518, the number of those pupils counted in the district's~~
24 ~~membership is 3/4 of the number of those pupils counted on the~~
25 ~~pupil membership count day only.~~

26 (S) ~~(t)~~ For a district, university school, or public
27 school academy that has pupils enrolled in a grade level that was

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1 not offered by the district, university school, or public school
2 academy in the immediately preceding school year, the number of
3 pupils enrolled in that grade level to be counted in membership
4 is the average of the number of those pupils enrolled and in reg-
5 ular daily attendance on the pupil membership count day and the
6 supplemental count day of the current school year, as determined
7 by the department. Membership shall be calculated by adding the
8 number of pupils registered for attendance in that grade level on
9 the pupil membership count day plus pupils received by transfer
10 and minus pupils lost as defined by rules promulgated by the
11 superintendent, and as corrected by subsequent department audit,
12 plus the final audited count from the supplemental count day for
13 the current school year, and dividing that sum by 2.

14 (T) ~~(u)~~ A pupil enrolled in a cooperative education pro-
15 gram may be counted in membership in the pupil's district of res-
16 idence with the written approval of all parties to the coopera-
17 tive agreement.

18 (U) ~~(v)~~ If, as a result of a disciplinary action, a dis-
19 trict determines through the district's alternative or disci-
20 plinary education program that the best instructional placement
21 for a pupil is in the pupil's home, if that placement is autho-
22 rized in writing by the district superintendent and district
23 alternative or disciplinary education supervisor, and if the dis-
24 trict provides appropriate instruction as described in this sub-
25 division to the pupil at the pupil's home, the district may count
26 the pupil in membership on a pro rata basis, with the proration
27 based on the number of hours of instruction the district actually

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1 provides to the pupil divided by the number of hours specified in
2 subdivision (q) for full-time equivalency. For the purposes of
3 this subdivision, a district shall be considered to be providing
4 appropriate instruction if all of the following are met:

5 (i) The district provides at least 2 nonconsecutive hours of
6 instruction per week to the pupil at the pupil's home under the
7 supervision of a certificated teacher.

8 (ii) The district provides instructional materials,
9 resources, and supplies, except computers, that are comparable to
10 those otherwise provided in the district's alternative education
11 program.

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

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

16 (V) ~~-(w)-~~ A pupil enrolled in an alternative or disciplinary
17 education program described in section 25 shall be counted in
18 membership in the district or public school academy that expelled
19 the pupil.

20 (W) ~~-(x)-~~ If a pupil was enrolled in a public school academy
21 on the pupil membership count day, if the public school academy's
22 contract with its authorizing body is revoked, and if the pupil
23 enrolls in a district within 45 days after the pupil membership
24 count day, the department shall adjust the district's pupil count
25 for the pupil membership count day to include the pupil in the
26 count.

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1 (X) ~~(Y)~~ For 1999-2000, for a public school academy that
2 has been in operation for at least 2 years and that suspended
3 operations for at least 1 semester and is resuming operations,
4 membership is the sum of the product of .75 times the number of
5 full-time equated pupils in grades K to 12 actually enrolled and
6 in regular daily attendance on the first pupil membership count
7 day or supplemental count day, whichever is first, occurring
8 after operations resume, plus the product of .25 times the final
9 audited count from the most recent pupil membership count day or
10 supplemental count day that occurred before suspending opera-
11 tions, as determined by the superintendent. ~~For~~ BEGINNING IN
12 2000-2001, for a public school academy that has been in operation
13 for at least 2 years and that suspended operations for at least 1
14 semester and is resuming operations, membership is the sum of the
15 product of .8 times the number of full-time equated pupils in
16 grades K to 12 actually enrolled and in regular daily attendance
17 on the first pupil membership count day or supplemental count
18 day, whichever is first, occurring after operations resume, plus
19 the product of .2 times the final audited count from the most
20 recent pupil membership count day or supplemental count day that
21 occurred before suspending operations, as determined by the
22 superintendent.

23 (Y) BEGINNING IN 2000-2001, IF A DISTRICT'S MEMBERSHIP FOR A
24 PARTICULAR FISCAL YEAR, AS OTHERWISE CALCULATED UNDER THIS SUB-
25 SECTION, WOULD BE LESS THAN [1,600] PUPILS, THE DISTRICT'S MEMBER-
26 SHIP FOR THAT FISCAL YEAR SHALL BE CONSIDERED TO BE THE GREATER
27 OF THE FOLLOWING:

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1 (i) THE AVERAGE OF THE DISTRICT'S MEMBERSHIP FOR THE
2 3-FISCAL-YEAR PERIOD ENDING WITH THAT FISCAL YEAR, CALCULATED BY
3 ADDING THE DISTRICT'S ACTUAL MEMBERSHIP FOR THAT FISCAL YEAR, AS
4 OTHERWISE CALCULATED UNDER THIS SUBSECTION, PLUS THE DISTRICT'S
5 MEMBERSHIP FOR EACH OF THE 2 IMMEDIATELY PRECEDING FISCAL YEARS,
6 AND DIVIDING THE SUM OF THOSE 3 MEMBERSHIP FIGURES BY 3.

7 (ii) THE DISTRICT'S ACTUAL MEMBERSHIP AS OTHERWISE CALCU-
8 LATED UNDER THIS SUBSECTION.

9 (5) "Public school academy" means a public school academy or
10 strict discipline academy operating under the revised school
11 code.

12 (6) "Pupil" means a person in membership in a public
13 school. A district must have the approval of the pupil's dis-
14 trict of residence to count the pupil in membership, except
15 approval by the pupil's district of residence shall not be
16 required for any of the following:

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

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

21 (c) A pupil enrolled in a public school academy or univer-
22 sity school.

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

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1 (e) A pupil enrolled in a district other than the pupil's
2 district of residence but within the same intermediate district
3 if the educating district enrolls nonresident pupils in accord-
4 ance with section 105.

5 (f) A pupil enrolled in a district other than the pupil's
6 district of residence if the pupil has been continuously enrolled
7 in the educating district since a school year in which the pupil
8 enrolled in the educating district under section 105 or 105c and
9 in which the educating district enrolled nonresident pupils in
10 accordance with section 105 or 105c.

11 (g) A nonresident pupil who has made an official written
12 complaint or whose parent or legal guardian has made an official
13 written complaint to law enforcement officials and to school
14 officials of the pupil's district of residence that the pupil has
15 been the victim of a criminal sexual assault or other serious
16 assault, if the official complaint either indicates that the
17 assault occurred at school or that the assault was committed by 1
18 or more other pupils enrolled in the school the nonresident pupil
19 would otherwise attend in the district of residence or by an
20 employee of the district of residence. A person who intention-
21 ally makes a false report of a crime to law enforcement officials
22 for the purposes of this subdivision is subject to section 411a
23 of the Michigan penal code, 1931 PA 328, MCL 750.411a, which pro-
24 vides criminal penalties for that conduct. As used in this
25 subdivision:

26 (i) "At school" means in a classroom, elsewhere on school
27 premises, on a school bus or other school-related vehicle, or at

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1 a school-sponsored activity or event whether or not it is held on
2 school premises.

3 (ii) "Serious assault" means an act that constitutes a
4 felony violation of chapter XI of the Michigan penal code, 1931
5 PA 328, MCL 750.81 to ~~750.90f~~ 750.90G, or that constitutes an
6 assault and infliction of serious or aggravated injury under
7 section 81a of the Michigan penal code, 1931 PA 328,
8 MCL 750.81a.

9 (h) A pupil enrolled in a [~~contiguous~~] district located in
10 another intermediate district, as described in section 105c, if
11 the educating district enrolls those nonresident pupils in
12 accordance with section 105c [AND, EXCEPT FOR ENROLLMENT IN THE
MICHIGAN VIRTUAL HIGH SCHOOL, THE EDUCATING DISTRICT IS CONTIGUOUS
TO THE PUPIL'S DISTRICT OF RESIDENCE].

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

19 (j) A pupil enrolled in an alternative education program
20 operated by a district other than his or her district of resi-
21 dence ~~. However, this subdivision does not apply until legisla-~~
22 ~~tion is enacted to specify the policies for its implementation~~
23 ~~including the types of alternative education programs affected.~~

24 WHO MEETS 1 OR MORE OF THE FOLLOWING:

25 (i) THE PUPIL HAS BEEN SUSPENDED OR EXPELLED FROM HIS OR HER
26 DISTRICT OF RESIDENCE FOR ANY REASON, INCLUDING, BUT NOT LIMITED
27 TO, A SUSPENSION OR EXPULSION UNDER SECTION 1310, 1311, OR 1311A

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1 OF THE REVISED SCHOOL CODE, MCL 380.1310, 380.1311, AND
2 380.1311A.

3 (ii) THE PUPIL HAD PREVIOUSLY DROPPED OUT OF SCHOOL.

4 (iii) THE PUPIL IS PREGNANT OR IS A PARENT.

5 (iv) THE PUPIL HAS BEEN REFERRED TO THE PROGRAM BY A COURT.

6 However, if a district that is not a first class district
7 educates pupils who reside in a first class district and if the
8 primary instructional site for those pupils is located within the
9 boundaries of the first class district, the educating district
10 must have the approval of the first class district to count those
11 pupils in membership. As used in this subsection, "first class
12 district" means a district organized as a school district of the
13 first class under the revised school code.

14 (7) "Pupil membership count day" of a district or intermedi-
15 ate district means:

16 (a) Except as provided in subdivision (b), the fourth
17 Wednesday in September each school year.

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

20 (i) Fourth Wednesday in July.

21 (ii) Fourth Wednesday in September.

22 (iii) Second Wednesday in February.

23 (iv) Fourth Wednesday in April.

24 (8) "Pupils in grades K to 12 actually enrolled and in regu-
25 lar daily attendance" means pupils in grades K to 12 in
26 attendance and receiving instruction in all classes for which
27 they are enrolled on the pupil membership count day or the

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1 supplemental count day, as applicable. A pupil who is absent
2 from any of the classes in which the pupil is enrolled on the
3 pupil membership count day or supplemental count day and who does
4 not attend each of those classes during the 10 consecutive school
5 days immediately following the pupil membership count day or sup-
6 plemental count day, except for a pupil who has been excused by
7 the district, shall not be counted as 1.0 full-time equated
8 membership. In addition, a pupil who is excused from attendance
9 on the pupil membership count day or supplemental count day and
10 who fails to attend each of the classes in which the pupil is
11 enrolled within 30 calendar days after the pupil membership count
12 day or supplemental count day shall not be counted as 1.0
13 full-time equated membership. Pupils not counted as 1.0
14 full-time equated membership due to an absence from a class shall
15 be counted as a prorated membership for the classes the pupil
16 attended. For purposes of this subsection, "class" means a
17 period of time in 1 day when pupils and a certificated teacher or
18 legally qualified substitute teacher are together and instruction
19 is taking place.

20 (9) "Rule" means a rule promulgated pursuant to the adminis-
21 trative procedures act of 1969, 1969 PA 306, MCL 24.201 to
22 24.328.

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

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

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1 (12) "State board" means the state board of education.

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

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

8 (15) "Tuition pupil" means a pupil of school age attending
9 school in a district other than the pupil's district of residence
10 for whom tuition may be charged. Tuition pupil does not include
11 a pupil who is a special education pupil or a pupil described in
12 subsection (6)(d) to (j). A pupil's district of residence shall
13 not require a high school tuition pupil, as provided under sec-
14 tion 111, to attend another school district after the pupil has
15 been assigned to a school district.

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

19 (17) "Taxable value" means the taxable value of property as
20 determined under section 27a of the general property tax act,
21 1893 PA 206, MCL 211.27a.

22 (18) "Total state aid" or "total state school aid" means the
23 total combined amount of all funds due to a district, intermedi-
24 ate district, or other entity under all of the provisions of this
25 act.

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1 (19) "University school" means an instructional program
2 operated by a public university under section 23 that meets the
3 requirements of section 23.

4 Sec. 8. (1) In order to receive funds under this act, each
5 district shall furnish to the department not later than
6 December 1 of each year, on a form and in a manner prescribed by
7 the department, the information requested by the department that
8 is necessary for the preparation of the district pupil retention
9 report defined in section 6(3).

10 (2) On the basis of a district's pupil retention report as
11 defined in section 6(3), the department shall calculate an annual
12 pupil dropout rate for each district. In addition, the depart-
13 ment shall calculate an annual pupil dropout rate for the state
14 in the same manner as that used to calculate the pupil dropout
15 rate for a district. The department shall report all pupil drop-
16 out rates to the senate and house education committees and appro-
17 priations committees and the ~~department of management and~~
18 ~~budget~~ STATE BUDGET DIRECTOR not later than September 15 each
19 year.

20 Sec. 11. (1) ~~For the fiscal year ending September 30,~~
21 ~~1999, there is appropriated for the public schools of this state~~
22 ~~and certain other state purposes relating to education the sum of~~
23 ~~\$9,049,591,100.00 from the state school aid fund established by~~
24 ~~section 11 of article IX of the state constitution of 1963 and~~
25 ~~the sum of \$420,613,500.00 from the general fund.~~ For the fiscal
26 year ending September 30, 2000, there is appropriated for the
27 public schools of this state and certain other state purposes

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1 relating to education the sum of ~~\$9,590,537,700.00~~
2 [\$9,633,486,800.00] from the state school aid fund established by
3 section 11 of article IX of the state constitution of 1963 and,
4 SUBJECT TO SUBSECTION (2), the sum of \$420,613,500.00 from the
5 general fund. For the fiscal year ending September 30, 2001,
6 there is appropriated for the public schools of this state and
7 certain other state purposes relating to education the sum of
8 ~~\$10,033,634,700.00~~ [\$10,423,283,000.00] from the state school aid
9 fund established by section 11 of article IX of the state consti-
10 tution of 1963 and, SUBJECT TO SUBSECTION (2), the sum of
11 [\$420,713,500.00] from the general fund. FOR THE FISCAL YEAR
12 ENDING SEPTEMBER 30, 2002, THERE IS APPROPRIATED FOR THE PUBLIC
13 SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING
14 TO EDUCATION THE SUM OF [\$10,953,965,900.00] FROM THE STATE SCHOOL
15 AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE
16 CONSTITUTION OF 1963 AND, SUBJECT TO SUBSECTION (2), THE SUM OF
17 [\$420,713,500.00] FROM THE GENERAL FUND. FOR THE FISCAL YEAR
18 ENDING SEPTEMBER 30, 2003, THERE IS APPROPRIATED FOR THE PUBLIC
19 SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING
20 TO EDUCATION THE SUM OF [\$11,325,460,000.00] FROM THE STATE SCHOOL
21 AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE
22 CONSTITUTION OF 1963 AND, SUBJECT TO SUBSECTION (2), THE SUM OF
23 [\$420,713,500.00] FROM THE GENERAL FUND. In addition, available
24 federal funds are appropriated for ~~1998-99, for 1999-2000, and~~
25 ~~for 2000-2001~~ EACH OF THOSE FISCAL YEARS.

26 (2) The appropriations under this section shall be allocated
27 as provided in this act. Money appropriated under this section

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1 from the general fund and from available federal funds shall be
2 expended to fund the purposes of this act before the expenditure
3 of money appropriated under this section from the state school
4 aid fund. If the maximum amount appropriated under this section
5 from the state school aid fund for a fiscal year exceeds the
6 amount necessary to fully fund allocations under this act from
7 the state school aid fund, that excess amount shall not be
8 expended in that state fiscal year and shall not lapse to the
9 general fund, but instead shall remain in the state school aid
10 fund.

11 (3) If the maximum amount appropriated under this section
12 and ~~sections~~ SECTION 11f ~~and 11g~~ from the state school aid
13 fund for a fiscal year exceeds the amount available for expendi-
14 ture from the state school aid fund for that fiscal year, pay-
15 ments under sections 11f, 11g, ~~and~~ 22A, 31D, 51a(2), AND 51C
16 shall be made in full and payments under each of the other sec-
17 tions of this act shall be prorated on an equal percentage basis
18 as necessary to reflect the amount available for expenditure from
19 the state school aid fund for that fiscal year. However, if the
20 department of treasury determines that proration will be required
21 under this subsection, the department of treasury shall notify
22 the state budget director, and the state budget director shall
23 notify the legislature at least 30 calendar days or 6 legislative
24 session days, whichever is more, before the department reduces
25 any payments under this act because of the proration. During the
26 30 calendar day or 6 legislative session day period after that
27 notification by the state budget director, the department shall

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1 not reduce any payments under this act because of proration under
2 this subsection. The legislature may prevent proration from
3 occurring by, within the 30 calendar day or 6 legislative session
4 day period after that notification by the state budget director,
5 enacting legislation appropriating additional funds from the gen-
6 eral fund, countercyclical budget and economic stabilization
7 fund, state school aid fund balance, or another source to fund
8 the amount of the projected shortfall.

9 (4) EXCEPT FOR THE ALLOCATION UNDER SECTION 26A, ANY GENERAL
10 FUND ALLOCATIONS UNDER THIS ACT THAT ARE NOT EXPENDED BY THE END
11 OF THE STATE FISCAL YEAR ARE TRANSFERRED TO THE STATE SCHOOL AID
12 FUND.

13 Sec. 11f. (1) In addition to any other money appropriated
14 under this act, there is appropriated from the state school aid
15 fund an amount not to exceed \$32,000,000.00 each fiscal year ~~for~~
16 ~~the fiscal year ending September 30, 1999,~~ for the fiscal year
17 ending September 30, 2000, for the fiscal year ending September
18 30, 2001, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002, FOR THE
19 FISCAL YEAR ENDING SEPTEMBER 30, 2003, and for each succeeding
20 fiscal year through the fiscal year ending September 30, 2008.
21 Payments under this section will cease after September 30, 2008.
22 These appropriations are for paying the amounts described in
23 subsection (4) to districts and intermediate districts, other
24 than those receiving a lump sum payment under subsection (2),
25 that were not plaintiffs in the consolidated cases known as
26 Durant v State of Michigan, Michigan supreme court docket
27 no. 104458-104492 and that, on or before March 2, 1998, ~~have~~

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1 submitted to the state treasurer a board resolution waiving any
2 right or interest the district or intermediate district has or
3 may have in any claim or litigation based on or arising out of
4 any claim or potential claim through September 30, 1997 that is
5 or was similar to the claims asserted by the plaintiffs in the
6 consolidated cases known as Durant v State of Michigan. The
7 waiver resolution shall be in form and substance as required
8 under subsection (8). The state treasurer is authorized to
9 accept such a waiver resolution on behalf of this state. The
10 amounts described in this subsection represent offers of settle-
11 ment and compromise of any claim or claims that were or could
12 have been asserted by these districts and intermediate districts,
13 as described in this subsection.

14 (2) In addition to any other money appropriated under this
15 act, there is appropriated from the state school aid fund an
16 amount not to exceed \$1,700,000.00 for the fiscal year ending
17 September 30, 1999. This appropriation is for paying the amounts
18 described in this subsection to districts and intermediate dis-
19 tricts that were not plaintiffs in the consolidated cases known
20 as Durant v State of Michigan; that, on or before March 2, 1998,
21 ~~have~~ submitted to the state treasurer a board resolution waiv-
22 ing any right or interest the district or intermediate district
23 has or may have in any claim or litigation based on or arising
24 out of any claim or potential claim through September 30, 1997
25 that is or was similar to the claims asserted by the plaintiffs
26 in the consolidated cases known as Durant v State of Michigan;
27 and for which the total amount listed in section 11h and paid

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1 under this section is less than \$75,000.00. The waiver
2 resolution shall be in form and substance as required under
3 subsection (8). The state treasurer is authorized to accept such
4 a waiver resolution on behalf of this state. For a district or
5 intermediate district qualifying for a payment under this subsec-
6 tion, the entire amount listed for the district or intermediate
7 district in section 11h shall be paid in a lump sum on November
8 15, 1998 or on the next business day following that date. The
9 amounts paid under this subsection represent offers of settlement
10 and compromise of any claim or claims that were or could have
11 been asserted by these districts and intermediate districts, as
12 described in this subsection.

13 (3) This section does not create any obligation or liability
14 of this state to any district or intermediate district that does
15 not submit a waiver resolution described in subsection (1) or
16 (2). This section, any other provision of this act, and section
17 353e of the management and budget act, 1984 PA 431, MCL 18.1353e,
18 are not intended to admit liability or waive any defense that is
19 or would be available to this state or its agencies, employees,
20 or agents in any litigation or future litigation with a district
21 or intermediate district.

22 (4) The amount paid each fiscal year to each district or
23 intermediate district under subsection (1) shall be 1/20 of the
24 total amount listed in section 11h for each listed district or
25 intermediate district that qualifies for a payment under subsec-
26 tion (1). The amounts listed in section 11h and paid in part
27 under this subsection and in a lump sum under subsection (2) are

1 offers of settlement and compromise to each of these districts or
2 intermediate districts to resolve, in their entirety, any claim
3 or claims that these districts or intermediate districts may have
4 asserted for violations of section 29 of article IX of the state
5 constitution of 1963 through September 30, 1997, which claims are
6 or were similar to the claims asserted by the plaintiffs in the
7 consolidated cases known as Durant v State of Michigan. This
8 section, any other provision of this act, and section 353e of the
9 management and budget act, 1984 PA 431, MCL 18.1353e, shall not
10 be construed to constitute an admission of liability to the dis-
11 tricts or intermediate districts listed in section 11h or a
12 waiver of any defense that is or would have been available to the
13 state or its agencies, employees, or agents in any litigation or
14 future litigation with a district or intermediate district.

15 (5) The entire amount of each payment under subsection (1)
16 each fiscal year shall be paid on November 15 of the applicable
17 fiscal year or on the next business day following that date.

18 (6) Funds paid to a district or intermediate district under
19 this section shall be used only for textbooks, electronic
20 instructional material, software, technology, infrastructure or
21 infrastructure improvements, school buses, school security,
22 training for technology, or to pay debt service on voter-approved
23 bonds issued by the district or intermediate district before the
24 effective date of this section. For intermediate districts only,
25 funds paid under this section may also be used for other nonre-
26 curring instructional expenditures including, but not limited to,
27 nonrecurring instructional expenditures for vocational education,

1 or for debt service for acquisition of technology for academic
2 support services. Funds received by an intermediate district
3 under this section may be used for projects conducted for the
4 benefit of its constituent districts at the discretion of the
5 intermediate board. To the extent payments under this section
6 are used by a district or intermediate district to pay debt serv-
7 ice on debt payable from millage revenues, and to the extent per-
8 mitted by law, the district or intermediate district may make a
9 corresponding reduction in the number of mills levied for that
10 debt service.

11 (7) The appropriations under this section are from the money
12 appropriated and transferred to the state school aid fund from
13 the countercyclical budget and economic stabilization fund under
14 section 353e(2) and (3) of the management and budget act, 1984
15 PA 431, MCL 18.1353e.

16 (8) The resolution to be adopted and submitted by a district
17 or intermediate district under this section and section 11g shall
18 read as follows:

19 "Whereas, the board of _____ (name of dis-
20 trict or intermediate district) desires to settle and compromise,
21 in their entirety, any claim or claims that the district (or
22 intermediate district) has or had for violations of section 29 of
23 article IX of the state constitution of 1963, which claim or
24 claims are or were similar to the claims asserted by the plain-
25 tiffs in the consolidated cases known as Durant v State of
26 Michigan, Michigan supreme court docket no. 104458-104492.

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1 Whereas, the district (or intermediate district) agrees to
2 settle and compromise these claims for the consideration
3 described in sections 11f and 11g of the state school aid act of
4 1979, 1979 PA 94, MCL 388.1611f and 388.1611g, and in the amount
5 specified for the district (or intermediate district) in
6 section 11h of the state school aid act of 1979, 1979 PA 94,
7 MCL 388.1611h.

8 Whereas, the board of _____ (name of district or
9 intermediate district) is authorized to adopt this resolution.

10 Now, therefore, be it resolved as follows:

11 1. The board of _____ (name of district or
12 intermediate district) waives any right or interest it may have
13 in any claim or potential claim through September 30, 1997 relat-
14 ing to the amount of funding the district or intermediate dis-
15 trict is, or may have been, entitled to receive under the state
16 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, or
17 any other source of state funding, by reason of the application
18 of section 29 of article IX of the state constitution of 1963,
19 which claims or potential claims are or were similar to the
20 claims asserted by the plaintiffs in the consolidated cases known
21 as Durant v State of Michigan, Michigan supreme court docket
22 no. 104458-104492.

23 2. The board of _____ (name of district or
24 intermediate district) directs its secretary to submit a certi-
25 fied copy of this resolution to the state treasurer no later than
26 5 p.m. eastern standard time on March 2, 1998, and agrees that it
27 will not take any action to amend or rescind this resolution.

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1 3. The board of _____ (name of district or
2 intermediate district) expressly agrees and understands that, if
3 it takes any action to amend or rescind this resolution, the
4 state, its agencies, employees, and agents shall have available
5 to them any privilege, immunity, and/or defense that would other-
6 wise have been available had the claims or potential claims been
7 actually litigated in any forum.

8 4. This resolution is contingent on continued payments by
9 the state each fiscal year as determined under sections 11f and
10 11g of the state school aid act of 1979, 1979 PA 94,
11 MCL 388.1611f and 388.1611g. However, this resolution shall be
12 an irrevocable waiver of any claim to amounts actually received
13 by the school district or intermediate school district under sec-
14 tions 11f and 11g of the state school aid act of 1979.".

15 Sec. 11g. (1) ~~In addition to the appropriations under sec-~~
16 ~~tion 11f and any other money appropriated under this act, there~~
17 ~~is appropriated from the state school aid fund an amount not to~~
18 ~~exceed \$40,000,000.00 for the fiscal year ending September 30,~~
19 ~~1999.~~ From the general fund money appropriated in section 11,
20 there is allocated an amount not to exceed \$40,000,000.00 for the
21 fiscal year ending September 30, 2000, for the fiscal year ending
22 September 30, 2001, FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
23 2002, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2003, and for each
24 succeeding fiscal year through the fiscal year ending September
25 30, 2013. Payments under this section will cease after
26 September 30, 2013. These appropriations are for paying the
27 amounts described in subsection (3) to districts and intermediate

1 districts, other than those receiving a lump sum payment under
2 section 11f(2), that were not plaintiffs in the consolidated
3 cases known as Durant v State of Michigan, Michigan supreme court
4 docket no. 104458-104492 and that, on or before March 2, 1998,
5 ~~have~~ submitted to the state treasurer a waiver resolution
6 described in section 11f. The amounts paid under this section
7 represent offers of settlement and compromise of any claim or
8 claims that were or could have been asserted by these districts
9 and intermediate districts, as described in this section.

10 (2) This section does not create any obligation or liability
11 of this state to any district or intermediate district that does
12 not submit a waiver resolution described in section 11f. This
13 section, any other provision of this act, and section 353e of the
14 management and budget act, 1984 PA 431, MCL 18.1353e, are not
15 intended to admit liability or waive any defense that is or would
16 be available to this state or its agencies, employees, or agents
17 in any litigation or future litigation with a district or inter-
18 mediate district regarding these claims or potential claims.

19 (3) The amount paid each fiscal year to each district or
20 intermediate district under this section shall be the sum of the
21 following:

22 (a) 1/30 of the total amount listed in section 11h for the
23 district or intermediate district.

24 (b) If the district or intermediate district borrows money
25 and issues bonds under section 11i, an additional amount in each
26 fiscal year calculated by the department of treasury that, when
27 added to the amount described in subdivision (a), will cause the

1 net present value as of November 15, 1998 of the total of the 15
2 annual payments made to the district or intermediate district
3 under this section, discounted at a rate as determined by the
4 state treasurer, to equal the amount of the bonds issued by that
5 district or intermediate district under section 11i and that will
6 result in the total payments made to all districts and intermedi-
7 ate districts in each fiscal year under this section being no
8 more than the amount appropriated under this section in each
9 fiscal year.

10 (4) The entire amount of each payment under this section
11 each fiscal year shall be paid on May 15 of the applicable fiscal
12 year or on the next business day following that date. If a dis-
13 trict or intermediate district borrows money and issues bonds
14 under section 11i, the district or intermediate district shall
15 use funds received under this section to pay debt service on
16 bonds issued under section 11i. If a district or intermediate
17 district does not borrow money and issue bonds under section 11i,
18 the district or intermediate district shall use funds received
19 under this section only for the following purposes, in the fol-
20 lowing order of priority:

21 (a) First, to pay debt service on voter-approved bonds
22 issued by the district or intermediate district before the effec-
23 tive date of this section.

24 (b) Second, to pay debt service on other limited tax
25 obligations.

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1 (c) Third, for deposit into a sinking fund established by
2 the district or intermediate district under the revised school
3 code.

4 (5) To the extent payments under this section are used by a
5 district or intermediate district to pay debt service on debt
6 payable from millage revenues, and to the extent permitted by
7 law, the district or intermediate district may make a correspond-
8 ing reduction in the number of mills levied for debt service.

9 (6) A district or intermediate district may pledge or assign
10 payments under this section as security for bonds issued under
11 section 11i, but shall not otherwise pledge or assign payments
12 under this section.

13 ~~(7) The state school aid fund appropriation under this sec-~~
14 ~~tion for 1998-99 is from the money appropriated and transferred~~
15 ~~to the state school aid fund from the countercyclical budget and~~
16 ~~economic stabilization fund under section 353e(2) of the manage-~~
17 ~~ment and budget act, 1984 PA 431, MCL 18.1353e.~~

18 SEC. 11J. (1) IN ADDITION TO OTHER MONEY APPROPRIATED UNDER
19 THIS ACT, THERE IS APPROPRIATED FROM THE STATE SCHOOL AID FUND
20 THE AMOUNT OF \$220,000,000.00 FOR THE FISCAL YEAR ENDING
21 SEPTEMBER 30, 2000. THIS MONEY SHALL BE TRANSFERRED TO A SEPA-
22 RATE ACCOUNT IN THE STATE SCHOOL AID FUND DESIGNATED AS THE
23 "STATE SCHOOL AID LOAN ACCOUNT" AND MAY BE USED FOR LOANS UNDER
24 THIS SECTION. IN SUCCEEDING FISCAL YEARS, MONEY IN THE STATE
25 SCHOOL AID LOAN ACCOUNT MAY BE APPROPRIATED AND USED ONLY FOR THE
26 PURPOSES OF THIS SECTION.

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1 (2) IN ADDITION TO OTHER MONEY APPROPRIATED UNDER THIS ACT,
2 ALL OF THE MONEY IN THE STATE SCHOOL AID LOAN ACCOUNT IN THE
3 STATE SCHOOL AID FUND IS APPROPRIATED FOR THE FISCAL YEAR ENDING
4 SEPTEMBER 30, 2001 FOR THE PURPOSES OF THIS SECTION. IN ADDITION
5 TO OTHER MONEY APPROPRIATED UNDER THIS ACT, ALL OF THE MONEY IN
6 THE STATE SCHOOL AID LOAN ACCOUNT IN THE STATE SCHOOL AID FUND IS
7 APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002 FOR
8 THE PURPOSES OF THIS SECTION. IN ADDITION TO OTHER MONEY APPRO-
9 PRIATED UNDER THIS ACT, ALL OF THE MONEY IN THE STATE SCHOOL AID
10 LOAN ACCOUNT IN THE STATE SCHOOL AID FUND IS APPROPRIATED FOR THE
11 FISCAL YEAR ENDING SEPTEMBER 30, 2003 FOR THE PURPOSES OF THIS
12 SECTION.

13 (3) AN ELIGIBLE DISTRICT OR INTERMEDIATE DISTRICT MAY OBTAIN
14 AN INTEREST-FREE LOAN FROM THE STATE SCHOOL AID LOAN ACCOUNT TO
15 ASSIST THE DISTRICT OR INTERMEDIATE DISTRICT IN PAYING EMPLOYEE
16 WAGES INCURRED OR PAYABLE DURING THE PERIOD BETWEEN THE
17 DISTRICT'S OR INTERMEDIATE DISTRICT'S JUNE PAYMENT UNDER THIS ACT
18 FOR A STATE FISCAL YEAR AND THE DISTRICT'S OR INTERMEDIATE
19 DISTRICT'S FIRST PAYMENT UNDER THIS ACT FOR THE NEXT STATE FISCAL
20 YEAR.

21 (4) A DISTRICT OR INTERMEDIATE DISTRICT SHALL APPLY TO THE
22 SUPERINTENDENT FOR A LOAN FROM THE STATE SCHOOL AID LOAN ACCOUNT
23 UNDER THIS SECTION NOT LATER THAN JULY 1 OF A STATE FISCAL YEAR,
24 IN THE FORM AND MANNER PRESCRIBED BY THE SUPERINTENDENT. THE
25 SUPERINTENDENT SHALL APPROVE OR DISAPPROVE THE LOAN AND NOTIFY
26 THE DISTRICT OR INTERMEDIATE DISTRICT OF THAT DECISION NOT LATER
27 THAN JULY 20 OF THAT FISCAL YEAR. A LOAN UNDER THIS SECTION

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1 SHALL BE PAID TO THE DISTRICT OR INTERMEDIATE DISTRICT ON AUGUST
2 1 OF THAT FISCAL YEAR, OR ON THE NEXT BUSINESS DAY, IN THE SAME
3 MANNER AS A PAYMENT UNDER SECTION 17B.

4 (5) A DISTRICT OR INTERMEDIATE DISTRICT RECEIVING A LOAN
5 UNDER THIS SECTION SHALL PLEDGE ITS STATE SCHOOL AID TO SECURE
6 THE LOAN AND SHALL REPAY THE LOAN IN FULL NOT LATER THAN MAY 1 OF
7 THE NEXT STATE FISCAL YEAR. IF A DISTRICT OR INTERMEDIATE DIS-
8 TRICT DOES NOT REPAY THE LOAN IN FULL BY THAT DATE, THE SUPERIN-
9 TENDENT SHALL WITHHOLD THE BALANCE FROM THE DISTRICT'S OR INTER-
10 MEDIATE DISTRICT'S REMAINING PAYMENTS UNDER THIS ACT FOR THE
11 FISCAL YEAR IN WHICH REPAYMENT IS DUE. THE STATE TREASURER SHALL
12 DEPOSIT ALL REPAYMENTS AND MONEY WITHHELD UNDER THIS SECTION IN
13 THE STATE SCHOOL AID LOAN ACCOUNT.

14 (6) TO BE ELIGIBLE FOR A LOAN UNDER THIS SECTION, A DISTRICT
15 OR INTERMEDIATE DISTRICT MUST MEET 1 OF THE FOLLOWING:

16 (A) THE AMOUNT OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S
17 ESTIMATED GENERAL FUND BALANCE FOR THE CURRENT FISCAL YEAR,
18 EXCLUDING THE JULY AND AUGUST PAYMENTS DUE TO THE DISTRICT OR
19 INTERMEDIATE DISTRICT FOR THE CURRENT FISCAL YEAR, IS A NEGATIVE
20 AMOUNT.

21 (B) THE AMOUNT OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S
22 ESTIMATED GENERAL FUND BALANCE FOR THE CURRENT FISCAL YEAR,
23 EXCLUDING THE JULY AND AUGUST PAYMENTS DUE TO THE DISTRICT OR
24 INTERMEDIATE DISTRICT FOR THE CURRENT FISCAL YEAR, IS NOT A NEGA-
25 TIVE AMOUNT, BUT IS LESS THAN AN AMOUNT EQUAL TO 65% OF THE
26 DISTRICT'S OR INTERMEDIATE DISTRICT'S ESTIMATED AVERAGE MONTHLY

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1 EXPENDITURE FOR EMPLOYEE WAGES FOR THE PERIOD FROM JULY 1 TO
2 SEPTEMBER 30 OF THE CURRENT FISCAL YEAR.

3 (7) THE MAXIMUM AMOUNT OF A LOAN TO A DISTRICT OR INTERMEDI-
4 ATE DISTRICT UNDER THIS SECTION IS AS FOLLOWS:

5 (A) FOR A DISTRICT THAT IS ELIGIBLE UNDER SUBSECTION (6)(A),
6 AN AMOUNT EQUAL TO 65% OF THE DISTRICT'S OR INTERMEDIATE
7 DISTRICT'S ESTIMATED AVERAGE MONTHLY EXPENDITURE FOR EMPLOYEE
8 WAGES FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 OF THE CURRENT
9 FISCAL YEAR.

10 (B) FOR A DISTRICT THAT IS ELIGIBLE UNDER SUBSECTION (6)(B),
11 AN AMOUNT EQUAL TO A PERCENTAGE OF THE DISTRICT'S OR INTERMEDIATE
12 DISTRICT'S ESTIMATED AVERAGE MONTHLY EXPENDITURE FOR EMPLOYEE
13 WAGES FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 OF THE CURRENT
14 FISCAL YEAR. THIS PERCENTAGE SHALL BE CALCULATED BY SUBTRACTING
15 FROM 65 PERCENTAGE POINTS THE PERCENTAGE OF THE DISTRICT'S OR
16 INTERMEDIATE DISTRICT'S ESTIMATED AVERAGE MONTHLY EXPENDITURE FOR
17 EMPLOYEE WAGES FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 OF THE
18 CURRENT FISCAL YEAR THAT COULD BE PAID BY THE AMOUNT OF THE
19 DISTRICT'S OR INTERMEDIATE DISTRICT'S ESTIMATED GENERAL FUND BAL-
20 ANCE FOR THE CURRENT FISCAL YEAR, EXCLUDING THE JULY AND AUGUST
21 PAYMENTS DUE TO THE DISTRICT OR INTERMEDIATE DISTRICT FOR THE
22 CURRENT FISCAL YEAR, AS DESCRIBED IN SUBSECTION (6)(B).

23 (8) IF THE AMOUNT AVAILABLE IN THE STATE SCHOOL AID LOAN
24 ACCOUNT FOR A PARTICULAR FISCAL YEAR IS NOT SUFFICIENT TO PAY THE
25 MAXIMUM LOAN TO EACH ELIGIBLE DISTRICT OR INTERMEDIATE DISTRICT,
26 AS CALCULATED UNDER SUBSECTION (7), THE SUPERINTENDENT SHALL
27 PRORATE THE AMOUNT OF EACH DISTRICT'S OR INTERMEDIATE DISTRICT'S

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1 LOAN ON AN EQUAL PERCENTAGE BASIS ACCORDING TO THE AMOUNT
2 AVAILABLE.

3 (9) A DISTRICT OR INTERMEDIATE DISTRICT SHALL USE THE PRO-
4 CEEDS OF A LOAN UNDER THIS SECTION ONLY FOR EMPLOYEE WAGES AS
5 DESCRIBED IN SUBSECTION (3).

[SEC. 11K. IN ADDITION TO OTHER MONEY APPROPRIATED UNDER THIS ACT, THERE IS APPROPRIATED FROM THE SCHOOL AID FUND AN AMOUNT NOT TO EXCEED \$95,000,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2001. THESE APPROPRIATIONS ARE FOR PROJECT GRANTS TO SCHOOL DISTRICTS UNDER SECTION 10B OF 1961 PA 108, MCL 388.960B, FOR INTEREST PAYMENTS UNDER SECTION 10C OF 1961 PA 108, MCL 388.960C, AND FOR OTHER PURPOSES DESCRIBED UNDER THESE SECTIONS.]

6 Sec. 17b. (1) Not later than October 20, November 20,
7 December 20, January 20, February 20, March 20, April 20, May 20,
8 June 20, July 20, and August 20, the department shall prepare a
9 statement of the amount to be distributed under this act in the
10 installment to the districts and intermediate districts and
11 deliver the statement to the state treasurer, and the state trea-
12 surer shall pay the installments on each of those dates or, ~~on~~
13 ~~the next business day following each of those dates~~ IF THE DATE
14 IS NOT A BUSINESS DAY, ON THE IMMEDIATELY PRECEDING BUSINESS DAY
15 BEFORE THAT DATE. Except as otherwise provided in this act, the
16 portion of the district's or intermediate district's state fiscal
17 year entitlement to be included in each installment shall be
18 1/11. A district or intermediate district shall accrue the pay-
19 ments received in July and August to the school fiscal year
20 ending the immediately preceding June 30.

21 (2) The state treasurer shall make payment under this sec-
22 tion by drawing a warrant in favor of the treasurer of each dis-
23 trict or intermediate district for the amount payable to the dis-
24 trict or intermediate district according to the statement and
25 delivering the warrant to the treasurer of each district or
26 intermediate district, or if the state treasurer receives a
27 written request by the treasurer of the district or intermediate

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1 district specifying an account, by electronic funds transfer to
2 that account of the amount payable to the district or intermedi-
3 ate district according to the statement. The department may make
4 adjustments in payments made under this section through addi-
5 tional payments when changes in law or errors in computation
6 cause the regularly scheduled payment to be less than the amount
7 to which the district or intermediate district is entitled pursu-
8 ant to this act.

9 (3) Except as otherwise specified in this act, grant pay-
10 ments under this act shall be paid according to subsection (1).

11 (4) Upon the written request of a district or intermediate
12 district and the submission of proof satisfactory to the depart-
13 ment of a need of a temporary and nonrecurring nature, the super-
14 intendent, with the written concurrence of the state treasurer
15 and the state budget director, may authorize an advance release
16 of funds due a district or intermediate district under this act.
17 Such an advance shall not cause funds to be paid to a district or
18 intermediate district more than 30 days earlier than the estab-
19 lished payment date for those funds.

20 SEC. 18B. (1) PROPERTY OF A PUBLIC SCHOOL ACADEMY THAT WAS
21 ACQUIRED SUBSTANTIALLY WITH FUNDS APPROPRIATED UNDER THIS ACT
22 SHALL BE TRANSFERRED TO THIS STATE BY THE PUBLIC SCHOOL ACADEMY
23 CORPORATION IF ANY OF THE FOLLOWING OCCUR:

24 (A) THE PUBLIC SCHOOL ACADEMY HAS BEEN INELIGIBLE TO RECEIVE
25 FUNDING UNDER THIS ACT FOR 12 CONSECUTIVE MONTHS.

26 (B) THE PUBLIC SCHOOL ACADEMY'S CONTRACT HAS BEEN REVOKED.

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1 (C) THE PUBLIC SCHOOL ACADEMY'S CONTRACT HAS NOT BEEN
2 REISSUED BY THE AUTHORIZING BODY.

3 (2) PROPERTY REQUIRED TO BE TRANSFERRED TO THIS STATE UNDER
4 THIS SECTION INCLUDES TITLE TO ALL REAL AND PERSONAL PROPERTY,
5 INTERESTS IN REAL OR PERSONAL PROPERTY, AND OTHER ASSETS OWNED BY
6 THE PUBLIC SCHOOL ACADEMY CORPORATION THAT WERE SUBSTANTIALLY
7 ACQUIRED WITH FUNDS APPROPRIATED UNDER THIS ACT.

8 (3) THE STATE TREASURER IS AUTHORIZED TO DISPOSE OF PROPERTY
9 TRANSFERRED TO THIS STATE UNDER THIS SECTION. EXCEPT AS OTHER-
10 WISE PROVIDED IN THIS SECTION, THE STATE TREASURER SHALL DEPOSIT
11 IN THE STATE SCHOOL AID FUND ANY MONEY INCLUDED IN THAT PROPERTY
12 AND THE NET PROCEEDS FROM THE SALE OF THE PROPERTY OR INTERESTS
13 IN PROPERTY, AFTER PAYMENT BY THE STATE TREASURER OF ANY PUBLIC
14 SCHOOL ACADEMY DEBT SECURED BY THE PROPERTY OR INTEREST IN
15 PROPERTY.

16 (4) THIS SECTION DOES NOT IMPOSE ANY LIABILITY ON THIS
17 STATE, ANY AGENCY OF THIS STATE, OR AN AUTHORIZING BODY FOR ANY
18 DEBT INCURRED BY A PUBLIC SCHOOL ACADEMY.

19 (5) AS USED IN THIS SECTION AND SECTION 18C, "AUTHORIZING
20 BODY" MEANS AN AUTHORIZING BODY DEFINED UNDER SECTION 501 OF THE
21 REVISED SCHOOL CODE, MCL 380.501.

22 SEC. 18C. ANY CONTRACT, MORTGAGE, LOAN, OR OTHER INSTRUMENT
23 OF INDEBTEDNESS ENTERED INTO BY A PUBLIC SCHOOL ACADEMY RECEIVING
24 FUNDS UNDER THIS ACT AND A THIRD PARTY DOES NOT CONSTITUTE AN
25 OBLIGATION, EITHER GENERAL, SPECIAL, OR MORAL, OF THIS STATE OR
26 OF AN AUTHORIZING BODY. THE FULL FAITH AND CREDIT OR THE TAXING
27 POWER OF THIS STATE OR ANY AGENCY OF THIS STATE, OR THE FULL

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1 FAITH AND CREDIT OF AN AUTHORIZING BODY, SHALL NOT BE PLEDGED FOR
2 THE PAYMENT OF ANY CONTRACT, MORTGAGE, LOAN, OR OTHER INSTRUMENT
3 OF INDEBTEDNESS ENTERED INTO BY A PUBLIC SCHOOL ACADEMY.

4 Sec. 19. (1) A district shall comply with the requirements
5 of sections 1204a, 1277, 1278, and 1280 of the revised school
6 code, ~~being sections 380.1204a, 380.1277, 380.1278, and 380.1280~~
7 ~~of the Michigan Compiled Laws~~ MCL 380.1204A, 380.1277, 380.1278,
8 AND 380.1280, commonly referred to as "public act 25 of 1990".

9 (2) Each district and intermediate district shall provide to
10 the department, in a form and manner prescribed by the depart-
11 ment, information necessary for the development of an annual
12 progress report on the implementation of sections 1204a, 1277,
13 1278, and 1280 of the revised school code, MCL 380.1204A,
14 380.1277, 380.1278, AND 380.1280, commonly referred to as "public
15 act 25 of 1990", and on the achievement of national education
16 goals, AND INFORMATION NECESSARY FOR THE DEVELOPMENT OF OTHER
17 PERFORMANCE REPORTS.

18 (3) If a district or intermediate district fails to meet the
19 requirements of subsection (2) and sections 1204a, 1277, and 1278
20 of the revised school code, MCL 380.1204A, 380.1277, 380.1278,
21 AND 380.1280, the department shall withhold 5% of the total funds
22 for which the district or intermediate district qualifies under
23 this act until the district or intermediate district complies
24 with all of those sections. If the district or intermediate dis-
25 trict does not comply with all of those sections by the end of
26 the fiscal year, the department shall place the amount withheld

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1 in an escrow account until the district or intermediate district
2 complies with all of those sections.

3 (4) If a school in a district is not accredited under sec-
4 tion 1280 of the revised school code, MCL 380.1280, or is not
5 making satisfactory progress toward meeting the standards for
6 that accreditation, the department shall withhold 5% of the total
7 funds for which the district qualifies under this act that are
8 attributable to pupils attending that school. The department
9 shall place the amount withheld from a district under this sub-
10 section in an escrow account and shall not release the funds to
11 the district until the district submits to the department a plan
12 for achieving accreditation for each of the district's schools
13 that are not accredited under section 1280 of the revised school
14 code, MCL 380.1280, or are not making satisfactory progress
15 toward meeting the standards for that accreditation.

16 Sec. 20. (1) ~~For 1998-99, the basic foundation allowance~~
17 ~~is \$5,462.00 per membership pupil.~~ For 1999-2000, the basic
18 foundation allowance is ~~\$5,696.00~~ \$5,700.00 per membership
19 pupil. For 2000-2001, the basic foundation allowance is
20 ~~\$5,866.00~~ \$6,000.00 per membership pupil. FOR 2001-2002, THE
21 BASIC FOUNDATION ALLOWANCE IS \$6,300.00 PER MEMBERSHIP PUPIL.
22 FOR 2002-2003, THE BASIC FOUNDATION ALLOWANCE IS \$6,700.00 PER
23 MEMBERSHIP PUPIL.

24 (2) From the appropriation in section 11, there is allocated
25 ~~for 1998-99 an amount not to exceed \$8,034,100,000.00,~~ for
26 1999-2000 an amount not to exceed ~~\$8,516,932,000.00,~~ and for
27 ~~2000-2001 an amount not to exceed \$8,906,496,200.00,~~

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1 \$8,420,600,000.00 to guarantee each district a foundation
2 allowance per membership pupil other than special education
3 pupils and to make payments under this section to public school
4 academies and university schools for membership pupils other than
5 special education pupils. The amount of each district's founda-
6 tion allowance shall be calculated as provided in this section,
7 using a basic foundation allowance in the amount specified in
8 subsection (1). If the maximum amount allocated under this sec-
9 tion is not sufficient to fully fund payments under this section,
10 and before any proration required under section 11, the amount of
11 the payment to each district, university school, and public
12 school academy shall be prorated by reducing by an equal percen-
13 tage the total payment under this section to each district, uni-
14 versity school, and public school academy. However, if the
15 department determines that proration will be required under this
16 section, the superintendent ~~of public instruction~~ shall notify
17 the state budget director, and the state budget director shall
18 notify the legislature at least 30 calendar days or 6 legislative
19 session days, whichever is more, before the department reduces
20 any payments under this section because of the proration. During
21 the 30 calendar day or 6 legislative session day period after
22 that notification by the state budget director, the department
23 shall not reduce any payments under this section because of
24 proration. The legislature may prevent proration under this sec-
25 tion from occurring by, within the 30 calendar day or 6 legisla-
26 tive session day period after that notification by the director,
27 enacting legislation appropriating additional funds from the

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1 general fund, countercyclical budget and economic stabilization
2 fund, state school aid fund balance, or another source to ensure
3 full foundation allowance funding for each district, university
4 school, and public school academy.

5 (3) Except as otherwise provided in this section, the amount
6 of a district's foundation allowance shall be calculated as fol-
7 lows, using in all calculations the total amount of the
8 district's foundation allowance as calculated before any
9 proration:

10 (a) For a district that in the immediately preceding state
11 fiscal year had a foundation allowance at least equal to the sum
12 of \$4,200.00 plus the total dollar amount of all adjustments made
13 from 1994-95 to the immediately preceding state fiscal year in
14 the lowest foundation allowance among all districts, but less
15 than the basic foundation allowance in the immediately preceding
16 state fiscal year, the district shall receive a foundation allow-
17 ance in an amount equal to the sum of the district's foundation
18 allowance for the immediately preceding state fiscal year plus
19 the difference between twice the dollar amount of the adjustment
20 from the immediately preceding state fiscal year to the current
21 state fiscal year made in the basic foundation allowance and
22 [(the dollar amount of the adjustment from the immediately pre-
23 ceding state fiscal year to the current state fiscal year made in
24 the basic foundation allowance minus \$50.00) times (the differ-
25 ence between the district's foundation allowance for the immedi-
26 ately preceding state fiscal year and the sum of \$4,200.00 plus
27 the total dollar amount of all adjustments made from 1994-95 to

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1 the immediately preceding state fiscal year in the lowest
2 foundation allowance among all districts) divided by the differ-
3 ence between the basic foundation allowance for the current state
4 fiscal year and the sum of \$4,200.00 plus the total dollar amount
5 of all adjustments made from 1994-95 to the immediately preceding
6 state fiscal year in the lowest foundation allowance among all
7 districts]. However, the foundation allowance for a district
8 that had less than the basic foundation allowance in the immedi-
9 ately preceding state fiscal year shall not exceed the basic
10 foundation allowance for the current state fiscal year.

11 (b) Except as otherwise provided in ~~subdivision (c) or (d)~~
12 THIS SUBSECTION, for a district that in the immediately preceding
13 state fiscal year had a foundation allowance in an amount at
14 least equal to the amount of the basic foundation allowance for
15 the immediately preceding state fiscal year, the district shall
16 receive a foundation allowance in an amount equal to the sum of
17 the district's foundation allowance for the immediately preceding
18 state fiscal year plus the dollar amount of the adjustment from
19 the immediately preceding state fiscal year to the current state
20 fiscal year in the basic foundation allowance.

21 (c) ~~For~~ BEGINNING IN 1999-2000, ~~only,~~ for a district
22 that in the ~~immediately preceding~~ 1994-95 state fiscal year had
23 a foundation allowance greater than ~~\$6,962.00~~ and less than
24 ~~\$12,000.00~~ \$6,500.00, the ~~district shall receive a~~ DISTRICT'S
25 foundation allowance ~~in~~ IS an amount equal to the sum of the
26 district's foundation allowance for the immediately preceding
27 state fiscal year plus ~~1.6%~~ THE LESSER OF THE INCREASE IN THE

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1 BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR, AS
2 COMPARED TO THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, OR THE
3 PRODUCT of the district's foundation allowance for the immedi-
4 ately preceding state fiscal year TIMES THE PERCENTAGE INCREASE
5 IN THE UNITED STATES CONSUMER PRICE INDEX IN THE CALENDAR YEAR
6 ENDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR AS REPORTED BY
7 THE MAY REVENUE ESTIMATING CONFERENCE CONDUCTED UNDER SECTION
8 367B OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431,
9 MCL 18.1367B.

10 ~~(d) For 2000-2001 only, for a district that in the immedi-~~
11 ~~ately preceding state fiscal year had a foundation allowance~~
12 ~~greater than \$7,196.00 and less than \$12,234.00, the district~~
13 ~~shall receive a foundation allowance in an amount equal to the~~
14 ~~sum of the district's foundation allowance for the immediately~~
15 ~~preceding state fiscal year plus 1.6% of the district's founda-~~
16 ~~tion allowance for the immediately preceding state fiscal year.~~

17 (D) ~~(e) For 1998-99~~ 1999-2000, each district's founda-
18 tion allowance shall be at least ~~-\$5,170.00~~ \$5,700.00.

19 (E) BEGINNING IN 2000-2001, FOR A DISTRICT THAT HAS A FOUN-
20 DATION ALLOWANCE THAT IS NOT A WHOLE DOLLAR AMOUNT, THE
21 DISTRICT'S FOUNDATION ALLOWANCE SHALL BE ROUNDED UP TO THE NEAR-
22 EST WHOLE DOLLAR.

23 (F) BEGINNING IN 2002-2003, FOR A DISTRICT THAT RECEIVES A
24 PAYMENT UNDER SECTION 22C FOR 2001-2002, THE DISTRICT'S 2001-2002
25 FOUNDATION ALLOWANCE SHALL BE CONSIDERED TO HAVE BEEN AN AMOUNT
26 EQUAL TO THE SUM OF THE DISTRICT'S ACTUAL 2001-2002 FOUNDATION
27 ALLOWANCE AS OTHERWISE CALCULATED UNDER THIS SECTION PLUS THE PER

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1 PUPIL AMOUNT OF THE DISTRICT'S EQUITY PAYMENT FOR 2001-2002 UNDER
2 SECTION 22C.

3 (4) To ensure that a district receives the district's foun-
4 dation allowance, there is allocated to each district a state
5 portion of the district's foundation allowance in an amount cal-
6 culated under this subsection. Except as otherwise provided in
7 this subsection, the state portion of a district's foundation
8 allowance is an amount equal to the district's foundation allow-
9 ance or \$6,500.00, whichever is less, minus the difference
10 between the product of the taxable value per membership pupil of
11 all property in the district that is not a homestead or qualified
12 agricultural property times the lesser of 18 mills or the number
13 of mills of school operating taxes levied by the district in
14 1993-94 and the quotient of the ad valorem property tax revenue
15 of the district captured under 1975 PA 197, MCL 125.1651 to
16 125.1681, the tax increment finance authority act, 1980 PA 450,
17 MCL 125.1801 to 125.1830, the local development financing act,
18 1986 PA 281, MCL 125.2151 to 125.2174, or the ~~Brownfield~~
19 BROWNFIELD redevelopment financing act, 1996 PA 381, MCL 125.2651
20 to 125.2672, divided by the district's membership excluding spe-
21 cial education pupils. ~~For~~ BEGINNING IN 1999-2000, ~~only,~~ for
22 a district described in subsection (3)(c) WITH A FOUNDATION
23 ALLOWANCE INCREASE LESS THAN THE INCREASE IN THE BASIC FOUNDATION
24 ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR, AS COMPARED TO THE
25 IMMEDIATELY PRECEDING STATE FISCAL YEAR, the state portion of the
26 district's foundation allowance is an amount equal to \$6,962.00
27 plus ~~1.6% of~~ THE DIFFERENCE BETWEEN the district's foundation

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1 allowance for the ~~immediately preceding~~ CURRENT state fiscal
2 year AND THE DISTRICT'S FOUNDATION ALLOWANCE FOR 1998-99, minus
3 the difference between the product of the taxable value per mem-
4 bership pupil of all property in the district that is not a home-
5 stead or qualified agricultural property times the lesser of 18
6 mills or the number of mills of school operating taxes levied by
7 the district in 1993-94 and the quotient of the ad valorem prop-
8 erty tax revenue of the district captured under 1975 PA 197,
9 MCL 125.1651 to 125.1681, the tax increment finance authority
10 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development
11 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the
12 ~~Brownfield~~ BROWNFIELD redevelopment financing act, 1996 PA 381,
13 MCL 125.2651 to 125.2672, divided by the district's membership
14 excluding special education pupils. ~~For 2000-2001 only, for a~~
15 ~~district described in subsection (3)(d), the state portion of the~~
16 ~~district's foundation allowance is an amount equal to \$7,196.00~~
17 ~~plus 1.6% of the district's foundation allowance for the immedi-~~
18 ~~ately preceding state fiscal year minus the difference between~~
19 ~~the product of the taxable value per membership pupil of all~~
20 ~~property in the district that is not a homestead or qualified~~
21 ~~agricultural property times the lesser of 18 mills or the number~~
22 ~~of mills of school operating taxes levied by the district in~~
23 ~~1993-94 and the quotient of the ad valorem property tax revenue~~
24 ~~of the district captured under 1975 PA 197, MCL 125.1651 to~~
25 ~~125.1681, the tax increment finance authority act, 1980 PA 450,~~
26 ~~MCL 125.1801 to 125.1830, the local development financing act,~~
27 ~~1986 PA 281, MCL 125.2151 to 125.2174, or the Brownfield~~

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1 BROWNFIELD redevelopment financing act, 1996 PA 381, MCL 125.2651
2 to 125.2672, divided by the district's membership excluding spe-
3 cial education pupils. For a district that has a millage reduc-
4 tion required under section 31 of article IX of the state consti-
5 tution of 1963, the state portion of the district's foundation
6 allowance shall be calculated as if that reduction did not
7 occur. ~~For each fiscal year after 1994-95, the~~ THE \$6,500.00
8 amount prescribed in this subsection shall be adjusted each year
9 by an amount equal to the dollar amount of the difference between
10 the basic foundation allowance for the current state fiscal year
11 and \$5,000.00. HOWEVER, BEGINNING IN 2002-2003, THE \$6,500.00
12 AMOUNT PRESCRIBED IN THIS SUBSECTION SHALL BE ADJUSTED EACH YEAR
13 BY AN AMOUNT EQUAL TO THE DOLLAR AMOUNT OF THE DIFFERENCE BETWEEN
14 THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR
15 AND \$5,000.00 MINUS \$200.00.

16 (5) The allocation under this section for a pupil shall be
17 based on the foundation allowance of the pupil's district of
18 residence. However, for a pupil enrolled pursuant to section 105
19 OR 105C in a district other than the pupil's district of resi-
20 dence, the allocation under this section shall be based on the
21 lesser of the foundation allowance of the pupil's district of
22 residence or the foundation allowance of the educating district.
23 For a pupil in membership in a K-5, K-6, or K-8 district who is
24 enrolled in another district in a grade not offered by the
25 pupil's district of residence, the allocation under this section
26 shall be based on the foundation allowance of the educating
27 district if the educating district's foundation allowance is

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1 greater than the foundation allowance of the pupil's district of
2 residence. BEGINNING IN 1999-2000, THE CALCULATION UNDER THIS
3 SUBSECTION SHALL TAKE INTO ACCOUNT A DISTRICT'S PER PUPIL ALLOCA-
4 TION UNDER SECTION 20J(2).

5 (6) Subject to subsection (7) and except as otherwise pro-
6 vided in this subsection, for pupils in membership, other than
7 special education pupils, in a public school academy or a univer-
8 sity school, there is allocated under this section each fiscal
9 year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR
10 2001-2002, AND FOR 2002-2003 to the authorizing body that is the
11 fiscal agent for the public school academy for forwarding to the
12 public school academy, or to the board of the public university
13 operating the university school, an amount per membership pupil
14 other than special education pupils in the public school academy
15 or university school equal to the sum of the local school operat-
16 ing revenue per membership pupil other than special education
17 pupils for the district in which the public school academy or
18 university school is located and the state portion of that
19 district's foundation allowance, or the sum of the basic founda-
20 tion allowance under subsection (1) plus \$500.00, whichever is
21 less. Notwithstanding section 101(2), for a public school acad-
22 emy that begins operations in ~~1998-99,~~ 1999-2000, ~~or~~
23 2000-2001, 2001-2002, OR 2002-2003, as applicable, after the
24 pupil membership count day, the amount per membership pupil cal-
25 culated under this subsection shall be adjusted by multiplying
26 that amount per membership pupil by the number of hours of pupil
27 instruction provided by the public school academy after it begins

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1 operations, as determined by the department, divided by the
2 minimum number of hours of pupil instruction required under sec-
3 tion 1284 of the revised school code, MCL 380.1284. The result
4 of this calculation shall not exceed the amount per membership
5 pupil otherwise calculated under this subsection.

6 (7) If more than 25% of the pupils residing within a dis-
7 trict are in membership in 1 or more public school academies
8 located in the district, then the amount per membership pupil
9 allocated under this section to the authorizing body that is the
10 fiscal agent for a public school academy located in the district
11 for forwarding to the public school academy shall be reduced by
12 an amount equal to the difference between the product of the tax-
13 able value per membership pupil of all property in the district
14 that is not a homestead or qualified agricultural property times
15 the lesser of 18 mills or the number of mills of school operating
16 taxes levied by the district in 1993-94 and the quotient of the
17 ad valorem property tax revenue of the district captured under
18 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
19 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
20 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
21 or the ~~Brownfield~~ BROWNFIELD redevelopment financing act, 1996
22 PA 381, MCL 125.2651 to 125.2672, divided by the district's mem-
23 bership excluding special education pupils, in the school fiscal
24 year ending in the current state fiscal year, calculated as if
25 the resident pupils in membership in 1 or more public school
26 academies located in the district were in membership in the
27 district. In order to receive state school aid under this act, a

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1 district described in this subsection shall pay to the
2 authorizing body that is the fiscal agent for a public school
3 academy located in the district for forwarding to the public
4 school academy an amount equal to that local school operating
5 revenue per membership pupil for each resident pupil in member-
6 ship other than special education pupils in the public school
7 academy, as determined by the department.

8 (8) If a district does not receive a payment under subsec-
9 tion (9); if the number of mills the district may levy on a home-
10 stead and qualified agricultural property under section 1211(1)
11 of the revised school code, MCL 380.1211, is 0.5 mills or less;
12 and if the district elects not to levy those mills, the district
13 instead shall receive a separate supplemental payment under this
14 subsection in an amount equal to the amount the district would
15 have received had it levied those mills, as determined by the
16 department of treasury. A district shall not receive a separate
17 supplemental payment under this subsection for a fiscal year
18 unless in the calendar year ending in the fiscal year the dis-
19 trict levies 18 mills or the number of mills of school operating
20 taxes levied by the district in 1993, whichever is less, on prop-
21 erty that is not a homestead or qualified agricultural property.

22 (9) For a district that had combined state and local revenue
23 per membership pupil in the 1993-94 state fiscal year of more
24 than \$6,500.00 and that had fewer than 350 pupils in membership,
25 if the district elects not to reduce the number of mills from
26 which a homestead and qualified agricultural property are exempt
27 and not to levy school operating taxes on a homestead and

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1 qualified agricultural property as provided in section 1211(1) of
2 the revised school code, MCL 380.1211, and not to levy school
3 operating taxes on all property as provided in section 1211(2) of
4 the revised school code, MCL 380.1211, there is allocated under
5 this subsection for 1994-95 and each succeeding fiscal year a
6 separate supplemental payment in an amount equal to the amount
7 the district would have received per membership pupil had it
8 levied school operating taxes on a homestead and qualified agri-
9 cultural property at the rate authorized for the district under
10 section 1211(1) of the revised school code, MCL 380.1211, and
11 levied school operating taxes on all property at the rate autho-
12 rized for the district under section 1211(2) of the revised
13 school code, MCL 380.1211, as determined by the department of
14 treasury. ~~A district shall not receive a separate supplemental~~
15 ~~payment under this subsection for a fiscal year unless in the~~
16 ~~calendar year ending in the fiscal year the district levies 18~~
17 ~~mills or the number of mills of school operating taxes levied by~~
18 ~~the district in 1993, whichever is less, on property that is not~~
19 ~~a homestead or qualified agricultural property. If in the calen-~~
20 ~~dar year ending in the fiscal year a district does not levy 18~~
21 ~~mills or the number of mills of school operating taxes levied by~~
22 ~~the district in 1993, whichever is less, on property that is not~~
23 ~~a homestead or qualified agricultural property, the payment under~~
24 ~~this subsection will be reduced by the same percentage as the~~
25 ~~millage actually levied compares to the 18 mills or the number of~~
26 ~~mills levied in 1993, whichever is less.~~

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

5 (11) For a district that is formed or reconfigured after
6 June 1, 1994 by consolidation of 2 or more districts or by annex-
7 ation, the resulting district's foundation allowance under this
8 section beginning after the effective date of the consolidation
9 or annexation shall be the average of the foundation allowances
10 of each of the original or affected districts, calculated as pro-
11 vided in this section, weighted as to the percentage of pupils in
12 total membership in the resulting district who reside in the geo-
13 graphic area of each of the original districts. If an affected
14 district's foundation allowance is less than the basic foundation
15 allowance, the amount of that district's foundation allowance
16 shall be considered for the purpose of calculations under this
17 subsection to be equal to the amount of the basic foundation
18 allowance.

19 (12) Each fraction used in making calculations under this
20 section shall be rounded to the fourth decimal place and the
21 dollar amount of an increase in the basic foundation allowance
22 shall be rounded to the nearest whole dollar.

23 (13) State payments related to payment of the foundation
24 allowance for a special education pupil are not funded under this
25 section but are instead funded under section 51a.

26 (14) To assist the legislature in determining the basic
27 foundation allowance for the subsequent state fiscal year, each

1 revenue estimating conference conducted under section 367b of the
2 management and budget act, 1984 PA 431, MCL 18.1367b, shall cal-
3 culate a pupil membership factor, a revenue adjustment factor,
4 and an index as follows:

5 (a) The pupil membership factor shall be computed by divid-
6 ing the estimated membership in the school year ending in the
7 current state fiscal year, excluding intermediate district mem-
8 bership, by the estimated membership for the school year ending
9 in the subsequent state fiscal year, excluding intermediate dis-
10 trict membership. If a consensus membership factor is not deter-
11 mined at the revenue estimating conference, the principals of the
12 revenue estimating conference shall report their estimates to the
13 house and senate subcommittees responsible for school aid appro-
14 priations not later than 7 days after the conclusion of the reve-
15 nue conference.

16 (b) The revenue adjustment factor shall be computed by
17 dividing the sum of the estimated total state school aid fund
18 revenue for the subsequent state fiscal year plus the estimated
19 total state school aid fund revenue for the current state fiscal
20 year, adjusted for any change in the rate or base of a tax the
21 proceeds of which are deposited in that fund and excluding money
22 transferred into that fund from the countercyclical budget and
23 economic stabilization fund under section 353e of the management
24 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
25 estimated total school aid fund revenue for the current state
26 fiscal year plus the estimated total state school aid fund
27 revenue for the immediately preceding state fiscal year, adjusted

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1 for any change in the rate or base of a tax the proceeds of which
2 are deposited in that fund. If a consensus revenue factor is not
3 determined at the revenue estimating conference, the principals
4 of the revenue estimating conference shall report their estimates
5 to the house and senate subcommittees responsible for school aid
6 appropriations not later than 7 days after the conclusion of the
7 revenue conference.

8 (c) The index shall be calculated by multiplying the pupil
9 membership factor by the revenue adjustment factor. ~~However,~~
10 ~~for 1998-99 only, the index shall be 1.00.~~ If a consensus index
11 is not determined at the revenue estimating conference, the prin-
12 cipals of the revenue estimating conference shall report their
13 estimates to the house and senate subcommittees responsible for
14 school aid appropriations not later than 7 days after the conclu-
15 sion of the revenue conference.

16 (15) If the principals at the revenue estimating conference
17 reach a consensus on the index described in subsection (14)(c),
18 the basic foundation allowance for the subsequent state fiscal
19 year shall be at least the amount of that consensus index multi-
20 plied by the basic foundation allowance specified in subsection
21 (1).

22 (16) If at the January revenue estimating conference it is
23 estimated that pupil membership, excluding intermediate district
24 membership, for the subsequent state fiscal year will be greater
25 than 101% of the pupil membership, excluding intermediate dis-
26 trict membership, for the current state fiscal year, then it is
27 the intent of the legislature that the executive budget proposal

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1 for the school aid budget for the subsequent state fiscal year
2 include a general fund/general purpose allocation sufficient to
3 support the membership in excess of 101% of the current year
4 pupil membership.

5 (17) Beginning in 1999-2000, for a district that had com-
6 bined state and local revenue per membership pupil in the 1993-94
7 state fiscal year of more than \$6,500.00, that had fewer than 7
8 pupils in membership in the 1993-94 state fiscal year, that has
9 at least 1 ~~pupil in membership~~ CHILD educated in the district
10 in the current state fiscal year, and that levies the number of
11 mills of school operating taxes authorized for the district under
12 section 1211 of the revised school code, MCL 380.1211, the dis-
13 trict shall be allocated a minimum amount of combined state and
14 local revenue as provided under this subsection. ~~This~~ THE min-
15 imum amount of combined state and local revenue for 1999-2000
16 shall be \$67,000.00 plus the district's additional expenses to
17 educate pupils in grades 9 to 12 educated in other districts as
18 determined and allowed by the department. Beginning in
19 2000-2001, the ~~amount of the~~ minimum amount of combined state
20 and local revenue under this subsection, before adding the addi-
21 tional expenses, shall increase each fiscal year by the same per-
22 centage increase as the percentage increase in the basic founda-
23 tion allowance from the immediately preceding fiscal year to the
24 current fiscal year. The state portion of the minimum amount of
25 combined state and local revenue under this subsection shall be
26 calculated by subtracting from the minimum amount of combined
27 state and local revenue under this subsection the sum of the

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1 district's local school operating revenue and the product of the
2 state portion of the district's foundation allowance times the
3 district's membership. As used in this subsection, "additional
4 expenses" means the district's expenses for tuition or fees, not
5 to exceed \$6,500.00 as adjusted each year by an amount equal to
6 the dollar amount of the difference between the basic foundation
7 allowance for the current state fiscal year and \$5,000.00, plus a
8 room and board stipend not to exceed \$10.00 per school day for
9 each pupil in grades 9 to 12 educated in another district, as
10 approved by the department. HOWEVER, BEGINNING IN 2002-2003, THE
11 \$6,500.00 AMOUNT PRESCRIBED IN THIS SUBSECTION SHALL BE ADJUSTED
12 EACH YEAR BY AN AMOUNT EQUAL TO THE DOLLAR AMOUNT OF THE DIFFER-
13 ENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE
14 FISCAL YEAR AND \$5,000.00 MINUS \$200.00.

15 (18) FOR A DISTRICT IN WHICH 7.75 MILLS LEVIED IN 1992 FOR
16 SCHOOL OPERATING PURPOSES IN THE 1992-93 SCHOOL YEAR WERE NOT
17 RENEWED IN 1993 FOR SCHOOL OPERATING PURPOSES IN THE 1993-94
18 SCHOOL YEAR, THE DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER
19 MEMBERSHIP PUPIL SHALL BE RECALCULATED AS IF THAT MILLAGE REDUC-
20 TION DID NOT OCCUR AND, BEGINNING IN 2000-2001, THE DISTRICT'S
21 FOUNDATION ALLOWANCE SHALL BE CALCULATED AS IF ITS 1994-95 FOUN-
22 DATION ALLOWANCE HAD BEEN CALCULATED USING THAT RECALCULATED
23 1993-94 COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL AS
24 A BASE. A DISTRICT IS NOT ENTITLED TO ANY RETROACTIVE PAYMENTS
25 FOR FISCAL YEARS BEFORE 2000-2001 DUE TO THIS SUBSECTION.

26 (19) BEGINNING IN 2000-2001, PAYMENTS TO DISTRICTS,
27 UNIVERSITY SCHOOLS, OR PUBLIC SCHOOL ACADEMIES SHALL NOT BE MADE

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1 UNDER THIS SECTION. RATHER, THE CALCULATIONS UNDER THIS SECTION
2 SHALL BE USED TO DETERMINE THE AMOUNT OF STATE PAYMENTS UNDER
3 SECTION 22B.

4 (20) IF AN AMENDMENT TO SECTION 2 OF ARTICLE VIII OF THE
5 STATE CONSTITUTION OF 1963 ALLOWING STATE AID TO SOME OR ALL NON-
6 PUBLIC SCHOOLS IS APPROVED BY THE VOTERS OF THIS STATE, EACH
7 FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT CALCULATION UNDER THIS
8 SECTION MAY BE REDUCED.

9 (21) ~~(18)~~ As used in this section:

10 (a) "Combined state and local revenue" means the aggregate
11 of the district's state school aid received by or paid on behalf
12 of the district under this section and the district's local
13 school operating revenue.

14 (b) "Combined state and local revenue per membership pupil"
15 means the district's combined state and local revenue divided by
16 the district's membership excluding special education pupils.

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

19 (d) "Homestead" means that term as defined in section 1211
20 of the revised school code, MCL 380.1211.

21 (e) "Immediately preceding state fiscal year" means the
22 state fiscal year immediately preceding the current state fiscal
23 year.

24 (f) "Local school operating revenue" means school operating
25 taxes levied under section 1211 of the revised school code,
26 MCL 380.1211.

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1 (g) "Local school operating revenue per membership pupil"
2 means a district's local school operating revenue divided by the
3 district's membership excluding special education pupils.

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

7 (i) "Qualified agricultural property" means that term as
8 defined in section 1211 of the revised school code,
9 MCL 380.1211.

10 (j) "School operating purposes" means the purposes included
11 in the operation costs of the district as prescribed in
12 sections 7 and 18.

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

16 (l) "STATE MAXIMUM FOUNDATION ALLOWANCE" MEANS THE SUM OF
17 THE BASIC FOUNDATION ALLOWANCE UNDER SUBSECTION (1) PLUS
18 \$1,500.00. HOWEVER, BEGINNING IN 2002-2003, THE \$1,500.00 AMOUNT
19 IN THIS SUBDIVISION SHALL INSTEAD BE AN AMOUNT EQUAL TO \$1,500.00
20 MINUS \$200.00.

21 (M) ~~(t)~~ Taxable value per membership pupil" means taxable
22 value, as certified by the department of treasury, for the calen-
23 dar year ending in the current state fiscal year divided by the
24 district's membership excluding special education pupils for the
25 school year ending in the current state fiscal year.

26 Sec. 20j. (1) From the appropriation in section 11, there
27 is allocated for 1999-2000 ~~only~~ an amount not to exceed

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1 ~~\$16,000,000.00~~ \$23,400,000.00 for foundation allowance
2 supplemental payments to districts that in the ~~immediately~~
3 ~~preceding~~ 1994-95 state fiscal year had a foundation allowance
4 greater than ~~\$6,962.00~~ and less than ~~\$12,000.00~~ \$6,500.00.
5 ~~From the appropriation in section 11, there is allocated for~~
6 ~~2000-2001 only an amount not to exceed \$13,000,000.00 for founda=~~
7 ~~tion allowance supplemental payments to districts that in the~~
8 ~~immediately preceding state fiscal year had a foundation allow=~~
9 ~~ance greater than \$7,196.00 and less than \$12,234.00.~~

10 (2) The per pupil allocation to each district under this
11 section shall be the difference between the dollar amount of the
12 adjustment from the ~~immediately preceding~~ 1998-99 state fiscal
13 year to the current state fiscal year in the basic foundation
14 allowance ~~and 1.6% of the district's foundation allowance for~~
15 ~~the immediately preceding~~ MINUS THE DOLLAR AMOUNT OF THE ADJUST-
16 MENT FROM THE 1998-99 state fiscal year TO THE CURRENT STATE
17 FISCAL YEAR IN THE DISTRICT'S FOUNDATION ALLOWANCE.

18 (3) The total payment to each district under this section
19 shall be the product of the per pupil allocation under
20 subsection (2) multiplied by the district's membership excluding
21 special education pupils.

22 (4) BEGINNING IN 2000-2001, PAYMENTS TO DISTRICTS SHALL NOT
23 BE MADE UNDER THIS SECTION. RATHER, THE CALCULATIONS UNDER THIS
24 SECTION SHALL BE MADE AND USED TO DETERMINE THE AMOUNT OF STATE
25 PAYMENTS UNDER SECTION 22B.

26 SEC. 20K. (1) FROM THE APPROPRIATION IN SECTION 11, THERE
27 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 EACH FISCAL

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1 YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 FOR INTEREST
2 AND PENALTY PAYMENTS TO DISTRICTS UNDER THIS SECTION.

3 (2) IF A DISTRICT HAS A TAXABLE VALUE LOSS RESULTING FROM
4 THE REVISIONS TO THE PERSONAL PROPERTY TAX DEPRECIATION TABLES,
5 THE DISTRICT SHALL RECEIVE A PAYMENT UNDER THIS SECTION TO REIM-
6 BURSE THE DISTRICT FOR INTEREST AND PENALTIES ASSOCIATED WITH THE
7 TAXABLE VALUE LOSS IN AN AMOUNT AS DETERMINED BY THE DEPARTMENT
8 OF TREASURY.

9 (3) IF THE AMOUNT ALLOCATED UNDER THIS SECTION IS NOT SUFFI-
10 CIENT TO FULLY FUND PAYMENTS UNDER THIS SECTION, THE PAYMENTS
11 SHALL BE PRORATED ON AN EQUAL PERCENTAGE BASIS.

12 SEC. 20~~1~~. (1) FROM THE STATE SCHOOL AID FUND MONEY APPRO-
13 PRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
14 \$2,100,000.00 EACH FISCAL YEAR FOR 2000-2001, 2001-2002, AND
15 2002-2003 FOR PAYMENTS TO DISTRICTS UNDER THIS SECTION.

16 (2) TO BE ELIGIBLE FOR A PAYMENT UNDER THIS SECTION, A DIS-
17 TRICT MUST MEET ALL OF THE FOLLOWING:

18 (A) THE DISTRICT'S MEMBERSHIP IS 100 PUPILS OR FEWER.

19 (B) AT LEAST 80% OF THE DISTRICT'S COMBINED STATE AND LOCAL
20 REVENUE IS FROM THE DISTRICT'S LOCAL SCHOOL OPERATING REVENUE.
21 AS USED IN THIS SUBDIVISION, "COMBINED STATE AND LOCAL REVENUE"
22 AND "LOCAL SCHOOL OPERATING REVENUE" MEAN THOSE TERMS AS DEFINED
23 IN SECTION 20.

24 (C) THE DISTRICT IS NOT ELIGIBLE TO BE FUNDED UNDER
25 SECTION 20(17).

26 (3) THE AMOUNT OF THE PAYMENT UNDER THIS SECTION TO EACH
27 DISTRICT ELIGIBLE UNDER SUBSECTION (2) SHALL BE AN AMOUNT EQUAL

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1 TO THE STATE REVENUE DERIVED FOR THE CALENDAR YEAR ENDING IN THE
2 IMMEDIATELY PRECEDING FISCAL YEAR FROM THE TAX LEVIED UNDER THE
3 STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906, ON
4 PROPERTY LOCATED IN THE DISTRICT, AS DETERMINED BY THE DEPARTMENT
5 OF TREASURY.

6 (4) A TASK FORCE IS CREATED TO STUDY THE ISSUES SPECIFIED IN
7 THIS SUBSECTION CONCERNING THE FUNDING OF DISTRICTS WITH FEWER
8 THAN 100 PUPILS IN MEMBERSHIP. THE TASK FORCE SHALL STUDY AND
9 REPORT ITS FINDINGS TO THE LEGISLATURE, STATE BUDGET DIRECTOR,
10 AND SENATE AND HOUSE FISCAL AGENCIES NOT LATER THAN OCTOBER 1,
11 2001 ON THE FOLLOWING ISSUES:

12 (A) THE FISCAL IMPACT ON A DISTRICT FROM HAVING FEWER THAN
13 100 PUPILS.

14 (B) ALTERNATIVE METHODS OF CALCULATING PAYMENTS FOR DIS-
15 TRICTS WITH FEWER THAN 100 PUPILS, INCLUDING USING A MINIMUM
16 PUPIL COUNT AS THE MEMBERSHIP FIGURE FOR SUCH A DISTRICT EACH
17 FISCAL YEAR.

18 (C) THE FISCAL IMPACT ON A DISTRICT FROM HAVING A DECLINING
19 MEMBERSHIP.

20 (5) THE TASK FORCE UNDER SUBSECTION (4) SHALL CONSIST OF THE
21 FOLLOWING 5 MEMBERS, APPOINTED BY THE SUPERINTENDENT.

22 (A) TWO MEMBERS REPRESENTING SCHOOL BOARDS, APPOINTED FROM
23 AMONG NOMINATIONS SUBMITTED BY THE MICHIGAN ASSOCIATION OF SCHOOL
24 BOARDS. AT LEAST 1 OF THESE MEMBERS SHALL BE A REPRESENTATIVE OF
25 A DISTRICT WITH FEWER THAN 100 PUPILS.

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1 (B) ONE MEMBER REPRESENTING PUBLIC SCHOOL ADMINISTRATORS,
2 APPOINTED FROM AMONG NOMINATIONS SUBMITTED BY THE MICHIGAN
3 ASSOCIATION OF SCHOOL ADMINISTRATORS.

4 (C) ONE MEMBER REPRESENTING THE SUPERINTENDENT.

5 (D) ONE MEMBER WHO IS A K-12 TEACHER IN THIS STATE,
6 APPOINTED FROM AMONG NOMINATIONS JOINTLY SUBMITTED BY THE
7 MICHIGAN EDUCATION ASSOCIATION AND THE MICHIGAN FEDERATION OF
8 TEACHERS.

9 (6) THE MEMBERS APPOINTED TO THE TASK FORCE UNDER SUBSECTION
10 (5) SHALL BE APPOINTED NOT LATER THAN OCTOBER 1, 2000.

11 (7) MEMBERS OF THE TASK FORCE SHALL SERVE UNTIL THE TASK
12 FORCE FINDINGS ARE REPORTED AS REQUIRED UNDER SUBSECTION (4).

13 (8) IF A VACANCY OCCURS ON THE TASK FORCE, THE SUPERINTEN-
14 DENT SHALL APPOINT A REPLACEMENT IN THE SAME MANNER AS THE ORIGI-
15 NAL APPOINTMENT.

16 Sec. 21b. (1) Subject to subsections (2) and (3), a dis-
17 trict shall use funds received under section 20 OR, BEGINNING IN
18 2000-2001, UNDER SECTION 22A OR 22B to support the attendance of
19 a district pupil at an eligible postsecondary institution under
20 the postsecondary enrollment options act, ~~Act No. 160 of the~~
21 ~~Public Acts of 1996, being sections 388.511 to 388.524 of the~~
22 ~~Michigan Compiled Laws~~ 1996 PA 160, MCL 388.511 TO 388.524.

23 (2) To the extent required under subsection (3), a district
24 shall pay tuition and mandatory course fees, material fees, and
25 registration fees required by an eligible postsecondary institu-
26 tion for enrollment in an eligible course. A district also shall
27 pay any late fees charged by an eligible postsecondary

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1 institution due to the district's failure to make a required
2 payment according to the timetable prescribed by ~~Act No. 160 of~~
3 ~~the Public Acts of 1996~~ THE POSTSECONDARY ENROLLMENT OPTIONS
4 ACT, 1996 PA 160, MCL 388.511 TO 388.524. A district is not
5 required to pay transportation costs, parking costs, or activity
6 fees.

7 (3) A district shall pay to the eligible postsecondary
8 institution on behalf of an eligible student an amount equal to
9 the lesser of the amount of the eligible charges described in
10 subsection (2) or the prorated percentage of the state portion of
11 the foundation allowance paid OR CALCULATED, AS APPLICABLE, on
12 behalf of that eligible student under section 20, with the prora-
13 tion based on the proportion of the school year that the eligible
14 student attends the postsecondary institution. A district may
15 pay more money to an eligible postsecondary institution on behalf
16 of an eligible student than required under this section and ~~Act~~
17 ~~No. 160 of the Public Acts of 1996~~ THE POSTSECONDARY ENROLLMENT
18 OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, and may use
19 local school operating revenue for that purpose. An eligible
20 student is responsible for payment of the remainder of the costs
21 associated with his or her postsecondary enrollment that exceed
22 the amount the district is required to pay under this section and
23 ~~Act No. 160 of the Public Acts of 1996~~ THE POSTSECONDARY
24 ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, and
25 that are not paid by the district. As used in this subsection,
26 "local school operating revenue" means that term as defined in
27 section 20.

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1 (4) As used in this section, "eligible course", "eligible
2 student", and "eligible postsecondary institution" mean those
3 terms as defined in section 3 of ~~Act No. 160 of the Public Acts~~
4 ~~of 1996, being section 388.513 of the Michigan Compiled Laws~~ THE
5 POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO
6 388.524.

7 SEC. 22A. [] FROM THE APPROPRIATION IN SECTION 11, THERE
8 IS ALLOCATED AN AMOUNT NOT TO EXCEED [\$8,987,800,000.00] FOR
9 2000-2001, AN AMOUNT NOT TO EXCEED [\$9,413,700,000.00] FOR
10 2001-2002, AND AN AMOUNT NOT TO EXCEED [\$9,814,600,000.00] FOR
11 2002-2003 FOR PAYMENTS TO DISTRICTS, A QUALIFYING UNIVERSITY
12 SCHOOL, AND QUALIFYING PUBLIC SCHOOL ACADEMIES [FOR PAYMENTS UNDER
13 THIS SECTION THE ALLOCATION FOR A DISTRICT UNDER THIS SECTION SHALL
14 BE AN AMOUNT EQUAL TO THE SUM OF THE AMOUNTS CALCULATED UNDER
15 SECTIONS 20, 20J, 51A(3), AND 51A(12), MINUS THE SUM OF THE
16 ALLOCATIONS TO THE DISTRICT UNDER SECTION 51C. THIS SECTION
17 IS INTENDED TO BE THE LEGISLATED SOLUTION CALLED FOR ON OCTOBER
18 19, 1999 BY THE COURT OF APPEALS IN DURANT V STATE OF MICHIGAN.

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8 SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS
9 ALLOCATED AN AMOUNT NOT TO EXCEED \$123,000,000.00 FOR 2001-2002
10 TO MAKE EQUITY PAYMENTS TO DISTRICTS THAT HAVE A FOUNDATION
11 ALLOWANCE OR PER PUPIL PAYMENT CALCULATED UNDER SECTION 20 FOR
12 2001-2002 OF LESS THAN \$6,500.00. THE EQUITY PAYMENT FOR A DIS-
13 TRICT SHALL BE AN AMOUNT CALCULATED BY SUBTRACTING THE DISTRICT'S
14 2001-2002 FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT FROM
15 \$6,500.00 AND MULTIPLYING THE RESULT BY THE DISTRICT'S
16 MEMBERSHIP.

17 Sec. 24. (1) Subject to subsection (2), from the appropria-
18 tion in section 11, there is allocated ~~for 1998-99,~~ for
19 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003
20 to the educating district or intermediate district an amount
21 equal to 100% of the added cost each fiscal year for educating
22 all pupils assigned by a court or the family independence agency
23 to reside in or to attend a juvenile detention facility or child
24 caring institution licensed by the family independence agency or
25 the department of consumer and industry services and approved by
26 the department to provide an on-grounds education program. The
27 total amount to be paid under this section for added cost shall

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1 not exceed ~~-\$7,000,000.00 for 1998-99 and shall not exceed~~
2 \$7,900,000.00 each fiscal year for 1999-2000, ~~and~~ for
3 2000-2001, FOR 2001-2002, AND FOR 2002-2003. For the purposes of
4 this section, "added cost" shall be computed by deducting all
5 other revenue received under this act for pupils described in
6 this section from total costs, as approved by the department, for
7 educating those pupils in the on-grounds education program or in
8 a program approved by the department that is located on property
9 adjacent to a juvenile detention facility or child caring
10 institution. Costs reimbursed by federal funds are not
11 included.

12 (2) A district or intermediate district educating pupils
13 described in this section at a residential child caring institu-
14 tion may operate, and receive funding under this section for, a
15 department-approved on-grounds educational program for those
16 pupils that is longer than 181 days, but not longer than 233
17 days, if the child caring institution was licensed as a child
18 caring institution and offered in 1991-92 an on-grounds educa-
19 tional program that was longer than 181 days but not longer than
20 233 days and that was operated by a district or intermediate
21 district.

22 (3) Special education pupils funded under section 53a shall
23 not be funded under this section.

24 Sec. 25. If a pupil is enrolled in an alternative education
25 program operated by an intermediate district or district for
26 ~~middle school or high school pupils, or both,~~ PUPILS who have
27 been expelled ~~under section 1311 of the revised school code,~~

1 ~~MCL 380.1311~~ FROM SCHOOL, AND IF THE PUPIL IS COUNTED IN
 2 MEMBERSHIP IN ANOTHER INTERMEDIATE DISTRICT OR DISTRICT, the
 3 intermediate district or district operating the program shall
 4 report the enrollment information to the department and to the
 5 district in which the pupil is counted in membership, and the
 6 district in which the pupil is counted in membership shall pay to
 7 the intermediate district or district operating the program an
 8 amount equal to the amount of the foundation allowance received
 9 by the district in which the pupil is counted in membership, pro-
 10 rated according to the number of days of the school year ending
 11 in the fiscal year the pupil is educated in the alternative edu-
 12 cation program compared to the number of days of the school year
 13 ending in the fiscal year the pupil was actually enrolled in the
 14 district in which the pupil is counted in membership. If a dis-
 15 trict does not make the payment required under this section
 16 within 30 days after receipt of the report, the department shall
 17 calculate the amount owed, shall deduct that amount from the
 18 remaining state school aid payments to the district for that
 19 fiscal year under this act, and shall pay that amount to the
 20 intermediate district or district operating the alternative edu-
 21 cation program. The district in which the pupil is counted in
 22 membership and the intermediate district or district operating
 23 the alternative education program shall provide to the department
 24 all information the department requires to enforce this section.

[SEC. 25B. (1) THIS SECTION APPLIES TO A DISTRICT'S ENROLLMENT OF A PUPIL IF ALL OF THE FOLLOWING APPLY:

(A) THE PUPIL TRANSFERS FROM 1 OF 3 OTHER DISTRICTS SPECIFIED BY THE EDUCATING DISTRICT AND ENROLLS IN THE DISTRICT AFTER THE PUPIL MEMBERSHIP COUNT DAY.

(B) DUE TO THE PUPIL'S ENROLLMENT STATUS AS OF THE PUPIL MEMBERSHIP COUNT DAY, THE PUPIL WAS COUNTED IN MEMBERSHIP IN THE DISTRICT FROM WHICH HE OR SHE TRANSFERS.

(C) THE TOTAL NUMBER OF PUPILS ENROLLED IN THE DISTRICT WHO ARE DESCRIBED IN SUBDIVISIONS (A) AND (B) AND WHO TRANSFERS FROM 1 OF THE 3 OTHER DISTRICTS SPECIFIED BY THE EDUCATING DISTRICT, IS AT LEAST A NUMBER EQUAL TO THE GREATER OF 25 OR 1% OF THE EDUCATING DISTRICT'S MEMBERSHIP.

(2) IF THE CONDITIONS SPECIFIED IN SUBSECTION (1) ARE MET, AND A PUPIL TRANSFERS FROM 1 OF THE 3 OTHER SPECIFIED DISTRICTS DESCRIBED IN SUBSECTION (1)(C) AND ENROLLS DURING A SCHOOL YEAR IN THE EDUCATING DISTRICT, THE EDUCATING DISTRICT SHALL REPORT THE ENROLLMENT INFORMATION TO THE DEPARTMENT AND TO THE DISTRICT IN WHICH THE PUPIL IS COUNTED IN MEMBERSHIP, AND THE DISTRICT IN WHICH THE PUPIL IS COUNTED IN MEMBERSHIP SHALL PAY TO THE EDUCATING DISTRICT AN AMOUNT EQUAL TO THE AMOUNT OF THE FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT UNDER SECTION 20 RECEIVED BY THE DISTRICT IN WHICH THE PUPIL IS COUNTED IN MEMBERSHIP, PRORATED ACCORDING TO THE

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NUMBER OF DAYS OF THE SCHOOL YEAR ENDING IN THE FISCAL YEAR THE PUPIL IS EDUCATED IN THE EDUCATING DISTRICT COMPARED TO THE NUMBER OF DAYS OF THE SCHOOL YEAR ENDING IN THE FISCAL YEAR THE PUPIL WAS ACTUALLY ENROLLED IN THE DISTRICT IN WHICH THE PUPIL IS COUNTED IN MEMBERSHIP. IF A DISTRICT DOES NOT MAKE THE PAYMENT REQUIRED UNDER THIS SECTION WITHIN 30 DAYS AFTER RECEIPT OF THE REPORT, THE DEPARTMENT SHALL CALCULATE THE AMOUNT OWED, SHALL DEDUCT THAT AMOUNT FROM THE REMAINING STATE SCHOOL AID PAYMENTS TO THE DISTRICT FOR THAT FISCAL YEAR UNDER THIS ACT, AND SHALL PAY THAT AMOUNT TO THE EDUCATING DISTRICT. THE DISTRICT IN WHICH THE PUPIL IS COUNTED IN MEMBERSHIP AND THE EDUCATING DISTRICT SHALL PROVIDE TO THE DEPARTMENT ALL INFORMATION THE DEPARTMENT REQUIRES TO ENFORCE THIS SECTION.

(3) AS USED IN THIS SECTION, "EDUCATING DISTRICT" MEANS THE DISTRICT IN WHICH A PUPIL ENROLLS AFTER THE PUPIL MEMBERSHIP COUNT DAY AS DESCRIBED IN SUBSECTION (1).]

25 Sec. 26a. From the general fund appropriation in section
26 11, there is allocated ~~for 1998-99 an amount not to exceed~~
27 ~~\$5,100,000.00, and for each fiscal year for 1999-2000, and~~

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1 2000-2001, 2001-2002, AND 2002-2003 an amount not to exceed
2 \$7,000,000.00 to reimburse districts, intermediate districts, and
3 the state school aid fund pursuant to section 12 of the Michigan
4 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
5 in ~~1998,~~ 1999, ~~and~~ 2000, 2001, AND 2002, respectively. This
6 reimbursement shall be made by adjusting payments under section
7 20 to eligible districts, adjusting payments under section 56,
8 62, or 81 to eligible intermediate districts, and adjusting the
9 state school aid fund. The adjustments shall be made not later
10 than 60 days after the department of treasury certifies to the
11 department and to the state budget director that the department
12 of treasury has received all necessary information to properly
13 determine the amounts due to each eligible recipient.

14 Sec. 31a. (1) From the state school aid fund money appro-
15 priated in section 11, there is allocated ~~for 1998-99 an amount~~
16 ~~not to exceed \$260,000,000.00,~~ for 1999-2000 an amount not to
17 exceed \$270,920,000.00, ~~and~~ for 2000-2001 an amount not to
18 exceed ~~\$278,776,700.00~~ \$333,700,000.00, FOR 2001-2002 AN AMOUNT
19 NOT TO EXCEED \$349,885,000.00, AND FOR 2002-2003 AN AMOUNT NOT TO
20 EXCEED \$360,422,000.00 for payments to eligible districts and
21 eligible public school academies under this section. Subject to
22 subsection (10), the amount of the additional allowance under
23 this section shall be based on the number of actual pupils in
24 membership in the district or public school academy who met the
25 income eligibility criteria for free breakfast, lunch, or milk in
26 the immediately preceding state fiscal year, as determined under
27 the RICHARD B. RUSSELL national school lunch act, chapter 281,

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1 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765
2 to 1766a, 1769, 1769b to 1769c, and 1769f to 1769h, and reported
3 to the department by October 31 of the immediately preceding
4 fiscal year and adjusted not later than December 31 of the imme-
5 diately preceding fiscal year. However, for a public school
6 academy that began operations as a public school academy after
7 the pupil membership count day of the immediately preceding
8 school year, the basis for the additional allowance under this
9 section shall be the number of actual pupils in membership in the
10 public school academy who met the income eligibility criteria for
11 free breakfast, lunch, or milk in the current state fiscal year,
12 as determined under the national school lunch act.

13 (2) To be eligible to receive funding under this section, a
14 district or public school academy that has not been previously
15 determined to be eligible shall apply to the department, in a
16 form and manner prescribed by the department, and a district or
17 public school academy must ~~meet all of the following:~~ (a) The
18 ~~sum of the district's or public school academy's combined state~~
19 ~~and local revenue per membership pupil in the current state~~
20 ~~fiscal year, as calculated under section 20, plus, each fiscal~~
21 ~~year for 1999-2000 and 2000-2001 only, the amount of the~~
22 ~~district's per pupil allocation under section 20j(2), is less~~
23 ~~than or equal to \$6,500.00 adjusted by the dollar amount of the~~
24 ~~difference between the basic foundation allowance under section~~
25 ~~20 for the current state fiscal year and \$5,000.00.~~ (b) The dis=
26 ~~trict or public school academy agrees~~ AGREE to use the funding

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1 only for purposes allowed under this section and to comply with
2 the program and accountability requirements under this section.

3 (3) Except as otherwise provided in this subsection, an eli-
4 gible district or eligible public school academy shall receive
5 under this section for each membership pupil in the district or
6 public school academy who met the income eligibility criteria for
7 free breakfast, lunch, or milk, as determined under the RICHARD
8 B. RUSSELL national school lunch act and as reported to the
9 department by October 31 of the immediately preceding fiscal year
10 and adjusted not later than December 31 of the immediately pre-
11 ceding fiscal year, an amount per pupil equal to 11.5% of the sum
12 of the district's foundation allowance or public school academy's
13 per pupil allocation under section 20, plus ~~—, each fiscal year~~
14 ~~for 1999-2000 and 2000-2001 only,~~ the amount of the district's
15 per pupil allocation under section 20j(2), ~~not to exceed~~
16 ~~\$6,500.00 adjusted by the dollar amount of the difference between~~
17 ~~the basic foundation allowance under section 20 for the current~~
18 ~~state fiscal year and \$5,000.00,~~ or of the public school
19 academy's per membership pupil allocation under section 20, for
20 the current state fiscal year. A public school academy that
21 began operations as a public school academy after the pupil mem-
22 bership count day of the immediately preceding school year shall
23 receive under this section for each membership pupil in the
24 public school academy who met the income eligibility criteria for
25 free breakfast, lunch, or milk, as determined under the RICHARD
26 B. RUSSELL national school lunch act and as reported to the
27 department by October 31 of the current fiscal year and adjusted

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1 not later than December 31 of the current fiscal year, an amount
2 per pupil equal to 11.5% of the public school academy's per mem-
3 bership pupil allocation under section 20 for the current state
4 fiscal year.

5 (4) Except as otherwise provided in this section, a district
6 or public school academy receiving funding under this section
7 shall use that money only to provide instructional programs and
8 direct noninstructional services, including, but not limited to,
9 medical or counseling services, for at-risk pupils and for the
10 purposes of subsection (5) or section 31c and shall not use any
11 of that money for administrative costs or to supplant another
12 program or other funds, except for funds allocated to the dis-
13 trict or public school academy under this section in the immedi-
14 ately preceding year and already being used by the district or
15 public school academy for at-risk pupils. The instruction or
16 direct noninstructional services provided under this section may
17 be conducted before or after regular school hours or by adding
18 extra school days to the school year and may be conducted using a
19 tutorial method, with paraprofessionals working under the super-
20 vision of a certificated teacher. The ratio of pupils to para-
21 professionals shall be between 10:1 and 15:1. Only 1 certifi-
22 cated teacher is required to supervise instruction using a tuto-
23 rial method. As used in this subsection, "to supplant another
24 program" means to take the place of a previously existing
25 instructional program or direct noninstructional services funded
26 from a funding source other than funding under this section.

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1 (5) A district or public school academy that receives funds
2 under this section and that operates a school breakfast program
3 under section 1272a of the revised school code, MCL 380.1272a,
4 shall use from the funds received under this section an amount,
5 not to exceed \$10.00 per pupil for whom the district or public
6 school academy receives funds under this section, necessary to
7 operate the school breakfast program. ~~A~~ FOR 1999-2000 ONLY, A
8 district or public school academy that receives funds under this
9 section and that operates a school lunch program under
10 section 1272a of the revised school code, MCL 380.1272a, shall
11 use from the funds received under this section an amount, not to
12 exceed \$10.00 per pupil for whom the district or public school
13 academy receives funds under this section, necessary to operate
14 the school lunch program.

15 (6) Each district or public school academy receiving funds
16 under this section shall submit to the department by July 15 of
17 each fiscal year a report, not to exceed 10 pages, on the usage
18 by the district or public school academy of funds under this sec-
19 tion, which report shall include at least a brief description of
20 each program conducted by the district or public school academy
21 using funds under this section, the amount of funds under this
22 section allocated to each of those programs, and the number of
23 at-risk pupils served by each of those programs. If a district
24 or public school academy does not comply with this subsection,
25 the department shall withhold an amount equal to the August pay-
26 ment due under this section until the district or public school
27 academy complies with this subsection. If the district or public

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1 school academy does not comply with this subsection by the end of
2 the state fiscal year, the withheld funds shall be forfeited to
3 the school aid fund.

4 (7) In order to receive funds under this section, a district
5 or public school academy shall allow access for the department or
6 the department's designee to audit all records related to the
7 program for which it receives those funds. The district or
8 public school academy shall reimburse the state for all disallow-
9 ances found in the audit.

10 (8) Subject to subsection (5), any district may use up to
11 100% of the funds it receives under this section to reduce the
12 ratio of pupils to teachers in grades K-6, or any combination of
13 those grades, in school buildings in which the percentage of
14 pupils described in subsection (1) exceeds the district's aggre-
15 gate percentage of those pupils. Subject to subsection (5), if a
16 district obtains a waiver from the department, the district may
17 use up to 100% of the funds it receives under this section to
18 reduce the ratio of pupils to teachers in grades K-6, or any com-
19 bination of those grades, in school buildings in which the per-
20 centage of pupils described in subsection (1) is at least 60% of
21 the district's aggregate percentage of those pupils and at least
22 30% of the total number of pupils enrolled in the school
23 building. To obtain a waiver, a district must apply to the
24 department and demonstrate to the satisfaction of the department
25 that the class size reductions would be in the best interests of
26 the district's at-risk pupils.

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1 (9) A district or public school academy may use funds
2 received under this section for adult high school completion,
3 general education development (G.E.D.) test preparation, or
4 adult basic education programs described in section 107.

5 (10) If necessary, and before any proration required under
6 section 11, the department shall prorate payments under this sec-
7 tion by reducing the amount of the per pupil payment under this
8 section by a dollar amount calculated by determining the amount
9 by which the amount necessary to fully fund the requirements of
10 this section exceeds the maximum amount allocated under this sec-
11 tion and then dividing that amount by the total statewide number
12 of pupils who met the income eligibility criteria for free break-
13 fast, lunch, or milk in the immediately preceding fiscal year, as
14 described in subsection (1).

15 (11) If a district is formed by consolidation after June 1,
16 1995, and if 1 or more of the original districts was not eligible
17 before the consolidation for an additional allowance under this
18 section, the amount of the additional allowance under this sec-
19 tion for the consolidated district shall be based on the number
20 of pupils described in subsection (1) enrolled in the consoli-
21 dated district who reside in the territory of an original dis-
22 trict that was eligible before the consolidation for an addi-
23 tional allowance under this section.

24 ~~(12) Beginning in 1999-2000, a district or public school~~
25 ~~academy that does not meet the eligibility requirement under sub-~~
26 ~~section (2)(a) is eligible for funding under this section if at~~
27 ~~least 1/4 of the pupils in membership in the district or public~~

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1 ~~school academy met the income eligibility criteria for free~~
2 ~~breakfast, lunch, or milk in the immediately preceding state~~
3 ~~fiscal year, as determined and reported as described in~~
4 ~~subsection (1), and at least 4,500 of the pupils in membership in~~
5 ~~the district or public school academy met the income eligibility~~
6 ~~criteria for free breakfast, lunch, or milk in the immediately~~
7 ~~preceding state fiscal year, as determined and reported as~~
8 ~~described in subsection (1). A district or public school academy~~
9 ~~that is eligible for funding under this section because the dis=~~
10 ~~trict meets the requirements of this subsection shall receive~~
11 ~~under this section for each membership pupil in the district or~~
12 ~~public school academy who met the income eligibility criteria for~~
13 ~~free breakfast, lunch, or milk in the immediately preceding~~
14 ~~fiscal year, as determined and reported as described in subsec=~~
15 ~~tion (1), an amount per pupil equal to 5.75% of the sum of the~~
16 ~~district's foundation allowance or public school academy's per~~
17 ~~pupil allocation under section 20, plus, each fiscal year for~~
18 ~~1999=2000 and 2000=2001 only, the amount of the district's per~~
19 ~~pupil allocation under section 20j(2), not to exceed \$6,500.00~~
20 ~~adjusted by the dollar amount of the difference between the basic~~
21 ~~foundation allowance under section 20 for the current state~~
22 ~~fiscal year and \$5,000.00.—~~

23 (12) ~~(13)~~ Beginning in ~~1999=2000~~ 2001-2002, the total
24 amount allocated under this section for a fiscal year shall be
25 increased from the total amount allocated under this section for
26 the immediately preceding fiscal year by the same percentage as
27 the percentage increase in the amount of the basic foundation

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1 allowance under section 20 for that fiscal year from the amount
2 of the basic foundation allowance under section 20 for the imme-
3 diately preceding fiscal year.

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9 [(13) (14)] As used in this section, "at-risk pupil" means a
pupil

10 for whom the district has documentation that the pupil meets at
11 least 2 of the following criteria: is a victim of child abuse or
12 neglect; is below grade level in English language and communica-
13 tion skills or mathematics; is a pregnant teenager or teenage
14 parent; is eligible for a federal free or reduced-price lunch
15 subsidy; has atypical behavior or attendance patterns; or has a
16 family history of school failure, incarceration, or substance
17 abuse. For pupils for whom the results of at least the applica-
18 ble Michigan education assessment program (MEAP) test have been
19 received, at-risk pupil also includes a pupil who does not meet
20 the other criteria under this subsection but who did not achieve
21 at least a score of moderate on the most recent MEAP reading test
22 for which results for the pupil have been received, did not
23 achieve at least a score of moderate on the most recent MEAP
24 mathematics test for which results for the pupil have been
25 received, or ~~achieved less than 50% of the objectives~~ DID NOT
26 ACHIEVE AT LEAST A SCORE OF NOVICE on the most recent MEAP
27 science test for which results for the pupil have been received.

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1 For pupils in grades K-3, at-risk pupil also includes a pupil who
2 is at risk of not meeting the district's core academic curricular
3 objectives in English language, communication skills, or
4 mathematics.

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4 Sec. 31d. (1) From the state school aid fund appropriation
5 in section 11, there is allocated ~~an amount not to exceed~~
6 ~~\$13,227,500.00 for 1998-1999 and~~ an amount not to exceed
7 ~~\$6,963,000.00 each fiscal year~~ \$6,454,500.00 for 1999-2000,
8 ~~and~~ AN AMOUNT NOT TO EXCEED \$13,669,500.00 FOR 2000-2001, AN
9 AMOUNT NOT TO EXCEED \$14,079,600.00 FOR 2001-2002, AND AN AMOUNT
10 NOT TO EXCEED \$14,502,000.00 FOR 2002-2003, AND FROM THE GENERAL
11 FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT
12 NOT TO EXCEED \$662,200.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED
13 \$682,100.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED
14 \$702,500.00 FOR 2002-2003 for the purpose of making payments TO
15 DISTRICTS, INTERMEDIATE DISTRICTS, AND OTHER ELIGIBLE ENTITIES
16 under this section.

17 (2) The amounts allocated under this section shall be used
18 to pay the amount necessary to reimburse districts for 6.0127% of
19 the necessary costs of the state mandated portion of the school
20 lunch programs provided by those districts. The amount due to
21 each district under this section shall be computed by the depart-
22 ment using the methods of calculation adopted by the Michigan
23 supreme court in the consolidated cases known as Durant v State
24 of Michigan, Michigan supreme court docket no. 104458-104492.

25 (3) ~~The~~ FOR 1999-2000, THE payments made under this sec-
26 tion are in addition to the state payments made to districts
27 under the department of education appropriations act for ~~the~~

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1 ~~corresponding fiscal year~~ 1999-2000 and under section 31a(5), so
2 that each district receives from all of these sources combined at
3 least 6.0127% of the necessary costs of operating the state man-
4 dated portion of the school lunch program in a fiscal year.

5 BEGINNING IN 2000-2001, THE PAYMENTS MADE UNDER THIS SECTION
6 INCLUDE ALL STATE PAYMENTS MADE TO DISTRICTS SO THAT EACH DIS-
7 TRICT RECEIVES AT LEAST 6.0127% OF THE NECESSARY COSTS OF OPERAT-
8 ING THE STATE MANDATED PORTION OF THE SCHOOL LUNCH PROGRAM IN A
9 FISCAL YEAR.

10 (4) ~~The 1998-99 payment to each district under this section~~
11 ~~includes reimbursement for both 1997-98 and 1998-99, and the por-~~
12 ~~tion of the 1998-99 payment that is attributable to reimbursement~~
13 ~~for 1997-98 shall be made within 60 days after the effective date~~
14 ~~of this section. [THE 1999-2000 PAYMENT TO EACH DISTRICT SHALL BE~~
MADE WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.]
BEGINNING IN 2000-2001, NOTWITHSTANDING SECTION

15 17B, PAYMENTS TO INTERMEDIATE DISTRICTS AND OTHER ELIGIBLE ENTI-
16 TIES UNDER THIS SECTION SHALL BE PAID ON A [BI-MONTHLY] SCHEDULE
[BEGINNING WITH
17 THE NOVEMBER PAYMENT].

18 [Sec. 32. ~~(1) From the state school aid fund appropriation in~~
19 ~~section 11, there is allocated each fiscal year for 1999-2000 and~~
20 ~~for 2000-2001 an amount not to exceed \$5,000,000.00 for competitive~~
21 ~~grants under this section to eligible districts for pilot reading~~
22 ~~improvement programs for pupils in grades K to 3.~~

23 (2) ~~To be eligible for a grant under this section, a district~~
24 ~~must have at least 1,500 pupils in membership, and at least 8% of~~
25 ~~the pupils enrolled in the district must have been determined to~~
26 ~~have a specific learning disability according to R 340.1713 of the~~
27 ~~Michigan administrative code.~~

1 ~~(3) To qualify for funding under this section, the proposed~~
2 ~~reading improvement program must meet all of the following:~~

3 ~~(a) The program shall include assessment of reading skills of pupils~~
4 ~~in grades K to 3 to identify those pupils who are reading below~~
5 ~~grade level and must provide special reading assistance for these~~
6 ~~pupils.~~

7 ~~(b) The program shall be a research-based structured reading~~
8 ~~program.~~

9 ~~(c) The program shall include continuous assessment of pupils~~
10 ~~and individualized education plans for pupils.~~

11 ~~(d) The program shall align learning resources to state~~
12 ~~standards.~~

13 ~~(4) A reading improvement program receiving funding under this~~
14 ~~section may be conducted outside of regular school hours or outside~~
15 ~~the regular school calendar.~~

16 ~~(5) To compete for a grant under this section, a district shall~~
17 ~~apply to the superintendent of public instruction not later than~~
18 ~~December 1, 1999 in the form and manner prescribed by the~~
19 ~~superintendent of public instruction. The department shall make~~
20 ~~applications available for this purpose not later than October 15,~~
21 ~~1999. A district shall include in its application a projected~~
22 ~~budget for the reading assistance programs. The superintendent of~~
23 ~~public instruction shall approve or disapprove applications and~~
24 ~~notify the applying district of that decision not later than~~
25 ~~February 1, 2000. Priority in awarding grants shall be given to~~
26 ~~programs that focus on accelerating student achievement on a cost-~~
27 ~~effective basis and reducing the percentage of pupils identified as~~

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1 ~~learning disabled.~~

2 ~~(6) Not more than 25% of the total allocation under this section~~
3 ~~may be paid to any 1 particular district. The department shall ensure~~
4 ~~that the districts receiving grants are geographically diverse.~~

5 ~~(7) A district receiving funds under this section shall use the~~
6 ~~funds for reading improvement programs described in subsection (3).~~
7 ~~A district receiving funds under this section shall provide at least~~
8 ~~a 25% local match from local resources. This matching requirement~~
9 ~~may be satisfied through in-kind services.~~

10 ~~(8) From the funding allocated under this section, at least~~
11 ~~\$250,000.00 shall be used for grants to districts for reading~~
12 ~~recovery programs. A district receiving a grant under this~~
13 ~~subsection shall use the funds to implement the reading recovery~~
14 ~~curriculum for the first time in 1 or more of grades K to 3 in 1 or~~
15 ~~more school buildings.~~

16 ~~(9) Funding to districts under this section for 1999-2000 is~~
17 ~~intended to be for the first of 4 years of funding and funding to~~
18 ~~districts under this section for 2000-2001 is intended to be for the~~
19 ~~second of 4 years of funding.~~

20 ~~(10) A district receiving funding under this section shall report~~
21 ~~to the department, in the form and manner prescribed by the department,~~
22 ~~on the results achieved by the reading improvement program. This~~
23 ~~report shall include a description of how pupils' reading skills are~~
24 ~~assessed and evaluated. Not later than September 1, 2000, and~~
25 ~~annually thereafter, the department shall submit a report to the~~
26 ~~legislature and the senate and house fiscal agencies detailing the~~
27 ~~results of the pilot reading improvement programs. It is the intent~~

~~1 of the legislature that further funding for special reading programs
2 will reflect the results achieved in these pilot programs.~~

3 (1) FROM THE STATE SCHOOL AID FUND AND GENERAL FUND
4 APPROPRIATIONS IN SECTION 11, THE MICHIGAN STUDENT SUCCESS
5 OPPORTUNITY FUND IS CREATED TO FUND THE PROGRAMS DESCRIBED IN THIS
6 SECTION FOR THE PURPOSE OF SUPPORTING ACCELERATED STUDENT
7 ACHIEVEMENT, REDUCING THE NUMBER OF STUDENTS RETAINED IN GRADE,
8 REDUCING THE NUMBER OF STUDENTS REQUIRING SPECIAL EDUCATION
9 SERVICES, AND IMPROVING STUDENT SCORES ON STANDARDIZED TESTS AND
10 ASSESSMENTS.

11 (2) PAYMENTS MADE FROM THE STUDENT SUCCESS OPPORTUNITY FUND
12 SHALL BE FOR COMPETITIVE GRANTS TO DISTRICTS AND INTERMEDIATE
13 DISTRICTS FOR PROGRAMS TO SERVE CHILDREN FROM BIRTH TO AGE 8,
14 INCLUDING PARENTING PROGRAMS, SCHOOL READINESS PROGRAMS, SMALL
15 CLASS SIZE PROGRAMS, READING IMPROVEMENT PROGRAMS, READING AND MATH
16 SUMMER SCHOOL PROGRAMS, AND PROGRAMS TO INCREASE THE NUMBER OF
17 SCHOOL COUNSELORS EMPLOYED BY THE DISTRICT OR INTERMEDIATE DISTRICT.

18 (3) TO COMPETE FOR A GRANT UNDER THIS SECTION, A DISTRICT OR
19 INTERMEDIATE DISTRICT SHALL APPLY TO THE DEPARTMENT IN THE FORM AND
20 MANNER PRESCRIBED BY THE SUPERINTENDENT AND AS REQUIRED IN THIS
21 SECTION.

22 (4) EACH GRANT APPLICATION APPROVED BY THE DEPARTMENT SHALL
23 INCLUDE AN EVALUATION TOOL TO MEASURE THE PROPOSED PROGRAM THAT WILL
24 DOCUMENT THE IMPACT OF THE SERVICES ON STUDENTS AND THEIR FUTURE
25 SUCCESS IN SCHOOL. DISTRICTS RECEIVING GRANTS UNDER THIS SECTION
26 SHALL EMPLOY THE EVALUATION TOOL DESCRIBED IN THE GRANT APPLICATION

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1 AND REPORT THE RESULTS OF THIS EVALUATION TO THE DEPARTMENT.

2 (5) A DISTRICT SHALL NOT USE FUNDS RECEIVED UNDER THIS SECTION
3 TO SUPPLANT ANY CURRENT LOCAL OR FEDERAL FUNDS IT CURRENTLY
4 RECEIVES. A DISTRICT MAY USE THESE FUNDS IN COMBINATION WITH OTHER
5 FEDERAL OR LOCAL, PUBLIC, AND PRIVATE FUNDS TO ENHANCE EXISTING
6 PROGRAMS WITH SIMILAR PURPOSES.

7 (6) DISTRICTS RECEIVING FUNDS UNDER THIS SECTION SHALL PROVIDE
8 AT LEAST A 20% LOCAL MATCH FROM LOCAL RESOURCES FOR THE FUNDS
9 RECEIVED UNDER THIS SECTION. NOT MORE THAN 1/2 OF THIS REQUIREMENT,
10 UP TO A TOTAL OF 10% OF THE TOTAL PROGRAM BUDGET, MAY BE PROVIDED BY
11 IN-KIND SERVICES PROVIDED BY PARTICIPATING PROVIDERS OF PROGRAM
12 SERVICES.

13 (7) THE DEPARTMENT MAY DEVELOP QUALITY STANDARDS FOR PROGRAMS
14 FUNDED UNDER THIS SECTION.

15 (8) THE DEPARTMENT SHALL SUBMIT TO THE LEGISLATURE AND FISCAL
16 AGENCIES A REPORT STATING THE NUMBER OF APPLICATIONS RECEIVED, THE
17 TOTAL FUNDS REQUESTED, THE NUMBER OF GRANTS NOT FUNDED, AND THE
18 ASSESSMENT TOOLS AND RESULTS REPORTED BY DISTRICTS RECEIVING GRANTS
19 UNDER THIS SECTION.

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SEC. 32A. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$45,000,000.00 EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 FOR GRANTS TO INTERMEDIATE DISTRICTS AND DISTRICTS UNDER THIS SECTION FOR PROGRAMS UNDER THIS SECTION FOR PRESCHOOL CHILDREN AND THEIR PARENTS. THE PURPOSE OF THESE PROGRAMS IS TO FOSTER POSITIVE PARENTING SKILLS, ENHANCE PARENT-CHILD INTERACTION, IMPROVE SCHOOL READINESS FOR CHILDREN, AND PROMOTE ACCESS TO NEEDED COMMUNITY SERVICES THROUGH A COMMUNITY-SCHOOL-HOME PARTNERSHIP THAT PROVIDES PARENTS WITH INFORMATION ON CHILD DEVELOPMENT FROM BIRTH TO AGE 5 AND ENCOURAGES LEARNING OPPORTUNITIES TO PROMOTE INTELLECTUAL, PHYSICAL, AND SOCIAL GROWTH.

(2) TO QUALIFY FOR FUNDING UNDER THIS SECTION, THE PROGRAM TO BE FUNDED MUST MEET ALL OF THE FOLLOWING:

(A) SERVICES MUST BE PLANNED AND PROVIDED ON A VOLUNTARY BASIS FOR ALL FAMILIES WITH CHILDREN AGE 5 OR YOUNGER.

(B) THE PROGRAM MUST INCLUDE AT LEAST ALL OF THE FOLLOWING:

(i) PERSONALIZED HOME VISITS TO HELP THE PARENTS UNDERSTAND WHAT TO EXPECT AT EACH STAGE OF THE CHILD'S DEVELOPMENT. THESE VISITS SHALL INCLUDE PRACTICAL ADVICE ON WAYS TO ENCOURAGE LEARNING, MANAGE CHALLENGING BEHAVIOR, AND PROMOTE STRONG PARENT-CHILD RELATIONSHIPS.

(ii) REGULAR GROUP MEETINGS WITH OTHER PARENTS.

(iii) PERIODIC SCREENING OF THE CHILD'S OVERALL DEVELOPMENT, LANGUAGE, HEARING, AND VISION TO PROMOTE EARLY DETECTION OF POTENTIAL PROBLEMS.

(iv) A RESOURCE NETWORK THAT PROVIDES REFERRALS TO OTHER AGENCIES AS APPROPRIATE AND OTHERWISE ASSISTS PARENTS TO ACCESS COMMUNITY RESOURCES THAT FURTHER SIMILAR GOALS.

(v) COLLABORATION WITH OTHER ORGANIZATIONS WITHIN THE COMMUNITY SUCH AS COMMUNITY HEALTH, MENTAL HEALTH, THE FAMILY INDEPENDENCE AGENCY, AND MULTIPURPOSE COLLABORATIVE BODIES.

(vi) CONNECTION WITH QUALITY PRESCHOOL PROGRAMS, AS DEFINED BY THE STATE BOARD.

(vii) CONSIDERATION OF WAYS ESTABLISHED PROGRAMS IN THE COMMUNITY COULD ENHANCE OR COMPLEMENT THE PROGRAM.

(C) THE PROGRAM MUST BE A COLLABORATIVE COMMUNITY EFFORT THAT INCLUDES AT LEAST THE INTERMEDIATE DISTRICT OR DISTRICT, MULTIPURPOSE COLLABORATIVE BODIES, LOCAL HEALTH AND WELFARE AGENCIES, AND PRIVATE NONPROFIT AGENCIES INVOLVED IN PROGRAM DEVELOPMENT AND SERVICES FOR PRESCHOOL CHILDREN AND THEIR PARENTS.

(D) LOCAL MULTIPURPOSE COLLABORATIVE BODIES MUST HAVE REVIEWED AND MADE RECOMMENDATIONS ON THE PROGRAM PLAN BEFORE THE GRANT APPLICATION WAS SUBMITTED.

(3) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 TO THE DEPARTMENT FOR PLANNING AND IMPLEMENTATION ACTIVITIES UNDER THIS SECTION.

(4) AN INTERMEDIATE DISTRICT OR DISTRICT MAY RECEIVE ASSISTANCE FROM THE DEPARTMENT, THE CHILDREN'S TRUST FUND, MULTIPURPOSE COLLABORATIVE BODIES, PUBLIC HEALTH OR WELFARE AGENCIES, OR PRIVATE AGENCIES WITH APPROPRIATE EXPERTISE IN DEVELOPING A LOCAL PLAN TO SERVE FAMILIES WITH YOUNG CHILDREN. THE DEPARTMENT SHALL ESTABLISH QUALITY STANDARDS FOR PROGRAMS FUNDED UNDER THIS SECTION.

(5) TO COMPETE FOR A GRANT UNDER THIS SECTION, AN INTERMEDIATE DISTRICT OR DISTRICT SHALL APPLY TO THE SUPERINTENDENT NOT LATER THAN DECEMBER 1, 2000 IN THE FORM AND MANNER PRESCRIBED BY THE SUPERINTENDENT. THE DEPARTMENT MAY CONSULT WITH THE CHILDREN'S TRUST FUND AND THE STATE INTERAGENCY SYSTEMS REFORM WORKGROUP IN THE DEVELOPMENT OF THE GRANT APPLICATION FORM AND PROCEDURE. THE DEPARTMENT SHALL MAKE APPLICATIONS AVAILABLE FOR THIS PURPOSE NOT LATER THAN OCTOBER 15, 2000.

(6) TO BE CONSIDERED FOR A GRANT UNDER THIS SECTION, A GRANT APPLICATION MUST MEET ALL OF THE FOLLOWING REQUIREMENTS:

(A) PROVIDE A PROJECTED BUDGET FOR THE PROGRAM TO BE FUNDED.

(B) CONTAIN A REVIEW AND APPROVAL BY THE MULTIPURPOSE COLLABORATIVE BODY OF THE PROGRAM PLAN.

(C) DEMONSTRATE THAT NOT MORE THAN 10% OF THE GRANT WILL BE USED FOR PROGRAM ADMINISTRATION.

(7) EACH SUCCESSFUL GRANT AWARDED SHALL INCLUDE AN EVALUATION TOOL APPROVED BY THE DEPARTMENT TO MEASURE THE PROPOSED PROGRAM THAT WILL DOCUMENT THE IMPACT OF THE SERVICES ON YOUNG CHILDREN AND THEIR FUTURE SUCCESS IN SCHOOL.

(8) THE SUPERINTENDENT, FOLLOWING CONSULTATION WITH THE CHILDREN'S TRUST FUND AND THE STATE INTERAGENCY REFORM WORKGROUP, SHALL APPROVE OR DISAPPROVE APPLICATIONS AND NOTIFY THE APPLYING INTERMEDIATE DISTRICT OR DISTRICT OF THAT DECISION NOT LATER THAN FEBRUARY 1, 2001. PRIORITY IN AWARDING GRANTS SHALL BE GIVEN TO PROGRAMS THAT FOCUS ON REDUCING THE PERCENTAGE OF CHILDREN NEEDING SPECIAL EDUCATION PROGRAMS AND SERVICES WHEN THEY ENTER SCHOOL.

(9) NOT MORE THAN 10% OF THE TOTAL ALLOCATION UNDER THIS SECTION MAY BE PAID TO ANY 1 PARTICULAR INTERMEDIATE DISTRICT OR DISTRICT. THE SUPERINTENDENT SHALL ENSURE THAT THE INTERMEDIATE DISTRICTS AND DISTRICTS RECEIVING GRANTS UNDER THIS SECTION ARE GEOGRAPHICALLY AND ECONOMICALLY DIVERSE.

(10) AN INTERMEDIATE DISTRICT OR DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE THE FUNDS ONLY FOR THE PROGRAM FUNDED UNDER THIS SECTION. THE INTERMEDIATE DISTRICT OR DISTRICT SHALL PROVIDE AT LEAST A 20% LOCAL MATCH FROM LOCAL PUBLIC OR PRIVATE RESOURCES FOR THE FUNDS RECEIVED UNDER THIS SECTION. NOT MORE THAN 1/2 OF THIS MATCHING REQUIREMENT, UP TO A TOTAL OF 10% OF THE TOTAL PROJECT BUDGET, MAY BE SATISFIED THROUGH IN-KIND SERVICES PROVIDED BY PARTICIPATING PROVIDERS OF PROGRAM SERVICES.

(11) INTERMEDIATE DISTRICTS OR DISTRICTS APPLYING FOR GRANTS TO OPERATE PROGRAMS UNDER THIS SECTION SHALL RECEIVE GRANTS FOR 3 YEARS, CONDITIONAL ON THE APPROVAL AND POSITIVE RECOMMENDATION OF THE DEPARTMENT.

SEC. 32B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$2,000,000.00 EACH FISCAL YEAR FOR 1999-2000, FOR 2000-2001, FOR 2001-2002, AND FOR

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2002-2003 TO THE DEPARTMENT FOR GRANTS FOR COMMUNITY-BASED
COLLABORATIVE PREVENTION SERVICES DESIGNED TO FOSTER POSITIVE

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PARENTING SKILLS; IMPROVE PARENT/CHILD INTERACTION, ESPECIALLY FOR CHILDREN 0-3 YEARS OF AGE; PROMOTE ACCESS TO NEEDED COMMUNITY SERVICES; INCREASE LOCAL CAPACITY TO SERVE FAMILIES AT RISK; IMPROVE SCHOOL READINESS; AND SUPPORT HEALTHY FAMILY ENVIRONMENTS THAT DISCOURAGE ALCOHOL, TOBACCO, AND OTHER DRUG USE. THIS APPROPRIATION IS TO FUND SECONDARY PREVENTION PROGRAMS AS DEFINED BY THE CHILDREN'S TRUST FUND FOR THE PREVENTION OF CHILD ABUSE AND NEGLECT.

(2) THE FUNDS ALLOCATED UNDER SUBSECTION (1) SHALL BE DISTRIBUTED THROUGH A JOINT REQUEST FOR PROPOSALS PROCESS ESTABLISHED BY THE DEPARTMENT IN CONJUNCTION WITH THE CHILDREN'S TRUST FUND AND THE STATE'S INTERAGENCY SYSTEMS REFORM WORKGROUP. PROJECTS FUNDED WITH GRANTS AWARDED UNDER THIS SECTION SHALL MEET ALL OF THE FOLLOWING:

(A) BE SECONDARY PREVENTION INITIATIVES AND VOLUNTARY TO CONSUMERS. THIS APPROPRIATION IS NOT INTENDED TO SERVE THE NEEDS OF CHILDREN FOR WHOM AND FAMILIES IN WHICH NEGLECT OR ABUSE HAS BEEN SUBSTANTIATED.

(B) DEMONSTRATE THAT THE PLANNED SERVICES ARE PART OF A COMMUNITY'S INTEGRATED COMPREHENSIVE FAMILY SUPPORT STRATEGY ENDORSED BY THE LOCAL MULTI-PURPOSE COLLABORATIVE BODY.

(C) PROVIDE A 25% LOCAL MATCH, OF WHICH NOT MORE THAN 10% MAY BE IN-KIND SERVICES, UNLESS THIS REQUIREMENT IS WAIVED BY THE INTERAGENCY SYSTEMS REFORM WORKGROUP.

(3) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$700,000.00 FOR 1999-2000 TO THE DEPARTMENT FOR GRANTS TO DISTRICTS, INTERMEDIATE DISTRICTS, AND MULTIPURPOSE COLLABORATIVE BOARDS FOR THE PURPOSE OF COLLABORATIVE COMMUNITY EFFORTS TO INCREASE PARENT INVOLVEMENT IN THEIR CHILDREN'S EDUCATION AND TO ENHANCE PARENT EDUCATION PROGRAMS REGARDING THE ROLE OF PARENTS AS THEIR CHILDREN'S FIRST TEACHER AND THE IMPORTANCE OF PARENTAL INVOLVEMENT IN PREPARING CHILDREN FOR SCHOOL.

(4) THE FUNDS ALLOCATED UNDER SUBSECTION (3) SHALL BE DISTRIBUTED BY THE DEPARTMENT ON A COMPETITIVE GRANT BASIS. THE GRANTS SHALL BE FOR PROGRAMS FOR FAMILIES WITH PRESCHOOL CHILDREN FROM BIRTH TO AGE 5. THE MAXIMUM GRANT AWARD SHALL NOT EXCEED \$100,000.00. GRANT AWARDS SHALL BE MATCHED ON A 1-TO-1 RATIO WITH LOCAL FUNDING. THE DEPARTMENT SHALL REPORT TO THE STATE BUDGET OFFICE AND TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES THE TOTAL APPLICATIONS RECEIVED, THE GRANTS AWARDED, AND THE PROGRAMS PROPOSED.

(5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

SEC. 32C. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$55,000,000.00 FOR 1999-2000, AND AN AMOUNT NOT TO EXCEED \$76,200,000.00 EACH FISCAL YEAR FOR 2000-2001, 2001-2002, AND 2002-2003 FOR SCHOOL READINESS GRANTS TO ENABLE ELIGIBLE DISTRICTS, AS DETERMINED UNDER SECTION 37, TO DEVELOP OR EXPAND, IN CONJUNCTION WITH WHATEVER FEDERAL FUNDS MAY BE AVAILABLE, INCLUDING, BUT NOT LIMITED TO, FEDERAL FUNDS UNDER TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965, PUBLIC LAW 89-10, 108 STAT. 3519, CHAPTER 1 OF TITLE I OF THE HAWKINS-STAFFORD ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT AMENDMENTS OF 1988, PUBLIC LAW 89-10, 102 STAT. 140, AND THE HEAD START ACT, SUBCHAPTER B OF CHAPTER 8 OF SUBTITLE A OF TITLE VI OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, PUBLIC LAW 97-35, COMPREHENSIVE COMPENSATORY PROGRAMS DESIGNED TO IMPROVE THE READINESS AND SUBSEQUENT ACHIEVEMENT OF EDUCATIONALLY DISADVANTAGED CHILDREN AS DEFINED BY THE DEPARTMENT WHO WILL BE AT LEAST 4, BUT LESS THAN 5 YEARS OF AGE, AS OF DECEMBER 1 OF THE SCHOOL YEAR IN WHICH THE PROGRAMS ARE OFFERED, AND WHO SHOW EVIDENCE OF 2 OR MORE RISK FACTORS AS DEFINED IN THE STATE BOARD REPORT ENTITLED "CHILDREN AT RISK" THAT WAS ADOPTED BY THE STATE BOARD ON APRIL 5, 1988. A COMPREHENSIVE COMPENSATORY PROGRAM FUNDED UNDER THIS SECTION SHALL INCLUDE AN AGE-APPROPRIATE EDUCATIONAL CURRICULUM, NUTRITIONAL SERVICES, HEALTH SCREENING FOR PARTICIPATING CHILDREN, A PLAN FOR PARENT AND LEGAL GUARDIAN INVOLVEMENT, AND PROVISION OF REFERRAL SERVICES FOR FAMILIES ELIGIBLE FOR COMMUNITY SOCIAL SERVICES. IN ADDITION, FROM THE GENERAL FUND MONEY

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APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$5,200,000.00 FOR 1999-2000, AN AMOUNT NOT TO EXCEED \$20,200,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$25,200,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$30,200,000.00 FOR 2002-2003 FOR THE PURPOSES OF SUBSECTIONS (2) AND (3).

(2) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 1999-2000, 2000-2001, 2001-2002, AND 2002-2003 AN AMOUNT NOT TO EXCEED \$200,000.00 FOR A COMPETITIVE GRANT TO CONTINUE A LONGITUDINAL EVALUATION OF CHILDREN WHO HAVE PARTICIPATED IN THE MICHIGAN SCHOOL READINESS PROGRAM.

(3) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED FOR 1999-2000 AN AMOUNT NOT TO EXCEED \$5,000,000.00, FOR 2000-2001 AN AMOUNT NOT TO EXCEED \$20,000,000.00, FOR 2001-2002 AN AMOUNT NOT TO EXCEED \$25,000,000.00, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$30,000,000.00 UNDER THIS SUBSECTION TO OPERATE NEW OR EXPANDED FULL-DAY SCHOOL READINESS OR HEAD START PROGRAMS. THE FUNDS SHALL BE ALLOCATED THROUGH A COMPETITIVE GRANT PROCESS TO ELIGIBLE DISTRICTS THAT RECEIVE FUNDING UNDER SUBSECTION (1), TO ELIGIBLE PUBLIC OR NONPROFIT ENTITIES OR AGENCIES THAT RECEIVE FUNDING FOR SCHOOL READINESS PROGRAMS UNDER THE DEPARTMENT APPROPRIATIONS ACT, OR TO ELIGIBLE HEAD START FUNDED PROGRAMS. THE DEPARTMENT SHALL DETERMINE THE COMPETITIVE GRANT CRITERIA. THE DEPARTMENT MAY ACCEPT AVAILABLE FEDERAL FUNDS FROM THE FAMILY INDEPENDENCE AGENCY TO SUPPORT THE PROGRAM UNDER THIS SUBSECTION. THESE FEDERAL FUNDS INCLUDE, BUT ARE NOT LIMITED TO, FEDERAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES FUNDS.

(4) A DISTRICT, ENTITY, OR AGENCY RECEIVING FUNDING UNDER SUBSECTION (3) THAT OFFERS HEAD START OR SCHOOL READINESS PROGRAMS MAY USE THE FUNDS TO EXPAND THE PROGRAM TO OPERATE A FULL DAY.

(5) A DISTRICT, ENTITY, OR AGENCY RECEIVING FUNDING UNDER SUBSECTION (3) SHALL CONTRIBUTE A LOCAL MATCH, WHICH MAY CONSIST OF LOCAL, PRIVATE, OR FEDERAL FUNDS OR IN-KIND SERVICES, TOTALING AT LEAST 50% OF THE ALLOCATION UNDER SUBSECTION (3).

(6) AN APPLICATION FOR A GRANT UNDER SUBSECTION (3) SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL MAKE THE APPLICATION FORM AVAILABLE TO DISTRICTS BY DECEMBER 15 OF THE SCHOOL YEAR. THE APPLICATION SHALL INCLUDE A PROGRAM BUDGET THAT STATES ALL SOURCES OF FUNDING TO BE USED FOR THE PROGRAM. APPLICATIONS SHALL BE SUBMITTED TO THE DEPARTMENT NOT LATER THAN FEBRUARY 1 OF THE SCHOOL YEAR. THE DEPARTMENT SHALL APPROVE OR DISAPPROVE THE APPLICATION AND NOTIFY THE APPLYING DISTRICT, ENTITY, OR AGENCY OF THAT DECISION BY APRIL 1 OF THE SCHOOL YEAR. FUNDS ALLOCATED UNDER SUBSECTION (3) FOR THE CURRENT FISCAL YEAR MAY BE EXPENDED THROUGH THE END OF THE FOLLOWING FISCAL YEAR.

(7) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION MAY CONTRACT FOR THE PROVISION OF THE COMPREHENSIVE COMPENSATORY PROGRAM OR FULL DAY SCHOOL READINESS PROGRAM AND RETAIN FOR ADMINISTRATIVE SERVICES AN AMOUNT EQUAL TO NOT MORE THAN 5% OF THE GRANT AMOUNT.

(8) AS USED IN THIS SECTION, "FULL DAY" MEANS A PROGRAM THAT OFFERS SUPPLEMENTARY DAY CARE AND THEREFORE OFFERS FULL-DAY PROGRAMMING OF AT LEAST 10 HOURS PER DAY AS PART OF ITS SCHOOL READINESS PROGRAM.

(9) NOT MORE THAN 10% OF THE GRANT FUNDING IN THIS SECTION MAY BE USED FOR START-UP, EQUIPMENT, OR OTHER COSTS NOT DIRECTLY RELATED TO THE COSTS OF THE PROGRAM. THIS DOES NOT PROHIBIT ANY APPLICANT FROM RECEIVING OTHER AVAILABLE STATE ASSISTANCE FOR THESE PURPOSES.

SEC. 32D. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 1999-2000, FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$29,750,000.00 EACH FISCAL YEAR FOR GRANTS TO ELIGIBLE DISTRICTS FOR PROGRAMS TO MAINTAIN OR ESTABLISH SMALL CLASSES IN GRADES K TO 3 IN ELIGIBLE SCHOOL BUILDINGS IN THE DISTRICT.

(2) FOR A SCHOOL BUILDING TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, THE SCHOOL BUILDING MUST OPERATE AT LEAST 1 OF GRADES K TO 3; THE SCHOOL BUILDING MUST BE OPERATED BY A DISTRICT THAT OPERATES ALL OF GRADES K TO 12 AND THAT RECEIVES FUNDS UNDER SECTION 31A; AND AT LEAST 50% OF THE ACTUAL PUPILS ENROLLED IN THE SCHOOL BUILDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR MUST HAVE BEEN ELIGIBLE FOR FREE LUNCH, AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, CHAPTER 281, 60 STAT. 230, 42 U.S.C. 1751 TO 1753, 1755 TO 1761, 1762A, 1765 TO 1766B, 1769, 1769B TO 1769C, AND 1769F TO 1769H, AND REPORTED TO THE DEPARTMENT NOT LATER THAN OCTOBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR AND ADJUSTED NOT LATER THAN DECEMBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

(3) NOT MORE THAN 25% OF THE TOTAL ALLOCATION UNDER SUBSECTION (1) MAY BE PAID TO ANY 1 PARTICULAR DISTRICT. THE DEPARTMENT SHALL

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MAKE ALLOCATIONS UNDER SUBSECTION (1) TO AT LEAST 12 DISTRICTS, AND
THE DISTRICTS SHALL BE GEOGRAPHICALLY DIVERSE.

(4) A DISTRICT RECEIVING FUNDS UNDER SUBSECTION (1) SHALL USE THE FUNDS TO MAINTAIN OR ESTABLISH SMALL CLASSES IN GRADES K TO 3 IN SCHOOL BUILDINGS OF THE DISTRICT FOR WHICH FUNDS ARE RECEIVED UNDER THIS SECTION. THE AVERAGE CLASS SIZE SHALL BE NOT MORE THAN 17 PUPILS PER CLASS, WITH NOT MORE THAN 19 PUPILS IN ANY PARTICULAR CLASS. EACH FISCAL YEAR, A DISTRICT RECEIVING FUNDS UNDER SUBSECTION (1) SHALL USE AT LEAST \$2,000,000.00 OR 25% OF THE FUNDS THE DISTRICT RECEIVES FOR THE FISCAL YEAR UNDER SECTION 31A, WHICHEVER IS LESS, FOR THE PURPOSES OF THIS SECTION.

(5) FUNDING TO DISTRICTS UNDER THIS SECTION FOR 1999-2000 IS INTENDED TO BE FOR THE SECOND OF 10 YEARS OF FUNDING, FUNDING TO DISTRICTS UNDER THIS SECTION FOR 2000-2001 IS INTENDED TO BE FOR THE THIRD OF 10 YEARS OF FUNDING, FUNDING TO DISTRICTS UNDER THIS SECTION FOR 2001-2002 IS INTENDED TO BE FOR THE FOURTH OF 10 YEARS OF FUNDING, AND FUNDING UNDER THIS SECTION FOR 2002-2003 IS INTENDED TO BE FOR THE FIFTH OF 10 YEARS OF FUNDING.

(6) THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR 1998-99 MAY BE EXPENDED AFTER THE 1998-99 FISCAL YEAR THROUGH THE END OF EITHER THE FIFTH FISCAL YEAR OF FUNDING UNDER THIS SECTION OR THE FINAL FISCAL YEAR OF FUNDING UNDER THIS SECTION, WHICHEVER OCCURS EARLIER.

SEC. 32E. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 1999-2000, AN AMOUNT NOT TO EXCEED \$5,000,000.00, AND THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$72,250,000.00, FOR COMPETITIVE GRANTS UNDER THIS SECTION TO DISTRICTS FOR READING IMPROVEMENT PROGRAMS FOR PUPILS IN GRADES K TO 4, READING DISORDERS AND READING METHODS PROGRAMS, MENTORING PROGRAMS, LANGUAGE AND LITERACY OUTREACH PROGRAMS, COGNITIVE DEVELOPMENT PROGRAMS, EARLY CHILDHOOD PARENT EDUCATION PROGRAMS, AND OTHER PURPOSES UNDER THIS SECTION. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$2,850,000.00 FOR THE PURPOSES OF SUBSECTIONS (9) AND (10).

(2) TO QUALIFY FOR FUNDING UNDER THIS SECTION, A PROPOSED READING IMPROVEMENT PROGRAM MUST MEET ALL OF THE FOLLOWING:

(A) THE PROGRAM SHALL INCLUDE ASSESSMENT OF READING SKILLS OF PUPILS IN GRADES K TO 4 TO IDENTIFY THOSE PUPILS WHO ARE READING BELOW GRADE LEVEL AND MUST PROVIDE SPECIAL READING ASSISTANCE FOR THESE PUPILS.

(B) THE PROGRAM SHALL BE A RESEARCH-BASED, VALIDATED, STRUCTURED READING PROGRAM.

(C) THE PROGRAM SHALL INCLUDE CONTINUOUS ASSESSMENT OF PUPILS AND INDIVIDUALIZED EDUCATION PLANS FOR PUPILS.

(D) THE PROGRAM SHALL ALIGN LEARNING RESOURCES TO STATE STANDARDS.

(E) THE PROGRAM SHALL SERVE AT LEAST 25% OF PUPILS PER SCHOOL BUILDING WHO ARE IDENTIFIED AS AT-RISK, AS DETERMINED BY THE MICHIGAN LITERACY PROGRAM PROFILE, OF READING FAILURE, AND THE AMOUNT OF THE GRANT SHALL NOT EXCEED \$85,000.00 PER SCHOOL BUILDING ANNUALLY.

(F) FUNDS ALLOCATED UNDER THIS SUBSECTION MAY BE USED TO REIMBURSE DISTRICTS FOR FUNDS PAID BY DISTRICTS FOR UP TO ½ OF THE SALARIES AND BENEFITS FOR EACH TEACHER TRAINED AND CERTIFIED TO PROVIDE A READING IMPROVEMENT PROGRAM.

(3) TO QUALIFY FOR FUNDING UNDER THIS SECTION, A PROPOSED MENTORING PROGRAM MUST BE A RESEARCH-BASED, VALIDATED PROGRAM TO ENHANCE THE INDEPENDENCE AND LIFE QUALITY OF PUPILS WHO ARE MENTALLY IMPAIRED BY PROVIDING OPPORTUNITIES FOR MENTORING AND INTEGRATED EMPLOYMENT.

(4) TO QUALIFY FOR FUNDING UNDER THIS SECTION, A PROPOSED COGNITIVE DEVELOPMENT PROGRAM MUST BE A RESEARCH-BASED, VALIDATED EDUCATIONAL SERVICE PROGRAM BASED ON THE STRUCTURE OF INTELLECT (SOI) MODEL SCHOOL CURRICULUM, FOCUSED ON ASSESSING AND BUILDING ESSENTIAL COGNITIVE AND PERCEPTUAL LEARNING ABILITIES TO STRENGTHEN PUPIL CONCENTRATION AND LEARNING.

(5) TO QUALIFY FOR FUNDING UNDER THIS SECTION, A PROPOSED EARLY EDUCATION PARENT EDUCATION PROGRAM SHALL BE A RESEARCH-BASED, VALIDATED PROGRAM TO ASSIST PARENTS IN ACQUIRING INFORMATION AND SKILLS TO ENCOURAGE AND STRENGTHEN LANGUAGE DEVELOPMENT, INTELLECTUAL GROWTH, SOCIAL DEVELOPMENT, MOTOR SKILL DEVELOPMENT, AND THE PARENT-CHILD RELATIONSHIP. PROGRAM COMPONENTS SHALL INCLUDE PARENT EDUCATION, HOME VISITING, AND DEVELOPMENTAL SCREENING FOR

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YOUNG CHILDREN.

(6) A PROGRAM RECEIVING FUNDING UNDER THIS SECTION MAY BE CONDUCTED OUTSIDE OF REGULAR SCHOOL HOURS OR OUTSIDE THE REGULAR SCHOOL CALENDAR.

(7) TO COMPETE FOR A GRANT UNDER THIS SECTION, A DISTRICT SHALL APPLY TO THE SUPERINTENDENT IN THE FORM AND MANNER PRESCRIBED BY THE SUPERINTENDENT. THE DEPARTMENT SHALL MAKE APPLICATIONS AVAILABLE FOR THIS PURPOSE. A DISTRICT SHALL INCLUDE IN ITS APPLICATION A PROJECTED BUDGET FOR THE PROGRAMS. THE SUPERINTENDENT SHALL APPROVE OR DISAPPROVE APPLICATIONS AND NOTIFY THE APPLYING DISTRICT OF THAT DECISION. PRIORITY IN AWARDING GRANTS SHALL BE GIVEN TO PROGRAMS THAT FOCUS ON ACCELERATING STUDENT ACHIEVEMENT ON A COST-EFFECTIVE BASIS AND REDUCING THE PERCENTAGE OF PUPILS IDENTIFIED AS LEARNING DISABLED.

(8) NOT MORE THAN 25% OF THE ALLOCATIONS UNDER THIS SECTION MAY BE PAID TO ANY 1 PARTICULAR DISTRICT. THE DEPARTMENT SHALL ENSURE THAT THE DISTRICTS RECEIVING GRANTS ARE GEOGRAPHICALLY DIVERSE. THE DEPARTMENT ALSO SHALL ENSURE THAT GRANTS ARE AWARDED PROPORTIONATELY ACROSS ELIGIBLE GRADES.

(9) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED TO THE DEPARTMENT EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR THE GRANT REVIEW PROCESS AND GRANT ADMINISTRATION UNDER THIS SECTION.

(10) FROM THE GENERAL FUND MONEY ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED TO THE DEPARTMENT EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$2,600,000.00 FOR THE DEVELOPMENT AND DISSEMINATION OF READ, EDUCATE, AND DEVELOP YOUTH (READY) KITS TO PARENTS OF PRESCHOOL AND KINDERGARTEN CHILDREN TO PROVIDE THESE PARENTS WITH INFORMATION ABOUT HOW THEY CAN PREPARE THEIR CHILDREN FOR READING SUCCESS. FOR 2000-2001 ONLY, THIS MONEY SHALL BE ALLOCATED AS FOLLOWS:

(A) NOT MORE THAN \$1,400,000.00 SHALL BE USED TO SUPPLEMENT THE FUNDS APPROPRIATED IN THE DEPARTMENT'S BUDGET FOR THE COMPLETION OF THE DEVELOPMENT AND DISSEMINATION OF READY KITS.

(B) NOT MORE THAN \$1,200,000.00 EACH FISCAL YEAR SHALL BE USED TO INCREASE THE NUMBER OF READY KITS DEVELOPED AND DISSEMINATED FROM 20,000 PER MONTH TO 30,000 PER MONTH.

(11) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL REPORT TO THE DEPARTMENT, IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, ON THE RESULTS ACHIEVED BY THE PROGRAM. THIS REPORT SHALL INCLUDE A DESCRIPTION OF HOW PUPILS' SKILLS ARE ASSESSED AND EVALUATED. NOT LATER THAN SEPTEMBER 1 OF EACH FISCAL YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE LEGISLATURE, THE STATE BUDGET DIRECTOR, AND THE SENATE AND HOUSE FISCAL AGENCIES DETAILING THE RESULTS OF THE PROGRAMS. IT IS THE INTENT OF THE LEGISLATURE THAT FURTHER FUNDING FOR THE PROGRAMS UNDER THIS SECTION WILL REFLECT THE RESULTS ACHIEVED IN THESE PROGRAMS.

(12) BEGINNING IN 2000-2001, NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

(13) IF THE MAXIMUM AMOUNT APPROPRIATED UNDER THIS SECTION EXCEEDS THE AMOUNT NECESSARY TO FULLY FUND ALLOCATIONS UNDER THIS SECTION, THAT EXCESS AMOUNT SHALL NOT BE EXPENDED IN THAT STATE FISCAL YEAR BUT SHALL INSTEAD BE CARRIED FORWARD TO THE SUCCEEDING FISCAL YEAR AND ADDED TO ANY FUNDS APPROPRIATED FOR THAT FISCAL YEAR FOR EXPENDITURE IN THAT FISCAL YEAR.

SEC. 32F. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$38,000,000.00 EACH FISCAL YEAR FOR 2000-2001 AND FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$50,000,000.00 FOR 2002-2003 FOR PAYMENTS TO DISTRICTS TO PROVIDE SUMMER SCHOOL INSTRUCTION IN READING AND MATHEMATICS FOR PUPILS IN GRADE 1, 2, 3, OR 4.

(2) IN ORDER TO IMPROVE ELEMENTARY SCHOOL PUPIL ACHIEVEMENT, DISTRICTS MAY PROVIDE SUMMER SCHOOL INSTRUCTION IN READING AND MATHEMATICS. THE DEPARTMENT SHALL DEVELOP A MODEL SUMMER MATHEMATICS PROGRAM FOR PUPILS WHO ATTENDED GRADE 1, 2, 3, OR 4 IN THE SCHOOL YEAR THAT JUST ENDED AND WHO HAVE DEMONSTRATED THE NEED FOR ADDITIONAL MATHEMATICS SKILLS TRAINING, AS EVIDENCED BY STANDARDIZED TEST RESULTS ON TESTS APPROVED BY THE DEPARTMENT FOR THIS PURPOSE. THE MODEL MATHEMATICS PROGRAM SHALL BE IN CONFORMANCE WITH THE NATIONAL EDUCATION GOALS AND SHALL ALSO MEET CRITERIA FOR DED-OESE, TITLE I PROGRAM FUNDING.

(3) TO BE ELIGIBLE TO PARTICIPATE IN SUMMER SCHOOL INSTRUCTION FUNDED UNDER THIS SECTION DURING A PARTICULAR SUMMER, A PUPIL SHALL HAVE BEEN ENROLLED IN GRADE 1, 2, 3, OR 4 IN THE SCHOOL YEAR THAT

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JUST ENDED AND SHALL MEET AT LEAST 1 OF THE FOLLOWING CRITERIA:

(A) ACHIEVED LESS THAN SATISFACTORY RESULTS, AS DETERMINED BY THE DISTRICT, IN THE MATHEMATICS OR READING PORTION OF A DEPARTMENT-APPROVED ANNUAL STANDARDIZED ASSESSMENT OF GRADE-APPROPRIATE BASIC EDUCATIONAL SKILLS.

(B) SCORED IN THE LOW PERFORMANCE CATEGORY OF THE MATHEMATICS OR READING PORTION OF THE GRADE 4 MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP) TEST.

(4) AN APPLICATION FOR FUNDING UNDER THIS SECTION SHALL BE SUBMITTED TO THE DEPARTMENT FOR APPROVAL, IN A MANNER AND ON FORMS PRESCRIBED BY THE DEPARTMENT, BY A DATE SPECIFIED BY THE DEPARTMENT.

(5) BEGINNING IN 2002-2003, A DISTRICT THAT RECEIVES FUNDING UNDER THIS SECTION SHALL, AT A MINIMUM, OFFER SUMMER SCHOOL INSTRUCTION UNDER THIS SECTION FOR PUPILS WHO WERE ENROLLED IN GRADE 4 IN THE SCHOOL YEAR THAT JUST ENDED AND MET THE CRITERIA DESCRIBED IN SUBSECTION (3)(B).

(6) A DISTRICT THAT RECEIVES FUNDING UNDER THIS SECTION SHALL PROVIDE A MINIMUM OF 6 WEEKS OF PUPIL INSTRUCTION UNDER THIS SECTION IN MATHEMATICS AND READING. IN ADDITION, APPLICATIONS FOR FUNDING MAY INCLUDE THE PROVISION OF AUXILIARY SERVICES BY THE DISTRICT IN A MANNER DETERMINED BY THE DISTRICT FOR SUCH SERVICES AS SCHOOL LUNCH AND TRANSPORTATION AS IS NECESSARY TO ENCOURAGE PUPIL PARTICIPATION.

(7) A DISTRICT APPLYING FOR FUNDING UNDER THIS SECTION MUST IDENTIFY MONEY FROM OTHER SOURCES AVAILABLE TO THE DISTRICT THAT WILL BE USED TO SUPPORT AT LEAST 50% OF THE TOTAL COSTS OF THE SUMMER SCHOOL PROGRAM.

(8) GRANT AWARDS UNDER THIS SECTION SHALL BE DISTRIBUTED IN ACCORDANCE WITH THE FOLLOWING:

(A) EIGHTY PERCENT OF THE AMOUNT PROVIDED TO A GRANT RECIPIENT SHALL BE BASED ON ENROLLMENT OF ELIGIBLE PARTICIPANTS.

(B) TWENTY PERCENT OF THE AMOUNT PROVIDED TO A GRANT RECIPIENT SHALL BE BASED ON MEASURED IMPROVEMENT IN READING OR MATHEMATICS, AS APPLICABLE.

(9) FUNDS ALLOCATED TO A DISTRICT UNDER THIS SECTION SHALL NOT BE USED TO SUPPLANT OTHER STATE OR FEDERAL FUNDS ALLOCATED TO THE DISTRICT FOR SIMILAR PURPOSES.

(10) SUBJECT TO PROGRAM CAPACITY, A PUPIL WHO WAS ENROLLED IN GRADE 1, 2, 3, OR 4 IN THE SCHOOL YEAR THAT JUST ENDED BUT WHO DOES NOT OTHERWISE MEET THE ELIGIBILITY CRITERIA UNDER THIS SECTION MAY RECEIVE SUMMER SCHOOL INSTRUCTION DESCRIBED IN THIS SECTION UPON THE PAYMENT OF TUITION. THE TUITION LEVEL SHALL BE DETERMINED BY THE DISTRICT BUT SHALL NOT EXCEED ACTUAL OPERATING COSTS.

(11) A DISTRICT RECEIVING FUNDING UNDER THIS SECTION SHALL REPORT ON THE RESULTS ACHIEVED BY THE SUMMER SCHOOL PROGRAM IN A MANNER PRESCRIBED BY THE DEPARTMENT. THIS REPORT SHALL INCLUDE A DESCRIPTION OF THE TOOLS USED TO ASSESS THE PUPILS' READING AND MATHEMATICS SKILLS.

(12) FUNDS ALLOCATED UNDER THIS SECTION THAT ARE NOT EXPENDED IN THE STATE FISCAL YEAR FOR WHICH THEY WERE ALLOCATED MAY BE CARRIED FORWARD TO A SUBSEQUENT STATE FISCAL YEAR.

SEC. 32G. FROM THE ALLOCATION IN SECTION 31(1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$10,000,000.00 TO PROVIDE ADDITIONAL RESOURCES FOR COORDINATING COUNSELING SERVICES AND FOR PAYMENTS TO DISTRICTS TO MAKE TUITION GRANTS FOR HIGHER EDUCATION PROGRAMS THAT LEAD TO A DEGREE IN SCHOOL COUNSELING.

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12 SEC. 35. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN
13 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
14 \$10,000,000.00 FOR 1999-2000 ONLY TO THE FAMILY INDEPENDENCE
15 AGENCY FOR GRANTS TO SUPPORT A FAMILY OPPORTUNITY PROJECT FOR
16 FAMILIES RECEIVING FAMILY INDEPENDENCE PROGRAM BENEFITS WHO ARE
17 EXPECTED TO WORK BUT HAVE NOT YET BEEN SUCCESSFUL IN OBTAINING
18 EMPLOYMENT.

19 (2) THE FAMILY OPPORTUNITY PROJECT SHALL BE FUNDED BY GRANTS
20 DISTRIBUTED THROUGH A REQUEST FOR PROPOSALS PROCESS ESTABLISHED
21 BY THE FAMILY INDEPENDENCE AGENCY. PROJECTS AWARDED FUNDING FOR
22 THIS PROGRAM SHALL COMPLY WITH ALL OF THE FOLLOWING:

23 (A) PROVIDE OPPORTUNITIES FOR FAMILIES TO IMPROVE FAMILY
24 LITERACY, PARENTING SKILLS, HOME AND LIFE MANAGEMENT SKILLS, AND
25 WORKFORCE READINESS SKILLS AND TO PARTICIPATE IN COMMUNITY
26 VOLUNTEERING.

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1 (B) REQUIRE MANDATORY PARTICIPATION OF THE FAMILY.

2 (C) PROVIDE ON-SITE CHILD CARE AND OTHER AUXILIARY SERVICES
3 NECESSARY FOR FAMILY PARTICIPATION.

4 (D) USE LOCAL COMMUNITY SERVICE PROVIDERS INCLUDING, BUT NOT
5 LIMITED TO, DISTRICTS, INTERMEDIATE DISTRICTS, COMMUNITY COL-
6 LEGES, LOCAL GOVERNMENTS, MICHIGAN WORKS AGENCIES, AND
7 COMMUNITY-BASED ORGANIZATIONS.

8 (3) FUNDS ALLOCATED UNDER THIS SECTION THAT ARE NOT EXPENDED
9 IN THE STATE FISCAL YEAR FOR WHICH THEY WERE ALLOCATED MAY BE
10 CARRIED FORWARD TO A SUBSEQUENT STATE FISCAL YEAR.

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19 Sec. 39. (1) The tentative allocation for each fiscal year
20 to each eligible district under section [~~36~~ 32C] shall be determined
21 by
22 multiplying the number of children determined in section 38 or
23 the number of children the district indicates it will be able to
24 serve under section 37(2)(c), whichever is less, by \$3,100.00 OR,
25 BEGINNING IN 2000-2001, BY \$3,500.00 and shall be distributed
26 among districts in decreasing order of concentration of eligible
27 children as determined by section 38 until the money allocated in
section [~~36~~ 32C] is distributed.

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

4 (3) A district that received funds under this section in at
5 least 1 of the 2 immediately preceding fiscal years shall receive
6 priority in funding over other eligible districts. However,
7 funding beyond 3 state fiscal years is contingent upon the avail-
8 ability of funds and documented evidence satisfactory to the
9 department of compliance with all operational, fiscal, adminis-
10 trative, and other program requirements.

11 (4) A district that offers supplementary day care funded by
12 funds other than those received under this section and therefore
13 offers full-day programs as part of its early childhood develop-
14 ment program shall receive priority in the allocation of funds
15 under this section over other eligible districts other than those
16 districts funded under subsection (3).

17 (5) For any district with 315 or more eligible pupils, the
18 number of eligible pupils shall be 65% of the number calculated
19 under section 38. However, none of these districts may have less
20 than 315 pupils for purposes of calculating the tentative alloca-
21 tion under section [36 32C].

22 (6) If, taking into account the total amount to be allocated
23 to the district as calculated under this section, a district
24 determines that it is able to include additional eligible chil-
25 dren in the school readiness program without additional funds
26 under this section, the district may include additional eligible

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1 children but shall not receive additional funding under this
2 section for those children.

3 Sec. 40. The department biennially shall review alternative
4 methods to determine the number of children construed to be in
5 need of special readiness assistance and shall report not later
6 than November 15 of each even-numbered year its findings and rec-
7 ommendations to the senate and house appropriations subcommittees
8 responsible for district funding and the senate and house commit-
9 tees responsible for education legislation and the ~~department of~~
10 ~~management and budget~~ STATE BUDGET DIRECTOR.

11 Sec. 41. [(1)] From the appropriation in section 11, there is
12 allocated an amount not to exceed [~~\$4,212,000.00~~ \$4,213,000.00] each
13 ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002,
14 AND FOR 2002-2003, to applicant districts and intermediate dis-
15 tricts offering programs of bilingual instruction for pupils of
16 limited English-speaking ability under section 1153 of the
17 revised school code, MCL 380.1153. Reimbursement shall be on a
18 per pupil basis and shall be based on the number of pupils of
19 limited English-speaking ability in membership on the pupil mem-
20 bership count day. Funds allocated under this section shall be
21 used solely for bilingual instruction in speaking, reading, writ-
22 ing, or comprehension of pupils of limited English-speaking
23 ability.

[(2) IF LEGISLATION IS ENACTED INCREASING THE FUNDING UNDER
SUBSECTION (1), NOT LATER THAN 1 YEAR AFTER THE EFFECTIVE DATE OF
THAT INCREASE, THE DEPARTMENT SHALL REVIEW THE EFFECTIVENESS OF
PROGRAMS FUNDED UNDER THIS SECTION AND SHALL REPORT ITS FINDINGS TO
THE LEGISLATURE. THIS REPORT SHALL INCLUDE AT LEAST ALL OF THE
FOLLOWING:

(A) FOR EACH DISTRICT RECEIVING FUNDS UNDER THIS SECTION, THE
POINT AT WHICH THE MAJORITY OF THE INSTRUCTION IN THE DISTRICT'S
PROGRAM IS PRESENTED IN ENGLISH.

(B) FOR EACH DISTRICT RECEIVING FUNDS UNDER THIS SECTION, THE
POINT AT WHICH ALL OF THE INSTRUCTION IN THE DISTRICT'S PROGRAM IS
IN ENGLISH.]

24 Sec. 51a. (1) From the appropriation in section 11, ~~there~~
25 ~~is allocated for 1998-99 an amount not to exceed \$735,059,400.00~~
26 ~~from state sources and all available federal funding under~~
27 ~~sections 611 to 619 of part B of the individuals with~~

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1 ~~disabilities education act, title VI of Public Law 91-230, 20~~
2 ~~U.S.C. 1411 to 1419, estimated at \$120,000,000.00, plus any car-~~
3 ~~ryover federal funds from previous year appropriations;~~ there is
4 allocated for 1999-2000 an amount not to exceed ~~\$789,643,900.00-~~
5 \$774,991,900.00 from state sources and all available federal
6 funding, estimated at ~~-\$120,000,000.00-~~ \$125,000,000.00, plus any
7 carryover federal funds from previous year appropriations; ~~and-~~
8 there is allocated for 2000-2001 an amount not to exceed
9 ~~-\$846,252,600.00-~~ \$744,961,900.00 from state sources and all
10 available federal funding, estimated at ~~-\$120,000,000.00-~~
11 \$145,000,000.00, plus any carryover federal funds from previous
12 year appropriations; THERE IS ALLOCATED FOR 2001-2002 AN AMOUNT
13 NOT TO EXCEED \$805,271,900.00 FROM STATE SOURCES AND ALL AVAIL-
14 ABLE FEDERAL FUNDING, ESTIMATED AT \$145,000,000.00, PLUS ANY CAR-
15 RYOVER FEDERAL FUNDS FROM PREVIOUS YEAR APPROPRIATIONS; AND THERE
16 IS ALLOCATED FOR 2002-2003 AN AMOUNT NOT TO EXCEED
17 \$862,651,900.00 FROM STATE SOURCES AND ALL AVAILABLE FEDERAL
18 FUNDING, ESTIMATED AT \$145,000,000.00, PLUS ANY CARRYOVER FEDERAL
19 FUNDS FROM PREVIOUS YEAR APPROPRIATIONS. The allocations under
20 this subsection are for the purpose of reimbursing districts and
21 intermediate districts for special education programs, services,
22 and special education personnel as prescribed in article 3 of the
23 revised school code, MCL 380.1701 to 380.1766; net tuition pay-
24 ments made by intermediate districts to the Michigan schools for
25 the deaf and blind; and special education programs and services
26 for pupils who are eligible for special education programs and
27 services according to statute or rule. For meeting the costs of

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1 special education programs and services not reimbursed under this
2 article, a district or intermediate district may use money in
3 general funds or special education funds, not otherwise
4 restricted, or contributions from districts to intermediate dis-
5 tricts, tuition payments, gifts and contributions from individu-
6 als, or federal funds that may be available for this purpose, as
7 determined by the intermediate district plan prepared pursuant to
8 article 3 of the revised school code, MCL 380.1701 to 380.1766.

9 (2) From the funds allocated under subsection (1), there is
10 allocated ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR
11 2001-2002, AND FOR 2002-2003 the amount necessary, estimated at
12 ~~\$622,459,400.00 for 1998-99, \$677,953,200.00~~ \$655,000,000.00
13 for 1999-2000, ~~and \$734,696,200.00~~ \$127,100,000.00 for
14 2000-2001, \$136,500,000.00 FOR 2001-2002, AND \$147,100,000.00 FOR
15 2002-2003, for payments toward reimbursing districts and interme-
16 diate districts for 28.6138% of total approved costs of special
17 education, excluding costs reimbursed under section 53a, and
18 70.4165% of total approved costs of special education
19 transportation. Allocations under this subsection shall be made
20 as follows:

21 (a) The initial amount allocated to a district under this
22 subsection toward fulfilling the specified percentages shall be
23 calculated by multiplying the district's special education pupil
24 membership, excluding pupils described in subsection (12), times
25 the sum of the foundation allowance under section 20 of the
26 pupil's district of residence plus ~~, each fiscal year for~~
27 ~~1999-2000 and 2000-2001 only,~~ the amount of the district's per

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1 pupil allocation under section 20j(2), not to exceed \$6,500.00
2 adjusted by the dollar amount of the difference between the basic
3 foundation allowance under section 20 for the current fiscal year
4 and \$5,000.00, or, for a special education pupil in membership in
5 a district that is a public school academy or university school,
6 times an amount equal to the amount per membership pupil calcu-
7 lated under section 20(6). For an intermediate district, the
8 amount allocated under this subdivision toward fulfilling the
9 specified percentages shall be an amount per special education
10 membership pupil, excluding pupils described in subsection (12),
11 and shall be calculated in the same manner as for a district,
12 using the foundation allowance under section 20 of the pupil's
13 district of residence, not to exceed \$6,500.00 adjusted by the
14 dollar amount of the difference between the basic foundation
15 allowance under section 20 for the current fiscal year and
16 \$5,000.00, and ~~—, each fiscal year for 1999-2000 and 2000-2001~~
17 ~~only,~~ that district's per pupil allocation under
18 section 20j(2). HOWEVER, BEGINNING IN 2002-2003, THE \$6,500.00
19 AMOUNT PRESCRIBED IN THIS SUBDIVISION SHALL BE ADJUSTED EACH YEAR
20 BY AN AMOUNT EQUAL TO THE DOLLAR AMOUNT OF THE DIFFERENCE BETWEEN
21 THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR
22 AND \$5,000.00 MINUS \$200.00.

23 (b) After the allocations under subdivision (a), districts
24 and intermediate districts for which the payments under
25 subdivision (a) do not fulfill the specified percentages shall be
26 paid the amount necessary to achieve the specified percentages
27 for the district or intermediate district.

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1 (3) From the funds allocated under subsection (1), there is
2 allocated ~~each fiscal year for 1998-99, for 1999-2000, and for~~
3 ~~2000-2001~~ the amount necessary, estimated at ~~-\$34,860,300.00 for~~
4 ~~1998-99, \$34,150,000.00 for 1999-2000, and \$30,926,000.00 for~~
5 ~~2000-2001,~~ \$38,300,000.00 to make payments to districts and
6 intermediate districts under this subsection. If the amount
7 allocated to a district or intermediate district for ~~1998-99,~~
8 ~~1999-2000, or 2000-2001~~ A FISCAL YEAR under subsection (2)(b) is
9 less than the sum of the amounts allocated to the district or
10 intermediate district for 1996-97 under sections 52 and 58, there
11 is allocated to the district or intermediate district for
12 ~~1998-99, for 1999-2000, or for 2000-2001 or all of them as~~
13 ~~applicable,~~ THE FISCAL YEAR an amount equal to that difference,
14 adjusted by applying the same proration factor that was used in
15 the distribution of funds under section 52 in 1996-97 as adjusted
16 to the district's or intermediate district's necessary costs of
17 special education used in calculations for ~~1998-99, 1999-2000,~~
18 ~~or 2000-2001~~ THE FISCAL YEAR. This adjustment is to reflect
19 reductions in special education program operations between
20 1996-97 and ~~1998-99, 1999-2000, or 2000-2001, as applicable~~
21 SUBSEQUENT FISCAL YEARS.

22 (4) If the department determines that the sum of the amounts
23 allocated for a fiscal year to a district or intermediate dis-
24 trict under subsection (2)(a) and (b) is not sufficient to ful-
25 fill the specified percentages in subsection (2), then the short-
26 fall shall be paid to the district or intermediate district
27 during the fiscal year beginning on the October 1 following the

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1 determination and payments under subsection (3) shall be adjusted
2 as necessary. If the department determines that the sum of the
3 amounts allocated for a fiscal year to a district or intermediate
4 district under subsection (2)(a) and (b) exceeds the sum of the
5 amount necessary to fulfill the specified percentages in subsec-
6 tion (2), then the department shall deduct the amount of the
7 excess from the district's or intermediate district's payments
8 under this act for the fiscal year beginning on the October 1
9 following the determination and payments under subsection (3)
10 shall be adjusted as necessary. However, if the amount allocated
11 under subsection (2)(a) in itself exceeds the amount necessary to
12 fulfill the specified percentages in subsection (2), there shall
13 be no deduction under this subsection.

14 (5) State funds shall be allocated on a total approved cost
15 basis. Federal funds shall be allocated under applicable federal
16 requirements, except that an amount not to exceed \$3,500,000.00
17 each fiscal year may be allocated by the department ~~for~~
18 ~~1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND
19 FOR 2002-2003 to districts or intermediate districts on a compet-
20 itive grant basis for programs, equipment, and services that the
21 department determines to be designed to benefit or improve spe-
22 cial education on a statewide scale.

23 (6) From the amount allocated in subsection (1), there is
24 allocated an amount not to exceed \$2,200,000.00 each fiscal year
25 ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002,
26 AND FOR 2002-2003 to reimburse 100% of the net increase in
27 necessary costs incurred by a district or intermediate district

1 in implementing the revisions in the administrative rules for
2 special education that became effective on July 1, 1987. As used
3 in this subsection, "net increase in necessary costs" means the
4 necessary additional costs incurred solely because of new or
5 revised requirements in the administrative rules minus cost sav-
6 ings permitted in implementing the revised rules. Net increase
7 in necessary costs shall be determined in a manner specified by
8 the department.

9 (7) For purposes of this article, all of the following
10 apply:

11 (a) "Total approved costs of special education" shall be
12 determined in a manner specified by the department and may
13 include indirect costs, but shall not exceed 115% of approved
14 direct costs for section 52 and section 53a programs. The total
15 approved costs include salary and other compensation for all
16 approved special education personnel for the program, including
17 payments for social security and medicare and public school
18 employee retirement system contributions. The total approved
19 costs do not include salaries or other compensation paid to
20 administrative personnel who are not special education personnel
21 as defined in section 6 of the revised school code, MCL 380.6.
22 Costs reimbursed by federal funds, other than those federal funds
23 included in the allocation made under this article, are not
24 included. Special education approved personnel not utilized full
25 time in the evaluation of students or in the delivery of special
26 education programs, ancillary, and other related services shall
27 be reimbursed under this section only for that portion of time

1 actually spent providing these programs and services, with the
2 exception of special education programs and services provided to
3 youth placed in child caring institutions or juvenile detention
4 programs approved by the department to provide an on-grounds edu-
5 cation program.

6 (b) Reimbursement for ancillary and other related services,
7 as defined by R 340.1701 of the Michigan administrative code,
8 shall not be provided when those services are covered by and
9 available through private group health insurance carriers or fed-
10 eral reimbursed program sources unless the department and dis-
11 trict or intermediate district agree otherwise and that agreement
12 is approved by the state budget director. Expenses, other than
13 the incidental expense of filing, shall not be borne by the
14 parent. In addition, the filing of claims shall not delay the
15 education of a pupil. A district or intermediate district shall
16 be responsible for payment of a deductible amount and for an
17 advance payment required until the time a claim is paid.

18 (8) From the allocation in subsection (1), there is allo-
19 cated each fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for
20 2000-2001, FOR 2001-2002, AND FOR 2002-2003 an amount not to
21 exceed \$15,313,900.00 each fiscal year to intermediate
22 districts. The payment under this subsection to each intermedi-
23 ate district shall be equal to the amount of the 1996-97 alloca-
24 tion to the intermediate district under subsection (6) of this
25 section as in effect for 1996-97.

26 (9) A pupil who is enrolled in a full-time special education
27 program conducted or administered by an intermediate district or

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1 a pupil who is enrolled in the Michigan schools for the deaf and
2 blind shall not be included in the membership count of a dis-
3 trict, but shall be counted in membership in the intermediate
4 district of residence.

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

10 (11) If a district or intermediate district uses money
11 received under this section for a purpose other than the purpose
12 or purposes for which the money is allocated, the department may
13 require the district or intermediate district to refund the
14 amount of money received. Money that is refunded shall be depos-
15 ited in the state treasury to the credit of the state school aid
16 fund.

17 (12) From the funds allocated in subsection (1), there is
18 allocated each fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~
19 for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 the amount neces-
20 sary, estimated at ~~\$10,087,800.00 for 1998-99, and~~
21 ~~\$10,587,200.00~~ \$11,200,000.00 for 1999-2000, ~~and~~
22 ~~\$11,178,400.00~~ \$7,300,000.00 for 2000-2001, \$7,500,000.00 FOR
23 2001-2002, AND \$7,500,000.00 FOR 2002-2003 to pay the foundation
24 allowances for pupils described in this subsection. The alloca-
25 tion to a district under this subsection shall be calculated by
26 multiplying the number of pupils described in this subsection who
27 are counted in membership in the district times the sum of the

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1 foundation allowance under section 20 of the pupil's district of
2 residence plus ~~, each fiscal year for 1999-2000 and 2000-2001~~
3 ~~only,~~ the amount of the district's per pupil allocation under
4 section 20j(2), not to exceed \$6,500.00 adjusted by the dollar
5 amount of the difference between the basic foundation allowance
6 under section 20 for the current fiscal year and \$5,000.00, or,
7 for a pupil described in this subsection who is counted in mem-
8 bership in a district that is a public school academy or univer-
9 sity school, times an amount equal to the amount per membership
10 pupil under section 20(6). The allocation to an intermediate
11 district under this subsection shall be calculated in the same
12 manner as for a district, using the foundation allowance under
13 section 20 of the pupil's district of residence, not to exceed
14 \$6,500.00 adjusted by the dollar amount of the difference between
15 the basic foundation allowance under section 20 for the current
16 fiscal year and \$5,000.00, and ~~, each fiscal year for 1999-2000~~
17 ~~and 2000-2001 only,~~ that district's per pupil allocation under
18 section 20j(2). HOWEVER, BEGINNING IN 2002-2003, THE \$6,500.00
19 AMOUNT PRESCRIBED IN THIS SUBSECTION SHALL BE ADJUSTED EACH YEAR
20 BY AN AMOUNT EQUAL TO THE DOLLAR AMOUNT OF THE DIFFERENCE BETWEEN
21 THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR
22 AND \$5,000.00 MINUS \$200.00. This subsection applies to all of
23 the following pupils:

- 24 (a) Pupils described in section 53a.
25 (b) Pupils counted in membership in an intermediate district
26 who are not special education pupils and are served by the

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1 intermediate district in a juvenile detention or child caring
2 facility.

3 (c) Emotionally impaired pupils counted in membership by an
4 intermediate district and provided educational services by the
5 department of community health.

6 (13) After payments under subsections (2) and (12) AND,
7 BEGINNING IN 2000-2001, SECTION 51C, the remaining expenditures
8 from the allocation in subsection (1) shall be made in the fol-
9 lowing order:

10 (a) 100% of the reimbursement required under section 53a.

11 (b) 100% of the reimbursement required under
12 subsection (6).

13 (c) 100% of the payment required under section 54.

14 (d) 100% of the payment required under subsection (3).

15 (e) 100% of the payment required under subsection (8).

16 (f) 100% of the payments under section 56.

17 (14) BEGINNING IN 2000-2001, THE ALLOCATIONS UNDER SUBSEC-
18 TION (2), SUBSECTION (3), AND SUBSECTION (12) SHALL BE ALLOCA-
19 TIONS TO INTERMEDIATE DISTRICTS ONLY AND SHALL NOT BE ALLOCATIONS
20 TO DISTRICTS, BUT INSTEAD SHALL BE CALCULATIONS USED ONLY TO
21 DETERMINE THE STATE PAYMENTS UNDER SECTION 22B.

22 SEC. 51C. AS REQUIRED BY THE COURT IN THE CONSOLIDATED
23 CASES KNOWN AS DURANT V THE STATE OF MICHIGAN, MICHIGAN SUPREME
24 COURT DOCKET NO. 104458-104492, FROM THE ALLOCATION UNDER SECTION
25 51A(1), THERE IS ALLOCATED FOR 2000-2001, FOR 2001-2002, AND FOR
26 2002-2003 THE AMOUNT NECESSARY, ESTIMATED AT \$540,300,000.00 FOR
27 2000-2001, \$583,000,000.00 FOR 2001-2002, AND \$629,100,000.00 FOR

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1 2002-2003, FOR PAYMENTS TO REIMBURSE DISTRICTS FOR 28.6138% OF
2 TOTAL APPROVED COSTS OF SPECIAL EDUCATION EXCLUDING COSTS REIM-
3 BURSED UNDER SECTION 53A, AND 70.4165% OF TOTAL APPROVED COSTS OF
4 SPECIAL EDUCATION TRANSPORTATION.

[SEC. 51D. NOT LATER THAN OCTOBER 1, 2000, THE GOVERNOR SHALL APPOINT A BLUE RIBBON COMMITTEE ON SPECIAL EDUCATION. THE COMMITTEE SHALL STUDY, AND MAKE RECOMMENDATIONS TO THE GOVERNOR AND LEGISLATURE ON, ISSUES CONCERNING SPECIAL EDUCATION POLICY AND FUNDING. THE COMMITTEE SHALL INCLUDE, BUT NOT BE LIMITED TO, AT LEAST ALL OF THE FOLLOWING:

(A) PARENTS OF SPECIAL EDUCATION PUPILS.
(B) PARENTS OF GENERAL EDUCATION PUPILS.
(C) EDUCATORS, INCLUDING SPECIAL EDUCATION AND GENERAL EDUCATION EDUCATORS.
(D) SCHOOL BOARD MEMBERS.
(E) DISTRICT SUPERINTENDENTS AND INTERMEDIATE SUPERINTENDENTS.
(F) REPRESENTATIVES OF THE GENERAL PUBLIC INCLUDING, BUT NOT LIMITED TO, REPRESENTATIVES OF THE BUSINESS COMMUNITY AND HIGHER EDUCATION.]

5 Sec. 53a. (1) Reimbursement shall be 100% of the total
6 approved costs of operating special education programs and serv-
7 ices approved by the department and included in the intermediate
8 district plan adopted pursuant to article 3 of the revised school
9 code, MCL 380.1701 to 380.1766, minus the foundation allowance
10 calculated under section 20, and ~~each fiscal year for~~
11 ~~1999-2000 and 2000-2001 only,~~ minus the amount of the district's
12 per pupil allocation under section 20j(2), for the following spe-
13 cial education pupils:

14 (a) Pupils assigned to a district or intermediate district
15 through the community placement program of the courts or a state
16 agency, if the pupil was a resident of another intermediate dis-
17 trict at the time the pupil came under the jurisdiction of the
18 court or a state agency.

19 (b) Pupils who are residents of institutions operated by the
20 department of community health.

21 (c) Pupils who are former residents of department of commu-
22 nity health institutions for the developmentally disabled who are
23 placed in community settings other than the pupil's home.

24 (d) Pupils enrolled in a department-approved on-grounds edu-
25 cational program longer than 180 days, but not longer than 233
26 days, at a residential child care institution, if the child care

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1 institution offered in 1991-92 an on-grounds educational program
2 longer than 180 days but not longer than 233 days.

3 (e) Pupils placed in a district by a parent for the purpose
4 of seeking a suitable home, if the parent does not reside in the
5 same intermediate district as the district in which the pupil is
6 placed.

7 (2) Only those costs that are clearly and directly attribut-
8 able to educational programs for pupils described in subsection
9 (1), and that would not have been incurred if the pupils were not
10 being educated in a district or intermediate district, are reim-
11 bursable under this section.

12 (3) The costs of transportation shall be funded under this
13 section but shall not be reimbursed under section 58.

14 (4) Not more than \$14,500,000.00 FOR 1999-2000, AND NOT MORE
15 THAN \$14,650,000.00 each fiscal year for ~~1998-99, 1999-2000,~~
16 ~~and~~ 2000-2001, 2001-2002, AND 2002-2003, of the allocation in
17 section 51a(1) shall be allocated under this section.

18 Sec. 54. In addition to the aid received under section 52,
19 each intermediate district shall receive an amount per pupil for
20 each pupil in attendance at the Michigan schools for the deaf and
21 blind. The amount shall be proportionate to the total instruc-
22 tional cost at each school. Not more than \$1,688,000.00 each
23 fiscal year for ~~1998-99,~~ 1999-2000, ~~and~~ 2000-2001, 2001-2002,
24 AND 2002-2003 of the allocation in section 51a(1) shall be allo-
25 cated under this section.

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

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1 (a) "Membership" means for ~~1998-99~~ A PARTICULAR FISCAL
2 YEAR the total membership in ~~1997-98~~ THE IMMEDIATELY PRECEDING
3 FISCAL YEAR of the intermediate district and the districts con-
4 stituent to the intermediate district. ~~; means for 1999-2000 the~~
5 ~~total membership in 1998-99 of the intermediate district and the~~
6 ~~districts constituent to the intermediate district; and means for~~
7 ~~2000-2001 the total membership in 1999-2000 of the intermediate~~
8 ~~district and the districts constituent to the intermediate~~
9 ~~district.~~

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

14 (c) "Taxable value" means the total taxable value of the
15 districts constituent to an intermediate district, except that if
16 a district has elected not to come under part 30 of the revised
17 school code, MCL 380.1711 to 380.1743, membership and taxable
18 value of the district shall not be included in the membership and
19 taxable value of the intermediate district.

20 (2) From the allocation under section 51a(1), there is allo-
21 cated an amount not to exceed ~~-\$33,950,000.00 for 1998-99,~~
22 ~~\$34,150,000.00~~ \$36,640,000.00 for 1999-2000, ~~and~~
23 ~~\$35,750,000.00~~ \$36,410,000.00 for 2000-2001, \$44,420,000.00 FOR
24 2001-2002, AND \$45,100,000.00 FOR 2002-2003 to reimburse interme-
25 diate districts levying millages for special education pursuant
26 to part 30 of the revised school code, MCL 380.1711 to 380.1743.
27 The purpose, use, and expenditure of the reimbursement shall be

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1 limited as if the funds were generated by these millages and
2 governed by the intermediate district plan adopted pursuant to
3 article 3 of the revised school code, MCL 380.1701 to 380.1766.
4 As a condition of receiving funds under this section, an interme-
5 diate district distributing any portion of special education
6 millage funds to its constituent districts shall submit for
7 departmental approval and implement a distribution plan. ~~that~~
8 ~~utilizes at least the sum of a district's foundation allowance,~~
9 ~~as calculated under section 20, plus, each fiscal year for~~
10 ~~1999-2000 and 2000-2001 only, the amount of the district's per~~
11 ~~pupil allocation under section 20j(2), as a required local~~
12 ~~contribution.~~

13 (3) ~~Reimbursement for those millages levied in 1997-98~~
14 ~~shall be made in 1998-99 at an amount per 1997-98 membership~~
15 ~~pupil computed by subtracting from \$102,200.00 the 1997-98 tax-~~
16 ~~able value behind each membership pupil, and multiplying the~~
17 ~~resulting difference by the 1997-98 millage levied.~~

18 Reimbursement for those millages levied in 1998-99 shall be made
19 in 1999-2000 at an amount per 1998-99 membership pupil computed
20 by subtracting from \$106,800.00 the 1998-99 taxable value behind
21 each membership pupil, and multiplying the resulting difference
22 by the 1998-99 millage levied. Reimbursement for those millages
23 levied in 1999-2000 shall be made in 2000-2001 at an amount per
24 1999-2000 membership pupil computed by subtracting from
25 ~~\$111,600.00~~ \$111,300.00 the 1999-2000 taxable value behind each
26 membership pupil, and multiplying the resulting difference by the
27 1999-2000 millage levied. REIMBURSEMENT FOR THOSE MILLAGES

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1 LEVIED IN 2000-2001 SHALL BE MADE IN 2001-2002 AT AN AMOUNT PER
2 2000-2001 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM
3 \$115,300.00 THE 2000-2001 TAXABLE VALUE BEHIND EACH MEMBERSHIP
4 PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2000-2001
5 MILLAGE LEVIED. REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN
6 2001-2002 SHALL BE MADE IN 2002-2003 AT AN AMOUNT PER 2001-2002
7 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$119,000.00 THE
8 2001-2002 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTI-
9 PLYING THE RESULTING DIFFERENCE BY THE 2001-2002 MILLAGE LEVIED.

10 (4) FROM THE ALLOCATION IN SUBSECTION (2), THERE IS ALLO-
11 CATED AN AMOUNT NOT TO EXCEED \$1,620,000.00 FOR 1999-2000, AN
12 AMOUNT NOT TO EXCEED \$2,440,000.00 FOR 2000-2001, AN AMOUNT NOT
13 TO EXCEED \$6,820,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO
14 EXCEED \$7,240,000.00 FOR 2002-2003 FOR PAYMENTS TO INTERMEDIATE
15 DISTRICTS UNDER THIS SUBSECTION THAT DO NOT QUALIFY FOR A PAYMENT
16 UNDER SUBSECTION (3) FOR REIMBURSEMENT FOR CHANGES AS A RESULT OF
17 REVISIONS TO THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. THE
18 ALLOCATION FOR 1999-2000 INCLUDES PAYMENTS FOR PRIOR YEAR ADJUST-
19 MENTS IN TAXABLE VALUE FOR CHANGES AS A RESULT OF REVISIONS TO
20 THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. TO RECEIVE A PAY-
21 MENT UNDER THIS SUBSECTION, AN INTERMEDIATE DISTRICT SHALL FILE A
22 CLAIM BY JULY 1 OF THE FISCAL YEAR TO THE DEPARTMENT, DETAILING
23 THE LOSS OF REVENUE TO THE INTERMEDIATE DISTRICT'S SPECIAL EDUCA-
24 TION MILLAGE ATTRIBUTABLE TO THOSE REVISIONS. THE AMOUNT OF THE
25 PAYMENT UNDER THIS SUBSECTION TO EACH INTERMEDIATE DISTRICT SHALL
26 BE AN AMOUNT EQUAL TO THE SAME PROPORTION OF THE TOTAL AMOUNT OF
27 FUNDING AVAILABLE UNDER THIS SUBSECTION AS THE INTERMEDIATE

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1 DISTRICT'S CLAIM UNDER THIS SECTION BEARS TO THE TOTAL AMOUNT OF
2 CLAIMS UNDER THIS SUBSECTION AND, NOTWITHSTANDING SECTION 121,
3 SHALL NOT BE ADJUSTED FOR PRIOR YEAR ADJUSTMENTS MORE THAN 2
4 YEARS AFTER THE END OF THE STATE FISCAL YEAR FOR WHICH PAYMENT
5 UNDER THIS SUBSECTION WAS MADE.

6 Sec. 57. (1) From the appropriation in section 11, there is
7 allocated an amount not to exceed \$600,000.00 each fiscal year
8 ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002,
9 AND FOR 2002-2003 to applicant intermediate districts that pro-
10 vide support services for the education of gifted and talented
11 pupils. An intermediate district is entitled to 75% of the
12 actual salary, but not to exceed \$25,000.00 reimbursement for an
13 individual salary, of a support services teacher approved by the
14 department, and not to exceed \$4,000.00 reimbursement for expen-
15 ditures to support program costs, excluding in-county travel and
16 salary, as approved by the department.

17 (2) From the appropriation in section 11, there is allocated
18 an amount not to exceed \$400,000.00 each fiscal year ~~for~~
19 ~~1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND
20 FOR 2002-2003 to support part of the cost of summer institutes
21 for gifted and talented students. This amount shall be con-
22 tracted to applicant intermediate districts in cooperation with a
23 local institution of higher education and shall be coordinated by
24 the department.

25 (3) From the appropriation in section 11, there is allocated
26 an amount not to exceed \$4,000,000.00 [~~each fiscal year~~] ~~for~~
27 ~~1998-99,~~ for 1999-2000, [AND AN AMOUNT NOT TO EXCEED \$5,000,000.00
EACH FISCAL YEAR] ~~and~~ for 2000-2001, FOR 2001-2002, AND

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1 FOR 2002-2003 for the development and operation of comprehensive
2 programs for gifted and talented pupils. An eligible district or
3 consortium of districts shall receive an amount not to exceed
4 [~~\$50.00~~ \$100.00] per K-12 pupil for up to 5% of the district's or
5 consortium's K-12 membership for the immediately preceding fiscal
6 year with a minimum total grant of [~~\$3,000.00~~ \$6,000.00]. Funding
shall be
7 provided in the following order: the per pupil allotment, and
8 then the minimum total grant of [~~\$3,000.00~~ \$6,000.00] to individual
9 districts. An intermediate district may act as the fiscal agent
10 for a consortium of districts. In order to be eligible for fund-
11 ing under this subsection, the district or consortium of dis-
12 tricts shall submit each year a current 3-year plan for operating
13 a comprehensive program for gifted and talented pupils and the
14 district or consortium shall demonstrate to the department that
15 the district or consortium will contribute matching funds of at
16 least \$50.00 per K-12 pupil. The plan or revised plan shall be
17 developed in accordance with criteria established by the depart-
18 ment and shall be submitted to the department for approval.
19 Within the criteria, the department shall encourage the develop-
20 ment of consortia among districts of less than 5,000
21 memberships.

22 Sec. 61a. (1) From the appropriation in section 11, there
23 is allocated an amount not to exceed \$31,027,600.00 each fiscal
24 year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR
25 2001-2002, AND FOR 2002-2003 to reimburse on an added cost basis
26 districts, except for a district that served as the fiscal agent
27 for a vocational education consortium in the 1993-94 school year,

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

17 (2) Except for a district that served as the fiscal agent
18 for a vocational education consortium in the 1993-94 school year,
19 districts and intermediate districts shall be reimbursed for
20 local vocational administration, shared time vocational adminis-
21 tration, and career education planning district
22 vocational-technical administration. The definition of what con-
23 stitutes administration and reimbursement shall be pursuant to
24 guidelines adopted by the superintendent. Not more than
25 \$800,000.00 of the allocation in subsection (1) shall be distrib-
26 uted under this subsection.

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1 (3) From the allocation in subsection (1), there is
2 allocated an amount not to exceed ~~-\$400,000.00~~ \$388,700.00 each
3 fiscal year to intermediate districts with constituent districts
4 that had combined state and local revenue per membership pupil in
5 the 1994-95 state fiscal year of \$6,500.00 or more, served as a
6 fiscal agent for a state board designated area vocational educa-
7 tion center in the 1993-94 school year, and had an adjustment
8 made to their 1994-95 combined state and local revenue per mem-
9 bership pupil pursuant to section 20d. The payment under this
10 subsection to the intermediate district shall equal the amount of
11 the allocation to the intermediate district for 1996-97 under
12 this subsection.

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

14 (a) "Membership" means for ~~1998-99~~ A PARTICULAR FISCAL
15 YEAR the total membership in ~~1997-98~~ THE IMMEDIATELY PRECEDING
16 FISCAL YEAR of the intermediate district and the districts con-
17 stituent to the intermediate district or the total membership in
18 ~~1997-98~~ THE IMMEDIATELY PRECEDING FISCAL YEAR of the area
19 vocational-technical program. ~~;~~ means for 1999-2000 the total
20 membership in 1998-99 of the intermediate district and the dis-
21 tricts constituent to the intermediate district or the total mem-
22 bership in 1998-99 of the area vocational-technical program; and
23 means for 2000-2001 the total membership in 1999-2000 of the
24 intermediate district and the districts constituent to the inter-
25 mediate district or the total membership in 1999-2000 of the area
26 vocational-technical program.

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1 (b) "Millage levied" means the millage levied for area
2 vocational-technical education pursuant to sections 681 to 690 of
3 the revised school code, MCL 380.681 to 380.690, including a levy
4 for debt service obligations incurred as the result of borrowing
5 for capital outlay projects and in meeting capital projects fund
6 requirements of area vocational-technical education.

7 (c) "Taxable value" means the total taxable value of the
8 districts constituent to an intermediate district or area
9 vocational-technical education program, except that if a district
10 has elected not to come under sections 681 to 690 of the revised
11 school code, MCL 380.681 to 380.690, the membership and taxable
12 value of that district shall not be included in the membership
13 and taxable value of the intermediate district. However,
14 ~~beginning in 1998-99,~~ the membership and taxable value of a
15 district that has elected not to come under sections 681 to 690
16 of the revised school code, MCL 380.681 TO 380.690, shall be
17 included in the membership and taxable value of the intermediate
18 district if the district meets both of the following:

19 (i) The district operates the area vocational-technical edu-
20 cation program pursuant to a contract with the intermediate
21 district.

22 (ii) The district contributes an annual amount to the opera-
23 tion of the program that is commensurate with the revenue that
24 would have been raised for operation of the program if millage
25 were levied in the district for the program under sections 681 to
26 690 of the revised school code, MCL 380.681 to 380.690.

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1 (2) From the appropriation in section 11, there is allocated
2 an amount not to exceed ~~-\$9,650,000.00~~ each fiscal year for
3 ~~1998-99~~ and \$10,940,000.00 for 1999-2000, ~~and~~ an amount not to
4 exceed ~~-\$10,250,000.00~~ \$10,610,000.00 for 2000-2001, AN AMOUNT
5 NOT TO EXCEED \$12,190,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO
6 EXCEED \$12,330,000.00 FOR 2002-2003 to reimburse intermediate
7 districts and area vocational-technical education programs estab-
8 lished under section 690(3) of the revised school code,
9 MCL 380.690, levying millages for area vocational-technical edu-
10 cation pursuant to sections 681 to 690 of the revised school
11 code, MCL 380.681 to 380.690. The purpose, use, and expenditure
12 of the reimbursement shall be limited as if the funds were gener-
13 ated by those millages.

14 (3) ~~Reimbursement for the millages levied in 1997-98 shall~~
15 ~~be made in 1998-99 at an amount per 1997-98 membership pupil com-~~
16 ~~puted by subtracting from \$104,400.00 the 1997-98 taxable value~~
17 ~~behind each membership pupil, and multiplying the resulting dif-~~
18 ~~ference by the 1997-98 millage levied.~~ Reimbursement for the
19 millages levied in 1998-99 shall be made in 1999-2000 at an
20 amount per 1998-99 membership pupil computed by subtracting from
21 \$108,800.00 the 1998-99 taxable value behind each membership
22 pupil, and multiplying the resulting difference by the 1998-99
23 millage levied. Reimbursement for the millages levied in
24 1999-2000 shall be made in 2000-2001 at an amount per 1999-2000
25 membership pupil computed by subtracting from ~~-\$113,400.00~~
26 \$113,700.00 the 1999-2000 taxable value behind each membership
27 pupil, and multiplying the resulting difference by the 1999-2000

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1 millage levied. REIMBURSEMENT FOR THE MILLAGES LEVIED IN
2 2000-2001 SHALL BE MADE IN 2001-2002 AT AN AMOUNT PER 2000-2001
3 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$119,100.00 THE
4 2000-2001 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL, AND MULTI-
5 PLYING THE RESULTING DIFFERENCE BY THE 2000-2001 MILLAGE LEVIED.
6 REIMBURSEMENT FOR THE MILLAGES LEVIED IN 2001-2002 SHALL BE MADE
7 IN 2002-2003 AT AN AMOUNT PER 2001-2002 MEMBERSHIP PUPIL COMPUTED
8 BY SUBTRACTING FROM \$124,700.00 THE 2001-2002 TAXABLE VALUE
9 BEHIND EACH MEMBERSHIP PUPIL, AND MULTIPLYING THE RESULTING DIF-
10 FERENCE BY THE 2001-2002 MILLAGE LEVIED.

11 (4) FROM THE ALLOCATION IN SUBSECTION (2), THERE IS ALLO-
12 CATED AN AMOUNT NOT TO EXCEED \$330,000.00 FOR 1999-2000, AN
13 AMOUNT NOT TO EXCEED \$500,000.00 FOR 2000-2001, AN AMOUNT NOT TO
14 EXCEED \$1,380,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED
15 \$1,470,000.00 FOR 2002-2003 FOR PAYMENTS TO INTERMEDIATE DIS-
16 TRICTS UNDER THIS SUBSECTION THAT DO NOT QUALIFY FOR A PAYMENT
17 UNDER SUBSECTION (3) FOR REIMBURSEMENT FOR CHANGES AS A RESULT OF
18 REVISIONS TO THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. THE
19 ALLOCATION FOR 1999-2000 INCLUDES PAYMENTS FOR PRIOR YEAR ADJUST-
20 MENTS IN TAXABLE VALUE FOR CHANGES AS A RESULT OF REVISIONS TO
21 THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. TO RECEIVE A PAY-
22 MENT UNDER THIS SUBSECTION, AN INTERMEDIATE DISTRICT SHALL FILE A
23 CLAIM BY JULY 1 OF THE FISCAL YEAR TO THE DEPARTMENT, DETAILING
24 THE LOSS OF REVENUE TO THE INTERMEDIATE DISTRICT'S VOCATIONAL
25 EDUCATION MILLAGE ATTRIBUTABLE TO THOSE REVISIONS. THE AMOUNT OF
26 THE PAYMENT UNDER THIS SUBSECTION TO EACH INTERMEDIATE DISTRICT
27 SHALL BE AN AMOUNT EQUAL TO THE SAME PROPORTION OF THE TOTAL

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1 AMOUNT OF FUNDING AVAILABLE UNDER THIS SUBSECTION AS THE
2 INTERMEDIATE DISTRICT'S CLAIM UNDER THIS SECTION BEARS TO THE
3 TOTAL AMOUNT OF CLAIMS UNDER THIS SUBSECTION AND, NOTWITHSTANDING
4 SECTION 121, SHALL NOT BE ADJUSTED FOR PRIOR YEAR ADJUSTMENTS
5 MORE THAN 2 YEARS AFTER THE END OF THE STATE FISCAL YEAR FOR
6 WHICH PAYMENT UNDER THIS SUBSECTION WAS MADE.

7 Sec. 63. (1) From the GENERAL FUND appropriation in section
8 11, there is allocated an amount not to exceed \$1,800,000.00 each
9 fiscal year for 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND
10 2002-2003 for implementation of the Michigan manufacturing tech-
11 nology program for the ~~1999-2000 and 2000-2001~~ CORRESPONDING
12 school years as provided under this section.

13 (2) From the allocation in subsection (1), there is allo-
14 cated \$1,800,000.00 each fiscal year to the department, in con-
15 junction with the department of career development, to award com-
16 petitive grants for the purpose of improving manufacturing tech-
17 nology programs offered by public education agencies. The maxi-
18 mum amount of a grant under this subsection shall not exceed
19 \$50,000.00 each fiscal year for each public education agency
20 determined to be eligible for funding.

21 (3) Applications for grants under subsection (2) shall be
22 submitted in a form and manner determined by the department, in
23 conjunction with the department of career development. Criteria
24 for funding shall include all of the following:

25 (a) The public education agency operates a manufacturing
26 technology program, is a participating agency in a regional
27 career preparation plan described in section 68, and has the

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1 support of the local workforce development board for submission
2 of the grant application.

3 (b) The public education agency offers employer-provided
4 instruction for its pupils as part of its manufacturing technol-
5 ogy curriculum.

6 (c) The public education agency agrees to evaluate the
7 impact of the grant.

8 (d) Any other criteria determined by the department, in con-
9 junction with the department of career development.

10 (4) Grants awarded under subsection (2) shall be used by
11 eligible public education agencies for activities intended to
12 increase the amount of employer-provided instruction provided to
13 pupils and to increase pupil awareness of manufacturing technol-
14 ogy programs.

15 (5) The department, in conjunction with the department of
16 career development, shall consider the potential for graduates to
17 be placed in high-wage, high-demand positions upon completion of
18 the manufacturing technology program in its determination of
19 grant awards.

20 (6) Grants under subsection (2) shall be awarded by the
21 department no later than May 31 before the beginning of each
22 fiscal year and paid out to the grant recipients in total no
23 later than October 1 of the fiscal year for which the grant is
24 awarded. Funds may be used by grant recipients to support allow-
25 able expenditures in the following school year.

26 Sec. 67. (1) From the general fund appropriation in section
27 11, there is allocated an amount not to exceed \$350,000.00 each

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1 fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001,
2 FOR 2001-2002, AND FOR 2002-2003 for Michigan career preparation
3 system grants under this section.

4 (2) From the allocation in subsection (1), there is allo-
5 cated \$150,000.00 each fiscal year ~~for 1998-99,~~ for 1999-2000,
6 ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to the
7 ~~council for career preparation standards~~ DEPARTMENT to identify
8 uniform career competency standards and assessments for career
9 clusters, to establish a statewide information system on current
10 and anticipated employment opportunities and the required level
11 of skills and education required for employment. ~~, and for any~~
12 ~~other council functions.~~

13 (3) From the allocation in subsection (1), there is allo-
14 cated \$100,000.00 each fiscal year ~~for 1998-99,~~ for 1999-2000,
15 ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to the
16 ~~council for career preparation standards~~ DEPARTMENT to provide
17 information to parents, pupils, school personnel, employers, and
18 others regarding opportunities to receive integrated academic and
19 technical preparation in the public schools of this state.

20 ~~(4) From the allocation in subsection (1) for 1998-99,~~
21 ~~there is allocated \$100,000.00 for 1998-99 to the department of~~
22 ~~career development to establish peer review criteria, procedures,~~
23 ~~and standards and to provide technical assistance to local peer~~
24 ~~review committees created under section 68(4) and to the council~~
25 ~~for career preparation standards.~~

26 (4) ~~(5)~~ From the allocation in subsection (1), ~~for~~
27 ~~1999-2000 and 2000-2001,~~ there is allocated \$100,000.00 each

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1 fiscal year for 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND
2 2002-2003 to the department ~~of career development~~ to provide
3 technical assistance to eligible education agencies ~~, local~~ AND
4 workforce development boards. ~~, and the council for career prep-~~
5 ~~aration standards.~~

6 (5) ~~(6)~~ As used in this section and in section 68:

7 (a) "Advanced career academy" means a ~~career preparation~~
8 CAREER-TECHNICAL EDUCATION program operated by a district, by an
9 intermediate district, or by a public school academy, that
10 applies for and receives advanced career academy designation from
11 the department. To receive this designation, a ~~career~~
12 ~~preparation~~ CAREER-TECHNICAL EDUCATION program shall meet cri-
13 teria established by the department, ~~in collaboration with the~~
14 ~~department of career development,~~ which criteria shall include
15 at least all of the following:

16 ~~(i) Satisfactory completion of a peer review process.~~

17 (i) ~~(ii)~~ Operation of programs for those career clusters
18 identified by the ~~council for career preparation standards~~
19 DEPARTMENT as being eligible for advanced career academy status.

20 (ii) ~~(iii)~~ Involvement of employers in the design and
21 implementation of ~~career preparation~~ CAREER-TECHNICAL EDUCATION
22 programs.

23 (iii) ~~(iv)~~ A fully integrated program of academic and
24 technical education available to pupils.

25 (iv) ~~(iv)~~ Demonstration of an established career prepara-
26 tion system resulting in industry-validated career ladders for
27 graduates of the program, including, but not limited to, written

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1 articulation agreements with postsecondary institutions to allow
2 pupils to receive advanced college placement and credit or feder-
3 ally registered apprenticeships, as applicable.

4 (b) "Career cluster" means a grouping of occupations from 1
5 or more industries that share common skill requirements.

6 (c) "Career preparation system" is a system of programs and
7 strategies providing pupils with opportunities to prepare for
8 success in careers of their choice.

9 (D) "DEPARTMENT" MEANS THE DEPARTMENT OF CAREER DEVELOPMENT.

10 (E) ~~(d)~~ "Eligible education agency" means a district,
11 intermediate district, or advanced career academy that ~~provides~~
12 ~~career preparation programs either directly or under a contract~~
13 ~~with a postsecondary institution or an employer as part of~~
14 PARTICIPATES IN an approved regional career preparation plan.

15 (F) ~~(e)~~ "FTE" means full-time equivalent pupil as deter-
16 mined by the department.

17 (G) ~~(f)~~ "Workforce development board" means a local work-
18 force development board established pursuant to the job training
19 partnership act, Public Law 97-300, 96 Stat. 1322, and the
20 school-to-work opportunities act of 1994, Public Law 103-239, 108
21 Stat. 568, or the equivalent.

22 (H) "STRATEGIC PLAN" MEANS A DEPARTMENT-APPROVED COMPREHEN-
23 SIVE PLAN PREPARED BY A WORKFORCE DEVELOPMENT BOARD WITH INPUT
24 FROM LOCAL REPRESENTATIVES, INCLUDING THE EDUCATION ADVISORY
25 GROUP, THAT INCLUDES CAREER PREPARATION SYSTEM GOALS AND OBJEC-
26 TIVES FOR THE REGION.

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1 Sec. 68. (1) From the general fund appropriation in section
2 11, there is allocated an amount not to exceed \$23,850,000.00
3 each fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for
4 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to be used to imple-
5 ment the Michigan career preparation system in the ~~1998-99~~ and
6 ~~1999-2000 and 2000-2001~~ CORRESPONDING school years as provided
7 under this section. From this allocation, the department may
8 reserve an amount not to exceed \$2,000,000.00 each fiscal year
9 for ~~career preparation~~ CAREER-TECHNICAL EDUCATION programs that
10 have achieved designation as an advanced career academy. In
11 order to receive funds under this section, an eligible education
12 agency shall be part of an approved regional career preparation
13 plan under subsection (2) and shall agree to expend the funds
14 required under this section in accordance with the regional
15 career preparation plan. Funds awarded under this section that
16 are not expended in accordance with this section may be recovered
17 by the department.

18 (2) In order to receive funding under this section, an eli-
19 gible education agency shall be a part of an approved 3-year
20 regional career preparation plan THAT IS CONSISTENT WITH THE
21 WORKFORCE DEVELOPMENT BOARD'S STRATEGIC PLAN AND IS as described
22 in this subsection. All of the following apply to a regional
23 career preparation plan:

24 (a) A 3-year regional career preparation plan shall be
25 developed under subdivisions (b), (c), and (d) for all public
26 education agencies ~~providing career preparation programs~~
27 PARTICIPATING as part of a regional career preparation system

1 within the geographical boundaries of a ~~local~~ workforce
2 development board, and revised annually. If an intermediate dis-
3 trict is located within the geographical boundaries of more than
4 1 ~~local~~ workforce development board, the board of the interme-
5 diate district shall choose 1 ~~local~~ workforce development board
6 with which to align and shall notify the department of this
7 choice not later than October 31, 1997.

8 (b) The regional career preparation plan shall be developed
9 by representatives of the education advisory group of each
10 ~~local~~ workforce development board in accordance with guidelines
11 developed under former section 67(5), and in accordance with sub-
12 divisions (d) and (e). All of the following shall be represented
13 on each education advisory group: workforce development board
14 members, other employers, labor, districts, intermediate dis-
15 tricts, postsecondary institutions, career/technical educators,
16 parents of public school pupils, and academic educators. The
17 representatives of districts, intermediate districts, and post-
18 secondary institutions appointed to the education advisory group
19 by the ~~local~~ workforce development board shall be individuals
20 designated by the board of the district, intermediate district,
21 or postsecondary institution.

22 (c) By majority vote, the education advisory group may nomi-
23 nate 1 education representative, who may or may not be a member
24 of the education advisory group, for appointment to the ~~local~~
25 workforce development board. This education representative shall
26 be in addition to existing education representation on the
27 ~~local~~ workforce development board. This education

1 representative shall meet all ~~local~~ workforce development board
2 membership requirements.

3 (d) The components of the regional career preparation plan
4 shall include, but are not limited to, all of the following:

5 (i) The roles of districts, intermediate districts, advanced
6 career academies, postsecondary institutions, employers, labor
7 representatives, and others in the career preparation system.

8 (ii) Programs to be offered, including at least career
9 exploration activities, for middle school pupils.

10 (iii) Identification of integrated academic and technical
11 curriculum, including related professional development training
12 for teachers.

13 (iv) Identification of work-based learning opportunities for
14 pupils and for teachers and other school personnel.

15 (v) Identification of testing and assessments that will be
16 used to measure pupil achievement.

17 (vi) Identification of all federal, state, local, and pri-
18 vate sources of funding available for career preparation
19 ~~programs~~ ACTIVITIES in the region.

20 (e) The education advisory group shall develop a 3-year
21 regional career preparation plan CONSISTENT WITH THE WORKFORCE
22 DEVELOPMENT BOARD'S STRATEGIC PLAN and submit the plan to the
23 department for final approval. The submission to the department
24 shall also include statements signed by the chair of the educa-
25 tion advisory group and the chair of the ~~local~~ workforce devel-
26 opment board certifying that the plan has been reviewed by each
27 entity. Upon department approval, all eligible education

1 agencies designated in the regional career preparation plan as
2 part of the career preparation delivery system are eligible for
3 funding under this section.

4 (3) Funding under this section shall be distributed to eli-
5 gible education agencies ~~by the department~~ for allowable costs
6 defined in this subsection and identified as necessary costs for
7 implementing a regional career preparation plan, as follows:

8 (a) ~~The~~ FOR 1999-2000 AND 2000-2001, THE department shall
9 rank all career clusters, including career exploration, guidance,
10 and counseling. Rank determination will be based on median
11 salary data in career clusters and employment opportunity data
12 provided by the council for career preparation standards. In
13 addition, rank determination shall be based on placement data
14 available for prior year graduates of the programs in the career
15 clusters either in related careers or postsecondary education.
16 The procedure for ranking of career clusters shall be determined
17 by the department.

18 (b) Allowable costs to be funded under this section shall be
19 determined by the department. Budgets submitted by eligible edu-
20 cation agencies to the department in order to receive funding
21 shall identify funds and in-kind contributions from the regional
22 career education plan, excluding funds or in-kind contributions
23 available as a result of funding received under section 61a,
24 equal to at least 100% of anticipated funding under this
25 section. Eligible categories of allowable costs are the
26 following:

- 1 (i) Career exploration, guidance, and counseling.
- 2 (ii) Curriculum development, including integration of
3 academic and technical content, and professional development for
4 teachers directly related to career preparation.
- 5 (iii) Technology and equipment determined to be necessary.
- 6 (iv) Supplies and materials directly related to career prep-
7 aration programs.
- 8 (v) Work-based learning expenses for pupils, teachers, and
9 counselors.
- 10 (vi) Evaluation, including career competency testing and
11 peer review.
- 12 (vii) Career placement services.
- 13 (viii) Student leadership organizations integral to the
14 career preparation system.
- 15 (ix) Up to 10% of the allocation to an eligible education
16 agency may be expended for planning, coordination, direct over-
17 sight, and accountability for the career preparation system.
- 18 (c) ~~The~~ FOR 1999-2000 AND 2000-2001, THE department shall
19 calculate career preparation costs per FTE for each career clus-
20 ter, including career exploration, guidance, and counseling, by
21 dividing the allowable costs for each career cluster by the prior
22 year FTE enrollment for each career cluster. Distribution to
23 eligible education agencies shall be the product of 50% of career
24 preparation costs per FTE times the current year FTE enrollment
25 of each career cluster. This allocation shall be distributed to
26 eligible education agencies in decreasing order of the career
27 cluster ranking described in subdivision (a) until the money

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1 allocated for grant recipients in this section is distributed.
2 ~~However, beginning in 1999-2000, an individual career prepara-~~
3 ~~tion program shall not be funded under this section, regardless~~
4 ~~of career cluster ranking, if it does not attain compliance with~~
5 ~~career competency standards set by the council for career prepa-~~
6 ~~ration standards for the particular career cluster. [~~

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12 (4) The department ~~, in collaboration with the department~~
13 ~~of career development,~~ shall establish a review procedure for
14 assessing the career preparation system in each region. ~~Each~~
15 ~~local workforce development board shall establish regional peer~~
16 ~~review committees that include employers, educators, labor repre-~~
17 ~~sentatives, parents, and representatives of the local workforce~~
18 ~~development board nominated by the local workforce development~~
19 ~~board and the education advisory group. All of the following~~
20 ~~apply to peer review committees:~~

21 (5) ~~(a) Peer review committees are~~ AN EDUCATION ADVISORY
22 GROUP IS responsible for assuring the quality of the career prep-
23 aration system. ~~A peer review committee~~ AN EDUCATION ADVISORY
24 GROUP shall review THE career preparation ~~programs to ensure~~
25 ~~compliance with career competency standards as well as other pro-~~
26 ~~gram evaluation criteria~~ SYSTEM IN ACCORDANCE WITH EVALUATION
27 CRITERIA ESTABLISHED BY THE DEPARTMENT.

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1 (6) ~~(b) A peer review committee~~ AN EDUCATION ADVISORY
2 GROUP shall report its findings and recommendations for changes
3 to the PARTICIPATING eligible education ~~agency operating the~~
4 ~~career preparation program~~ AGENCIES, the ~~local~~ workforce
5 development board, ~~the education advisory group responsible for~~
6 ~~revising the regional career preparation plan,~~ and the
7 department.

8 (7) ~~(c)~~ The next revision of a regional career preparation
9 plan shall take into account the findings of ~~a peer review~~
10 ~~committee~~ THE EDUCATION ADVISORY GROUP IN ACCORDANCE WITH EVALU-
11 ATION CRITERIA ESTABLISHED BY THE DEPARTMENT in order for the
12 affected education agencies to receive continued funding under
13 this section.

14 Sec. 74. (1) From the amount appropriated in section 11,
15 there is allocated an amount not to exceed \$1,625,000.00 each
16 fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001,
17 FOR 2001-2002, AND FOR 2002-2003 for the purposes of
18 subsections (2) and (3).

19 (2) From the allocation in subsection (1), there is allo-
20 cated each fiscal year the amount necessary for payments to state
21 supported colleges or universities and intermediate districts
22 providing school bus driver safety instruction or driver skills
23 road tests pursuant to section 51 of the pupil transportation
24 act, 1990 PA 187, MCL 257.1851. The payments shall be in an
25 amount determined by the department not to exceed 75% of the
26 actual cost of instruction and driver compensation for each
27 public or nonpublic school bus driver attending a course of

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1 instruction. For the purpose of computing compensation, the
2 hourly rate allowed each school bus driver shall not exceed the
3 hourly rate received for driving a school bus. Reimbursement
4 compensating the driver during the course of instruction or
5 driver skills road tests shall be made by the department to the
6 college or university or intermediate district providing the
7 course of instruction.

8 (3) From the allocation in subsection (1), there is allo-
9 cated each fiscal year the amount necessary to pay the reasonable
10 costs of nonspecial education auxiliary services transportation
11 provided pursuant to section 1323 of the revised school code,
12 MCL 380.1323. Districts funded under this subsection shall not
13 receive funding under any other section of this act for nonspe-
14 cial education auxiliary services transportation.

15 Sec. 81. (1) Except as otherwise provided in this section,
16 from the appropriation in section 11, there is allocated each
17 fiscal year ~~for 1998-99, and~~ for 1999-2000, ~~and~~ for
18 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to the intermediate
19 districts the sum necessary, but not to exceed ~~-\$79,850,000.00~~
20 ~~for 1998-99, not to exceed \$83,203,700.00~~ \$83,363,400.00 for
21 1999-2000, ~~and~~ not to exceed ~~-\$85,616,600.00~~ \$87,781,700.00
22 for 2000-2001, NOT TO EXCEED \$92,170,800.00 FOR 2001-2002, AND
23 NOT TO EXCEED \$95,028,100.00 FOR 2002-2003 to provide state aid
24 to intermediate districts under this section. ~~Except as other-~~
25 ~~wise provided in this section, there shall be allocated to each~~
26 ~~intermediate district for 1998-99 an amount equal to the amount~~
27 ~~of funding actually received by the intermediate district under~~

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1 ~~this subsection in 1997-98.~~ Except as otherwise provided in this
2 section, there shall be allocated to each intermediate district
3 for 1999-2000 an amount equal to ~~104.2%~~ 104.4% of the amount of
4 funding actually received by the intermediate district under this
5 subsection for 1998-99. Except as otherwise provided in this
6 section, there shall be allocated to each intermediate district
7 for 2000-2001 an amount equal to ~~102.9%~~ 105.3% of the amount of
8 funding actually received by the intermediate district under this
9 subsection for 1999-2000. EXCEPT AS OTHERWISE PROVIDED IN THIS
10 SECTION, THERE SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT
11 FOR 2001-2002 AN AMOUNT EQUAL TO 105% OF THE AMOUNT OF FUNDING
12 ACTUALLY RECEIVED BY THE INTERMEDIATE DISTRICT UNDER THIS SUBSEC-
13 TION FOR 2000-2001. EXCEPT AS OTHERWISE PROVIDED IN THIS SEC-
14 TION, THERE SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT FOR
15 2002-2003 AN AMOUNT EQUAL TO 103.1% OF THE AMOUNT OF FUNDING
16 ACTUALLY RECEIVED BY THE INTERMEDIATE DISTRICT UNDER THIS SUBSEC-
17 TION FOR 2001-2002. Funding provided under this section shall be
18 used to comply with requirements of this act and the revised
19 school code that are applicable to intermediate districts, and
20 for which funding is not provided elsewhere in this act, and to
21 provide technical assistance to districts as authorized by the
22 intermediate school board.

23 (2) From the allocation in subsection (1), there is allo-
24 cated to an intermediate district, formed by the consolidation or
25 annexation of 2 or more intermediate districts or the attachment
26 of a total intermediate district to another intermediate school
27 district or the annexation of all of the constituent K-12

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1 districts of a previously existing intermediate school district
2 which has disorganized, an additional allotment of \$3,500.00 each
3 fiscal year for each intermediate district included in the new
4 intermediate district for 3 years following consolidation, annex-
5 ation, or attachment.

6 (3) If an intermediate district participated in 1993-94 in a
7 consortium operating a regional educational media center under
8 section 671 of the revised school code, MCL 380.671, and rules
9 promulgated by the superintendent, and if the intermediate dis-
10 trict obtains written consent from each of the other intermediate
11 districts that participated in the consortium in 1993-94, the
12 intermediate district may notify the department not later than
13 December 30 of the current fiscal year that it is electing to
14 directly receive its payment attributable to participation in
15 that consortium. An intermediate district making that election,
16 and that has obtained the necessary consent, shall receive each
17 fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001,
18 FOR 2001-2002, AND FOR 2002-2003, as applicable, for each pupil
19 in membership in the intermediate district or a constituent dis-
20 trict an amount equal to the quotient of the 1993-94 allocation
21 to the fiscal agent for that consortium under former section 83,
22 adjusted as determined by the department to account for that
23 election, divided by the combined total membership for the cur-
24 rent fiscal year in all of the intermediate districts that par-
25 ticipated in that consortium and their constituent districts.
26 The amount allocated to an intermediate district under this
27 subsection for a fiscal year shall be deducted from the total

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1 allocation for that fiscal year under this section to the
2 intermediate district that was the 1993-94 fiscal agent for the
3 consortium.

4 (4) During a fiscal year, the department shall not increase
5 an intermediate district's allocation under subsection (1)
6 because of an adjustment made by the department during the fiscal
7 year in the intermediate district's taxable value for a prior
8 year. Instead, the department shall report the adjustment and
9 the estimated amount of the increase to the house and senate
10 fiscal agencies and the state budget director not later than
11 June 1 of the fiscal year, and the legislature shall appropriate
12 money for the adjustment in the next succeeding fiscal year.
13 ~~Accordingly, from the appropriation in section 11, there is~~
14 ~~allocated for 1998-99 only an amount not to exceed \$62,000.00 for~~
15 ~~payments to intermediate districts for adjustments in taxable~~
16 ~~value described in this subsection.~~

17 (5) From the appropriation in section 11, there is allocated
18 an amount not to exceed ~~\$300,000.00 each fiscal year for 1998-99~~
19 ~~and~~ \$210,000.00 FOR 1999-2000 ~~and~~ an amount not to exceed
20 ~~\$500,000.00~~ \$320,000.00 for 2000-2001, AN AMOUNT NOT TO EXCEED
21 \$890,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED
22 \$940,000.00 FOR 2002-2003 for payments to intermediate districts
23 under this subsection for reimbursement for changes as a result
24 of revisions to the personal property tax depreciation tables.
25 To receive a payment under this subsection, an intermediate dis-
26 trict shall file a claim by July 1 of the fiscal year to the
27 department, detailing the loss of revenue to the intermediate

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1 district's operational millage attributable to those revisions.
2 The amount of the payment under this subsection to each interme-
3 diate district shall be an amount equal to the same proportion of
4 the total amount of funding available under this subsection as
5 the intermediate district's claim under this subsection bears to
6 the total amount of the claims under this subsection AND, NOT-
7 WITHSTANDING SECTION 121, SHALL NOT BE ADJUSTED FOR PRIOR YEAR
8 ADJUSTMENTS MORE THAN 2 YEARS AFTER THE END OF THE STATE FISCAL
9 YEAR FOR WHICH PAYMENT UNDER THIS SUBSECTION WAS MADE.

10 (6) In order to receive funding under this section, an
11 intermediate district shall demonstrate to the satisfaction of
12 the department that the intermediate district employs at least 1
13 person who is trained in pupil counting procedures, rules, and
14 regulations.

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SEC. 84. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2000-2001 AN AMOUNT NOT TO EXCEED \$2,000,000.00 FOR COMPETITIVE GRANTS TO INTERMEDIATE DISTRICT FOR START-UP COSTS ASSOCIATED WITH THE CREATION OF PILOT ALTERNATIVE EDUCATION PROGRAMS FOR PUPILS WHO HAVE BEEN EXPELLED OR PUPILS WHOSE BEHAVIORS WOULD LEAD TO EXPULSION. TO RECEIVE FUNDS UNDER THIS SECTION, DISTRICTS SHALL APPLY TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.]

3 Sec. 91c. A pupil who transfers to a district other than
4 the pupil's district of residence under an intermediate district
5 schools of choice pilot program under former section 91 ~~a pupil~~
6 ~~described in section 6(4)(k) who transfers to a district other~~
7 ~~than the pupil's district of residence~~ is ineligible to partici-
8 pate in interscholastic athletic competition for a period of 1
9 semester from the date the pupil transfers.

10 Sec. 94. From the general fund money appropriated in sec-
11 tion 11, there is allocated to the department ~~for 1998-99, for~~
12 ~~1999-2000, and for 2000-2001~~ an amount not to exceed
13 \$1,500,000.00 ~~each fiscal year~~ FOR 1999-2000, AN AMOUNT NOT TO
14 EXCEED \$4,500,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED
15 \$8,500,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED
16 \$13,500,000.00 FOR 2002-2003 to provide technical assistance to
17 districts for school accreditation purposes as described in sec-
18 tion 1280 of the revised school code, MCL 380.1280.

19 SEC. 94A. (1) FROM THE GENERAL FUND APPROPRIATION IN
20 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
21 \$10,000,000.00 FOR 1999-2000, AN AMOUNT NOT TO EXCEED
22 \$2,160,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED
23 \$2,332,000.00 FOR 2002, AND AN AMOUNT NOT TO EXCEED \$2,519,000.00
24 FOR 2002-2003 FOR PAYMENTS TO THE DATABASE FOR EDUCATIONAL PER-
25 FORMANCE AND INFORMATION CREATED PURSUANT TO EXECUTIVE ORDER.

26 (2) THE GOALS OF THE DATABASE FOR EDUCATIONAL PERFORMANCE
27 AND INFORMATION SHALL BE TO IMPROVE THE QUALITY AND QUANTITY OF

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1 EDUCATIONAL DATA AVAILABLE TO TEACHERS, SCHOOL ADMINISTRATORS,
2 PARENTS, TAXPAYERS, AND OTHERS.

3 (3) A PORTION OF THE FUNDS ALLOCATED UNDER THIS SECTION MAY
4 BE USED FOR FUNDING TO DISTRICTS TO COVER ADDITIONAL COSTS
5 RESULTING FROM IMPLEMENTATION OF THE DATABASE FOR EDUCATIONAL
6 PERFORMANCE AND INFORMATION.

7 (4) FUNDS ALLOCATED UNDER THIS SECTION THAT ARE NOT EXPENDED
8 IN THE FISCAL YEAR IN WHICH THEY WERE ALLOCATED MAY BE CARRIED
9 FORWARD TO A SUBSEQUENT FISCAL YEAR.

10 SEC. 95. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRI-
11 ATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
12 \$10,000,000.00 EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND
13 FOR 2002-2003 FOR PAYMENTS TO DISTRICTS AND INTERMEDIATE DIS-
14 TRICTS UNDER THIS SECTION.

15 (2) IF A DISTRICT OR INTERMEDIATE DISTRICT PROVIDES A
16 TEACHER PROFESSIONAL DEVELOPMENT TRAINING PROGRAM REQUIRED UNDER
17 SECTION 1527 OF THE REVISED SCHOOL CODE, MCL 380.1527, DURING
18 TIME THAT IS NOT PART OF THE TIME SCHEDULED FOR PUPIL INSTRUCTION
19 IN THE DISTRICT'S OR INTERMEDIATE DISTRICT'S SCHOOL CALENDAR,
20 THERE IS ALLOCATED TO THE DISTRICT OR INTERMEDIATE DISTRICT AN
21 AMOUNT SUFFICIENT TO REIMBURSE THE DISTRICT OR INTERMEDIATE DIS-
22 TRICT FOR THE FULL PER DIEM COMPENSATION PAID TO THE PARTICIPANTS
23 IN THAT PROGRAM.

24 SEC. 96. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRI-
25 ATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
26 \$8,000,000.00 EACH FISCAL YEAR FOR 1999-2000, FOR 2000-2001, FOR
27 2001-2002, AND FOR 2002-2003 FOR GOLDEN APPLE AWARDS UNDER THIS

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1 SECTION. THE AWARDS SHALL BE BASED ON ELEMENTARY SCHOOL
2 ACHIEVEMENT ON THE FOURTH GRADE AND FIFTH GRADE MICHIGAN EDUCA-
3 TION ASSESSMENT PROGRAM (MEAP) TESTS.

4 (2) TO BE ELIGIBLE FOR A GOLDEN APPLE AWARD, AN ELEMENTARY
5 SCHOOL SHALL HAVE AT LEAST 50 PUPILS IN MEMBERSHIP AND SHALL MEET
6 THE FOLLOWING REQUIREMENTS:

7 (A) FOR 1999-2000, AT LEAST 80% OF THE FOURTH AND FIFTH
8 GRADE PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE IN THE
9 SCHOOL ON THE PUPIL MEMBERSHIP COUNT DAY IN THAT SCHOOL YEAR TOOK
10 THE APPLICABLE MEAP TESTS, AND 1 OR BOTH OF THE FOLLOWING ARE
11 MET:

12 (i) THE COMPOSITE SCORE FOR THE PUPILS IN THE SCHOOL WHO
13 TOOK THE APPLICABLE MEAP TESTS INCREASED BY AT LEAST 60 POINTS
14 FOR THE 2 CONSECUTIVE SCHOOL YEARS IMMEDIATELY PRECEDING THE
15 STATE FISCAL YEAR IN WHICH THE AWARD IS GIVEN.

16 (ii) THE TEST SCORES FOR THE PUPILS IN THE SCHOOL WHO TOOK
17 THE APPLICABLE MEAP TESTS ARE AMONG THE HIGHEST ELEMENTARY SCHOOL
18 SCORES STATEWIDE, AS DETERMINED BY THE DEPARTMENT OF TREASURY,
19 FOR THAT SCHOOL YEAR.

20 (B) BEGINNING IN 2000-2001, AT LEAST 90% OF THE FOURTH AND
21 FIFTH GRADE PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE IN
22 THE SCHOOL ON THE PUPIL MEMBERSHIP COUNT DAY IN THAT SCHOOL YEAR
23 TOOK THE APPLICABLE MEAP TESTS, AND 1 OR BOTH OF THE FOLLOWING
24 ARE MET:

25 (i) THE COMPOSITE SCORE FOR THE PUPILS IN THE SCHOOL WHO
26 TOOK THE APPLICABLE MEAP TESTS INCREASED BY AT LEAST 60 POINTS

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1 FOR THE 2 CONSECUTIVE SCHOOL YEARS IMMEDIATELY PRECEDING THE
2 STATE FISCAL YEAR IN WHICH THE AWARD IS GIVEN.

3 (ii) THE TEST SCORES FOR THE PUPILS IN THE SCHOOL WHO TOOK
4 THE APPLICABLE MEAP TESTS ARE AMONG THE HIGHEST ELEMENTARY SCHOOL
5 SCORES STATEWIDE, AS DETERMINED BY THE DEPARTMENT OF TREASURY,
6 FOR THAT SCHOOL YEAR.

7 (3) A GOLDEN APPLE AWARD UNDER THIS SECTION SHALL BE ALLO-
8 CATED TO AND USED BY A DISTRICT EXCLUSIVELY FOR THE PURPOSE OF
9 DISTRIBUTING FUNDS TO EACH ELIGIBLE ELEMENTARY SCHOOL. A GOLDEN
10 APPLE AWARD SHALL CONSIST OF \$1,000.00 FOR EACH FULL-TIME
11 EMPLOYEE WHO WORKS IN THE ELIGIBLE ELEMENTARY SCHOOL PLUS
12 \$10,000.00 TO BE ALLOCATED TO THE PRINCIPAL OF THE SCHOOL FOR
13 SCHOOL IMPROVEMENTS, BUT SHALL NOT BE LESS THAN \$50,000.00 PER
14 RECIPIENT SCHOOL. ALL MONEY ALLOCATED UNDER THIS SECTION SHALL
15 BE USED FOR SCHOOL IMPROVEMENTS, AND EACH FULL-TIME EMPLOYEE FOR
16 WHOM AN ALLOCATION HAS BEEN MADE UNDER THIS SECTION SHALL BE
17 ALLOWED TO DECIDE UPON WHICH SCHOOL IMPROVEMENTS THE \$1,000.00
18 ALLOCATED FOR THAT EMPLOYEE WILL BE ALLOCATED.

19 (4) FUNDS ALLOCATED UNDER THIS SECTION THAT ARE NOT EXPENDED
20 IN THE STATE FISCAL YEAR FOR WHICH THEY WERE ALLOCATED MAY BE
21 CARRIED FORWARD TO A SUBSEQUENT STATE FISCAL YEAR.

22 SEC. 97. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRI-
23 ATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
24 \$110,000,000.00 FOR 1999-2000 ONLY FOR PAYMENTS TO DISTRICTS FOR
25 THE TEACHER TECHNOLOGY INITIATIVE.

26 (2) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS
27 ALLOCATED TO EACH DISTRICT AN AMOUNT PER ELIGIBLE TEACHER NOT TO

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1 EXCEED \$1,200.00, OR THE ACTUAL COST, WHICHEVER IS LESS, TO

2 PROVIDE 1 OR MORE OF THE FOLLOWING:

3 (A) A [NEW OR ENHANCED] COMPUTER AND REMOTE INTERNET ACCESS FOR
THE USE OF

4 EACH ELIGIBLE TEACHER, OR A CERTIFICATE REDEEMABLE FOR A COMPUTER

5 AND REMOTE INTERNET ACCESS. A DISTRICT SHALL ACQUIRE COMPUTERS

6 AND REMOTE INTERNET ACCESS FOR ELIGIBLE TEACHERS IN A MANNER

7 APPROVED BY THE DEPARTMENT OF MANAGEMENT AND BUDGET AND THE

8 MICHIGAN VIRTUAL UNIVERSITY IN ORDER TO QUALIFY FOR FUNDING UNDER

9 THIS SECTION.

10 (B) IF AGREED TO BY A MAJORITY VOTE OF THE DISTRICT'S TEACH-

11 ING STAFF WHO WOULD OTHERWISE RECEIVE A COMPUTER UNDER THIS SEC-

12 TION, 1 OR MORE OF THE FOLLOWING:

13 (i) BUILDING-LEVEL OR CLASSROOM-LEVEL TECHNOLOGY

14 IMPROVEMENTS.

15 (ii) TEACHER PROFESSIONAL DEVELOPMENT IN TECHNOLOGY.

16 (3) FUNDING TO A DISTRICT UNDER THIS SECTION SHALL BE ALLO-

17 CATED AS FOLLOWS:

18 (A) A MAXIMUM OF 10% SHALL BE PAID BASED ON THE NUMBER OF

19 CLASSROOM TEACHERS EMPLOYED BY THE DISTRICT, AS CERTIFIED BY THE

20 DISTRICT IN A MANNER PRESCRIBED BY THE DEPARTMENT OF MANAGEMENT

21 AND BUDGET. TO BE ELIGIBLE TO RECEIVE ADDITIONAL PAYMENTS UNDER

22 THIS SECTION AND TO AVOID A DEDUCTION OF THE PAYMENT UNDER THIS

23 SUBDIVISION IN A SUBSEQUENT STATE SCHOOL AID PAYMENT, A DISTRICT

24 MUST CERTIFY THAT NOT LESS THAN 10% OF ITS TEACHERS ARE ELIGIBLE

25 TEACHERS UNDER SUBSECTION (4).

26 (B) THE REMAINDER OF THE ALLOCATION SHALL BE PAID TO A

27 DISTRICT WITH THE NEXT AVAILABLE STATE SCHOOL AID PAYMENT

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1 CALCULATED AFTER THE DISTRICT CERTIFIES TO THE DEPARTMENT OF
2 MANAGEMENT AND BUDGET THE ELIGIBILITY OF ITS TEACHERS UNDER
3 SUBSECTION (4).

4 (4) AN ELIGIBLE TEACHER IS A TEACHER WHO IS EMPLOYED
5 FULL-TIME IN AN ELEMENTARY OR SECONDARY SCHOOL OPERATED BY A DIS-
6 TRICT, WHO IS PROVIDING CLASSROOM INSTRUCTION, AND WHO IS CERTI-
7 FIED BY THE DISTRICT AS MEETING ALL OF THE FOLLOWING:

8 (A) MEETS THE MINIMUM TECHNOLOGY COMPETENCIES IDENTIFIED BY
9 THE MICHIGAN VIRTUAL UNIVERSITY.

10 (B) HAS COMPLETED AN ASSESSMENT PRESCRIBED BY THE MICHIGAN
11 VIRTUAL UNIVERSITY OF HIS OR HER TECHNOLOGY LITERACY AND WILL
12 TAKE A FOLLOW-UP ASSESSMENT WITHIN 1 YEAR AFTER RECEIVING A
13 COMPUTER.

14 (C) DEVELOPS A DOCUMENT THAT BRIEFLY DESCRIBES HOW HE OR SHE
15 PLANS TO USE THE COMPUTER TO ENHANCE HIS OR HER OWN PROFESSIONAL
16 GROWTH AND TEACHING. THIS DOCUMENT IS TO BE RETAINED WITHIN THE
17 TEACHER'S PROFESSIONAL FILE.

18 (D) AGREES IN WRITING TO COMPLY WITH THE TEACHER TECHNOLOGY
19 INITIATIVE FAIR USE POLICY AND WITH A POLICY CONCERNING TEACHERS
20 WHO CEASE TO BE ELIGIBLE TEACHERS, AS PRESCRIBED BY THE DEPART-
21 MENT OF MANAGEMENT AND BUDGET AND THE MICHIGAN VIRTUAL
22 UNIVERSITY.

23 (5) THE DEPARTMENT OF MANAGEMENT AND BUDGET SHALL DEVELOP A
24 POLICY CONCERNING EQUITABLE REIMBURSEMENT BY AN ELIGIBLE TEACHER
25 WHO CEASES TO BE ELIGIBLE AFTER RECEIPT OF A COMPUTER UNDER THIS
26 SECTION.

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1 (6) FUNDS ALLOCATED UNDER THIS SECTION THAT ARE NOT EXPENDED
2 IN THE STATE FISCAL YEAR FOR WHICH THEY WERE ALLOCATED MAY BE
3 CARRIED FORWARD TO THE NEXT 2 SUBSEQUENT STATE FISCAL YEARS.

4 SEC. 97A. (1) FROM THE STATE SCHOOL AID FUND MONEY APPRO-
5 PRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2000-2001 AN AMOUNT
6 NOT TO EXCEED \$1,000,000.00 FOR PAYMENTS TO DISTRICTS AND INTER-
7 MEDIATE DISTRICTS FOR PURCHASING CELLULAR TELEPHONES.

8 (2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4), BEGIN-
9 NING IN 2000-2001 THE BOARD OF A DISTRICT OR INTERMEDIATE DIS-
10 TRICT SHALL PROVIDE EACH EMPLOYEE A CELLULAR TELEPHONE WITH
11 ACCESS TO THE ADMINISTRATIVE OFFICE OF THE SCHOOL BUILDING AND
12 9-1-1 ACCESS FOR THE PROTECTION AND SAFETY OF STUDENTS AND
13 STAFF.

14 (3) THE BOARD MAY OBTAIN THE CELLULAR TELEPHONES THROUGH
15 PARTNERSHIPS WITH COMMUNICATIONS SERVICES FOR A SAFE SCHOOLS
16 PROGRAM.

17 (4) CLASSROOMS THAT HAVE TELEPHONES PROVIDED ARE EXEMPT FROM
18 THE REQUIREMENTS UNDER SUBSECTION (2).

19 (5) A CELLULAR TELEPHONE SHALL BE PROVIDED TO THE ADULT IN
20 CHARGE OF ACTIVITIES THAT TAKE PLACE IN A LOCATION WHERE TELE-
21 PHONES ARE NOT AVAILABLE.

22 SEC. 98. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN
23 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
24 \$15,000,000.00 FOR 2000-2001, AND AN AMOUNT NOT TO EXCEED
25 \$1,500,000.00 EACH FISCAL YEAR FOR 2001-2002 AND FOR 2002-2003 TO
26 THE DEPARTMENT TO PROVIDE A GRANT TO THE MICHIGAN VIRTUAL

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1 UNIVERSITY FOR THE DEVELOPMENT, IMPLEMENTATION, AND OPERATION OF
2 THE MICHIGAN VIRTUAL HIGH SCHOOL.

3 (2) THE MICHIGAN VIRTUAL HIGH SCHOOL SHALL HAVE THE FOLLOW-
4 ING GOALS:

5 (A) SIGNIFICANTLY EXPAND CURRICULAR OFFERINGS FOR HIGH
6 SCHOOLS ACROSS THIS STATE THROUGH AGREEMENTS WITH DISTRICTS OR
7 LICENSES FROM OTHER RECOGNIZED PROVIDERS.

8 (B) CREATE STATEWIDE INSTRUCTIONAL MODELS USING INTERACTIVE
9 MULTIMEDIA [TOOLS DELIVERED BY ELECTRONIC MEANS, INCLUDING, BUT NOT
LIMITED TO, THE INTERNET, DIGITAL BROADCAST, OR SATELLITE NETWORK,]
FOR DISTRIBUTED LEARNING AT THE
10 HIGH SCHOOL LEVEL.

11 (C) PROVIDE PUPILS WITH OPPORTUNITIES TO DEVELOP SKILLS AND
12 COMPETENCIES THROUGH ON-LINE LEARNING.

13 (D) OFFER TEACHERS OPPORTUNITIES TO LEARN NEW SKILLS AND
14 STRATEGIES FOR DEVELOPING AND DELIVERING INSTRUCTIONAL SERVICES.

15 (E) ACCELERATE THIS STATE'S ABILITY TO RESPOND TO CURRENT
16 AND EMERGING EDUCATIONAL DEMANDS.

17 (F) GRANT HIGH SCHOOL DIPLOMAS THROUGH A DUAL ENROLLMENT
18 METHOD WITH DISTRICTS [.]

19 (G) ACT AS A BROKER FOR COLLEGE LEVEL EQUIVALENT COURSES, AS
20 DEFINED IN SECTION 1471 OF THE REVISED SCHOOL CODE, MCL 380.1471,
21 AND DUAL ENROLLMENT COURSES FROM POSTSECONDARY EDUCATION
22 INSTITUTIONS [AND CAREER AND TECHNICAL PREPARATION PROGRAMS].

23 (3) THE MICHIGAN VIRTUAL HIGH SCHOOL COURSE OFFERINGS SHALL
24 INCLUDE, BUT ARE NOT LIMITED TO, ALL OF THE FOLLOWING:

25 (A) INFORMATION TECHNOLOGY COURSES.

26 (B) COLLEGE LEVEL EQUIVALENT COURSES, AS DEFINED IN SECTION
27 1471 OF THE REVISED SCHOOL CODE, MCL 380.1471.

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1 (C) COURSES AND DUAL ENROLLMENT OPPORTUNITIES DESIGNED FOR
2 [HIGH SCHOOL PUPILS.]

3 (D) PROGRAMS AND SERVICES FOR AT-RISK PUPILS.

4 (E) GENERAL EDUCATION DEVELOPMENT TEST PREPARATION COURSES
5 FOR ADJUDICATED YOUTH AND OTHER AT-RISK POPULATIONS.

6 (F) SPECIAL INTEREST COURSES.

7 (G) PROFESSIONAL DEVELOPMENT PROGRAMS AND SERVICES FOR
8 TEACHERS.

[(4) IN ADDITION TO ITS OTHER DUTIES AS PART OF THE GRANT UNDER THIS SECTION, THE MICHIGAN VIRTUAL UNIVERSITY SHALL WORK WITH THE DEPARTMENT AND OTHER APPROPRIATE STATE AGENCIES TO EXPLORE THE DEVELOPMENT AND DELIVERY OF A FULL CURRICULUM FOR MIGRANT PUPILS THAT WOULD BE AVAILABLE THROUGH DISTANCE LEARNING. THE MICHIGAN VIRTUAL UNIVERSITY AND THE DEPARTMENT SHALL SUBMIT A JOINT REPORT ON THEIR FINDINGS UNDER THIS SUBSECTION TO THE LEGISLATURE NOT LATER THAN 1 YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION. THE GRANT UNDER THIS SECTION CONTAINS SUFFICIENT FUNDS FOR THIS REPORT.]

(5) NONPUBLIC SCHOOL STUDENTS AND HOME-SCHOOLED CHILDREN MAY PARTICIPATE IN COURSE OFFERINGS OF THE MICHIGAN VIRTUAL HIGH SCHOOL TO THE SAME EXTENT AS THEY ARE ALLOWED TO PARTICIPATE IN DISTRICT COURSE OFFERINGS UNDER THIS ACT AND THE REVISED SCHOOL CODE.]

9 [(6)] FUNDS ALLOCATED UNDER THIS SECTION THAT ARE NOT EXPENDED
10 IN THE STATE FISCAL YEAR FOR WHICH THEY WERE ALLOCATED MAY BE
11 CARRIED FORWARD TO A SUBSEQUENT STATE FISCAL YEAR.

12 SEC. 98A. FROM THE STATE SCHOOL AID FUND APPROPRIATION
13 UNDER SECTION 11, THERE IS ALLOCATED FOR 2000-2001 ONLY AN AMOUNT
14 NOT TO EXCEED \$1,200,000.00 TO THE OAKLAND INTERMEDIATE SCHOOL
15 DISTRICT FOR COLLABORATIVE EFFORTS AMONG ITS DISTRICTS, OTHER
16 INTERESTED DISTRICTS, AND THE DEPARTMENT TO PROVIDE CURRICULAR
17 SUPPORT TO TEACHERS.

[SEC. 98B. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2000-2001 AN AMOUNT NOT TO EXCEED \$94,000,000.00 FOR INFRASTRUCTURE PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS UNDER THIS SECTION. IT IS THE INTENT OF THE LEGISLATURE TO CONTINUE TO APPROPRIATE FUNDS FOR EACH FISCAL YEAR FOR THE PURPOSES DESCRIBED IN THIS SECTION.]

(2) THE AMOUNT OF THE PAYMENT TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS SECTION FOR 2000-2001 SHALL BE AN AMOUNT EQUAL TO \$3.50 PER MEMBERSHIP PUPIL FOR EACH POINT ASSIGNED TO THE DISTRICT OR INTERMEDIATE DISTRICT BASED ON THE FOLLOWING POINT SYSTEM:

(A) EACH DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED POINTS BASED ON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S TAXABLE VALUE PER MEMBERSHIP PUPIL, AS FOLLOWS:

(i) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S TAXABLE VALUE PER MEMBERSHIP PUPIL IS LESS THAN \$100,000.00, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 10 POINTS.

(ii) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S TAXABLE VALUE PER MEMBERSHIP PUPIL IS AT LEAST \$100,000.00 AND LESS THAN \$200,000.00, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 7 POINTS.

(iii) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S TAXABLE VALUE PER MEMBERSHIP PUPIL IS AT LEAST \$200,000.00 AND LESS THAN \$300,000.00, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 4 POINTS.

(iv) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S TAXABLE VALUE PER MEMBERSHIP PUPIL IS AT LEAST \$300,000.00 AND LESS THAN \$400,000.00, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 3 POINTS.

(v) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S TAXABLE VALUE PER MEMBERSHIP PUPIL IS AT LEAST \$400,000.00, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 1 POINT.

(B) EACH DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED POINTS BASED ON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S FUND EQUITY AS A PERCENTAGE OF ANNUAL BUDGET, AS FOLLOWS:

(i) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S FUND EQUITY AS A PERCENTAGE OF ANNUAL BUDGET IS 10% OR LESS, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 10 POINTS.

(ii) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S FUND EQUITY AS A PERCENTAGE OF ANNUAL BUDGET IS MORE THAN 10% AND NOT MORE THAN 20%, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 7 POINTS.

(iii) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S FUND EQUITY AS A PERCENTAGE OF ANNUAL BUDGET IS MORE THAN 20% AND NOT MORE THAN 30%, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 5 POINTS.

(iv) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S FUND EQUITY AS A PERCENTAGE OF ANNUAL BUDGET IS MORE THAN 30% AND NOT MORE THAN 40%, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 4 POINTS.

(v) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S FUND EQUITY AS A PERCENTAGE OF ANNUAL BUDGET IS MORE THAN 40% AND NOT MORE THAN 50%, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 3 POINTS.

(vi) IF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S FUND EQUITY AS A PERCENTAGE OF ANNUAL BUDGET IS MORE THAN 50%, THE DISTRICT OR INTERMEDIATE DISTRICT IS ASSIGNED 1 POINT.

(3) THE DEPARTMENT SHALL MAKE ALL CALCULATIONS UNDER SUBSECTION (2) USING THE MOST RECENT AVAILABLE DATA. IN CALCULATING A DISTRICT'S OR INTERMEDIATE DISTRICT'S FUND EQUITY AS A PERCENTAGE OF ANNUAL BUDGET, THE DEPARTMENT SHALL NOT INCLUDE ANY FUNDS RECEIVED BY THE DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS SECTION.

(4) TO BE ELIGIBLE FOR A PAYMENT UNDER THIS SECTION, A DISTRICT OR INTERMEDIATE DISTRICT SHALL PROVIDE THE DEPARTMENT WITH ANY INFORMATION REQUESTED BY THE DEPARTMENT FOR THE ADMINISTRATION OF THIS SECTION, INCLUDING, BUT NOT LIMITED TO, INFORMATION RELATING TO THE DISTRICT'S OR INTERMEDIATE DISTRICT'S USE OF FUNDS RECEIVED UNDER THIS SECTION.

(5) SUBJECT TO SUBSECTION (6), A DISTRICT OR INTERMEDIATE DISTRICT SHALL USE FUNDS RECEIVED UNDER THIS SECTION ONLY FOR 1 OR MORE OF THE FOLLOWING PURPOSES:

(A) PURCHASING, LEASING, CONSTRUCTING, ERECTING, COMPLETING, REMODELING, OR EQUIPPING OR REEQUIPPING SCHOOL BUILDINGS, INCLUDING LIBRARY BUILDINGS, STRUCTURES, ATHLETIC FIELDS, PLAYGROUNDS, OR OTHER FACILITIES, OR PARTS OF OR ADDITIONS TO THOSE FACILITIES.

(B) FURNISHING OR REFURNISHING NEW OR REMODELED SCHOOL BUILDINGS.

(C) ACQUIRING, PREPARING, DEVELOPING, OR IMPROVING SITES, OR PARTS OF OR ADDITIONS TO SITES, FOR SCHOOL BUILDINGS, INCLUDING LIBRARY BUILDINGS, STRUCTURES, ATHLETIC FIELDS, PLAYGROUNDS, OR OTHER FACILITIES.

(D) PURCHASING SCHOOL BUSES.

(E) ACQUIRING OR INSTALLING TECHNOLOGY, INCLUDING SOFTWARE, OR EQUIPPING OR REEQUIPPING SCHOOL BUILDINGS FOR TECHNOLOGY. AS USED IN THIS SUBDIVISION, "TECHNOLOGY" MEANS THAT TERM AS DEFINED IN SECTION 1351A OF THE REVISED SCHOOL CODE, MCL 380.1351A, AND EXCLUDES PURPOSES DESCRIBED IN SECTION 1351A(4) OF THE REVISED SCHOOL CODE.

(F) ENERGY CONSERVATION IMPROVEMENTS.

(G) ASBESTOS ABATEMENT.

(H) TO PAY DIRECT COSTS OF BOND APPROVAL, QUALIFICATION, AND ISSUANCE, AFTER VOTER APPROVAL OF THE BONDS.

(I) TO PAY DEBT SERVICE ON VOTER-APPROVED BONDS ISSUED BY THE DISTRICT OR INTERMEDIATE DISTRICT.

(6) A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT EXPEND FUNDS RECEIVED UNDER THIS SECTION FOR ANY FACILITY THAT IS NOT OWNED BY A

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DISTRICT, INTERMEDIATE DISTRICT, OR OTHER GOVERNMENTAL ENTITY.
(7) IF THE TOTAL AMOUNT APPROPRIATED UNDER THIS SECTION IS NOT

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SUFFICIENT TO FULLY FUND PAYMENTS CALCULATED UNDER SUBSECTION (2), THEN THE PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS UNDER THIS SECTION SHALL BE PRORATED ON AN EQUAL PERCENTAGE BASIS.

(8) THE ENTIRE AMOUNT DUE TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS SECTION SHALL BE PAID ON NOVEMBER 15 OF THE APPLICABLE FISCAL YEAR OR ON THE NEXT BUSINESS DAY FOLLOWING THAT DATE.

(9) FOR THE PURPOSES OF THIS SECTION ONLY, ALL OF THE FOLLOWING APPLY:

(A) A PUBLIC SCHOOL ACADEMY'S "TAXABLE VALUE PER MEMBERSHIP PUPIL" SHALL BE CONSIDERED TO BE AN AMOUNT EQUAL TO THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF THE SCHOOL DISTRICT IN WHICH THE PUBLIC SCHOOL ACADEMY IS LOCATED, AS DETERMINED BY THE DEPARTMENT.

(B) AN INTERMEDIATE DISTRICT'S "TAXABLE VALUE PER MEMBERSHIP PUPIL" SHALL BE CONSIDERED TO BE AN AMOUNT EQUAL TO THE TOTAL TAXABLE VALUE OF THE INTERMEDIATE DISTRICT DIVIDED BY THE COMBINED TOTAL MEMBERSHIP OF ALL DISTRICTS LOCATED WITHIN THE INTERMEDIATE DISTRICT, AS DETERMINED BY THE DEPARTMENT.

(C) AN INTERMEDIATE DISTRICT'S "MEMBERSHIP" SHALL BE CONSIDERED TO BE THE NUMBER OF PUPILS FOR WHOM THE INTERMEDIATE DISTRICT PROVIDES DIRECT SERVICES, AS DETERMINED BY THE DEPARTMENT.]

18 Sec. 99. (1) From the state school aid fund appropriation
19 in section 11, there is allocated ~~an amount not to exceed~~
20 ~~\$7,293,100.00 for 1998-99, and~~ an amount not to exceed
21 \$7,904,900.00 ~~each fiscal year~~ for 1999-2000, ~~and~~ AN AMOUNT
22 NOT TO EXCEED \$8,824,000.00 FOR 2000-2001, AND AN AMOUNT NOT TO
23 EXCEED \$9,628,400.00 EACH FISCAL YEAR FOR 2001-2002 AND
24 2002-2003, and from the general fund appropriation in section 11
25 there is allocated an amount not to exceed \$400,000.00 ~~each~~
26 fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ AN AMOUNT NOT TO
27 EXCEED \$442,000.00 for 2000-2001, AND AN AMOUNT NOT TO EXCEED

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1 \$484,000.00 EACH FISCAL YEAR FOR 2001-2002 AND FOR 2002-2003 for
2 implementing the comprehensive master plan for mathematics and
3 science centers developed by the department and approved by the
4 state board on February 17, 1993.

5 (2) Within a service area designated locally, approved by
6 the department, and consistent with the master plan described in
7 subsection (1), an established mathematics and science center
8 shall address 2 or more of the following 6 basic services, as
9 described in the master plan, to constituent districts and
10 communities: leadership, pupil services, curriculum support,
11 community involvement, professional development, and resource
12 clearinghouse services.

13 (3) The department shall not award a grant under this sec-
14 tion to more than 1 mathematics and science center located in a
15 particular intermediate district unless each of the grants serves
16 a distinct target population or provides a service that does not
17 duplicate another program in the intermediate district.

18 (4) As part of the technical assistance process, the depart-
19 ment shall provide minimum standard guidelines that may be used
20 by the mathematics and science center for providing fair access
21 for qualified pupils and professional staff as prescribed in this
22 section.

23 (5) Allocations under this section to support the activities
24 and programs of mathematics and science centers shall be continu-
25 ing support grants to all 25 established mathematics and science
26 centers and, SUBJECT TO SUBSECTION (9), the 8 satellite
27 extensions that were funded in 1996-97. Each established

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1 mathematics and science center that was funded in ~~1996-97~~
2 1999-2000 shall receive an amount equal to 103% of the amount it
3 received under this section in ~~1996-97~~ 1999-2000.

4 (6) In order to receive funds under this section, a grant
5 recipient shall allow access for the department or the
6 department's designee to audit all records related to the program
7 for which it receives such funds. The grant recipient shall
8 reimburse the state for all disallowances found in the audit.

9 (7) From the state school aid fund allocation under subsec-
10 tion (1), there is allocated an amount not to exceed \$611,800.00
11 each fiscal year for 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND
12 2002-2003 for additional funding under this subsection for mathe-
13 matics and science centers that have come into compliance with
14 the comprehensive master plan described in subsection (1). These
15 amounts are in addition to the funding determined under subsec-
16 tion (5) and are as follows for each OF THOSE fiscal ~~year for~~
17 ~~1999-2000 and 2000-2001~~ YEARS:

18 (a) \$68,000.00 each to the central Michigan science, mathe-
19 matics, and technology center; the Hillsdale-Lenawee-Monroe math-
20 ematics and science center; the St. Clair mathematics, science,
21 and technology network; the Saginaw valley state university
22 regional center; the Genesee area mathematics, science, and tech-
23 nology center; the Grand Traverse area regional mathematics,
24 science, and technology center; and the Livingston/Washtenaw
25 mathematics and science center.

26 (b) \$85,000.00 to the Grand valley state university regional
27 mathematics and science center.

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1 (c) \$50,800.00 to the Seaborg center at Northern Michigan
2 university.

3 (8) Not later than June 30, 2000, the department shall
4 reevaluate and update the comprehensive master plan described in
5 subsection (1), including any recommendations for upgrading sat-
6 ellite extensions to full centers.

7 (9) DURING THE COURSE OF THE 2000-2001 AND 2001-2002 FISCAL
8 YEARS, THE DEPARTMENT SHALL FACILITATE THE CONVERSION OF THE
9 8 EXISTING SATELLITE EXTENSIONS TO FULL MATHEMATICS AND SCIENCE
10 CENTERS. TO THIS END, IN 2000-2001 THE DEPARTMENT SHALL PROVIDE
11 4 SATELLITE EXTENSIONS, AS SELECTED BY THE DEPARTMENT, WITH
12 APPLICATIONS FOR CONVERSION TO FULL CENTERS, AND IN 2001-2002 THE
13 DEPARTMENT SHALL PROVIDE THE REMAINING 4 SATELLITE EXTENSIONS
14 WITH APPLICATIONS FOR CONVERSION. THE DEPARTMENT SHALL PROVIDE
15 THE APPLICATIONS NOT LATER THAN OCTOBER 15 OF THE APPLICABLE
16 FISCAL YEAR; A SATELLITE EXTENSION SHALL SUBMIT THE APPLICATION
17 AND A DETAIL PLAN AS PRESCRIBED BY THE DEPARTMENT NOT LATER THAN
18 NOVEMBER 15 OF THE APPLICABLE FISCAL YEAR; AND THE DEPARTMENT
19 SHALL REVIEW THE APPLICATIONS AND PLANS AND NOTIFY THE SATELLITE
20 EXTENSIONS OF THEIR STATUS NOT LATER THAN DECEMBER 1 OF THE
21 APPLICABLE FISCAL YEAR. THE ALLOCATIONS UNDER THIS SECTION ARE
22 SUFFICIENT TO FUND THE CONVERSION OF THE SATELLITE EXTENSIONS TO
23 FULL CENTERS AND TO FUND THEM AS FULL CENTERS.

24 Sec. 101. (1) To be eligible to receive state aid under
25 this act, not later than the fifth Wednesday after the pupil mem-
26 bership count day and not later than the fifth Wednesday after
27 the supplemental count day, each district superintendent through

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1 the secretary of the district's board shall file with the
2 intermediate superintendent a certified and sworn copy of the
3 number of pupils enrolled and in regular daily attendance in the
4 district as of the pupil membership count day and as of the sup-
5 plemental count day, as applicable, for the current school year.
6 In addition, a district maintaining school during the entire
7 year, as provided under section 1561 of the revised school code,
8 MCL 380.1561, shall file with the intermediate superintendent a
9 certified and sworn copy of the number of pupils enrolled and in
10 regular daily attendance in the district for the current school
11 year pursuant to rules promulgated by the superintendent. Not
12 later than the seventh Wednesday after the pupil membership count
13 day and not later than the seventh Wednesday after the supplemen-
14 tal count day, the intermediate district shall transmit to the
15 department the data filed by each of its constituent districts.
16 If a district fails to file the sworn and certified copy with the
17 intermediate superintendent in a timely manner, as required under
18 this subsection, the intermediate district shall notify the
19 department and state aid due to be distributed under this act
20 shall be withheld from the defaulting district immediately,
21 beginning with the next payment after the failure and continuing
22 with each payment until the district complies with this
23 subsection. If an intermediate district fails to transmit the
24 data in its possession in a timely and accurate manner to the
25 department, as required under this subsection, state aid due to
26 be distributed under this act shall be withheld from the
27 defaulting intermediate district immediately, beginning with the

1 next payment after the failure and continuing with each payment
2 until the intermediate district complies with this subsection.
3 If a district or intermediate district does not comply with this
4 subsection by the end of the fiscal year, the district or inter-
5 mediate district forfeits the amount withheld. A person who
6 willfully falsifies a figure or statement in the certified and
7 sworn copy of enrollment shall be punished in the manner pre-
8 scribed by section 161.

9 (2) To be eligible to receive state aid under this act, not
10 later than the twenty-fourth Wednesday after the pupil membership
11 count day and not later than the twenty-fourth Wednesday after
12 the supplemental count day, an intermediate district shall submit
13 to the department, in a form and manner prescribed by the depart-
14 ment, the audited enrollment and attendance data for the pupils
15 of its constituent districts and of the intermediate district.
16 If an intermediate district fails to transmit the audited data as
17 required under this subsection, state aid due to be distributed
18 under this act shall be withheld from the defaulting intermediate
19 district immediately, beginning with the next payment after the
20 failure and continuing with each payment until the intermediate
21 district complies with this subsection. If an intermediate dis-
22 trict does not comply with this subsection by the end of the
23 fiscal year, the intermediate district forfeits the amount
24 withheld.

25 (3) Each district shall provide at least 180 days of pupil
26 instruction and A NUMBER OF HOURS OF PUPIL INSTRUCTION AT LEAST
27 EQUAL TO the required minimum number of hours of pupil

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1 instruction REQUIRED FOR 1999-2000 under section 1284 of the
2 revised school code, MCL 380.1284. Except as otherwise provided
3 in this act, a district failing to hold 180 days of pupil
4 instruction shall forfeit from its total state aid allocation for
5 each day of failure an amount equal to 1/180 of its total state
6 aid allocation. Except as otherwise provided in this act, a dis-
7 trict failing to comply with the required minimum hours of pupil
8 instruction UNDER THIS SUBSECTION shall forfeit from its total
9 state aid allocation an amount determined by applying a ratio of
10 the number of hours the district was in noncompliance in relation
11 to the required minimum number of hours UNDER THIS SUBSECTION. A
12 district failing to meet both the 180 days of pupil instruction
13 requirement and the minimum number of hours of pupil instruction
14 requirement UNDER THIS SUBSECTION shall be penalized only the
15 higher of the 2 amounts calculated under the forfeiture provi-
16 sions of this subsection. Not later than August 1, the board of
17 each district shall certify to the department the number of days
18 and hours of pupil instruction in the previous school year. If
19 the district did not hold at least 180 days and the required min-
20 imum number of hours of pupil instruction UNDER THIS SUBSECTION,
21 the deduction of state aid shall be made in the following fiscal
22 year from the first payment of state school aid. A district is
23 not subject to forfeiture of funds under this subsection for a
24 fiscal year in which a forfeiture was already imposed under sub-
25 section (7). Days or hours lost because of strikes or teachers'
26 conferences shall not be counted as days or hours of pupil
27 instruction. A district not having at least 75% of the

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1 district's membership in attendance on any day of pupil
2 instruction shall receive state aid in that proportion of 1/180
3 that the actual percent of attendance bears to the specified
4 percentage. The superintendent shall promulgate rules for the
5 implementation of this subsection.

6 (4) The first 2 days for which pupil instruction is not pro-
7 vided because of conditions not within the control of school
8 authorities, such as severe storms, fires, epidemics, or health
9 conditions as defined by the city, county, or state health
10 authorities, shall be counted as days of pupil instruction. ~~In~~
11 ~~addition, for 1998-99 only, the department shall count as days of~~
12 ~~pupil instruction not more than 2 additional days, and shall~~
13 ~~count as hours of pupil instruction not more than 16.5 hours, for~~
14 ~~which pupil instruction was not provided in a district after June~~
15 ~~7, 1999 due to water damage resulting from a water main break.~~
16 Subsequent such days shall not be counted as days of pupil
17 instruction.

18 (5) A district shall not forfeit part of its state aid
19 appropriation because it adopts or has in existence an alterna-
20 tive scheduling program for pupils in kindergarten if the program
21 provides at least the number of hours required UNDER SUBSECTION
22 (3) for a full-time equated membership for a pupil in kindergar-
23 ten as provided under section 6(4).

24 (6) Upon application by the district for a particular fiscal
25 year, the superintendent may waive the minimum number of days of
26 pupil instruction requirement of subsection (3) for a district if
27 the district has adopted an experimental school year schedule in

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1 1 or more buildings in the district if the experimental school
2 year schedule provides the required minimum number of hours of
3 pupil instruction UNDER SUBSECTION (3) or more and is consistent
4 with all state board policies on school improvement and
5 restructuring. If a district applies for and receives a waiver
6 under this subsection and complies with the terms of the waiver,
7 for the fiscal year covered by the waiver the district is not
8 subject to forfeiture under this section of part of its state aid
9 allocation for the specific building or program covered by the
10 waiver.

11 (7) Not later than April 15 of each fiscal year, the board
12 of each district shall certify to the department the planned
13 number of days and hours of pupil instruction in the district for
14 the school year ending in the fiscal year. In addition to any
15 other penalty or forfeiture under this section, if at any time
16 the department determines that 1 or more of the following has
17 occurred in a district, the district shall forfeit in the current
18 fiscal year beginning in the next payment to be calculated by the
19 department a proportion of the funds due to the district under
20 this act that is equal to the proportion below 180 days and the
21 required minimum number of hours of pupil instruction UNDER SUB-
22 SECTION (3), as specified in the following:

23 (a) The district fails to operate its schools for at least
24 180 days and the required minimum number of hours of pupil
25 instruction UNDER SUBSECTION (3) in a school year, including days
26 counted under subsection (4).

1 (b) The board of the district takes formal action not to
2 operate its schools for at least 180 days and the required
3 minimum number of hours of pupil instruction UNDER SUBSECTION (3)
4 in a school year, including days counted under subsection (4).

5 (8) In providing the minimum number of hours of pupil
6 instruction required under ~~section 1284 of the revised school~~
7 ~~code, MCL 380.1284~~ SUBSECTION (3), a district shall use the fol-
8 lowing guidelines, and a district shall maintain records to sub-
9 stantiate its compliance with the following guidelines:

10 (a) Except as otherwise provided in this subsection, a pupil
11 must be scheduled for at least the required minimum number of
12 hours of instruction, excluding study halls, or at least the sum
13 of 90 hours plus the required minimum number of hours of instruc-
14 tion, including up to 2 study halls.

15 (b) The time a pupil is assigned to any tutorial activity in
16 a block schedule may be considered instructional time, unless
17 that time is determined in an audit to be a study hall period.

18 (c) A pupil in grades 9 to 12 for whom a reduced schedule is
19 determined to be in the individual pupil's best educational
20 interest must be scheduled for a number of hours equal to at
21 least 80% of the required minimum number of hours of pupil
22 instruction to be considered a full-time equivalent pupil.

23 (d) If a pupil in grades 9 to 12 who is enrolled in a coop-
24 erative education program or a special education pupil cannot
25 receive the required minimum number of hours of pupil instruction
26 solely because of travel time between instructional sites during
27 the school day, that travel time, up to a maximum of 2-1/2 hours

1 per school week, shall be considered to be pupil instruction time
2 for the purpose of determining whether the pupil is receiving the
3 required minimum number of hours of pupil instruction. However,
4 if a district demonstrates to the satisfaction of the department
5 that the travel time limitation under this subdivision would
6 create undue costs or hardship to the district, the department
7 may consider more travel time to be pupil instruction time for
8 this purpose.

9 (9) The department shall apply the guidelines under subsec-
10 tion (8) in calculating the full-time equivalency of pupils.

11 (10) Upon application by the district for a particular
12 fiscal year, the superintendent may waive for a district the 180
13 days or minimum number of hours of pupil instruction requirement
14 of subsection (3) for a department-approved alternative education
15 program. If a district applies for and receives a waiver under
16 this subsection and complies with the terms of the waiver, for
17 the fiscal year covered by the waiver the district is not subject
18 to forfeiture under this section for the specific program covered
19 by the waiver.

20 Sec. 102. (1) A district or intermediate district receiving
21 money under this act shall not adopt or operate under a deficit
22 budget, and a district or intermediate district shall not incur
23 an operating deficit in a fund during a school fiscal year. A
24 district or intermediate district having an existing deficit or
25 which incurs a deficit shall not be allotted or paid a further
26 sum under this act until the district or intermediate district
27 submits to the department for approval a budget for the current

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1 school fiscal year and a plan to eliminate the district's or
2 intermediate district's deficit not later than the end of the
3 second school fiscal year after the deficit was incurred.

4 Withheld state aid payments shall be released after the depart-
5 ment approves the deficit reduction plan and ensures that the
6 budget for the current school fiscal year is balanced.

7 (2) Not later than March 1 of each year, the department
8 shall prepare a report of deficits incurred by districts and
9 intermediate districts in the immediately preceding fiscal year
10 and the progress made in reducing those deficits and submit the
11 report to the standing committees of the legislature responsible
12 for K-12 education legislation, the appropriations subcommittees
13 of the legislature responsible for K-12 education appropriations,
14 the house and senate fiscal agencies, the state treasurer, and
15 the ~~department of management and budget~~ STATE BUDGET DIRECTOR.
16 The department shall also submit interim reports concerning dis-
17 trict and intermediate district deficits as necessary.

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

21 (4) A district or intermediate district with an existing
22 deficit or which incurs a deficit shall submit to the department
23 a monthly monitoring report on revenue and expenditures in a form
24 and manner prescribed by the department.

25 (5) If a district or intermediate district is not able to
26 comply with the provisions of this section, the district or
27 intermediate district shall submit to the department a plan to

1 eliminate its deficit. Upon approval of the plan submitted, the
2 superintendent of public instruction may continue allotment and
3 payment of funds under this act, extend the period of time in
4 which a district or intermediate district has to eliminate its
5 deficit, and set special conditions that the district or interme-
6 diate district must meet during the period of the extension.

7 (6) For the purposes of this section, a district or interme-
8 diate district is considered to have incurred an operating defi-
9 cit if the district or intermediate district incurs any withhold-
10 ing of or financial penalty, other than a temporary delay,
11 against any portion of its total state school aid allocation
12 under this act.

13 Sec. 105. (1) In order to avoid a penalty under this sec-
14 tion, and in order to count a nonresident pupil residing within
15 the same intermediate district in membership without the approval
16 of the pupil's district of residence, a district shall comply
17 with this section.

18 (2) Except as otherwise provided in this section, a district
19 shall determine whether or not it will accept applications for
20 enrollment by nonresident applicants residing within the same
21 intermediate district for the next school year. If the district
22 determines to accept applications for enrollment of a number of
23 nonresidents, beyond those entitled to preference under this sec-
24 tion, the district shall use the following procedures for accept-
25 ing applications from and enrolling nonresidents:

26 (a) The district shall publish the grades, schools, and
27 special programs, if any, for which enrollment may be available

1 to, and for which applications will be accepted from, nonresident
2 applicants residing within the same intermediate district.

3 (b) If the district has a limited number of positions avail-
4 able for nonresidents residing within the same intermediate dis-
5 trict in a grade, school, or program, all of the following apply
6 to accepting applications for and enrollment of nonresidents in
7 that grade, school, or program:

8 (i) The district shall do all of the following not later
9 than the second Friday in August:

10 (A) Provide notice to the general public that applications
11 will be taken for a 15-day period from nonresidents residing
12 within the same intermediate district for enrollment in that
13 grade, school, or program. The notice shall identify the 15-day
14 period and the place and manner for submitting applications.

15 (b) During the application period under
16 sub-subparagraph (A), accept applications from nonresidents
17 residing within the same intermediate district for enrollment in
18 that grade, school, or program.

19 (C) Within 15 days after the end of the application period
20 under sub-subparagraph (A), using the procedures and preferences
21 required under this section, determine which nonresident appli-
22 cants will be allowed to enroll in that grade, school, or pro-
23 gram, using the random draw system required under subsection (12)
24 as necessary, and notify the parent or legal guardian of each
25 nonresident applicant of whether or not the applicant may enroll
26 in the district. The notification to parents or legal guardians
27 of nonresident applicants accepted for enrollment shall contain

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1 notification of the date by which the applicant must enroll in
2 the district and procedures for enrollment.

3 (ii) Beginning on the third Monday in August and not later
4 than the end of the first week of school, if any positions become
5 available in a grade, school, or program due to accepted appli-
6 cants failing to enroll or to more positions being added, the
7 district may enroll nonresident applicants from the waiting list
8 maintained under subsection (12), offering enrollment in the
9 order that applicants appear on the waiting list. If there are
10 still positions available after enrolling all applicants from the
11 waiting list who desire to enroll, the district may not fill
12 those positions until the second semester enrollment under sub-
13 section (3), as provided under that subsection, or until the next
14 school year.

15 (c) For a grade, school, or program that has an unlimited
16 number of positions available for nonresidents residing within
17 the same intermediate district, all of the following apply to
18 enrollment of nonresidents in that grade, school, or program:

19 (i) The district may accept applications for enrollment in
20 that grade, school, or program, and may enroll nonresidents
21 residing within the same intermediate district in that grade,
22 school, or program, until the end of the first week of school.
23 The district shall provide notice to the general public of the
24 place and manner for submitting applications and, if the district
25 has a limited application period, the notice shall include the
26 dates of the application period. The application period shall be
27 at least a 15-day period.

1 (ii) Not later than the end of the first week of school, the
2 district shall notify the parent or legal guardian of each non-
3 resident applicant who is accepted for enrollment that the appli-
4 cant has been accepted for enrollment in the grade, school, or
5 program and of the date by which the applicant must enroll in the
6 district and the procedures for enrollment.

7 (3) If a district determines during the first semester of a
8 school year that it has positions available for enrollment of a
9 number of nonresidents residing within the same intermediate dis-
10 trict, beyond those entitled to preference under this section,
11 for the second semester of the school year, the district may
12 accept applications from and enroll nonresidents residing within
13 the same intermediate district for the second semester using the
14 following procedures:

15 (a) Not later than 2 weeks before the end of the first
16 semester, the district shall publish the grades, schools, and
17 special programs, if any, for which enrollment for the second
18 semester may be available to, and for which applications will be
19 accepted from, nonresident applicants residing within the same
20 intermediate district.

21 (b) During the last 2 weeks of the first semester, the dis-
22 trict shall accept applications from nonresidents residing within
23 the same intermediate district for enrollment for the second
24 semester in the available grades, schools, and programs.

25 (c) By the beginning of the second semester, using the pro-
26 cedures and preferences required under this section, the district
27 shall determine which nonresident applicants will be allowed to

1 enroll in the district for the second semester and notify the
2 parent or legal guardian of each nonresident applicant residing
3 within the same intermediate district of whether or not the
4 applicant may enroll in the district. The notification to par-
5 ents or legal guardians of nonresident applicants accepted for
6 enrollment shall contain notification of the date by which the
7 applicant must enroll in the district and procedures for
8 enrollment.

9 (4) If deadlines similar to those described in subsection
10 (2) or (3) have been established in an intermediate district, and
11 if those deadlines are not later than the deadlines under
12 subsection (2) or (3), the districts within the intermediate dis-
13 trict may use those deadlines.

14 (5) A district offering to enroll nonresident applicants
15 residing within the same intermediate district may limit the
16 number of nonresident pupils it accepts in a grade, school, or
17 program, at its discretion, and may use that limit as the reason
18 for refusal to enroll an applicant.

19 (6) A nonresident applicant residing within the same inter-
20 mediate district shall not be granted or refused enrollment based
21 on intellectual, academic, artistic, or other ability, talent, or
22 accomplishment, or lack thereof, or based on a mental or physical
23 disability, except that a district may refuse to admit a nonresi-
24 dent applicant if the applicant does not meet the same criteria,
25 other than residence, that an applicant who is a resident of the
26 district must meet to be accepted for enrollment in a grade or a

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1 specialized, magnet, or intra-district choice school or program
2 to which the applicant applies.

3 (7) A nonresident applicant residing within the same inter-
4 mediate district shall not be granted or refused enrollment based
5 on age, except that a district may refuse to admit a nonresident
6 applicant applying for a program that is not appropriate for the
7 age of the applicant.

8 (8) A nonresident applicant residing within the same inter-
9 mediate district shall not be granted or refused enrollment based
10 upon religion, race, color, national origin, sex, height, weight,
11 marital status, or athletic ability, or, generally, in violation
12 of any state or federal law prohibiting discrimination.

13 (9) A district may refuse to enroll a nonresident applicant
14 if the applicant is, or has been within the preceding 2 years,
15 suspended from another school or if the applicant has ever been
16 expelled from another school.

17 (10) A district shall ~~give preference for enrollment over~~
18 ~~all other nonresident applicants residing within the same inter-~~
19 ~~mediate district to pupils who were~~ CONTINUE TO ALLOW A PUPIL
20 WHO WAS enrolled in and attended the district UNDER THIS SECTION
21 in the school year or semester immediately preceding the school
22 year or semester in question ~~and~~ TO ENROLL IN THE DISTRICT
23 UNTIL THE PUPIL GRADUATES FROM HIGH SCHOOL. A DISTRICT SHALL
24 GIVE PREFERENCE FOR ENROLLMENT UNDER THIS SECTION OVER ALL OTHER
25 NONRESIDENT APPLICANTS RESIDING WITHIN THE SAME INTERMEDIATE
26 DISTRICT to other school-age children who reside in the same
27 household as ~~the~~ A pupil DESCRIBED IN THIS SUBSECTION. THIS

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1 SUBSECTION DOES NOT PROHIBIT A DISTRICT FROM EXPELLING A PUPIL
2 DESCRIBED IN THIS SUBSECTION FOR DISCIPLINARY REASONS.

3 (11) If a nonresident pupil was enrolled in and attending
4 school in a district as a nonresident pupil in the 1995-96 school
5 year and continues to be enrolled continuously each school year
6 in that district, the district shall allow that nonresident pupil
7 to continue to enroll in and attend school in the district until
8 high school graduation, without requiring the nonresident pupil
9 to apply for enrollment under this section. This subsection does
10 not prohibit a district from expelling a pupil described in this
11 subsection for disciplinary reasons.

12 (12) If the number of qualified nonresident applicants eli-
13 gible for acceptance in a school, grade, or program does not
14 exceed the positions available for nonresident pupils in the
15 school, grade, or program, the school district shall accept for
16 enrollment all of the qualified nonresident applicants eligible
17 for acceptance. If the number of qualified nonresident appli-
18 cants residing within the same intermediate district eligible for
19 acceptance exceeds the positions available in a grade, school, or
20 program in a district for nonresident pupils, the district shall
21 use a random draw system, subject to the need to abide by state
22 and federal antidiscrimination laws and court orders and subject
23 to preferences allowed by this section. The district shall
24 develop and maintain a waiting list based on the order in which
25 nonresident applicants were drawn under this random draw system.

26 (13) If a district, or the nonresident applicant, requests
27 the district in which a nonresident applicant resides to supply

1 information needed by the district for evaluating the applicant's
2 application for enrollment or for enrolling the applicant, the
3 district of residence shall provide that information on a timely
4 basis.

5 (14) If a district is subject to a court-ordered desegrega-
6 tion plan, and if the court issues an order prohibiting pupils
7 residing in that district from enrolling in another district or
8 prohibiting pupils residing in another district from enrolling in
9 that district, this section is subject to the court order.

10 (15) This section does not require a district to provide
11 transportation for a nonresident pupil enrolled in the district
12 under this section or for a resident pupil enrolled in another
13 district under this section. However, at the time a nonresident
14 pupil enrolls in the district, a district shall provide to the
15 pupil's parent or legal guardian information on available trans-
16 portation to and from the school in which the pupil enrolls.

17 (16) If, in a particular state fiscal year, the total number
18 of pupils enrolled and counted in membership in a district is
19 less than 90% of the total number of pupils residing in the dis-
20 trict who are enrolled and counted in membership in either that
21 district or 1 or more other districts, the total amount of money
22 allocated to that district under section 20 shall be adjusted so
23 that the district receives a total allocation under section 20
24 equal to the amount the district would receive under section 20
25 if exactly 90% of the pupils residing in the district who are
26 enrolled and counted in either that district or 1 or more other

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1 districts were enrolled and counted in membership in that
2 district.

3 (17) A district may participate in a cooperative education
4 program with 1 or more other districts or intermediate districts
5 whether or not the district enrolls any nonresidents pursuant to
6 this section.

7 (18) A district that, pursuant to this section, enrolls a
8 nonresident pupil who is eligible for special education programs
9 and services according to statute or rule, or who is a child with
10 disabilities, as defined under the individuals with disabilities
11 education act, title VI of Public Law 91-230, shall be considered
12 to be the resident district of the pupil for the purpose of pro-
13 viding the pupil with a free appropriate public education.
14 Consistent with state and federal law, that district is responsi-
15 ble for developing and implementing an individualized education
16 plan annually for a nonresident pupil described in this
17 subsection.

18 (19) If a district does not comply with this section, the
19 district forfeits 5% of the total state school aid allocation to
20 the district under this act.

21 (20) Upon application by a district, the superintendent may
22 grant a waiver for the district from a specific requirement under
23 this section for not more than 1 year.

24 Sec. 105b. ~~Notwithstanding section 105(21), if~~ IF an
25 intermediate district is operating under an intermediate district
26 pilot schools of choice program established under former
27 section 91 or as described in section 91a, the intermediate

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1 district and its constituent districts are exempt from
2 section 105.

3 Sec. 105c. (1) In order to avoid a penalty under this sec-
4 tion, and in order to count a nonresident pupil residing in a
5 contiguous district located in another intermediate district in
6 membership without the approval of the pupil's district of resi-
7 dence, a district shall comply with this section.

8 (2) Except as otherwise provided in this section, a district
9 shall determine whether or not it will accept applications for
10 enrollment by nonresident applicants residing in a [contiguous]
11 district located in another intermediate district for the next
12 school year. If the district determines to accept applications
13 for enrollment of a number of nonresidents under this section,
14 beyond those entitled to preference under this section, the dis-
15 trict shall use the following procedures for accepting applica-
16 tions from and enrolling nonresidents under this section:

17 (a) The district shall publish the grades, schools, and spe-
18 cial programs, if any, for which enrollment may be available to,
19 and for which applications will be accepted from, nonresident
20 applicants residing in a [contiguous] district located in another
21 intermediate district.

22 (b) If the district has a limited number of positions avail-
23 able for nonresidents residing in a [contiguous] district located
24 in another intermediate district in a grade, school, or program,
25 all of the following apply to accepting applications for and
26 enrollment of nonresidents under this section in that grade,
27 school, or program:

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1 (i) The district shall do all of the following not later
2 than the second Friday in August:

3 (A) Provide notice to the general public that applications
4 will be taken for a 15-day period from nonresidents residing in a
5 [~~contiguous~~] district located in another intermediate district for
6 enrollment in that grade, school, or program. The notice shall
7 identify the 15-day period and the place and manner for submit-
8 ting applications.

9 (B) During the application period under
10 sub-subparagraph (A), accept applications from nonresidents
11 residing in a [~~contiguous~~] district located in another intermediate
12 district for enrollment in that grade, school, or program.

13 (C) Within 15 days after the end of the application period
14 under sub-subparagraph (A), using the procedures and preferences
15 required under this section, determine which nonresident appli-
16 cants will be allowed to enroll under this section in that grade,
17 school, or program, using the random draw system required under
18 subsection (12) as necessary, and notify the parent or legal
19 guardian of each nonresident applicant of whether or not the
20 applicant may enroll in the district. The notification to par-
21 ents or legal guardians of nonresident applicants accepted for
22 enrollment under this section shall contain notification of the
23 date by which the applicant must enroll in the district and pro-
24 cedures for enrollment.

25 (ii) Beginning on the third Monday in August and not later
26 than the end of the first week of school, if any positions become
27 available in a grade, school, or program due to accepted

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1 applicants failing to enroll or to more positions being added,
2 the district may enroll nonresident applicants from the waiting
3 list maintained under subsection (12), offering enrollment in the
4 order that applicants appear on the waiting list. If there are
5 still positions available after enrolling all applicants from the
6 waiting list who desire to enroll, the district may not fill
7 those positions until the second semester enrollment under sub-
8 section (3), as provided under that subsection, or until the next
9 school year.

10 (c) For a grade, school, or program that has an unlimited
11 number of positions available for nonresidents residing in a [~~con-~~
12 ~~tiguous~~] district located in another intermediate district, all of
13 the following apply to enrollment of nonresidents in that grade,
14 school, or program under this section:

15 (i) The district may accept applications for enrollment in
16 that grade, school, or program, and may enroll nonresidents
17 residing in a [~~contiguous~~] district located in another intermediate
18 district in that grade, school, or program, until the end of the
19 first week of school. The district shall provide notice to the
20 general public of the place and manner for submitting applica-
21 tions and, if the district has a limited application period, the
22 notice shall include the dates of the application period. The
23 application period shall be at least a 15-day period.

24 (ii) Not later than the end of the first week of school, the
25 district shall notify the parent or legal guardian of each non-
26 resident applicant who is accepted for enrollment under this
27 section that the applicant has been accepted for enrollment in

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1 the grade, school, or program and of the date by which the
2 applicant must enroll in the district and the procedures for
3 enrollment.

4 (3) If a district determines during the first semester of a
5 school year that it has positions available for enrollment of a
6 number of nonresidents residing in a [~~contiguous~~] district located
7 in another intermediate district, beyond those entitled to pref-
8 erence under this section, for the second semester of the school
9 year, the district may accept applications from and enroll non-
10 residents residing in a [~~contiguous~~] district located in another
11 intermediate district for the second semester using the following
12 procedures:

13 (a) Not later than 2 weeks before the end of the first
14 semester, the district shall publish the grades, schools, and
15 special programs, if any, for which enrollment for the second
16 semester may be available to, and for which applications will be
17 accepted from, nonresident applicants residing in a [~~contiguous~~]
18 district located in another intermediate district.

19 (b) During the last 2 weeks of the first semester, the dis-
20 trict shall accept applications from nonresidents residing in a
21 [~~contiguous~~] district located in another intermediate district for
22 enrollment for the second semester in the available grades,
23 schools, and programs.

24 (c) By the beginning of the second semester, using the pro-
25 cedures and preferences required under this section, the district
26 shall determine which nonresident applicants will be allowed to
27 enroll under this section in the district for the second semester

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1 and notify the parent or legal guardian of each nonresident
2 applicant residing in a [~~contiguous~~] district located in another
3 intermediate district of whether or not the applicant may enroll
4 in the district. The notification to parents or legal guardians
5 of nonresident applicants accepted for enrollment shall contain
6 notification of the date by which the applicant must enroll in
7 the district and procedures for enrollment.

8 (4) If deadlines similar to those described in subsection
9 (2) or (3) have been established in an intermediate district, and
10 if those deadlines are not later than the deadlines under
11 subsection (2) or (3), the districts within the intermediate dis-
12 trict may use those deadlines.

13 (5) A district offering to enroll nonresident applicants
14 residing in a [~~contiguous~~] district located in another intermediate
15 district may limit the number of those nonresident pupils it
16 accepts in a grade, school, or program, at its discretion, and
17 may use that limit as the reason for refusal to enroll an appli-
18 cant under this section.

19 (6) A nonresident applicant residing in a [~~contiguous~~] dis-
20 trict located in another intermediate district shall not be
21 granted or refused enrollment based on intellectual, academic,
22 artistic, or other ability, talent, or accomplishment, or lack
23 thereof, or based on a mental or physical disability, except that
24 a district may refuse to admit a nonresident applicant under this
25 section if the applicant does not meet the same criteria, other
26 than residence, that an applicant who is a resident of the
27 district must meet to be accepted for enrollment in a grade or a

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1 specialized, magnet, or intra-district choice school or program
2 to which the applicant applies.

3 (7) A nonresident applicant residing in a [~~contiguous~~] dis-
4 trict located in another intermediate district shall not be
5 granted or refused enrollment under this section based on age,
6 except that a district may refuse to admit a nonresident appli-
7 cant applying for a program that is not appropriate for the age
8 of the applicant.

9 (8) A nonresident applicant residing in a [~~contiguous~~] dis-
10 trict located in another intermediate district shall not be
11 granted or refused enrollment under this section based upon reli-
12 gion, race, color, national origin, sex, height, weight, marital
13 status, or athletic ability, or, generally, in violation of any
14 state or federal law prohibiting discrimination.

15 (9) A district may refuse to enroll a nonresident applicant
16 under this section if the applicant is, or has been within the
17 preceding 2 years, suspended from another school or if the appli-
18 cant has ever been expelled from another school.

19 (10) A district shall ~~give preference for enrollment over~~
20 ~~all other nonresident applicants residing in a contiguous dis-~~
21 ~~trict located in another intermediate district to pupils who~~
22 ~~were~~ CONTINUE TO ALLOW A PUPIL WHO WAS enrolled in and attended
23 the district UNDER THIS SECTION in the school year or semester
24 immediately preceding the school year or semester in question
25 ~~and~~ TO ENROLL IN THE DISTRICT UNTIL THE PUPIL GRADUATES FROM
26 HIGH SCHOOL. A DISTRICT SHALL GIVE PREFERENCE FOR ENROLLMENT
27 UNDER THIS SECTION OVER ALL OTHER NONRESIDENT APPLICANTS RESIDING

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1 IN A [] DISTRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT
2 to other school-age children who reside in the same household as
3 ~~the~~ A pupil DESCRIBED IN THIS SUBSECTION. THIS SUBSECTION DOES
4 NOT PROHIBIT A DISTRICT FROM EXPELLING A PUPIL DESCRIBED IN THIS
5 SUBSECTION FOR DISCIPLINARY REASONS.

6 (11) If a nonresident pupil was enrolled in and attending
7 school in a district as a nonresident pupil in the 1995-96 school
8 year and continues to be enrolled continuously each school year
9 in that district, the district shall allow that nonresident pupil
10 to continue to enroll in and attend school in the district until
11 high school graduation, without requiring the nonresident pupil
12 to apply for enrollment under this section. This subsection does
13 not prohibit a district from expelling a pupil described in this
14 subsection for disciplinary reasons.

15 (12) If the number of qualified nonresident applicants eli-
16 gible for acceptance under this section in a school, grade, or
17 program does not exceed the positions available for nonresident
18 pupils under this section in the school, grade, or program, the
19 school district shall accept for enrollment all of the qualified
20 nonresident applicants eligible for acceptance. If the number of
21 qualified nonresident applicants residing in a [~~contiguous~~] dis-
22 trict located in another intermediate district eligible for
23 acceptance under this section exceeds the positions available in
24 a grade, school, or program in a district for nonresident pupils,
25 the district shall use a random draw system, subject to the need
26 to abide by state and federal antidiscrimination laws and court
27 orders and subject to preferences allowed by this section. The

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1 district shall develop and maintain a waiting list based on the
2 order in which nonresident applicants were drawn under this
3 random draw system.

4 (13) If a district, or the nonresident applicant, requests
5 the district in which a nonresident applicant resides to supply
6 information needed by the district for evaluating the applicant's
7 application for enrollment or for enrolling the applicant under
8 this section, the district of residence shall provide that infor-
9 mation on a timely basis.

10 (14) If a district is subject to a court-ordered desegrega-
11 tion plan, and if the court issues an order prohibiting pupils
12 residing in that district from enrolling in another district or
13 prohibiting pupils residing in another district from enrolling in
14 that district, this section is subject to the court order.

15 (15) This section does not require a district to provide
16 transportation for a nonresident pupil enrolled in the district
17 under this section or for a resident pupil enrolled in another
18 district under this section. However, at the time a nonresident
19 pupil enrolls in the district, a district shall provide to the
20 pupil's parent or legal guardian information on available trans-
21 portation to and from the school in which the pupil enrolls.

22 (16) A district may participate in a cooperative education
23 program with 1 or more other districts or intermediate districts
24 whether or not the district enrolls any nonresidents pursuant to
25 this section.

26 (17) In order for a district or intermediate district to
27 enroll pursuant to this section a nonresident pupil who resides

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1 in a [contiguous] district located in another intermediate district
2 and who is eligible for special education programs and services
3 according to statute or rule, or who is a child with disabili-
4 ties, as defined under the individuals with disabilities educa-
5 tion act, title VI of Public Law 91-230, the enrolling district
6 shall have a written agreement with the resident district of the
7 pupil for the purpose of providing the pupil with a free appro-
8 priate public education. The written agreement shall include,
9 but is not limited to, an agreement on the responsibility for the
10 payment of the added costs of special education programs and
11 services for the pupil.

12 (18) If a district does not comply with this section, the
13 district forfeits 5% of the total state school aid allocation to
14 the district under this act.

15 (19) Upon application by a district, the superintendent may
16 grant a waiver for the district from a specific requirement under
17 this section for not more than 1 year.

[(20) EXCEPT FOR ENROLLMENT IN THE MICHIGAN VIRTUAL HIGH
SCHOOL, A NONRESIDENT PUPIL MAY ENROLL UNDER THIS SECTION IN A
DISTRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT ONLY IF THAT
DISTRICT IS CONTIGUOUS TO THE PUPIL'S DISTRICT OF RESIDENCE.]

18 [(21)] This section is repealed if the final decision of a
19 court of competent jurisdiction holds that any portion of this
20 section is unconstitutional, ineffective, invalid, or in viola-
21 tion of federal law.

22 [~~(21) As used in this section, "contiguous district located~~
23 ~~in another intermediate district" means a district that is conti-~~
24 ~~guous to a pupil's district of residence but that is located in a~~
25 ~~different intermediate district than the pupil's district of~~
26 ~~residence.~~]

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1 Sec. 107. (1) From the appropriation in section 11, there
2 is allocated ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001,
3 FOR 2001-2002, AND FOR 2002-2003 an amount not to exceed
4 \$80,000,000.00 each fiscal year for adult education programs
5 authorized under this section.

6 (2) To be eligible to be a participant funded under this
7 section, a person shall be enrolled in an adult basic education
8 program, an adult English as a second language program, a general
9 education development (G.E.D.) test preparation program, a job
10 or employment related program, or a high school completion pro-
11 gram, that meets the requirements of this section, and shall meet
12 either of the following, as applicable:

13 (a) If the individual has obtained a high school diploma or
14 a general education development (G.E.D.) certificate, the indi-
15 vidual meets 1 of the following:

16 (i) Is less than 20 years of age on September 1 of the
17 school year and is enrolled in the state technical institute and
18 rehabilitation center.

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

23 (iii) Is enrolled in an English as a second language
24 program.

25 (iv) Is enrolled in a high school completion program.

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1 (b) If the individual has not obtained a high school diploma
2 or G.E.D. certificate, is at least 20 years of age on September 1
3 of the school year.

4 (3) The amount allocated under subsection (1) shall be dis-
5 tributed as follows:

6 (a) For districts and consortia that received payments for
7 1995-96 under former section 107f and that received payments for
8 1996-97 under subsection (4) of this section as in effect in
9 1996-97, the amount allocated to each ~~for 1998-99,~~ for
10 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND 2002-2003
11 shall be an amount each fiscal year equal to 36.76% of the amount
12 the district or consortium received for 1995-96 under former
13 section 107f.

14 (b) For districts and consortia that received payments under
15 subsection (3) of this section as in effect for 1996-97, the
16 amount allocated to each for ~~1998-99,~~ for 1999-2000, ~~and~~ for
17 2000-2001, FOR 2001-2002, AND FOR 2002-2003 shall be an amount
18 each fiscal year equal to the product of the number of full-time
19 equated participants actually enrolled and in attendance during
20 the 1996-97 school fiscal year in the program funded under
21 subsection (3) of this section as in effect for 1996-97 as
22 reported to the department, audited, and adjusted according to
23 subsection (10) of this section as in effect for 1996-97, multi-
24 plied by \$2,750.00.

25 (c) For districts and consortia that meet the conditions of
26 both subdivisions (a) and (b), the amount allocated each fiscal
27 year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR

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1 2001-2002, AND FOR 2002-2003 shall be the sum of the allocations
2 to the district or consortium under subdivisions (a) and (b).

3 (d) A district or consortium that received funding in
4 1996-97 under this section as in effect for 1996-97 may operate
5 independently of a consortium or join or form a consortium ~~for~~
6 ~~1998-99,~~ for 1999-2000, ~~or~~ for 2000-2001, FOR 2001-2002, OR
7 FOR 2002-2003. The allocation ~~for 1998-99,~~ for 1999-2000, ~~or~~
8 for 2000-2001, FOR 2001-2002, OR FOR 2002-2003 to the district or
9 the newly formed consortium under this subsection shall be deter-
10 mined by the department and shall be based on the proportion of
11 the amounts specified in subdivision (a) or (b), or both, that
12 are attributable to the district or consortium that received
13 funding in 1996-97. A district or consortium described in this
14 subdivision shall notify the department of its intention with
15 regard to ~~1998-99,~~ 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR
16 2002-2003 by October 1 of the affected fiscal year.

17 (4) A district that operated an adult education program in
18 1996-97 and does not intend to operate a program in ~~1998-99,~~
19 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR 2002-2003 shall notify
20 the department by October 1 of the affected fiscal year of its
21 intention. The funds intended to be allocated under this section
22 to a district that does not operate a program in ~~1998-99,~~
23 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR 2002-2003 and the
24 unspent funds originally allocated under this section to a dis-
25 trict or consortium that subsequently operates a program at less
26 than the level of funding allocated under subsection (3) shall
27 instead be proportionately reallocated to the other districts

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1 described in subsection (3)(a) that are operating an adult
2 education program in ~~1998-99,~~ 1999-2000, ~~or~~ 2000-2001,
3 2001-2002, OR 2002-2003 under this section.

4 (5) The amount allocated under this section per full-time
5 equated participant is \$2,850.00 for a 450-hour program. The
6 amount shall be proportionately reduced for a program offering
7 less than 450 hours of instruction.

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

12 (a) The program enrolls adults who are determined by an
13 appropriate assessment to be below ninth grade level in reading
14 or mathematics, or both, or to lack basic English proficiency.

15 (b) The program tests individuals for eligibility under
16 subdivision (a) before enrollment and tests participants to
17 determine progress after every 90 hours of attendance, using
18 assessment instruments approved by the department.

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

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

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

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

1 according to subsection (10) until the participant meets 1 of the
2 following:

3 (i) The participant is assessed as having attained basic
4 English proficiency.

5 (ii) The participant fails to show progress on 2 successive
6 assessments after having completed at least 450 hours of
7 instruction. The department shall provide information to a fund-
8 ing recipient regarding appropriate assessment instruments for
9 this program.

10 (7) A general education development (G.E.D.) test prepara-
11 tion program operated on a year-round or school year basis may be
12 funded under this section, subject to all of the following:

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

15 (b) The program shall administer a G.E.D. pre-test approved
16 by the department before enrolling an individual to determine the
17 individual's potential for success on the G.E.D. test, and shall
18 administer other tests after every 90 hours of attendance to
19 determine a participant's readiness to take the G.E.D. test.

20 (c) A funding recipient shall receive funding according to
21 subsection (10) for a participant, and a participant may be
22 enrolled in the program until 1 of the following occurs:

23 (i) The participant passes the G.E.D. test.

24 (ii) The participant fails to show progress on 2 successive
25 tests used to determine readiness to take the G.E.D. test after
26 having completed at least 450 hours of instruction.

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

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

6 (b) A funding recipient shall receive funding according to
7 subsection (10) for a participant in a course offered under this
8 subsection until 1 of the following occurs:

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

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

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

17 (a) The program enrolls adults referred by their employer
18 who are less than 20 years of age, have a high school diploma,
19 are determined to be in need of remedial mathematics or communi-
20 cation arts skills ~~or, for 1997-98 only, vocational skills,~~ and
21 are not attending an institution of higher education.

22 (b) An individual may be enrolled in this program and the
23 grant recipient shall receive funding according to subsection
24 (10) until 1 of the following occurs:

25 (i) The individual achieves the requisite skills as deter-
26 mined by appropriate assessment instruments administered at least
27 after every 90 hours of attendance.

1 (ii) The individual fails to show progress on 2 successive
2 assessments after having completed at least 450 hours of
3 instruction. The department shall provide information to a fund-
4 ing recipient regarding appropriate assessment instruments for
5 this program.

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

8 (a) Ninety percent for enrollment of eligible participants.

9 (b) Ten percent for completion of the adult basic education
10 objectives by achieving an increase of at least 1 grade level of
11 proficiency in reading or mathematics; for achieving basic
12 English proficiency; for passage of the G.E.D. test; for passage
13 of a course required for a participant to attain a high school
14 diploma; or for completion of the course and demonstrated profi-
15 ciency in the academic skills to be learned in the course, as
16 applicable.

17 (11) As used in this section, "participant" means the sum of
18 the number of full-time equated individuals enrolled in and
19 attending a department-approved adult education program under
20 this section, using quarterly participant count days on the
21 schedule described in section 6(7)(b).

22 (12) A person who is not eligible to be a participant funded
23 under this section may receive adult education services upon the
24 payment of tuition. In addition, a person who is not eligible to
25 be served in a program under this section due to the program lim-
26 itations specified in subsection (6), (7), (8), or (9) may
27 continue to receive adult education services in that program upon

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1 the payment of tuition. The tuition level shall be determined by
2 the local or intermediate district conducting the program.

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

6 (14) A district shall not commingle money received under
7 this section or from another source for adult education purposes
8 with any other funds of the district. A district receiving adult
9 education funds shall establish a separate ledger account for
10 those funds. This subsection does not prohibit a district from
11 using general funds of the district to support an adult education
12 or community education program.

13 (15) THE DEPARTMENT SHALL WORK WITH THE DEPARTMENT OF EDUCA-
14 TION TO ENSURE THAT THIS SECTION IS ADMINISTERED IN THE SAME
15 MANNER AS IN 1998-99.

16 (16) AS USED IN THIS SECTION AND SECTION 108, "DEPARTMENT"
17 MEANS THE DEPARTMENT OF CAREER DEVELOPMENT.

18 SEC. 108. (1) FROM THE GENERAL FUND APPROPRIATION IN
19 SECTION 11, THERE IS ALLOCATED FOR 2000-2001, 2001-2002, AND
20 2002-2003 AN AMOUNT NOT TO EXCEED \$20,000,000.00 EACH FISCAL YEAR
21 FOR PARTNERSHIP FOR ADULT LEARNING PROGRAMS AUTHORIZED UNDER THIS
22 SECTION.

23 (2) TO BE ELIGIBLE TO BE ENROLLED AS A PARTICIPANT IN AN
24 ADULT LEARNING PROGRAM FUNDED UNDER THIS SECTION, A PERSON SHALL
25 BE AT LEAST 16 YEARS OF AGE AS OF SEPTEMBER 1 OF THE IMMEDIATELY
26 PRECEDING STATE FISCAL YEAR AND SHALL MEET THE FOLLOWING, AS
27 APPLICABLE:

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1 (A) IF THE INDIVIDUAL HAS OBTAINED A HIGH SCHOOL DIPLOMA OR
2 A GENERAL EDUCATION DEVELOPMENT (G.E.D.) CERTIFICATE, THE INDI-
3 VIDUAL IS DETERMINED TO HAVE ENGLISH LANGUAGE PROFICIENCY, READ-
4 ING, WRITING, OR MATH SKILLS BELOW WORKFORCE READINESS STANDARDS
5 AS DETERMINED BY DEPARTMENT-APPROVED TESTS AND IS NOT ENROLLED IN
6 A POSTSECONDARY INSTITUTION. AN INDIVIDUAL WHO HAS OBTAINED A
7 HIGH SCHOOL DIPLOMA IS NOT ELIGIBLE FOR ENROLLMENT IN A
8 G.E.D. TEST PREPARATION PROGRAM FUNDED UNDER THIS SECTION.

9 (B) IF THE INDIVIDUAL HAS NOT OBTAINED A HIGH SCHOOL DIPLOMA
10 OR A G.E.D. CERTIFICATE, THE INDIVIDUAL HAS NOT ATTENDED A SEC-
11 ONDARY INSTITUTION FOR AT LEAST 6 MONTHS BEFORE ENROLLMENT IN AN
12 ADULT LEARNING PROGRAM FUNDED UNDER THIS SECTION AND IS NOT
13 ENROLLED IN A POSTSECONDARY INSTITUTION.

14 (3) FROM THE ALLOCATION UNDER SUBSECTION (1), AN AMOUNT NOT
15 TO EXCEED \$19,800,000.00 IS ALLOCATED EACH FISCAL YEAR FOR
16 2000-2001, FOR 2001-2002, AND FOR 2002-2003 TO LOCAL WORKFORCE
17 DEVELOPMENT BOARDS FOR THE PURPOSE OF PROVIDING REGIONAL ADULT
18 LEARNING PROGRAMS. AN APPLICATION FOR A GRANT UNDER THIS SUBSEC-
19 TION SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE
20 DEPARTMENT. SUBJECT TO SUBSECTIONS (4), (5), AND (6), THE AMOUNT
21 ALLOCATED TO EACH LOCAL WORKFORCE DEVELOPMENT BOARD SHALL BE AS
22 PROVIDED IN THIS SUBSECTION, EXCEPT THAT AN ELIGIBLE LOCAL WORK-
23 FORCE DEVELOPMENT BOARD SHALL NOT RECEIVE AN INITIAL ALLOCATION
24 UNDER THIS SECTION THAT IS LESS THAN \$70,000.00. THE MAXIMUM
25 AMOUNT OF A GRANT AWARDED TO AN ELIGIBLE LOCAL WORKFORCE DEVELOP-
26 MENT BOARD SHALL BE THE SUM OF THE FOLLOWING COMPONENTS:

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1 (A) THIRTY-FOUR PERCENT OF THE ALLOCATION UNDER THIS
2 SUBSECTION MULTIPLIED BY THE PROPORTION OF THE FAMILY
3 INDEPENDENCE AGENCY CASELOAD IN THE LOCAL WORKFORCE DEVELOPMENT
4 BOARD REGION TO THE STATEWIDE FAMILY INDEPENDENCE AGENCY
5 CASELOAD.

6 (B) THIRTY-THREE PERCENT OF THE ALLOCATION UNDER THIS SUB-
7 SECTION MULTIPLIED BY THE PROPORTION OF THE NUMBER OF PERSONS IN
8 THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION OVER AGE 17 WHO HAVE
9 NOT RECEIVED A HIGH SCHOOL DIPLOMA COMPARED TO THE STATEWIDE
10 TOTAL OF PERSONS OVER AGE 17 WHO HAVE NOT RECEIVED A HIGH SCHOOL
11 DIPLOMA.

12 (C) THIRTY-THREE PERCENT OF THE ALLOCATION UNDER THIS SUB-
13 SECTION MULTIPLIED BY THE PROPORTION OF THE NUMBER OF PERSONS IN
14 THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION OVER AGE 17 FOR WHOM
15 ENGLISH IS NOT A PRIMARY LANGUAGE COMPARED TO THE STATEWIDE TOTAL
16 OF PERSONS OVER AGE 17 FOR WHOM ENGLISH IS NOT A PRIMARY
17 LANGUAGE.

18 (4) THE AMOUNT OF A GRANT TO A LOCAL WORKFORCE DEVELOPMENT
19 BOARD UNDER SUBSECTION (3) SHALL NOT EXCEED THE COST FOR ADULT
20 LEARNING PROGRAMS NEEDED IN THE LOCAL WORKFORCE DEVELOPMENT BOARD
21 REGION, AS DOCUMENTED IN A MANNER APPROVED BY THE DEPARTMENT.

22 (5) NOT MORE THAN 9% OF A GRANT AWARDED TO A LOCAL WORKFORCE
23 DEVELOPMENT BOARD MAY BE USED FOR PROGRAM ADMINISTRATION, INCLUD-
24 ING CONTRACTING FOR THE PROVISION OF CAREER AND EDUCATIONAL
25 INFORMATION, COUNSELING SERVICES, AND ASSESSMENT SERVICES.

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1 (6) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A LOCAL
2 WORKFORCE DEVELOPMENT BOARD SHALL COMPLY WITH THE FOLLOWING
3 REQUIREMENTS IN A MANNER APPROVED BY THE DEPARTMENT:

4 (A) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL DOCUMENT THE
5 NEED FOR ADULT LEARNING PROGRAMS IN THE LOCAL WORKFORCE DEVELOP-
6 MENT REGION.

7 (B) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL REPORT PAR-
8 TICIPANT OUTCOMES AND OTHER MEASUREMENTS OF PROGRAM PERFORMANCE.

9 (C) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL DEVELOP A
10 STRATEGIC PLAN THAT INCORPORATES ADULT LEARNING PROGRAMS IN THE
11 REGION. BEGINNING IN 2001-2002, A LOCAL WORKFORCE DEVELOPMENT
12 BOARD IS NOT ELIGIBLE FOR STATE FUNDS UNDER THIS SECTION WITHOUT
13 A DEPARTMENT-APPROVED STRATEGIC PLAN.

14 (D) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL FURNISH TO
15 THE DEPARTMENT, IN A FORM AND MANNER DETERMINED BY THE DEPART-
16 MENT, THE INFORMATION THE DEPARTMENT DETERMINES IS NECESSARY TO
17 ADMINISTER THIS SECTION.

18 (E) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL ALLOW ACCESS
19 FOR THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE TO AUDIT ALL
20 RECORDS RELATED TO ADULT LEARNING PROGRAMS FOR WHICH IT RECEIVES
21 FUNDS. THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL REIMBURSE
22 THIS STATE FOR ALL DISALLOWANCES FOUND IN THE AUDIT IN A MANNER
23 DETERMINED BY THE DEPARTMENT.

24 (7) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL DISTRIBUTE
25 FUNDS TO ELIGIBLE ADULT LEARNING PROVIDERS AS FOLLOWS:

26 (A) NOT LESS THAN 85% OF A GRANT AWARD SHALL BE USED TO
27 SUPPORT PROGRAMS THAT IMPROVE READING, WRITING, AND MATH SKILLS

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1 TO WORKFORCE READINESS STANDARDS; ENGLISH AS A SECOND LANGUAGE
2 PROGRAMS; G.E.D. PREPARATION PROGRAMS; HIGH SCHOOL COMPLETION
3 PROGRAMS; OR WORKFORCE READINESS PROGRAMS IN THE LOCAL WORKFORCE
4 DEVELOPMENT BOARD REGION. THESE PROGRAMS MAY INCLUDE THE PROVI-
5 SION OF CAREER AND EDUCATIONAL INFORMATION, COUNSELING SERVICES,
6 AND ASSESSMENT SERVICES.

7 (B) UP TO 15% OF A GRANT AWARD MAY BE USED TO SUPPORT WORK-
8 FORCE READINESS PROGRAMS FOR EMPLOYERS IN THE LOCAL WORKFORCE
9 DEVELOPMENT BOARD REGION AS APPROVED BY THE DEPARTMENT.

10 EMPLOYERS OR CONSORTIA OF EMPLOYERS WHOSE EMPLOYEES PARTICIPATE
11 IN THESE PROGRAMS MUST PROVIDE MATCHING FUNDS IN A RATIO OF AT
12 LEAST \$1.00 OF PRIVATE FUNDS FOR EACH \$1.00 OF STATE FUNDS.

13 (8) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL AWARD COMPETI-
14 TIVE GRANTS TO ELIGIBLE ADULT LEARNING PROVIDERS FOR THE PURPOSE
15 OF PROVIDING ADULT LEARNING PROGRAMS IN THE LOCAL WORKFORCE
16 DEVELOPMENT BOARD REGION. APPLICATIONS SHALL BE IN A FORM AND
17 MANNER PRESCRIBED BY THE DEPARTMENT. IN AWARDING GRANTS, LOCAL
18 WORKFORCE DEVELOPMENT BOARDS SHALL CONSIDER ALL OF THE
19 FOLLOWING:

20 (A) THE ABILITY OF THE PROVIDER TO ASSESS INDIVIDUALS BEFORE
21 ENROLLMENT USING DEPARTMENT-APPROVED ASSESSMENT TOOLS AND TO
22 DEVELOP INDIVIDUAL ADULT LEARNER PLANS FROM THOSE ASSESSMENTS FOR
23 EACH PARTICIPANT.

24 (B) THE ABILITY OF THE PROVIDER TO CONDUCT CONTINUING
25 ASSESSMENTS IN A MANNER APPROVED BY THE DEPARTMENT TO DETERMINE
26 PARTICIPANT PROGRESS TOWARD ACHIEVING THE GOALS ESTABLISHED IN
27 INDIVIDUAL ADULT LEARNER PLANS.

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1 (C) THE PAST EFFECTIVENESS OF AN ELIGIBLE PROVIDER IN
2 IMPROVING ADULT LITERACY SKILLS AND, BEGINNING IN 2001-2002, THE
3 SUCCESS OF AN ELIGIBLE PROVIDER IN MEETING OR EXCEEDING
4 DEPARTMENT-APPROVED PERFORMANCE MEASURES.

5 (D) WHETHER THE PROGRAM IS OF SUFFICIENT INTENSITY AND DURA-
6 TION FOR PARTICIPANTS TO ACHIEVE SUBSTANTIAL LEARNING GAINS.

7 (E) WHETHER THE PROGRAM USES RESEARCH-BASED INSTRUCTIONAL
8 PRACTICES THAT HAVE PROVEN TO BE EFFECTIVE IN TEACHING ADULT
9 LEARNERS.

10 (F) WHETHER THE PROGRAM USES ADVANCES IN TECHNOLOGY, AS
11 APPROPRIATE, INCLUDING COMPUTERS.

12 (G) WHETHER THE PROGRAMS ARE STAFFED BY WELL-TRAINED TEACH-
13 ERS, COUNSELORS, AND ADMINISTRATORS.

14 (H) WHETHER THE ACTIVITIES COORDINATE WITH OTHER AVAILABLE
15 RESOURCES IN THE COMMUNITY, SUCH AS SCHOOLS, POSTSECONDARY INSTI-
16 TUTIONS, JOB TRAINING PROGRAMS, AND SOCIAL SERVICE AGENCIES.

17 (I) WHETHER THE PROVIDER OFFERS FLEXIBLE SCHEDULES AND SUP-
18 PORT SERVICES, SUCH AS CHILD CARE AND TRANSPORTATION, THAT ENABLE
19 PARTICIPANTS, INCLUDING INDIVIDUALS WITH DISABILITIES OR OTHER
20 SPECIAL NEEDS, TO ATTEND AND COMPLETE PROGRAMS.

21 (J) WHETHER THE PROVIDER OFFERS ADEQUATE JOB AND POSTSECON-
22 DARY EDUCATION COUNSELING SERVICES.

23 (K) WHETHER THE PROVIDER CAN MAINTAIN AN INFORMATION MANAGE-
24 MENT SYSTEM THAT HAS THE CAPACITY TO REPORT PARTICIPANT OUTCOMES
25 AND MONITOR PROGRAM PERFORMANCE AGAINST DEPARTMENT-APPROVED PER-
26 FORMANCE MEASURES.

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1 (l) WHETHER THE PROVIDER WILL ALLOW ACCESS FOR THE LOCAL
2 WORKFORCE DEVELOPMENT BOARD OR ITS DESIGNEE TO AUDIT ALL RECORDS
3 RELATED TO ADULT LEARNING PROGRAMS FOR WHICH IT RECEIVES FUNDS.
4 THE ADULT LEARNING PROVIDER SHALL REIMBURSE THE LOCAL WORKFORCE
5 DEVELOPMENT BOARD FOR ALL DISALLOWANCES FOUND IN THE AUDIT.

6 (m) THE COST PER PARTICIPANT CONTACT HOUR OR UNIT OF MEASUR-
7 ABLE OUTCOME FOR EACH TYPE OF ADULT LEARNING PROGRAM FOR WHICH
8 THE PROVIDER IS APPLYING.

9 (9) BEGINNING IN 2001-2002, CONTRACTS AWARDED BY LOCAL WORK-
10 FORCE DEVELOPMENT BOARDS TO ADULT LEARNING PROVIDERS SHALL COMPLY
11 WITH THE PRIORITIES ESTABLISHED IN A DEPARTMENT-APPROVED STRATE-
12 GIC PLAN.

13 (10) ADULT LEARNING PROVIDERS THAT DO NOT AGREE WITH THE
14 DECISIONS OF THE LOCAL WORKFORCE DEVELOPMENT BOARD IN ISSUING OR
15 ADMINISTERING COMPETITIVE GRANTS MAY USE THE GRIEVANCE PROCEDURE
16 ESTABLISHED BY THE DEPARTMENT.

17 (11) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL REIMBURSE ELI-
18 GIBLE ADULT LEARNING PROVIDERS UNDER THIS SECTION AS FOLLOWS:

19 (A) FOR A FIRST-TIME PROVIDER, AS FOLLOWS:

20 (i) FIFTY PERCENT OF THE CONTRACT AMOUNT SHALL BE ALLOCATED
21 TO ELIGIBLE ADULT LEARNING PROVIDERS BASED UPON ENROLLMENT OF
22 PARTICIPANTS IN ADULT LEARNING PROGRAMS. "ENROLLMENT" MEANS A
23 PARTICIPANT ENROLLED IN THE PROGRAM WHO RECEIVED A PREENROLLMENT
24 ASSESSMENT USING DEPARTMENT-APPROVED ASSESSMENT TOOLS AND FOR
25 WHOM AN INDIVIDUAL ADULT LEARNER PLAN HAS BEEN DEVELOPED.

26 (ii) FIFTY PERCENT OF THE CONTRACT AMOUNT SHALL BE ALLOCATED
27 TO ELIGIBLE ADULT LEARNING PROVIDERS BASED UPON THE FOLLOWING

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1 PERFORMANCE STANDARDS AS MEASURED IN A DEPARTMENT-APPROVED
2 MANNER:

3 (A) THE PERCENTAGE OF PARTICIPANTS TAKING BOTH A PRETEST AND
4 A POSTTEST IN ENGLISH LANGUAGE PROFICIENCY, READING, WRITING, AND
5 MATH.

6 (B) THE PERCENTAGE OF PARTICIPANTS SHOWING IMPROVEMENT
7 TOWARD GOALS IDENTIFIED IN THEIR INDIVIDUAL ADULT LEARNER PLAN.

8 (C) THE PERCENTAGE OF PARTICIPANTS ACHIEVING THEIR TERMINAL
9 GOALS AS IDENTIFIED IN THEIR INDIVIDUAL ADULT LEARNER PLAN.

10 (B) BEGINNING IN 2001-2002, ELIGIBLE PROVIDERS THAT HAVE
11 PROVIDED ADULT LEARNING PROGRAMS PREVIOUSLY UNDER THIS SECTION
12 SHALL BE REIMBURSED 100% OF THE CONTRACT AMOUNT BASED UPON THE
13 PERFORMANCE STANDARDS IN SUBDIVISION (A)(ii) AS MEASURED IN A
14 MANNER DETERMINED BY THE DEPARTMENT.

15 (C) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICI-
16 PANT IN AN ADULT LEARNING PROGRAM UNTIL THE PARTICIPANT'S READ-
17 ING, WRITING, OR MATH PROFICIENCY, AS APPLICABLE, IS ASSESSED AT
18 WORKFORCE READINESS LEVELS OR THE PARTICIPANT FAILS TO SHOW
19 PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AS DETERMINED BY THE
20 DEPARTMENT.

21 (D) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICI-
22 PANT IN AN ENGLISH AS A SECOND LANGUAGE PROGRAM UNTIL THE PARTICI-
23 IPANT IS ASSESSED AS HAVING ATTAINED BASIC ENGLISH PROFICIENCY OR
24 THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESS-
25 MENTS AS DETERMINED BY THE DEPARTMENT.

26 (E) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A
27 PARTICIPANT IN A G.E.D. TEST PREPARATION PROGRAM UNTIL THE

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1 PARTICIPANT PASSES THE G.E.D. TEST OR THE PARTICIPANT FAILS TO
2 SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AS DETERMINED BY THE
3 DEPARTMENT.

4 (F) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICI-
5 PANT IN A HIGH SCHOOL COMPLETION PROGRAM UNTIL THE PARTICIPANT
6 EARNS A HIGH SCHOOL DIPLOMA OR THE PARTICIPANT FAILS TO SHOW
7 PROGRESS AS DETERMINED BY THE DEPARTMENT.

8 (12) A PERSON WHO IS NOT ELIGIBLE TO BE A PARTICIPANT FUNDED
9 UNDER THIS SECTION MAY RECEIVE ADULT LEARNING SERVICES UPON THE
10 PAYMENT OF TUITION OR FEES FOR SERVICE. THE TUITION OR FEE LEVEL
11 SHALL BE DETERMINED BY THE ADULT LEARNING PROVIDER AND APPROVED
12 BY THE LOCAL WORKFORCE DEVELOPMENT BOARD.

13 (13) ADULT LEARNING PROVIDERS MAY COLLECT REFUNDABLE DEPOS-
14 ITS FROM PARTICIPANTS FOR THE USE OF REUSABLE EQUIPMENT AND SUP-
15 PLIES AND MAY PROVIDE INCENTIVES FOR PROGRAM COMPLETION.

16 (14) A PROVIDER SHALL NOT BE REIMBURSED UNDER THIS SECTION
17 FOR AN INDIVIDUAL WHO IS AN INMATE IN A STATE CORRECTIONAL
18 FACILITY.

19 (15) IN ORDER TO ADMINISTER THE PARTNERSHIP FOR ADULT LEARN-
20 ING SYSTEM UNDER THIS SECTION, THE DEPARTMENT SHALL DO ALL OF THE
21 FOLLOWING:

22 (A) DEVELOP AND PROVIDE GUIDELINES TO LOCAL WORKFORCE DEVEL-
23 OPMENT BOARDS FOR THE DEVELOPMENT OF STRATEGIC PLANS THAT INCOR-
24 PORATE ADULT LEARNING.

25 (B) DEVELOP AND PROVIDE ADULT LEARNING MINIMUM PROGRAM PER-
26 FORMANCE STANDARDS TO BE IMPLEMENTED BY LOCAL WORKFORCE
27 DEVELOPMENT BOARDS.

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1 (C) IDENTIFY APPROVED ASSESSMENT TOOLS FOR ASSESSING A
2 PARTICIPANT'S ENGLISH LANGUAGE PROFICIENCY, READING, MATH, AND
3 WRITING SKILLS.

4 (D) APPROVE WORKFORCE READINESS STANDARDS FOR ENGLISH LAN-
5 GUAGE PROFICIENCY, READING, MATH, AND WRITING SKILLS THAT CAN BE
6 MEASURED BY DEPARTMENT-APPROVED, NATIONALLY RECOGNIZED ASSESSMENT
7 TOOLS.

8 (16) OF THE AMOUNT ALLOCATED IN SUBSECTION (1), UP TO
9 \$200,000.00 IS ALLOCATED TO THE DEPARTMENT FOR THE DEVELOPMENT
10 AND ADMINISTRATION OF A STANDARDIZED DATA COLLECTION SYSTEM.
11 BEGINNING IN 2001-2002, LOCAL WORKFORCE DEVELOPMENT BOARDS AND
12 ADULT LEARNING PROVIDERS RECEIVING FUNDING UNDER THIS SECTION
13 SHALL USE THE STANDARDIZED DATA COLLECTION SYSTEM FOR ENROLLING
14 PARTICIPANTS IN ADULT LEARNING PROGRAMS, TRACKING PARTICIPANT
15 PROGRESS, REPORTING PARTICIPANT OUTCOMES, AND REPORTING OTHER
16 PERFORMANCE MEASURES.

17 (17) A PROVIDER IS NOT REQUIRED TO USE CERTIFICATED TEACHERS
18 OR CERTIFICATED COUNSELORS TO PROVIDE INSTRUCTIONAL AND COUNSEL-
19 ING SERVICES IN A PROGRAM FUNDED UNDER THIS SECTION.

20 (18) AS USED IN THIS SECTION:

21 (A) "ADULT EDUCATION", FOR THE PURPOSES OF COMPLYING WITH
22 SECTION 3 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963,
23 MEANS A HIGH SCHOOL PUPIL RECEIVING EDUCATIONAL SERVICES IN A
24 NONTRADITIONAL SETTING FROM A DISTRICT OR INTERMEDIATE DISTRICT
25 IN ORDER TO RECEIVE A HIGH SCHOOL DIPLOMA.

26 (B) "ADULT LEARNING PROGRAM" MEANS A DEPARTMENT-APPROVED
27 PROGRAM THAT IMPROVES READING, WRITING, AND MATH SKILLS TO

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1 WORKFORCE READINESS STANDARDS; AN ENGLISH AS A SECOND LANGUAGE
2 PROGRAM; A G.E.D. PREPARATION PROGRAM; A HIGH SCHOOL COMPLETION
3 PROGRAM; OR A WORKFORCE READINESS PROGRAM THAT ENHANCES EMPLOY-
4 MENT OPPORTUNITIES.

5 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF CAREER
6 DEVELOPMENT.

7 (D) "ELIGIBLE ADULT LEARNING PROVIDER" MEANS A DISTRICT,
8 PUBLIC SCHOOL ACADEMY, INTERMEDIATE DISTRICT, COMMUNITY COLLEGE,
9 UNIVERSITY, COMMUNITY-BASED ORGANIZATION, OR OTHER ORGANIZATION
10 APPROVED BY THE DEPARTMENT THAT PROVIDES ADULT LEARNING PROGRAMS
11 UNDER A CONTRACT WITH A LOCAL WORKFORCE DEVELOPMENT BOARD.

12 (E) "PARTICIPANT" MEANS AN INDIVIDUAL ENROLLED IN AN ADULT
13 LEARNING PROGRAM AND RECEIVING SERVICES FROM AN ELIGIBLE ADULT
14 LEARNING PROVIDER.

15 (F) "STRATEGIC PLAN" MEANS A DEPARTMENT-APPROVED DOCUMENT
16 THAT INCORPORATES ADULT LEARNING GOALS AND OBJECTIVES FOR THE
17 LOCAL WORKFORCE DEVELOPMENT BOARD REGION AND IS DEVELOPED JOINTLY
18 BY THE LOCAL WORKFORCE DEVELOPMENT BOARD AND THE EDUCATION
19 ADVISORY GROUPS.

20 (G) "WORKFORCE DEVELOPMENT BOARD" MEANS A LOCAL WORKFORCE
21 DEVELOPMENT BOARD ESTABLISHED PURSUANT TO THE JOB TRAINING PART-
22 NERSHIP ACT, PUBLIC LAW 97-300, 96 STAT. 1322, AND THE
23 SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994, PUBLIC LAW 103-239, 108
24 STAT. 568, OR THE EQUIVALENT.

25 (H) "WORKFORCE READINESS STANDARD" MEANS A
26 DEPARTMENT-APPROVED LEVEL OF ENGLISH LANGUAGE, READING, WRITING,
27 OR MATHEMATICS PROFICIENCY, OR ANY AND ALL OF THESE, AS

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1 DETERMINED BY RESULTS FROM ASSESSMENTS APPROVED FOR USE BY THE
2 DEPARTMENT.

3 Sec. 147. (1) The allocations for ~~1998-99,~~ 1999-2000,
4 ~~and~~ 2000-2001, 2001-2002, AND 2002-2003 for the public school
5 employees' retirement system pursuant to the public school
6 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
7 38.1467, shall be made using the entry age normal cost actuarial
8 method and risk assumptions adopted by the public school employ-
9 ees retirement board and the department of management and
10 budget. ~~Effective October 1, 1998, the annual level percentage~~
11 ~~of payroll contribution rate for the 1998-99 state fiscal year is~~
12 ~~estimated at 11.12%, the~~ THE annual level percentage of payroll
13 contribution rate for the 1999-2000 state fiscal year is esti-
14 mated at 11.66% ~~,~~ and the annual level percentage of payroll
15 contribution rate for the 2000-2001 state fiscal year is esti-
16 mated at ~~11.66%~~ 12.16%. The portion of the contribution rate
17 assigned to districts and intermediate districts for ~~1998-99,~~
18 ~~1999-2000, and 2000-2001~~ EACH FISCAL YEAR is all of the total
19 percentage points. This contribution rate reflects an amortiza-
20 tion period of ~~38 years for 1998-99,~~ 37 years for 1999-2000 ~~,~~
21 and 36 years for 2000-2001. The public school employees' retire-
22 ment system board shall notify each district and intermediate
23 district by February 28 of each fiscal year of the estimated con-
24 tribution rate for the next fiscal year.

25 (2) It is the intent of the legislature that the amortiza-
26 tion period described in section 41(2) of the public school
27 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, be

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1 reduced to 30 years by the end of the 2005-2006 state fiscal year
2 by reducing the amortization period by not more than 1 year each
3 fiscal year.

4 Sec. 151. (1) The treasurer of each county shall furnish to
5 the department, on or before August 1 of each year following the
6 receipt of assessment rolls, a statement of the taxable value of
7 each district and fraction of a district within the county, using
8 forms furnished by the department. On or before May 1 of each
9 year, the treasurer of each county shall submit to the department
10 revisions to the taxable value for the immediately preceding year
11 of each district and fraction of a district within the county,
12 using forms furnished by the department. On or before October 1
13 of each year, the treasurer of each county shall submit to the
14 department revisions to the taxable value for the ~~2 immediately~~
15 ~~preceding~~ years AFTER 1993 of each district and fraction of a
16 district within the county, using forms furnished by the
17 department. The reports required by this subsection shall also
18 contain the amount of ad valorem taxable value captured for
19 school operating taxes under a tax increment financing plan under
20 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
21 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
22 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
23 or the brownfield redevelopment financing act, 1996 PA 381,
24 MCL 125.2651 to 125.2672.

25 (2) Not later than the tenth day of each month, the tax tri-
26 bunal created by the tax tribunal act, 1973 PA 186, MCL 205.701
27 to 205.779, shall report to the department the changes in taxable

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1 value for tax years after 1993 that are not reported to the
2 department under subsection (1) and that are caused by tax tribu-
3 nal decisions in the immediately preceding month for homestead
4 and qualified agricultural property, as defined in section 1211
5 of the revised school code, MCL 380.1211, and for property that
6 is not homestead or qualified agricultural property, in each dis-
7 trict and intermediate district. The report shall also contain
8 the amount of taxable value captured under a tax increment
9 financing plan described in subsection (1) for school operating
10 tax purposes.

11 Sec. 152. Except for reports due on other dates specified
12 in this act, each district and intermediate district shall fur-
13 nish to the department before the first Monday in November of
14 each year those reports the department considers necessary for
15 the determination of the allocation of funds under this act. In
16 order to receive funds under this act, each district and interme-
17 diate district shall also furnish to the department the informa-
18 tion the department considers necessary for the administration of
19 this act, INCLUDING INFORMATION NECESSARY TO DETERMINE COMPLIANCE
20 WITH ARTICLE 16, and for the provision of reports of educational
21 progress to the senate and house committees responsible for edu-
22 cation, the senate and house appropriations subcommittees respon-
23 sible for appropriations to school districts, the senate and
24 house fiscal agencies, and the ~~department of management and~~
25 ~~budget~~ STATE BUDGET DIRECTOR, as appropriate.

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1 Sec. 163. (1) Except as provided in the revised school code
2 OR IN SECTION 108, the board of a district or intermediate
3 district shall not permit any of the following:

4 (a) A noncertificated teacher to teach in an elementary or
5 secondary school or in an adult basic education or high school
6 completion program.

7 (b) A noncertificated counselor to provide counseling serv-
8 ices to pupils in an elementary or secondary school or in an
9 adult basic education or high school completion program.

10 (2) Except as provided in the revised school code OR IN SEC-
11 TION 108, a district or intermediate district employing teachers
12 or counselors not legally certificated shall have deducted the
13 sum equal to the amount paid the teachers or counselors for the
14 period of noncertificated or illegal employment. Each intermedi-
15 ate superintendent shall notify the department of the name of the
16 noncertificated teacher or counselor, and the district employing
17 that individual and the amount of salary the noncertificated
18 teacher or counselor was paid within a constituent district.

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

25 SEC. 169C. A DISTRICT OR INTERMEDIATE DISTRICT THAT
26 INCLUDES PRESCRIPTION DRUGS AND MEDICATIONS AS A COVERED HEALTH

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1 BENEFIT FOR ADULTS IS ENCOURAGED TO ENSURE THAT PAYMENT FOR

2 PREVENTATIVE CONTRACEPTIVES IS INCLUDED IN THE INSURANCE PLAN. [THE
PLAN SHALL NOT COVER VIAGRA. PREVENTIVE CONTRACEPTIVES SHALL NOT BE
DEFINED AS ANY CONTRACEPTIVE THAT IS USED AFTER INTERCOURSE TO
PREVENT PREGNANCY.]

3 Enacting section 1. In accordance with section 30 of arti-
4 cle IX of the state constitution of 1963, total state spending in
5 this amendatory act and in 1999 PA 119, 1998 PA 553, and 1998
6 PA 339 from state sources for fiscal year 1999-2000 is estimated
7 at [\$10,306,100,300.00] and state appropriations to be paid to
8 local units of government for fiscal year 1999-2000 are estimated
9 at [\$10,157,747,500.00]; total state spending in this amendatory
10 act and in 1999 PA 119 from state sources for fiscal year
11 2000-2001 is estimated at [\$10,970,996,900.00] and state appropria-
12 tions to be paid to local units of government for fiscal year
13 2000-2001 are estimated at [\$10,703,671,900.00]; total state spend-
14 ing in this amendatory act from state sources for fiscal year
15 2001-2002 is estimated at [\$11,406,679,400.00] and state appropria-
16 tions to be paid to local units of government for fiscal year
17 2001-2002 are estimated at [\$11,151,662,500.00]; and total state
18 spending in this amendatory act from state sources for fiscal
19 year 2002-2003 is estimated at [\$11,778,173,500.00] and state
20 appropriations to be paid to local units of government for fiscal
21 year 2002-2003 are estimated at [\$11,522,949,200.00].

22 Enacting section 2. Sections 20b [, 31c, 36, 36a,] and 91b of
the state
23 school aid act of 1979, 1979 PA 94, MCL 388.1620b [, 388.1631c,
388.1636, 388.1636a,] and 388.1691b,
24 are repealed effective October 1, 2000.

25 [

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