

HOUSE BILL No. 4498

April 20, 1999, Introduced by Rep. Jelinek and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 6b, 8, 8a, 11, 11g, 13, 14, 15, 17a, 17b,
18, 18a, 19, 20, 20b, 24, 25, 25a, 26a, 31a, 31c, 36, 36a, 37, 38, 39,
40, 41, 51a, 52, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91b, 94,
99, 101, 102, 104a, 105, 107, 109, 118, 124, 147, 151, 152, 158, 158b,
161a, 163, 165, 166b, 167, 168, 169, and 169a, (MCL 388.1603, 388.1604,
388.1606, 388.1606b, 388.1608, 388.1608a, 388.1611, 388.1611g,
388.1613, 388.1614, 388.1615, 388.1617a, 388.1617b, 388.1618,
388.1618a, 388.1619, 388.1620, 388.1620b, 388.1624, 388.1625,
388.1625a, 388.1626a, 388.1631a, 388.1631c, 388.1636, 388.1636a,
388.1637, 388.1638, 388.1639, 388.1640, 388.1641, 388.1651a, 388.1652,

388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1691b, 388.1694, 388.1699, 388.1701, 388.1702, 388.1704a, 388.1705, 388.1707, 388.1709, 388.1718, 388.1724, 388.1747, 388.1751, 388.1752, 388.1758, 388.1758b, 388.1761a, 388.1763, 388.1765, 388.1766b, 388.1767, 388.1768, 388.1769, and 388.1769a), sections 6, 11, 11g, 17b, 20, 20b, 26a, 31a, 51a, 63, 81, and 105 as amended by 1998 PA 553, and sections 25a and 161a as added by 1998 PA 553, and sections 8a, 24, 31c, 36, 36a, 41, 53a, 54, 56, 57, 61a, 62, 68, 74, 94, 99, 101, 107, 147, and 166b as amended by 1998 PA 339, and section 165 as added by 1998 PA 339, and section 104a as amended by 1997 PA 176, and sections 8, 39 and 67 as amended by 1997 PA 142, and sections 3, 25, 52, 124, 151, 167, and 169a as amended by 1997 PA 93, and section 6b as added by 1997 PA 24, and sections 13, 15, 17a, 18, 18a, 19, 37, 38, 102, and 163 as amended by 1996 PA 300, and section 169 as added by 1996 PA 300, and section 4 as amended by 1995 PA 130, and sections 91b and 118 as added by 1995 PA 130, and section 109 as amended by 1994 PA 283, and section 158b as added by 1994 PA 283, and section 14 as amended by 1993 PA 336, and section 152 as amended by 1993 PA 175, and section 168 as added by 1993 PA 175, and section 40 as amended by 1991 PA 118, and section 158 as amended by 1990 PA 207, and by adding sections 105c and 166c; 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 defined in
3 section 6(4).

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

6 (3) "Cooperative education program" means a written voluntary
7 agreement between and among districts to provide certain educational

1 programs for pupils in certain groups of districts. The written
2 agreement shall be approved by all affected districts at least annually
3 and shall specify the educational programs to be provided and the
4 estimated number of pupils from each district who will participate in
5 the educational programs.

6 (4) "Department" means the department of education.

7 (5) "District" means a local school district established under the
8 revised school code, a local act school district, or, except in
9 sections 6(4), 6(6), 13, 20, 23, 31a, ~~and~~ 105, AND 166C, a public
10 school academy. Except in sections 6(4), 6(6), 13, 20, and 105,
11 district also includes a university school.

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

24 (7) "District superintendent" means the superintendent of a
25 district, the chief administrator of a public school academy, or the
26 chief administrator of a university school.

27 Sec. 4. (1) "Elementary pupil" means a pupil in membership in
28 grades K to 8 in a district not maintaining classes above the eighth
29 grade or in grades K to 6 in a district maintaining classes above the
30 eighth grade.

(2) "Extended school year" means an educational program conducted by a district in which pupils must be enrolled but not necessarily in attendance on the pupil membership count day in an extended year program. The mandatory days of student instruction and prescribed clock hours shall be completed by each pupil not more than 365 calendar days after the pupil's first day of classes for the school year prescribed. The ~~department~~ SUPERINTENDENT shall prescribe pupil, personnel, and other reporting requirements for the educational program.

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

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

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

Sec. 6. (1) "Center program" means a program operated by a district or intermediate district for special education pupils from several districts in programs for the autistically impaired, trainable mentally impaired, severely mentally impaired, severely multiply impaired, hearing impaired, physically and otherwise health impaired, and visually impaired. Programs for emotionally impaired pupils housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the ~~department~~ SUPERINTENDENT, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition,

1 special education center program pupils placed part-time in noncenter
2 programs to comply with the least restrictive environment provisions of
3 section 612 of part B of the individuals with disabilities education
4 act, title VI of Public Law 91-230, 20 U.S.C. 1412, may be considered
5 center program pupils for pupil accounting purposes for the time
6 scheduled in either a center program or a noncenter program.

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

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

21 (4) "Membership", except as otherwise provided in this act, means
22 for a district, public school academy, university school, or
23 intermediate district the sum of the product of .6 times the number of
24 full-time equated pupils in grades K to 12 actually enrolled and in
25 regular daily attendance on the pupil membership count day for the
26 current school year, plus the product of .4 times the final audited
27 count from the supplemental count day for the immediately preceding
28 school year, as determined by the ~~department~~ SUPERINTENDENT and
29 calculated by adding the number of pupils registered for attendance
30 plus pupils received by transfer and minus pupils lost as defined by

1 rules promulgated by the ~~state board~~ SUPERINTENDENT, and as corrected
2 by a subsequent department audit. BEGINNING IN THE 2000-01 SCHOOL
3 YEAR, "MEMBERSHIP", EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, MEANS FOR
4 A DISTRICT, PUBLIC SCHOOL ACADEMY, UNIVERSITY SCHOOL, OR INTERMEDIATE
5 DISTRICT THE SUM OF THE PRODUCT OF .2 TIMES THE FINAL AUDITED COUNT
6 FROM THE SUPPLEMENTAL COUNT DAY FOR THE IMMEDIATELY PRECEDING SCHOOL
7 YEAR, AS DETERMINED BY THE SUPERINTENDENT AND CALCULATED BY ADDING THE
8 NUMBER OF PUPILS REGISTERED FOR ATTENDANCE PLUS PUPILS RECEIVED BY
9 TRANSFER AND MINUS PUPILS LOST AS DEFINED BY RULES PROMULGATED BY THE
10 SUPERINTENDENT, AND AS CORRECTED BY A SUBSEQUENT DEPARTMENT AUDIT, PLUS
11 .1 TIMES THE NUMBER OF FULL-TIME EQUATED PUPILS IN GRADES K TO 12
12 ACTUALLY ENROLLED AND IN ATTENDANCE ON EACH OF EIGHT COUNT DAYS IN THE
13 CURRENT SCHOOL YEAR, AS DEFINED IN SUBSECTION (7). The amount of the
14 foundation allowance for a pupil in membership is determined under
15 section 20. In making the calculation of membership, all of the
16 following, as applicable, apply to determining the membership of a
17 district, public school academy, university school, or intermediate
18 district:

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

23 (b) If a pupil is educated in a district other than the pupil's
24 district of residence ~~and the educating district is not in the same~~
25 ~~intermediate district as the pupil's district of residence~~, if the
26 pupil is not being educated as part of a cooperative education program,
27 if the pupil's district of residence does not give the educating
28 district its approval to count the pupil in membership in the educating
29 district, and if the pupil is not covered by an exception specified in
30 subsection (6) to the requirement that the educating district must have

1 the approval of the pupil's district of residence to count the pupil in
2 membership, the pupil shall not be counted in membership in any
3 district.

4 (c) A special education pupil educated by the intermediate district
5 OF RESIDENCE shall be counted in membership in the intermediate
6 district.

7 (d) A pupil placed by a court or state agency in an on-grounds
8 program of a juvenile detention facility, a child caring institution,
9 or a mental health institution, or a pupil funded under section 53a,
10 shall be counted in membership in the district or intermediate district
11 approved by the ~~department~~ SUPERINTENDENT to operate the program.
12

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

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

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

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

25 (i) For a new district, university school, or public school academy
26 beginning its operation after December 31, 1994, membership for the
27 first 2 full or partial fiscal years of operation shall be determined
28 as follows:

29 (i) If operations begin before the pupil membership count day for
30 the fiscal year, membership is the average number of full-time equated

1 pupils in grades K to 12 actually enrolled and in regular daily
2 attendance on the pupil membership count day for the current school
3 year and on the supplemental count day for the current school year, as
4 determined by the ~~department~~ SUPERINTENDENT and calculated by adding
5 the number of pupils registered for attendance on the pupil membership
6 count day plus pupils received by transfer and minus pupils lost as
7 defined by rules promulgated by the ~~state-board~~ SUPERINTENDENT, and as
8 corrected by a subsequent department audit, plus the final audited
9 count from the supplemental count day for the current school year, and
10 dividing that sum by 2.

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

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

25 (k) In a district, public school academy, university school, or
26 intermediate district operating an extended school year program
27 approved by the ~~state-board~~ SUPERINTENDENT, a pupil enrolled, but not
28 scheduled to be in regular daily attendance on a pupil membership count
29 day, shall be counted.

30 (l) Pupils to be counted in membership shall be not less than 5

1 years of age on December 1 and less than 20 years of age on September 1
2 of the school year except a special education pupil who is enrolled and
3 receiving instruction in a special education program approved by the
4 ~~department~~ SUPERINTENDENT and not having a high school diploma who is
5 less than 26 years of age as of September 1 of the current school year
6 shall be counted in membership.

7 (m) An individual who has obtained a high school diploma shall not
8 be counted in membership. An individual who has obtained a general
9 education development (G.E.D.) certificate shall not be counted in
10 membership. An individual participating in a job training program
11 funded under former section 107a or a jobs program funded under former
12 section 107b, ~~both~~ administered by the ~~Michigan jobs commission~~
13 MICHIGAN STRATEGIC FUND OR THE DEPARTMENT OF CAREER DEVELOPMENT, or
14 participating in any successor of either of those 2 programs, shall not
15 be counted in membership.

16 (n) If a pupil counted in membership in a public school academy is
17 also educated by a district or intermediate district as part of a
18 cooperative education program, the pupil shall be counted in membership
19 only in the public school academy, and the instructional time scheduled
20 for the pupil in the district or intermediate district shall be
21 included in the full-time equated membership determination under
22 subdivision (q). However, for pupils receiving instruction in both a
23 public school academy and in a district or intermediate district but
24 not as a part of a cooperative education program, the following apply:

25 (i) If the public school academy provides instruction for at least
26 1/2 of the class hours specified in subdivision (q), the public school
27 academy shall receive as its prorated share of the full-time equated
28 membership for each of those pupils an amount equal to 1 times the
29 product of the hours of instruction the public school academy provides
30 divided by the number of hours specified in subdivision (q) for

1 full-time equivalency, and the remainder of the full-time membership
2 for each of those pupils shall be allocated to the district or
3 intermediate district providing the remainder of the hours of
4 instruction.

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

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

19

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

22 (q) The number of class hours used to calculate full-time equated
23 memberships shall be consistent with section 1284 of the revised school
24 code, MCL 380.1284. In determining full-time equated memberships for
25 pupils who are enrolled in a postsecondary institution, a pupil shall
26 not be considered to be less than a full-time equated pupil solely
27 because of the effect of his or her postsecondary enrollment, including
28 necessary travel time, on the number of class hours provided by the
29 district to the pupil.

30 (r) Full-time equated memberships for pupils in kindergarten shall

1 be determined by dividing the number of class hours scheduled and
2 provided per year per kindergarten pupil by a number equal to 1/2 the
3 number used for determining full-time equated memberships for pupils in
4 grades 1 to 12.

5 (s) For a district that has qualified currently migrant pupils
6 enrolled in the district as of the pupil membership count day who were
7 not counted in membership in the district on the supplemental count day
8 for the immediately preceding school year, as determined by the
9 ~~department~~ SUPERINTENDENT using the criteria used for eligibility for
10 the migrant education program under the improving America's schools act
11 of 1994, Public Law 103-382, 108 Stat.3518, the number of those pupils
12 counted in the district's membership is 3/4 of the number of those
13 pupils counted on the pupil membership count day only.

14 (t) For a district, university school, or public school academy that
15 has pupils enrolled in a grade level that was not offered by the
16 district, university school, or public school academy in the
17 immediately preceding school year, the number of pupils enrolled in
18 that grade level to be counted in membership is the average of the
19 number of those pupils enrolled and in regular daily attendance on the
20 pupil membership count day and the supplemental count day of the
21 current school year, as determined by the ~~department~~ SUPERINTENDENT.
22 Membership shall be calculated by adding the number of pupils
23 registered for attendance in that grade level on the pupil membership
24 count day plus pupils received by transfer and minus pupils lost as
25 defined by rules promulgated by the ~~state board~~ SUPERINTENDENT, and as
26 corrected by subsequent department audit, plus the final audited count
27 from the supplemental count day for the current school year, and
28 dividing that sum by 2.

29 (u) A pupil enrolled in a cooperative education program may be
30 counted in membership in the pupil's district of residence with the

1 written approval of all parties to the cooperative agreement.

2 (v) If, as a result of a disciplinary action, a district determines
3 through the district's alternative or disciplinary education program
4 that the best instructional placement for a pupil is in the pupil's
5 home, if that placement is authorized in writing by the district
6 superintendent and district alternative or disciplinary education
7 supervisor, and if the district provides appropriate instruction as
8 described in this subdivision to the pupil at the pupil's home, the
9 district may count the pupil in membership on a pro rata basis, with
10 the proration based on the number of hours of instruction the district
11 actually provides to the pupil divided by the number of hours specified
12 in subdivision (q) for full-time equivalency. For the purposes of this
13 subdivision, a district shall be considered to be providing appropriate
14 instruction if all of the following are met:

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

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

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

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

25 (w) A pupil enrolled in an alternative or disciplinary education
26 program described in section 25 shall be counted in membership in the
27 district or public school academy that expelled the pupil.

28 ~~(x) For 1997-98 only, if a pupil was~~ IF A PUPIL IS enrolled in a
29 public school academy on the pupil membership count day, if the public
30 school academy's contract with its authorizing body is revoked, and if

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

5 (Y) FOR A PUBLIC SCHOOL ACADEMY IN OPERATION FOR AT LEAST TWO YEARS
6 THAT SUSPENDED OPERATIONS FOR AT LEAST ONE SEMESTER AND IS RESUMING
7 OPERATIONS, MEMBERSHIP IS THE SUM OF THE PRODUCT OF .6 TIMES THE NUMBER
8 OF FULL-TIME EQUATED PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN
9 REGULAR DAILY ATTENDANCE ON THE COUNT DAY OR SUPPLEMENTAL COUNT DAY,
10 WHICHEVER IS FIRST, AFTER OPERATIONS RESUME; PLUS THE PRODUCT OF .4
11 TIMES THE FINAL AUDITED COUNT FROM THE MOST RECENT COUNT DAY OR
12 SUPPLEMENTAL COUNT DAY PRIOR TO SUSPENDING OPERATIONS, AS DETERMINED BY
13 THE SUPERINTENDENT.

14 (Z) A PUPIL ENROLLED IN A SATELLITE SCHOOL SHALL BE COUNTED IN
15 MEMBERSHIP IN THE DISTRICT THAT OPERATES THE SATELLITE SCHOOL.

16 (AA) IF A SPECIAL EDUCATION PUPIL IS EDUCATED IN A DISTRICT OR
17 INTERMEDIATE DISTRICT THAT IS NOT IN THE PUPIL'S INTERMEDIATE DISTRICT
18 OF RESIDENCE, THE PUPIL SHALL BE COUNTED IN MEMBERSHIP IN THE
19 INTERMEDIATE DISTRICT OF RESIDENCE FOR THE PRORATED PORTION OF THE
20 FULL-TIME EQUATED MEMBERSHIP THAT THE PUPIL RECEIVES SPECIAL EDUCATION
21 PROGRAMS AND SERVICES. THE EDUCATING DISTRICT OR INTERMEDIATE DISTRICT
22 SHALL CHARGE THE ALLOWABLE SPECIAL EDUCATION COSTS OF EDUCATING THE
23 PUPIL AS DETERMINED BY THE SUPERINTENDENT TO THE INTERMEDIATE DISTRICT
24 OF RESIDENCE. FOR THE PURPOSE OF CALCULATING COSTS UNDER SECTION 51A,
25 THE ALLOWABLE SPECIAL EDUCATION COSTS OF EDUCATING THE PUPIL SHALL BE
26 COUNTED ONLY BY THE INTERMEDIATE DISTRICT OF RESIDENCE.

27 (5) "Public school academy" means a public school academy operating
28 under the revised school code.

29 (6) "Pupil" means a person in membership in a public school. A
30 district must have the approval of the pupil's district of residence to

1 count the pupil in membership, except approval by the pupil's district
2 of residence shall not be required for any of the following:

3 (a) Nonpublic part-time pupils enrolled in grades 1 to 12 in
4 accordance with section 166b.

5 (b) Pupils receiving 1/2 or less of their instruction in a district
6 other than their district of residence.

7 (c) Pupils enrolled in a public school academy or university school.

8
9 ~~(d) Pupils enrolled in a district other than their district of~~
10 ~~residence under an intermediate district schools of choice pilot~~
11 ~~program as described in section 91a or former section 91 if the~~
12 ~~intermediate district and its constituent districts have been exempted~~
13 ~~from section 105.~~

14 ~~(e)~~ (D) Pupils enrolled in a district other than their district of
15 residence ~~but within the same intermediate district~~ if the educating
16 district enrolls nonresident pupils in accordance with section 105.

17 ~~(f)~~ (E) Pupils enrolled in a district other than their district of
18 residence if the pupils have been continuously enrolled in the
19 educating district since a school year in which the pupils enrolled in
20 the educating district under section 105 and in which the educating
21 district enrolled nonresident pupils in accordance with section 105.

22 ~~(g)~~ (F) A nonresident pupil who has made an official written
23 complaint or whose parent or legal guardian has made an official
24 written complaint to law enforcement officials and to school officials
25 of the pupil's district of residence that the pupil has been the victim
26 of a criminal sexual assault or other serious assault, if the official
27 complaint either indicates that the assault occurred at school or that
28 the assault was committed by 1 or more other pupils enrolled in the
29 school the nonresident pupil would otherwise attend in the district of
30 residence or by an employee of the district of residence. A person who
31 intentionally makes a false report of a crime to law enforcement

1 officials for the purposes of this subdivision is subject to section
2 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which
3 provides criminal penalties for that conduct. As used in this
4 subdivision:

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

9 (ii) "Serious assault" means an act that constitutes a felony
10 violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL
11 750.81 to 750.90f, or that constitutes an assault and infliction of
12 serious or aggravated injury under section 81a of the Michigan penal
13 code, 1931 PA 328, MCL 750.81a.

14 ~~However, if a district that is not a first class district educates~~
15 ~~pupils who reside in a first class district and if the primary~~
16 ~~instructional site for those pupils is located within the boundaries of~~
17 ~~the first class district, the educating district must have the approval~~
18 ~~of the first class district to count those pupils in membership. As~~
19 ~~used in this subsection, "first class district" means a district~~
20 ~~organized as a school district of the first class under the revised~~
21 ~~school code.~~

22 (G) PUPILS WHOSE RESIDENT DISTRICT CHANGED FOLLOWING THE PUPIL
23 MEMBERSHIP COUNT DAY AND PRIOR TO THE SUPPLEMENTAL COUNT DAY AND WHO
24 CONTINUE TO BE ENROLLED ON THE SUPPLEMENTAL COUNT DAY AS A NONRESIDENT
25 IN THE DISTRICT IN WHICH THEY WERE ENROLLED AS A RESIDENT ON THE PUPIL
26 MEMBERSHIP COUNT DAY OF THE SAME SCHOOL YEAR.

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

29 (a) Except as provided in subdivision (b), the fourth Wednesday in
30 September each school year. BEGINNING IN SCHOOL YEAR 2000-01, EXCEPT
31 AS PROVIDED IN SUBDIVISION (B), THE FOURTH WEDNESDAY IN THE MONTHS OF

1 SEPTEMBER, OCTOBER, NOVEMBER, JANUARY AND APRIL, AND THE SECOND
2 WEDNESDAY IN THE MONTHS OF DECEMBER, FEBRUARY, AND MARCH.

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

5 (i) Fourth Wednesday in July.

6 (ii) Fourth Wednesday in September.

7 (iii) Second Wednesday in February.

8 (iv) Fourth Wednesday in April.

9 (8) "PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY
10 ATTENDANCE" MEANS PUPILS IN GRADES K TO 12 IN ATTENDANCE AND RECEIVING
11 INSTRUCTION IN ALL CLASSES FOR WHICH THEY ARE ENROLLED ON THE COUNT DAY
12 OR THE SUPPLEMENTAL COUNT DAY, AS APPLICABLE. A PUPIL WHO IS ABSENT
13 FROM ANY OF HIS OR HER ENROLLED CLASSES ON THE COUNT DAY OR
14 SUPPLEMENTAL COUNT DAY AND WHO DOES NOT ATTEND EACH OF HIS OR HER
15 CLASSES DURING THE 10 CONSECUTIVE SCHOOL DAYS IMMEDIATELY FOLLOWING THE
16 COUNT DAY OR SUPPLEMENTAL COUNT DAY, EXCEPT FOR A PUPIL WHO HAS BEEN
17 EXCUSED BY THE DISTRICT, SHALL NOT BE COUNTED AS 1.0 FULL-TIME EQUATED
18 MEMBERSHIP. IN ADDITION, A PUPIL WHO IS EXCUSED FROM ATTENDANCE ON THE
19 COUNT DAY OR SUPPLEMENTAL COUNT DAY AND WHO FAILS TO ATTEND EACH OF HIS
20 OR HER ENROLLED CLASSES WITHIN 30 CALENDAR DAYS AFTER THE COUNT DAY OR
21 SUPPLEMENTAL COUNT DAY SHALL NOT BE COUNTED AS 1.0 FULL-TIME EQUATED
22 MEMBERSHIP. PUPILS NOT COUNTED AS 1.0 FULL-TIME EQUATED MEMBERSHIP DUE
23 TO AN ABSENCE FROM AN ENROLLED CLASS SHALL BE COUNTED AS A PRORATED
24 MEMBERSHIP FOR THE ENROLLED CLASSES WHICH WERE ATTENDED. FOR PURPOSES
25 OF THIS SUBSECTION, A "CLASS" IS DEFINED AS A PERIOD OF TIME IN ONE DAY
26 WHEN PUPILS AND A CERTIFICATED TEACHER ARE TOGETHER AND INSTRUCTION IS
27 TAKING PLACE.

28 ~~(8)~~ (9) "Rule" means a rule promulgated pursuant to the
29 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
30 24.328.

31 ~~(9)~~ (10) "The revised school code" means 1976 PA 451, MCL 380.1 to

1 380.1852.

2 (11) "SATELLITE SCHOOL" MEANS AN INSTRUCTIONAL PROGRAM OPERATED BY A
3 DISTRICT UNDER SECTION 105C THAT MEETS THE REQUIREMENTS OF SECTION
4 105C.

5 ~~(10)~~ (12) "School fiscal year" means a fiscal year that commences
6 July 1 and continues through June 30.

7 ~~(11)~~ (13) "State board" means the state board of education.

8 (14) "SUPERINTENDENT" MEANS THE SUPERINTENDENT OF PUBLIC INSTRUCTION
9 FOR THE STATE OF MICHIGAN.

10 ~~(12)~~ (15) "Supplemental count day" means the day on which the
11 supplemental pupil count is conducted under section 6a.

12 ~~(13)~~ (16) "Tuition pupil" means a pupil of school age attending
13 school in a district other than the pupil's district of residence for
14 whom tuition may be charged. Tuition pupil does not include a pupil
15 who is a special education pupil or a pupil described in subsection
16 (6)(d) to (g). A pupil's district of residence shall not require a
17 high school tuition pupil, as provided under section 111, to attend
18 another school district after the pupil has been assigned to a school
19 district.

20 ~~(14)~~ (17) "State school aid fund" means the state school aid fund
21 established in section 11 of article IX of the state constitution of
22 1963.

23 ~~(15)~~ (18) "Taxable value" means the taxable value of property as
24 determined under section 27a of the general property tax act, 1893 PA
25 206, MCL 211.27a.

26 ~~(16)~~ (19) "Total state aid" or "total state school aid" means the
27 total combined amount of all funds due to a district, intermediate
28 district, or other entity under all of the provisions of this act.

29 ~~(17)~~ (20) "University school" means an instructional program
30 operated by a public university under section 23 that meets the
31 requirements of section 23.

1 Sec. 6b. (1) A district enrolling a nonresident pupil with the
2 approval of the pupil's district of residence may count the pupil in
3 membership in a school year if the approval of the pupil's district of
4 residence is received before the end of that school year.

5 (2) If the approval described in subsection (1) is received by the
6 educating district at any time before the end of its school year, the
7 ~~department~~ SUPERINTENDENT shall adjust the educating district's pupil
8 count for the pupil membership count day or the supplemental count day
9 of that school year, or both as necessary to ensure that the pupil is
10 counted in membership in the educating district for those pupil counts
11 for which the pupil was enrolled and in attendance.

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

18 (2) On the basis of a district's pupil retention report as defined
19 in section 6(3), the ~~department~~ SUPERINTENDENT shall calculate an
20 annual pupil dropout rate for each district. In addition, the
21 ~~department~~ SUPERINTENDENT shall calculate an annual pupil dropout rate
22 for the state in the same manner as that used to calculate the pupil
23 dropout rate for a district. The ~~department~~ SUPERINTENDENT shall
24 report all pupil dropout rates to the senate and house education
25 committees and appropriations committees and the ~~department of~~
26 ~~management and budget~~ STATE BUDGET DIRECTOR not later than September 15
27 each year.

28 Sec. 8a. For each of the district's school buildings that operate
29 some or all of grades K-3, a district shall report to the ~~department~~
30 SUPERINTENDENT not later than December 1 of each school year the
31 average number of pupils per class in grades K-3 in the school

1 building.

2 Sec. 11. (1) ~~For the fiscal year ending September 30, 1998, there~~
3 ~~is appropriated for the public schools of this state and certain other~~
4 ~~state purposes relating to education the sum of \$8,717,471,600.00 from~~
5 ~~the state school aid fund established by section 11 of article IX of~~
6 ~~the state constitution of 1963 and the sum of \$377,935,400.00 from the~~
7 ~~general fund.~~ For the fiscal year ending September 30, 1999, there is
8 appropriated for the public schools of this state and certain other
9 state purposes relating to education the sum of ~~\$9,000,761,900.00~~
10 \$9,068,554,800.00 from the state school aid fund established by section
11 11 of article IX of the state constitution of 1963 and the sum of
12 \$420,613,500.00 from the general fund. For the fiscal year ending
13 September 30, 2000, there is appropriated for the public schools of
14 this state and certain other state purposes relating to education the
15 sum of ~~\$9,366,408,600.00~~ \$9,486,489,000.00 from the state school aid
16 fund established by section 11 of article IX of the state constitution
17 of 1963 and the sum of \$420,613,500.00 from the general fund. In
18 addition, available federal funds are appropriated ~~for 1997-98, for~~
19 1998-99, and for 1999-2000.

20 (2) The appropriations under this section shall be allocated as
21 provided in this act. Money appropriated under this section from the
22 general fund and from available federal funds shall be expended to fund
23 the purposes of this act before the expenditure of money appropriated
24 under this section from the state school aid fund. If the maximum
25 amount appropriated under this section from the state school aid fund
26 for a fiscal year exceeds the amount necessary to fully fund
27 allocations under this act from the state school aid fund, that excess
28 amount shall not be expended in that state fiscal year and shall not
29 lapse to the general fund, but instead shall remain in the state school
30 aid fund.

31 (3) If the maximum amount appropriated under this section and

1 sections 11f and 11g from the state school aid fund for a fiscal year
2 exceeds the amount available for expenditure from the state school aid
3 fund for that fiscal year, payments under sections 11f, 11g, and 51a
4 (2) shall be made in full and payments under each of the other sections
5 of this act shall be prorated on an equal percentage basis as necessary
6 to reflect the amount available for expenditure from the state school
7 aid fund for that fiscal year. However, if the department of treasury
8 determines that proration will be required under this subsection, the
9 department of treasury shall notify the STATE BUDGET director ~~of the~~
10 ~~department of management and budget~~, and the STATE BUDGET director ~~of~~
11 ~~the department of management and budget~~ shall notify the legislature at
12 least 30 calendar days or 6 legislative session days, whichever is
13 more, before the ~~department~~ SUPERINTENDENT reduces any payments under
14 this act because of the proration. During the 30 calendar day or 6
15 legislative session day period after that notification by the STATE
16 BUDGET director ~~of the department of management and budget~~, the
17 ~~department~~ SUPERINTENDENT shall not reduce any payments under this act
18 because of proration under this subsection. The legislature may
19 prevent proration from occurring by, within the 30 calendar day or 6
20 legislative session day period after that notification by the
21 ~~department of management and budget~~ STATE BUDGET DIRECTOR, enacting
22 legislation appropriating additional funds from the general fund,
23 countercyclical budget and economic stabilization fund, state school
24 aid fund balance, or another source to fund the amount of the projected
25 shortfall.

26 Sec. 11g. (1) In addition to the appropriations under section 11f
27 and any other money appropriated under this act, there is appropriated
28 from the state school aid fund an amount not to exceed \$40,000,000.00
29 for the fiscal year ending September 30, 1999. From the general fund
30 money appropriated in section 11, there is ~~appropriated~~ ALLOCATED an
31 amount not to exceed \$40,000,000.00 for the fiscal year ending

1 September 30, 2000 and for each succeeding fiscal year through the
2 fiscal year ending September 30, 2013. Payments under this section
3 will cease after September 30, 2013. These appropriations are for
4 paying the amounts described in subsection (3) to districts and
5 intermediate districts, other than those receiving a lump sum payment
6 under section 11f(2), that were not plaintiffs in the consolidated
7 cases known as Durant v State of Michigan, Michigan supreme court
8 docket no. 104458-104492 and that, on or before March 2, 1998, have
9 submitted to the state treasurer a waiver resolution described in
10 section 11f. The amounts paid under this section represent offers of
11 settlement and compromise of any claim or claims that were or could
12 have been asserted by these districts and intermediate districts, as
13 described in this section.

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

23 (3) The amount paid each fiscal year to each district or
24 intermediate district under this section shall be the sum of the
25 following:

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

28 (b) If the district or intermediate district borrows money and
29 issues bonds under section 11i, an additional amount in each fiscal
30 year calculated by the department of treasury that, when added to the
31 amount described in subdivision (a), will cause the net present value

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

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

19 (a) First, to pay debt service on voter-approved bonds issued by the
20 district or intermediate district before the effective date of this
21 section.

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

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

25 (5) To the extent payments under this section are used by a district
26 or intermediate district to pay debt service on debt payable from
27 millage revenues, and to the extent permitted by law, the district or
28 intermediate district may make a corresponding reduction in the number
29 of mills levied for debt service.

30 (6) A district or intermediate district may pledge or assign
31 payments under this section as security for bonds issued under section

1 11i, but shall not otherwise pledge or assign payments under this
2 section.

3 (7) The state school aid fund appropriation under this section for
4 1998-99 is from the money appropriated and transferred to the state
5 school aid fund from the countercyclical budget and economic
6 stabilization fund under section 353e(2) of the management and budget
7 act, 1984 PA 431, MCL 18.1353e.

8 Sec. 13. Except as otherwise provided in this act, the
9 apportionments and limitations of the apportionments made under this
10 act shall be made on the membership and number of teachers and other
11 professionals approved by the superintendent ~~of public instruction~~
12 employed as of the pupil membership count day of each year and on the
13 taxable value and the operating millage of each district for the
14 calendar year. In addition, a district maintaining school during the
15 entire year, as provided in section 1561 of the revised school code,
16 being section 380.1561 of the Michigan Compiled Laws, shall count
17 memberships and teachers pursuant to rules promulgated by the ~~state~~
18 ~~board~~ SUPERINTENDENT.

19 Sec. 14. If the returns from an intermediate district or district
20 upon which a statement of the amount to be disbursed or paid are
21 defective, making it impracticable to ascertain the apportionment to be
22 disbursed or paid, the ~~department~~ SUPERINTENDENT shall withhold the
23 amount of the apportionment that cannot be ascertained until the
24 ~~department~~ SUPERINTENDENT is able to ascertain by the best evidence
25 available the facts upon which the ratio and amount of the
26 apportionment depend, and then shall make the apportionment
27 accordingly.

28 Sec. 15. (1) If a district or intermediate district fails to
29 receive its proper apportionment, the ~~department~~ SUPERINTENDENT, upon
30 satisfactory proof that the district or intermediate district was
31 entitled justly, shall apportion the deficiency in the remaining

1 apportionments. Subject to subsections (2) and (3), if a district or
2 intermediate district has received more than its proper apportionment,
3 the ~~department~~ SUPERINTENDENT, upon satisfactory proof, shall deduct
4 the excess in the remaining apportionments. Notwithstanding any other
5 provision in this act, state aid overpayments to a district, other than
6 overpayments in payments for special education or special education
7 transportation, may be recovered from any payment made under this act
8 other than a special education or special education transportation
9 payment. State aid overpayments made in special education or special
10 education transportation payments may be recovered from subsequent
11 special education or special education transportation payments.

12 (2) If the result of an audit conducted by or for the ~~department~~
13 SUPERINTENDENT affects the current fiscal year membership, affected
14 payments shall be adjusted in the current fiscal year. A deduction due
15 to an adjustment made as a result of an audit conducted by or for the
16 ~~department~~ SUPERINTENDENT, or as a result of information obtained by
17 the ~~department~~ SUPERINTENDENT from the district, an intermediate
18 district, the department of treasury, or the office of auditor general,
19 shall be deducted from the district's apportionments within the next
20 fiscal year after the fiscal year in which the adjustment is finalized.
21 At the request of the district and upon the district presenting
22 evidence satisfactory to the ~~department~~ SUPERINTENDENT of the hardship,
23 the ~~department~~ SUPERINTENDENT may grant up to an additional 4 years for
24 the adjustment if the district would otherwise experience a significant
25 hardship.

26 (3) If, because of the receipt of new or updated data, the
27 ~~department~~ SUPERINTENDENT determines during a fiscal year that the
28 amount paid to a district or intermediate district under this act for a
29 prior fiscal year was incorrect under the law in effect for that year,
30 the ~~department~~ SUPERINTENDENT may make the appropriate deduction or
31 payment in the district's or intermediate district's allocation for the

1 fiscal year in which the determination is made. The deduction or
2 payment shall be calculated according to the law in effect in the
3 fiscal year in which the improper amount was paid.

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

7 Sec. 17a. (1) The ~~department~~ SUPERINTENDENT may withhold all or part
8 of any payment that a district or intermediate district is entitled to
9 receive under this act to the extent the withholdings are a component
10 part of a plan, developed and implemented pursuant to chapter IX of the
11 municipal finance act, Act No. 202 of the Public Acts of 1943, being
12 sections 139.1 to 139.3 of the Michigan Compiled Laws, or other
13 statutory authority, for financing an outstanding obligation upon which
14 the district or intermediate district defaulted. Amounts withheld
15 shall be used to pay, on behalf of the district or intermediate
16 district, unpaid amounts or subsequently due amounts, or both, of
17 principal and interest on the outstanding obligation upon which the
18 district or intermediate district defaulted.

19 (2) Under an agreement entered into by a district or intermediate
20 district assigning all or a portion of the payment that it is eligible
21 to receive under this act to the Michigan municipal bond authority or
22 to the trustee of a pooled arrangement or pledging such amount for
23 payment of an obligation it incurred with the Michigan municipal bond
24 authority or with the trustee of a pooled arrangement, the state
25 treasurer shall transmit to the Michigan municipal bond authority or a
26 trustee designated by the authority or to the trustee of a pooled
27 arrangement the amount of the payment which is assigned or pledged
28 under the agreement. Notwithstanding the payment dates prescribed by
29 this act for distributions under this act, the state treasurer may
30 advance all or part of a payment which is dedicated for distribution or
31 for which the appropriation authorizing the payment has been made if

1 and to the extent, under the terms of an agreement entered into by a
2 district or intermediate district and the Michigan municipal bond
3 authority, the payment which the district or intermediate district is
4 eligible to receive has been assigned to or pledged for payment of an
5 obligation it incurred with the Michigan municipal bond authority.
6 This subsection does not require the state to make an appropriation to
7 any school district or intermediate school district and shall not be
8 construed as creating an indebtedness of the state, and any agreement
9 made pursuant to this subsection shall contain a statement to that
10 effect. As used in this subsection, "trustee of a pooled arrangement"
11 means the trustee of a trust approved by the state treasurer and,
12 subject to the conditions and requirements of that approval,
13 established for the purpose of offering for sale, as part of a pooled
14 arrangement, certificates representing undivided interests in notes
15 issued by districts or intermediate districts under section 1225 of the
16 revised school code, being section 380.1225 of the Michigan Compiled
17 Laws. If a trustee applies to the state treasurer for approval of a
18 trust for the purposes of this subsection, the state treasurer shall
19 approve or disapprove the trust within 10 days after receipt of the
20 application.

21 Sec. 17b. (1) Not later than October 20, November 20, December 20,
22 January 20, February 20, March 20, April 20, May 20, June 20, July 20,
23 and August 20, the ~~department~~ SUPERINTENDENT shall prepare a statement
24 of the amount to be distributed under this act in the installment to
25 the districts and intermediate districts and deliver the statement to
26 the state treasurer, and the state treasurer shall pay the installments
27 on each of those dates or on the next business day following each of
28 those dates. Except as otherwise provided in this act, the portion of
29 the district's or intermediate district's state fiscal year entitlement
30 to be included in each installment shall be 1/11. ~~However, for 1997-98~~
31 ~~only, there shall not be an installment paid on August 20, and the~~

~~portion to be included in each installment shall be 11.11% for the~~
~~October and November payments; 9.72% for the December, January,~~
~~February, March, April, May, and June payments; and 9.74% for the July~~
~~payment. The payments due to a district in 1997-98 on April 20, May~~
~~20, June 20, and July 20 pursuant to this section each shall be reduced~~
~~by an amount equal to 1/4 of the district's total additional payments~~
~~in 1996-97 under former section 20c.~~ A district or intermediate
district shall accrue the payments received in July and August to the
school fiscal year ending the immediately preceding June 30.

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

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

(4) Upon the written request of a district or intermediate district
and the submission of proof satisfactory to the ~~department~~
SUPERINTENDENT of a need of a temporary and nonrecurring nature, the
superintendent, with the written concurrence of the state treasurer and
the STATE BUDGET ~~director of management and budget~~, may authorize an
advance release of funds due a district or intermediate district under

1 this act. Such an advance shall not cause funds to be paid to a
2 district or intermediate district more than 30 days earlier than the
3 established payment date for those funds.

4 Sec. 18. (1) Except as provided in another section of this act, each
5 district or other entity shall apply the money received by the district
6 or entity under this act to salaries and other compensation of teachers
7 and other employees, tuition, transportation, lighting, heating,
8 ventilation, water service, the purchase of textbooks which are
9 designated by the board to be used in the schools under the board's
10 charge, other supplies, and any other school operating expenditures
11 defined in section 7. However, not more than 20% of the total amount
12 received by a district under article 2 or intermediate district under
13 article 8 may be transferred by the board to either the capital
14 projects fund or to the debt retirement fund for debt service. The
15 money shall not be applied or taken for a purpose other than as
16 provided in this section. The ~~department~~ SUPERINTENDENT shall
17 determine the reasonableness of expenditures and may withhold from a
18 recipient of funds under this act the apportionment otherwise due for
19 the fiscal year following the discovery by the ~~department~~
20 SUPERINTENDENT of a violation by the recipient.

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

1 financial audit shall be accompanied by the intermediate district's
2 pupil accounting procedures report. A district's or intermediate
3 district's annual financial audit shall include an analysis of the
4 financial and pupil accounting data used as the basis for distribution
5 of state school aid. The pupil accounting records and reports, audits,
6 and management letters are subject to requirements established in the
7 auditing and accounting manuals approved and published by the
8 ~~department~~ SUPERINTENDENT. NOT LATER THAN JUNE 1, 1999, THE
9 SUPERINTENDENT SHALL APPROVE AND PUBLISH PUPIL ACCOUNTING AND SCHOOL
10 AUDITING MANUALS AND SHALL AT LEAST ANNUALLY REVIEW AND PERIODICALLY
11 UPDATE THOSE MANUALS TO REFLECT CHANGES IN THIS ACT. THE AUDITING AND
12 ACCOUNTING MANUALS IN EFFECT FOR THE 1996-97 SCHOOL YEAR, INCLUDING
13 SUBSEQUENT REVISIONS ISSUED BY THE SUPERINTENDENT, SHALL BE THE INTERIM
14 MANUALS IN EFFECT UNTIL NEW MANUALS ARE APPROVED AND PUBLISHED.
15 HOWEVER, CLARIFICATION OF CLASS-BY-CLASS ACCOUNTING PROVIDED IN THE
16 DEPARTMENT'S APRIL 15, 1998 MEMORANDUM ON PUPIL ACCOUNTING PROCEDURES
17 SHALL BE EXCLUDED FROM THE INTERIM MANUALS. Except as otherwise
18 provided in this subsection, a district shall file the annual financial
19 audit reports with the intermediate district not later than 120 days
20 after the end of each school fiscal year and the intermediate district
21 shall forward the annual financial audit reports for its constituent
22 districts and for the intermediate district, and the pupil accounting
23 procedures report for the pupil membership count day and supplemental
24 count day, to the ~~department~~ SUPERINTENDENT not later than November 15
25 of each year. The annual financial audit reports and pupil accounting
26 procedures reports shall be available to the public in compliance with
27 the freedom of information act, Act No. 442 of the Public Acts of 1976,
28 being sections 15.231 to 15.246 of the Michigan Compiled Laws. Not
29 later than December 1 of each year, the ~~department~~ SUPERINTENDENT shall
30 notify the STATE BUDGET DIRECTOR ~~department of management and budget~~
31 and the legislative appropriations subcommittees responsible for review

1 of the school aid budget of districts and intermediate districts that
2 have not filed an annual financial audit and pupil accounting
3 procedures report required under this section for the school year
4 ending in the immediately preceding fiscal year.

5 (3) Each district and intermediate district shall file with the
6 ~~department~~ SUPERINTENDENT by November 15 of each year an annual
7 comprehensive financial report, known as "Form B", on a form and in the
8 manner prescribed by the ~~department~~ SUPERINTENDENT.

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

13 (5) If a district or intermediate district does not comply with
14 subsection (2) or (3), the ~~department~~ SUPERINTENDENT shall withhold all
15 state school aid due to the district or intermediate district under
16 this act, beginning with the next payment due to the district or
17 intermediate district, until the district or intermediate district
18 complies with subsections (2) and (3). If the district or intermediate
19 district does not comply with subsections (2) and (3) by the end of the
20 fiscal year, the district or intermediate district forfeits the amount
21 withheld.

22 Sec. 18a. Grant funds awarded and allotted to a district or
23 intermediate district, unless otherwise specified in this act, shall be
24 expended by the grant recipient before the end of the school fiscal
25 year immediately following the fiscal year in which the funds are
26 received. If a grant recipient does not expend the funds received
27 under this act before the end of the fiscal year in which the funds are
28 received, the grant recipient shall submit a report to the ~~department~~
29 SUPERINTENDENT not later than November 1 after the fiscal year in which
30 the funds are received indicating whether it expects to expend those
31 funds during the fiscal year in which the report is submitted. A

1 recipient of a grant shall return any unexpended grant funds to the
2 ~~department~~ SUPERINTENDENT in the manner prescribed by the ~~department~~
3 SUPERINTENDENT not later than September 30 after the fiscal year in
4 which the funds are received.

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

9 (2) Each district and intermediate district shall provide to the
10 ~~department~~ SUPERINTENDENT, in a form and manner prescribed by the
11 ~~department~~ SUPERINTENDENT, information necessary for the development of
12 an annual progress report on the implementation of sections 1204a,
13 1277, 1278, and 1280 of the revised school code, commonly referred to
14 as "public act 25 of 1990", and on the achievement of national
15 education goals.

16 (3) If a district or intermediate district fails to meet the
17 requirements of subsection (2) and sections 1204a, 1277, and 1278 of
18 the revised school code, the ~~department~~ SUPERINTENDENT shall withhold
19 5% of the total funds for which the district or intermediate district
20 qualifies under this act until the district or intermediate district
21 complies with all of those sections. If the district or intermediate
22 district does not comply with all of those sections by the end of the
23 fiscal year, the ~~department~~ SUPERINTENDENT shall place the amount
24 withheld in an escrow account until the district or intermediate
25 district complies with all of those sections.

26 (4) If a school in a district is not accredited under section 1280
27 of the revised school code or is not making satisfactory progress
28 toward meeting the standards for that accreditation, the ~~department~~
29 SUPERINTENDENT shall withhold 5% of the total funds for which the
30 district qualifies under this act that are attributable to pupils
31 attending that school. The ~~department~~ SUPERINTENDENT shall place the

1 amount withheld from a district under this subsection in an escrow
2 account and shall not release the funds to the district until the
3 district submits to the ~~department~~ SUPERINTENDENT a plan for achieving
4 accreditation for each of the district's schools that are not
5 accredited under section 1280 of the revised school code or are not
6 making satisfactory progress toward meeting the standards for that
7 accreditation.

8 Sec. 20. (1) For ~~1997-98~~ and 1998-99, the basic foundation allowance
9 is \$5,462.00 per membership pupil. For 1999-2000, the basic foundation
10 allowance is \$5,652.00 per membership pupil.

11 (2) From the appropriation in section 11, there is allocated ~~for~~
12 ~~1997-98 an amount not to exceed \$8,022,595,100.00,~~ for 1998-99 an
13 amount not to exceed ~~\$7,970,372,900.00~~ \$8,034,400,000.00, and for
14 1999-2000 an amount not to exceed ~~\$8,314,985,400.00~~ \$8,429,600,000.00,
15 to guarantee each district a foundation allowance per membership pupil
16 other than special education pupils and to make payments under this
17 section to public school academies and university schools for
18 membership pupils other than special education pupils. The amount of
19 each district's foundation allowance shall be calculated as provided in
20 this section, using a basic foundation allowance in the amount
21 specified in subsection (1). If the maximum amount allocated under
22 this section is not sufficient to fully fund payments under this
23 section, and before any proration required under section 11, the amount
24 of the payment to each district, university school, and public school
25 academy shall be prorated by reducing by an equal percentage the total
26 payment under this section to each district, university school, and
27 public school academy. However, if the ~~department~~ SUPERINTENDENT
28 determines that proration will be required under this section, the
29 superintendent ~~of public instruction~~ shall notify the ~~department of~~
30 ~~management and budget~~ STATE BUDGET DIRECTOR, and the ~~department of~~
31 ~~management and budget~~ STATE BUDGET DIRECTOR shall notify the

1 legislature at least 30 calendar days or 6 legislative session days,
2 whichever is more, before the ~~department~~ SUPERINTENDENT reduces any
3 payments under this section because of the proration. During the 30
4 calendar day or 6 legislative session day period after that
5 notification by the ~~department of management and budget~~ STATE BUDGET
6 DIRECTOR, the ~~department~~ SUPERINTENDENT shall not reduce any payments
7 under this section because of proration. The legislature may prevent
8 proration under this section from occurring by, within the 30 calendar
9 day or 6 legislative session day period after that notification by the
10 STATE BUDGET director, enacting legislation appropriating additional
11 funds from the general fund, countercyclical budget and economic
12 stabilization fund, state school aid fund balance, or another source to
13 ensure full foundation allowance funding for each district, university
14 school, and public school academy.

15 (3) Except as otherwise provided in this section, the amount of a
16 district's foundation allowance shall be calculated as follows, using
17 in all calculations the total amount of the district's foundation
18 allowance as calculated before any proration:

19 (a) For a district that in the immediately preceding state fiscal
20 year had a foundation allowance at least equal to the sum of \$4,200.00
21 plus the total dollar amount of all adjustments made from 1994-95 to
22 the immediately preceding state fiscal year in the lowest foundation
23 allowance among all districts, but less than the basic foundation
24 allowance in the immediately preceding state fiscal year, the district
25 shall receive a foundation allowance in an amount equal to the sum of
26 the district's foundation allowance for the immediately preceding state
27 fiscal year plus the difference between twice the dollar amount of the
28 adjustment from the immediately preceding state fiscal year to the
29 current state fiscal year made in the basic foundation allowance and
30 [(the dollar amount of the adjustment from the immediately preceding
31 state fiscal year to the current state fiscal year made in the basic

1 foundation allowance minus \$50.00) times (the difference between the
2 district's foundation allowance for the immediately preceding state
3 fiscal year and the sum of \$4,200.00 plus the total dollar amount of
4 all adjustments made from 1994-95 to the immediately preceding state
5 fiscal year in the lowest foundation allowance among all districts)
6 divided by the difference between the basic foundation allowance for
7 the current state fiscal year and the sum of \$4,200.00 plus the total
8 dollar amount of all adjustments made from 1994-95 to the immediately
9 preceding state fiscal year in the lowest foundation allowance among
10 all districts]. However, the foundation allowance for a district that
11 had less than the basic foundation allowance in the immediately
12 preceding state fiscal year shall not exceed the basic foundation
13 allowance for the current state fiscal year.

14 (b) For a district that in the immediately preceding state fiscal
15 year had a foundation allowance in an amount at least equal to the
16 amount of the basic foundation allowance for the immediately preceding
17 state fiscal year, the district shall receive a foundation allowance in
18 an amount equal to the sum of the district's foundation allowance for
19 the immediately preceding state fiscal year plus the dollar amount of
20 the adjustment from the immediately preceding state fiscal year to the
21 current state fiscal year in the basic foundation allowance.

22 (c) For 1998-99, each district's foundation allowance shall be at
23 least \$5,170.00.

24 (4) To ensure that a district receives the district's foundation
25 allowance, there is allocated to each district a state portion of the
26 district's foundation allowance in an amount calculated under this
27 subsection. The state portion of a district's foundation allowance is
28 an amount equal to the district's foundation allowance or \$6,500.00,
29 whichever is less, minus the difference between the product of the
30 taxable value per membership pupil of all property in the district that
31 is not a homestead or qualified agricultural property times the lesser

1 of 18 mills or the number of mills of school operating taxes levied by
2 the district in 1993-94 and the quotient of the ad valorem property tax
3 revenue of the district captured under 1975 PA 197, MCL 125.1651 to
4 125.1681, the tax increment finance authority act, 1980 PA 450, MCL
5 125.1801 to 125.1830, the local development financing act, 1986 PA 281,
6 MCL 125.2151 to 125.2174, or the Brownfield redevelopment financing
7 act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's
8 membership excluding special education pupils. For a district that has
9 a millage reduction required under section 31 of article IX of the
10 state constitution of 1963, ~~except for a district that was notified of~~
11 ~~such a millage reduction in 1996 after the last permissible date to~~
12 ~~schedule an election to override that millage reduction,~~ the state
13 portion of the district's foundation allowance shall be calculated as
14 if that reduction did not occur. For each fiscal year after 1994-95,
15 the \$6,500.00 amount prescribed in this subsection shall be adjusted
16 each year by an amount equal to the dollar amount of the difference
17 between the basic foundation allowance for the current state fiscal
18 year and \$5,000.00.

19 (5) The allocation under this section for a pupil shall be based on
20 the foundation allowance of the pupil's district of residence.
21 However, for a pupil enrolled pursuant to section 105 in a district
22 other than the pupil's district of residence ~~but within the same~~
23 ~~intermediate district,~~ the allocation under this section shall be based
24 on the lesser of the foundation allowance of the pupil's district of
25 residence or the foundation allowance of the educating district. For a
26 pupil in membership in a K-5, K-6, or K-8 district who is enrolled in
27 another district in a grade not offered by the pupil's district of
28 residence, the allocation under this section shall be based on the
29 foundation allowance of the educating district if the educating
30 district's foundation allowance is greater than the foundation
31 allowance of the pupil's district of residence.

1 provides for the school year a number of hours of pupil instruction
2 that is at least in the same proportion to the minimum number of hours
3 of pupil instruction required under section 1284 of the revised school
4 code, MCL 380.1284, as the number of days of pupil instruction provided
5 by the public school academy OR SATELLITE SCHOOL for the school year is
6 in proportion to the number of days of pupil instruction required under
7 section 1284 of the revised school code, MCL 380.1284.

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

1 each resident pupil in membership other than special education pupils
2 in the public school academy, as determined by the ~~department~~
3 SUPERINTENDENT.

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

17 (9) For a district that had combined state and local revenue per
18 membership pupil in the 1993-94 state fiscal year of more than
19 \$6,500.00 and that had fewer than 350 pupils in membership, if the
20 district elects not to reduce the number of mills from which a
21 homestead and qualified agricultural property are exempt and not to
22 levy school operating taxes on a homestead and qualified agricultural
23 property as provided in section 1211(1) of the revised school code, MCL
24 380.1211, and not to levy school operating taxes on all property as
25 provided in section 1211(2) of the revised school code, MCL 380.1211,
26 there is allocated under this subsection for 1994-95 and each
27 succeeding fiscal year a separate supplemental payment in an amount
28 equal to the amount the district would have received per membership
29 pupil had it levied school operating taxes on a homestead and qualified
30 agricultural property at the rate authorized for the district under
31 section 1211(1) of the revised school code, MCL 380.1211, and levied

1 school operating taxes on all property at the rate authorized for the
2 district under section 1211(2) of the revised school code, MCL
3 380.1211, as determined by the department of treasury. A district
4 shall not receive a separate supplemental payment under this subsection
5 ~~for a fiscal year other than 1997-98~~ unless in the calendar year ending
6 in the fiscal year the district levies 18 mills or the number of mills
7 of school operating taxes levied by the district in 1993, whichever is
8 less, on property that is not a homestead or qualified agricultural
9 property. Beginning with the 1998-99 fiscal year, if in the calendar
10 year ending in the fiscal year a district does not levy 18 mills or the
11 number of mills of school operating taxes levied by the district in
12 1993, whichever is less, on property that is not a homestead or
13 qualified agricultural property, the payment under this subsection will
14 be reduced by the same percentage as the millage actually levied
15 compares to the 18 mills or the number of mills levied in 1993,
16 whichever is less.

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

20 (11) For a district that is formed or reconfigured after June 1,
21 1994 by consolidation of 2 or more districts or by annexation, the
22 resulting district's foundation allowance under this section beginning
23 after the effective date of the consolidation or annexation shall be
24 the average of the foundation allowances of each of the original or
25 affected districts, calculated as provided in this section, weighted as
26 to the percentage of pupils in total membership in the resulting
27 district who reside in the geographic area of each of the original
28 districts. If an affected district's foundation allowance is less than
29 the basic foundation allowance, the amount of that district's
30 foundation allowance shall be considered for the purpose of
31 calculations under this subsection to be equal to the amount of the

1 basic foundation allowance.

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

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

9 (14) To assist the legislature in determining the basic foundation
10 allowance for the subsequent state fiscal year, ~~except for the January~~
11 ~~1998 revenue estimating conference~~, each revenue estimating conference
12 conducted under section 367b of the management and budget act, 1984 PA
13 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue
14 adjustment factor, and an index as follows:

15 (a) The pupil membership factor shall be computed by dividing the
16 estimated membership in the school year ending in the current state
17 fiscal year, excluding intermediate district membership, by the
18 estimated membership for the school year ending in the subsequent state
19 fiscal year, excluding intermediate district membership. If a
20 consensus membership factor is not determined at the revenue estimating
21 conference, the principals of the revenue estimating conference shall
22 report their estimates to the house and senate subcommittees
23 responsible for school aid appropriations not later than 7 days after
24 the conclusion of the revenue conference.

25 (b) The revenue adjustment factor shall be computed by dividing the
26 sum of the estimated total state school aid fund revenue for the
27 subsequent state fiscal year plus the estimated total state school aid
28 fund revenue for the current state fiscal year, adjusted for any change
29 in the rate or base of a tax the proceeds of which are deposited in
30 that fund and excluding money transferred into that fund from the
31 countercyclical budget and economic stabilization fund under section

1 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, by
2 the sum of the estimated total school aid fund revenue for the current
3 state fiscal year plus the estimated total state school aid fund
4 revenue for the immediately preceding state fiscal year, adjusted for
5 any change in the rate or base of a tax the proceeds of which are
6 deposited in that fund. If a consensus revenue factor is not
7 determined at the revenue estimating conference, the principals of the
8 revenue estimating conference shall report their estimates to the house
9 and senate subcommittees responsible for school aid appropriations not
10 later than 7 days after the conclusion of the revenue conference.

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

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

23 ~~(16) If the pupil membership, excluding intermediate district~~
24 ~~membership, for the school year ending in the next state fiscal year is~~
25 ~~estimated at the January revenue estimating conference to be greater~~
26 ~~than 101% of the pupil membership, excluding intermediate district~~
27 ~~membership, for the school year ending in the current state fiscal~~
28 ~~year, then it is the intent of the legislature that the executive~~
29 ~~budget proposal for the school aid budget in the subsequent state~~
30 ~~fiscal year incorporate a general fund/general purpose allocation that~~
31 ~~is greater than the general fund/general purpose allocation in the~~

1 ~~current fiscal year, to support the estimated membership in excess of~~
2 ~~101% of the membership in the current year.~~

3 (16) BEGINNING IN 1999-2000, FOR A DISTRICT THAT HAD COMBINED STATE
4 AND LOCAL REVENUE PER MEMBERSHIP PUPIL IN THE 1993-94 STATE FISCAL YEAR
5 OF MORE THAN \$6,500, THAT HAD FEWER THAN 7 PUPILS IN MEMBERSHIP IN THE
6 1993-94 STATE FISCAL YEAR, THAT HAS AT LEAST 1 PUPIL IN MEMBERSHIP
7 EDUCATED IN THE DISTRICT IN THE CURRENT STATE FISCAL YEAR, AND THAT
8 LEVIES AT LEAST THE NUMBER OF MILLS OF SCHOOL OPERATING TAXES LEVIED BY
9 THE DISTRICT IN 1993-94, THE DISTRICT SHALL BE ALLOCATED A MINIMUM
10 AMOUNT OF COMBINED STATE AND LOCAL REVENUE. THE MINIMUM AMOUNT OF
11 COMBINED STATE AND LOCAL REVENUE IN 1999-2000 SHALL BE \$67,000 PLUS THE
12 DISTRICT'S ADDITIONAL EXPENSES TO EDUCATE PUPILS IN GRADES 9 TO 12
13 EDUCATED IN OTHER DISTRICTS AS DETERMINED AND ALLOWED BY THE
14 SUPERINTENDENT. BEGINNING IN 2000-01, THE MINIMUM AMOUNT OF COMBINED
15 STATE AND LOCAL REVENUE PRIOR TO ADDING THE ADDITIONAL EXPENSES SHALL
16 INCREASE EACH FISCAL YEAR BY THE SAME PERCENTAGE INCREASE AS THE
17 PERCENTAGE INCREASE IN THE BASIC FOUNDATION ALLOWANCE FROM THE
18 IMMEDIATELY PRECEDING FISCAL YEAR TO THE CURRENT FISCAL YEAR. THE
19 STATE PORTION OF THE MINIMUM AMOUNT OF COMBINED STATE AND LOCAL REVENUE
20 SHALL BE CALCULATED BY SUBTRACTING FROM THE MINIMUM AMOUNT OF COMBINED
21 STATE AND LOCAL REVENUE THE SUM OF THE DISTRICT'S LOCAL SCHOOL
22 OPERATING REVENUE AND THE PRODUCT OF THE STATE PORTION OF THE
23 DISTRICT'S FOUNDATION ALLOWANCE TIMES THE DISTRICT'S MEMBERSHIP. AS
24 USED IN THIS SUBSECTION, "ADDITIONAL EXPENSES" ARE THE DISTRICT'S
25 EXPENSES FOR TUITION OR FEES, NOT TO EXCEED \$6,500.00 AS ADJUSTED EACH
26 YEAR BY AN AMOUNT EQUAL TO THE DOLLAR AMOUNT OF THE DIFFERENCE BETWEEN
27 THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AND
28 \$5,000.00, PLUS A ROOM AND BOARD STIPEND NOT TO EXCEED \$10.00 PER
29 SCHOOL DAY FOR EACH PUPIL IN GRADES 9 TO 12 EDUCATED IN OTHER
30 DISTRICTS, AS APPROVED BY THE SUPERINTENDENT.

31 (17) As used in this section:

1 (A) "COMBINED STATE AND LOCAL REVENUE" MEANS THE AGGREGATE OF THE
2 DISTRICT'S STATE SCHOOL AID RECEIVED BY OR PAID ON BEHALF OF THE
3 DISTRICT UNDER THIS SECTION AND THE DISTRICT'S LOCAL SCHOOL OPERATING
4 REVENUE.

5 ~~(a)~~ (B) "Combined state and local revenue per membership pupil"
6 means the aggregate of the district's state school aid received by or
7 paid on behalf of the district under this section and the district's
8 local school operating revenue, divided by the district's membership
9 excluding special education pupils.

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

12 ~~(c)~~ (D) "Homestead" means that term as defined in section 1211 of
13 the revised school code, MCL 380.1211.

14 ~~(d)~~ (E) "Immediately preceding state fiscal year" means the state
15 fiscal year immediately preceding the current state fiscal year.

16 ~~(e)~~ (F) "Local school operating revenue" means school operating
17 taxes levied under section 1211 of the revised school code, MCL
18 380.1211.

19 ~~(f)~~ (G) "Local school operating revenue per membership pupil" means
20 a district's local school operating revenue divided by the district's
21 membership excluding special education pupils.

22 ~~(g)~~ (H) "Membership" means the definition of that term under section
23 6 as in effect for the particular fiscal year for which a particular
24 calculation is made.

25 ~~(h)~~ (I) "Qualified agricultural property" means that term as defined
26 in section 1211 of the revised school code, MCL 380.1211.

27 ~~(i)~~ (J) "School operating purposes" means the purposes included in
28 the operation costs of the district as prescribed in sections 7 and 18.

29
30 ~~(j)~~ (K) "School operating taxes" means local ad valorem property
31 taxes levied under section 1211 of the revised school code, MCL

1 380.1211, and retained for school operating purposes.

2 ~~(*)~~ (L) "Taxable value per membership pupil" means taxable value, as
3 certified by the department of treasury, for the calendar year ending
4 in the current state fiscal year divided by the district's membership
5 excluding special education pupils for the school year ending in the
6 current state fiscal year.

7 Sec. 20b. (1) From the state school aid fund money appropriated in
8 section 11 for 1998-99, there is allocated for 1998-99 only an amount
9 not to exceed ~~\$96,350,000.00~~ \$96,700,000.00 for payments to districts
10 and intermediate districts under this section.

11 (2) The total amount allocated to districts under this section is
12 ~~\$95,600,000.00~~ \$95,950,000.00. The amount of the payment to each
13 district under this section shall be as follows:

14 (a) For a district with a 1998-99 foundation allowance under section
15 20 at least equal to the amount of the 1998-99 basic foundation
16 allowance under section 20, an amount equal to \$51.00 per 1998-99
17 membership pupil of the district.

18 (b) For a district with a 1998-99 foundation allowance under section
19 20 of less than the amount of the 1998-99 basic foundation allowance
20 under section 20, an amount per 1998-99 membership pupil of the
21 district equal to the amount calculated by multiplying 2 times \$51.00
22 and subtracting from that product the product of \$51.00 times the
23 quotient of (the district's 1998-99 foundation allowance under section
24 20 minus \$5,170.00) divided by \$292.00.

25 (3) The total amount allocated to intermediate districts under this
26 section is \$750,000.00. The amount of the payment to each intermediate
27 district under this section shall be an amount equal to 0.9% of the
28 amount of funding actually received by the intermediate district under
29 section 81(1) for 1997-98.

30 (4) Notwithstanding section 17b, the payments due to a district or
31 intermediate district under this section shall be made in 7 equal

1 installments and shall be included in the monthly payments under
2 section 17b for each month from February 1999 through August 1999.

3 Sec. 24. (1) Subject to subsection (2), from the appropriation in
4 section 11, there is allocated ~~for 1997-98,~~ for 1998-99, and for 1999-
5 2000 to the educating district or intermediate district an amount equal
6 to 100% of the added cost each fiscal year for educating all pupils
7 assigned by a court or the family independence agency to reside in or
8 to attend a juvenile detention facility or child caring institution
9 licensed by the family independence agency OR THE DEPARTMENT OF
10 CONSUMER AND INDUSTRY SERVICES and approved by the ~~department~~
11 SUPERINTENDENT to provide an on-grounds education program. The total
12 amount to be paid under this section for added cost shall not exceed
13 \$7,000,000.00 ~~each fiscal year for 1997-98 and~~ 1998-99 and shall not
14 exceed \$7,900,000.00 for 1999-2000. For the purposes of this section,
15 "added cost" shall be computed by deducting all other revenue received
16 under this act for pupils described in this section from total costs,
17 as approved by the ~~department~~ SUPERINTENDENT, for educating those
18 pupils in the on-grounds education program or in a program approved by
19 the ~~department~~ SUPERINTENDENT that is located on property adjacent to a
20 juvenile detention facility or child caring institution. Costs
21 reimbursed by federal funds are not included.

22 (2) A district or intermediate district educating pupils described
23 in this section at a residential child caring institution may operate,
24 and receive funding under this section for, a ~~department~~
25 SUPERINTENDENT-approved on-grounds educational program for those pupils
26 that is longer than 181 days, but not longer than 233 days, if the
27 child caring institution offered in 1991-92 an on-grounds educational
28 program longer than 181 days but not longer than 233 days. (3)

29 Special education pupils funded under section 53a shall not be funded
30 under this section.

31 Sec. 25. If a pupil is enrolled in an alternative education

1 program operated by an intermediate district or district for middle
2 school or high school pupils, or both, who have been expelled under
3 section 1311 of the revised school code, MCL 380.1311, the intermediate
4 district or district operating the program shall report the enrollment
5 information to the ~~department~~ SUPERINTENDENT and to the district in
6 which the pupil is counted in membership, and the district in which the
7 pupil is counted in membership shall pay to the intermediate district
8 or district operating the program an amount equal to the amount of the
9 foundation allowance received by the district in which the pupil is
10 counted in membership, prorated according to the number of days of the
11 school year ending in the fiscal year the pupil is educated in the
12 alternative education program compared to the number of days of the
13 school year ending in the fiscal year the pupil was actually enrolled
14 in the district in which the pupil is counted in membership. If a
15 district does not make the payment required under this section within
16 30 days after receipt of the report, the ~~department~~ SUPERINTENDENT
17 shall calculate the amount owed, shall deduct that amount from the
18 remaining state school aid payments to the district for that fiscal
19 year under this act, and shall pay that amount to the intermediate
20 district or district operating the alternative education program. The
21 district in which the pupil is counted in membership and the
22 intermediate district or district operating the alternative education
23 program shall provide to the ~~department~~ SUPERINTENDENT all
24 information the ~~department~~ SUPERINTENDENT requires to enforce this
25 section.

26 Sec. 25a. If a pupil described in section 6(6)-(g)(F) enrolls
27 pursuant to section 6(6)-(g)(F) during a school year in a district other
28 than the district in which the pupil is counted in membership, the
29 educating district shall report the enrollment information to the
30 ~~department~~ SUPERINTENDENT and to the district in which the pupil is
31 counted in membership, and the district in which the pupil is counted

1 in membership shall pay to the educating district an amount equal to
2 the amount of the foundation allowance received by the district in
3 which the pupil is counted in membership, prorated according to the
4 number of days of the school year ending in the fiscal year the pupil
5 is educated in the educating district compared to the number of days of
6 the school year ending in the fiscal year the pupil was actually
7 enrolled in the district in which the pupil is counted in membership.
8 If a district does not make the payment required under this section
9 within 30 days after receipt of the report, the ~~department~~
10 SUPERINTENDENT shall calculate the amount owed, shall deduct that
11 amount from the remaining state school aid payments to the district for
12 that fiscal year under this act, and shall pay that amount to the
13 educating district. The district in which the pupil is counted in
14 membership and the educating district shall provide to the ~~department~~
15 SUPERINTENDENT all information the ~~department~~ SUPERINTENDENT requires
16 to enforce this section.

17 Sec. 26a. From the general fund appropriation in section 11, there
18 is allocated ~~for 1997-98,~~ for 1998-99 AN AMOUNT NOT TO EXCEED
19 \$5,100,000.00, and for 1999-2000 an amount not to exceed ~~\$6,584,200.00~~
20 ~~each fiscal year~~ \$7,000,000.00 to reimburse districts, intermediate
21 districts, and the state school aid fund pursuant to section 12 of the
22 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes
23 levied in ~~1997,~~ 1998, and 1999, respectively. This reimbursement shall
24 be made by adjusting payments under section 20 to eligible districts,
25 adjusting payments under section 56, 62, or 81 to eligible intermediate
26 districts, and adjusting the state school aid fund. The adjustments
27 shall be made not later than 60 days after the department of treasury
28 certifies to the ~~department~~ SUPERINTENDENT and to the ~~department of~~
29 ~~management and budget~~ STATE BUDGET DIRECTOR that the department of
30 treasury has received all necessary information to properly determine
31 the amounts due to each eligible recipient.

1 Sec. 31a. (1) From the state school aid fund money appropriated in
2 section 11, there is allocated ~~for 1997-98 an amount not to exceed~~
3 ~~\$250,000,000.00~~, for 1998-99 an amount not to exceed \$260,000,000.00,
4 and for 1999-2000 an amount not to exceed \$269,100,000.00, for payments
5 to eligible districts and eligible public school academies under this
6 section. Subject to subsection ~~(11)~~ (10), the amount of the additional
7 allowance under this section shall be based on the number of actual
8 pupils in membership in the district or public school academy who met
9 the income eligibility criteria for free breakfast, lunch, or milk in
10 the immediately preceding state fiscal year, as determined under the
11 national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C.1751 to
12 1753, 1755 to 1761, 1762a, 1765 to 1766b, 1769, 1769b to 1769c, and
13 1769f to 1769h, and reported to the ~~department~~ SUPERINTENDENT by
14 October 31 of the immediately preceding fiscal year and adjusted not
15 later than December 31 of the immediately preceding fiscal year.
16 However, for a public school academy that began operations as a public
17 school academy after the pupil membership count day of the immediately
18 preceding school year, the basis for the additional allowance under
19 this section shall be the number of actual pupils in membership in the
20 public school academy who met the income eligibility criteria for free
21 breakfast, lunch, or milk in the current state fiscal year, as
22 determined under the national school lunch act. (2) To be

23 eligible to receive funding under this section, a district or public
24 school academy that has not been previously determined to be eligible
25 shall apply to the ~~department~~ SUPERINTENDENT, in a form and manner
26 prescribed by the ~~department~~ SUPERINTENDENT, and a district or public
27 school academy must meet all of the following:

28 (a) The district's or public school academy's combined state and
29 local revenue per membership pupil in the current state fiscal year, as
30 calculated under section 20, is less than or equal to \$6,500.00
31 adjusted by the dollar amount of the difference between the basic

1 foundation allowance under section 20 for the current state fiscal year
2 and \$5,000.00.

3 (b) The district or public school academy agrees to use the funding
4 only for purposes allowed under this section and to comply with the
5 program and accountability requirements under this section.

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

30 (4) Except as otherwise provided in this section, a district or
31 public school academy receiving funding under this section shall use

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

20 (5) A district or public school academy that receives funds under
21 this section and that operates a school breakfast program under section
22 1272a of the revised school code, MCL 380.1272a, shall use from the
23 funds received under this section an amount, not to exceed \$10.00 per
24 pupil for whom the district or public school academy receives funds
25 under this section, necessary to operate the school breakfast program.
26 A district or public school academy that receives funds under this
27 section and that operates a school lunch program under section 1272a of
28 the revised school code, MCL 380.1272a, shall use from the funds
29 received under this section an amount, not to exceed \$10.00 per pupil
30 for whom the district or public school academy receives funds under
31 this section, necessary to operate the school lunch program.

1 (6) Each district or public school academy receiving funds under
2 this section shall submit to the ~~department~~ SUPERINTENDENT by July 15
3 of each fiscal year a report, not to exceed 10 pages, on the usage by
4 the district or public school academy of funds under this section,
5 which report shall include at least a brief description of each program
6 conducted by the district or public school academy using funds under
7 this section, the amount of funds under this section allocated to each
8 of those programs, and the number of at-risk pupils served by each of
9 those programs. If a district or public school academy does not comply
10 with this subsection, the ~~department~~ SUPERINTENDENT shall withhold an
11 amount equal to the August payment due under this section until the
12 district or public school academy complies with this subsection. If
13 the district or public school academy does not comply with this
14 subsection by the end of the state fiscal year, the withheld funds
15 shall be forfeited to the school aid fund.

16 (7) In order to receive funds under this section, a district or
17 public school academy shall allow access for the ~~department~~
18 SUPERINTENDENT or the ~~department's~~ SUPERINTENDENT'S designee to audit
19 all records related to the program for which it receives those funds.
20 The district or public school academy shall reimburse the state for all
21 disallowances found in the audit.

22 (8) Subject to subsection (5), any district may use up to 100% of
23 the funds it receives under this section to reduce the ratio of pupils
24 to teachers in grades K-6, or any combination of those grades, in
25 school buildings in which the percentage of pupils described in
26 subsection (1) exceeds the district's aggregate percentage of those
27 pupils. Subject to subsection (5), if a district obtains a waiver from
28 the ~~department~~ SUPERINTENDENT, the district may use up to 100% of the
29 funds it receives under this section to reduce the ratio of pupils to
30 teachers in grades K-6, or any combination of those grades, in school
31 buildings in which the percentage of pupils described in subsection (1)

1 is at least 60% of the district's aggregate percentage of those pupils
 2 and at least 30% of the total number of pupils enrolled in the school
 3 building. To obtain a waiver, a district must apply to the department
 4 SUPERINTENDENT and demonstrate to the satisfaction of the department
 5 SUPERINTENDENT that the class size reductions would be in the best
 6 interests of the district's at-risk pupils.

7 ~~(9) For 1997-98, a district that is located in a county with a~~
 8 ~~population of more than 350,000 and less than 480,000 and that has more~~
 9 ~~than 10,000 pupils in membership shall expend funds received under this~~
 10 ~~section, other than the amount described in subsection (5),~~
 11 ~~attributable to pupils enrolled in grades K-3 for the purpose of~~
 12 ~~reducing class size in grades K-3 in the district to an average of not~~
 13 ~~more than 17 pupils per class, with not more than 19 pupils in any~~
 14 ~~particular class, in each school building in the district in which~~
 15 ~~pupils described in subsection (1) constitute at least 25% of the total~~
 16 ~~number of pupils in the building.~~

17 ~~(10)~~ (9) A district or public school academy may use funds received
 18 under this section for adult high school completion, general education
 19 development (G.E.D.) test preparation, or adult basic education
 20 programs described in section 107.

21 ~~(11)~~ (10) If necessary, and before any proration required under
 22 section 11, the department SUPERINTENDENT shall prorate payments under
 23 this section by reducing the amount of the per pupil payment under this
 24 section by a dollar amount calculated by determining the amount by
 25 which the amount necessary to fully fund the requirements of this
 26 section exceeds the maximum amount allocated under this section and
 27 then dividing that amount by the total statewide number of pupils who
 28 met the income eligibility criteria for free breakfast, lunch, or milk
 29 in the immediately preceding fiscal year, as described in subsection
 30 (1).

31 ~~(12)~~ (11) If a district is formed by consolidation after June 1,

1 1995, and if 1 or more of the original districts was not eligible
2 before the consolidation for an additional allowance under this
3 section, the amount of the additional allowance under this section for
4 the consolidated district shall be based on the number of pupils
5 described in subsection (1) enrolled in the consolidated district who
6 reside in the territory of an original district that was eligible
7 before the consolidation for an additional allowance under this
8 section.

9 ~~(13)~~ (12) Beginning in 1999-2000, a district or public school
10 academy that does not meet the eligibility requirement under subsection
11 (2)(a) is eligible for funding under this section if at least 1/4 of
12 the pupils in membership in the district or public school academy met
13 the income eligibility criteria for free breakfast, lunch, or milk in
14 the immediately preceding state fiscal year, as determined and reported
15 as described in subsection (1), and at least 4,500 of the pupils in
16 membership in the district or public school academy met the income
17 eligibility criteria for free breakfast, lunch, or milk in the
18 immediately preceding state fiscal year, as determined and reported as
19 described in subsection (1). A district or public school academy that
20 is eligible for funding under this section for 1999-2000 because the
21 district meets the requirements of this subsection shall receive under
22 this section for each membership pupil in the district or public school
23 academy who met the income eligibility criteria for free breakfast,
24 lunch, or milk in the immediately preceding fiscal year, as determined
25 and reported as described in subsection (1), an amount per pupil equal
26 to 5.75% of the district's foundation allowance or public school
27 academy's per pupil allocation under section 20, not to exceed
28 \$6,500.00 adjusted by the dollar amount of the difference between the
29 basic foundation allowance under section 20 for the current state
30 fiscal year and \$5,000.00.

31 ~~(14)~~ (13) Beginning in 1999-2000, the total amount allocated under

1 this section for a fiscal year shall be increased from the total amount
2 allocated under this section for the immediately preceding fiscal year
3 by the same percentage as the percentage increase in the amount of the
4 basic foundation allowance under section 20 for that fiscal year from
5 the amount of the basic foundation allowance under section 20 for the
6 immediately preceding fiscal year.

7 ~~(15)~~ (14) As used in this section, "at-risk pupil" means a pupil for
8 whom the district has documentation that the pupil meets at least 2 of
9 the following criteria: is a victim of child abuse or neglect; is below
10 grade level in English language and communication skills or
11 mathematics; is a pregnant teenager or teenage parent; is eligible for
12 a federal free or reduced-price lunch subsidy; has atypical behavior or
13 attendance patterns; or has a family history of school failure,
14 incarceration, or substance abuse. For pupils for whom the results of
15 at least the applicable MEAP test have been received, at-risk pupil
16 also includes a pupil who does not meet the other criteria under this
17 subsection but who did not achieve at least a score of moderate on the
18 most recent MEAP reading test for which results for the pupil have been
19 received, did not achieve at least a score of moderate on the most
20 recent MEAP mathematics test for which results for the pupil have been
21 received, or achieved less than 50% of the objectives on the most
22 recent MEAP science test for which results for the pupil have been
23 received. For pupils in grades K-3, at-risk pupil also includes a
24 pupil who is at risk of not meeting the district's core academic
25 curricular objectives in English language, communication skills, or
26 mathematics.

27 Sec. 31c. ~~(1) From the state school aid fund appropriation in~~
28 ~~section 11, there is allocated for 1997-98 an amount not to exceed~~
29 ~~\$100,000.00 for planning grants to districts that are awarded pilot~~
30 ~~program grants under subsections (2) to (8) for 1998-99. An~~
31 ~~application for a grant under this subsection shall be in the form and~~

~~manner prescribed by the superintendent of public instruction. The amount of each grant under this subsection shall be in the same proportion to the total allocation under this subsection as the proportion that the amount of the district's grant under subsections (2) to (8) bears to the total allocation under subsection (2). These planning grants shall be distributed not later than April 20, 1998.~~

(2) (1) From the state school aid fund appropriation in section 11, there is allocated for 1998-99 and for 1999-2000 an amount not to exceed \$19,750,000.00 each fiscal year for grants to eligible districts for pilot programs to maintain or establish small classes in grades K to 3 in eligible school buildings in the district.

~~(2) To be eligible for a grant under subsection (2), a district must have at least 1 eligible school building and shall apply to the superintendent of public instruction not later than February 1, 1998 in the form and manner prescribed by the superintendent of public instruction. The department shall make applications available for this purpose not later than December 15, 1997. A district shall include in its application a projected budget for maintaining or establishing small classes in grades K to 3 and shall demonstrate in the projected budget that at least \$2,000,000.00 or 25% of the funds received by the district under section 31a, whichever is less, will be used to support small classes under this section. The superintendent of public instruction shall approve or disapprove applications and notify the applying district of that decision not later than April 1, 1998.~~

(4) (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 national school lunch act, chapter 281,

1 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to
2 1766b, 1769, 1769b to 1769c, and 1769f, and reported to the ~~department~~
3 SUPERINTENDENT not later than October 31 of the immediately preceding
4 fiscal year and adjusted not later than December 31 of the immediately
5 preceding fiscal year.

6 ~~(5)~~ (3) Not more than 25% of the total allocation under subsection
7 ~~(2)~~(1) may be paid to any 1 particular district. The ~~department~~
8 SUPERINTENDENT shall make allocations under subsection ~~(2)~~ (1) to at
9 least 12 districts, and the districts shall be geographically diverse.

10 ~~(6)~~(4) A district receiving funds under subsection ~~(2)~~ (1) shall use
11 the funds to maintain or establish small classes in grades K to 3 in
12 school buildings of the district for which funds are received under
13 this section. The average class size shall be not more than 17 pupils
14 per class, with not more than 19 pupils in any particular class. A
15 district receiving funds under subsection ~~(2)~~ (1) shall use at least
16 \$2,000,000.00 or 25% of the funds the district receives EACH YEAR for
17 1998-99 AND FOR 1999-2000 under section 31a, whichever is less, for the
18 purposes of this section.

19 ~~(7)~~ (5) Funding to districts under this section for 1998-99 is
20 intended to be for the first of 4 years of funding and funding to
21 districts under this section for 1999-2000 is intended to be for the
22 second of 4 years of funding.

23 ~~(8)~~ (6) From the general fund appropriation in section 11, there is
24 allocated to the department for 1998-99 an amount not to exceed
25 \$250,000.00 for a study of the effectiveness of small classes in
26 improving pupil performance. NOTWITHSTANDING SECTION 17B, PAYMENTS
27 UNDER THIS SUBSECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE
28 SUPERINTENDENT. The funds allocated under this subsection may be
29 expended after the 1998-99 fiscal year through the end of either the
30 fourth fiscal year of funding under this section or the final fiscal
31 year of funding under this section, whichever occurs earlier.

1 Sec. 36. (1) From the state school aid fund money appropriated in
2 section 11, there is allocated ~~an amount not to exceed \$55,000,000.00~~
3 ~~for 1997-98,~~ an amount not to exceed \$55,000,000.00 EACH FISCAL YEAR
4 for 1998-99, and ~~an amount not to exceed \$60,000,000.00~~ for 1999-2000
5 for school readiness grants to enable eligible districts, as determined
6 under section 37, to develop or expand, in conjunction with whatever
7 federal funds may be available, including, but not limited to, federal
8 funds under title I of the elementary and secondary education act of
9 1965, Public Law 89-10, 108 Stat. 3519, chapter 1 of title I of the
10 Hawkins-Stafford elementary and secondary school improvement amendments
11 of 1988, Public Law 89-10, 102 Stat. 140, and the head start act,
12 subchapter B of chapter 8 of subtitle A of title VI of the omnibus
13 budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9831 to
14 9835, 9836 to 9844, 9846, and 9848 to 9852a, comprehensive compensatory
15 programs designed to improve the readiness and subsequent achievement
16 of educationally disadvantaged children as defined by the ~~department~~
17 SUPERINTENDENT who will be at least 4, but less than 5 years of age, as
18 of December 1 of the school year in which the programs are offered, and
19 who show evidence of 2 or more risk factors as defined in the state
20 board report entitled "children at risk" that was adopted by the state
21 board on April 5, 1988. A comprehensive compensatory program funded
22 under this section shall include an age-appropriate educational
23 curriculum, nutritional services, health screening for participating
24 children, a plan for parent and legal guardian involvement, and
25 provision of referral services for families eligible for community
26 social services. In addition, from the general fund money appropriated
27 in section 11, there is allocated ~~for 1997-98,~~ AN AMOUNT NOT TO EXCEED
28 \$200,000.00 for 1998-99, and AN AMOUNT NOT TO EXCEED \$5,200,000.00 for
29 1999-2000. ~~an amount not to exceed \$200,000.00 each fiscal year for the~~
30 ~~purposes of subsection (2).~~

31 (2) From the general fund allocation in subsection (1), there is

1 allocated each fiscal year for ~~1997-98~~, 1998-99, and FOR 1999-2000 an
2 amount not to exceed \$200,000.00 for a competitive grant to continue a
3 longitudinal evaluation of children who have participated in the
4 Michigan school readiness program.

5 (3) A district receiving a grant under this section may contract for
6 the provision of the comprehensive compensatory program OR FULL DAY
7 SCHOOL READINESS PROGRAM and retain for administrative services an
8 amount equal to not more than 5% of the grant amount.

9 (4) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE IS
10 ALLOCATED FOR FISCAL YEAR 1999-2000 AN AMOUNT NOT TO EXCEED
11 \$5,000,000.00 UNDER THIS SUBSECTION TO EXPAND CURRENT SCHOOL READINESS
12 PROGRAMS TO OPERATE A FULL DAY. THE FUNDS SHALL BE ALLOCATED THROUGH A
13 COMPETITIVE GRANT PROCESS TO ELIGIBLE DISTRICTS THAT RECEIVE FUNDING
14 UNDER SUBSECTION (1) AND TO ELIGIBLE PUBLIC OR NONPROFIT LEGAL ENTITIES
15 OR AGENCIES THAT RECEIVE FUNDING FOR SCHOOL READINESS PROGRAMS UNDER
16 THE DEPARTMENT BUDGET. THE SUPERINTENDENT SHALL DETERMINE THE
17 COMPETITIVE GRANT CRITERIA.

18 (5) A DISTRICT, ENTITY, OR AGENCY RECEIVING FUNDING UNDER SUBSECTION
19 (4) SHALL CONTRIBUTE A LOCAL MATCH, WHICH MAY CONSIST OF IN-KIND
20 SERVICES, TOTALING AT LEAST 50% OF THE ALLOCATION UNDER SUBSECTION (4).

21 (6) AN APPLICATION FOR A GRANT UNDER SUBSECTION (4) SHALL BE IN THE
22 FORM AND MANNER PRESCRIBED BY THE SUPERINTENDENT. THE SUPERINTENDENT
23 SHALL MAKE AVAILABLE THE APPLICATION FORM TO DISTRICTS BY APRIL 30,
24 1999. THE APPLICATION SHALL INCLUDE A PROGRAM BUDGET THAT STATES ALL
25 SOURCES OF FUNDING TO BE USED FOR THE PROGRAM. APPLICATIONS SHALL BE
26 RECEIVED BY THE SUPERINTENDENT NO LATER THAN MAY 15, 1999. THE
27 SUPERINTENDENT SHALL APPROVE OR DISAPPROVE THE APPLICATION AND NOTIFY
28 THE APPLYING DISTRICT, ENTITY, OR AGENCY OF THAT DECISION BY JUNE 15,
29 1999. BEGINNING IN 2000-01, THE SUPERINTENDENT SHALL MAKE AVAILABLE
30 THE APPLICATION FORM BY DECEMBER 15 OF THE PRECEDING SCHOOL YEAR.
31 APPLICATIONS SHALL BE RECEIVED BY THE SUPERINTENDENT NO LATER THAN

1 FEBRUARY 1 OF THE PRECEDING SCHOOL YEAR. THE SUPERINTENDENT SHALL
2 APPROVE OR DISAPPROVE THE APPLICATION AND NOTIFY THE APPLYING DISTRICT,
3 ENTITY, OR AGENCY OF THAT DECISION BY APRIL 1 OF THE PRECEDING SCHOOL
4 YEAR.

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

8 Sec. 36a. (1) From the general fund appropriation in section 11,
9 there is allocated an amount not to exceed \$2,000,000.00 each fiscal
10 year for 1998-99 and for 1999-2000 to the department for grants for
11 community based collaborative prevention services designed to foster
12 positive parenting skills; improve parent/child interaction, especially
13 for children 0-3 years of age; promote access to needed community
14 services; increase local capacity to serve families at risk; improve
15 school readiness; and support healthy family environments that
16 discourage alcohol, tobacco, and other drug use. This appropriation is
17 to fund secondary prevention programs as defined by the children's
18 trust fund for the prevention of child abuse and neglect.

19 (2) The funds allocated under this section shall be distributed
20 through a joint request for proposals process established by the
21 ~~department~~ SUPERINTENDENT in conjunction with the children's trust fund
22 and the state's interagency systems reform workgroup. Projects funded
23 with grants awarded under this section must meet all of the following:

24 (a) Be secondary prevention initiatives and voluntary to consumers.
25 This appropriation is not intended to serve the needs of children for
26 whom and families in which neglect or abuse has been substantiated.

27 (b) Demonstrate that the planned services are part of a community's
28 integrated comprehensive family support strategy endorsed by the local
29 multi-purpose collaborative body.

30 (c) Provide a 25% local match, of which not more than 10% may be in-
31 kind services, unless this requirement is waived by the interagency

1 systems reform workgroup.

2 Sec. 37. (1) A district is eligible for an allocation under section
3 36 if the district meets all of the requirements in subsections
4 (2), (3), and (4).

5 (2) The district shall submit a preapplication, in a manner and on
6 forms prescribed by the ~~department~~ SUPERINTENDENT, by a date specified
7 by the ~~department~~ SUPERINTENDENT in the immediately preceding state
8 fiscal year. The preapplication shall include a comprehensive needs
9 assessment and community collaboration plan, and shall identify all of
10 the following:

11 (a) The estimated total number of children in the community who meet
12 the criteria of section 36 and how that calculation was made.

13 (b) The estimated number of children in the community who meet the
14 criteria of section 36 and are being served by other early childhood
15 development programs operating in the community, and how that
16 calculation was made.

17 (c) The number of children the district will be able to serve who
18 meet the criteria of section 36, including a verification of physical
19 facility and staff resources capacity.

20 (d) The estimated number of children who meet the criteria of
21 section 36 who will remain unserved after the district and community
22 early childhood programs have met their funded enrollments. The school
23 district shall maintain a waiting list of identified unserved eligible
24 children who would be served when openings are available.

25 (3) The district shall submit a final application for approval, in a
26 manner and on forms prescribed by the ~~department~~ SUPERINTENDENT, by a
27 date specified by the ~~department~~ SUPERINTENDENT. The final application
28 shall indicate all of the following that apply:

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

1 (b) The district provides for the active and continuous
2 participation of parents or guardians of the children in the program,
3 and describes the district's participation plan as part of the
4 application.

5 (c) The district only employs for this program the following:

6 (i) Teachers possessing proper training, including, but not limited
7 to, a valid teaching certificate and an early childhood (ZA)
8 endorsement. This provision does not apply to a district that
9 subcontracts with an eligible child development program. In that
10 situation a teacher must have a valid teaching certificate and may have
11 a child development associate credential (CDA) instead of an early
12 childhood (ZA) endorsement.

13 (ii) Paraprofessionals possessing proper training in early childhood
14 development or who have completed at least 1 course in an appropriate
15 training program, including, but not limited to, a child development
16 associate credential (CDA) or associate degree in child development or
17 other similar program, as approved by the ~~department~~ SUPERINTENDENT.

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

27 (e) The district has established a school readiness advisory
28 committee consisting of, at a minimum, classroom teachers for
29 prekindergarten, kindergarten, and first grade; parents or guardians
30 of program participants; representatives from appropriate community
31 agencies and organizations; the district curriculum director or

1 equivalent administrator; and, if feasible, a school psychologist,
2 school social worker, or school counselor. In addition, there shall be
3 on the committee at least 1 parent or guardian of a program participant
4 for every 18 children enrolled in the program, with a minimum of 2
5 parent or guardian representatives. The committee shall do all of the
6 following:

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

9 (ii) Review the mechanisms and criteria used to determine
10 participation in the early childhood program.

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

12 (iv) Review the nutritional services provided to program
13 participants.

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

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

19 (vii) Review, evaluate, and make recommendations to a local school
20 readiness program or programs for changes to the school readiness
21 program.

22 (f) The district has submitted for ~~departmental~~ SUPERINTENDENT
23 approval a plan to conduct and report annual school readiness program
24 evaluations using criteria approved by the ~~department~~ SUPERINTENDENT.
25 At a minimum, the evaluations shall include assessment of the gains in
26 educational readiness and progress through first grade of children
27 participating in the school readiness program.

28 (g) More than 50% of the children participating in the program meet
29 the income eligibility criteria for free or reduced price lunch, as
30 determined under the national school lunch act, chapter 281, 60 Stat.
31 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, and

1 1769 to 1769h, or meet the income and all other eligibility criteria
2 for the family independence agency unified child day care program.

3 (4) A consortium of 2 or more districts shall be eligible for an
4 allocation under section 36 if the districts designate a single fiscal
5 agent for the allocation. A district or intermediate district may
6 administer a consortium described in this subsection. A consortium
7 shall submit a single preapplication and application for the children
8 to be served, regardless of the number of districts participating in
9 the consortium.

10 (5) With the final application, an applicant district shall submit
11 to the ~~department~~ SUPERINTENDENT a resolution adopted by its board
12 certifying the number of 4-year-old children who show evidence of risk
13 factors as described in section 36, who meet the income eligibility
14 criteria for free or reduced price lunch or the income and all other
15 eligibility criteria for the family independence agency unified child
16 day care program, and who will participate in a school readiness
17 program funded under section 36.

18 Sec. 38. The maximum number of prekindergarten children construed
19 to be in need of special readiness assistance under section 36 shall be
20 calculated for each district in the following manner: one-half of the
21 percentage of the district's pupils in grades 1-5 who are eligible for
22 free lunch, as determined by the district's October count in the
23 immediately preceding school year under the national school lunch act,
24 chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761,
25 1762a, 1765 to 1769b, and 1769 to 1769h, as reported to the ~~department~~
26 SUPERINTENDENT not later than December 31 of the immediately preceding
27 fiscal year, shall be multiplied by the average kindergarten enrollment
28 of the district on the pupil membership count day of the 2 immediately
29 preceding years.

30 Sec. 39. (1) The tentative allocation for each fiscal year to each
31 eligible district under section 36 shall be determined by multiplying

1 the number of children determined in section 38 or the number of
2 children the district indicates it will be able to serve under section
3 37(2)(c), whichever is less, by \$3,100.00 and shall be distributed
4 among districts in decreasing order of concentration of eligible
5 children as determined by section 38 until the money allocated in
6 section 36 is distributed.

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

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

17 (4) A district that offers supplementary day care funded by funds
18 other than those received under this section and therefore offers full-
19 day programs as part of its early childhood development program shall
20 receive priority in the allocation of funds under this section over
21 other eligible districts other than those districts funded under
22 subsection (3).

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

27 (6) If, taking into account the total amount to be allocated to the
28 district as calculated under this section, a district determines that
29 it is able to include additional eligible children in the school
30 readiness program without additional funds under this section, the
31 district may include additional eligible children but shall not receive

1 additional funding under this section for those children.

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

10 Sec. 41. From the appropriation in section 11, there is allocated
11 an amount not to exceed \$4,212,000.00 each fiscal year ~~for 1997-98~~, for
12 1998-99, and for 1999-2000 to applicant districts and intermediate
13 districts offering programs of bilingual instruction for pupils of
14 limited English-speaking ability under section 1153 of the revised
15 school code, MCL 380.1153. Reimbursement shall be on a per pupil basis
16 and shall be based on the number of pupils of limited English-speaking
17 ability in membership on the pupil membership count day. Funds
18 allocated under this section shall be used solely for bilingual
19 instruction in speaking, reading, writing, or comprehension of pupils
20 of limited English-speaking ability.

21 Sec. 51a. (1) From the appropriation in section 11, ~~there is~~
22 ~~allocated \$818,786,700.00 for 1997-98 to consist of an amount not to~~
23 ~~exceed \$722,853,300.00 from state sources and \$95,933,400.00 in federal~~
24 ~~funding under sections 611 to 620 of part B of the individuals with~~
25 ~~disabilities education act, title VI of Public Law 91-230, 20 U.S.C.~~
26 ~~1411 to 1420, plus any carryover federal funds from previous year~~
27 ~~appropriations~~, there is allocated for 1998-99 an amount not to exceed
28 ~~\$760,148,600.00~~ \$763,048,600.00 from state sources and all available
29 federal funding, estimated at \$120,000,000.00, plus any carryover
30 federal funds from previous year appropriations; and there is allocated
31 for 1999-2000 an amount not to exceed ~~\$818,600,000.00~~ \$821,400,000.00

1 from state sources and all available federal funding, estimated at
 2 \$120,000,000.00, plus any carryover federal funds from previous year
 3 appropriations. The allocations under this subsection are for the
 4 purpose of reimbursing districts and intermediate districts for special
 5 education programs, services, and special education personnel as
 6 prescribed in article 3 of the revised school code, MCL 380.1701 to
 7 380.1766; net tuition payments made by intermediate districts to the
 8 Michigan schools for the deaf and blind; and SPECIAL EDUCATION programs
 9 AND SERVICES for pupils who are eligible for special education programs
 10 and services according to statute or rule. For meeting the costs of
 11 special education programs and services not reimbursed under this
 12 article, a district or intermediate district may use money in general
 13 funds or special education funds, not otherwise restricted, or
 14 contributions from districts to intermediate districts, tuition
 15 payments, gifts and contributions from individuals, or federal funds
 16 that may be available for this purpose, as determined by the
 17 intermediate district plan prepared pursuant to article 3 of the
 18 revised school code, MCL 380.1701 to 380.1766.

19 (2) From the funds allocated under subsection (1), there is
 20 allocated ~~for 1997-98,~~ for 1998-99, and for 1999-2000 the amount
 21 necessary, estimated at ~~\$620,906,100.00 for 1997-98, \$657,239,100.00~~
 22 ~~\$655,061,700.00 for 1998-99, and \$714,848,100.00~~ \$714,793,100.00 for
 23 1999-2000, for payments toward reimbursing districts and intermediate
 24 districts for 28.6138% of total approved costs of special education,
 25 excluding costs reimbursed under section 53a, and 70.4165% of total
 26 approved costs of special education transportation. Allocations under
 27 this subsection shall be made as follows:

28 (a) The initial amount allocated to a district under this subsection
 29 toward fulfilling the specified percentages shall be calculated by
 30 multiplying the district's special education pupil membership,
 31 excluding pupils described in subsection ~~(13)~~ (12), times the

1 foundation allowance under section 20 of the pupil's district of
 2 residence, not to exceed \$6,500.00 adjusted by the dollar amount of the
 3 difference between the basic foundation allowance under section 20 for
 4 the current fiscal year ~~and for the immediately preceding fiscal year~~
 5 and \$5,000.00, or, for a special education pupil in membership in a
 6 district that is a public school academy ~~or~~, university school, OR
 7 SATELLITE SCHOOL, times an amount equal to the amount per membership
 8 pupil calculated under section 20(6). For an intermediate district,
 9 the amount allocated under this subdivision toward fulfilling the
 10 specified percentages shall be an amount per special education
 11 membership pupil, excluding pupils described in subsection ~~(13)~~ (12),
 12 and shall be calculated in the same manner as for a district, using the
 13 foundation allowance under section 20 of the pupil's district of
 14 residence, not to exceed \$6,500.00 adjusted by the dollar amount of the
 15 difference between the basic foundation allowance under section 20 for
 16 the current fiscal year ~~and the immediately preceding fiscal year~~ and
 17 \$5,000.00.

18 (b) After the allocations under subdivision (a), districts and
 19 intermediate districts for which the payments under subdivision (a) do
 20 not fulfill the specified percentages shall be paid the amount
 21 necessary to achieve the specified percentages for the district or
 22 intermediate district.

23 (3) From the funds allocated under subsection (1), there is
 24 allocated ~~for 1997-98,~~ for 1998-99, and for 1999-2000 the amount
 25 necessary, estimated at ~~\$29,224,700.00 for 1997-98,~~ \$28,995,600.00
 26 \$29,435,000.00 for 1998-99, and ~~\$29,400,000.00~~ \$27,455,000.00 for
 27 1999-2000, to make payments to districts and intermediate districts
 28 under this subsection. If the amount allocated to a district or
 29 intermediate district for ~~1997-98,~~ 1998-99, or 1999-2000 under
 30 subsection (2)(b) is less than the sum of the amounts allocated to the
 31 district or intermediate district for 1996-97 under sections 52 and 58,

1 there is allocated to the district or intermediate district ~~for~~
2 ~~1997-98,~~ for 1998-99, or for 1999-2000, or ~~all~~ BOTH of them as
3 applicable, an amount equal to that difference, adjusted by applying
4 the same proration factor that was used in the distribution of funds
5 under section 52 in 1996-97 as adjusted to the district's or
6 intermediate district's necessary costs of special education used in
7 calculations for ~~1997-98,~~ 1998-99, or 1999-2000. This adjustment is to
8 reflect reductions in special education program operations between
9 1996-97 and ~~1997-98,~~ 1998-99, or 1999-2000 as applicable.

10 (4) If the ~~department~~ SUPERINTENDENT determines that the sum of the
11 amounts allocated for a fiscal year to a district or intermediate
12 district under subsection (2) (a) and (b) is not sufficient to fulfill
13 the specified percentages in subsection (2), then the shortfall shall
14 be paid to the district or intermediate district during the fiscal year
15 beginning on the October 1 following the determination and payments
16 under subsection (3) shall be adjusted as necessary. If the ~~department~~
17 SUPERINTENDENT determines that the sum of the amounts allocated for a
18 fiscal year to a district or intermediate district under subsection
19 (2) (a) and (b) exceeds the sum of the amount necessary to fulfill the
20 specified percentages in subsection (2), then the ~~department~~
21 SUPERINTENDENT shall deduct the amount of the excess from the
22 district's or intermediate district's payments under this act for the
23 fiscal year beginning on the October 1 following the determination and
24 payments under subsection (3) shall be adjusted as necessary. However,
25 if the amount allocated under subsection (2) (a) in itself exceeds the
26 amount necessary to fulfill the specified percentages in subsection
27 (2), there shall be no deduction under this subsection.

28 (5) State funds shall be allocated on a total approved cost basis.
29 Federal funds shall be allocated under applicable federal requirements,
30 except that ~~an amount not to exceed \$3,100,000.00 may be allocated by~~
31 ~~the department for 1997-98,~~ and an amount not to exceed \$3,500,000.00

1 each fiscal year may be allocated by the ~~department~~ SUPERINTENDENT for
2 1998-99 and for 1999-2000, to districts or intermediate districts on a
3 competitive grant basis for programs, equipment, and services that the
4 ~~department~~ SUPERINTENDENT determines to be designed to benefit or
5 improve special education on a statewide scale.

6 (6) From the amount allocated in subsection (1), there is allocated
7 ~~an amount not to exceed \$1,700,000.00 for 1997-98, and~~ an amount not to
8 exceed \$2,200,000.00 each fiscal year for 1998-99 and for 1999-2000, to
9 reimburse 100% of the net increase in necessary costs incurred by a
10 district or intermediate district in implementing the revisions in the
11 administrative rules for special education that became effective on
12 July 1, 1987. As used in this subsection, "net increase in necessary
13 costs" means the necessary additional costs incurred solely because of
14 new or revised requirements in the administrative rules minus cost
15 savings permitted in implementing the revised rules. Net increase in
16 necessary costs shall be determined in a manner specified by the
17 ~~department~~ SUPERINTENDENT.

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

19 (a) "Total approved costs of special education" shall be determined
20 in a manner specified by the ~~department~~ SUPERINTENDENT and may include
21 indirect costs, but shall not exceed 115% of approved direct costs for
22 section 52 and section 53a programs. The total approved costs include
23 salary and other compensation for all approved special education
24 personnel for the program, including payments for social security and
25 medicare and public school employee retirement system contributions.
26 The total approved costs do not include salaries or other compensation
27 paid to administrative personnel who are not special education
28 personnel as defined in section 6 of the revised school code, MCL
29 380.6. Costs reimbursed by federal funds, other than those federal
30 funds included in the allocation made under this article, are not
31 included. Special education approved personnel not utilized full time

1 in the evaluation of students or in the delivery of special education
2 programs, ancillary, and other related services shall be reimbursed
3 under this section only for that portion of time actually spent
4 providing these programs and services, with the exception of special
5 education programs and services provided to youth placed in child
6 caring institutions or juvenile detention programs approved by the
7 ~~department~~ SUPERINTENDENT to provide an on-grounds education program.

8 (b) Reimbursement for ancillary and other related services, as
9 defined by R 340.1701 of the Michigan administrative code, shall not be
10 provided when those services are covered by and available through
11 private group health insurance carriers or federal reimbursed program
12 sources unless the ~~department~~ SUPERINTENDENT and district or
13 intermediate district agree otherwise and that agreement is approved by
14 the STATE BUDGET DIRECTOR ~~department of management and budget~~.

15 Expenses, other than the incidental expense of filing, shall not be
16 borne by the parent. In addition, the filing of claims shall not delay
17 the education of a pupil. A district or intermediate district shall be
18 responsible for payment of a deductible amount and for an advance
19 payment required until the time a claim is paid.

20 (8) From the allocation in subsection (1), there is allocated ~~for~~
21 ~~1997-98~~, for 1998-99, and for 1999-2000 an amount not to exceed
22 \$15,313,900.00 each fiscal year to intermediate districts. The payment
23 under this subsection to each intermediate district shall be equal to
24 the amount of the 1996-97 allocation to the intermediate district under
25 ~~this~~ FORMER subsection (6).

26 (9) A pupil who is enrolled in a full-time special education program
27 conducted or administered by an intermediate district or a pupil who is
28 enrolled in the Michigan schools for the deaf and blind shall not be
29 included in the membership count of a district, but shall be counted in
30 membership in the intermediate district of residence.

31 ~~(10) Notwithstanding section 6(4), for 1997-98 only, for pupils~~

~~enrolled in a center program pursuant to an intermediate district plan the department shall use for the February 1997 supplemental count the definition of membership used for the 1997-98 pupil membership count day.~~

~~(11)~~ (10) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

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

~~(13)~~ (12) From the funds allocated in subsection (1), there is allocated each fiscal year ~~for 1997-98,~~ for 1998-99, and for 1999-2000 the amount necessary, estimated at ~~\$8,370,600.00 for 1997-98,~~ \$9,562,000.00 \$11,300,000.00 for 1998-99, and ~~\$10,000,000.00~~ \$12,000,000.00 for 1999-2000, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the foundation allowance under section 20 of the pupil's district of residence, not to exceed \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year ~~and for the immediately preceding fiscal year~~ and \$5,000.00, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy ~~or~~, university school, OR SATELLITE SCHOOL, times an amount equal to the amount per membership pupil under section 20(6).

1 The allocation to an intermediate district under this subsection shall
2 be calculated in the same manner as for a district, using the
3 foundation allowance under section 20 of the pupil's district of
4 residence, not to exceed \$6,500.00 adjusted by the dollar amount of the
5 difference between the basic foundation allowance under section 20 for
6 the current fiscal year ~~and for the immediately preceding fiscal year~~
7 and \$5,000.00. This subsection applies to all of the following pupils:

8 (a) Pupils described in section 53a.

9 (b) Pupils counted in membership in an intermediate district who are
10 not special education pupils and are served by the intermediate
11 district in a juvenile detention or child caring facility.

12 (c) Emotionally impaired pupils counted in membership by an
13 intermediate district and provided educational services by the
14 department of community health.

15 ~~(14)~~ (13) After payments under subsections (2) and ~~(13)~~ (12), the
16 remaining expenditures from the allocation in subsection (1) shall be
17 made in the following order:

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

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

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

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

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

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

24 Sec. 52. Reimbursement for the necessary costs of special education
25 programs and services shall be a portion determined by the amount
26 allocated under section 51a(1), but not to exceed 75% of the total
27 approved costs of operating special education programs and services
28 approved by the ~~department~~ SUPERINTENDENT and included or applying for
29 inclusion in the intermediate district plan adopted pursuant to article
30 3 of the revised school code, MCL 380.1701 to 380.1766, for special
31 education pupils other than those programs funded under section 53a,

1 and of the costs of summer programs and services and the costs of
2 providing room and board for special education pupils, as approved by
3 the ~~department~~ SUPERINTENDENT. If the state financed proportion of
4 reimbursement of the necessary costs of a special education activity or
5 service required by article 3 of the revised school code, MCL 380.1701
6 to 380.1766, which is in addition to or different from the special
7 education activities or services required under sections 611 to 620 of
8 part B of the individuals with disabilities education act, title VI of
9 Public Law 91-230, 20 U.S.C. 1411 to 1420, is less than the state
10 financed proportion of the necessary costs of that activity or service
11 in 1978-79, the portion of the amount appropriated shall be increased
12 to reimburse that activity or service accordingly.

13 Sec. 53a. (1) Reimbursement shall be 100% of the total approved
14 costs of operating special education programs and services approved by
15 the ~~department~~ SUPERINTENDENT and included in the intermediate district
16 plan adopted pursuant to article 3 of the revised school code, MCL
17 380.1701 to 380.1766, minus the foundation allowance calculated under
18 section 20, AND, FOR 1998-99 ONLY, MINUS THE PAYMENT CALCULATED UNDER
19 SECTION 20B, for the following special education pupils:

20 (a) Pupils assigned to a district or intermediate district through
21 the community placement program of the courts or a state agency, if the
22 pupil was a resident of another intermediate district at the time the
23 pupil came under the jurisdiction of the court or a state agency.

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

26 (c) Pupils who are former residents of department of community
27 health institutions for the developmentally disabled who are placed in
28 community settings other than the pupil's home.

29 ~~(d) Pupils who are dependents of foreign diplomats who reside in~~
30 ~~this state and who are placed in a center program.~~

31 ~~(e)~~ (D) Pupils enrolled in a ~~department~~ SUPERINTENDENT-approved on-

1 grounds educational program longer than 181 days, but not longer than
 2 233 days, at a residential child care institution, if the child care
 3 institution offered in 1991-92 an on-grounds educational program longer
 4 than 181 days but not longer than 233 days.

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

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

12

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

15 (4) ~~Not more than \$15,000,000.00 for 1997-98, and not more than~~
 16 \$14,500,000.00 each fiscal year for 1998-99 and 1999-2000, of the
 17 allocation in section 51a(1) shall be allocated under this section.

18 Sec. 54. In addition to the aid received under section 52, each
 19 intermediate district shall receive an amount per pupil for each pupil
 20 in attendance at the Michigan schools for the deaf and blind. The
 21 amount shall be proportionate to the total instructional cost at each
 22 school. Not more than \$1,688,000.00 each fiscal year ~~for 1997-98,~~ for
 23 1998-99, and for 1999-2000 of the allocation in section 51a(1) shall be
 24 allocated under this section.

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

26 (a) "Membership" ~~means for 1997-98 the total membership in 1996-97~~
 27 ~~of the intermediate district and the districts constituent to the~~
 28 ~~intermediate district,~~ means for 1998-99 the total membership in 1997-
 29 98 of the intermediate district and the districts constituent to the
 30 intermediate district; and means for 1999-2000 the total membership in
 31 1998-99 of the intermediate district and the districts constituent to

1 the intermediate district.

2 (b) "Millage levied" means the millage levied for special education
3 pursuant to part 30 of the revised school code, MCL 380.1711 to
4 380.1743, including a levy for debt service obligations.

5 (c) "Taxable value" means the total taxable value of the districts
6 constituent to an intermediate district, except that if a district has
7 elected not to come under part 30 of the revised school code, MCL
8 380.1711 to 380.1743, membership and taxable value of the district
9 shall not be included in the membership and taxable value of the
10 intermediate district.

11 (2) From the allocation under section 51a(1), there is allocated
12 an amount not to exceed ~~\$30,650,000.00 each fiscal year for 1997-98 and~~
13 ~~\$33,550,000.00 for 1998-99 and \$33,450,000.00 FOR 1999-2000 to~~
14 reimburse intermediate districts levying millages for special education
15 pursuant to part 30 of the revised school code, MCL 380.1711 to
16 380.1743. The purpose, use, and expenditure of the reimbursement
17 shall be limited as if the funds were generated by these millages and
18 governed by the intermediate district plan adopted pursuant to article
19 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition
20 of receiving funds under this section, an intermediate district
21 distributing any portion of special education millage funds to its
22 constituent districts shall submit for ~~departmental~~ SUPERINTENDENT
23 approval and implement a distribution plan that utilizes at least a
24 district's foundation allowance, as calculated under section 20, as a
25 required local contribution.

26 ~~(3) Reimbursement for those millages levied in 1996-97 shall be made~~
27 ~~in 1997-98 at an amount per 1996-97 membership pupil computed by~~
28 ~~subtracting from \$98,200.00 the 1996-97 taxable value behind each~~
29 ~~membership pupil, and multiplying the resulting difference by the 1996-~~
30 ~~97 millage levied.~~ Reimbursement for those millages levied in 1997-98
31 shall be made in 1998-99 at an amount per 1997-98 membership pupil

1 computed by subtracting from \$102,200.00 the 1997-98 taxable value
2 behind each membership pupil, and multiplying the resulting difference
3 by the 1997-98 millage levied. Reimbursement for those millages levied
4 in 1998-99 shall be made in 1999-2000 at an amount per 1998-99
5 membership pupil computed by subtracting from \$106,800.00 the 1998-99
6 taxable value behind each membership pupil, and multiplying the
7 resulting difference by the 1998-99 millage levied.

8 Sec. 57. (1) From the appropriation in section 11, there is
9 allocated an amount not to exceed \$600,000.00 each fiscal year ~~for~~
10 ~~1997-98~~, for 1998-99, and for 1999-2000 to applicant intermediate
11 districts that provide support services for the education of gifted and
12 talented pupils. An intermediate district is entitled to 75% of the
13 actual salary, but not to exceed \$25,000.00 reimbursement for an
14 individual salary, of a support services teacher approved by the
15 ~~department~~ SUPERINTENDENT, and not to exceed \$4,000.00 reimbursement
16 for expenditures to support program costs, excluding in-county travel
17 and salary, as approved by the ~~department~~ SUPERINTENDENT.

18 (2) From the appropriation in section 11, there is allocated an
19 amount not to exceed \$400,000.00 each fiscal year ~~for 1997-98~~, for
20 1998-99, and for 1999-2000 to support part of the cost of summer
21 institutes for gifted and talented students. This amount shall be
22 contracted to applicant intermediate districts in cooperation with a
23 local institution of higher education and shall be coordinated by the
24 ~~department~~ SUPERINTENDENT.

25 (3) From the appropriation in section 11, there is allocated an
26 amount not to exceed \$4,000,000.00 each fiscal year ~~for 1997-98~~, for
27 1998-99, and for 1999-2000 for the development and operation of
28 comprehensive programs for gifted and talented pupils. An eligible
29 district or consortium of districts shall receive an amount not to
30 exceed \$50.00 per K-12 pupil for up to 5% of the district's or
31 consortium's K-12 membership for the immediately preceding fiscal year

1 with a minimum total grant of \$3,000.00. Funding shall be provided in
2 the following order: the per pupil allotment, and then the minimum
3 total grant of \$3,000.00 to individual districts. An intermediate
4 district may act as the fiscal agent for a consortium of districts. In
5 order to be eligible for funding under this subsection, the district or
6 consortium of districts shall submit each year a current 3-year plan
7 for operating a comprehensive program for gifted and talented pupils
8 and the district or consortium shall demonstrate to the ~~department~~
9 SUPERINTENDENT that the district or consortium will contribute matching
10 funds of at least \$50.00 per K-12 pupil. The plan or revised plan
11 shall be developed in accordance with criteria established by the
12 ~~department~~ SUPERINTENDENT and shall be submitted to the ~~department~~
13 SUPERINTENDENT for approval. Within the criteria, the ~~department~~
14 SUPERINTENDENT shall encourage the development of consortia among
15 districts of less than 5,000 memberships.

16 Sec. 61a. (1) From the appropriation in section 11, there is
17 allocated an amount not to exceed \$31,027,600.00 each fiscal year ~~for~~
18 ~~1997-98~~, for 1998-99, and for 1999-2000 to reimburse on an added cost
19 basis districts, except for a district that served as the fiscal agent
20 for a vocational education consortium in the 1993-94 school year, and
21 secondary area vocational-technical education centers for secondary-
22 level vocational-technical education programs, including parenthood
23 education programs, according to ~~state board~~ rules APPROVED BY THE
24 SUPERINTENDENT. Applications for participation in the programs shall
25 be submitted in the form prescribed by the ~~department~~ SUPERINTENDENT.
26 The ~~department~~ SUPERINTENDENT shall determine the added cost for each
27 vocational-technical program area. The allocation of added cost funds
28 shall be based on the type of vocational-technical programs provided,
29 the number of pupils enrolled, and the length of the training period
30 provided, and shall not exceed 75% of the added cost of any program.
31 With the approval of the ~~department~~ SUPERINTENDENT, the board of a

1 district maintaining a secondary vocational-technical education program
 2 may offer the program for the period from the close of the school year
 3 until September 1. The program shall use existing facilities and shall
 4 be operated as prescribed by rules promulgated by the ~~state board~~
 5 SUPERINTENDENT.

6 (2) Except for a district that served as the fiscal agent for a
 7 vocational education consortium in the 1993-94 school year, districts
 8 and intermediate districts shall be reimbursed for local vocational
 9 administration, shared time vocational administration, and career
 10 education planning district vocational-technical administration. The
 11 definition of what constitutes administration and reimbursement shall
 12 be pursuant to guidelines adopted by the ~~state board~~ SUPERINTENDENT.
 13 Not more than \$800,000.00 of the allocation in subsection (1) shall be
 14 distributed under this subsection.

15 (3) From the allocation in subsection (1), there is allocated an
 16 amount not to exceed \$400,000.00 each fiscal year to intermediate
 17 districts with constituent districts that had combined state and local
 18 revenue per membership pupil in the 1994-95 state fiscal year of
 19 \$6,500.00 or more, served as a fiscal agent for a state board
 20 designated area vocational education center in the 1993-94 school year,
 21 and had an adjustment made to their 1994-95 combined state and local
 22 revenue per membership pupil pursuant to section 20d. The payment
 23 under this subsection to the intermediate district shall equal the
 24 amount of the allocation to the intermediate district for 1996-97 under
 25 this subsection.

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

27 (a) ~~"Membership" means for 1997-98 the total membership in 1996-97~~
 28 ~~of the intermediate district and the districts constituent to the~~
 29 ~~intermediate district or the total membership in 1996-97 of the area~~
 30 ~~vocational-technical education program;~~ means for 1998-99 the total
 31 membership in 1997-98 of the intermediate district and the districts

1 constituent to the intermediate district or the total membership in
2 1997-98 of the area vocational-technical program; and means for 1999-
3 2000 the total membership in 1998-99 of the intermediate district and
4 the districts constituent to the intermediate district or the total
5 membership in 1998-99 of the area vocational-technical program.

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

12 (c) "Taxable value" means the total taxable value of the districts
13 constituent to an intermediate district or area vocational-technical
14 education program, except that if a district has elected not to come
15 under sections 681 to 690 of the revised school code, MCL 380.681 to
16 380.690, the membership and taxable value of that district shall not be
17 included in the membership and taxable value of the intermediate
18 district. However, beginning in 1998-99, the membership and taxable
19 value of a district that has elected not to come under sections 681 to
20 690 of the revised school code shall be included in the membership and
21 taxable value of the intermediate district if the district meets both
22 of the following:

23 (i) The district operates the area vocational-technical education
24 program pursuant to a contract with the intermediate district.

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

30 (2) From the appropriation in section 11, there is allocated ~~an~~
31 ~~amount not to exceed \$7,200,000.00 for 1997-98 and~~ an amount not to

1 exceed ~~\$8,550,000.00~~ \$10,250,000.00 ~~each fiscal year~~ for 1998-99 and
2 \$10,150,000.00 for 1999-2000 to reimburse intermediate districts and
3 area vocational-technical education programs established under section
4 690(3) of the revised school code, MCL 380.690, levying millages for
5 area vocational-technical education pursuant to sections 681 to 690 of
6 the revised school code, MCL 380.681 to 380.690. The purpose, use, and
7 expenditure of the reimbursement shall be limited as if the funds were
8 generated by those millages.

9 ~~(3) Reimbursement for the millages levied in 1996-97 shall be made~~
10 ~~in 1997-98 at an amount per 1996-97 membership pupil computed by~~
11 ~~subtracting from \$98,700.00 the 1996-97 taxable value behind each~~
12 ~~membership pupil, and multiplying the resulting difference by the 1996-~~
13 ~~97 millage levied.~~ Reimbursement for the millages levied in 1997-98
14 shall be made in 1998-99 at an amount per 1997-98 membership pupil
15 computed by subtracting from \$104,400.00 the 1997-98 taxable value
16 behind each membership pupil, and multiplying the resulting difference
17 by the 1997-98 millage levied. Reimbursement for the millages levied
18 in 1998-99 shall be made in 1999-2000 at an amount per 1998-99
19 membership pupil computed by subtracting from \$108,800.00 the 1998-99
20 taxable value behind each membership pupil, and multiplying the
21 resulting difference by the 1998-99 millage levied.

22 Sec. 63. (1) From the appropriation in section 11, there is
23 allocated an amount not to exceed \$1,800,000.00 for 1999-2000 for
24 implementation of the Michigan manufacturing technology program for the
25 1999-2000 school year as provided under this section.

26 (2) From the allocation in subsection (1), there is allocated
27 \$1,800,000.00 to the department, in conjunction with the ~~Michigan jobs~~
28 ~~commission~~ DEPARTMENT OF CAREER DEVELOPMENT, to award competitive
29 grants for the purpose of improving manufacturing technology programs
30 offered by public education agencies. The maximum amount of a grant
31 under this subsection shall not exceed \$50,000.00 for each public

1 education agency determined to be eligible for funding.

2 (3) Applications for grants under subsection (2) shall be submitted
3 in a form and manner determined by the ~~department~~ SUPERINTENDENT, in
4 conjunction with the ~~Michigan jobs commission~~ DEPARTMENT OF CAREER
5 DEVELOPMENT. Criteria for funding shall include all of the following:

6 (a) The public education agency operates a manufacturing technology
7 program, is a participating agency in a regional career preparation
8 plan described in section 68, and has the support of the local
9 workforce development board for submission of the grant application.

10 (b) The public education agency offers employer-provided instruction
11 for its pupils as part of its manufacturing technology curriculum.

12 (c) The public education agency agrees to evaluate the impact of the
13 grant.

14 (d) Any other criteria determined by the ~~department~~ SUPERINTENDENT,
15 in conjunction with the ~~Michigan jobs commission~~ DEPARTMENT OF CAREER
16 DEVELOPMENT.

17 (4) Grants awarded under subsection (2) shall be used by eligible
18 public education agencies for activities intended to increase the
19 amount of employer-provided instruction provided to pupils and to
20 increase pupil awareness of manufacturing technology programs.

21 (5) The ~~department~~ SUPERINTENDENT, in conjunction with the ~~Michigan~~
22 ~~jobs commission~~ DEPARTMENT OF CAREER DEVELOPMENT, shall consider the
23 potential for graduates to be placed in high-wage, high-demand
24 positions upon completion of the manufacturing technology program in
25 its determination of grant awards.

26 (6) Grants under subsection (2) shall be awarded by the ~~department~~
27 SUPERINTENDENT no later than ~~April 30, 2000~~ MAY 31, 1999 and paid out
28 to the grant recipients in total no later than ~~May 20, 2000~~ OCTOBER 1,
29 1999. Funds may be used by grant recipients to support allowable
30 expenditures in the following school year.

31 Sec. 67. (1) From the general fund appropriation in section 11,

1 there is allocated ~~an amount not to exceed \$1,300,000.00 for 1997-98~~
2 ~~and an amount not to exceed \$350,000.00 EACH FISCAL YEAR for 1998-99~~
3 ~~AND FOR 1999-2000 for Michigan career preparation system grants under~~
4 ~~this section.~~

5 ~~(2) From the amount allocated under subsection (1) for 1997-98,~~
6 ~~\$1,150,000.00 shall be allocated by the department in equal payments on~~
7 ~~October 20, 1997 and on February 20, 1998, to local workforce~~
8 ~~development boards solely for the use of their education advisory~~
9 ~~groups, as described in section 68. Payments under this subsection to~~
10 ~~local workforce development boards shall be used for the purposes of~~
11 ~~developing regional career preparation plans described in section 68.~~

12 ~~(3)~~ (2) From the allocation in subsection (1), there is allocated
13 ~~\$50,000.00 for 1997-98 and \$150,000.00 EACH FISCAL YEAR for 1998-99 AND~~
14 ~~FOR 1999-2000 to the council for career preparation standards to~~
15 ~~identify uniform career competency standards and assessments for career~~
16 ~~clusters, to establish a statewide information system on current and~~
17 ~~anticipated employment opportunities and the required level of skills~~
18 ~~and education required for employment, and for any other council~~
19 ~~functions.~~

20 ~~(4)~~ (3) From the allocation in subsection (1) ~~for 1998-99,~~ there is
21 allocated \$100,000.00 EACH FISCAL YEAR for 1998-99 AND FOR 1999-2000 to
22 the council for career preparation standards to provide information to
23 parents, pupils, school personnel, employers, and others regarding
24 opportunities to receive integrated academic and technical preparation
25 in the public schools of this state.

26 ~~(5) From the appropriation in subsection (1) for 1997-98, there is~~
27 ~~allocated \$100,000.00 for 1997-98 to the department to establish~~
28 ~~guidelines for education advisory groups and regional career~~
29 ~~preparation plans and to provide technical assistance to local~~
30 ~~workforce development boards and education advisory groups, in~~
31 ~~collaboration with the Michigan jobs commission. The department shall~~

1 ~~distribute the guidelines to education agencies and to all local~~
 2 ~~workforce development boards.~~

3 ~~(6)~~ (4) From the allocation in subsection (1) ~~for 1998-99~~, there is
 4 allocated \$100,000.00 for 1998-99 to the department OF CAREER
 5 DEVELOPMENT to establish peer review criteria, procedures, and
 6 standards and to provide technical assistance to local peer review
 7 committees created under section 68(4), AND TO THE COUNCIL FOR CAREER
 8 PREPARATION STANDARDS. ~~in collaboration with the Michigan jobs~~
 9 ~~commission.~~

10 (5) FROM THE ALLOCATION IN SUBSECTION (1) THERE IS ALLOCATED
 11 \$100,000.00 FOR 1999-2000 TO THE DEPARTMENT OF CAREER DEVELOPMENT TO
 12 PROVIDE TECHNICAL ASSISTANCE TO ELIGIBLE EDUCATION AGENCIES, LOCAL
 13 WORKFORCE DEVELOPMENT BOARDS, AND THE COUNCIL FOR CAREER PREPARATION
 14 STANDARDS.

15 ~~(7)~~ (6) As used in this section and in section 68:

16 (a) "Advanced career academy" means a career preparation program
 17 operated by a district, by an intermediate district, or by a public
 18 school academy, that applies for and receives advanced career academy
 19 designation from the ~~department~~ SUPERINTENDENT. To receive this
 20 designation, a career preparation program shall meet criteria
 21 established by the ~~department~~ SUPERINTENDENT, in collaboration with the
 22 ~~Michigan jobs commission~~ DEPARTMENT OF CAREER DEVELOPMENT, which
 23 criteria shall include at least all of the following:

24 (i) Satisfactory completion of a peer review process.

25 (ii) Operation of programs for those career clusters identified by
 26 the council for career preparation standards as being eligible for
 27 advanced career academy status.

28 (iii) Involvement of employers in the design and implementation of
 29 career preparation programs.

30 (iv) A fully integrated program of academic and technical education
 31 available to pupils.

(v) Demonstration of an established career preparation system resulting in industry-validated career ladders for graduates of the program, including, but not limited to, written articulation agreements with postsecondary institutions to allow pupils to receive advanced college placement and credit or federally registered apprenticeships, as applicable.

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

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

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

(e) "FTE" means full-time equivalent pupil as determined by the ~~department~~ SUPERINTENDENT.

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

Sec. 68. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed \$23,850,000.00 each fiscal year for 1998-99 and for 1999-2000 to be used to implement the Michigan career preparation system in the 1998-99 and 1999-2000 school years as provided under this section. From this allocation, the ~~department~~ SUPERINTENDENT may reserve an amount not to exceed \$2,000,000.00 each fiscal year for career preparation programs that have achieved designation as an advanced career academy. In order to receive funds

1 under this section, an eligible education agency shall be part of an
 2 approved regional career preparation plan under subsection (2) and
 3 shall agree to expend the funds required under this section in
 4 accordance with the regional career preparation plan. Funds awarded
 5 under this section that are not expended in accordance with this
 6 section may be recovered by the ~~department~~ SUPERINTENDENT.

7 (2) In order to receive funding under this section, an eligible
 8 education agency shall be a part of an approved 3-year regional career
 9 preparation plan as described in this subsection. All of the following
 10 apply to a regional career preparation plan:

11 (a) A 3-year regional career preparation plan shall be developed
 12 under subdivisions (b), (c), and (d) for all public education agencies
 13 providing career preparation programs as part of a regional career
 14 preparation system within the geographical boundaries of a local
 15 workforce development board, and revised annually. If an intermediate
 16 district is located within the geographical boundaries of more than 1
 17 local workforce development board, the board of the intermediate
 18 district shall choose 1 local workforce development board with which to
 19 align and shall notify the department of this choice not later than
 20 October 31, 1997.

21 (b) The regional career preparation plan shall be developed by
 22 representatives of the education advisory group of each local workforce
 23 development board in accordance with guidelines developed under section
 24 67(5), and in accordance with subdivisions (d) and (e). All of the
 25 following shall be represented on each education advisory group:
 26 workforce development board members, other employers, labor, ~~local~~
 27 ~~school~~ districts, intermediate ~~school~~ districts, postsecondary
 28 institutions, career/technical educators, parents of public school
 29 pupils, and academic educators. The representatives of ~~local-school~~
 30 districts, intermediate ~~school~~ districts, and postsecondary
 31 institutions appointed to the education advisory group by the local

1 workforce development board shall be individuals designated by the
2 board of the ~~school~~ district, intermediate ~~school~~ district, or
3 postsecondary institution.

4 (c) By majority vote, the education advisory group may nominate 1
5 education representative, who may or may not be a member of the
6 education advisory group, for appointment to the local workforce
7 development board. This education representative shall be in addition
8 to existing education representation on the local workforce development
9 board. This education representative shall meet all local workforce
10 development board membership requirements.

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

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

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

18 (iii) Identification of integrated academic and technical
19 curriculum, including related professional development training for
20 teachers.

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

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

25 (vi) Identification of all federal, state, local, and private
26 sources of funding available for career preparation programs in the
27 region.

28 (e) The education advisory group shall develop a 3-year regional
29 career preparation plan and submit the plan to the ~~department~~
30 SUPERINTENDENT for final approval. The submission to the ~~department~~
31 SUPERINTENDENT shall also include statements signed by the chair of the

1 education advisory group and the chair of the local workforce
2 development board certifying that the plan has been reviewed by each
3 entity. Upon ~~department~~ SUPERINTENDENT approval, all eligible
4 education agencies designated in the regional career preparation plan
5 as part of the career preparation delivery system are eligible for
6 funding under this section.

7 (3) Funding under this section shall be distributed to eligible
8 education agencies by the ~~department~~ SUPERINTENDENT for allowable costs
9 defined in this subsection and identified as necessary costs for
10 implementing a regional career preparation plan, as follows:

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

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

28 (i) Career exploration, guidance, and counseling.

29 (ii) Curriculum development, including integration of academic and
30 technical content, and professional development for teachers directly
31 related to career preparation.

1 (iii) Technology and equipment determined to be necessary.

2 (iv) Supplies and materials directly related to career preparation
3 programs.

4 (v) Work-based learning expenses for pupils, teachers, and
5 counselors.

6 (vi) Evaluation, including career competency testing and peer
7 review.

8 (vii) Career placement services.

9 (viii) Student leadership organizations integral to the career
10 preparation system.

11 (ix) Up to 10% of the allocation to an eligible education agency may
12 be expended for planning, coordination, direct oversight, and
13 accountability for the career preparation system.

14 (c) The ~~department~~ SUPERINTENDENT shall calculate career preparation
15 costs per FTE for each career cluster, including career exploration,
16 guidance, and counseling, by dividing the allowable costs for each
17 career cluster by the prior year FTE enrollment for each career
18 cluster. Distribution to eligible education agencies shall be the
19 product of 50% of career preparation costs per FTE times the current
20 year FTE enrollment of each career cluster. This allocation shall be
21 distributed to eligible education agencies in decreasing order of the
22 career cluster ranking described in subdivision (a) until the money
23 allocated for grant recipients in this section is distributed.
24 However, beginning in 1999-2000, an individual career preparation
25 program shall not be funded under this section, regardless of career
26 cluster ranking, if it does not attain compliance with career
27 competency standards set by the council for career preparation
28 standards for the particular career cluster.

29 (4) The ~~department~~ SUPERINTENDENT, in collaboration with the
30 ~~Michigan jobs commission~~ DEPARTMENT OF CAREER DEVELOPMENT, shall
31 establish a review procedure for assessing the career preparation

1 system in each region. Each local workforce development board shall
2 establish regional peer review committees that include employers,
3 educators, labor representatives, parents, and representatives of the
4 local workforce development board nominated by the local workforce
5 development board and the education advisory group. All of the
6 following apply to peer review committees:

7 (a) Peer review committees are responsible for assuring the quality
8 of the career preparation system. A peer review committee shall review
9 career preparation programs to ensure compliance with career competency
10 standards as well as other program evaluation criteria.

11 (b) A peer review committee shall report its findings and
12 recommendations for changes to the eligible education agency operating
13 the career preparation program, the local workforce development board,
14 the education advisory group responsible for revising the regional
15 career preparation plan, and the ~~department~~ SUPERINTENDENT.

16 (c) The next revision of a regional career preparation plan shall
17 take into account the findings of a peer review committee in order for
18 the affected education agencies to receive continued funding under this
19 section.

20 Sec. 74. (1) From the amount appropriated in section 11, there is
21 allocated an amount not to exceed \$1,625,000.00 each fiscal year ~~for~~
22 ~~1997-98~~, for 1998-99, and for 1999-2000 for the purposes of
23 subsections (2) and (3).

24 (2) From the allocation in subsection (1), there is allocated each
25 fiscal year the amount necessary for payments to state supported
26 colleges or universities and intermediate districts providing school
27 bus driver safety instruction or driver skills road tests pursuant to
28 section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851.
29 The payments shall be in an amount determined by the ~~department~~
30 SUPERINTENDENT not to exceed 75% of the actual cost of instruction and
31 driver compensation for each public or nonpublic school bus driver

1 attending a course of instruction. For the purpose of computing
 2 compensation, the hourly rate allowed each school bus driver shall not
 3 exceed the hourly rate received for driving a school bus.

4 Reimbursement compensating the driver during the course of instruction
 5 or driver skills road tests shall be made by the ~~department~~
 6 SUPERINTENDENT to the college or university or intermediate district
 7 providing the course of instruction.

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

15 Sec. 81. (1) Except as otherwise provided in this section, from the
 16 appropriation in section 11, there is allocated each fiscal year ~~for~~
 17 ~~1997-98,~~ for 1998-99, and for 1999-2000 to the intermediate districts
 18 the sum necessary, but ~~not to exceed \$81,266,700.00 for 1997-98,~~ not to
 19 exceed ~~\$79,912,000.00~~ \$79,850,000.00 for 1998-99, and not to exceed
 20 \$82,644,800.00 for 1999-2000, to provide state aid to intermediate
 21 districts under this section. Except as otherwise provided in this
 22 section, there shall be allocated to each intermediate district ~~each~~
 23 ~~fiscal year for 1997-98 and for 1998-99 an amount equal to 102.9% of~~
 24 ~~the sum of the amount of funding actually received by the intermediate~~
 25 ~~district under this subsection in 1996-97 and the amount of funding~~
 26 ~~actually received by the intermediate district under former section 11b~~
 27 ~~as in effect for 1995-96.~~ 1997-98. Except as otherwise provided in
 28 this section, there shall be allocated to each intermediate district
 29 for 1999-2000 an amount equal to 103.5% of the amount of funding
 30 actually received by the intermediate district under this subsection
 31 for 1998-99. Funding provided under this section shall be used to

1 comply with requirements of this act and the revised school code that
2 are applicable to intermediate districts, and for which funding is not
3 provided elsewhere in this act, and to provide technical assistance to
4 districts as authorized by the intermediate school board.

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

14 (3) If an intermediate district participated in 1993-94 in a
15 consortium operating a regional educational media center under section
16 671 of the revised school code, MCL 380.671, and rules promulgated by
17 the ~~state board~~ SUPERINTENDENT, and if the intermediate district
18 obtains written consent from each of the other intermediate districts
19 that participated in the consortium in 1993-94, the intermediate
20 district may notify the ~~department~~ SUPERINTENDENT not later than
21 December 30, ~~1998~~ OF THE CURRENT FISCAL YEAR that it is electing to
22 directly receive its payment attributable to participation in that
23 consortium. An intermediate district making that election, and that
24 has obtained the necessary consent, shall receive each fiscal year ~~for~~
25 ~~1997-98~~, for 1998-99, and for 1999-2000, AS APPLICABLE, for each pupil
26 in membership in the intermediate district or a constituent district an
27 amount equal to the quotient of the 1993-94 allocation to the fiscal
28 agent for that consortium under former section 83, adjusted as
29 determined by the ~~department~~ SUPERINTENDENT to account for that
30 election, divided by the combined total membership for the current
31 fiscal year in all of the intermediate districts that participated in

1 that consortium and their constituent districts. The amount allocated
 2 to an intermediate district under this subsection for a fiscal year
 3 shall be deducted from the total allocation for that fiscal year under
 4 this section to the intermediate district that was the 1993-94 fiscal
 5 agent for the consortium.

6 (4) During a fiscal year, the ~~department~~ SUPERINTENDENT shall not
 7 increase an intermediate district's allocation under subsection (1)
 8 because of an adjustment made by the ~~department~~ SUPERINTENDENT during
 9 the fiscal year in the intermediate district's taxable value for a
 10 prior year. Instead, the ~~department~~ SUPERINTENDENT shall report the
 11 adjustment and the estimated amount of the increase to the house and
 12 senate fiscal agencies AND THE STATE BUDGET DIRECTOR not later than
 13 June 1 of the fiscal year, and the legislature shall appropriate money
 14 for the adjustment in the next succeeding fiscal year. Accordingly,
 15 from the ~~allocation in subsection (1)~~ APPROPRIATION IN SECTION 11,
 16 there is allocated for 1998-99 only an amount not to exceed ~~\$62,000.00~~
 17 \$362,000.00 AND FOR 1999-2000 ONLY AN AMOUNT NOT TO EXCEED \$300,000.00
 18 for payments to intermediate districts for adjustments in taxable value
 19 described in this subsection.

20 (5) In order to receive funding under this section, an intermediate
 21 district shall demonstrate to the satisfaction of the ~~department~~
 22 SUPERINTENDENT that the intermediate district employs at least 1 person
 23 who is trained in pupil counting procedures, rules, and regulations.

24 Sec. 91b. If a district allows a nonresident pupil ~~described in~~
 25 ~~section 6(4)(k)~~ to enroll in the district, the district shall continue
 26 to allow that pupil to enroll in the district until the pupil graduates
 27 from high school.

28 Sec. 94. From the general fund money appropriated in section 11,
 29 there is allocated to the department ~~for 1997-98~~, for 1998-99, and for
 30 1999-2000 an amount not to exceed \$1,500,000.00 each fiscal year to
 31 provide technical assistance to districts for school accreditation

1 purposes as described in section 1280 of the revised school code, MCL
2 380.1280.

3 Sec. 99. (1) From the state school aid fund appropriation in section
4 11, there is allocated an amount not to exceed \$7,293,100.00 each
5 fiscal year ~~for 1997-98~~, for 1998-99, and for 1999-2000 and from the
6 general fund appropriation in section 11 there is allocated an amount
7 not to exceed \$400,000.00 each fiscal year ~~for 1997-98~~, for 1998-99,
8 and for 1999-2000, for implementing the comprehensive master plan for
9 mathematics and science centers developed by the department and
10 approved by the state board on February 17, 1993.

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

18 (3) The ~~department~~ SUPERINTENDENT shall not award a grant under this
19 section to more than 1 mathematics and science center located in a
20 particular intermediate district unless each of the grants serves a
21 distinct target population or provides a service that does not
22 duplicate another program in the intermediate district.

23 (4) As part of the technical assistance process, the ~~department~~
24 SUPERINTENDENT shall provide minimum standard guidelines that may be
25 used by the mathematics and science center for providing fair access
26 for qualified pupils and professional staff as prescribed in this
27 section.

28 (5) Allocations under this section to support the activities and
29 programs of mathematics and science centers shall be continuing support
30 grants to all 25 established mathematics and science centers and the 8
31 satellite extensions that were funded in 1996-97. Each established

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

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

9 Sec. 101. (1) To be eligible to receive state aid under this act,
10 not later than the fifth Wednesday after the pupil membership count day
11 and not later than the fifth Wednesday after the supplemental count
12 day, each district superintendent through the secretary of the
13 district's board shall file with the intermediate superintendent a
14 certified and sworn copy of the number of pupils enrolled and in
15 regular daily attendance in the district as of the pupil membership
16 count day and as of the supplemental count day, as applicable, for the
17 current school year. In addition, a district maintaining school during
18 the entire year, as provided under section 1561 of the revised school
19 code, MCL 380.1561, shall file with the intermediate superintendent a
20 certified and sworn copy of the number of pupils enrolled and in
21 regular daily attendance in the district for the current school year
22 pursuant to rules promulgated by the ~~state board~~ SUPERINTENDENT. Not
23 later than the seventh Wednesday after the pupil membership count day
24 and not later than the seventh Wednesday after the supplemental count
25 day, the intermediate district shall transmit to the ~~department~~
26 SUPERINTENDENT the data filed by each of its constituent districts. If
27 a district fails to file the sworn and certified copy with the
28 intermediate superintendent in a timely manner, as required under this
29 subsection, the intermediate district shall notify the ~~department~~
30 SUPERINTENDENT and state aid due to be distributed under this act shall
31 be withheld from the defaulting district immediately, beginning with

1 the next payment after the failure and continuing with each payment
2 until the district complies with this subsection. If an intermediate
3 district fails to transmit the data in its possession in a timely and
4 accurate manner to the ~~department~~ SUPERINTENDENT, as required under
5 this subsection, state aid due to be distributed under this act shall
6 be withheld from the defaulting intermediate district immediately,
7 beginning with the next payment after the failure and continuing with
8 each payment until the intermediate district complies with this
9 subsection. If a district or intermediate district does not comply
10 with this subsection by the end of the fiscal year, the district or
11 intermediate district forfeits the amount withheld. A person who
12 willfully falsifies a figure or statement in the certified and sworn
13 copy of enrollment shall be punished in the manner prescribed by
14 section 161.

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

30 (3) Each district shall provide the required minimum number of days
31 and hours of pupil instruction under section 1284 of the revised school

1 code, MCL 380.1284. Except as otherwise provided in this act, a
2 district failing to hold the required minimum number of days of pupil
3 instruction shall forfeit from its total state aid allocation for each
4 day of failure an amount determined by applying a ratio of the number
5 of days the district was in noncompliance in relation to the required
6 minimum number of days. Except as otherwise provided in this act, a
7 district failing to comply with the required minimum hours of pupil
8 instruction shall forfeit from its total state aid allocation an amount
9 determined by applying a ratio of the time duration the district was in
10 noncompliance in relation to the required minimum number of hours. A
11 district failing to meet both the minimum number of days of pupil
12 instruction requirement and the minimum number of hours of pupil
13 instruction requirement shall be penalized only the higher of the 2
14 amounts calculated under the forfeiture provisions of this subsection.
15 Not later than August 1, the board of each district shall certify to
16 the ~~department~~ SUPERINTENDENT the number of days and hours of pupil
17 instruction in the previous school year. If the district did not hold
18 at least ~~180~~ THE REQUIRED MINIMUM NUMBER OF days and the required
19 minimum number of hours of pupil instruction, the deduction of state
20 aid shall be made in the following fiscal year from the first payment
21 of state school aid. A district is not subject to forfeiture of funds
22 under this subsection for a fiscal year in which a forfeiture was
23 already imposed under subsection (7). Days lost because of strikes or
24 teachers' conferences shall not be counted as days of pupil
25 instruction. A district not having at least 75% of the district's
26 membership in attendance on any day of pupil instruction shall receive
27 state aid in that proportion of 1 divided by the required minimum
28 number of days of pupil instruction that the actual percent of
29 attendance bears to the specified percentage. The ~~state board~~
30 SUPERINTENDENT shall promulgate rules for the implementation of this
31 subsection.

(4) The first 2 days for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, or health conditions as defined by the city, county, or state health authorities, shall be counted as days of pupil instruction. ~~In addition, for 1997-98 only, the department may count as days of pupil instruction up to 6 additional days for which pupil instruction is not provided in a district after May 28, 1998 because damage or electrical outages resulting from severe storms prevented the district from providing instruction and up to 2 additional days for which pupil instruction is not provided in a district after June 3, 1998 because a bomb threat prevented the district from providing instruction. Subsequent such days shall not be counted as days of pupil instruction.~~

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required for a full-time equated membership for a pupil in kindergarten as provided under section 6(4). (6) Upon application by the district for a particular fiscal year, the ~~state board~~ SUPERINTENDENT may waive the minimum number of days of pupil instruction requirement of subsection (3) for a district if the district has adopted an experimental school year schedule in 1 or more buildings in the district if the experimental school year schedule provides the required minimum number or more hours of pupil instruction and is consistent with all state ~~board~~ policies on school improvement and restructuring. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section of part of its state aid allocation for the specific building or program covered by the waiver. (7) Not later than April 15 of each fiscal year, the board of each district

1 shall certify to the ~~department~~ SUPERINTENDENT the planned number of
2 days and hours of pupil instruction in the district for the school year
3 ending in the fiscal year. In addition to any other penalty or
4 forfeiture under this section, if at any time the ~~department~~
5 SUPERINTENDENT determines that 1 or more of the following has occurred
6 in a district, the district shall forfeit in the current fiscal year
7 beginning in the next payment to be calculated by the ~~department~~
8 SUPERINTENDENT a proportion of the funds due to the district under this
9 act that is equal to the proportion below the required minimum number
10 of days and hours of pupil instruction, as specified in the following:

11 (a) The district fails to operate its schools for at least the
12 required minimum number of days and hours of pupil instruction in a
13 school year, including days counted under subsection (4).

14 (b) The board of the district takes formal action not to operate its
15 schools for at least the required minimum number of days and hours of
16 pupil instruction in a school year, including days counted under
17 subsection (4).

18 (8) In providing the minimum number of hours of pupil instruction
19 required under section 1284 of the revised school code, MCL 380.1284, a
20 district shall use the following guidelines, and a district shall
21 maintain records to substantiate its compliance with the following
22 guidelines:

23 (a) Except as otherwise provided in this subsection, a pupil must be
24 scheduled for at least the required minimum number of hours of
25 instruction, excluding study halls, or at least the sum of 90 hours
26 plus the required minimum number of hours of instruction, including up
27 to 2 study halls.

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

31 (c) A pupil in grades 9 to 12 for whom a reduced schedule is

1 determined to be in the individual pupil's best educational interest
2 must be scheduled for a number of hours equal to at least 80% of the
3 required minimum number of hours of pupil instruction to be considered
4 a full-time equivalent pupil.

5 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative
6 education program or a special education pupil cannot receive the
7 required minimum number of hours of pupil instruction solely because of
8 travel time between instructional sites during the school day, that
9 travel time, up to a maximum of 2-1/2 hours per school week, shall be
10 considered to be pupil instruction time for the purpose of determining
11 whether the pupil is receiving the required minimum number of hours of
12 pupil instruction. However, if a district demonstrates to the
13 satisfaction of the ~~department~~ SUPERINTENDENT that the travel time
14 limitation under this subdivision would create undue costs or hardship
15 to the district, the ~~department~~ SUPERINTENDENT may consider more travel
16 time to be pupil instruction time for this purpose.

17 ~~(e) For the 1997-98 school year only, if a district operates an~~
18 ~~elementary school that is located on an island and provides some pupil~~
19 ~~instruction for pupils enrolled in that elementary school at 1 or more~~
20 ~~school buildings operated by the district that are not located on the~~
21 ~~island, the travel time for travel for those pupils between the~~
22 ~~elementary school located on the island and the other school building~~
23 ~~or buildings, up to a maximum of 1 1/2 hours per school week, shall be~~
24 ~~considered to be pupil instruction time for those pupils for the~~
25 ~~purpose of determining whether those pupils are receiving the required~~
26 ~~minimum number of hours of pupil instruction.~~

27 (9) The ~~department~~ SUPERINTENDENT shall apply the guidelines under
28 subsection (8) in calculating the full-time equivalency of pupils.

29 (10) Upon application by the district for a particular fiscal year,
30 the ~~state board~~ SUPERINTENDENT may waive for a district the minimum
31 number of days and hours of pupil instruction requirement of

1 subsection (3) for a ~~department~~ SUPERINTENDENT-approved alternative
2 education program. If a district applies for and receives a waiver
3 under this subsection and complies with the terms of the waiver, for
4 the fiscal year covered by the waiver the district is not subject to
5 forfeiture under this section for the specific program covered by the
6 waiver.

7 (11) BEGINNING IN THE 2000-01 SCHOOL YEAR, AS USED IN THIS SECTION,
8 "DAY OF PUPIL INSTRUCTION" MEANS A DAY ON WHICH AT LEAST 5.0 HOURS OF
9 PUPIL INSTRUCTION IS SCHEDULED AND PROVIDED. A QUARTER-DAY, HALF-DAY,
10 OR OTHER FRACTIONAL DAY OF INSTRUCTION SHALL BE COUNTED AS THAT
11 FRACTION AND IS CALCULATED BY DIVIDING THE NUMBER OF HOURS ACTUALLY
12 PROVIDED BY 5. A DAY OF PUPIL INSTRUCTION SHALL NOT BE COUNTED AS MORE
13 THAN ONE DAY OF PUPIL INSTRUCTION. A DISTRICT NOT MEETING THE MINIMUM
14 NUMBER OF HOURS OF PUPIL INSTRUCTION IN A SCHOOL YEAR REQUIRED UNDER
15 SECTION 1284 OF THE REVISED SCHOOL CODE, MCL 380.1284, AND THE MINIMUM
16 NUMBER OF DAYS OF PUPIL INSTRUCTION IN A SCHOOL YEAR REQUIRED UNDER
17 SECTION 1284 OF THE REVISED SCHOOL CODE, MCL 380.1284, IS SUBJECT TO
18 THE PAYMENT ADJUSTMENT DESCRIBED IN SUBSECTION (3).

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

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

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

15 (4) A district or intermediate district with an existing deficit or
16 which incurs a deficit shall submit to the ~~department~~ SUPERINTENDENT a
17 monthly monitoring report on revenue and expenditures in a form and
18 manner prescribed by the ~~department~~ SUPERINTENDENT.

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

28 (6) For the purposes of this section, a district or intermediate
29 district is considered to have incurred an operating deficit if the
30 district or intermediate district incurs any withholding of or

1 financial penalty, other than a temporary delay, against any portion of
2 its total state school aid allocation under this act.

3 Sec. 104a. (1) In order to receive state aid under this act, a
4 district shall comply with this section and shall administer state
5 assessments to high school pupils in the subject areas of
6 communications skills, mathematics, science, and, beginning with pupils
7 scheduled to graduate in 2000, social studies. The district shall
8 include on the pupil's high school transcript all of the following:

9 (a) For each high school graduate who has completed a subject area
10 assessment under this section, the pupil's scaled score on the
11 assessment.

12 (b) If the pupil's scaled score on a subject area assessment falls
13 within the range required under subsection (2) for a category
14 established under subsection (2), an indication that the pupil has
15 achieved state endorsement for that subject area.

16 (c) The number of school days the pupil was in attendance at school
17 each school year during high school and the total number of school days
18 in session for each of those school years.

19 (2) The ~~department~~ SUPERINTENDENT shall develop scaled scores for
20 reporting subject area assessment results for each of the subject areas
21 under this section. ~~Subject to approval by the state board, the~~ THE
22 superintendent of ~~public instruction~~ shall establish 3 categories for
23 each subject area indicating basic competency, above average, and
24 outstanding, and shall establish the scaled score range required for
25 each category. The ~~department~~ SUPERINTENDENT shall design and
26 distribute to districts, intermediate districts, and nonpublic schools
27 a simple and concise document that describes these categories in each
28 subject area and indicates the scaled score ranges for each category in
29 each subject area. A district may award a high school diploma to a
30 pupil who successfully completes local district requirements
31 established in accordance with state law for high school graduation,

1 regardless of whether the pupil is eligible for any state endorsement.

2 (3) The assessments administered for the purposes of this section
3 shall be administered to pupils during the last 30 school days of grade
4 11. The ~~department~~ SUPERINTENDENT shall ensure that the assessments
5 are scored and the scores are returned to pupils, their parents or
6 legal guardians, and districts not later than the beginning of the
7 pupil's first semester of grade 12. ~~Not later than fall 1999, the~~ THE
8 SUPERINTENDENT ~~department~~ shall arrange for those portions of a pupil's
9 assessment that cannot be scored mechanically to be scored in Michigan
10 ~~by persons who are~~ AND PRIORITY SHALL BE GIVEN TO HIRING PERSONS WHO
11 ARE Michigan teachers, retired Michigan teachers, or Michigan school
12 administrators ~~and who have been trained in scoring the assessments~~ TO
13 SCORE THE TESTS. The returned scores shall indicate the pupil's scaled
14 score for each subject area assessment, the range of scaled scores for
15 each subject area, and the range of scaled scores required for each
16 category established under subsection (2). In reporting the scores to
17 pupils, parents, and schools, the ~~department~~ SUPERINTENDENT shall
18 provide specific, meaningful, and timely feedback on the pupil's
19 performance on the assessment.

20 (4) For each pupil who does not achieve state endorsement in 1 or
21 more subject areas, the board of the district in which the pupil is
22 enrolled shall provide that there be at least 1 meeting attended by at
23 least the pupil and a member of the district's staff or a local or
24 intermediate district consultant who is proficient in the measurement
25 and evaluation of pupils. The district may provide the meeting as a
26 group meeting for pupils in similar circumstances. If the pupil is a
27 minor, the district shall invite and encourage the pupil's parent,
28 legal guardian, or person in loco parentis to attend the meeting and
29 shall mail a notice of the meeting to the pupil's parent, legal
30 guardian, or person in loco parentis. The purpose of this meeting and
31 any subsequent meeting under this subsection shall be to determine an

1 educational program for the pupil designed to have the pupil achieve
2 state endorsement in each subject area in which he or she did not
3 achieve state endorsement. In addition, a district may provide for
4 subsequent meetings with the pupil conducted by a high school counselor
5 or teacher designated by the pupil's high school principal, and shall
6 invite and encourage the pupil's parent, legal guardian, or person in
7 loco parentis to attend the subsequent meetings. The district shall
8 provide special programs for the pupil or develop a program using the
9 educational programs regularly provided by the district unless the
10 board of the district decides otherwise and publishes and explains its
11 decision in a public justification report. (5) A pupil who wants
12 to repeat an assessment administered under this section may repeat the
13 assessment, without charge to the pupil, in the next school year or
14 after graduation. An individual may repeat an assessment at any time
15 the district administers an applicable assessment instrument or during
16 a retesting period under subsection (7).

17 (6) The ~~department~~ SUPERINTENDENT shall ensure that the length of
18 the assessments used for the purposes of this section and the combined
19 total time necessary to administer all of the assessments, including
20 social studies, are the shortest possible that will still maintain the
21 degree of reliability and validity of the assessment results determined
22 necessary by the ~~department~~ SUPERINTENDENT. The ~~department~~
23 SUPERINTENDENT shall ensure that the maximum total combined length of
24 time that schools are required to set aside for administration of all
25 of the assessments used for the purposes of this section, including
26 social studies, does not exceed 8 hours. However, this subsection does
27 not limit the amount of time that individuals may have to complete the
28 assessments.

29 (7) The ~~department~~ SUPERINTENDENT shall establish, schedule, and
30 arrange periodic retesting periods throughout the year for individuals
31 who desire to repeat an assessment under this section. The ~~department~~

1 SUPERINTENDENT shall coordinate the arrangements for administering the
2 repeat assessments and shall ensure that the retesting is made
3 available at least within each intermediate district and, to the extent
4 possible, within each district.

5 (8) A district shall provide accommodations to a pupil with
6 disabilities for the assessments required under this section, as
7 provided under section 504 of title V of the rehabilitation act of
8 1973, Public Law 93-112, 29 U.S.C. 794; subtitle A of title II of the
9 Americans with disabilities act of 1990, Public Law 101-336, 42 U.S.C.
10 12131 to 12134; and the implementing regulations for those statutes.

11 (9) For the purposes of this section, the ~~state board~~ SUPERINTENDENT
12 shall develop or select and approve assessment instruments to measure
13 pupil performance in communications skills, mathematics, social
14 studies, and science. The assessment instruments shall be based on the
15 ~~state board~~ model core academic content standards objectives.

16 (10) Upon written request by the pupil's parent or legal guardian
17 stating that the request is being made for the purpose of providing the
18 pupil with an opportunity to qualify to take 1 or more postsecondary
19 courses as an eligible student under SECTION 21B OR the postsecondary
20 enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, the board
21 of a district shall allow a pupil who is in at least grade 10 to take
22 an assessment administered under this section without charge at any
23 time the district regularly administers the assessment or during a
24 retesting period established under subsection (7). A district is not
25 required to include in an annual education report, or in any other
26 report submitted to the ~~department~~ SUPERINTENDENT for accreditation
27 purposes, results of assessments taken under this subsection by a pupil
28 in grade 11 or lower until the results of that pupil's graduating class
29 are otherwise reported.

30 (11) All assessment instruments developed or selected and approved
31 by the state under any statute or rule for a purpose related to K to 12

1 education shall be objective-oriented and consistent with the state
2 ~~board~~ model core academic content standards objectives.

3 (12) A person who has graduated from high school after 1996 and who
4 has not previously taken an assessment under this section may take an
5 assessment used for the purposes of this section, without charge to the
6 person, at the district from which he or she graduated from high school
7 at any time that district administers the assessment or during a
8 retesting period scheduled under subsection (7) and have his or her
9 scaled score on the assessment included on his or her high school
10 transcript. If the person's scaled score on a subject area assessment
11 falls within the range required under subsection (2) for a category
12 established under subsection (2), the district shall also indicate on
13 the person's high school transcript that the person has achieved state
14 endorsement for that subject area.

15 (13) Not later than July 1 of each year until 2000, the ~~department~~
16 SUPERINTENDENT shall submit a comprehensive report to the legislature
17 AND THE STATE BUDGET DIRECTOR on the status of the assessment program
18 under this section. The report shall include at least all of the
19 following:

20 (a) The annual pupil assessment data.

21 (b) A description of the feedback provided to pupils, parents, and
22 schools.

23 (c) A description of any significant alterations made in the program
24 ~~by the department or state board~~ during the period covered by the
25 report.

26 (d) Any recommendations ~~by the department or state board~~ for
27 legislative changes to the program.

28 (e) An update of the reports of the assessment advisory committees
29 of the state board.

30 ~~(14) Pupils scheduled to graduate in 1998 who took the assessments~~
31 ~~used for the purposes of this section during the 1996-97 school year~~

~~may repeat 1 or more of the assessments during the 1997-98 school year. The department, in cooperation with districts, shall make arrangements for repeat assessments to be available for these pupils in each district that operates a high school during the 1997-98 school year in time for these pupils to repeat the assessments before graduation. The repeat assessments may be administered at times other than regular school hours.~~

~~(15)~~ (14) A child who is a student in a nonpublic school or home school may take an assessment under this section. To take an assessment, a child who is a student in a home school shall contact the district in which the child resides, and that district shall administer the assessment, or the child may take the assessment at a nonpublic school if allowed by the nonpublic school. Upon request from a nonpublic school, the ~~department~~ SUPERINTENDENT shall supply assessments and the nonpublic school may administer the assessment.

~~(16)~~ (15) The purpose of the assessment under this section is to assess pupil performance in mathematics, science, social studies, and communication arts for the purpose of improving academic achievement and establishing a statewide standard of competency. The assessment under this section provides a common measure of data that will contribute to the improvement of Michigan schools' curriculum and instruction by encouraging alignment with Michigan's curriculum framework standards. These standards are based upon the expectations of what pupils should know and be able to do by the end of grade 11.

~~(17)~~ (16) As used in this section:

(a) "Communications skills" means reading and writing.

(b) "Social studies" means geography, history, economics, and American government.

Sec. 105. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil ~~residing within the same intermediate district~~ in membership without the approval of the pupil's

1 district of residence, a district shall comply with this section.

2 ~~(2) Except as otherwise provided in subsection (3), a~~ A district
3 shall determine by June 1 whether or not it will accept applications
4 for enrollment by nonresident applicants ~~residing within the same~~
5 ~~intermediate district~~ for the next school year. If the district
6 determines to accept applications for enrollment of a number of
7 nonresidents, beyond those entitled to preference under this section,
8 the district shall do all of the following:

9 (a) By June 15, publish the grades, schools, and special programs,
10 if any, for which enrollment may be available to, and for which
11 applications will be accepted from, nonresident applicants. ~~residing~~
12 ~~within the same intermediate district.~~

13 (b) At least until July 1, accept applications from nonresidents
14 ~~residing within the same intermediate district~~ for enrollment in the
15 available grades, schools, and programs.

16 (c) By July 15, using the procedures and preferences required under
17 this section, determine which nonresident applicants will be allowed to
18 enroll in the district and notify the parent or legal guardian of each
19 nonresident applicant of whether or not the applicant may enroll in the
20 district. The notification to parents or legal guardians of
21 nonresident applicants accepted for enrollment shall contain
22 notification of the date by which the applicant must enroll in the
23 district and procedures for enrollment.

24 ~~(3) If deadlines similar to those described in subsection (2) have~~
25 ~~been established in an intermediate district pursuant to a pilot~~
26 ~~intermediate district schools of choice program under former section~~
27 ~~91, and if those deadlines are not later than the deadlines under~~
28 ~~subsection (2), the districts within the intermediate district may~~
29 ~~continue to use those deadlines.~~

30 (3) A DISTRICT SHALL DETERMINE BY NOVEMBER 1 WHETHER OR NOT IT WILL
31 ACCEPT APPLICATIONS FOR ENROLLMENT BY NONRESIDENT APPLICANTS FOR THE

1 SECOND SEMESTER. A NONRESIDENT PUPIL WHO ENROLLED IN THE DISTRICT
2 UNDER SUBSECTION (2) SHALL NOT BE REQUIRED TO REAPPLY OR RE-ENROLL IN
3 ORDER TO ATTEND THE DISTRICT IN THE SECOND SEMESTER. IF THE DISTRICT
4 DETERMINES TO ACCEPT APPLICATIONS FOR ENROLLMENT IN THE SECOND SEMESTER
5 OF A NUMBER OF NONRESIDENTS, BEYOND THOSE ENTITLED TO PREFERENCE UNDER
6 THIS SECTION, THE DISTRICT SHALL DO ALL OF THE FOLLOWING:

7 (A) BY NOVEMBER 1, PUBLISH THE GRADES, SCHOOLS, AND SPECIAL
8 PROGRAMS, IF ANY, FOR WHICH ENROLLMENT MAY BE AVAILABLE TO, AND FOR
9 WHICH APPLICATIONS WILL BE ACCEPTED FROM, NONRESIDENT APPLICANTS.

10 (B) AT LEAST UNTIL NOVEMBER 15, ACCEPT APPLICATIONS FROM
11 NONRESIDENTS FOR ENROLLMENT IN THE AVAILABLE GRADES, SCHOOLS, AND
12 PROGRAMS.

13 (C) BY DECEMBER 1, USING THE PROCEDURES AND PREFERENCES REQUIRED
14 UNDER THIS SECTION, DETERMINE WHICH NONRESIDENT APPLICANTS WILL BE
15 ALLOWED TO ENROLL IN THE DISTRICT AND NOTIFY THE PARENT OR LEGAL
16 GUARDIAN OF EACH NONRESIDENT APPLICANT OF WHETHER OR NOT THE APPLICANT
17 MAY ENROLL IN THE DISTRICT. THE NOTIFICATION TO PARENTS OR LEGAL
18 GUARDIANS OF NONRESIDENT APPLICANTS ACCEPTED FOR ENROLLMENT SHALL
19 CONTAIN NOTIFICATION OF THE DATE BY WHICH THE APPLICANT MUST ENROLL IN
20 THE DISTRICT AND PROCEDURES FOR ENROLLMENT.

21 (4) A district offering to enroll nonresident applicants ~~residing~~
22 ~~within the same intermediate district~~ may limit the number of
23 nonresident pupils it accepts in a grade, school, or program, at its
24 discretion, and may use that limit as the reason for refusal to enroll
25 an applicant.

26 (5) A nonresident applicant ~~residing within the same intermediate~~
27 ~~district~~ shall not be granted or refused enrollment based on
28 intellectual, academic, artistic, or other ability, talent, or
29 accomplishment, or lack thereof, or based on a mental or physical
30 disability, except that a district may refuse to admit a nonresident
31 applicant if the applicant does not meet the same criteria, other than

1 residence, that an applicant who is a resident of the district must
2 meet to be accepted for enrollment in a grade or a specialized, magnet,
3 or intra-district choice school or program to which the applicant
4 applies.

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

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

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

19 (9) A district shall give preference for enrollment over all other
20 nonresident applicants ~~residing within the same intermediate district~~
21 to pupils who were enrolled in and attended the district in the school
22 year immediately preceding the school year in question and to other
23 school-age children who reside in the same household as the pupil.

24 (10) If a nonresident pupil was enrolled in and attending school in
25 a district as a nonresident pupil in the 1995-96 school year and
26 continues to be enrolled continuously each school year in that
27 district, the district shall allow that nonresident pupil to continue
28 to enroll in and attend school in the district until high school
29 graduation, without requiring the nonresident pupil to apply for
30 enrollment under this section. This subsection does not prohibit a
31 district from expelling a pupil described in this subsection for

1 disciplinary reasons.

2 (11) If the number of qualified nonresident applicants eligible for
3 acceptance in a school, grade, or program does not exceed the positions
4 available for nonresident pupils in the school, grade, or program, the
5 school district shall accept for enrollment all of the qualified
6 nonresident applicants eligible for acceptance. If the number of
7 qualified nonresident applicants ~~residing within the same intermediate~~
8 ~~district~~ eligible for acceptance exceeds the positions available in a
9 grade, school, or program in a district for nonresident pupils, the
10 district shall use a random draw system, subject to the need to abide
11 by state and federal antidiscrimination laws and court orders and
12 subject to preferences allowed by this section.

13 (12) If a district, or the nonresident applicant, requests the
14 district in which a nonresident applicant resides to supply information
15 needed by the district for evaluating the applicant's application for
16 enrollment or for enrolling the applicant, the district of residence
17 shall provide that information on a timely basis.

18 (13) If a district is subject to a court-ordered desegregation plan,
19 and if the court issues an order prohibiting pupils residing in that
20 district from enrolling in another district or prohibiting pupils
21 residing in another district from enrolling in that district, this
22 section is subject to the court order.

23 (14) This section does not require a district to provide
24 transportation for a nonresident pupil enrolled in the district under
25 this section or for a resident pupil enrolled in another district under
26 this section. However, at the time a nonresident pupil enrolls in the
27 district, a district shall provide to the pupil's parent or legal
28 guardian information on available transportation to and from the school
29 in which the pupil enrolls.

30 ~~(15) If, in a particular state fiscal year, the total number of~~
31 ~~pupils enrolled and counted in membership in a district is less than~~

~~90% of the total number of pupils residing in the district who are enrolled and counted in membership in either that district or 1 or more other districts, the total amount of money allocated to that district under section 20 shall be adjusted so that the district receives a total allocation under section 20 equal to the amount the district would receive under section 20 if exactly 90% of the pupils residing in the district who are enrolled and counted in either that district or 1 or more other districts were enrolled and counted in membership in that district.~~

~~(16)~~ (15) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

~~(17)~~ (16) A NOTWITHSTANDING SECTION (6) (4) (AA), A district that, pursuant to this section, enrolls a nonresident pupil who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, title VI of Public Law 91-230, shall be considered to be the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. Consistent with state and federal law, that district is responsible for developing and implementing an individualized education plan annually for a nonresident pupil described in this subsection.

~~(18)~~ (17) If a district does not comply with this section, the district forfeits ~~10%~~ 5% of the total amount due to the district under ~~section 20e.~~ STATE SCHOOL AID ALLOCATION TO THE DISTRICT UNDER THIS ACT.

~~(19)~~ (18) Upon application by a district, the superintendent of public instruction may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

~~(20) If an intermediate district is operating under an intermediate~~

~~district pilot schools of choice program established under former section 91 or as described in section 91a, and if the superintendent of public instruction determines that the program is substantially similar to intermediate district schools of choice under this section, the superintendent of public instruction may exempt the intermediate district and its constituent districts from this section for not more than 1 year.~~

~~(21) It is the intent of the legislature that this section will be reviewed before the 1999-2000 state fiscal year.~~

SEC. 105C. (1) A DISTRICT MAY OPERATE A SATELLITE SCHOOL OFFERING A FULL-TIME INSTRUCTIONAL PROGRAM FOR PUPILS IN GRADES K-12, OR A COMBINATION OF THOSE GRADES, IN ANY OTHER DISTRICT IN THE STATE. THE CURRICULUM OFFERED IN A SATELLITE SCHOOL OPERATED UNDER THIS SECTION SHALL BE APPROVED BY THE SUPERINTENDENT.

(2) A DISTRICT OPERATING A SATELLITE SCHOOL UNDER THIS SECTION SHALL BE SUBJECT TO THE SAME TIMELINES AND ENROLLMENT REQUIREMENTS AS IN SECTION 105.

(3) A SATELLITE SCHOOL OPERATED UNDER THIS SECTION SHALL BE SUBJECT TO THE SAME STATE RULES AND REGULATIONS AS THE OPERATING DISTRICT.

(4) NOTWITHSTANDING THE ENROLLMENT REQUIREMENTS IN SECTION 105, A DISTRICT SHALL GIVE PREFERENCE FOR ENROLLMENT IN A SATELLITE SCHOOL TO PUPILS WHO RESIDE IN THE DISTRICT IN WHICH THE SATELLITE SCHOOL IS LOCATED.

Sec. 107. (1) From the appropriation in section 11, there is allocated ~~for 1997-98,~~ for 1998-99, and for 1999-2000 an amount not to exceed \$80,000,000.00 each fiscal year for adult education programs authorized under this section.

(2) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general education development (G.E.D.) test preparation program, a job or employment related program,

1 or a high school completion program, that meets the requirements of
2 this section, and shall meet either of the following, as applicable:

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

6 (i) Is less than 20 years of age on September 1 of the school year
7 and is enrolled in the state technical institute and rehabilitation
8 center.

9 (ii) Is less than 20 years of age on September 1 of the school year,
10 is not attending an institution of higher education, and is enrolled in
11 a job or employment related program through a referral by an employer.
12

13 (iii) Is enrolled in an English as a second language program.

14 (iv) Is enrolled in a high school completion program.

15 (b) If the individual has not obtained a high school diploma or
16 G.E.D. certificate, is at least 20 years of age on September 1 of the
17 school year.

18 (3) The amount allocated under subsection (1) shall be distributed
19 as follows:

20 (a) For districts and consortia that received payments for 1995-96
21 under former section 107f and that received payments for 1996-97 under
22 subsection (4) of this section as in effect in 1996-97, the amount
23 allocated to each ~~for 1997-98~~, for 1998-99, and for 1999-2000 shall be
24 an amount each fiscal year equal to 36.76% of the amount the district
25 or consortium received for 1995-96 under former section 107f. (b)
26 For districts and consortia that received payments under subsection (3)
27 of this section as in effect for 1996-97, the amount allocated to each
28 ~~for 1997-98~~, for 1998-99, and for 1999-2000 shall be an amount each
29 fiscal year equal to the product of the number of full-time equated
30 participants actually enrolled and in attendance during the 1996-97
31 school fiscal year in the program funded under subsection (3) of this

1 section as in effect for 1996-97 as reported to the ~~department~~
2 SUPERINTENDENT, audited, and adjusted according to subsection (10) of
3 this section as in effect for 1996-97, multiplied by \$2,750.00.

4 (c) For districts and consortia that meet the conditions of both
5 subdivisions (a) and (b), the amount allocated each fiscal year ~~for~~
6 ~~1997-98~~, for 1998-99, and for 1999-2000 shall be the sum of the
7 allocations to the district or consortium under subdivisions (a) and
8 (b).

9 (d) A district or consortium that received funding in 1996-97 under
10 this section as in effect for 1996-97 may operate independently of a
11 consortium or join or form a consortium ~~for 1997-98~~, for 1998-99, or
12 for 1999-2000. The allocation ~~for 1997-98~~, for 1998-99, or for 1999-
13 2000 to the district or the newly formed consortium under this
14 subsection shall be determined by the ~~department~~ SUPERINTENDENT and
15 shall be based on the proportion of the amounts specified in
16 subdivision (a) or (b), or both, that are attributable to the district
17 or consortium that received funding in 1996-97. A district or
18 consortium described in this subdivision shall notify the ~~department~~
19 SUPERINTENDENT of its intention with regard to ~~1997-98~~, 1998-99, or
20 1999-2000 by October 1 of the affected fiscal year.

21 (4) A district that operated an adult education program in 1996-97
22 and does not intend to operate a program in ~~1997-98~~, 1998-99, or 1999-
23 2000 shall notify the ~~department~~ SUPERINTENDENT by October 1 of the
24 affected fiscal year of its intention. The funds intended to be
25 allocated under this section to a district that does not operate a
26 program in ~~1997-98~~, 1998-99, or 1999-2000 and the unspent funds
27 originally allocated under this section to a district or consortium
28 that subsequently operates a program at less than the level of funding
29 allocated under subsection (3) shall instead be proportionately
30 reallocated to the other districts described in subsection (3)(a) that
31 are operating an adult education program in ~~1997-98~~, 1998-99, or 1999-

1 2000 under this section.

2 (5) The amount allocated under this section per full-time equated
3 participant is \$2,850.00 for a 450-hour program. The amount shall be
4 proportionately reduced for a program offering less than 450 hours of
5 instruction.

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

9 (a) The program enrolls adults who are determined by an appropriate
10 assessment to be below ninth grade level in reading or mathematics, or
11 both, or to lack basic English proficiency.

12 (b) The program tests individuals for eligibility under subdivision
13 (a) before enrollment and tests participants to determine progress
14 after every 90 hours of attendance, using assessment instruments
15 approved by the ~~department~~ SUPERINTENDENT.

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

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

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

22 (d) A funding recipient enrolling a participant in an English as a
23 second language program is eligible for funding according to subsection
24 (10) until the participant meets 1 of the following:

25 (i) The participant is assessed as having attained basic English
26 proficiency.

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

29 The ~~department~~ SUPERINTENDENT shall provide information to a funding
30 recipient regarding appropriate assessment instruments for this
31 program.

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

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

(b) The program shall administer a G.E.D. pre-test approved by the ~~department~~ SUPERINTENDENT before enrolling an individual to determine the individual's potential for success on the G.E.D. test, and shall administer other tests after every 90 hours of attendance to determine a participant's readiness to take the G.E.D. test.

(c) A funding recipient shall receive funding according to subsection (10) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant passes the G.E.D. test.

(ii) The participant fails to show progress on 2 successive tests used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

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

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

(b) A funding recipient shall receive funding according to subsection (10) for a participant in a course offered under this subsection until 1 of the following occurs:

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

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

(9) A job or employment-related adult education program operated on

1 a year-round or school year basis may be funded under this section,
2 subject to all of the following:

3 (a) The program enrolls adults referred by their employer who are
4 less than 20 years of age, have a high school diploma, are determined
5 to be in need of remedial mathematics or communication arts skills, ~~or,~~
6 ~~for 1997-98 only, vocational skills,~~ and are not attending an
7 institution of higher education.

8 (b) An individual may be enrolled in this program and the grant
9 recipient shall receive funding according to subsection (10) until 1 of
10 the following occurs:

11 (i) The individual achieves the requisite skills as determined by
12 appropriate assessment instruments administered at least after every 90
13 hours of attendance.

14 (ii) The individual fails to show progress on 2 successive
15 assessments after having completed at least 450 hours of instruction.
16 The ~~department~~ SUPERINTENDENT shall provide information to a funding
17 recipient regarding appropriate assessment instruments for this
18 program.

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

21 (a) Ninety percent for enrollment of eligible participants.

22 (b) Ten percent for completion of the adult basic education
23 objectives by achieving an increase of at least 1 grade level of
24 proficiency in reading or mathematics; for achieving basic English
25 proficiency; for passage of the G.E.D. test; for passage of a course
26 required for a participant to attain a high school diploma; or for
27 completion of the course and demonstrated proficiency in the academic
28 skills to be learned in the course, as applicable.

29 (11) As used in this section, "participant" means the sum of the
30 number of full-time equated individuals enrolled in and attending a
31 ~~department~~ SUPERINTENDENT-approved adult education program under this

1 section, using quarterly participant count days on the schedule
2 described in section 6(7)(b).

3 (12) A person who is not eligible to be a participant funded under
4 this section may receive adult education services upon the payment of
5 tuition. In addition, a person who is not eligible to be served in a
6 program under this section due to the program limitations specified in
7 subsection (6), (7), (8), or (9) may continue to receive adult education
8 services in that program upon the payment of tuition. The tuition
9 level shall be determined by the local or intermediate district
10 conducting the program.

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

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

19 ~~(15) From the general fund appropriation in section 11, there is~~
20 ~~allocated for 1997-98 only an amount not to exceed \$250,000.00 for a~~
21 ~~grant to focus: hope for a fast track adult education program.~~

22 Sec. 109. (1) Subject to subsection (2), in order to receive funds
23 under this act, each district or intermediate district shall provide
24 appropriate instructional services, as determined by the district or
25 intermediate district, to an enrolled pupil who is certified by the
26 pupil's attending physician as having a medical condition that requires
27 the pupil to be hospitalized or confined to his or her home during
28 regular school hours and that is expected to require the
29 hospitalization or confinement for a period longer than 5 school days.
30 The district or intermediate district may provide the services itself
31 or may contract with an intermediate district, a hospital, a treatment

1 center, or another district to provide the services. In choosing a
2 provider for the instructional services, the district or intermediate
3 district shall consider which of those potential providers is best able
4 to deliver the appropriate instructional services. The district or
5 intermediate district shall pay reasonable costs as agreed upon between
6 the district or intermediate district and the provider for services
7 provided to a pupil under this section.

8 (2) A district or intermediate district is required to provide
9 instructional services under subsection (1) to a pupil placed in a
10 hospital, treatment center, or other treatment facility without the
11 district's or intermediate district's prior knowledge only if the
12 district or intermediate district is notified of the pupil's placement
13 by the hospital, treatment center, facility, or the pupil's parent or
14 legal guardian. Upon being notified, the district or intermediate
15 district shall make arrangements to provide instructional services
16 under subsection (1) within 3 school days after being notified.

17 (3) Not later than October 15 of each odd numbered year, the
18 ~~department~~ SUPERINTENDENT shall prepare and distribute to each district
19 and intermediate district a written explanation of the operation of
20 this section and the respective duties of all affected parties. The
21 ~~department~~ SUPERINTENDENT shall provide a copy of the explanation to
22 any other person upon request.

23 Sec. 118. (1) Subject to subsection (3), a district shall not be
24 allotted or paid a sum under this act unless that district pays TO THE
25 RECEIVING DISTRICT the agreed-upon amount of tuition or other payment
26 for pupils educated outside the boundaries of the pupil's district of
27 residence.

28 (2) A district that sends pupils to 1 or more districts, that is
29 legally liable for the payment of the amount described in subsection
30 (1), and that fails to pay that amount in full before April 1 of each
31 year shall remit the full amount owed to the receiving district before

1 making any other financial expenditure or commitment for the next
2 school fiscal year.

3 (3) The ~~department~~ SUPERINTENDENT shall not deduct any amount from a
4 district's state school aid pursuant to this section unless the
5 receiving district demonstrates to the satisfaction of the ~~department~~
6 SUPERINTENDENT, not later than April 30 of the same fiscal year, that
7 the liable district has not paid the required amount as described in
8 subsection (2).

9 Sec. 124. (1) If taxes levied for operating purposes against
10 property constituting at least 5% of the valuation of a district are
11 paid under protest and, therefore, are unavailable to the district, the
12 total valuation of the district for the purposes of this act shall be
13 reduced by the valuation of the property. The credits so obtained by a
14 district in the calculation of payments to the district under this act
15 shall remain a lien against the district and shall be paid by the
16 district to the school aid fund when the taxes are collected.

17 (2) If taxes levied for operating purposes against property
18 constituting at least 5% of the valuation of a district are not paid by
19 a single bankrupt debtor that files for reorganization under chapter 11
20 of title 11 of the United States Code, 11 U.S.C. 1101 to 1174, and,
21 therefore, are unavailable to the district, the total valuation of the
22 district for the purposes of this act shall be reduced by the valuation
23 of the property. The credits so obtained by a district in the
24 calculation of payments to the district under this act shall remain a
25 lien against the district and shall be paid by the district to the
26 school aid fund when the taxes are collected. This subsection shall be
27 implemented upon verification by the ~~department~~ SUPERINTENDENT that the
28 district has taken proper action to attempt to secure payment of taxes
29 by the bankrupt debtor.

30 Sec. 147. (1) The allocations for ~~1997-98~~, 1998-99, and 1999-2000
31 for the public school employees' retirement system pursuant to the

1 public school employees retirement act of 1979, 1980 PA 300, MCL
2 38.1301 to 38.1467, shall be made using the entry age normal cost
3 actuarial method and risk assumptions adopted by the public school
4 employees retirement board and the department of management and budget.
5 Effective October 1, ~~1997~~ 1998, the annual level percentage of payroll
6 contribution rate for the ~~1997-98~~ 1998-99 state fiscal year is
7 estimated at 11.12%, AND the annual level percentage of payroll
8 contribution rate for the ~~1998-99~~ and 1999-2000 state fiscal ~~years~~ YEAR
9 is estimated at ~~11.12%~~ 11.66%. The portion of the contribution rate
10 assigned to districts and intermediate districts for ~~1997-98~~, 1998-99,
11 and 1999-2000 is all of the total percentage points. This contribution
12 rate reflects an amortization period of ~~39 years for 1997-98~~, 38 years
13 for 1998-99, and 37 years for 1999-2000. The public school employees'
14 retirement system board shall notify each district and intermediate
15 district by February 28 of each fiscal year of the estimated
16 contribution rate for the next fiscal year.

17 (2) It is the intent of the legislature that the amortization period
18 described in section 41(2) of the public school employees retirement
19 act of 1979, 1980 PA 300, MCL 38.1341, be reduced to 30 years by the
20 end of the 2005-2006 state fiscal year by reducing the amortization
21 period by not more than 1 year each fiscal year.

22 Sec. 151. (1) The treasurer of each county shall furnish to the
23 ~~department~~ SUPERINTENDENT, on or before August 1 of each year following
24 the receipt of assessment rolls, a statement of the taxable value of
25 each district and fraction of a district within the county, using forms
26 furnished by the ~~department~~ SUPERINTENDENT. On or before May 1 of each
27 year, the treasurer of each county shall submit to the ~~department~~
28 SUPERINTENDENT revisions to the taxable value for the immediately
29 preceding year of each district and fraction of a district within the
30 county, using forms furnished by the ~~department~~ SUPERINTENDENT. On or
31 before October 1 of each year, the treasurer of each county shall

1 submit to the ~~department~~ SUPERINTENDENT revisions to the taxable value
2 for the 2 immediately preceding years of each district and fraction of
3 a district within the county, using forms furnished by the ~~department~~
4 SUPERINTENDENT. The reports required by this subsection shall also
5 contain the amount of ad valorem taxable value captured for school
6 operating taxes under a tax increment financing plan under 1975 PA 197,
7 MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980
8 PA 450, MCL 125.1801 to 125.1830, the local development financing act,
9 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment
10 financing act, 1996 PA 381, MCL 125.2651 to 125.2672.

11 (2) Not later than the tenth day of each month, the tax tribunal
12 created by the tax tribunal act, 1973 PA 186, MCL 205.701 to 205.779,
13 shall report to the ~~department~~ SUPERINTENDENT the changes in taxable
14 value for tax years after 1993 that are not reported to the ~~department~~
15 SUPERINTENDENT under subsection (1) and that are caused by tax tribunal
16 decisions in the immediately preceding month for homestead and
17 qualified agricultural property, as defined in section 1211 of the
18 revised school code, MCL 380.1211, and for property that is not
19 homestead or qualified agricultural property, in each district and
20 intermediate district. The report shall also contain the amount of
21 taxable value captured under a tax increment financing plan described
22 in subsection (1) for school operating tax purposes.

23 Sec. 152. Except for reports due on other dates specified in this
24 act, each district and intermediate district shall furnish to the
25 ~~department~~ SUPERINTENDENT before the first Monday in November of each
26 year those reports the ~~department~~ SUPERINTENDENT considers necessary
27 for the determination of the allocation of funds under this act. In
28 order to receive funds under this act, each district and intermediate
29 district shall also furnish to the ~~department~~ SUPERINTENDENT the
30 information the ~~department~~ SUPERINTENDENT considers necessary for the
31 administration of this act and for the provision of reports of

1 educational progress to the senate and house committees responsible for
2 education, the senate and house appropriations subcommittees
3 responsible for appropriations to school districts, the senate and
4 house fiscal agencies, and the ~~department of management and budget,~~
5 STATE BUDGET DIRECTOR, as appropriate.

6 Sec. 158. In order to receive funds under this act, each district
7 shall furnish to the ~~department~~ SUPERINTENDENT, on a form and in a
8 manner prescribed by the ~~department~~ SUPERINTENDENT, the information
9 requested by the ~~department~~ SUPERINTENDENT that is necessary for the
10 preparation of the district pupil retention report defined in section
11 (3).

12 Sec. 158b. Each district that receives federal impact aid under
13 section 3(c)(1) of title 1 of chapter 1124, 64 Stat. 1100, 20 U.S.C.
14 238, annually shall report to the ~~department~~ SUPERINTENDENT, in the
15 form and manner prescribed by the ~~department~~ SUPERINTENDENT, the amount
16 of that aid the district received.

17 Sec. 161a. If a court determines that a person intentionally
18 violated section 411a of the Michigan penal code, 1931 PA 328, MCL
19 750.411a, by making a false report of the commission of a crime
20 described in section 6(6)-(g)(F) knowing the report to be false for the
21 purpose of having a pupil counted in membership in a district under
22 section 6(6)-(g)(F), as part of the restitution ordered under section 30
23 of chapter XIIIA of 1939 PA 288, MCL 712A.30, section 16, 44, or 76 of
24 the crime victim's rights act, 1985 PA 87, MCL 780.766, 780.794, and
25 780.826, or section 1a of chapter IX of the code of criminal procedure,
26 1927 PA 175, MCL 769.1a, the court may order the person to pay the
27 pupil's district of residence an amount that is not more than the state
28 school aid that district would have received attributable to the pupil
29 if the pupil had been counted in membership in his or her district of
30 residence.

31 Sec. 163. (1) Except as provided in the revised school code, the

1 board of a district or intermediate district shall not permit any of
2 the following:

3 (a) A noncertificated teacher to teach in an elementary or secondary
4 school or in an adult basic education or high school completion
5 program.

6 (b) A noncertificated counselor to provide counseling services to
7 pupils in an elementary or secondary school or in an adult basic
8 education or high school completion program.

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

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

24 Sec. 165. If an individual or private entity receives payment or
25 consideration from a district or intermediate district as a result of
26 involvement in a contractual shared time agreement and if memberships
27 attributable to that agreement are subsequently disallowed by the
28 ~~department~~ SUPERINTENDENT, the individual or entity shall reimburse to
29 the district or intermediate district the full amount of the payment or
30 consideration received. The attorney general may take any action
31 necessary to enforce the reimbursement required under this section.

1 Sec. 166b. (1) This act does not prohibit a parent or legal guardian
2 of a minor who is enrolled in any of grades 1 to 12 in a nonpublic
3 school or who is being home-schooled from also enrolling the minor in a
4 district or intermediate district in any curricular offering that is
5 provided by the district or intermediate district at a public school
6 site and is available to pupils in the minor's grade level or age
7 group, subject to compliance with the same requirements that apply to a
8 full-time pupil's participation in the offering. However, state school
9 aid shall be provided under this act for a minor enrolled as described
10 in this subsection only for curricular offerings that are offered to
11 full-time pupils in the minor's grade level or age group during
12 regularly scheduled school hours.

13 (2) This act does not prohibit a parent or legal guardian of a minor
14 who is enrolled in any of grades 1 to 12 in a nonpublic school located
15 within the district or who resides within the district and is being
16 home-schooled from also enrolling the minor in the district in a
17 curricular offering being provided by the district at the nonpublic
18 school site. However, state school aid shall be provided under this
19 act for a minor enrolled as described in this subsection only if all of
20 the following apply:

21 (a) The nonpublic school site is located, or the nonpublic students
22 are educated, within the geographic boundaries of the district.

23 (b) The nonpublic school is registered with the ~~department~~
24 SUPERINTENDENT as a nonpublic school and meets all state reporting
25 requirements for nonpublic schools.

26 (c) The instruction is scheduled to occur during the regular school
27 day.

28 (d) The instruction is provided directly by an employee of the
29 district or of an intermediate district.

30 (e) The curricular offering is also available to full-time pupils in
31 the minor's grade level or age group in the district during the regular

1 school day at a public school site.

2 (f) The curricular offering is restricted to nonessential elective
3 courses for pupils in grades 1 to 12.

4 (3) A minor enrolled as described in this section is a part-time
5 pupil for purposes of state school aid under this act.

6 SEC. 166C. (1) FOR THE PURPOSES OF THIS SECTION, A SCHOOL-AGE CHILD
7 WHO RESIDES WITHIN A DISTRICT SHALL BE CONSIDERED A RESIDENT STUDENT OF
8 THAT DISTRICT AND MAY PARTICIPATE IN ANY EXTRACURRICULAR ACTIVITY
9 OFFERED BY A SCHOOL OF THE DISTRICT IN WHICH THE CHILD RESIDES. THE
10 SCHOOL OFFICIALS OF THE DISTRICT IN WHICH THE CHILD RESIDES SHALL ALLOW
11 THE CHILD TO PARTICIPATE IN THE EXTRACURRICULAR ACTIVITY ON THE SAME
12 BASIS AS STUDENTS OF THE SCHOOL AT WHICH THE ACTIVITY IS OFFERED. THE
13 SCHOOL OFFICIALS OF THE DISTRICT SHALL NOT PROHIBIT OR INTERFERE WITH
14 THE CHILD'S PARTICIPATION IN THE EXTRACURRICULAR ACTIVITY BASED IN
15 WHOLE OR PART ON THE FACT THAT THE CHILD IS ENROLLED IN A PUBLIC SCHOOL
16 ACADEMY, NONPUBLIC SCHOOL OR IS BEING HOME SCHOOLED OR ON THE IDENTITY
17 OF THE NONPUBLIC SCHOOL IN WHICH THE CHILD IS ENROLLED OR OF THE PERSON
18 PROVIDING THE SCHOOLING.

19 (2) THE DISTRICT OR INTERMEDIATE DISTRICT MAY CHARGE A FEE FOR
20 EXTRACURRICULAR ACTIVITIES WHEN STUDENTS ARE NOT GRADED OR EVALUATED
21 AND ACADEMIC CREDIT IS NOT GIVEN, OR FOR ANY ACTIVITY IN WHICH
22 PARTICIPATION IS NOT REQUIRED FOR OBTAINING A DIPLOMA. THE FEE SHALL
23 NOT EXCEED THE FEE CHARGED TO AN ENROLLED PUPIL COUNTED IN THE
24 DISTRICT'S PUPIL MEMBERSHIP.

25 (3) A STUDENT WHO PARTICIPATES IN AN EXTRACURRICULAR ACTIVITY UNDER
26 THIS SECTION AND IS NOT ENROLLED IN THE DISTRICT SHALL NOT BE COUNTED
27 IN MEMBERSHIP IN THE DISTRICT.

28 (4) AS USED IN THIS SECTION, "EXTRACURRICULAR ACTIVITY" INCLUDES ANY
29 ACTIVITY ENGAGED IN BY STUDENTS OF A DISTRICT THAT IS NOT PART OF THE
30 DISTRICT'S ACADEMIC CURRICULUM BUT IS IN SOME WAY SPONSORED OR ENDORSED
31 BY THE DISTRICT.

1 Sec. 167. (1) The ~~department~~ SUPERINTENDENT in cooperation with the
2 department of community health shall develop plans to assist districts
3 and intermediate districts and local county health departments to
4 comply with section 1177 of the revised school code, MCL 380.1177, and
5 section 9209 of the public health code, 1978 PA 368, MCL 333.9209, for
6 each school year.

7 (2) Each district or intermediate district shall report to the local
8 health department in which it is located by November 1, of each fiscal
9 year, in a manner prescribed by the department of community health, the
10 immunization status of each pupil in grades K through 12 who enrolled
11 in the district or intermediate district for the first time between
12 January 1 and September 30 of the immediately preceding fiscal year.
13 Not later than December 31 of each fiscal year, the department of
14 community health shall notify the ~~department~~ SUPERINTENDENT by district
15 or intermediate district of the percentage of entering pupils who do
16 not have a completed, waived, or provisional immunization record in
17 accordance with section 1177 of the revised school code, MCL 380.1177.
18 If a district or intermediate district does not have a completed,
19 waived, or provisional immunization record in accordance with section
20 1177 of the revised school code, MCL 380.1177, for at least 90% of the
21 district's or intermediate district's entering pupils as recorded in
22 the November 1 reports required under this subsection, the district or
23 intermediate district is subject to subsection (4) until the district
24 or intermediate district has such an immunization record for at least
25 90% of its pupils.

26 (3) Each district or intermediate district shall again report to the
27 local health department in which it is located by February 1 of each
28 fiscal year, in a manner prescribed by the department of community
29 health, the immunization status of each pupil in grades K through 12
30 who enrolled in the district or intermediate district for the first
31 time between January 1 of the immediately preceding fiscal year and

1 December 31 of the current fiscal year. Not later than March 31 of
2 each fiscal year, the department of community health shall notify the
3 ~~department~~ SUPERINTENDENT by district or intermediate district of the
4 percentage of entering pupils who do not have a completed, waived, or
5 provisional immunization record in accordance with section 1177 of the
6 revised school code, MCL 380.1177. If a district or intermediate
7 district does not have a completed, waived, or provisional immunization
8 record in accordance with section 1177 of the revised school code, MCL
9 380.1177, for at least 95% of the district's or intermediate district's
10 entering pupils as recorded in the February 1 reports required under
11 this subsection, the district or intermediate district is subject to
12 subsection (4) until the district or intermediate district has such an
13 immunization record for at least 95% of its pupils. If the department
14 of community health is not able to report to the ~~department~~
15 SUPERINTENDENT by March 31 because a district or intermediate district
16 fails to submit a report as required in this subsection, or submits an
17 incomplete, inaccurate, or late report, the district or intermediate
18 district is subject to subsection (4) until the report is submitted in
19 a complete and accurate form.

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

29 Sec. 168. In order to receive funds under this act, a district,
30 intermediate district, grant recipient, contractor, or other entity
31 that directly or indirectly receives funds under this act shall allow

1 access for the ~~department~~ SUPERINTENDENT or the ~~department's~~
2 SUPERINTENDENT'S designee to audit all records related to a program for
3 which it receives such funds. The district, intermediate district,
4 grant recipient, contractor, or other entity shall reimburse the state
5 for all disallowances found in the audit.

6 Sec. 169. In order for a public school academy to receive state aid
7 under this act, the public school academy shall demonstrate to the
8 satisfaction of the ~~department~~ SUPERINTENDENT that the public school
9 academy has made a good faith effort to advertise, throughout the
10 entire area of the intermediate district in which the public school
11 academy is located, that the academy is enrolling students and the
12 procedures for applying for enrollment. The ~~department~~ SUPERINTENDENT
13 shall not make any payments to a public school academy until the public
14 school academy supplies evidence satisfactory to the ~~department~~
15 SUPERINTENDENT demonstrating compliance with this section. If a public
16 school academy is a successor to a nonpublic school and more than 75%
17 of the pupils enrolled in the public school academy during its first
18 school year of operation were previously enrolled in that nonpublic
19 school, there is a rebuttable presumption that the public school
20 academy did not make the good faith effort required under this section.

21 Sec. 169a. ~~(1)~~ A board member, official, or employee of a district
22 or intermediate district shall not interfere with the right or ability
23 of the Michigan schools for the deaf and blind to provide information
24 about the residential program among parents and guardians of pupils or
25 residents of the district or intermediate district.

26 ~~(2) Upon determining that a pupil is deaf or hard of hearing, a~~
27 ~~district or intermediate district shall provide to the pupil's parent~~
28 ~~or legal guardian information, provided by the Michigan coalition for~~
29 ~~deaf and hard of hearing persons, on educational placement options for~~
30 ~~deaf and hard of hearing children.~~

31 ~~— (3) Upon determining that a pupil is blind, a district or~~

1 ~~intermediate district shall provide to the pupil's parent or legal~~
2 ~~guardian information, provided by the Michigan federation for the~~
3 ~~blind, on educational placement options for blind children.~~

4 Enacting section 1. In accordance with section 30 of article IX of
5 the state constitution of 1963, total state spending in this amendatory
6 act and in 1998 PA 553, 1998 PA 339 and 1997 PA 142 from state sources
7 for fiscal year 1998-99 is estimated at ~~\$9,495,075,400.00~~
8 \$9,562,868,300.00 and state appropriations to be paid to local units of
9 government for fiscal year 1998-99 are estimated at ~~\$9,480,525,400.00~~
10 \$9,555,677,100.00, and total state spending in this amendatory act AND
11 1998 PA 553 and 1998 PA 339 from state sources for fiscal year
12 1999-2000 is estimated at ~~\$9,819,022,100.00~~ \$9,939,102,500.00 and state
13 appropriations to be paid to local units of government for fiscal year
14 1999-2000 are estimated at ~~\$9,776,098,100.00.~~ \$9,926,830,300.00.

15 Enacting section 2. (1) Sections 10, 11e, 91c, 105a, 105b, 164c,
16 and 166d of the state school aid act of 1979, 1979 PA 94, 388.1610,
17 388.1611e, 388.1691c, 388.1705a, 388.1705b, 388.1764c, and 388.1766d
18 are repealed.

19 (2) Section 274 of the income tax act of 1967, 1967 PA 281, MCL
20 206.274 is repealed.

21 Enacting section 3. This amendatory act takes effect upon enactment
22 of this amendatory act.